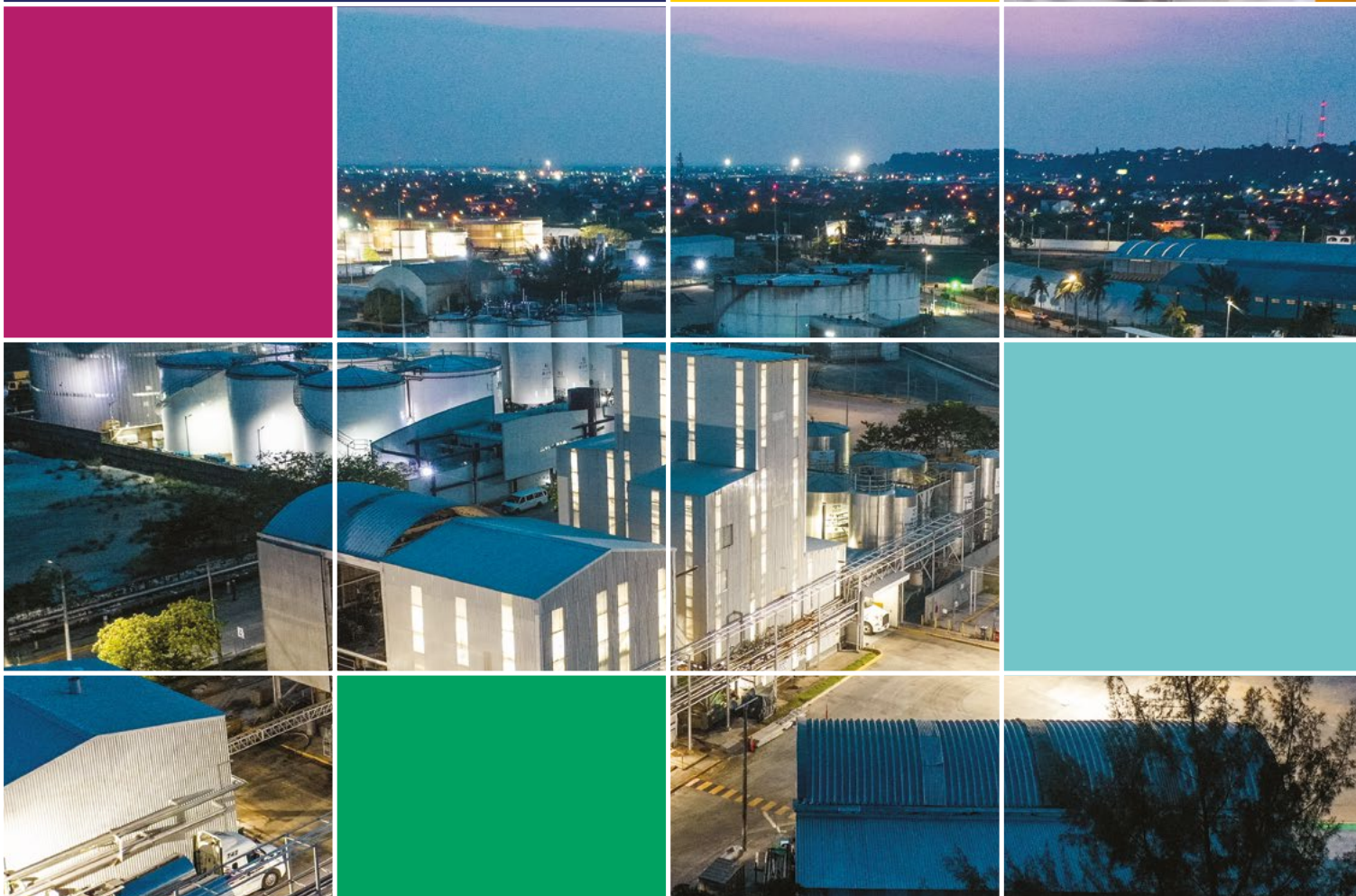


# Tropical Oil

## Sustainability Report 2020



AgroAmerica





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July 2021

## LETTER FROM THE CEO

GRI 102-14

Dear friends,

**T**he levels of uncertainty we experienced in 2020, as we faced the global pandemic of COVID-19 and two hurricanes in the Central American region, were unprecedented. I can say that ending the year, while safeguarding the health of our customers, of our workers and their families, without interrupting the supply chain to bring high quality food and ingredients to the world, led us to make considerable efforts that are now a source of pride.

This is the seventh Sustainability Report reflecting AgroAmerica Tropical Oil achievements during 2020. This report adheres to the Global Reporting Initiative (GRI) Standards and acts as a Communication on Progress or CoP before the United Nations Global Compact. We have been a signatory to the Compact since 2020, which we see as a way of expressing our commitment to do responsible business and align our business management with the Sustainable Development Goals.

With this report, we are providing more information about our commitment and our daily work to produce food and ingredients in a sustainable way. Additionally, we contribute towards an internal process of continuous improvement and an external effort of communication and alignment with the expectations about the business for our different stakeholders.

We have been producing and marketing healthy food in a responsible manner for more than sixty years, our challenge to continue operating in a sustainable manner leads us to innovate in the products and processes of how we produce, distribute and communicate about our efforts, this report communicates what we are doing in order to accomplish this purpose.

We are still growing, innovating and improving our management. We are proud of our journey and we are excited about the path that we have mapped for our future. However, we appreciate any feedback that you can give us on our current efficiency and our planned performance and we are confident that our ability to continue to grow and improve is based on a culture of openness and transformation when facing pandemics, natural emergencies and others.

**Fernando Bolaños**  
CEO  
AgroAmerica



**“This report adheres to the Global Reporting Initiative (GRI) Standards and acts as a Communication on Progress or CoP before the United Nations Global Compact.”**

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## ABOUT THIS REPORT

GRI 102-1,102-49 al 54, GRI 102-56

**T**his is the Sustainability Report 2020 for AgroAmerica that will address the division of Tropical Oil. This report has been prepared in accordance with the GRI standards, in its Essential Option. Additionally, the report considers the requirements of the United Nations Global Compact for its signatories to submit a CoP (Communication on Progress) annually.

The report addresses the operations for the production and commercialization of Tropical Oil in AgroAmerica, which has subsidiaries: Agroaceite located in the Southwest region and Agrocaribe located in the northeastern region of Guatemala; Agropalma de Inversiones S.A., located in Panama and a refinery plant in Mexico.

The report is published annually and covers the period from January 1, 2020 to December 31, 2020. The latest report published corresponds to 2019, using the GRI G4 version and this time the report is based on the GRI Standards. The report did not change the scope of operations relative to 2019, but, what did change was the identification of the material topics and how they were addressed. This includes data available for 2020 and, in some cases, comparative data from previous years. It is a continuous challenge to improve the management of collecting, analyzing, consolidating and reporting.

This report was led by Corporate Direction, with input from the Executive Committee and stakeholders; it was developed in cooperation with external advisors, who assisted the internal team in validating and reviewing the accuracy and approach of the data and the information to be included in the report. The report was approved by AgroAmerica's CEO. This report was not externally reviewed. However, it was developed in cooperation with external advisors, who assisted the internal team in validating and reviewing the accuracy and approach of the data and the information to be included in the report.

The report details the structure, governance, strategy and management of the company with a specific focus on the material issues, as defined on page 15. One of the cross-cutting challenges for the development of this report was the identification and integration of data and numerical information associated with our operation. In future cycles, we hope to integrate a greater quantity and quality of information to share with our different stakeholders.

The report includes certain "forward-looking statements" that reflect AgroAmerica's expectations regarding future growth, supply and demand, operating results, performance and business opportunities. These forward-looking statements reflect current beliefs regarding future activities and are based on currently

available information. AgroAmerica cannot guarantee the performance illustrated in these forward-looking statements.

We appreciate your interest in reading our sustainability report and invite you to share your comments, recommendations or input. You can send them to the Corporate Sustainability Department at [sustainability@agroamerica.com](mailto:sustainability@agroamerica.com)

**For more information about AgroAmerica Tropical Oil visit:**



**Report comments here:**



# 1 AGROAMERICA TROPICAL OIL IN NUMBERS



# AgroAmerica Tropical Oil in numbers

## Sustainable Development Goals:



## United Nations Global Compact Principles:



OUR GOVERNANCE	OUR OPERATIONS	OUR PLANET	OUR PEOPLE	OUR COMMUNITIES
<p><b>1</b> 1 Board of Directors as the supreme body of AgroAmerica</p> <p><b>1</b> Ethics Committee</p> <p><b>64</b> Complaints to the Ethics Line</p> <p><b>7<sup>th</sup></b> Position in the world ranking of sustainable tropical oil companies; awarded by SPOTT (Sustainability Policy Transparency Toolkit)</p> <p><b>11</b> International certifications</p> <p><b>100%</b> Of our operations located in Guatemala are Rainforest Alliance Identity Preserved certified</p> <p><b>100%</b> Of our operations in Guatemala are Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria, and Identity Preserved certified</p> <p><b>1</b> Refinery plant certified in the supply chain, under RSPO Identity Preserved, Segregated and Mass Balance Models</p>	<p><b>10</b> Destination countries for our exports</p> <p><b>4</b> Tropical Oil Mills</p> <p><b>1</b> Oil refinery plant</p> <p><b>2,810</b> Small and medium-sized companies that provide us with the supplies and resources required for operations</p> <p><b>35</b> Independent producers of palm oil Fresh Fruit Bunches in Panama and Guatemala</p> <p>Tropical oil occupies <b>0.4%</b> of the world's 5 billion hectares of land used for agricultural activities (USDA Oil World)</p>	<p><b>975.34</b> Hectares of conserved forest areas</p> <p><b>19,098</b> Hectares were conserved in the Maya Biosphere</p> <p>Renewable energy in Tropical Oil Mills</p> <p><b>10</b> Reservoirs that allow us to capture water during winter season, which is equivalent to 714 Olympic-size swimming pools</p> <p>We are carbon neutral, the emissions generated by the operation are lower than those sequestered by tropical oil plantations</p>	<p><b>12,537</b> Direct jobs in the United States, Mexico, Guatemala, Panama, Ecuador, Peru and Europe</p> <p><b>2,807</b> Workers trained in technical, human and institutional topics</p> <p><b>101</b> Students, children of workers, have graduated from elementary school at AgroAmerica's school</p> <p><b>1</b> Female worker received the Order of Labor Excellence award, at the national level, in commemoration of Women's Day</p>	<p><b>44</b> Communities of influence in the operations</p> <p><b>130+</b> Alliances with stakeholders at the local level to implement sustainable development programs</p> <p><b>35,390</b> Patients were treated at the AgroAmerica's Human Development Center by 2020</p> <p><b>3,438</b> Children and <b>1,976</b> women by 2020 have participated in community programs that contribute to reducing mother-child mortality and chronic malnutrition</p> <p><b>39</b> Community management projects in education, infrastructure, environment and health were carried out</p>



# 2 ABOUT AGROAMERICA



AgroAmerica is a family-owned company, headed by the second generation of leaders in the business. It is a company with competitive positioning, diversified and vertically integrated in the sector of agricultural production, agro-industrial processing, commercialization and distribution of sustainable food of the highest quality.

At AgroAmerica, we seek to transform the agro-industrial sector and maintain competitiveness through sustainable production, mainly from our own farms.

## VISION

To be a world-class agro-industrial company in terms of quality, productivity, profitability and corporate sustainability.

## MISSION

To be a world-class agro-industrial corporation dedicated to providing its customers and the world with quality food of the highest international standards, contributing to the socio-economic development of the region.

## VALUES

Our values are a part of an organizational culture that defines and differentiates us in the marketplace. It also allows us to align our sustainability strategy in a consistent and ethical manner, at all levels of our operation.

### Diligence

We bring discipline, effort and dedication in our work. We are committed to guaranteeing that our products and services are always of the highest quality.

### Team work

We have a team that is committed to the company's objectives.

### Honesty

We act with integrity, transparency and ethics.

### Perseverance

The key is the willingness and perseverance for what we want to achieve.

### Responsibility

We fulfill our obligations and implement a Corporate Sustainability strategy that promotes a responsible production towards our people, our communities and the environment.

### Generosity

We promote a culture of socioeconomic development in the regions where we operate. We generate benefits for all of our stakeholders.



# Mr. Fernando Bolaños Menéndez

## Founder of AgroAmerica

### We focus on continuing our founder's legacy

Doing business responsibly considering people and the environment. Our efforts are focused on four dimensions:

1. Growth
2. Geographic diversification
3. Innovation and added value
4. Differentiation with sustainable practices

**AgroAmerica was born as an agricultural undertaking led by Mr. Fernando Bolaños Menéndez, better known as “Don Fer” (Mr. Fer), with the vision of doing business under models that would generate employment and well-being for the communities.**

*Don Fer* was a man who, from a very young age, build what AgroAmerica is today. This was achieved through hard work, perseverance, effort, boldness, determination and social sensitivity.

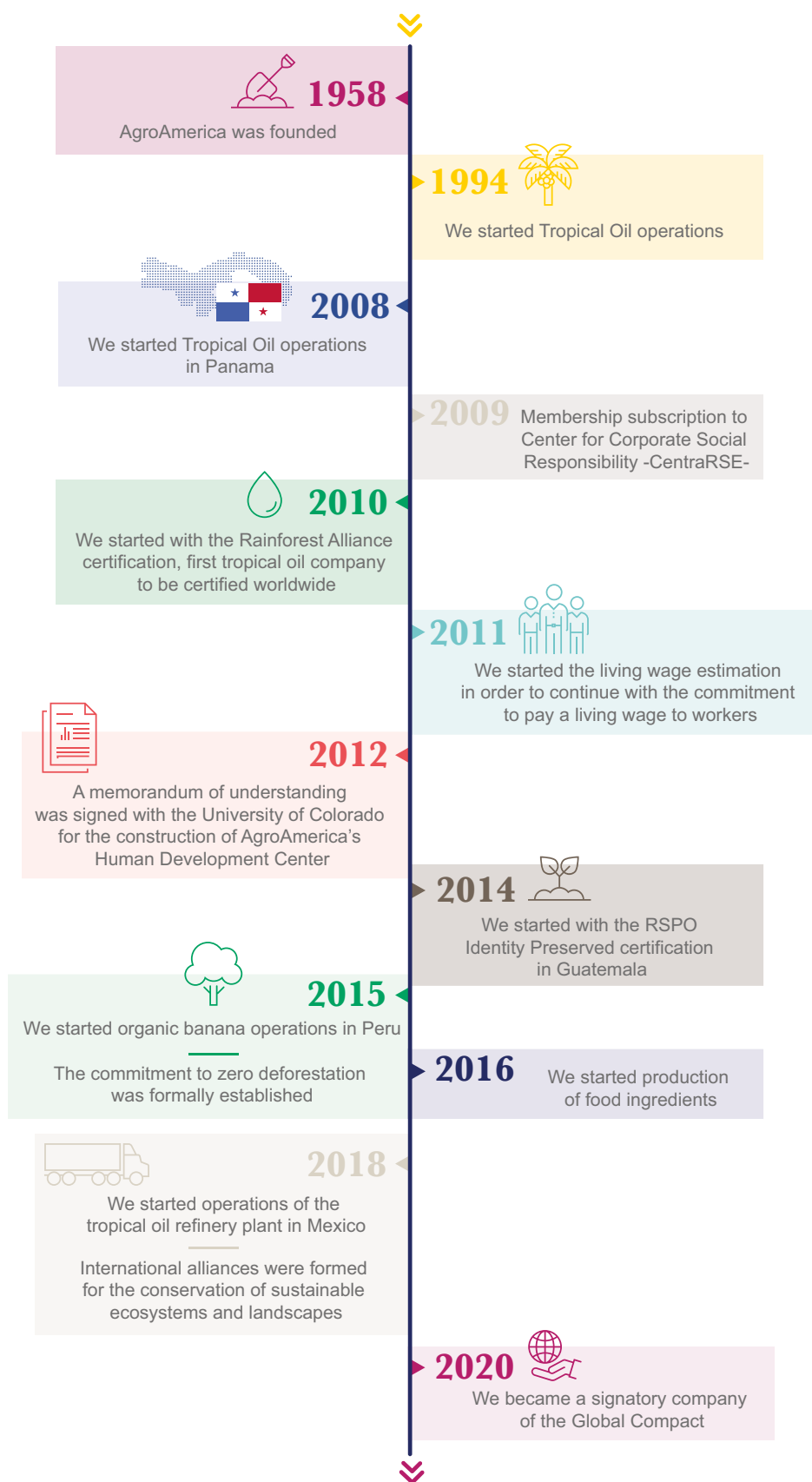
He passed away in 2009; after leading a life dedicated to his family, work and his agricultural vocation. His children now lead the business. The presence of *Don Fer* is affectionately felt in his family, as well as in the farms where people remember him as a great leader.

Our founder transmitted and promoted the common good in the corporation, and today, we witness the fruits of his vision. AgroAmerica's Human Development Center is an example, which benefits more than 30,000 people in the region and provides school education for the worker's children; answering to his desire for generosity and responsibility towards the most vulnerable sectors.



**“Thank you, Don Fer, for the humility, esteem and affection you gave us, and for building a place where thousands of men and women fulfill their dreams,” said one worker during a productivity award ceremony held in his honor.**

## OUR INHERITANCE



## OUR DIVISIONS

GRI 102-2 y 102-16

AgroAmerica's main business areas are the production, transportation and distribution of tropical fruits, especially bananas (conventional and organic); as well as the production and processing of natural ingredients, tropical oils and a portfolio of investments in High Tech Agriculture, Plant-Based Food and ingredients, renewable energy companies, restaurants and entertainment.

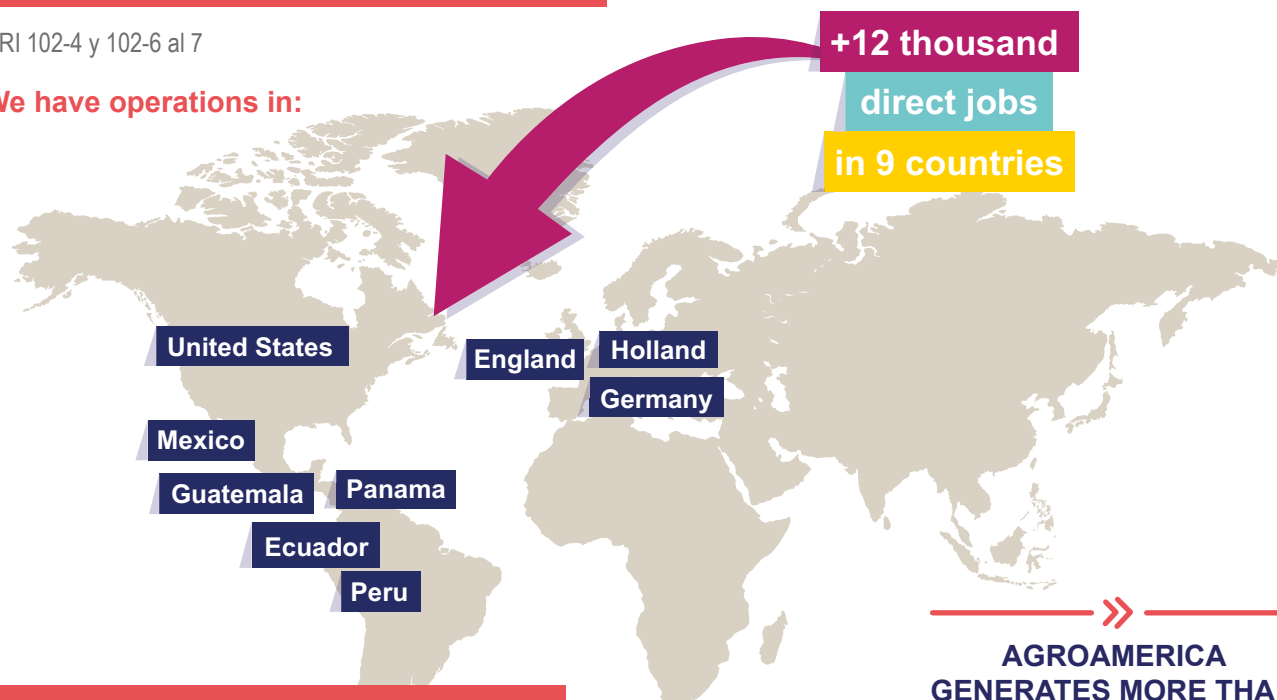
In this report, we will address the main results obtained in AgroAmerica Tropical Oil division.



## AGROAMERICA'S OPERATIONS

GRI 102-4 y 102-6 al 7

**We have operations in:**



## SUSTAINABLE MANAGEMENT

GRI 101-1, GRI 102-15, GRI 102-19 al 20, GRI 102-29, GRI 102-46 al 47 y GRI 103-2

We take into account the expectations and development of our stakeholders as well as compliance with national and international legal standards. We ensure transparency, ethics and integrity in our actions, which guarantees the differentiation in the market and generates positive impacts in the agroindustry with a long-term vision.

Sustainable management has been the hallmark of our operations from the outset; it sets us apart from our competitors and will enable us to be successful in the future. This management aims to continue growing and, at the same time, increase the generation of employment, the well-being of our workers, communities and customers, while reducing our environmental footprint.

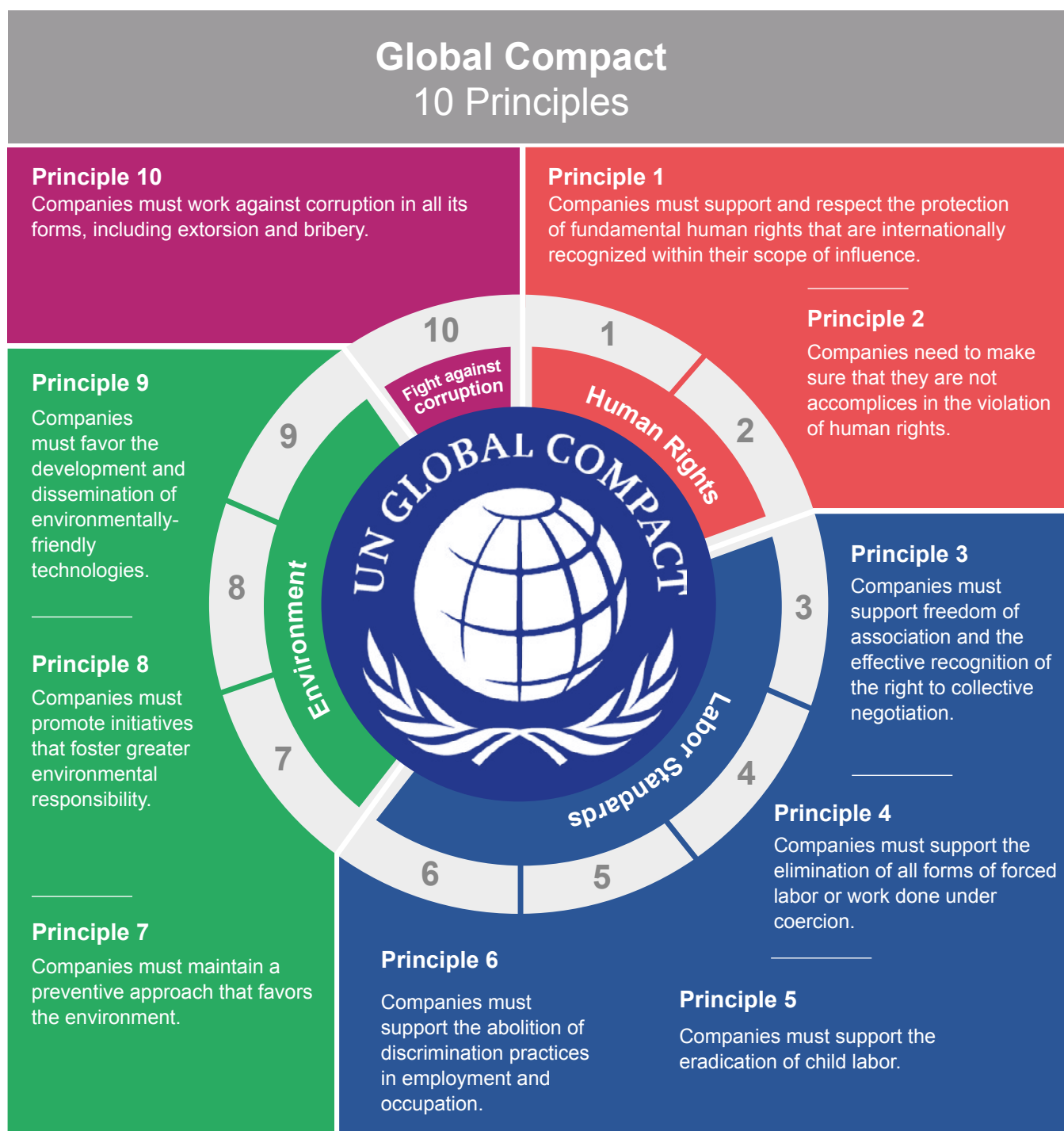
**»**  
**AGROAMERICA  
GENERATES MORE THAN  
12,000 DIRECT JOBS**



## UNITED NATIONS GLOBAL COMPACT

Our commitment to sustainability is reflected in our letter of commitment to the United Nations Global Compact, signed in 2020. This platform allows us to align our intentions and work with the ten universal principles contained in the Compact, which address labor rights, human rights, environmental and anti-corruption issues.

You can find the table of contents of the report about these principles on page 106.



## SUSTAINABILITY PRIORITIES AND MATERIAL ISSUES

In 2020, we conducted a social monitoring with an external company in the operations of Guatemala to update the risk and impact assessment of our operation with the communities and stakeholders.

**+100 people were involved** in the development of social monitoring:

Community leaders

Workers

Governmental entities

**Main impacts of our operations** as determined by monitoring:

Health and Education

Cultural values

Sources of livelihood

Environment

Infrastructure and Services

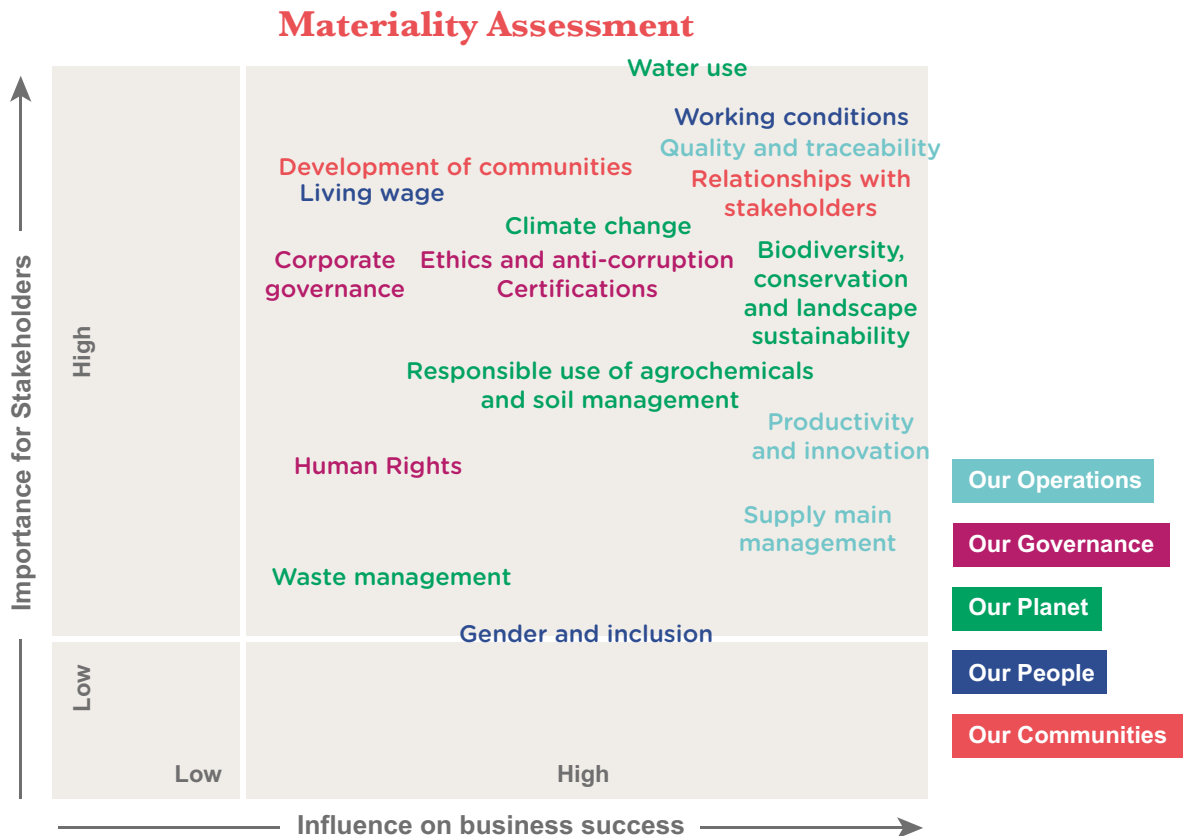


We undertook an effort to update sustainability priorities for the entire AgroAmerica group, based on the materiality methodology stipulated by the GRI. This process entailed interviewing more than 25 people from AgroAmerica's Executive Committee, NGOs, Certifying Bodies and Customers, as well as input from more than 100 people who completed online surveys. These audiences included both external and internal AgroAmerica's participants.

This effort entailed research into the priorities of our stakeholders, a benchmark study with industry leaders, surveys and interviews with both internal and external leaders. We updated the calibration of priorities on business sustainability, in participatory workshops with the management teams.

As a result of these activities, **we identified and prioritized 19 topics of high importance, which have been set out in the following Materiality Map.** This matrix was developed and validated by AgroAmerica's leadership team:

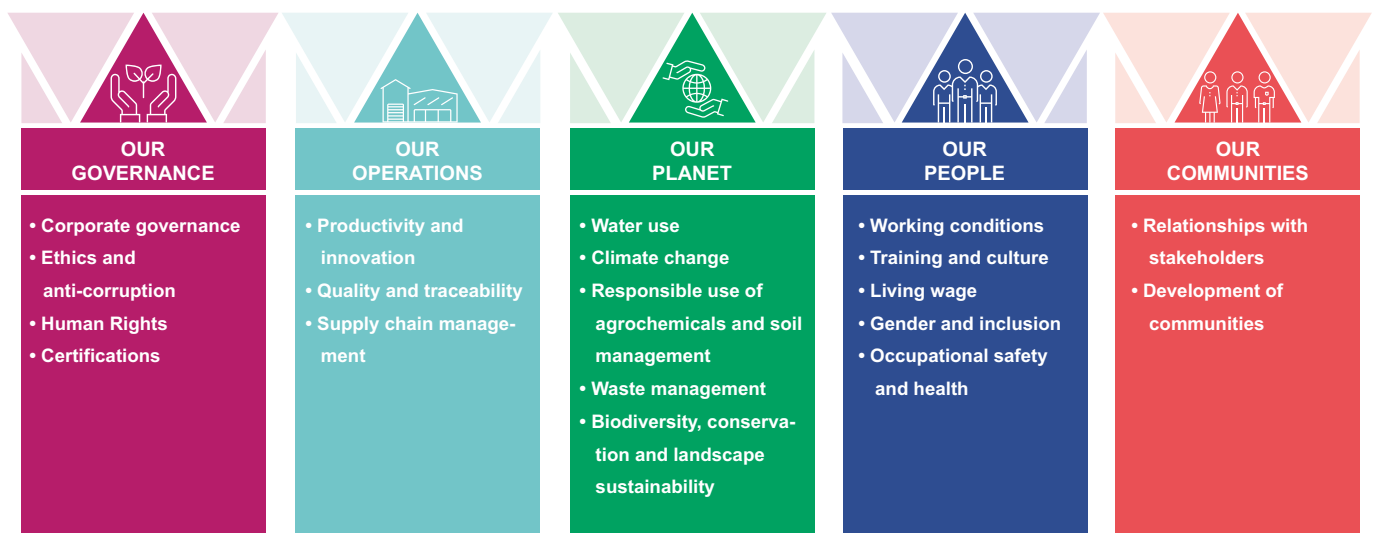




## SUSTAINABILITY STRATEGY

Our sustainability strategy focuses on working on five pillars. In 2020, we updated these axes considering changes in management and business priorities, as well as changes in the expectations of the stakeholders around us. By 2021 we will be working on refining the objectives and goals for each of these pillars.

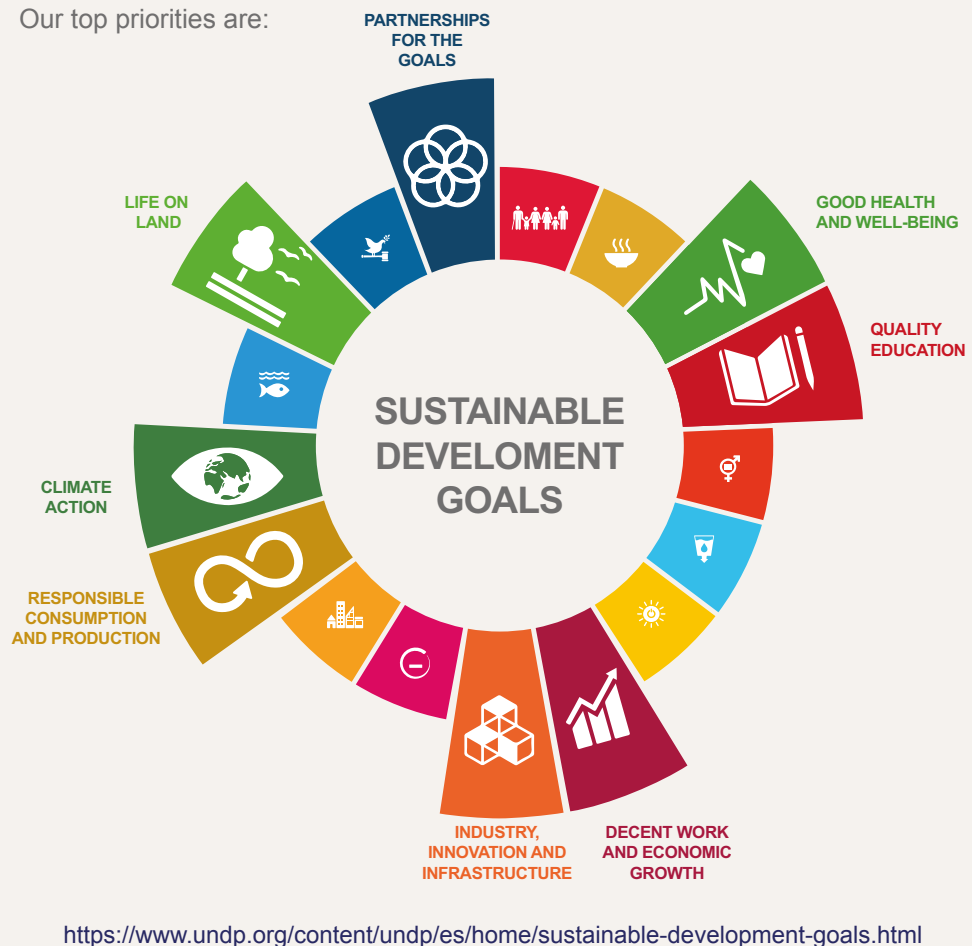
### The 5 pillars of our sustainability strategy are



AgroAmerica recognizes that companies play an important role in poverty reduction and environmental protection, in alliance with the government and civil society.

We have combined our sustainability priorities with the Sustainable Development Goals, promoted by the United Nations as the roadmap to follow to address the population's biggest problems, at a global scale. From this analysis, we have prioritized eight objectives focused on people, environment and alliances.

Our top priorities are:



In addition, we continue developing other ways to monitor, measure and report on how our work is impacting the goals we have set for 2030.

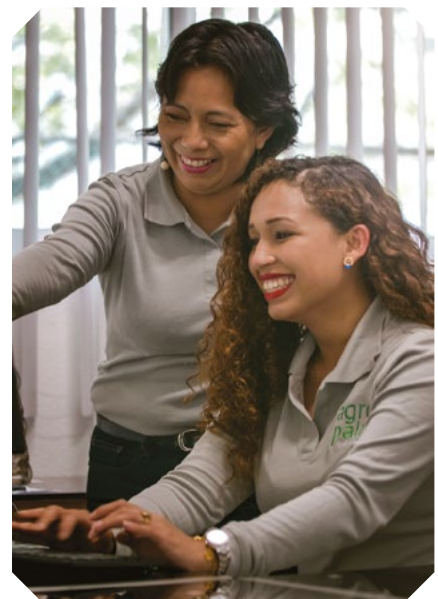
## SUSTAINABILITY TEAM

The Board of Directors has delegated the task of addressing social and environmental topics to the company's Corporate Direction, under the supervision of AgroAmerica's CEO. This team also provides service to the business divisions and it works in a decentralized way with the certification, human resources, compliance and legal, social responsibility and production areas of each operation, to ensure that the strategy, programs, policies and procedures are rigorously enforced.

To ensure the management of the different aspects of sustainability, each operation has an environmental and work manager, an occupational safety and health manager and a social manager, who complement their functions with the different operational areas.

Our sustainability team is composed of:

- Corporate Management
- Environmental Management
- Human Resources
- Compliance
- Communication
- Operations
- Social Responsibility

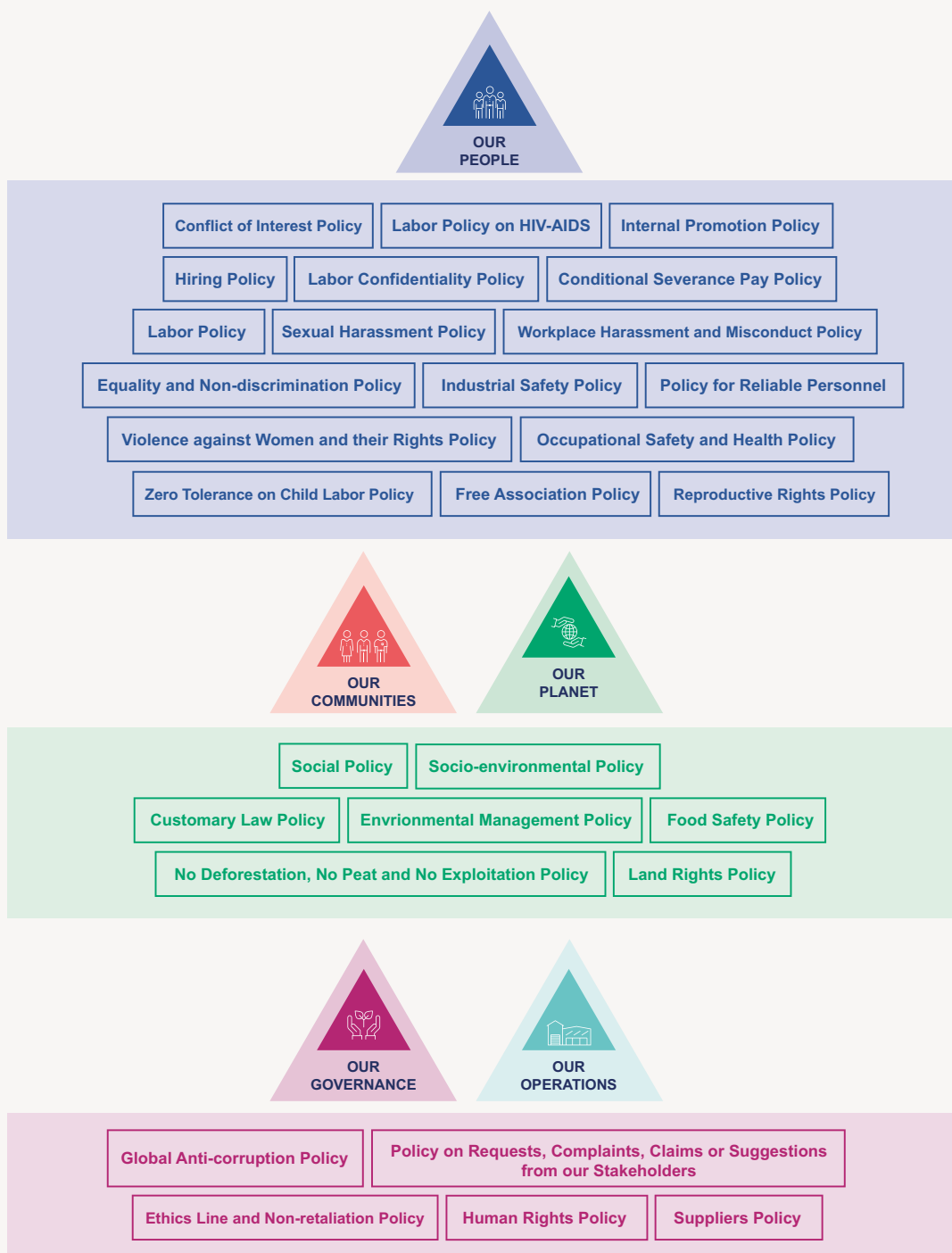


## POLITICS AND CODE OF ETHICS

AgroAmerica has sustainability policies and a code of ethics, which align the management of divisions with the corporate commitments, customer and civil society requirements, legal compliances, certifications and standards stipulated in the Global Compact and the Sustainable Development Goals.

Review our company policies below: If you would like to learn more about our code of ethics, you can do so in the Our Governance section.

### Policies related to sustainability



## RELATIONSHIP WITH OUR STAKEHOLDERS

GRI 101-1, GRI 102-12 al 13, 102-40 y 102-42 al 44

AgroAmerica has spaces and channels for communication with its different stakeholders. We constantly seek to provide information and to receive concerns, questions and feedback by third parties to consider their interests in our management.

The identification and relationship with the different groups has a long history, a dialogue culture of dialogue has been applied since the beginning of the company. Currently, we recognize our stakeholders by visualizing the leaders around our operations, groups at the national and international level, to whom we can listen in order to improve our performance in economic, social and environmental terms.

AgroAmerica has a Policy on Requests, Complaints, Claims or Suggestions, through which we reiterate our commitment to listen, consider and respond to any concerns that third parties could have about our operation and its actual or perceived impacts. This is detailed in Our Governance section, on the pages related to the contents of ethics and transparency.



### Stakeholders



### Communication channels with stakeholders



**ALLIANCES AND MEMBERSHIPS**

GRI 102-12 al 13 y GRI 102-17

We believe that working in alliance with others strengthens our ability to have an impact on production, competition and the development of our communities. We collaborate with alliances in the countries where we work, as well as at the international level, to promote commercial, labor and common progress agendas.



Memorandum Of Understanding signed with the Ministry of Agriculture, Livestock and Food for nutrition programs

### **Alliances for economic development purposes in the industry and in the region in which we operate:**

American Chamber of Commerce (AMCHAM) in Guatemala	<a href="http://amchamguate.com">http://amchamguate.com</a>
Guatemalan Exporters' Association	<a href="http://export.com.gt">http://export.com.gt</a>
World Economic Forum	<a href="https://www.weforum.org/">https://www.weforum.org/</a>
Chamber of Industry of Guatemala	<a href="https://cig.industriaguatemala.com/">https://cig.industriaguatemala.com/</a>
Chamber of Agriculture of Guatemala	<a href="https://www.camaradelagro.org/">https://www.camaradelagro.org/</a>
Roundtable on Sustainable Palm Oil	<a href="https://www.rspo.org/">https://www.rspo.org/</a>

### **Alliances for corporate social responsibility purposes:**

Center for Corporate Social Responsibility in Guatemala (CentraRSE, by its acronym in Spanish)	<a href="https://centrarse.org/">https://centrarse.org/</a>
National Coordinator for Disaster Reduction	<a href="https://conred.gob.gt/">https://conred.gob.gt/</a>
United Nations Development Program	<a href="https://www.gt.undp.org">https://www.gt.undp.org</a>
Foundation for Private Education in Rural Areas	<a href="http://funcafe.org/ES/">http://funcafe.org/ES/</a>
Climate Change Institute	<a href="https://icc.org.gt/es/icc-2/">https://icc.org.gt/es/icc-2/</a>
University of Colorado	<a href="https://www.colorado.edu/">https://www.colorado.edu/</a>
World Wildlife Fund	<a href="https://www.worldwildlife.org/">https://www.worldwildlife.org/</a>
Wild Conservation Society	<a href="https://guatemala.wcs.org/">https://guatemala.wcs.org/</a>
Solidaridad Network	<a href="https://www.solidaridadnetwork.org/">https://www.solidaridadnetwork.org/</a>
Agricultural Chemical Guild Association (Agreguima, by its acronym in Spanish)	<a href="https://agrequima.com.gt/site/">https://agrequima.com.gt/site/</a>
Rainforest Alliance	<a href="https://www.rainforest-alliance.org/">https://www.rainforest-alliance.org/</a>
Seattle International Foundation	<a href="https://seaif.org/es/">https://seaif.org/es/</a>
Global Compact	<a href="https://www.unglobalcompact.org/">https://www.unglobalcompact.org/</a>
RedEamerica	<a href="https://www.redeamerica.org/">https://www.redeamerica.org/</a>
LandScale	<a href="https://www.landscape.org/join-us/#pc">https://www.landscape.org/join-us/#pc</a>
Proforest	<a href="https://www.proforest.net/">https://www.proforest.net/</a>

# Response to COVID-19

An important challenge for AgroAmerica, as well as for every organization, was the response to the pandemic that began in the region in March 2020. Our team was swift in responding to the different challenges generated for the operation, our people and our communities



We are proud to report that we are able to continue to operate and safeguard the health of all our stakeholders, and to comply with local government regulations, customer requirements, internally generated protocols and the agreements we have reached with our workers and communities.

## In AgroAmerica

At the internal level, we prioritized the health of our workers, creating the COVID-19 Response Protocol for the prevention of cases and the timely response to detect infections in our operations.

Among the different measures taken, information material was placed in each facility, disinfection areas, containers for the collection of bio infectious waste, signs to ensure distancing, provision of personal protective equipment (in compliance with international standards) and temperature monitoring for workers, contractors and visitors.

We ensured that these measures were complied within farms, plants,

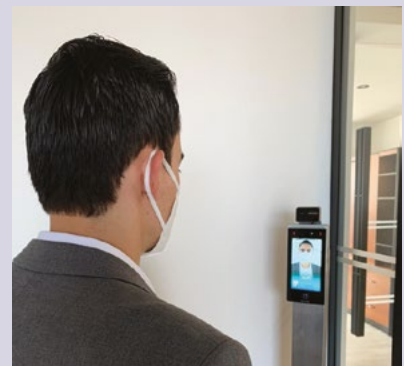


workers transportation, administrative offices, dining areas and commercializing areas. Remote work was also applied for those operations that allowed it.

## Our business

**"We have maintained the continuity of our business"**

Even during mobility restrictions imposed by the authorities in each country where we have a presence, ensuring the compliance with every requirement and, above all, taking care of our workers' health and well-being."



### Preventive health care activities against COVID-19

With the aim of achieving early detection, in alliance with the Guatemalan Social Security (IGSS, by its acronym in Spanish) to identify asymptomatic cases.

A total of 2,455 epidemiological surveys were conducted among workers who voluntarily agreed to participate. According to its results, swabs were performed for possible positive cases.

Once these cases were detected, the Occupational Safety and Health personnel had to isolate the worker and immediately contact the Guatemalan Social Security Institute or with the Ministry of Public Health and Social Assistance for immediate care. In addition, mobility areas and close contacts were determined and control assessments were carried out to detect possible infections.

Throughout this process, we have always ensured the proper follow-up of the COVID-19 positive worker, in alliance with the public health authorities.

Similarly, in the northeastern region of Guatemala, 800 tests were carried out to detect asymptomatic cases.

Throughout this process, we guaranteed due follow-up to worker's positive cases for COVID-19, in conjunction with the public health authorities.



»  
**4,123 WORKERS**  
TRAINED ON SITE ON  
COVID-19

«  
**2,455 WORKERS**  
PARTICIPATED IN  
EPIDEMIOLOGICAL  
SURVEYS TO IDENTIFY  
ASYMPTOMATIC CASES

»  
**8 AUDITS**  
WERE CONDUCTED BY THE  
MINISTRY OF LABOR,  
REGARDING COMPLIANCE  
WITH COVID-19 PROTOCOL



*"I thank our employees for their commitment and dedication, for giving 110% of their effort for AgroAmerica during the COVID-19 pandemic. I also thank the families of the workers, the communities and all those who trusted that our protocols and processes would safeguard the health of those who interacted with us".*

**—Fernando Bolaños Valle, AgroAmerica's CEO**

### Alliances for the benefit of communities

This year, we made more than 167 alliances, focused on responding to the pandemic, with organizations, communities and authorities, through donations that allowed us to react to the various needs that were generated by contingency.

#### AgroAmerica

contributed directly with the National Government of Guatemala, in alliance with other companies in the area, for the purchase of medical equipment intended for the care of the affected people who required hospital care, mainly in the rural area of Guatemala. **The overall donation amounted to \$297,000**

#### In Guatemala, Ecuador and Peru

**13,958 million bananas were donated to families in the communities, front-line health staff and governmental institutions in action against the pandemic;** it was carried out through the coordination with Municipalities, Community Development Councils, Governmental and Non-governmental Institutions, in order to ensure the food safety of many families and strengthen their immune systems.

#### Supplies

were donated to prevent the spread of COVID-19, to governmental institutions, health areas and communities in all countries where we operate.



## With our suppliers

We collaborated with our supply chain, sharing our protocols and knowledge. Additionally, we worked hand in hand to refine schedules and fruit delivery times to meet changing logistics and customer requirements.

## With our customers

We adapted our processes to adjust product deliveries according to the changes requested by our customers, including schedules, delivery formats, times, etc.

### DONATIONS DURING COVID-19 PANDEMIC

#### Donation of bananas

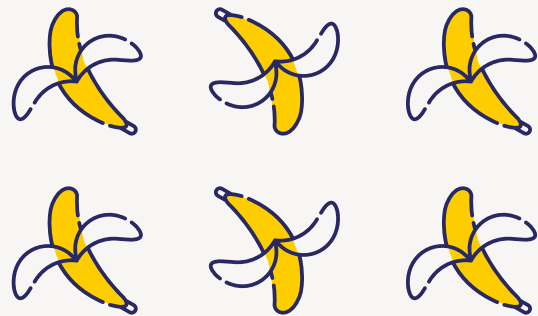
**13+ MILLION  
BANANAS**

WERE DONATED

BENEFITING

**60,000+  
FAMILIES**

**FROM GUATEMALA,  
ECUADOR AND PERU**



#### Donation of supplies

**4,000+ GALLONS  
OF BLEACH**

WERE DONATED

**13,000+  
FACE MASKS  
1,000+ SUPPLIES**

AMONG THEM, GALLONS OF GEL,  
THERMOMETERS AND TRANSPARENT  
GLASSES IN GUATEMALA



## TROPICAL OIL OPERATIONS

GRI 102-3, GRI 102-4 al 7, GRI 102-45

AgroAmerica subsidiaries in the Tropical Oil division:

### AgroAmerica Subsidiaries

<i>Agrocaribe</i>	Northeastern Guatemala and Mexico
<i>Agroaceite</i>	Southwestern Guatemala
<i>Agropalma de Inversiones, S.A.</i>	Panama



**3 Tropical Oil Mills in Guatemala,**  
100% RSPO Identity Preserved certified



**1 Tropical Oil Mill in Panama,**  
Kosher certified and in the  
process of being RSPO certified



**1 refinery plant in Mexico,**  
certified by the RSPO Supply  
Chain Certification Standard



**Our customers** include food  
processing companies and  
manufacturers of personal  
care and use products

### 10 destination countries for our exports:

- Holland
- USA
- Trinidad and Tobago
- Honduras
- El Salvador
- Guatemala
- Mexico
- Dominican Republic
- Panama
- Colombia





**Foresta Foods** is AgroAmerica's commercial brand for the distribution of Tropical Oil and Sustainable Refined, Bleached and Deodorized Palm Oil (SRBD); which is commercialized as a raw material for food and personal care products. The main products are:

### Foresta Foods products:

- Certified Sustainable Palm Oil (CSPO)
- Certified Sustainable Palm Kernel Oil (CSPKO)
- Sustainable Palm Kernel Cake
- Certified Sustainable Refined, Bleached and Deodorized Palm Oil (CSRBD PO)
- Certified Sustainable Refined, Bleached and Deodorized Palm Kernel Oil (CSRBD PKO)
- Certified Sustainable Palm Stearin (CSPS)
- Certified Sustainable Palm Olein (CSPOO)
- Palm Fatty Acids Distillate (PFAD)
- Vegetable Based Shortening
- Palm Oil Blends and Specialty Fats
- Vegetable Oil Based Food Ingredients

*"We have been an early adopter of social and environmental trends and requirements to demonstrate our commitment to responsible business. Doing this in terms of human rights, conservation and creation of sustainable landscapes, among others."*

**— Gustavo Bolaños,  
AgroAmerica's COO**



It is the most consumed vegetable oil on the planet and is found in approximately half of the packaged products sold in supermarkets

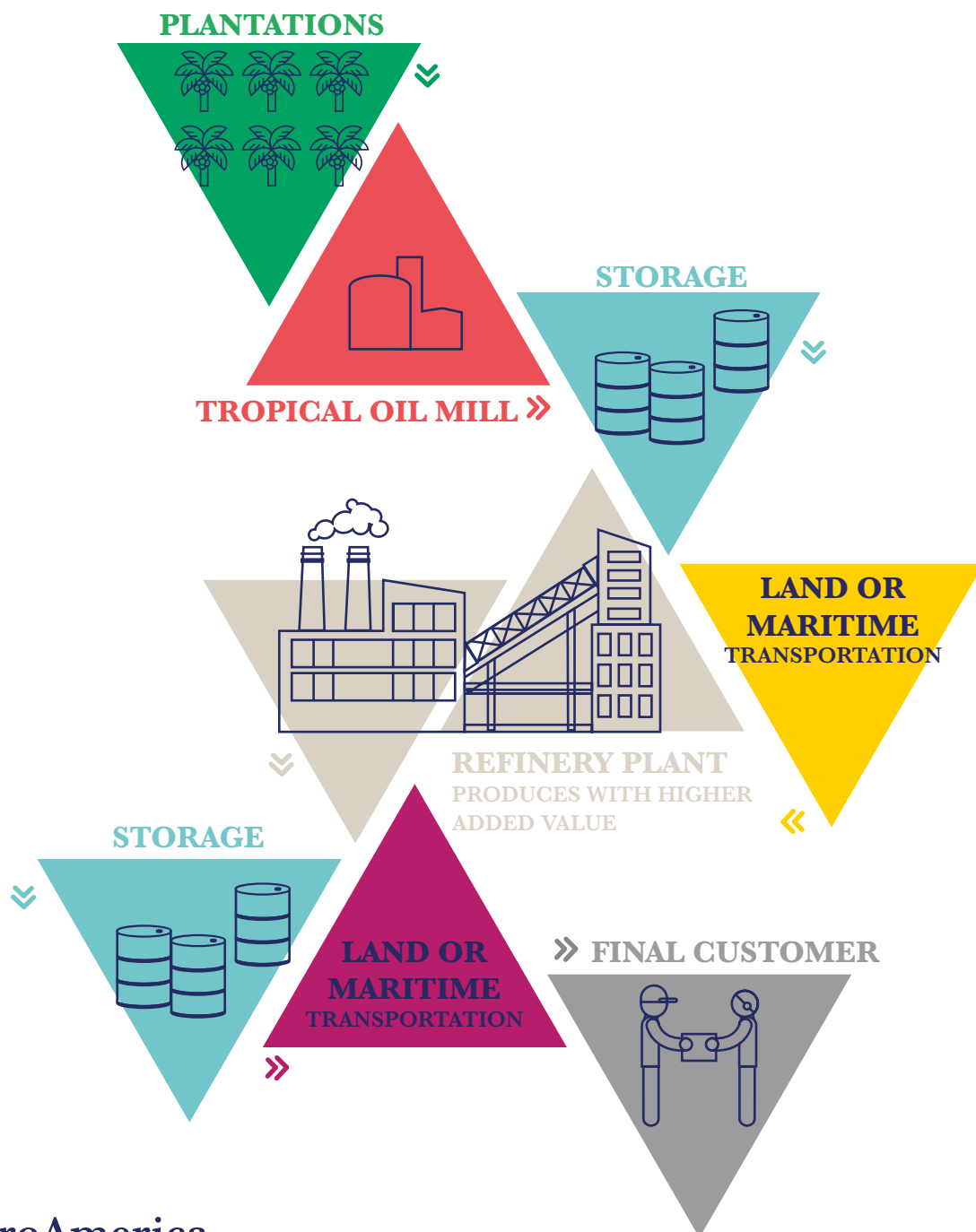
## RESPONSIBLE SUPPLY CHAIN

GRI 102-9

We are vertically integrated by production, processing, transportation and commercialization processes, which seek to guarantee standards of safety, traceability, compliance and quality.

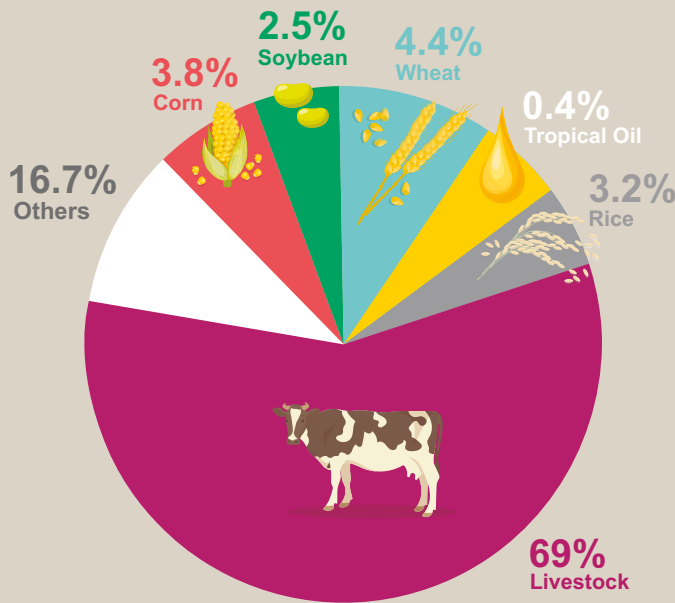
In AgroAmerica, we recognize that our responsibility in the value chain goes beyond our operations. For more information, please refer to 'Our operations' section.

### Tropical Oil supply chain



**AgroAmerica**

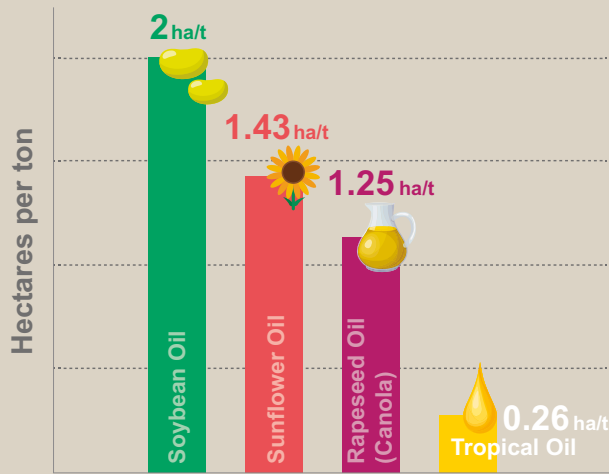
## PRODUCTIVITY AND NUTRITIONAL VALUE



Oil palm occupies 0.4% of the world's 5 billion hectares of land used for agricultural activities

Source: USDA 2019 Oil World

### Hectares of land needed to produce 1 ton of vegetable oils



Source: International Union for Conservation of Nature

### Vegetable Oils

**Tropical Oil:** Oil palm produces about 35% of vegetable oil on less than 10% of the land allocated to oil production.

### Part of a balanced diet

Tropical oil has a high nutritional value:

- Many carotenoids contain Vitamin A which is an effective antioxidant that helps strengthen the body's immune system and reduces the risk of cancer, heart disease and cataract.
- Vitamin E to protect the body from chronic diseases.
- Trans-Fatty Acid (TFA) free that have been implicated by numerous scientific studies to breast cancer, colonic cancer, and heart disease.
- Palm oil is very rich in calories to give energy to the body.

Source: Malaysian palm oil <http://mpoc.org.my/>

### Guatemala is ranked as:

**6th**

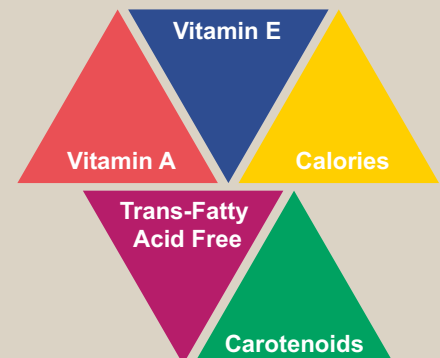
IN THE WORLD OF MAIN TROPICAL OIL PRODUCERS

**1st**

IN THE WORLD OF YIELD PER HECTARE

**2nd**

IN LATIN AMERICA IN PERCENTAGE OF RSPO CERTIFIED OIL



# 3 OUR GOVERNANCE



We designed a business model based on Corporate Sustainability in order to generate value and positive long-term impacts; respecting the balance that must prevail between economic growth, the conservation of natural resources and the complete well-being of our stakeholders. This is reflected in the pillars of our corporate and sustainability strategy, which are implemented at all levels of our operations.



DECENT WORK  
AND ECONOMIC  
GROWTH



INDUSTRY,  
INNOVATION AND  
INFRASTRUCTURE



PARTNERSHIPS FOR  
THE GOALS

**GOVERNANCE AND STRATEGY**

GRI 103-1 al 3, GRI 102-18, GRI 102-20 al 21, GRI 102-22 y GRI 102-26, GRI 102-29

**What we do?**

AgroAmerica's highest body is the General Shareholders Meeting. The governance structure is integrated by a Board of Directors, an Ethics Committee, the chairmanships of the business areas and corporate management, which have been delegated responsibilities of managing the administrative, financial, social and environmental areas.

AgroAmerica's directory is responsible for ensuring proper corporate governance, with due diligence, always looking after the company and its shareholders. The Board of Directors determines the mission, vision, values and

global strategies for commercial, agricultural and sustainability areas. The leadership team at AgroAmerica is challenged to develop the strategy and programs that allow us to grow and continuously improve.

**AgroAmerica is a family-owned company that is currently led by the second generation of the family and is already initiating the incorporation of the third generation.**

## Santiago Bolaños

### Third Generation

#### Third generation in charge of managing Tropical Oil supply and export to the United States

Santiago is one of the pillars of leadership of the third generation of the Bolaños business family with a degree in economics obtained in the United States.

He joined AgroAmerica after two years of experience as Trade Manager at one of the most recognized Tropical Oil company in the world; then he became manager of "Small-holders" in Honduras.

Now, at AgroAmerica, he leads the management of Tropical Oil supply at the refinery in Mexico, as well as the export operations of refined oil to the United States. Santiago's experience in overseeing the quality of social and environmental requirements at the worldwide trading company has given him the skills and abilities to approach AgroAmerica's suppliers and customers.

*"Environmental practices and traceability in Tropical Oil are the main interest of our stakeholders."*

## ETHICS AND ANTI-CORRUPTION

GRI 103-1 al 3, GRI 102-16 al 17, GRI 205-2 al 3, GRI 206-1, GRI 415-1



### Why is it important?

We firmly believe that transparency, ethics and integrity guarantee our operations and differentiate us in the market. These qualities generate positive impacts in the agroindustry and in the communities where we operate.

The values incorporated in our corporate culture of compliance, define us and allow us to align our actions in a consistent and ethical manner, at all levels of our organization.

### What we do?

AgroAmerica's Code of Ethics was updated in 2018. The code applies to all individuals who are part of the company and to those who are related to it. The code supports the implementation of three corporative policies: Ethics Line and Non-Retaliation Policy, Conflict of Interest Policy and Global Anti-corruption Policy.

The Ethics Committee ensures the proper implementation of such code. This body consists of the Corporate Director, Compliance Officer, Corporate Controller and the Chief Financial Officer (CFO). The Committee meets periodically to review complaints, claims and requests submitted, ensuring an objective and timely response for the requirements received. The Committee receives complaints through multiple means, including those received through the ethics line, Policy on Requests, questions and claims or others from our stakeholders.

We have evaluated separating the reception and classification of requirements. However, greater value is identified in the centralization of the reception and management of ethics complaints and reports.

»  
**1,156 WORKERS  
TRAINED ON THE CODE  
OF ETHICS**

**1,758 WORKERS  
TRAINED ONE THE USE  
OF THE ETHICS HOTLINE**



*"We want to transcend,  
and the Code of Ethics and  
our policies ensure that  
we are able to embody the  
values and principles that  
allow us to do business that  
will last over time."*

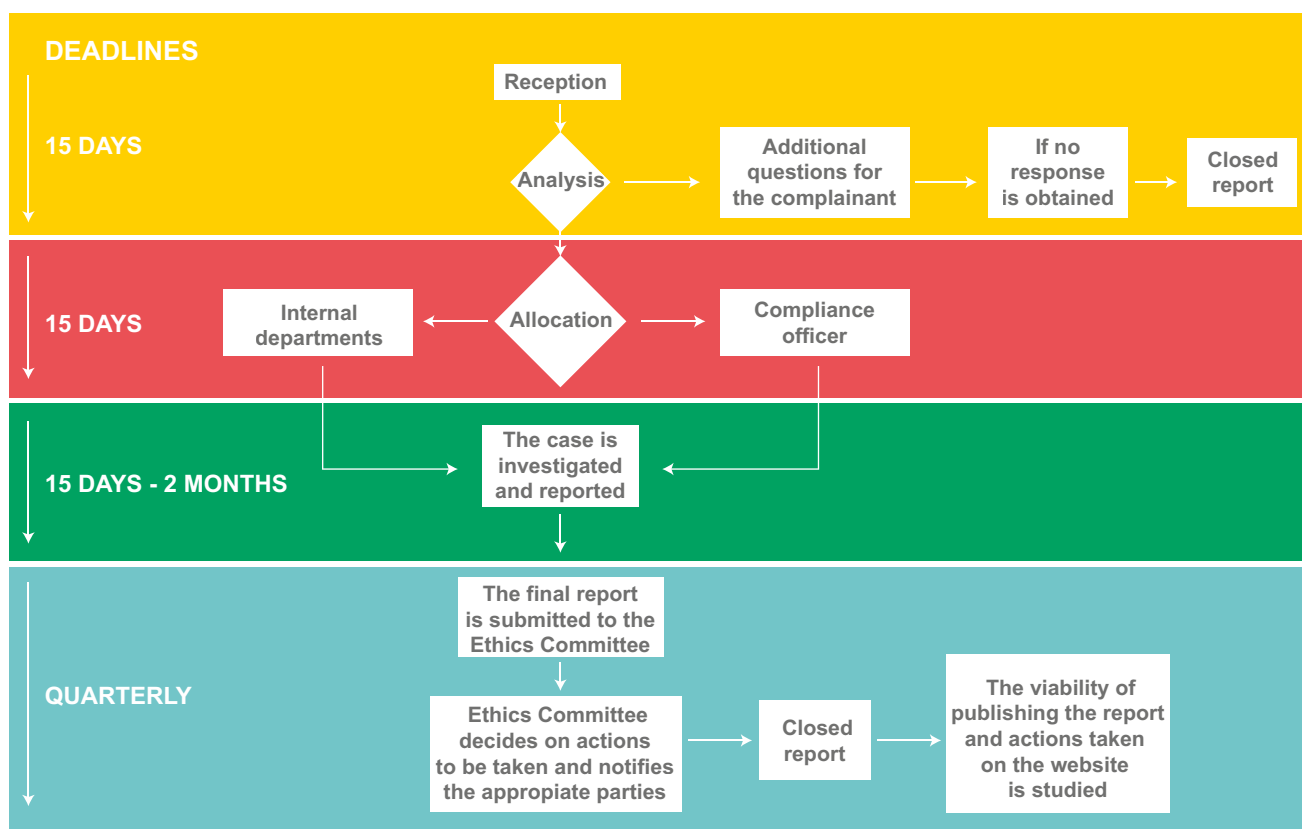
**—Gerardo Asturias,  
Administrative Manager**

## Requests, complaints, claims and suggestions

We have a Policy on Requests, Complaints, Claims or Suggestions from our stakeholders, through which we state our commitment to listen, consider and respond to any concerns that third parties could have about our operation and its actual or perceived impacts.

We have developed different mechanisms so that all of our stakeholders are able to express their concerns, either through the open door culture, conversations with their managers, or even through an ethics line for people to express issues of concern with the strictest levels of confidentiality.

### INTERNAL PROCEDURE FOR REQUESTS, COMPLAINTS, CLAIMS AND SUGGESTIONS



The Ethics Committee will determine if the complaints received will be published, provided that they are already closed and the following criteria are met:

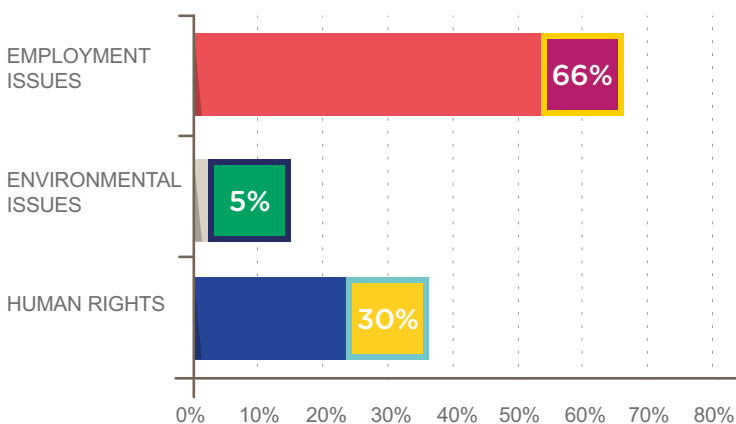
1. The case was received through the Ethics Line either by phone, website or email.
2. The case, after an investigation process, is duly substantiated.
3. The case does not involve state authorities with open investigations.
4. The complainant identified himself and did not expressly request confidentiality.
5. The content of the case is public information in accordance with the law.
6. The case refers to high impact collective or community interests.

If you need more information about our Ethics Program, contact us.

## Ethics Line

We have implemented a telephone line called “Ethics Line”, aimed at workers, their families, community members, suppliers and customers who can call and express their concerns, comments or suggestions. These calls are completely anonymous and are managed by an independent company.

### 64 COMPLAINTS RECEIVED IN 2020



100% of them were addressed and followed up



## HUMAN RIGHTS

GRI 103-1 al 3, GRI 410-1, GRI 411-1 y GRI 412-2

### Why is it important?

Our stakeholders are people with rights, which must be respected at all levels. We fully consider these rights, due to the nature of our organizational culture, which does not allow any action against them. We also believe that respect is the best way to minimize risks that could affect our operations, generate genuine loyalty from our stakeholders, reduce costs and be able to access and serve international markets transparently.

### What we do?

We have a Human Rights Policy that details our commitment to the rights of the people who work with us, our communities and other stakeholders around our business.

## Global Anti-corruption Policy

We are committed to the transparency, ethics and integrity standards. In our operations, we encourage compliance with applicable national and international anti-corruption laws. We reject any type of corruption or acts that could be perceived as such. We have a Global Anti-corruption Policy, this tool prohibits improper and corrupt payments in all circumstances, whether in contracts with government officials or with individuals in the private sector.

With this standard, we seek to comply with transparency and anti-corruption laws in the countries where we operate, as well as the laws from which we export our products, specifically the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act.

We can highlight that we have had zero payments to political parties, zero confirmed cases of corruption in the company and zero legal actions against us for unfair competition or monopolistic practices.



# Human Rights and Business

**In 2020, we reinforced the knowledge in human rights for 23 company leaders in Guatemala, Mexico, Ecuador, Peru and Panama**

Management positions in human resources, social management, compliance, environment and certifications were included to deepen previous training on human rights and how to protect and defend them in the company. This was done through a 16-hour certificate course called "Human rights and business, how to incorporate them into business management?" «Derechos humanos y empresa ¿cómo incorporarlos en la gestión empresarial?», in which the 32 rights proposed by the UN were analyzed.

In 2020, we were able to carry out updated sessions on one of the facilities, with the participation of more than 400 employees. Then, due to the effect of the pandemic, informative material was placed in the other operations.

Recognizing the crucial role that physical security officers have in protecting the human rights of workers and communities; in the future, we look forward to working with this important group to reinforce the trainings they receive annually on the use of force and respect towards people's rights.

During 2020, 19 investigations were conducted by the Ethics Committee, which processed and responded to these complaints.

## Defending Human Rights

In 2019, AgroAmerica joined the Stand up for Human Rights campaign endorsed and promoted by the General Assembly of the United Nations and by the Universal Declaration of Human Rights. Since then, this campaign has been publicized in our operations.

In 2020, the communication campaign was limited in its implementation due to the measures and protocols by COVID-19. However, we continue to strengthen our commitment to know, promote and defend human rights, specifically from our role as a company.

## Results

**0 confirmed** human rights violations

**0 violations** to the rights of indigenous peoples

**19 complaints received** related to human rights issues

**100% of the complaints** were resolved

**23 leaders** received a 16-hour specialization course in Human Rights

**STAND UP  
FOR HUMAN  
RIGHTS**

#STANDUP4HUMANRIGHTS



## Customary Law Policy

We have a Customary Law Policy, through which we declare our commitment to respect the different customs, identity, religion, use of language and dialects, traditions, ways of living, social organization, use of traditional clothing, among other aspects to act and express themselves, in accordance with the social organization of the people.

As a company, we ratify the dignified and respectful treatment of all people equally, without discriminating in the implementation of their customs. As part of this policy, we are committed to dialogue with communities to secure free and informed consent for our operations.

This policy applies to workers, communities, NGO, civil society and others who are related to the company. Although the farms are not located in areas of influence of indigenous peoples, they operate in countries with significant percentages of indigenous peoples and nationalities. Thus, in addition to our commitment to respecting customary law, we offer compensations in the event of impacts associated with our management.



## CERTIFICATIONS

GRI 103-1 al 3

### Why is it important?

We maintain certifications that prove our quality, sustainability and safety management to customers, fostering a culture of continuous improvement and ensuring the continuity of our operations.

With this effort, we have international certifications that endorse our various sustainable practices, within the framework of a responsible operation.

### What we do?

We maintain our certifications with continuous work and learning within the organization; supported by all areas and with the experience of our people. In addition, we have created a culture of continuous improvement and training at all levels, so that the management and good results of each certification contribute, in a cross-cutting manner, to the growth of our operations.

## Ethical Commerce Audit

Annually, we are audited by one of our customers to verify that we comply with Sedex Members Ethical Trade Audit -SMETA- standards, under the SEDEX standard.

Our customer seeks to understand the working conditions in its supply chain. This social audit includes a verification of compliance with ethical trade standards and allows for the assessment and monitoring of workers' health and safety, as well as zero tolerance for human rights abuses (child and forced labor).



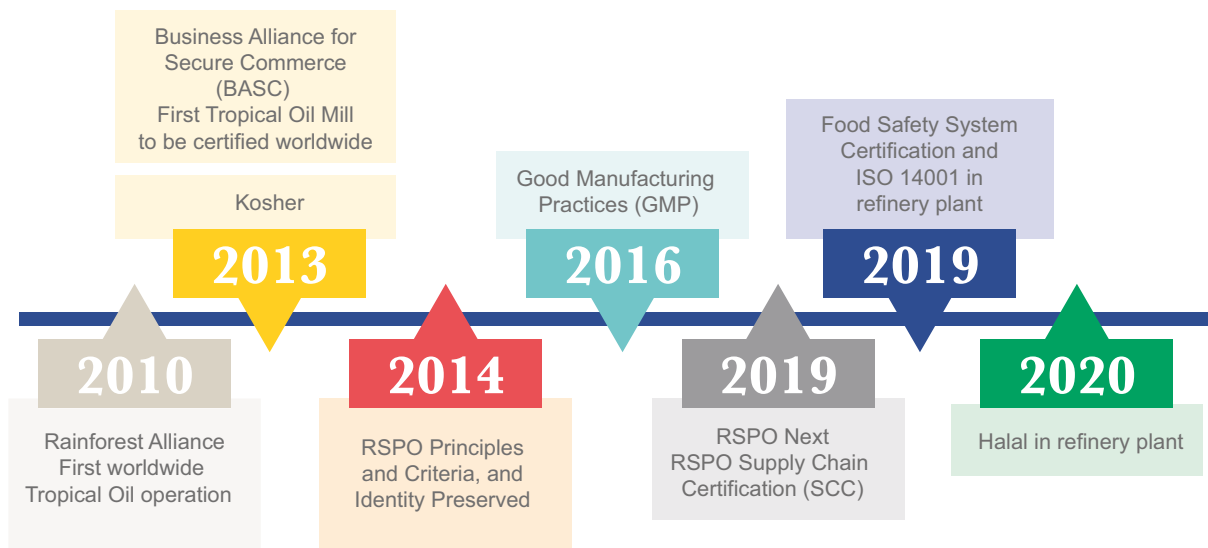
**11 INTERNATIONAL  
CERTIFICATIONS HAVE  
BEEN MAINTAINED  
DURING 2020**



*“Being RSPO certified for the past six years keep us aware of our impacts, but also of our leadership position and our responsibility to lead by example.”*

**— Jose Roberto Montenegro, President of the Tropical Oil Division, AgroAmerica**

## Timeline



## Training for workers on certifications

»  
**2,392 WORKERS  
TRAINED IN RAINFOREST  
ALLIANCE**

«  
**80 WORKERS  
TRAINED ON GMP**

»  
**2,392 WORKERS  
UPDATED ON RSPO**

«  
**363 WORKERS  
TRAINED ON KOSHER**

»  
**292 WORKERS  
TRAINED ON BASC**

## CERTIFICATION

## TYPE

## SCOPE



### RAINFOREST ALLIANCE CERTIFICATION

<https://www.rainforest-alliance.org/lang/es>

Obtained since 2010.

Rainforest Alliance certification, thorough its Sustainable Agriculture Standard, allows to validate that our production is sustainable, with better crops, prioritizing the conservation of natural resources and biodiversity, as well as the well-being of the people in and around the operation.

**100% of operations are certified in Guatemala**

Panama is in the process of certification

100% of Tropical Oil Mills have an Identity Preserved certification, which guarantees that all palm fruit entering the plant for its processing is 100% Rainforest Alliance Certified.



### KOSHER CERTIFICATION

<https://www.ok.org/>

Obtained since 2013.

Kosher certification is the verification system to ensure that food complies with the requirements of Judaism and can therefore be consumed by believers.

The main criteria for assessment are quality, good manufacturing practices and traceability in the supply chain. This certification guarantees that no animal products are used in the process.

**100% of Tropical Oil Mills are certified in Guatemala and Panama**

and the Refinery plant in Mexico

We have three certification categories:

- 1. UK Kosher:** southwestern region of Guatemala.
- 2. OK Kosher:** northeastern region of Guatemala.
- 3. OK Kosher – PARVE KOSHER FOR PASSOVER** – in the northeastern region of Guatemala

### RSPO PRINCIPLES AND CRITERIA

<https://rspo.org/>

This standard guarantees sustainability in the production of tropical oil, both socially and environmentally, with criteria that have been validated by third parties.

**100% of the operations are certified in Guatemala**

Panama is in certification process

## CERTIFICATION

## TYPE

## SCOPE



<https://www.globalstd.com/en/>

Obtained in 2016. Under the Global STD Certification seal, we guarantee the implementation of Good Manufacturing Practices, which promote the comprehensiveness of the food manufacturing process and its compliance with food safety regulations.

**33% of Tropical Oil Mills** are certified in Guatemala



**BUSINESS ALLIANCE FOR  
SECURE COMMERCE -BASC-  
CERTIFICATION**  
[www.wbasco.org](http://www.wbasco.org)

Obtained since 2013. This certification endorses the company's use of global security standards to prevent smuggling or crimes in its logistics and international trade chain, from shipment to final destination.

**66% of Tropical Oil Mills** are certified in Guatemala

**RSPO IDENTITY PRESERVED**

Obtained since 2014. Guarantees full traceability of the supply chain.

Agrocaribe was the fourth tropical oil company worldwide to become RSPO Identity Preserved certified; the fifth in Latin America to obtain RSPO certification and the first in Central America.

**100% of the operations** are certified in Guatemala

Panama is in certification process

**RSPO NEXT**

Obtained since 2014. It emphasizes no deforestation, no plantations on peat soils, reduction of greenhouse gases, respect for human rights, traceability and transparency at all organizational levels. Agroceite is the fourth tropical oil company worldwide, the third in Latin America and the first in Central America to obtain RSPO Next certification.

**36% of the operations** are certified in Guatemala

**RSPO Supply Chain Certification  
Standard**

Obtained since 2019. This standard guarantees the traceability of the supply chain; management systems are implemented to control the supply chain from the plantations to the final certified product. The refinery plant has a Supply Chain Certification, under RSPO Identity Preserved, Segregated and Mass Balance models.

Refinery plant

## CERTIFICATION

## TYPE

## SCOPE



FoodSafety System Certification  
<https://www.fssc22000.com/>

Obtained since 2019.

This certification is recognized worldwide by Global Food Safety and focuses on the Food Security and Safety Management System.

Refinery plant

ISO 14,001

Obtained since 2019. It was created by the International Organization for Standardization (ISO), with the main objective of promoting the creation of an environmental management plan. The aim of this plan is for the company to implement environmental practices that promote the efficient use of natural resources.

Refinery plant



HALAL

Obtained since 2020. Verification system for food to comply with Islamic practices, both in their country and within the European Union, as well as for export to countries with Islamic practices.

One of its requirements is not to include or contain in its composition anything that is considered illegal to Islamic law. In this sense, food must be prepared, processed, transported or stored according to this law and, finally, must not have been in contact with other foods that do not meet the above requirements.

Refinery plant

In addition to our certifications, we receive audits and reviews from our customers to assess their own sustainability and quality requirements, as well as from governmental institutions, which confirms and guarantees responsible production and implementation of continuous improvement plans.

In 2020, we did not receive any audits from our customers due to the COVID-19 pandemic; some aspects of the verification process were performed remotely. At a local level, we were visited by different government entities: a total of 28 visits were made to evaluate labor, environmental and occupational safety, and the implementation of COVID-19 protocols, among others.

38



**28 GOVERNMENT AUDITS  
RECEIVED**

*“ We are constantly improving and transforming ourselves to be suppliers of excellence... but always working with the same values and principles of our founder.”*

— Santiago Bolaños, Third Generation

# 4 OUR OPERATIONS

In order to access markets, we must transparently demonstrate the sustainable and responsible origin of our raw materials, which are necessary for the production of our sustainable food. By owning the production chain in Guatemala and leading most of the process in the other countries of operation, we achieve complete traceability from the soil to the shelf where our customers buy it.



DECENT WORK  
AND ECONOMIC  
GROWTH



INDUSTRY,  
INNOVATION AND  
INFRASTRUCTURE



RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



PARTNERSHIPS  
FOR THE GOALS

## PRODUCT QUALITY AND TRACEABILITY

GRI 103-1 al 3

### What we do?

The Tropical Oil and derived products are produced on the basis of quality, traceability, sustainability requirements and cost criteria. The sustainability requirements that we integrate in our management have been developed after years of knowing the business and having firm commitments in social and environmental matters, as well as including the considerations and concerns of our customers.

We ensure the traceability of our products by having a vertically integrated supply chain, having a control of the highest international standards, from production to the final customer.

We ensure the traceability of our products by having a vertically integrated supply chain, which gives us control of the highest international standards, from production to the final customer.



*“We are a family-owned company with regional presence, global exportations and with the ability to respond promptly to customer requirements.”*

*— Fernando Bolaños Valle, AgroAmerica CEO*

# AgroLab

## An accredited laboratory of AgroAmerica

**AgroLab is an AgroAmerica laboratory, specifically located in the northeastern operation of Guatemala**

AgroLab is an AgroAmerica laboratory, specifically located in the northeastern operation of Guatemala. It started operations in 2019, with the objective of meeting the company's soil analysis needs. At the same time of starting its functions, it began with the implementation of a Quality Management System based on the ISO 17025: 2007 standard that guarantees the reliability of results, high technology equipment, constant personnel training, international proficiency tests and high-purity reagents.

**AgroLab's accredited analytical capabilities allow us to effectively monitor the nutrient level of our plantations so that we can draw up efficient and environmentally responsible fertilization plans.**

During the COVID-19 pandemic, AgroLab manufactured 240 gallons of disinfectant solution, according to WHO (World Health Organization)

guidelines, which were donated to communities and government institutions to prevent the spread of COVID-19 in the area.

### Soil, plant tissue and water sampling



### AgroLab is a soil, plant tissue and water laboratory responsible for measuring:

#### Soils:

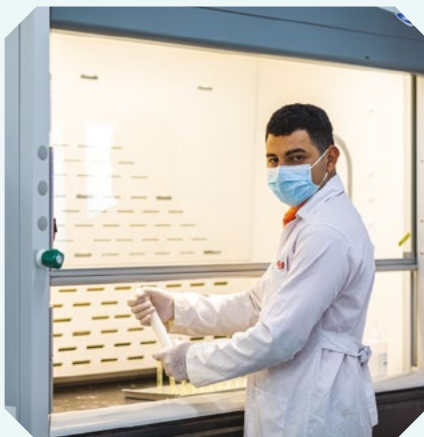
- Soils pH
- Determination of macronutrients (K, Ca, Mg and P) in soils

#### Water:

- Water pH
- Wastewater or industrial waters analysis
- Water potability testing

#### Plant tissue:

- Nitrogen in plant tissue
- Determination of macronutrients (K, Ca, Mg, P and S) and micronutrients in plant tissue
- Nutritional diagnosis in palm plantations
- Analysis of organic fertilizers



## PRODUCTIVITY AND INNOVATION

GRI 103-1 al 3

### Why is it important?

As part of our mission to become a world-class agro-industrial company in terms of productivity, innovation takes on material importance as a fundamental means of achieving sustainability with maximum productivity. At the same time, we use resources efficiently, generate employment and contribute to the economic development of the countries in which we have a productive presence. This drives us to contribute to the sustainable development global goals.

We believe in innovating our business and our way to do business. Sustainability is an important motor behind innovation to improve our operations, reduce our environmental footprint and to meet our customers' requirements in order to optimize processes. We listen to our customers who, day by day, require greater quantity and quality of sustainable products and healthy food.

Innovation is a particularly important challenge for the Tropical Oil Industry, because considering that changes in operating costs occur annually and in a differentiated manner by country and even by region, product prices remain the same in the market. Therefore, the challenge is to be able to give greater value to the result and differentiate operations by the labor, social and environmental practices of our operation.



### What we do?

Guatemala is the sixth largest tropical oil producer in the world in terms of production volume. It is also the second largest producer in Latin America.

Due to the COVID-19 pandemic, distribution and consumption patterns were altered in 2020. Nevertheless, the overall sales level for the year was maintained, due to the hard and collaborative work with customers, logistics agents and other stakeholders that helped us ensure the availability of products to the world.

»  
**4 TROPICAL OIL MILLS**

**1 REFINERY PLANT**

**0 STATE GRANTS FOR OPERATIONS**

**GUATEMALA RANKS 6th IN THE WORLD AS TROPICAL OIL PRODUCER BY VOLUME**

**1ST IN YIELD PER HECTARE**



# Adding value to oil with refining

We complete the tropical oil value chain with refining at our operation located in Mexico, using the latest technology



In 2019, we acquired a refinery plant in Veracruz, Mexico. This infrastructure has allowed us to treat Tropical Oil to provide a higher value-added product to our industrial customers and consumers.

## Refining operation

Is "physical", which means that the fatty acids are removed by a steam distillation process, without adding sodium hydroxide or sodium carbonate. The process basically consists of a degumming operation, followed by bleaching and deodorization before the product is finally loaded in bulk or packaged. Hence, the denomination RBD (Refined, Bleached, and Deodorized).



## Subproducts

Olein (which is also an edible oil) and stearin, which is used as a raw material for the production of margarines and soaps, are obtained as by-products of the refining process. Both refined palm oil and olein are duly RSPO certified.



Our supply chain consist of crude oil refining from our own operations and from the work of other small and medium-sized producers. Its strategic location, close to a port, gives us competitive access to the United States market, in addition to the European market.

## Daily we refine:

160 metric tons (MT) of RBD palm oil

40 MT of palm olein and RBD

10 MT of RBD palm stearin

These products are marketed in the United States, Guatemala, Mexico and Colombia

Our refinery complies with international certification standards: RSPO Supply Chain Certification Standard, Food Safety System Certification, ISO 4001 and HALAL for the Islamic market, which was obtained in 2020.



*"The tropical oil refinery plant in Mexico symbolizes our commitment to invest, create decent employment and generate value in the region in a sustainable way."*

**— Santiago Bolaños,  
Third Generation**

## SUPPLY CHAIN MANAGEMENT

GRI 103-1 al 3, GRI 141-1, GRI 102-9 al 10 y GRI 308-1 al 2, GRI 414-1

### Why is it important?

Our culture of corporate compliance drives us to take a sustainability management and assurance approach throughout our supply chain to deliver high quality products to customers that exceed their expectations. The audits we receive, openly and continuously from our customers and other stakeholders, cover not only our production operations, but also the operations of our entire value chain.

### What we do?

We recognize that our responsibility with the value chain goes beyond our operations. We are a vertically integrated company, so all the fruit we sell comes from our operations, which allows us to maintain full traceability of our products.

We build long-term alliances going forward in the value chain with our customers and backward, with suppliers and contractors.



With customers, we developed long-term relationships, seeking to exceed their expectations in terms of product and service that they get from us, in terms of sales and the sustainable qualities of our products. We have worked hard over the last few years to reformulate our customer service team to be more responsive to needs and requirements.

With our complementary suppliers, we seek alliances with companies that share our values and principles for doing things right.



»  
**2,810 SUPPLIERS PROVIDE  
OUR BUSINESS WITH  
PRODUCTS AND SUPPLIES**

**16+ SUPPLIERS HAVE BEEN  
SELECTED UNDER THE  
ENVIRONMENTAL AND  
SOCIAL CRITERIA SYSTEM  
THAT WE ARE IN THE  
PROCESS OF  
IMPLEMENTING**

**31 SUPPLIERS OF PALM  
OIL FRESH FRUIT BUNCHES  
(FFB) IN PANAMA**

**4 SUPPLIERS OF PALM OIL  
FRESH FRUIT BUNCHES  
(FFB) IN GUATEMALA**

*"We guarantee traceability  
of our products, from  
production to customer."*

*— Gustavo Bolaños,  
AgroAmerica's COO*

In the coming years, we will be working on systematizing the management of environmental and social requirements of machinery suppliers, agro-chemicals and other supplies. It is worth noting that our supplier base has not changed significantly during 2020.



The RSPO Identity Preserved Certification has enabled us to integrate a comprehensive supplier management system in terms of quality, environmental and social management. The processes and protocols stipulated here guarantee the alignment of producers. This meant that, in 2020, we did not have to eliminate any supplier from our chain due to social and environmental non-compliance.



This year presented important challenges in coordinating with independent producers for the implementation of COVID-19 protocols and ensuring the correct timing and delivery to comply with government dispositions, while meeting tight customer demand.

The supply chain and supplier base were not significantly adjusted in 2020.



# Independent Producer Inclusion Program at Agropalma de Inversiones, S.A. in Panama

One of the main objectives of AgroAmerica's founder was to provide decent employment in rural areas to promote their development. Based on this commitment, we have generated thousands of direct jobs in Guatemala, Panama and Mexico; in addition, we are proud to have a program in Panama aimed at achieving the challenge of formally integrating independent producers into our value chain, enabling them to adhere to environmentally and socially sustainable production standards, as well as to achieve greater productivity through the implementation of best practices.

By 2021, we aim to meet the goal of certifying our farms and Tropical Oil Mills of Agropalma de Inversiones S.A., under the RSPO certification standard under the Mass Balance model. The inclusion of small producers in our production chain, which is increasingly required by our customers and by RSPO certification, constitutes an operational challenge as we have to expand programs for negotiating and supervising quality, traceability and sustainability compliance. However, we see opportunities to grow in the long term in an inclusive and competitive manner, in addition to securing our supply base.

The company currently has a technical assistance department for agricultural practices, cost manage-

ment and advice on the purchase of supplies, thus providing added value to independent producers, with the intention to increase their productivity and offer them competitive prices for the purchase of palm oil fresh fruit bunches (RFF).

We have three years to certify the independent producers that integrate the productive chain, from the moment Agropalma de Inversiones S.A. obtains its certification. For this purpose, since the end of 2020, an alliance was established with Proforest to develop the certification program for 31 independent producers, under the group certification scheme.

## The main challenges we identified during the implementation of this program are as follows:

- The high costs that a certification entails for a small producer.
- The time that a small producer must dedicate to training, informa-

## With this program we seek to:

- Help them meet RSPO requirements so that, in three years, they can achieve full certification
- Achieve an increase in their productivity, through the adoption of good agricultural practices
- Improve their financial management
- Verify their land tenure and use
- Support them in applying natural resource conservation practices
- Assist their partnerships

tion gathering and process construction.

- The complexity of achieving an organizational scheme among all producers in order to enhance their capabilities.

To further enhance our impact with small producers, we are looking for other partners to join forces with AgroAmerica in this program.



## Aníbal Sánchez

Independent producer of *Agropalma de Inversiones S.A.*,  
Alanje, Chiriquí, Panama



AgroAmerica's Corporate Director, Independent Producer and Independent Producers Technician

*Aníbal* has a 2.5 hectare lot, where he started to cultivate rice. Eventually, he made a transition to planting palm, after learning about the experience of university colleagues who cultivated palm. With his new product, he was able to connect with *Agropalma de Inversiones, S.A.* local buyer.

This ally expresses that “since I have been an independent palm producer, my family's experience has been good, since it is a crop that has had a good yield since the first harvest. My family has been able to make profits

and it is a more resilient, cost-effective and climate-friendly product. We feel as businessmen and we have had a very responsible and respectful relationship with *Agropalma de Inversiones S.A.*”.

AgroAmerica is honored to collaborate with small producers like *Aníbal*, as it supports farming families in rural areas and promotes its founder's spirit of creating decent employment. The collaboration and openness achieved to promote better social and environmental practices is challenged by the farmers,

who have three years to align with the RSPO standard; but this is compensated by their commitment and willingness, due to the advice that *Agropalma de Inversiones S.A.* provides to its suppliers, since their incorporation to the supply chain.

*“We feel as businessmen and we have had a very responsible and respectful relationship with Agropalma de Inversiones S.A.”*

**— Aníbal Sánchez,  
Independent Producer**

# 5 OUR PLANET

Our sustainability strategy includes a strong commitment to the environment. We keep an Environmental Policy, whose main objective is to reduce our footprint, maintain the quality of the environment, to ensure the sustainability of biodiversity and natural resources and the involvement of stakeholders, such as communities.



RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



CLIMATE  
ACTION



LIFE ON  
LAND



PARTNERSHIPS  
FOR THE GOALS



ENVIRONMENT

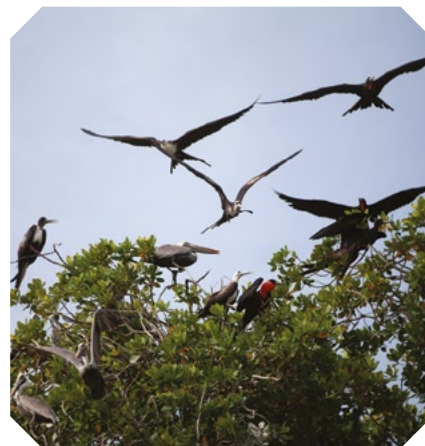
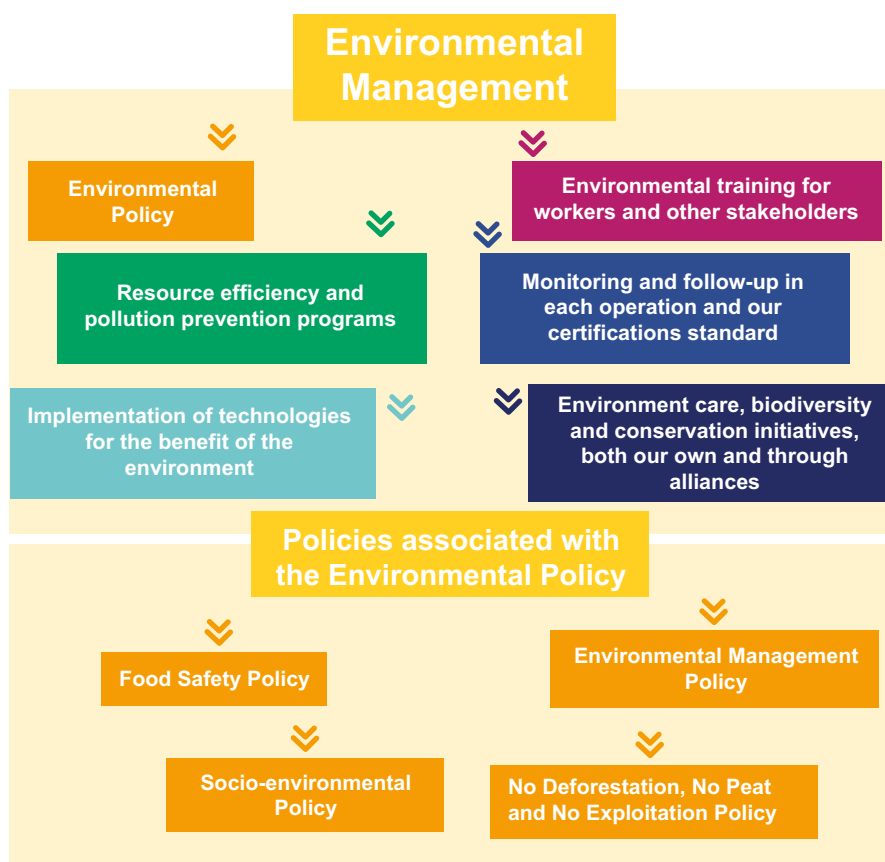
## OUR PLANET

GRI 102-11, GRI 307-1

Our Environmental Policy takes into consideration a precautionary approach, through which we seek to prevent or minimize negative impacts on the environment and we are committed, through a management system, to implement continuous improvement plans in compliance with national legislation and international standards.

We ensure compliance with legal requirements and internal procedures through our environmental managers for each operation, who carry out permanent follow-up audits, based on local legislation and international standards, training for workers and suppliers, verification of mitigation measures, permanent support for conservation initiatives and continuous improvement in all processes.

At the operational level, we have integrated an Environmental Management System, which is based on our Environmental Policy and the different plans and programs that allow us to implement the best practices for the care of the environment and natural resources.



**100% OF THE OPERATIONS  
ARE AWARE AND COMPLY  
WITH THE ENVIRONMENTAL  
POLICY**

## 0 PENALTIES IMPOSED BY THE ENVIRONMENTAL AUTHORITY IN THE COUNTRIES WHERE WE OPERATE

## 22 ENVIRONMENTAL TRAININGS

**2,000+ WORKERS**  
TRAINED IN  
ENVIRONMENTAL  
MANAGEMENT

## 22 ENVIRONMENTAL MONITORING PERFORMED BY EXTERNAL PARTIES

*"It is a daily challenge for us to produce more with less resources".*

—Javier Aguirre,  
Corporate Director,  
AgroAmerica

## Training for workers

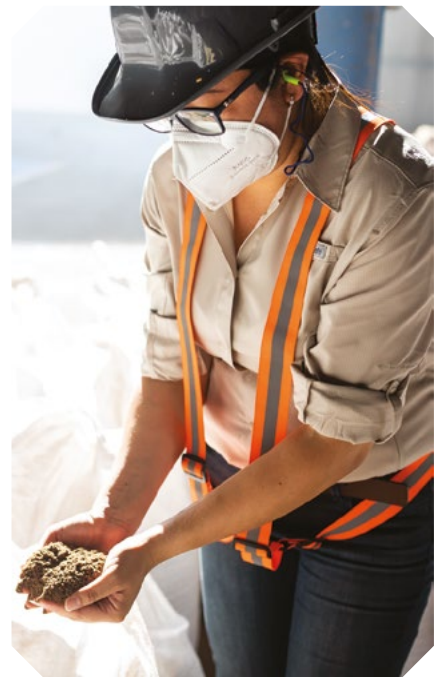
We focus conservation efforts in our operations, training our personnel in environmental policy management, waste management, environmental management plan, international certifications and good agricultural practices that contribute to raising awareness of environmental care and the need to promote biodiversity.

### 2,057+ workers were trained on topics including:

- Management plan and environmental policy
- Solid waste management
- Supply chain
- Wildlife monitoring
- High conservation values
- Rare, Threatened, & Endangered (RTE) Species

## Environmental monitoring

We have planned environmental monitoring of surface water, wastewater, noise and air quality. All of this is carried out through accredited external companies, which have allowed us to keep track of compliance with the parameters established in environmental standards and to improve pollution prevention processes.



### The monitoring oversees topics including:

- Soil quality
- Environmental noise
- Water quality, wastewater
- Water quality, surface water
- Air quality and emissions

During 2020, 22 environmental monitoring were carried out by external parties in Guatemala, Mexico, and Panama.



## CLIMATE CHANGE

GRI 103-1 al 3, GRI 305-1 al 2, GRI 305-4

**Why is it important?**

We are committed to ensure that our actions contemplate the fight against climate change, with mitigation and adaptation activities, in front of this major global challenge. Although Oil Palm crops compensate for emissions as they grow, in terms of their operation and related transportation, they generate emissions that affect the atmosphere.

**What we do?**

We are in the process of estimating our greenhouse gas (GHG) emissions as a baseline to establish a gas reduction plan in our global operations. In this calculation, we will consider the offsetting of emissions that occurs from the generation of oxygen from palm plantations, as well as from the multiple conservation and reforestation projects that continue to increase in size each year. According to the World Wildlife Fund (WWF), in its article, "Planting on degraded lands", palm oil can set and/or absorb 15 metric tons of carbon dioxide CO<sub>2</sub> per hectare.

According to the carbon footprint measurement carried out in 2020, based on the methodologies established by ISO 14064-1, the GHG protocol and the calculation tool developed by the RSPO certification standard, our tropical oil operation has a carbon-neutral production.

This means that the amount of carbon that can be sequestered in our plantations is greater than the greenhouse gas emissions.

*Agrofrancia* has the highest carbon balance in its favor of the four plants of the corporation, followed by *Agrocaribe*, *Agropalma de Inversiones, S.A.* and *Agroaceite*, which represent between 50.71%, 37.14% and 15.71% of the carbon dioxide fixation capacity per ton of oil produced compared to *Agrofrancia*.

This results evidence that **AgroAmerica's agro-industrial activities are lower than those sequestered in its oil palm plantations and conservation areas, so the palm oil producing companies that are part of the corporate group can be considered carbon neutral.**



»

**THIS MEANS THAT THE  
AMOUNT OF CARBON THAT  
CAN BE SEQUESTERED  
IN OUR PLANTATIONS  
IS GREATER THAN THE  
GREENHOUSE GAS  
EMISSIONS**

**OUR ACTIONS**

Implementation and follow-up of sustainable agricultural practices



Forest conservation and reforestation on river basins



Initiatives to measure our Greenhouse Gas (GHG) emissions



Internal training about climate change



Alliances to achieve climate change goals

We will continue to work on improving our methodologies and emissions calculations, in terms of scope and information availability, along with mitigation measures, such as reducing energy consumption and forest conservation, among others.

# From wastewater to renewable energy

The biogas captured from the wastewater treatment system is used to generate electricity in our operation in northern Guatemala, specifically in Agrocaribe's operations



## Results

In 2020, we generated **3.5 MW/H** of electricity

The total investment in the renewable energy generation system was **US\$3.6 million**

In our Agrocaribe's Tropical Oil Mill, we generate and use 100% renewable energy. The biogas, which is the result of the process of anaerobic digestion of wastewater in three lagoons, is captured for treatment and introduced into an energy generator. The biogas treatment system consists of biofilters that remove hydrogen sulfide, a cooler that condenses the humidity and reduces the temperature, and finally a blower that raises the pressure of the biogas for its introduction to the generator.

The installed system, which has a capacity of 3.5 MW/Hr of renewable energy generation, was approved by the United Nations as a Clean Development Mechanism project.



Renewable energy generators for Tropical Oil Mills



Anaerobic lagoons that capture biogas to transform it into electrical energy

The electricity generated is consumed in the same mill, while the surplus is sold to the National Interconnected System of the Republic of Guatemala. In total, 1,000 megawatts (MW) are marketed to the distributor.

## EFFICIENT WATER USE

GRI 103-1 al 3, GRI 303-1 al 4, GRI 306-1, GRI 306-5

### Why is it important?

Water is an essential resource in our operations necessary for efficient production in the field as well as in the Tropical Oil Mills. In addition to the importance of the vital liquid for the company, this is a critical resource for the communities in the area of influence.

### What we do?

In order to have an adequate use of water, at each stage, we manage practices and specific application plans. We have implemented various technologies for irrigation; additionally, we control the quality of the wastewater. We seek to reduce efficient and rational water consumption in both our agricultural and industrial operations.

Our resource management plans to focus on ensuring efficient consumption. On this basis, we apply our processes through:

#### Efficient water consumption

We participate in **river basins technical working groups for the rational use of water**, in the southwestern region of Guatemala.

The following systems have been implemented to be able to provide water for our crops and to avoid direct water extraction from rivers:

- 10 reservoirs that allow us to capture water during winter season, which is equivalent to 639,913,892 gallons, approximately 714 Olympic-size swimming pools.

#### Water discharges

**Wastewater is not discharged into river basins**, since the residual liquid from our industrial processes is used as fertigation in our plantations. The water that comes out of the industrial process is rich in nutrients, which feed our crops. (See wastewater case on page 55).



## Technology

### Micro-spraying

Makes it possible to optimize irrigation in plantations, reduce application time, increase production yields and reduce diesel consumption.



### Measuring systems

Measuring systems that:

- Measure the water level in the soil to avoid excess water in plantations
- Establish the amount of rainfall during winter
- Determine when to start and when to stop irrigation

Use of water from wells and reservoirs



Permanent control of our equipment



Wastewater treatment in processing and refinery plants



Reservoir to capture water during winter

# Wastewater treatment system

The Wastewater Treatment System improves the physicochemical characteristics of wastewater generated by our Tropical Oil Mills



Facultative lagoon for irrigation of plantations

We achieve zero water discharge from our industrial processes at the Tropical Oil Mills extractors by using the nutrient-rich process water for irrigation and returning these nutrients to the soil. Before its reuse, the effluent is subjected to a rigorous treatment to improve its physicochemical characteristics.

Our four oil Tropical Oil Mills have this Wastewater Treatment System (WTS).

Treatment begins in the Florentine filters for complete removal of any

oil residue remaining in the effluent. Once free of oil, it is sent to cooling towers for temperature reduction before being pumped first to the biodegradation process in biodigester tanks, where anaerobic bacteria consumes the organic load of the wastewater to improve its condition. Subsequently, it passes through an aerator and clarifier tank to separate the sludge particles and is conveyed to facultative lagoons for irrigation of the plantations. This process avoids generating liquid discharges and allows reusing the water in the productive activity as fertigation.

On a regular basis and with a defined schedule, as applicable, different physicochemical parameters are monitored to ensure that the treatment is effective and efficient. Among the monitored parameters are: pH, temperature, and Chemical Oxygen Demand (COD).

»

**100% OF THE WASTEWATER FROM THE TROPICAL OIL MILLS IS TREATED AND REUSED FOR FERTIGATION IN OUR PLANTATIONS**



# Technical Basin Committees, a successful model for the rational use of water

An example of public-private strategic alliances for the sustainable and integrated management of the basins of the South Coast and southwestern region of Guatemala



In Guatemala, water resources have been a source of consternation for companies, communities, authorities and civil society. Since in the dry season and in arid years, it is a collective challenge to ensure an ecological flow in the basins, due to climate change that affects access to natural resources worldwide.

In the absence of a Water Law, Governmental Agreement 19-2021 of the Ministry of Environment and Natural Resources of Guatemala was created, which seeks the rational use of fauna, flora, land and water. Technical working groups were formed to facilitate the meeting of stakeholders at the basins level and the coordination of joint actions for integrated, transparent and participatory basin management.

AgroAmerica, actively participates in 7 Technical Working Groups, corresponding to the basins in which we have influence, of which 1 corresponds to the Tropical Oil division in the southwestern region of Guatemala. Here we ensure an open and consensual dialogue on the care

and use of water by the different stakeholders. We have participated in technical working groups since their creation in 2016.

The information generated in the technical working groups is vital to know the availability of water and allows coordination among water users to verify compliance with agreements and commitments to ensure that the rivers reach their mouths; to ensure that all users have access to water resources to meet their needs and make rational use of water.

**The technical basin committee has been a successful model of water management, which was implemented in 2016 and has made great progress in the reforestation of riverbanks and efficient water use.**

## 2020 results of our participation in working groups:

- 7 technical teams formed, in charge of measuring and monitoring basins, and addressing social and political issues
- 13 monitored basins
- 63 monitored rivers
- 390 points located in the basins are monitored
- 3,397 river discharge gauging for monitoring efficient water use
- 32 virtual meetings held with the technical, social and political team
- 182.55 hectares reforested on riverbanks, as a result of joint action among the different stakeholders, of which 28 hectares were a direct result of our work in the South Cost of Guatemala

**Together with governmental entities, community leaders, academy and other private institutions, we coordinate actions aimed at:**

- The rational and sustainable use of water resources that form the basins by all of its users.
- The adoption of strategies to prevent and mitigate the impact of our operations in the basins.
- The prevention and mitigation of the effects of floods.
- The improvement of the living conditions for basins inhabitants, by proposing viable solutions.
- The formal mapping of the different stakeholders present in each of the basins.
- To obtain baseline information at the level of each of the basins, which allows focusing integrated management actions.
- To have continuously updated technical information about the flows in the main rivers.
- Reforestation of riverbanks.
- Training of people living in areas near rivers on topics such as climate change, resource conservation, reforestation programs and river capacity measurement.

**These are the main stakeholders:**

- Public, decentralized and autonomous entities related to basin protection and conservation.
- Private entities involved in basin protection and conservation.

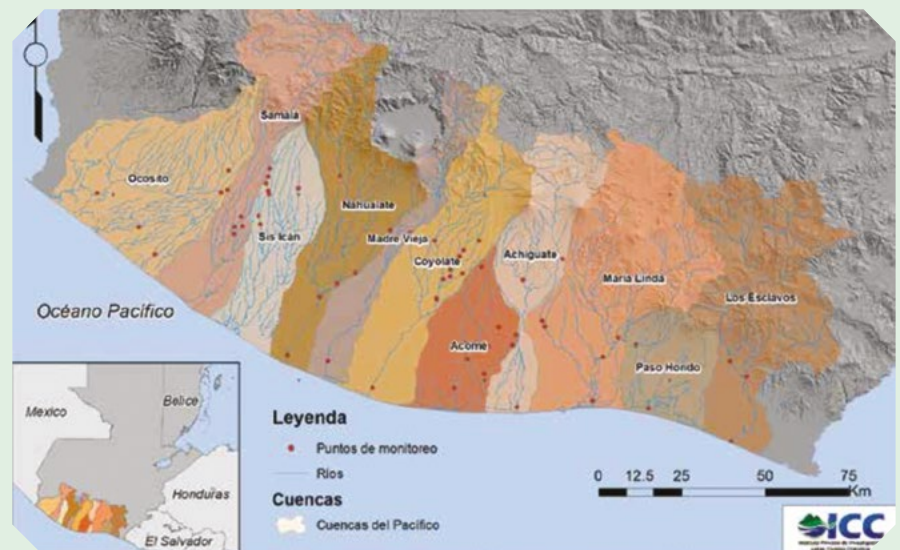
- Public and private universities located in the territory defined as a basin by the Ministry of Environment and Natural Resources.
- Users identified within the basin inventory.
- Civil society representatives, involved in the planning of actions aimed at the social, environmental and productive development of the basin.

**The main objectives of the technical working groups are:**

- Basin protection and conservation
- Rational use of water
- Maintain ecological flow to preserve flora, fauna and natural habitats
- To ensure that rivers reach their mouth



**Water quality monitoring points carried out at the basin working group**



Source: Climate Change Institute

## RESPONSIBLE USE OF AGROCHEMICALS AND SOIL MANAGEMENT

GRI 103-1 al 3

### Why is it important?

The responsible use of agrochemicals is a commitment we have within our operation, to conserve soil characteristics and ensure the sustainability of the land.

Soil is one of the indispensable resources for agricultural production, which is why we make significant efforts to care for and conserve it. As part of our responsibility to the environment, we ensure that we have implemented requirements and procedures for the proper use of agrochemicals in our operations.

### What we do?

Some of the activities we do to properly manage agrochemicals and soil conservation are detailed below:



- **In Guatemala, 100% of the containers are sent to the supplier "Agrequima"** to be part of *Campo Limpio (Clean Field)* program and to be qualified by the national environmental authority, ensuring a proper management of this waste. This consists of the transformation of containers, through a recycling process that results in obtaining profiles that simulate plastic wood.

- **In Panama, applying the same process, 100% of the containers** are sent to the authorized supplier "*Asociación Nacional de Distribuidores de Insumos Agropecuarios y Maquinarias*" (National Association of Distributors of Agricultural and Livestock Supplies and Machinery; ANDIA, by its acronym in Spanish), in a certified recycling program.

- In the training area, **we constantly train the personnel who carry out activities with agrochemicals**, so that they comply with the procedures, personnel safety measures, emergency procedures and adequate applications in our farms. All personnel in contact with phytosanitary products are evaluated.

- **We comply with the national legislation of the countries where we operate**, regarding the application of products. We also follow international standards through our certifications.

- **We have application equipment that allows a rational and responsible use of agrochemicals.**

- **Since 2010, we have implemented Sustainable Agriculture Network (SAN) practices, in a Sustainable Agriculture Framework (SAF)** that contains a comprehensive list of good practices for crop protection and appropriate use of agrochemicals.

- **In 2015, we signed a memorandum of understanding (MOU) with the WWF**, through which we are committed to implement a series of practices for the use of agrochemicals, in order to reduce their application, seeking alternatives that are more beneficial to the environment.

- Reincorporation of organic matter coming from the same crop: Palm leaves after pruning and harvest, as well as rachis, sludge, fiber, ash and fruit stones from the oil Tropical Oil Mills.

- We have **reduced with these practices an average of 38% in the use of agrochemicals** in our operations in Guatemala and Panama.

## SOIL CONSERVATION



Legume cover to prevent water accumulation and erosion

The relationship between sustainable soil management and production is part of the constant controls we carry out. We have internal plans that allow us to, through different management actions, ensure that the soil quality is optimal for the fruit. We implement practices to avoid soil degradation and promote preservation and biodiversity, based on current national and international regulations.

Among our actions, we ensure:

Quality control	Conservation practices
Soil quality monitoring	Planting of vegetation cover to prevent water accumulation in the soil and erosion
Soil preparation	Prohibition of herbicide use near water bodies or irrigation canals
Sustainable use of agrochemicals	Reincorporation of organic matter from the crop itself
Training for workers	Reincorporation of organic matter from the same crop

Laboratory with the highest technology, which allows pH measurement and determination of macro-nutrients in soils



Reincorporation of organic matter from the same crop and byproducts from the Tropical Oil Mills to ensure optimal soil quality

BIODIVERSITY

GRI 103-1 al 3, GRI 304-1, GRI 304-2, GRI 304-3

19,000+

hectares conserved in the Maya Biosphere project

76+

fauna species of interest identified in our operations

975.34+

hectares of conserved forest in our operations

37,000+

trees donated for reforestation on riverbanks to governmental institutions and communities

53+

flora species of interest identified in our operations

75,000+

capacity of trees in the forest nursery

## Why is it important?

Biological diversity brings richness to the habitat where we operate, providing flora and fauna, including ecosystem services to our operations, as well as to our communities of influence.

## What we do?

We have a No Deforestation, No Peat and No Exploitation Policy that we have had in place for years to ensure that we do not negatively impact the environment. In addition to this commitment, we seek to restore damaged areas and to create positive impacts in the flora and fauna where we operate, as well as in other high-value habitats.

The company's own plantations and those of third parties are located in areas previously used for livestock and other agricultural processes. Therefore, our impacts on biodiversity are few and we seek to mitigate them through conservation, reforestation and restoration of areas within and outside our operations.

## Flora and fauna

Within the areas of direct and indirect influence of our operations, we have carried out studies with which we have identified fauna and flora species considered to be of interest in the List of Threatened Species, the IUCN Red List of Threatened Species and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITIES).

Biological monitoring was carried out in the northeastern region of Guatemala and the following results were obtained: 106 bird species, 42 species of bats, 12 species of land mammals, 17 reptile and amphibian species, 9 fish species and 25 plant species.



**76 AQUATIC AND TERRESTRIAL  
FAUNA SPECIES**

**53 FOREST AND ORNAMENTAL  
FLORA SPECIES**

**975.34  
HECTARES CONSERVED**

**8,500 TREES PLANTED  
ON RIVERBANKS**

**19+ HECTARES CONSERVED  
IN THE MAYA BIOSPHERE  
PROJECT**



## Conservation of forest areas and reforestation

In 2020, we have 975.34 hectares conserved in our farms and riparian zones, and 8.4 hectares of reforestation on riverbanks, equivalent to 8,500 trees planted.

In 2020, alliances were implemented to ensure the greatest positive impact on our reforestation and conservation processes, in which we can highlight the National Forest Institute, Working Groups for basins conservation, the Private Institute for Climate Change, the Ministry of Agriculture, Livestock and Food, the Ministry of Environment and Natural Resources, Community Development Councils and Municipalities.

Several of our on-site reforestation initiatives could not be carried out due to restrictions imposed by the authorities in the countries where we operate in response to the COVID-19 pandemic. However, through donations, the species in our forest nurseries were supported by third parties. We expect to return to and reinforce these activities in 2021 or as soon as the pandemic-related provisions of COVID-19 allow.

When it comes to number of trees, we have planted more than 8,000 trees on our own farms. In addition, we donated more than 37,000 trees to different organizations, to promote with reforestation activities in forests or riverbanks.



Conservation area in AgroAmerica's plantations



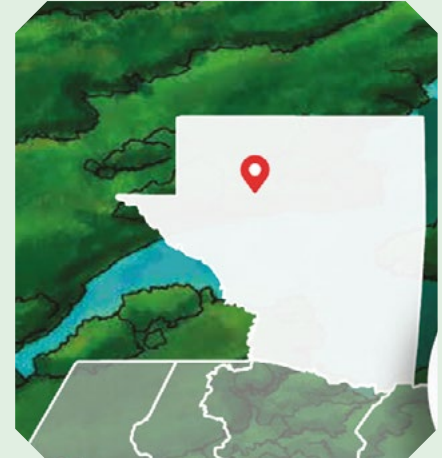
### » 20+ ALIANCES FOR REFORESTATION



Reforestation in alliance with governmental institutions, community leaders and AgroAmerica

# Biodiversity preservation at Laguna del Tigre National Park, Maya Biosphere Reserve

Our conservation actions are concentrated in the southeastern region of *Laguna del Tigre National Park*, in the locality of *El Perú-Paso Caballos-Peñón de Buena Vista*; *San Andrés, Petén Guatemala*



Location of the area under conservation with our support: *Perú-Paso Caballos- Peñón de Buena Vista*

*El Perú-Paso Caballos-Peñón de Buena Vista*, an area covering 19,098 hectares that holds an exceptional wealth of biodiversity. It is located in the *Laguna del Tigre National Park*, the largest in Guatemala, which has been recognized as a *RAMSAR site*, inside the *Maya Biosphere Reserve*.

Our participation in the conservation project is implemented through a formal signed agreement with **Wildlife Conservation Society (WCS)**, **Solidaridad Network** and the **National Protected Areas Council**. The objective is to preserve biodiversity, natural ecosystems and cultural heritage of the area, through:

- Monitoring the population of endangered species and their habitat.
- Protection against threats to natural ecosystems such as forests, wetlands and savannahs.

- Strategic alliances for the implementation of socio-environmental management initiatives.

The activities implemented to date have been carried out in accordance with three axes of action:

- **Community participation**
- **Environmental protection**
- **Control and surveillance**

## With this project we preserve:

- **TOTAL: 19,098 ha**
- Forest: 14,038 ha
- Water bodies: 117 ha
- Wetlands: 704 ha
- No forest: 4,239 ha (agricultural areas among others)

Total company investment in the project **US\$1.2 MM**



## Results in terms of Community Participation:

- Signed Conservation Agreement with the community
- 100% of the population has access to primary health care, 1,457 inhabitants of the Paso Caballos community
- An Early Warning System for Forest Fires was implemented
- 273 controlled agricultural burnings
- 18.2 km of firebreaks were made
- 0 hectares of forest were affected by forest fires
- 144 people from the community have been hired and trained to monitor and clean the fire breaks in the conservation area

## Results in terms of Environmental Protection:

- 4 forest fires were managed
- 6 backpack sprayer purchased for the control and suppression of forest fires
- 2 stationary water pumps installed
- Hot spot monitoring, fire control and fire suppression performed
- 26 macaws released after significant efforts to protect the habitat, monitoring and construction of nests for their reproduction and involvement of local communities for their conservation
- It is estimated that there are



only 300 Macaws left in the wild in Guatemala, this is one of the species most threatened by poaching for the illegal wildlife trade

## Results in terms of Control and Surveillance:

- 23 control and surveillance patrols were conducted
- 5 overflights made to detect threats
- 30 lb of seized fish
- 1 shotgun seized to avoid illegal hunting
- 10 people engaged in unauthorized activities were arrested
- 6 vehicles assigned to the project



AgroAmerica's Corporate Director with the WCS team in the area of conservation

# A landscape perspective for our planet

**We partnered with LandScale, an initiative that promotes a standardized approach to measure sustainability performance, on the scale of a landscape**

For the past three years, the LandScale initiative, led by the Rainforest Alliance and Solidaridad has been developing a tool

Which offers a holistic approach to assessing the cumulative impact of all activities in a given landscape and identifying an integrated action plan. This –logically– implies joint and coordinated work at the level of all landscape stakeholders to identify coordinated actions aimed at the same overall sustainability objective.

We have been an active partner of LandScale since its beginnings. We were part of the pilot tests of version 0.1 of the tool and contributed with valuable inputs for the development of version 0.2, which is currently in the process of validation. Furthermore, as a result of the tool's test work, the participating stakeholders were able to preliminarily identify certain actions that could be implemented, in a coordinated manner for the comprehensive management of the southwestern region of Guatemala, specifically the Ocosito river basin.

From now on, using the performance indicators and metrics defined with LandScale, we have the challenge of designing an integrated action plan that will promote the implemen-

tation of concrete improvements in the sustainability of this river basin.

Among the actions that we have been implementing within the framework of this landscape vision, we can mention the following:

- **Forest nursery with a capacity of 75,000 plants**
- **Donation of 37,000 trees to reforest riverbanks**
- **The maintenance of a 34.5 ha conservation area in the southwestern region**
- **The maintenance of a conservation area of 516.06 hectares in the southwestern region**



**LandScale provides a holistic view of a landscape**

**Regarding four pillars directly related to sustainability:**

**Ecosystem**



**Human well-being**



**Governance**



**Production**



**LandScale uses:**

- To align existing plans and resources
- To monitor progress towards common goals
- To communicate impact to attract more funding and support



Forest nursery with a capacity of 75,000 plants in AgroAmerica's facilities, in alliance with LandScale, Rainforest Alliance and Solidaridad Network

# Sustainable landscapes in Motagua River Basin, *Izabal*, *Guatemala*

## Ecosystem restoration and reforestation in the basin through sustainable practices

We participate in a project led by the Ministry of Environment and Natural Resources called “*Paisajes sostenibles, en la cuenca del río Motagua*” (Sustainable Landscapes in Motagua River Basin), around our operations in northeastern region of Guatemala.

The objective of this project is to restore ecosystems, protect biodiversity and reduce deforestation in this important natural area of the country.

The project is implemented in a production and conservation landscape covering 332,014 hectares and more than 30,000 agricultural producers in the area where the following components will be developed:

- Development of integrated landscape management systems
- Promotion of sustainable food production practices and responsible value chains

- Conservation and restoration of natural habitats
- Project coordination, monitoring, and evaluation

We work together with:

- United Nations Development Programme (UNDP)
- International Union for Conservation of Nature (IUCN)
- Private sector
- Civil society
- Government institutions
- Academic institutions

Enter the link:

[https://www.marn.gob.gt/noticias/actualidad/MARN\\_y\\_PNUD\\_presentan\\_proyecto\\_para\\_reducir\\_la\\_contaminacion\\_en\\_el\\_ro\\_Motagua](https://www.marn.gob.gt/noticias/actualidad/MARN_y_PNUD_presentan_proyecto_para_reducir_la_contaminacion_en_el_ro_Motagua)

Ministry of Environment and Natural Resources launches “*Paisajes Sostenibles en la cuenca del río Motagua*” (Sustainable Landscapes in Motagua River Basin) program



**WASTE MANAGEMENT**

GRI 103-1 al 3, GRI 306-1 al 2

**Why is it important?**

Agricultural food production and other processes in our production chain generate waste throughout their life cycle, including critical waste such as that from chemical products, which must be treated correctly and, as far as possible, reduced.

**What we do?**

We implement a policy and management focused mainly on the reuse, recycling and recovery of organic and inorganic waste, and ultimately on the appropriate treatment according to the type of waste.

As in any activity, our operations generate waste that is managed according to its characteristics, seeking to make the most of its life cycle.

Our procedure begins with the identification of the waste generated by each activity; subsequently, we determine its characteristics and volumes, and establish its best use or management in our own processes or through qualified management companies for this purpose.



»

**WE HAVE MANAGED WASTE  
MANAGEMENT AND RECYCLING  
AS FOLLOWS:**

**5% PLASTIC  
88% ALUMINUM  
1% CARDBOARD  
AND 6% TIRES  
AGROCHEMICAL CONTAINER  
RECYCLING PROGRAM**

**Among the higher-volume waste that  
we generate, we apply:**

**Agrochemical containers**

Recycling of agrochemical containers with qualified suppliers in Guatemala and Panama.

**Organic matter**

We reuse organic matter from crops and byproducts generated in Tropical Oil Mills such as fibers, rachis, sludge, ash, and fruit stones.

**Plastic, aluminum, cardboard and tires**

Classification and recycling of paper, plastic, aluminum, cardboard, and tires.

**Paper and cardboard**

Paper and cardboard generated in headquarters are recycled.



# Recycling program “*Campo Limpio*” (Clean Field)

We are part of “*Campo Limpio*”, a program developed by Agrequima in Guatemala, which support and facilitates the recycling of empty agrochemical containers

We have implemented the recycling program for empty agrochemical containers with the Agricultural Chemical Guild Association (AGREQUIMA, by its acronym in Spanish).

In order for recycling to be carried out, we implement the following logistics in our operations:

1. Triple-rinsing of empty agrochemicals containers so that they no longer represent dangerous waste and can be handled and transported without risk.
2. Construction of biological bed to retain and biologically degrade agrochemical products.
3. Perforation of the washed container to avoid any subsequent reuse.
4. Collection of washed and perforated containers in appropriate infrastructure.
5. Shipping of containers to Agrequima's collection centers.

Subsequently, recycling companies collect the containers to be transformed. These recyclers are able to transform the containers into plastic wood, which is used to manufac-



Collection centers located at the company's facilities for the collection of empty containers

ture profiles, planks, benches, trash cans, among others.

In 2019, we were the winners of the first edition of the Campo Limpio Award, held by Agrequima to commemorate 21 years of the program. We were awarded the prize for meeting the key evaluation criteria:

- Minimum of 2 years in the implementation of the recycling program for empty pesticide containers.
- Adequate control on volume and



<https://agrequima.com.gt/site/>

Empty containers of agrochemical products are properly and timely recycled through the “*Campo Limpio*” Program

As part of the “*Campo Limpio*” program, we ensure compliance with national legislation, as well as with the International Code of Conduct on the Distribution and Use of Pesticides, prepared by the Food and Agriculture Organization (FAO) of the United Nations.

quality of container delivery (triple-rinsing and perforation).

- Adequate infrastructure for the collection of containers.



Agrequima's collection center where the containers are transported to be sorted and compacted to be transformed by recycling companies

# 6 OUR PEOPLE



We work aligned to our belief that no matter the business, it all comes down to people.

People are fundamental in everything we do, say and believe.



GOOD HEALTH  
AND WELL-BEING



DECENT WORK  
AND ECONOMIC  
GROWTH



PARTNERSHIPS  
FOR THE  
GOALS

## OUR PEOPLE

GRI 102-7, GRI 102-8, GRI 202-1, GRI 401-1, GRI 401-3

We work aligned to our belief that no matter the business, it all comes down to people. People are fundamental in everything we do, say and believe.

Generation after generation, we have operated with practices oriented toward responsible progress. We have been able to differentiate ourselves by how we cultivate our products, the way we treat our team members and how we maintain, cultivate and protect the land we own and harvest.

For us, people come first. This is what makes us different.



Currently, we are more than **4,400 workers** in the tropical oil operations who, day by day, strive to be better and make this company a good place to work, where we can all feel comfortable living the company's values and striving to maximize its productivity.

We offer permanent jobs and provide a stable income for families throughout the year, unlike other agricultural jobs that have a cyclical production. The majority of our workers are men and we continue to look for ways to implement programs to incorporate more women into the workforce.

To gather information about our employees, we have a program that feeds from each of our farms in the different countries.

*"It was a tremendous challenge to adapt to government dispositions, which changed weekly, while keeping our personnel healthy and meeting the needs of our customers."*

**— Javier Aguirre,  
Corporate Director**

»  
**4,400+ WORKERS  
IN TROPICAL OIL OPERATIONS**

**PERMANENT,  
YEAR-ROUND EMPLOYMENT**

**92 WORKERS ARE WOMEN IN  
THE AGRICULTURAL AND  
INDUSTRIAL AREAS**

**1 FEMALE WORKER WAS  
AWARDED BY THE MINISTRY OF  
LABOR, AT NATIONAL LEVEL, IN  
COMMEMORATION OF  
INTERNATIONAL WOMEN'S DAY**

**80% OF OUR WORKERS ARE  
IN THE AGE RANGE OF 18-50  
YEARS OLD**

## WORKING CONDITIONS

GRI 103-1 al 3, GRI 102-41

### Why is it important?

Companies with high labor volumes have a greater impact and commitment to ensure proper management of compliance with labor laws and requirements.

### What we are doing?

The company's Labor Policy stipulates the commitment to provide decent work, complying with national laws, International Labour Organization -ILO- agreements and industry best practices. Our goal is to have a competent team committed to operating in safe work areas.

During the year, we were audited **12 times by the authorities of the Ministry of Labor** to ensure compliance with labor standards and COVID-19 protocols implemented in our operations.



### Policies that complement the Labor Policy

Hiring Policy  
Internal Promotion Policy  
Conditional Severance Request Policy  
Labor Policy on HIV AIDS  
Labor Confidentiality Policy  
Policy for Reliable Personnel  
Reproductive Rights Policy

Sexual Harassment Policy  
Equality and Non-discrimination Policy  
Occupational Safety and Health Policy  
Workplace Harassment and Misconduct Policy  
Industrial Safety Policy  
Free Association Policy  
Zero Tolerance on Child Labor Policy

## Free association and democratic participation

We respect freedom of association and we encourage to encourage the democratic participation of workers, creating a culture of individual and collective dialogue. We maintain communication relationships with trade union organizations and entities that promote labor welfare at local, national and international levels. We have signed collective agreements to promote free association in a sustainable manner.

The dialogue and discussion with the Trade Union during 2020 sought to strengthen respect for COVID-19 protocols and to adjust operating methods according to customer requirements in order to make deliveries within the estimated delivery times.



- **200 workers** are linked under the principles of free association and democratic participation in the trade union at the Panama operations and 30 in Mexico
- **78% of the workers are affiliated to the Savings and Loan Coop** in Southwest of Guatemala
- **16% of the administrative workers** are affiliated to the Savings and Loan Coop in the northeastern region of Guatemala

# Savings and Loan Coop 'Mi Gente' (My People)

Looking for the common good with responsibility, integrity, equity and solidarity, through a social development model that promotes free association and democratic participation in the South Coast and Southwest of Guatemala, since 2007

By being consistent with our comprehensive vision of supporting development, we promoted the founding of a savings and credit Coop duly legalized and institutionally attached to the principles of the cooperative movement.

More than 60% of our workers are members of *Mi Gente Coop* offering the opportunity to:

- **To save** in a basic account, at an annual interest rate of 8%
- **Access** to long-term trust loans
- **Access** to small amounts of loans that are delivered quickly to meet immediate needs
- **To buy** basic needs, household appliances, motorcycle accessories, school supplies, shoes and bazaars, at below-market prices (up to 10% less) and with the possibility of credit
- **Financing** for the purchase of motorcycles and others

## Mission

To provide financial and non-financial services and products that meet the needs of our members in order to improve their quality of life through efficient, supportive and reliable management.

## Vision

To be an efficient, solid and reliable saving and loan coop that satisfies the services and product requirements of its members, with a sense of social and corporate responsibility.

## The savings and credit Coop explained in numbers for 2020:

- 466 total number of members
- 78% of workers participate in the Saving and Loan Coop *Mi Gente*
- 2 virtual bazaars, made under catalog, to obtain products at a lower cost
- 4 Saving and Loan Coop agencies where workers can purchase the services and products offered as benefits



Inauguration of Saving and Loan Coop agency where workers can buy basic necessities products, and acquire loans and savings accounts

"Cope Palma" is the Savings and Loan Coop in the northeastern region of Guatemala, which is aimed only to administrative personnel and in future plans to expand it to agricultural workers. Currently, 16% of the administrative workers belong to the coop, a total of 344 members.

## TRAINING AND CULTURE

GRI 103-1 al 3

### Why is it important?

We believe that everyone can achieve personal and professional success. We operate in regions with low levels of education, which is why training personnel ensures the necessary levels of knowledge to perform functions in the company.



### What we are doing?

Training and development actions in our operations focus on both professional and personal topics. At the professional level, organizational competencies, leadership, dialogue and effective communication, human talent development, as well as the promotion of specific technical competencies per se, are developed. During 2020, there was a drop in global trainings conducted, due to pandemic restrictions.

At the same time, there was an increase in training related to health and safety to educate the team about the requirements, protocols and practices to be implemented.

For 2021, we have the challenge of adjusting methodologies to achieve greater training at the administrative level, and we will continue to innovate in terms of methodologies and approaches to better train our personnel in the field.



#### Training topics:

Labor, social and environmental policies
Mission
Vision
Code of Ethics
Disciplinary guide
Ethics line
Agricultural and industrial practices
International certifications
Occupational safety and health
Environmental management
Responsible use of agrochemicals
Savings and Loan Coop <i>Mi Gente</i> (My People)
Gender committee



**2,807 WORKERS  
WERE TRAINED**

**23 INTERNAL PROMOTIONS  
AT ADMINISTRATIVE AND  
OPERATIONAL LEVEL**

## LIVING WAGE

GRI 103-1 al 3, GRI 202-1

### Why is it important?

Agricultural wages in rural regions traditionally adhere to the minimum wage stipulated by law and, on several occasions, this does not provide enough to sustain an entire family in a decent manner. Assessing the living wage allow us to identify the fair wage to guarantee a family's survival.

### What we are doing?

We are committed to go beyond what is required by law, from paying the minimum wage to paying a living wage to all workers, using the living wage methodology to establish the income a person needs to support his or her family in a specific place and at a specific time, in a decent manner.

It is worth mentioning that there is no official living wage study in Guatemala, Panama, and Mexico for the oil palm crop. However, at AgroAmerica, we have been developing financial models since 2011 to identify the living wage individually and other times as a trade, as a commitment for those who work in agriculture to receive a payment that not only complies with national laws, but also it is a payment that allows them to support their families by covering all basic expenses.

»  
**OUR WORKERS RECEIVE  
AN AVERAGE WAGE THAT  
IS 77% ABOVE THE MINIMUM  
WAGE AND 82% ABOVE  
GDP PER CAPITA**



The living wage study began in 2011, with a third party expert in the subject, and focused on the southwestern region of Guatemala. This study identified local household expenses in order to identify the remuneration necessary to live a decent life in that community. Subsequently, we extrapolated the findings of that study to the other operations and we have made cost and expense updates for other areas of influence.

The actions we are currently implementing to define the living wage, based on international standards are as follow:

### » Alliance with the Social Progress Institute of Guatemala

To define the social progress index of our workers. The purpose is to improve their quality of life, identify basic needs, welfare fundamentals and opportunities. When carrying out the measurement, we joined the Social Progress in Latin America Network, which comprises 21 initiatives, 10 countries and 107 organizations. In 2020, 540 workers were interviewed in the South Coast and Southwest of Guatemala to begin the measurement process, and the results are expected to be available by 2021.

### » We implemented the Salary Matrix by The Sustainable Trade Initiative -IDH-

This platform works to strengthen international alignment to build tangible solutions regarding living wage. The Salary Matrix is developed to support, with practical tools, efforts that can be used to provide transparency in supply chains in relation to wages. This helps you to assess how total compensation (including wages, bonuses, cash and in-kind benefits) compares to relevant living wage benchmarks.

### » Applied the methodology developed by Richard and Martha Anker

Which is used by the Global Living Wage Coalition ([www.globallivingwage.org](http://www.globallivingwage.org)). Thus: "The living wage is calculated as the Basic Cost of decent living for a family, divided by the number of full-time workers per family".

To define the basic cost of decent living for a family, the following are considered: the cost of the basic food basket, and the cost of housing, education, health, clothing and hygiene. An estimated value of savings capacity and a minimum margin for unforeseen events. We use direct interviews with employees and surveys in the areas where they live to determine the number of full-time workers per household.



## GENDER AND DIVERSITY

GRI 103-1 al 3, GRI 102-8, GRI 405-1

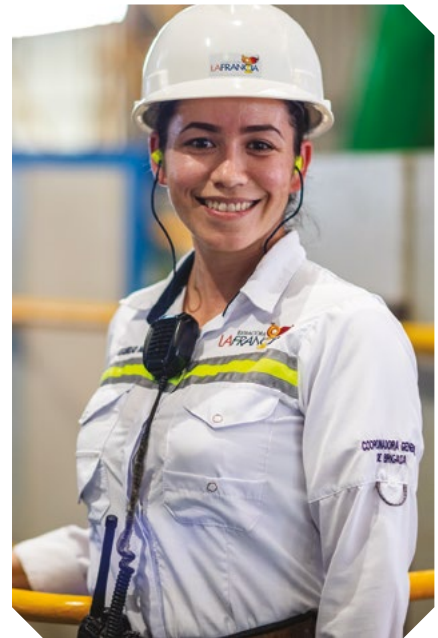
### Why is it important?

Agricultural work tends to be male-dominated with little representation of women. We operate in areas and countries representing diverse groups of people.

### What we are doing?

We are committed to attracting, developing and retaining a diverse and inclusive workforce. We work in multiple geographies with different ethnic groups, so we seek to hire diverse people who bring different points of view to the operation of the company.

Culturally, we have included women at the managerial and administrative level in the industrial and agricultural areas. We have collaborated with each of our operations, identifying opportunities to hire more women in operations. We have collaborated with each of our operations, identifying opportunities to hire more women.



»  
**17% OF OUR EXECUTIVE  
COMMITTEE CONSISTS  
OF WOMEN**

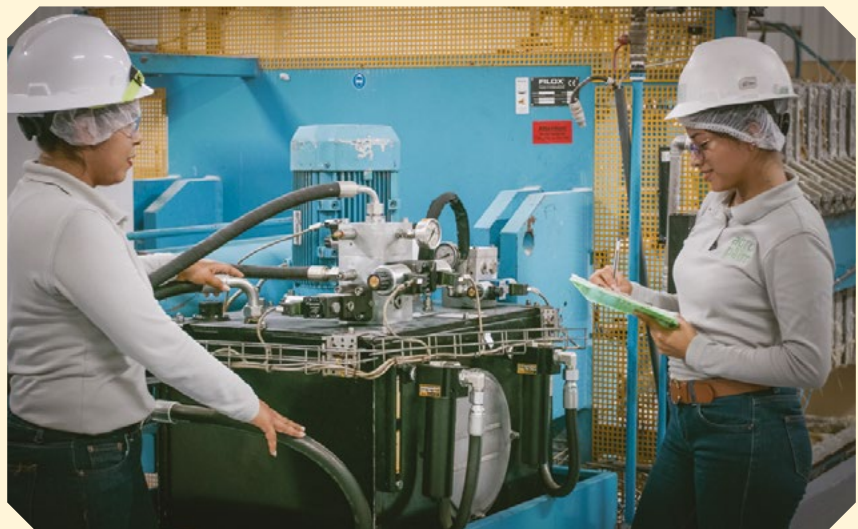
«  
**3 GENDER COMMITTEES IN  
GUATEMALA AND PANAMA**

»  
**92 WORKERS  
ARE WOMEN IN THE  
AGRICULTURAL AND  
INDUSTRIAL AREAS**

«  
**1 FEMALE WORKER  
WAS AWARDED BY THE MINISTRY OF LABOR,  
AT NATIONAL LEVEL, IN COMMEMORATION  
OF INTERNATIONAL WOMEN'S DAY**

## Gender Committee

We have 3 Gender Committees in Guatemala and Panama, which are integrated by more than 70 women from different areas of the company. The purpose of the committees is to improve working conditions and the gender equity management system, and to listen to the main needs of female workers. Due to the pandemic, meetings were limited; during this year, 5 meetings were held and 3 trainings were given. The topics were based on company's policies, corporate values, COVID-19, HIV/AIDS.



# A woman's professional career in AgroAmerica

We tell you about the case of **Perlita de León**, a woman who grew professionally in AgroAmerica

## **Perlita De León, winner of the Order of Labor Excellence**

In March 2020, 25 outstanding women received the Order of Labor Excellence directly from Guatemala's President. Among the winners was *Perlita Waleska de León Ramirez*, an AgroAmerica employee for more than 10 years.

This is a recognition granted by the Ministry of Labor as part of the commemoration framework of the International Women's Day promoted by the United Nations. The award is given to companies from all agricultural, commercial, industrial and governmental sectors that nominate women with an outstanding career in the company and are awarded by the Ministry of Labor and the President of the Republic.

## **Her history in AgroAmerica**

Perlita started working for the company at the age of 19 as a secretary. Shortly thereafter, she was promoted to the position of Human Resources department, which she held for two more years. Subsequently, she was promoted to assistant in the same department and, in 2015, she became head of Human Resources department. In 2017, she took on

the challenge of turning her career around and becoming Corporate Social Responsibility Coordinator, a position from which she contributes to the achievement of AgroAmerica's sustainability objectives.

Perlita's job opportunity with the company covered the costs of her university studies, which in turn allowed her to climb even higher in the organization, achieving ambitious personal and professional goals.

*"My career at AgroAmerica has allowed me to develop as a person and as a professional, which has encouraged me to achieve the goals I have set for myself."*



President of the Republic of Guatemala with the 25 winners of the Order of Labor Excellence award



## OCCUPATIONAL SAFETY AND HEALTH

GRI 103-1 al 3, GRI 403-1 al 6, 403-8 al 10

### Why is it important?

The health, well-being and improvement of the workers' quality of life are important in our culture, inspired by prevention, safety and care for the people who make up the heart of this great organization.

### What are we doing?

We have a Health, Occupational Safety and Industrial Safety Policy at the corporate level, complementary to our other policies, which commit us to ensure the general conditions of occupational safety and health in all activities carried out by our workers, contractors and suppliers in our facilities and the communities in our areas of influence. We look after people's lives, carrying out control actions and promoting prevention culture.

This policy has been implemented in all operations. This regulation serves as the basis for the management system that integrates all the actions taken to ensure the safety of personnel, contractors and third parties. It is regularly updated to identify new risks or impacts. During 2020, we worked on updating the Corporate Occupational Safety and Health Plan related with the COVID-19 pandemic.

### Occupational Safety and Health Committees

Among the procedures we apply in the management system are the identification of work risks in each position, the establishment of controls, the provision of personal protective equipment, timely primary care, continuous training and education, and the participation and representation of workers through the Occupational Safety and Health Committees.

The function of these committees is to implement the company's occupational risk prevention management program, statistics on each committee, progress in implementation and corrective actions for COVID-19 protocols, emergency and risk management in general.

We have a Corporate Health and Safety Management, a medical consultant and personnel to monitor and identify situations and risk conditions, as well as to report incidents and accidents.

**Each operation has a risk identification matrix, which is updated and reviewed at the corporate level and by operation in context.**



**113 WORKERS**  
ARE MEMBERS OF THE  
SAFETY AND HEALTH  
COMMITTEES, WHICH MEET  
MONTHLY OR BIMONTHLY



*"We are proud to have been able to update protocols and practical procedures to adapt to government dispositions and the requirements of our industry, in order to keep the production chain moving constantly."*

**—Katherine Castro, Occupational Safety and Health Coordinator and Chair of the Gender Committee**

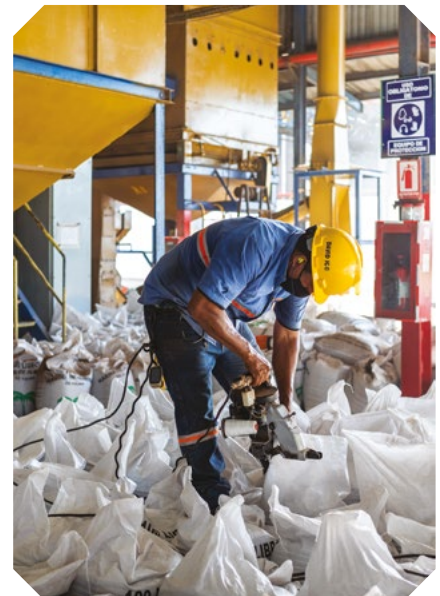
In 2020, we reinforced the management and action of our committees in each operation. We extended the implementation of software for measuring diseases and accidents in all operations in Guatemala. We created biosafety control programs and indicators related to COVID-19 contingencies and others in general. We continue with on-site training by applying all distancing measures and, in other cases, taking advantage of digital tools for remote training.



The effort to investigate incidents and accidents, with the participatory model of the committees, has allowed us to quickly update internal processes to reduce or eliminate occupational risks.

Operational workers, both in the field and in the plant, have an accident insurance that covers medical expenses in the event of accident and death, as well as any accidental disability.

In 2020, in addition to all efforts for COVID-19 response and prevention, we ensured that adequate health and safety measures were in place in every operation. This effort led to an important effort, follow-up and information challenge.



## Occupational Safety and Health Trainings

In AgroAmerica we are committed to offer a risk-free place and to provide training in Occupational Safety and Health, both in the field and in the plant.



### Occupational Safety and Health topics:

Use of first aid kit
First aid
Emergency plan
Covid-19 biosafety protocol
Unsafe acts leading to accidents
Emergency brigades
Use of Personal Protective Equipment
Occupational Safety and Health Plan
Risk matrix in working areas
Evacuation drills
Responsible use of fire extinguishers

## The health of our people

The health of our people is one of the pillars of our organizations. We develop control and prevention procedures and provide access to high standard medical services which allow the monitoring of the health conditions of our workers, from the beginning of their activities in the company. We have free-access medical dispensaries for our workers, for primary care and early detection of common diseases and possible occupational diseases.

This control has allowed us to determine the risk of occupational diseases. In 2020, only one case was recorded, for which the necessary control and follow-up measures were taken.

In addition, we promote health programs with our personnel, always with a preventive focus. In previous years, these programs have been more extensive, but despite the limitations of the pandemic, influenza screening campaigns were carried out in Guatemala, in which 1,406 workers participated in AgroAmerica's Human Development Center Clinic. Also, more than 2,400 workers participated in screening campaigns for asymptomatic cases of COVID-19 in the southwestern region of Guatemala. Meanwhile, in the northeast of this country, 800 tests for asymptomatic detection of COVID-19 were performed.



Preventive health care activity to detect asymptomatic cases of COVID-19



»  
**2,599 WORKERS**  
TRAINED ON OCCUPATIONAL  
SAFETY AND HEALTH

## Medical care in the workplace

We ensure that workers are provided with optimal health conditions in their workplace and access to medical services. We have nursing professionals who daily evaluate workers who require it, either for preventive health consultations, first aid and/or common diseases.

We have clinics and dispensaries where our workers are attended with primary care and early detection of common diseases, as well as possible occupational diseases.

In Southwest of Guatemala, the following results have been obtained: A total of 1,839 cases were attended by our nursing personnel, 97% of which were due to common diseases.



## Emergency response

In order to achieve an adequate response and care for emergency situations that may occur in our operations, we have an Emergency Plan that is permanently updated and socialized with our personnel. In addition, we have involved our people in the action to possible emergencies through the formation of **26 brigades, consisting of 358 workers, in the three countries where we operate**. Personnel have received training in first aid, hazard and risk identification, brigade duties, use and handling of fire extinguishers and COVID-19 prevention.

As a complement, **15 drills** have been carried out, in coordination with local authorities, in order to have a complete exercise that allows us to determine improvements in our protocols of evacuation routes, fractures, snake bites, use of extinguishers and fires.



Screening campaign to detect asymptomatic cases of COVID-19



# AgroAmerica's School for worker's children, 10 years providing high quality education

With Agroamerica School, our worker's children have the opportunity to access to a quality school education in the southwestern region of Guatemala



In 2020, we celebrate 10 years of having launched the private school, a kindergarten and elementary educational center that complies, not only with the Ministry of Education plans, but also offers a school curriculum of superior quality. The teaching staff receives an adequate pedagogical training, teaching supplies and learning materials for

the education that is provided. The education is directed to the children of our employees.

The School offers education in two kindergarten levels, as well as in six elementary levels (from first to sixth grade). The percentage of students promoted is noteworthy (98%), in comparison with the national edu-

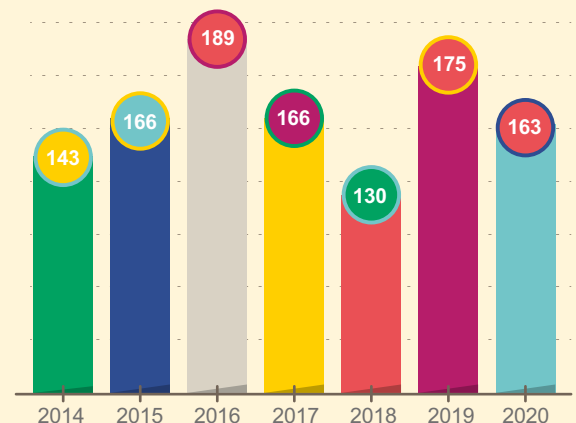
## Graduated students 2020 AgroAmerica School

- 30 children ready for the 1st grade of elementary school
- 17 children suitable for middle school
- From 2016 to 2020, 101 students have graduated from sixth grade

cation system. In 2020, the school had 163 students, of which 77 were women.



Number of students who finish the school year



The challenge in 2020 was to establish continuity of school learning, despite the situation as consequence of COVID-19. The action plan included the start-up of a remote teaching system, with or without the use of technology, with the necessary monitoring, adapting as the situation required, self-learning guides and educational pamphlets. The students' parents played an important role in the operation of the new methodology. The results obtained by the students make us proud and allow us to look to the future with hope.

## National Reading Award

During 2020, 5 students were recognized for winning first places in the "Fifth National Reading Contest" in which 96 schools from all regions of the country participated. The students from the AgroAmerica's school exceeded the reading standard established by the Ministry of Education by an average of 20%.



### Results achieved by AgroAmerica's school students in the 2020 national reading contest (carried out virtually)

Student of AgroAmerica's school	Grade (elementary)	No. of words read per minute	No. of words a child in this grade should read	Place obtained in the contest
Fredy Edilzar	2nd	74	60-70	First Place
Madelin Vásquez	3rd	92	80-90	First Place
Rolando Morales	4th	127	100-114	First Place
Cristofer García	5th	185	115-124	Second Place
Allan Lugos	6th	180	140-145	First Place



After the strict quarantine and in accordance with the order from the Ministry of Education, we have implemented a hybrid education system, which has the flexibility to migrate to a 100% remote teaching, if necessary.

## 8 trainings for teachers, which included topics such as:

- COVID-19 prevention
- Educational indicators
- Team work
- Resilience in the time of pandemic
- Teaching methodology topics

## School for Parents Topics:

- Importance of family
- Personal hygiene
- COVID-19 biosafety workshop and prevention methods
- Resilience in the time of pandemic
- COVID-19 symptoms and its treatment



# 7 OUR COMMUNITIES

CLINICAS DEL CENTRO DE DESARROLLO HUMANO



Our operations impact the rural communities where we cultivate bananas, and our product also impacts millions of consumers seeking healthy, sustainable food. We believe in dialogue and engagement with all those who are impacted by our operations and those who surround us or consume our products. We know that by working together we can address the social and environmental challenges in rural communities, as well as provide alternatives to counteract the low rates of development in the places where we operate, with the aim of producing more bananas with less resources and having a positive impact on people's lives.



GOOD HEALTH  
AND WELL-BEING



QUALITY  
EDUCATION



DECENT WORK  
AND ECONOMIC  
GROWTH



PARTNERSHIPS  
FOR THE GOALS

## RELATIONSHIP WITH STAKEHOLDERS

GRI 102-12, GRI 103-1 al 3

### What we do?

In addition to the alliances established by AgroAmerica in the areas of influence of Tropical Oil, we work with links at the local level, specifically to facilitate the operations and sustainable development of our management and the communities where we operate. **The relationship with stakeholders has allowed us to have a communication network with over 1,300 local contacts**, which includes community and religious leaders, Community Development Committee members, teachers, school principals, mothers who participate in community programs, government and non-governmental institutions and media outlets. This allows us to coordinate efforts, to keep a constant dialogue and to promote and manage sustainable development projects.

It is noteworthy that during 2020, we significantly increased our engagement with various stakeholders due to the business and community responses to the pandemic.



Meeting with Association of community leaders representing more than 40 communities in Southwest of Guatemala



**1,300 LOCAL STAKEHOLDERS**  
CONTACTS FOR SUSTAINABLE  
DEVELOPMENT PROGRAMS

**137 ALLIANCES**  
FORMED TO WORK TOGETHER  
ON HEALTH, EDUCATION, AND  
ENVIRONMENTAL ISSUES

**74 VISITS TO**  
**COMMUNITIES AND ALLIANCES**  
MADE BY OUR COMMUNITY  
RELATIONS TEAM, WHICH IS  
RESPONSIBLE FOR STRENGTHENING THE RELATIONSHIP,  
FOLLOW-UP AND PROJECT  
MANAGEMENT, AS WELL AS  
RESOLVING ANY COMPLAINTS,  
CLAIMS OR REQUESTS DURING  
THESE VISITS

We collaborate with each of the 6 municipalities in Guatemala, 2 districts in Panama and 1 in Mexico, where our Tropical Oil plantations, production and transportation areas are located. Also, we collaborate with multiple other stakeholders.

This is a sample of the alliances we have established:

Local alliances in the regions where we operate

GOVERNMENT
Municipalities s
Volunteer firefighters
Municipal firefighters
Ministry of Health
National Forest Institute
National Protected Area Council
Ministry of Environment and Natural Resources
National Civil Police
Municipal Traffic Police
Food and Nutritional Security Secretariat
Ministry of Agriculture, Livestock and Food
Departmental governorships
National Commission for Literacy
Secretary of Social Works of the First Lady
Izabal Military Reserves
Foundation for Ecodevelopment and Conservation
NGO
Red Cross
Down syndrome association
Association for the Prevention and Study of HIV/AIDS APEVIHS)
PRIVATE INSTITUTIONS
Climate Change Institute
Agro-industrial companies
Media outlets
CIVIL SOCIETY
Community Development Councils
Communities
Local Coordinators for Disaster Reduction

Participation in local committees

AgroAmerica participates in multiple committees at the local level, as part of the duty as a responsible citizen. We collaborate to be part of a solution for the communities' challenges in our area of influence. These are some of the committees in which we actively participated in the South Coast and Southwest of Guatemala:

- Municipal Commission for Food and Nutritional Security
- Food and Nutritional Security Working Groups

»

2 LOCAL WORKING COMMITTEES WITH LOCAL AUTHORITIES IN SOUTHWEST OF GUATEMALA

One of our future challenges is to become closely involved in the communities where we operate in Panama and Mexico, under similar models to those we use in Guatemala.

## Training for stakeholders

One of the main communication channels and collaboration mechanisms with our stakeholders at the local level is through trainings. Some of the training is carried out by our own personnel and, on occasions, we outsource the training process to specialists or technicians in the subject matter to be addressed.

We facilitate training on the operational process to raise awareness of its impacts and promote open dialogue. In addition, personal and professional training topics are addressed to facilitate the development of the communities in the area of influence. Training topics, dates and format are defined together with the local authorities, through participative mechanisms.



Municipal Commission for Food and Nutritional Security

### TRAINING FOR STAKEHOLDERS:

**473 COMMUNITY LEADERS,  
WORKERS AND GOVERNMENT  
ENTITIES**

#### Training topics:

- Local Coordinators for Disaster Reduction
- COVID-19 prevention
- Company briefing:
  - Políticas
  - Social development
  - Ethical line
  - Human Rights
  - Certifications
- Entrepreneurship through baking
- Climate change adaptation
- Development of nutritional supplements to promote food and nutritional security
- Guided tours of company facilities



Training for governmental institutions on the company's social, labor and environmental policies and practices



Guided tour of the oil processing plant to explain the process to stakeholders



Training on Local Response Plans in alliance with the National Coordinator for Disaster Reduction

# We participate collaboratively to build the sustainability agenda in the industry

Our certifications not only attest to our sustainable performance, but also enable us to play a leading role in environmental, social and governance management matters



We have been Rainforest Alliance certified for 10 years and Roundtable on Sustainable Palm Oil (RSPO) Identity Preserved for 6 years. The certifications, throughout all these years, have allowed us to manage our impacts with excellence and in a consistent way, positioning us as leaders in sustainability. A leadership that we have come to achieve by example, with a vision of being a benchmark in the industry.

We see RSPO not only as a certification, but also as a space for dialogue and participation, where we share and learn about good management practices to produce tropical oil in a responsible way, where

we can sit around the table to discuss and solve social and environmental challenges that afflict us all.

In addition to the added value provided by RSPO in managing the dialogue with our stakeholders, the certification has enabled us to maintain full traceability in our operations and guarantee transparency in our activities, as well as other improvements in our social and environmental management.

We have participated in the Annual RSPO Conferences; in one of which was held in Thailand where we were recognized with the 2019 RSPO Excellence Award in the Community

Impact category. We have also participated in forums and panels of the RSPO Latin American Conferences.

*"Going beyond legal responsibilities has allowed us to position ourselves as a socially responsible company, which allows us to be more competitive globally."*

**— Perlita de León,  
Corporate Social  
Responsibility (CSR)  
Coordinator**

# José Roberto Montenegro

President of Tropical Oil Division,  
AgroAmerica

## Active participation in RSPO



José Roberto is a member of the RSPO Board of Governors and is Co-chairman of the Latin America Consultative Group (GCAL, by its acronym in Spanish), which is an active part of RSPO's decision making; it is composed of 20 members from different relevant branches of the sector: Tropical Oil Producers and Processors, Non-Governmental Organizations and Trade Associations.

The RSPO is organized through three thematic groups around which work is carried out throughout the year at a global level. José Roberto represents Latin America in the Greenhouse Gases group, actively participating in the meetings in

Southeast Asia where decisions are made based on information about all the palm producing countries in the world.

<https://www.rspo.org/about/our-organisation/info/jose-roberto-montenegro-baide>

*"We have strong commitments to zero deforestation, respect for human rights, zero tolerance of child labor, living wage and fair labor."*

**— José Roberto Montenegro,  
President of the Tropical Oil  
Division, AgroAmerica**

President of Tropical Oil Division, AgroAmerica in the "Organizational perspectives in the quest for sustainability" panel in the 8th RSPO Latin American Conference



## COMMUNITY DEVELOPMENT

GRI 103-1 al 3

### Why is it important?

We operate in rural areas where we have 44 communities of influence due to their proximity, access to our operations and the origin of our workers. The communities where the company operates have high levels of poverty, malnutrition, poor infrastructure, and little presence of authorities, which leads to a series of needs and opportunities with which the company can collaborate, in alliance with the State, civil society and the private sector, to contribute to a sustainable development agenda.



### What we are doing?

We have a Social Policy where we state our commitment to be development agents, seeking to improve people's living conditions in aspects of inclusion, health, education and decent employment. We make this effort in collaboration with the local authorities, communities, civil society and others. We work with the communities near our operations, with an emphasis on our workers, in order to provide our people with integral development.

We work in four areas to contribute to the development of our communities. During 2020, **39 community management projects** in health, infrastructure, environment and education were carried out in the countries where we operate. The following table provides an illustrative detail of several projects carried out in 2020, followed by some of the success stories of our management in the communities, in alliance with multiple people and institutions that believe in the improvement of their living conditions.

### OTHER POLICIES ASSOCIATED WITH THE SOCIAL POLICY:

- SOCIO-ENVIRONMENTAL POLICY
- CUSTOMARY LAW POLICY
- LAND RIGHTS POLICY

*"We make significant efforts to collaborate with central and local authorities around our projects to ensure our support without replacing the role of the State."*

*— Mariana de la Peña,  
Manager of Corporate Social  
Responsibility (CSR)*



Guided tour to community leaders and government institutions to learn about the process at the Tropical Oil Mill

## Infrastructure

- Road maintenance
- Donation of construction materials for road maintenance
- Crosswalk to provide access to communities, due to the tropical storms that affected Central America
- Riverbank reinforcement to prevent flooding

## Health

- Donation of materials for the improvement of drinking water system
- Repair and improvement of health posts
- Donation of food supplies due to tropical storms

### Donations of supplies to prevent COVID-19:

- 4,000+ gallons of bleach
- 13,000+ face masks
- 1,000+ supplies including gallons of gel, thermometers and clear glasses to communities, health stations and governmental and non-governmental institutions

### Preventive health care activities:

- Coordination of nebulization to prevent diseases, such as dengue, Zika, malaria, in 7,195 houses, in alliance with the Ministry of Health, in the southwestern region of Guatemala
- Coordination of preventive health care activities for 126 children and adults. These included deworming to prevent gastrointestinal diseases, delivery of vitamins and bananas, medical consultations, vaccinations, COVID-19 tests, and delivery of medicines in alliance with the Ministry of Health



AgroAmerica's Corporate Director joins community leaders with Vice Minister of Communications, Infrastructure and Housing, to manage road repairs



Maintenance of access roads to communities which are worked in alliance with community leaders, private sector and governmental institutions



Supplies Donation to governmental institutions for COVID-19 prevention

## Education

- Training on entrepreneurship programs for women
- AgroAmerica School for worker's children
- Training for stakeholders on preventive health topics and company practices



AgroAmerica's Corporate Director at inauguration to support remodeling of community health posts



Entrepreneurship training for women on bakery in alliance with the Municipality



Training on Local Response Plans in alliance with the National Coordinator for Disaster Reduction

## Environment

- Local Coordinators for Disaster Reduction
- Forest nurseries
- Reforestations
- Support in the collection of solid waste from the river
- Donation of 37,000 trees

Our contributions in nutrition, education, infrastructure and environmental programs were limited, while support for health and emergency response was enhanced in 2020. We project that, in 2021, we will continue to support communities in the area of health through COVID-19. Support in the other areas of collaboration will also be regularized.



Donation of more than 37,000 trees to communities and governmental institutions for reforestation on riverbanks



### 39 COMMUNITY DEVELOPMENT PROJECTS

44 COMMUNITIES WHERE WE HAVE  
SOCIAL DEVELOPMENT PROGRAMS

4 AXIS OF WORK IN SOCIAL DEVELOPMENT:  
INFRASTRUCTURE, HEALTH, EDUCATION AND ENVIRONMENT



Reforestation of riverbanks

# Support for local coordinators for disaster reduction

We joined the communities in our areas of influence, in alliance with the National Coordinator for Disaster Reduction (CONRED, by its acronym in Spanish) to provide support in the accreditation process of their Local Coordinators for Disaster Reduction (COLRED, by its acronym in Spanish) in Southwest of Guatemala

For more than 10 years, we have supported the training of community leaders and managers of the Local Coordinators so that they are able to direct and execute response actions in the event of a natural disaster. In this way, Local Coordinators can achieve the accreditation that they need to be registered in the National Disaster Reduction System. With this registry, the necessary support is made viable at the time of the emergency and constant training is channeled.

In the training process, people identify the hazards and possible natural disasters that may occur in their communities; they learn how to organize when an event occurs and are trained specifically in the role they must play in the event (executive, planning, operations, logistics or administration and finance). A maximum of 15 people per community are trained to accredit their Local Coordinator.

This support allows us to keep a close and coordinated relationship with community leaders, municipalities, with the National Coordinator for Disaster Reduction and Local Coordinators. A management channel was facilitated to make the community development and direct support project viable in case of emergencies.

## Main results:

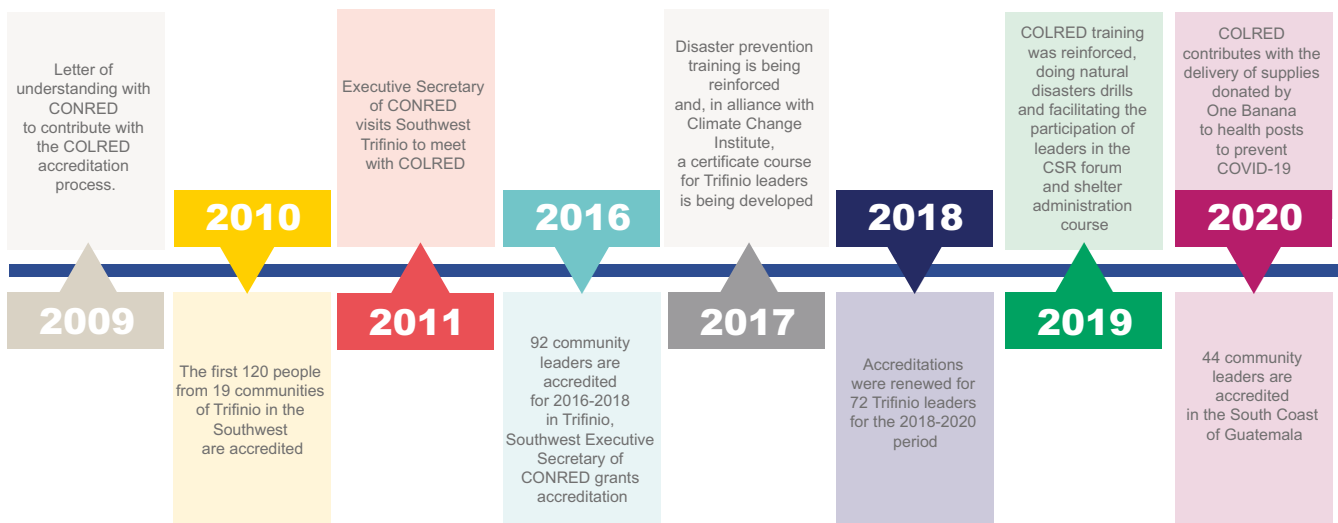
- 3328 people (community leaders and company workers) trained in 2010-2020
- 128 training hours between 2016-2019
- The training covered the South Coast and southwestern regions of Guatemala

## Next steps:

- Renewal of 2020-2022 accreditations in Southwest Trifinio
- Updating of local response plans for each community
- Trainings on climate change and disaster prevention



## Timeline of our support to COLRED



# Human Development Center -HDC-

Contributing to the creation of an environment where communities can develop their full potential and lead healthy, productive and creative lives



## The concept on which the HDC is based

The HDC is the materialization of the comprehensive vision of contribution to the development that we have as a company. We are convinced that the opportunity to lead a healthy life constitutes one of the basic dimensions of human development, a fundamental basis for the true development of a country.

## About HDC and its background

In 2011, the company began collaborating with the University of Colorado to create a health baseline for the area of influence, in order to upgrade the level of a mother-child health program that was already being implemented by the company. As a result of this effort, the need to provide a greater access to health for the inhabitants of this region in terms of mother-child health, malnutrition and other general areas was identified. In 2012, a memorandum of understanding (MOU) was signed to carry out a strategic alliance with the University of Colorado, creating the Human Development Center in the southwestern region of Guatemala. The HDC has been in operation since

2014, with the objective of providing our workers, their families and communities with an opportunity to access quality comprehensive health services. The center acts with the technical assistance and resident doctors from the University of Colorado, along with Guatemalan doctors and nurses. Currently, the HDC generates employment for 32 people in the area.

The Southwest Trifinio, where the HDC is located, is a point where three departments of Guatemala meet and has about 40 communities and more than 60,000 inhabitants.



**By 2020, our investment in the HDC has been \$3.3 million dollars**

## A before and after: the impact of the HDC

Prior to the installation of the HDC, a community member who needed access to see a doctor had to travel for at least an hour, with the expenses involved in both travel and medical fees. Moreover, if they needed higher level care, they had to go to the hospital in Quetzaltenango or to the capital city, a trip of approximately 3 to 4 hours, which could cost more than a month's wage. Now, with the HDC, the region has access to full health services, through its Medical Clinic, Health Programs and a disease Research Center.

## Medical clinic

The medical clinic has a specially equipped infrastructure to provide outpatient general health consultations, dental care, pregnancy and childbirth care and detection of viruses such as COVID-19, Zika and dengue. It also has an analysis laboratory equipped to perform coronavirus tests. The consultation fee for workers and their families is \$1.90 and \$3.50 for the community in general. It has a pharmacy that provides medicines at an affordable price and an ambulance service for emergencies that need to be attended to in the Municipal Health Area or in the main city of the department.

There is a clinic for the exclusive use of adolescents, where medical services and psychotherapy are provided. In 2020, 402 young people were attended.

Additionally, from 2014 to 2020, 24 dental health activities have been carried out, with care provided to 1,400 patients.

## Preventive health assessment for our workers

The HDC medical clinic provides care for our employees, where they undergo general health evaluations. During 2020, the following program was initiated:

## Impact assessment of respiratory infections

The main objective was to reduce respiratory infections, such as influenza, Respiratory Syncytial Virus and COVID-19.

It consists of the voluntary participation of workers who wish to be part of a general evaluation, monitoring of respiratory infections and personalized medical care.



This program guarantees optimal health conditions for our workers and their families.

## People who were attended from 2014- 2020: 35,390

## Results 2020:

People who were attended	4,377
Number of medical consultations	2,741
Number of procedures	152
Rec-consultations	274
Number of emergencies	7
Número of ultrasounds	395
Número of laboratory tests	8,062
Number of pap smears	61
Number of emergencies handled in ambulance	129

During 2020, 1,406 workers participated, who had an initial evaluation and were constantly monitored for any symptoms they might present in order to be seen at the HDC clinic, undergo laboratory tests, medical consultations and required tests for both influenza and COVID-19, if necessary.

## HEALTH PROGRAMS

The HDC influence region is characterized by high rates of female illiteracy, child malnutrition, stunted growth and mother-child mortality. To deal with these structural conditions, the HDC has implemented different programs such as:

### *Creciendo Sanos (Growing Up Healthy)*

It provides care for children from 0 to 3 years old. Mothers are trained in early stimulation, breastfeeding, nutrition, personal hygiene, accident prevention, vaccinations, healthy eating and preventive child health. Medical care is provided for the children and their growth is monitored. Home visits are the main means of intervention; there are also some workshops, such as the Nutritional Health Fair and the Banana Flour Preparation Workshop.

More than 50% of the children between 0 and 5 years old suffer from chronic malnutrition in Guatemala. The program seeks to contribute to the reduction of this percentage, through a process of nutrition needs assessment, provision of nutritional supplements and the corresponding monitoring and follow-up.

**Children benefited  
2014-2020: 3,438**

### Resultados 2020:

Children who were attended	694
Health kits delivered	225
Number of trainings	26
Home visits	5,668
Children who successfully completed their stage of growth	97

The rate of chronic child malnutrition in the southwestern area (where the HDC is located), is 4% compared to 50% in Guatemala.



### *Grandes Decisiones (Great Decisions)*

Is focused on preventive reproductive health education, to prevent early childbearing and sexually transmitted diseases, in addition to ensuring that adolescents complete their studies. The program works on self-esteem, interpersonal relationships, as well as physical and mental health.

**In 2020 there were:**  
**1,290 young participants**  
**11 institutions** involved  
**320 donated kits** of COVID-19 prevention supplies

## Madre sanas (Healthy Mothers)

Is aimed at pregnant mothers and seeks to improve reproductive and mother-child health in the region. Medical check-ups and examinations are performed during pregnancy and local nurses carry out pre- and post-natal monitoring, as well as training for mothers on topics such as: danger signs in pregnancy, prenatal care, nutrition and breastfeeding, among others. The program is reinforced by the reproductive education project, aimed at men, which covers gender equality, the role of fathers in the family and reproductive spacing methods.

## Programa de liderazgo juvenil (Young Leadership Program)

Aims to provide opportunities of personal and professional improvement, in addition to organizational tools for young people so they can be promoters of human development in their communities. Scholarships for study and training are provided, which are especially aimed at building leadership skills.

### By 2020 Results:

**29 scholarships** were granted

**44% completed their studies** satisfactorily

## RESEARCH CENTER

Research for innovation and development complements the actions of the HDC. The main objective is to scientifically investigate the root causes of the health problems observed in the region. For example, it is intended to measure the incidence of diseases such as dengue, Zika and diarrhea in order to develop action plans to eradicate them. Or to study the causes of a high rate of caesarean section in childbirth.

## "TRANSFORMADORES" AWARD 2020

We were one of the four winners of the Fifth Latin American Sustainable Communities Award in the category "Private Social Investment and Sustainable Communities" with the Human Development Center project.

The Latin American Sustainable Communities Award, Transformadores: seeks to recognize experiences highlighting the transformation and innovation efforts that foundations, institutes and companies carry out to generate deep and lasting responses for complex social problems in their territories. Twelve Latin American countries participated and 69 applications were received. AgroAmerica was one of the 4 winners in the Private Social Investment and Sustainable Communities.



<https://www.redeamerica.org/Transformadores>

## Mothers benefited in 2014-2020: 1,976

### Results 2020:

Mothers in the program	236
Kits delivered	190
Visits carried out	2,167
Trainings carried out	15



### Studies conducted:

- Prospective cohort study to describe neurological status, neurodevelopmental and other outcomes in children after Zika virus infection
- Clinical and economic impact of respiratory infections in workers of the agricultural area, and the effectiveness of a vaccination program for workers
- Risk assessment of vector-borne diseases in an agricultural community in Guatemala
- Diarrhea, norovirus, respiratory infections and COVID-19



# Response to hurricanes Eta and Iota

Hurricanes Eta and Iota caused floods and destruction in rural communities of Guatemala and Panama, countries where we operate; as well as in other nations of Central America

The communities neighboring operations in the northeastern of Guatemala and the South coast of Panama were affected by its winds and rains, which caused flooding of the homes of our personnel and other members of the communities.

We contributed with the donation of food and basic necessities to the families of our workers. The other areas of operation of the company joined to the cause and it was the employees from other regions who collected part of the donated supplies, which demonstrates the generosity, empathy and team spirit in the company.

We donated bags of food and supplies to **480 families of our workers** and, additionally, **contributed to the donation of food in 11 shelters**, where the communities stayed while the hurricane decreased its intensity level. **1,340 people were benefited with the supplies provided to the shelters** during the storms.



# 8 GRI STANDARDS INDEX



GRI STANDARD	CONTENTS	REPORT SECTION
101: Foundation	Stakeholder inclusiveness and answering how their expectations have been met	Relationship with our stakeholders
	Sustainability context	Sustainability strategy
	Materiality	Sustainability priorities and material issues
	Completeness - achievement of material issues and their boundaries	
ORGANIZATIONAL PROFILE		
102: General disclosures	102-1 Name of the organization	About this report
	102-2 Activities, brands, products and services	About this report
	102-3 Location of headquarters	Tropical Oil operations
	102-4 Location of operations	
	102-6 Markets served	
	102-7 Scale of the organization	Our people, Tropical Oil operations
	102-8 Information about employees and other workers	Our People
	102-9 Supply chain	Supply chain management
	102-10 Significant changes to the organization and its supply chain	
	102-11 Precautionary principle or approach	Our planet
	102-12 External initiatives	Alliances and memberships Relationship with our stakeholders
	102-13 Membership of associations	
STRATEGY		
102: General disclosures	102-14 Statement from senior decision-maker	Letter from the CEO
	102-15 Key impacts, risks, and opportunities	Sustainability priorities and material issues
ETHICS AND INTEGRITY		
102: General disclosures	102-16 Values, principles, standards and rules of behavior	Ethics and anti-corruption
	102-17 Mechanism for advice and concerns about ethics	
GOVERNANCE		
102: General disclosures	102-18 Governance structure	Our governance
	102-20 Executive-level responsibility for economic, environmental and social topics	
	102-21 Consulting stakeholders on economic, environmental and social topics	Sustainability priorities and material issues - relationship with stakeholders
	102-22 Composition of the highest governance body	Our governance
	102-26 Role of the highest governance body in setting purpose, values and strategy	
	102-29 Identifying and managing economic, environmental and social impacts	
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102: General disclosures	102-40 List of stakeholders groups	Alliances and memberships- Relationship with actors
	102-41 Collective bargaining agreements	Our People
	102-42 Identifying and selecting stakeholders	Alliances and memberships- Relationship with stakeholders
	102-43 Approach to stakeholders engagement	
	102-44 Key topics and concerns raised	
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102: General disclosures	102-46 Defining report content and topic Boundaries	Sustainability priorities and material issues
	102-47 List of material topics	
	102-48 Restatement of information	About this report - No restatement applicable

GRI STANDARD	CONTENT	REPORT SECTION
102: General disclosures	102-49 Changes in reporting	About this report
	102-50 Reporting period	
	102-51 Date of most recent report	
	102-52 Reporting cycle	
	102-53 Contact point for questions regarding the report	
	102-54 Claims of reporting in accordance with the GRI Standards	
	102-55 GRI content index	GRI Standards Index
	102-56 External assurance	About this report
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Our people
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
202: Market presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Our people
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Ethics and anti-corruption
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Ethics and anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	
206: Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics and anti-corruption
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Efficient water use
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
303: Water and effluents	303-1 Interactions with water as a shared resource	Efficient water use
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	Efficient water use
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304: Biodiversity	304-1 Operational sites in or adjacent to protected areas or areas of high biodiversity value	Biodiversity
	304-2 Significant impacts of activities, products, and services on biodiversity	
	304-3 Habitats protected or restored	
	304-4 International Union for Conservation of Nature (IUCN) Red List species and national conservation list species with habitats in areas affected by operations	
103: Management approach	103-1 Explanation of the material issues and its Boundary	Climate change
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
305: Emissions	305-4 Greenhouse gas (GHG) emissions intensity	Climate change





GRI STANDARD	CONTENT	REPORT SECTION
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Waste management
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
306: Waste	306-1 Waste generation and significant waste-related impacts	Waste management
	306-2 Management of significant waste-related impacts	
	306-4 Waste diverted from disposal	
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Our planet
	103-2 The management approach and its components	
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307: Environmental compliance	307-1 Non-compliance with environmental laws and regulations	Our planet
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	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
403: Occupation health and safety	403-1 Occupational health and safety management system	Occupational safety and health
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupation health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-8 Workers covered by an occupational health and safety management system	
	4403-9 Work-related injuries	Occupational safety and health
	403-10 Work-related illnesses	
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Our people
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	Our people
HUMAN RIGHTS		
103: Management approach	103-1 Explanation of the material issues and its Boundary	Human Rights
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
410: Security practices	410-1 Security personnel trained in human rights policies or procedures	Human Rights - none yet
411: Rights of Indigenous People	411-1 Incidents of violations involving rights of indigenous peoples	Human Rights - none yet
412: Human Rights Assessment	412-2 Employee training on human rights policies or procedures	Human Rights
103: Management approach	103-1 Explanation of the material issues and its Boundary	Supply chain management
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
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414: Supplier social assessment	414-1 New suppliers that were screened using social criteria	Supply chain management

GRI STANDARD	CONTENT	REPORT SECTION
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Product quality and traceability
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Productivity and innovation
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
RESPONSIBLE USE OF AGROCHEMICALS AND SOIL MANAGEMENT		
103: Management approach	103-1 Explanation of the material issues and its Boundary	Responsible use of agrochemicals and soil management
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Working conditions
	103-2 The management approach and its components	
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401: Employment	401-3 Parental leave	Working conditions
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Training and culture
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Relationship with our stakeholders
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
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103: Management approach	103-1 Explanation of the material issues and its Boundary	Communities development
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
CERTIFICATIONS		
103: Management approach	103-1 Explanation of the material issues and its Boundary	Certifications
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	

# 9 GLOBAL COMPACT PRINCIPLES

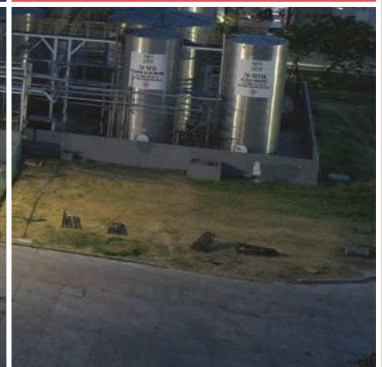
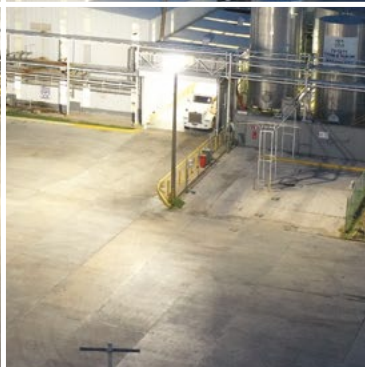


## GLOBAL COMPACT PRINCIPLES

TOPIC	PRINCIPLE	TEXT	REPORT SECTION
 <b>HUMAN RIGHTS</b>	Principle 1	Companies must support and respect the protection of fundamental human rights that are internationally recognized within their scope of influence.	Human Rights
	Principle 2	Companies need to make sure that they are not accomplices in the violation of human rights.	Human Rights
 <b>LABOR STANDARDS</b>	Principle 3	Companies must support freedom of association and the effective recognition of the right to collective negotiation.	Our People
	Principle 4	Companies must support the elimination of all forms of forced labor or work done under coercion.	Our People
	Principle 5	Companies must support the eradication of child labor.	Our People
	Principle 6	Companies must support the abolition of discrimination practices in employment and occupation.	Our People
 <b>ENVIRONMENT</b>	Principle 7	Companies must maintain a preventive approach that favors the environment.	Our Planet
	Principle 8	Companies must promote initiatives that foster greater environmental responsibility.	Our Planet
	Principle 9	Companies must favor the development and dissemination of environmentally-friendly technologies.	Our Planet
 <b>FIGHT AGAINST CORRUPTION</b>	Principle 9	Companies must work against corruption in all its forms, including extortion and bribery.	Fight against corruption



2020



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