Dear friends,

The 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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This 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

For more information about AgroAmerica Tropical Oil visit:

www.agroamerica.com

AgroAmerica

Report comments here:
1 AGROAMERICA TROPICAL OIL IN NUMBERS
AgroAmerica Tropical Oil in numbers

Sustainable Development Goals:
- Quality Education
- Good Health and Well-Being
- Decent Work and Economic Growth
- Responsible Consumption and Production
- Industry, Innovation and Infrastructure
- Life on Land
- Partnerships for the Goals
- Life on Land

United Nations Global Compact Principles:
- Human Rights
- Labor Standards
- Environment
- Fight against Corruption

OUR GOVERNANCE
1. 1 Board of Directors as the supreme body of AgroAmerica
2. 1 Ethics Committee
3. 64 Complaints to the Ethics Line
4. 7th Position in the world ranking of sustainable tropical oil companies; awarded by SPOTT (Sustainability Policy Transparency Toolkit)
5. 11 International certifications
6. 100% Of our operations located in Guatemala are Rainforest Alliance Identity Preserved certified
7. 100% Of our operations in Guatemala are Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria, and Identity Preserved certified
8. 1 Refinery plant certified in the supply chain, under RSPO Identity Preserved, Segregated and Mass Balance Models

OUR OPERATIONS
9. 10 Destination countries for our exports
10. 4 Tropical Oil Mills
11. 1 Oil refinery plant
12. 2,810 Small and medium-sized companies that provide us with the supplies and resources required for operations
13. 35 Independent producers of palm oil Fresh Fruit Bunches in Panama and Guatemala
14. Tropical oil occupies 0.4% of the world's 5 billion hectares of land used for agricultural activities (USDA Oil World)

OUR PLANET
15. 975.34 Hectares of conserved forest areas
16. 19,098 Hectares were conserved in the Maya Biosphere
17. Renewable energy in Tropical Oil Mills
18. 10 Reservoirs that allow us to capture water during winter season, which is equivalent to 714 Olympic-size swimming pools
19. We are carbon neutral, the emissions generated by the operation are lower than those sequestered by tropical oil plantations

OUR PEOPLE
20. 12,537 Direct jobs in the United States, Mexico, Guatemala, Panama, Ecuador, Peru and Europe
21. 2,807 Workers trained in technical, human and institutional topics
22. 101 Students, children of workers, have graduated from elementary school at AgroAmerica’s school
23. 1 Female worker received the Order of Labor Excellence award, at the national level, in commemoration of Women’s Day

OUR COMMUNITIES
24. 44 Communities of influence in the operations
25. 130+ Alliances with stakeholders at the local level to implement sustainable development programs
26. 35,390 Patients were treated at the AgroAmerica’s Human Development Center by 2020
27. 3,438 Children and 1,976 women by 2020 have participated in community programs that contribute to reducing mother-child mortality and chronic malnutrition
28. 39 Community management projects in education, infrastructure, environment and health were carried out
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.
1958
AgroAmerica was founded

1994
We started Tropical Oil operations

2008
We started Tropical Oil operations in Panama

2009
Membership subscription to Center for Corporate Social Responsibility -CentraRSE-

2010
We started with the Rainforest Alliance certification, first tropical oil company to be certified worldwide

2011
We started the living wage estimation in order to continue with the commitment to pay a living wage to workers

2012
A memorandum of understanding was signed with the University of Colorado for the construction of AgroAmerica’s Human Development Center

2014
We started with the RSPO Identity Preserved certification in Guatemala

2015
We started organic banana operations in Peru

2016
We started production of food ingredients

2018
We started operations of the tropical oil refinery plant in Mexico

2020
We became a signatory company of the Global Compact
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:

- United States
- Mexico
- Guatemala
- Panama
- Ecuador
- Peru
- England
- Holland
- Germany

+12 thousand direct jobs in 9 countries

SUSTAINABLE MANAGEMENT


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.
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.
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.

**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:
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:

**OUR GOVERNANCE**
- Corporate governance
- Ethics and anti-corruption
- Human Rights
- Certifications

**OUR OPERATIONS**
- Productivity and innovation
- Quality and traceability
- Supply chain management

**OUR PLANET**
- Water use
- Climate change
- Responsible use of agrochemicals and soil management
- Waste management
- Biodiversity, conservation and landscape sustainability

**OUR PEOPLE**
- Working conditions
- Training and culture
- Living wage
- Gender and inclusion
- Occupational safety and health

**OUR COMMUNITIES**
- Relationships with stakeholders
- Development of communities
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.

https://www.undp.org/content/undp/es/home/sustainable-development-goals.html

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
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.
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.
**About Agroamerica**

Sustainability Report 2020

About Agroamerica

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**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.

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

<table>
<thead>
<tr>
<th>Alliance</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Chamber of Commerce (AMCHAM) in Guatemala</td>
<td><a href="http://amchamguate.com">http://amchamguate.com</a></td>
</tr>
<tr>
<td>Guatemalan Exporters’ Association</td>
<td><a href="http://export.com.gt">http://export.com.gt</a></td>
</tr>
<tr>
<td>World Economic Forum</td>
<td><a href="https://www.weforum.org/">https://www.weforum.org/</a></td>
</tr>
<tr>
<td>Chamber of Industry of Guatemala</td>
<td><a href="https://cig.industriaguate.com/">https://cig.industriaguate.com/</a></td>
</tr>
<tr>
<td>Chamber of Agriculture of Guatemala</td>
<td><a href="https://www.camaradelagro.org/">https://www.camaradelagro.org/</a></td>
</tr>
<tr>
<td>Roundtable on Sustainable Palm Oil</td>
<td><a href="https://www.rspo.org/">https://www.rspo.org/</a></td>
</tr>
</tbody>
</table>

**Alliances for corporate social responsibility purposes:**

<table>
<thead>
<tr>
<th>Alliance</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Center for Corporate Social Responsibility in Guatemala</td>
<td><a href="https://centrarse.org/">https://centrarse.org/</a></td>
</tr>
<tr>
<td>National Coordinator for Disaster Reduction</td>
<td><a href="https://conred.gob.gt/">https://conred.gob.gt/</a></td>
</tr>
<tr>
<td>United Nations Development Program</td>
<td><a href="https://www.gt.undp.org/">https://www.gt.undp.org/</a></td>
</tr>
<tr>
<td>Foundation for Private Education in Rural Areas</td>
<td><a href="http://funcafe.org/ES/">http://funcafe.org/ES/</a></td>
</tr>
<tr>
<td>Climate Change Institute</td>
<td><a href="https://icc.org.gt/es/icc-2/">https://icc.org.gt/es/icc-2/</a></td>
</tr>
<tr>
<td>University of Colorado</td>
<td><a href="https://www.colorado.edu/">https://www.colorado.edu/</a></td>
</tr>
<tr>
<td>World Wildlife Fund</td>
<td><a href="https://www.worldwildlife.org/">https://www.worldwildlife.org/</a></td>
</tr>
<tr>
<td>Wild Conservation Society</td>
<td><a href="https://guatemala.wcs.org/">https://guatemala.wcs.org/</a></td>
</tr>
<tr>
<td>Solidaridad Network</td>
<td><a href="https://www.solidaridadnetwork.org/">https://www.solidaridadnetwork.org/</a></td>
</tr>
<tr>
<td>Rainforest Alliance</td>
<td><a href="https://www.rainforest-alliance.org/">https://www.rainforest-alliance.org/</a></td>
</tr>
<tr>
<td>Seattle International Foundation</td>
<td><a href="https://seaif.org/es/">https://seaif.org/es/</a></td>
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<tr>
<td>Global Compact</td>
<td><a href="https://www.unglobalcompact.org/">https://www.unglobalcompact.org/</a></td>
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<tr>
<td>RedEamerica</td>
<td><a href="https://www.redeamerica.org/">https://www.redeamerica.org/</a></td>
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<tr>
<td>LandScale</td>
<td><a href="https://www.landscale.org/join-us/#pc">https://www.landscale.org/join-us/#pc</a></td>
</tr>
<tr>
<td>Proforest</td>
<td><a href="https://www.proforest.net/">https://www.proforest.net/</a></td>
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</tbody>
</table>
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.

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.

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.

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.

“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.

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.

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
AgroAmerica subsidiaries in the Tropical Oil division:

**AgroAmerica Subsidiaries**

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>Agrocaribe</td>
<td>Northeastern Guatemala and Mexico</td>
</tr>
<tr>
<td>Agroaceite</td>
<td>Southwestern Guatemala</td>
</tr>
<tr>
<td>Agropalma de Inversiones, S.A.</td>
<td>Panama</td>
</tr>
</tbody>
</table>

- **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

“It has 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.
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**
Hectares of land needed to produce 1 ton of 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 strengthens 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

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

Source: USDA 2019 Oil World

**Source:** International Union for Conservation of Nature
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.
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 “Smallholders” 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.”
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.

“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.

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.

**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.

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**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.

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).

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.
“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

2010
Rainforest Alliance
First worldwide Tropical Oil operation

2013
Business Alliance for Secure Commerce (BASC)
First Tropical Oil Mill to be certified worldwide

2014
RSPO Principles and Criteria, and Identity Preserved

2016
Good Manufacturing Practices (GMP)

2019
RSPO Next RSPO Supply Chain Certification (SCC)
Food Safety System Certification and ISO 14001 in refinery plant

2020
Halal in refinery plant

Training for workers on certifications

2,392 WORKERS TRAINED IN RAINFOREST ALLIANCE

2,392 WORKERS UPDATED ON RSPO

292 WORKERS TRAINED ON BASC

80 WORKERS TRAINED ON GMP

363 WORKERS TRAINED ON KOSHER
### Rainforest Alliance Certification

**Certification Type:** RAINFOREST ALLIANCE CERTIFICATION  
**Scope:** 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 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

**Certification Type:** KOSHER CERTIFICATION  
**Scope:** 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.

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

**Certification Type:** RSPO PRINCIPLES AND CRITERIA  
**Scope:** 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.
<table>
<thead>
<tr>
<th>CERTIFICATION TYPE</th>
<th>SCOPE</th>
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<tbody>
<tr>
<td><strong>BUSINESS ALLIANCE FOR SECURE COMMERCE - BASC - CERTIFICATION</strong>&lt;br&gt;www.wbasco.org</td>
<td>66% of Tropical Oil Mills are certified in Guatemala</td>
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<tr>
<td>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.</td>
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<tr>
<td><strong>RSPO IDENTITY PRESERVED</strong></td>
<td>100% of the operations are certified in Guatemala Panama is in certification process</td>
</tr>
<tr>
<td>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.</td>
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<tr>
<td><strong>RSPO NEXT</strong></td>
<td>36% of the operations are certified in Guatemala</td>
</tr>
<tr>
<td>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. Agroaceite is the fourth tropical oil company worldwide, the third in Latin America and the first in Central America to obtain RSPO Next certification.</td>
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<tr>
<td><strong>RSPO Supply Chain Certification Standard</strong></td>
<td>Refinery plant</td>
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<td>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.</td>
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</tbody>
</table>
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.

“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

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<tr>
<th>CERTIFICATION</th>
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<tbody>
<tr>
<td>FoodSafety System Certification</td>
<td>Obtained since 2019.</td>
<td>Refinery plant</td>
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<tr>
<td><a href="https://www.fssc22000.com/">https://www.fssc22000.com/</a></td>
<td>This certification is recognized worldwide by Global Food Safety and focuses on the Food Security and Safety Management System.</td>
<td></td>
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<tr>
<td>ISO 14,001</td>
<td>Obtained since 2019.</td>
<td>Refinery plant</td>
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<td></td>
<td>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.</td>
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</tr>
<tr>
<td>HALAL</td>
<td>Obtained since 2020.</td>
<td>Refinery plant</td>
</tr>
<tr>
<td></td>
<td>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.</td>
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<tr>
<td></td>
<td>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.</td>
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</tbody>
</table>
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.
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.
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
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.
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 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.

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.

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**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.

“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
**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.

"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, agrochemicals 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 management 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, information 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.

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

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
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.
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.
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 CO2 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.

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.

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 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.

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.

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.

Renewable energy generators for Tropical Oil Mills

Anaerobic lagoons that capture biogas to transform it into electrical energy
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:

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

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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.

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 biogas digestion 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

SUCCESS STORY 2020
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 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.
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- 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.
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- 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.

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**

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:

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

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

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**Biodiversity**

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

- **19,000+** hectares conserved in the Maya Biosphere project
- **37,000+** trees donated for reforestation on riverbanks to governmental institutions and communities
- **75,000+** capacity of trees in the forest nursery
- **76+** fauna species of interest identified in our operations
- **975.34+** hectares of conserved forest in our operations
- **53+** flora species of interest identified in our operations
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.
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.

20+ ALIANCES FOR REFORESTATION
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

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
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 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 implementation 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 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.

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_rio_Motagua

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

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
- 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 manufacture 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 quality of container delivery (triple-rinsing and perforation).
- Adequate infrastructure for the collection of containers.

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.

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

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

<table>
<thead>
<tr>
<th>Why is it important?</th>
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<tr>
<td>Companies with high labor volumes have a greater impact and commitment to ensure proper management of compliance with labor laws and requirements.</td>
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<thead>
<tr>
<th>What we are doing?</th>
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<tr>
<td>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.</td>
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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**

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<th>Policies that complement the Labor Policy</th>
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<tr>
<td>Hiring Policy</td>
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<td>Internal Promotion Policy</td>
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<td>Conditional Severance Request Policy</td>
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<td>Labor Policy on HIV AIDS</td>
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<td>Labor Confidentiality Policy</td>
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<td>Policy for Reliable Personnel</td>
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<td>Reproductive Rights Policy</td>
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<td>Sexual Harassment Policy</td>
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<td>Equality and Non-discrimination Policy</td>
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<tr>
<td>Occupational Safety and Health Policy</td>
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<td>Workplace Harassment and Misconduct Policy</td>
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<td>Industrial Safety Policy</td>
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<td>Free Association Policy</td>
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<td>Zero Tolerance on Child Labor Policy</td>
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**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

"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.

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

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 Mi Gente (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.

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.

OUR WORKERS RECEIVE AN AVERAGE WAGE THAT IS 77% ABOVE THE MINIMUM WAGE AND 82% ABOVE GDP PER CAPITA
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). 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.
**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."
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.
“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.

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.

<table>
<thead>
<tr>
<th>Occupational Safety and Health topics:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of first aid kit</td>
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<tr>
<td>First aid</td>
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<tr>
<td>Emergency plan</td>
</tr>
<tr>
<td>Covid-19 biosafety protocol</td>
</tr>
<tr>
<td>Unsafe acts leading to accidents</td>
</tr>
<tr>
<td>Emergency brigades</td>
</tr>
<tr>
<td>Use of Personal Protective Equipment</td>
</tr>
<tr>
<td>Occupational Safety and Health Plan</td>
</tr>
<tr>
<td>Risk matrix in working areas</td>
</tr>
<tr>
<td>Evacuation drills</td>
</tr>
<tr>
<td>Responsible use of fire extinguishers</td>
</tr>
</tbody>
</table>

2,599 WORKERS TRAINED ON OCCUPATIONAL SAFETY AND HEALTH

Preventive health care activity to detect asymptomatic cases of COVID-19
**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.
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 education system. In 2020, the school had 163 students, of which 77 were women.

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

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)

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

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
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.
**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.

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.

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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
This is a sample of the alliances we have established:

### Local alliances in the regions where we operate

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

### 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 South-west of Guatemala:

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

**Training topics:**

- Local Coordinators for Disaster Reduction
- COVID-19 prevention
- Company briefing:
  - Policies
  - 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 STAKEHOLDERS:**

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

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.

“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
Education

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

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.
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

Letter of understanding with CONRED to contribute with the COLRED accreditation process.

Executive Secretary of CONRED visits Southwest Trifinio to meet with COLRED

Disaster prevention training is being reinforced and, in alliance with Climate Change Institute, a certificate course for Trifinio leaders is being developed

COLRED training was reinforced, doing natural disasters drills and facilitating the participation of leaders in the CSR forum and shelter administration course

COLRED contributes with the delivery of supplies donated by One Banana to health posts to prevent COVID-19

The first 120 people from 19 communities of Trifinio in the Southwest are accredited

92 community leaders are accredited for 2016-2018 in Trifinio, Southwest Executive Secretary of CONRED grants accreditation

Accreditations were renewed for 72 Trifinio leaders for the 2018-2020 period

44 community leaders are accredited in the South Coast of Guatemala
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:

<table>
<thead>
<tr>
<th>People who were attended</th>
<th>4,377</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of medical consultations</td>
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<td>Number of procedures</td>
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<td>Rec-consultations</td>
<td>274</td>
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<td>Number of emergencies</td>
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<td>Number of ultrasounds</td>
<td>395</td>
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<td>Number of laboratory tests</td>
<td>8,062</td>
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<td>Number of pap smears</td>
<td>61</td>
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<td>Number of emergencies handled in ambulance</td>
<td>129</td>
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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.
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.

**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

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**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](https://www.redeamerica.org/Transformadores)
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.
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GLOBAL COMPACT
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<td></td>
<td>Principle 4</td>
<td>Companies must support the elimination of all forms of forced labor or work done under coercion.</td>
<td>Our People</td>
</tr>
<tr>
<td></td>
<td>Principle 5</td>
<td>Companies must support the eradication of child labor.</td>
<td>Our People</td>
</tr>
<tr>
<td></td>
<td>Principle 6</td>
<td>Companies must support the abolition of discrimination practices in employment and occupation.</td>
<td>Our People</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td>Principle 7</td>
<td>Companies must maintain a preventive approach that favors the environment.</td>
<td>Our Planet</td>
</tr>
<tr>
<td></td>
<td>Principle 8</td>
<td>Companies must promote initiatives that foster greater environmental responsibility.</td>
<td>Our Planet</td>
</tr>
<tr>
<td></td>
<td>Principle 9</td>
<td>Companies must favor the development and dissemination of environmentally-friendly technologies.</td>
<td>Our Planet</td>
</tr>
<tr>
<td>FIGHT AGAINST corruption</td>
<td>Principle 9</td>
<td>Companies must work against corruption in all its forms, including extortion and bribery.</td>
<td>Fight against corruption</td>
</tr>
</tbody>
</table>