

Pantaleon

175 YEARS

Transforming resources responsibly

**Responsible
Development**
Report

**20
23**



About our Report

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

For the fifteenth consecutive year, we are publishing the Responsible Development Report, outlining the information corresponding to the period from January to December 2023. In certain instances, the data corresponds to the harvest season from November 2022 to October 2023. We have prepared the report in accordance with the standards of the Global Reporting Initiative (GRI), following the guidelines of its "Essential" compliance option. For the second consecutive year, the report has been prepared in reference to the guidelines of the latest version of the Global Reporting Initiative 2021. The last version of this report referring to the GRI standards was issued in 2023.

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

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

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



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Letter from Our CEO

2023 has been a year of transformation, new challenges, and significant achievements for Grupo Pantaleon. We embraced the philosophy of “One team, one dream,” which enabled us to face challenges with determination and a shared vision.

Among our most notable accomplishments is the successful implementation of the SAP system in Mexico, a tool that strengthens our operations and prepares us for the future. We are incorporating agile work tools that allow us to quickly adapt to any circumstance. At the same time, we have made progress in our responsible development agenda, integrating sustainable practices into every aspect of our operations. This approach reinforces our commitment to creating a positive impact that transforms lives and protects our environment.

Throughout our 175-year history, we have demonstrated that growth and responsibility can go hand in hand. Our mission is to lead with purpose, developing innovative products that add value to our clients while promoting the responsible use of resources. Despite climatic challenges, such as the severe drought in Mexico, our team has developed innovative strategies to adapt and make more efficient use of resources, underscoring our role as leaders in agricultural solutions in harmony with the planet.

This commitment to excellence and sustainability has helped us overcome adversity and stand out on the international stage. With pride, we share that our Extensionism Program in Mexico not only won first place at the Sedex Sustainability Awards but was also expanded to more than 2,000 sugarcane suppliers to El Mante Mill. Additionally, our “Sowing Skills and Transforming Lives” initiative placed us among the top three finalists for the OAS Corporate Citizen of the Americas Award, reaffirming our positive impact on the communities where we have influence.



As we close this year of challenges and achievements, we reflect on the lessons learned and look to the future with optimism and determination. We are ready to continue overcoming challenges and achieving extraordinary results. Our commitment to responsible development, innovation, and the well-being of our employees and communities guides our strategy. As one team, we will continue building a more sustainable and prosperous future.

Jaime Quan
CEO Pantaleon



Pantaleon in Figures

Harvest Season 2022/2023

Tons of harvested cane

10,489,498

Jobs generated

+13,342



M3

Alcohol produced

73,593



Tons per day

Milling capacity

75,500



Tons

Molasses produced

412,508

Years of experience

175

Export destinations

40

Countries of operation

5



Tons

Sugar produced

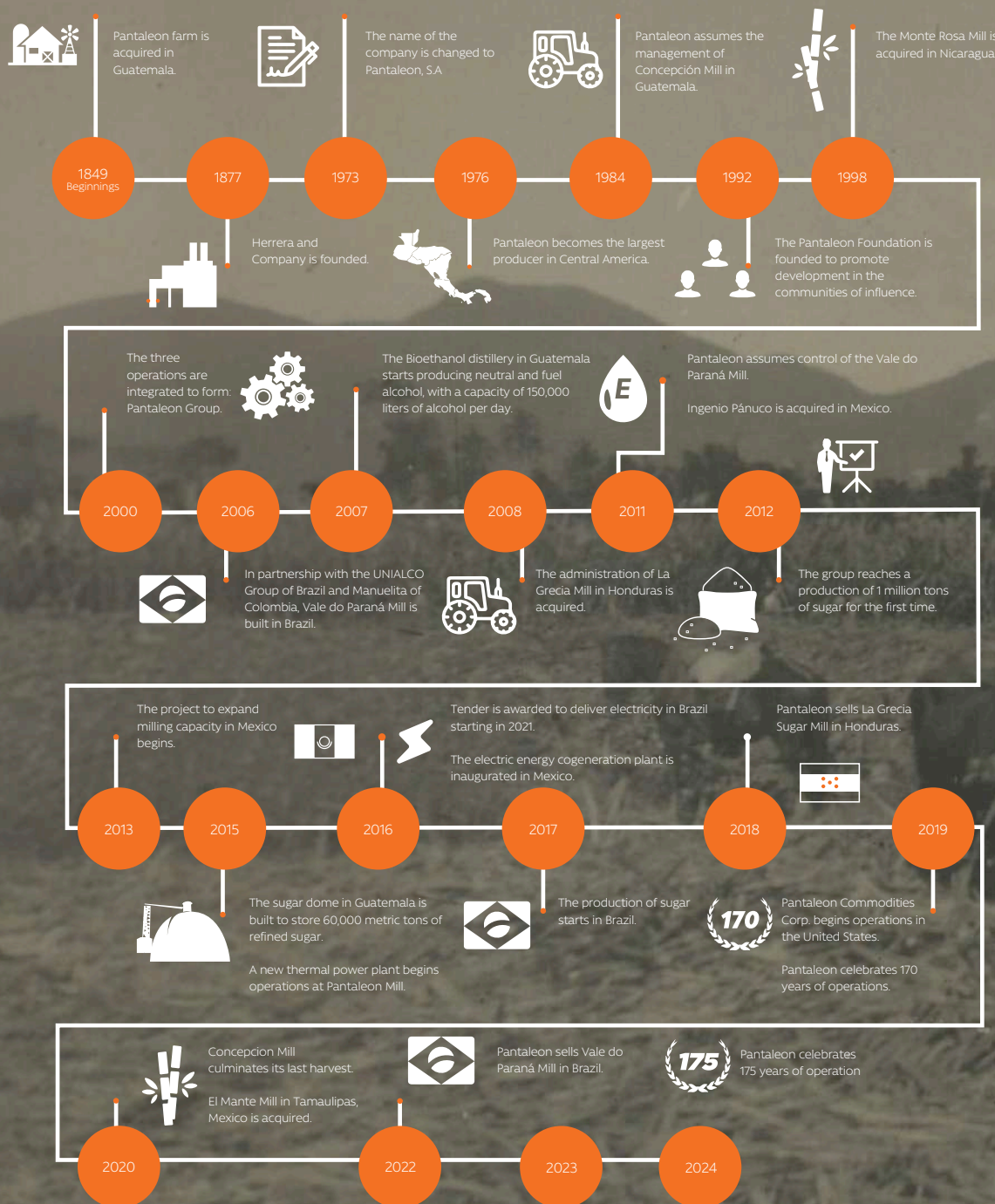
1,089,967



MWH

Energy sold

405,883



175
años
de trayectoria



Pantaleon

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

We are characterized by having a high performance and strong commitment culture, based on values and principles forged over more than 175 years of experience. We began our operations in 1849 on the Southern Coast of Guatemala, developing from a local operation to a leading business with great relevance in the international market.

Today, we are leaders in the Central American region in sugar production and rank among the top ten sugarcane groups in the world, with an annual production of 1.1 million tons of sugar and derived products. Our products reach local markets and more than 40 export destinations, where we supply food industries and refineries. Our business strategy is focused on sustainable development and operational excellence, with significant investments in innovation and continuous improvement processes.



Responsible Development

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

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

- The United Nations Sustainable Development Goals
- Universal Declaration of Human Rights
- Declaration of the International Labour Organization concerning the Fundamental Principles and Rights at Work
- United Nations Framework Convention on Climate Change
- UN Guiding Principles

Our **Integrated Management Policy** guides the company's activities around quality, food safety, health, security and environment issues, committing to:

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

ESG Goals Results 2013 to 2023

In 2013, we set ambitious goals that allowed us to envision a better future. Today, we evaluate our progress towards these goals, recognizing the gaps and growth opportunities. We are in the process of creating new commitments for 2024-2034.

People: <small>We promote the well-being and professional growth of our employees</small>	
GOAL 2013-2023	PROGRESS TO DATE
Improve the quality of life of our employees	✓ 92% of our Employee Well-Being Programs implemented
	✓ 84% reduction in the Disabling Injury Index (DII) (2013-2023)
	✓ 194,308 hours of technical training (2023)
	✓ 129,653 hours of Safety, Security and Occupational Health (SSO) training (2023)

Prosperity: <small>We promote development in the communities where we operate</small>	
GOAL 2013-2023	PROGRESS TO DATE
Building skills and development opportunities	✓ 50,280 people benefited from 80+ initiatives (2023)
	✓ More than 341,244 people benefited from 2015-2023
	✓ US\$4.05M invested in social projects (2023)
	✓ US\$37.5M invested in social projects from 2015 to 2023

Planet: <small>We continuously innovate to make our production sustainable</small>	
GOAL 2013-2023	PROGRESS TO DATE
40% reduction in GHG emissions (tCO2/TA)	✗ 37% reduction in GHG emissions (tCO2/TA) (2013-2023)
50% reduction in industrial water consumption (m3/TC)	✓ 86% reduction (2013-2023)
Promote Regenerative Agriculture by reducing the use of fertilizers, herbicides, pesticides, and irrigation per hectare	✓ Incorporated Regenerative Agriculture in 49,078+ hectares.
Biodiversity conservation	✓ We do not engage in any type of conversion of high conservation value areas (HCVs). We promote actions for the conservation and restoration of forests, biological corridors, riparian areas, and native fauna.

Product: <small>We manufacture high-quality products while strengthening the sustainability of our value chain.</small>	
GOAL 2013-2023	PROGRESS TO DATE
Comply with international certifications & create programs to support our suppliers.	✓ 33+ international certifications
	✓ 30% of our suppliers participate in our Responsible Sourcing program

✓ Completed ✗ Below target

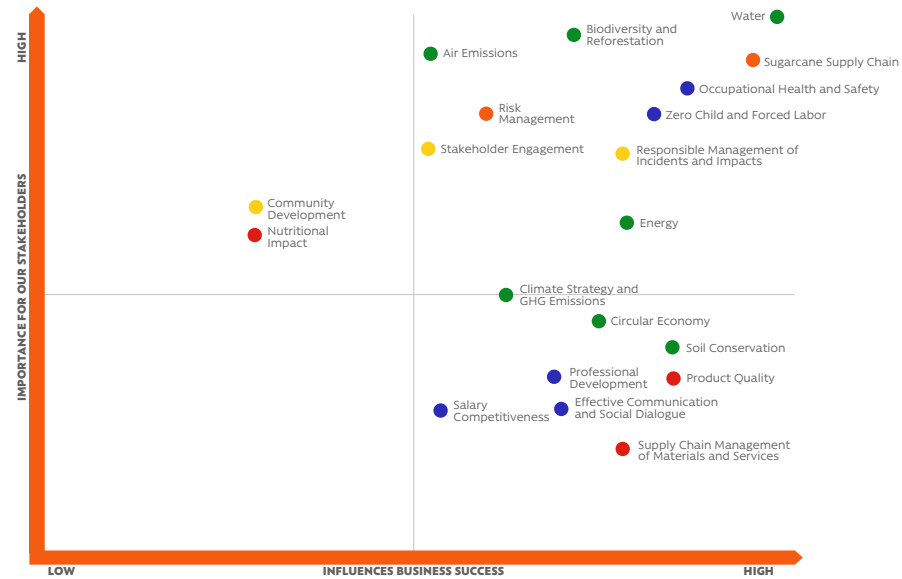


Materiality Analysis

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

In 2013, we established a Responsible Development strategy and goals for 2023, which we evaluate and adapt annually. Progress is periodically reported to the Board of Directors. In 2024, prior to the issuance of this report, we conducted an update of our material topics through an external advisor and internal benchmarking, reviewing the completion of our 2013-2023 goals and identifying areas requiring greater focus. Compared to previous years, the importance of climate strategy & GHG emissions, external engagement, and circular economy increased. We added diversity and inclusion topics and incorporated innovation within Product. Water and the Sugarcane Supply Chain remain among our top priorities.

For the analysis, we hired the consulting company Peterson, who conducted an assessment to evaluate the company's position on ESG issues, identifying priority topics and engaging stakeholders through various interactions. This diagnostic includes a maturity analysis through the review of internal policies and procedures, benchmarking with leading companies in the agro-industrial sector, and a review of our stakeholder mapping and materiality analysis by involving all stakeholders through surveys, interviews, meetings, and a high-level workshop. The interviewees included leaders in public policy, associations, community leaders, non-governmental organizations, managers, and clients such as food producers and international sugar traders. Additionally, we conduct monthly evaluations of the company's and industry's mentions on social media and traditional media, to stay in tune with our external audiences.





Risk Management and Due Diligence
Culture of Ethics
Governance



Fair Labor Practices
Zero Child Labor and Forced Labor
Effective Communication and Social Dialogue
Salary Competitiveness
Professional Development
Occupational Health and Safety



Energy
Water
Climate Strategy and GHG Emissions
Circular Economy
Soil Conservation
Biodiversity and Reforestation
Emissions



Community Development
Stakeholder Engagement
Social Impacts



Innovation
Product Quality and Traceability
Supply Chain
Sugarcane Supply Chain
Nutritional Impact



Operations, Products and Markets

5 Countries of Operation:

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



10 Product varieties offered to the market: sugar, molasses, alcohol, energy.

Sugar
Guatemala, Nicaragua, Mexico

Energy
Guatemala, Nicaragua, Mexico

Molasses
Guatemala, Nicaragua, Mexico

Alcohol
Guatemala

Novapelllets
Mexico

Organic Fertilizer
Guatemala

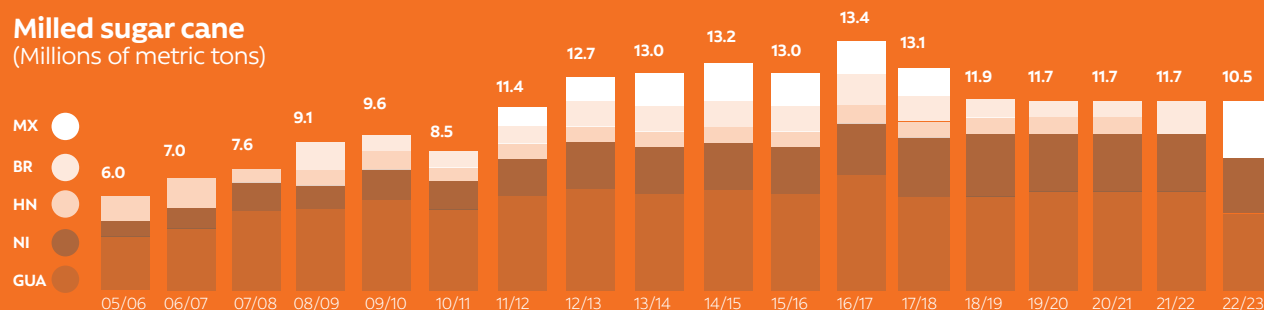
In terms of sugar production from sugarcane

#1 in Central America

#1 in Latin America (ex. Brazil)

#11 Worldwide

Milled sugar cane
(Millions of metric tons)





Our products reach over 40 destinations

America

- Antigua and Barbuda
- Aruba
- Bahamas
- Barbados
- Brazil
- Canada
- Chile
- Colombia
- Curacao
- United States
- Guatemala
- Guyana
- Haiti
- Jamaica
- Martinique
- Mexico
- Nicaragua
- Peru
- Dominican Republic
- Saint Kitts and Nevis
- Saint Lucia
- Surinam
- Trinidad & Tobago

Europe

- Germany
- Belgium
- Bulgaria
- Spain
- Greece
- Italy
- Poland
- United Kingdom
- Romania

Asia

- China
- Lebanon
- Republic of Korea
- Taiwan

Africa

- Ghana
- Liberia
- Mauritania
- Namibia
- Togo





Milestones Achieved in 2023

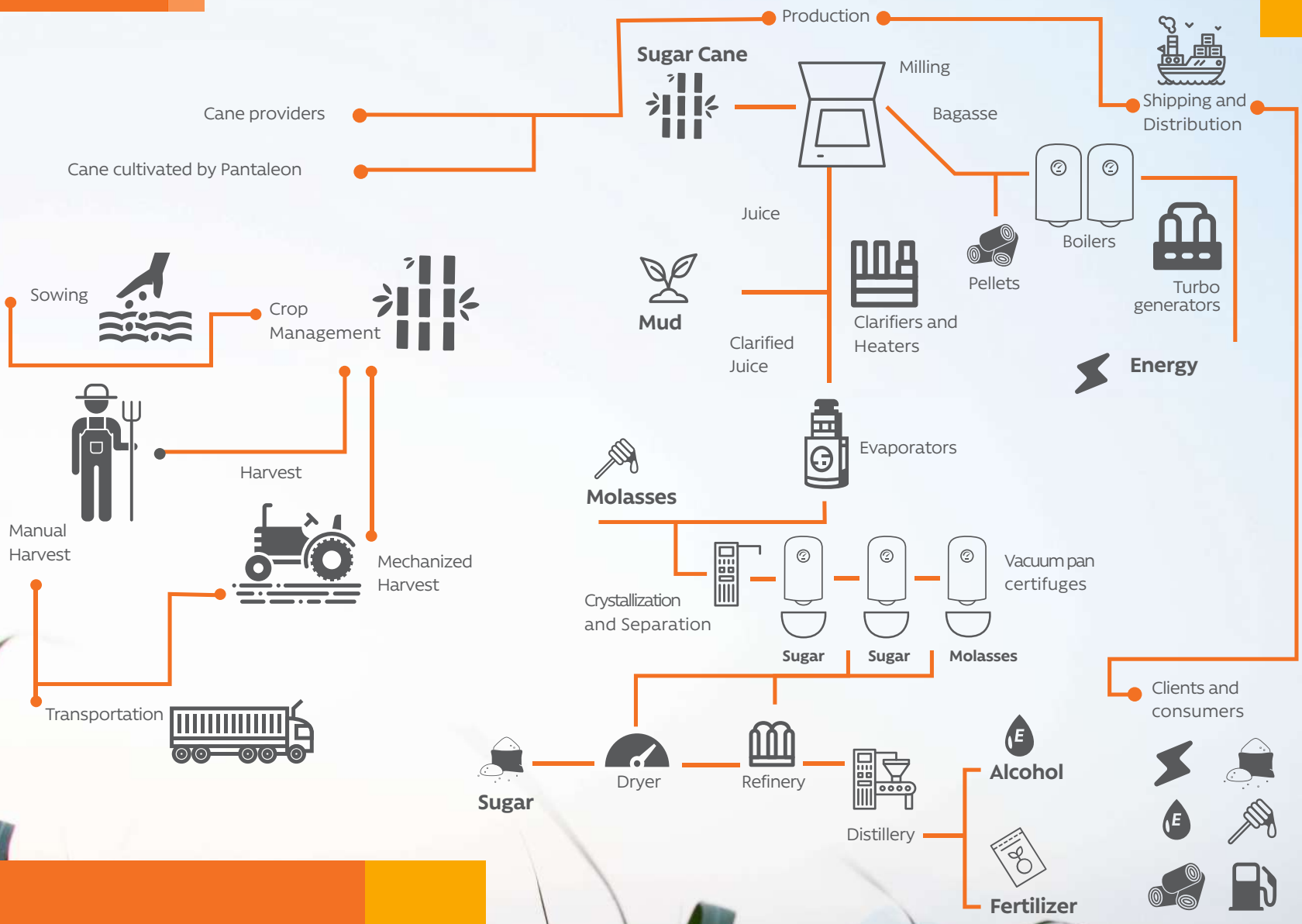
Pantaleon Group

In 2023, we developed and implemented a business strategy under the leadership of our new CEO, Jaime Quan. This strategy was built on the same values and long-term vision of the Group, strengthening our commitment to sustainability with the aim of expanding the generation of solutions that contribute to the decarbonization of the world. Additionally, we promoted the philosophy of "One Team, One Dream" to promote greater integration among the various operations and areas. This stage of the Group has been characterized by a focus on leadership, operational effectiveness, and value creation through collaborative work.

During the 22-23 harvest season, we achieved several milestones as a result of the excellent work done in previous years. We successfully completed the Group's digital transformation, primarily driven by the implementation of various technological programs and tools. In Mexico, we achieved the successful implementation of SAP, integrating all PSH operations under a single platform.

We also received 7 significant international sustainability awards, establishing ourselves as industry leaders. Some of the most important achievements include winning the Sedex Sustainability Awards in the Community & Collaboration category, securing funding through the ED&FMAN call to promote our "Tractor Operators" program, which also won first place in the Human Management Association of Guatemala (AGH) and the Inter-American Federation of Human Management Associations (FIDAGH) at the Ibero-American level. We were finalists in the Corporate Citizen of the Americas (CCA) Awards from the OAS and the HSBC Leading Companies in Sustainable Innovation, among others.





Supply Chain



Strategic Alliances

We seek to enhance our positive impact, and therefore, we proactively encourage collaboration with national and international organizations. Currently, we have partnerships and/or institutional relationships with over 40 organizations across various countries, including universities, research centers, foundations, associations, committees, and private sector groups.



Guatemala

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

Nicaragua

- National Committee of Sugar Producers (CNPA)
- Association of Private Sugar Cane Producers of the West (APRICO)
- National Commission for Export Promotion (CNPE)
- American Chamber of Commerce (AMCHAM)
- Nicaraguan Chamber of Commerce (CACONIC)

Mexico

- National Chamber of the Sugar and Alcohol Industries (CNIAA)
- Union of Workers of the Sugar Industry and Similar Industries of the Mexican Republic
- National Farmer Confederation (CNC)
- National Confederation of Rural Producers (CNPR)
- Mexican Social Security Institute (IMSS)
- National System for the Integral Development of the Family (DIF)
- Training Institute for Work of the State of Veracruz (ICATVER)
- National Association for Personal Improvement (ANSPAC)
- Club America
- Mexican Center for Philanthropy (CEMEFI)
- Technological of Pánuco
- Cáritas de Tampico, AC (Civil Association)
- Veracruz Institute of Adult Education (IVEA)
- United Nations Global Compact
- Higher Technological Institute of El Mante (ITSM)
- Autonomous University of Tamaulipas (UAT)
- Tamaulipas Institute of Adult Education (ITEA)
- National Agricultural Council (CNA)
- Technological Institute of Higher Studies of Monterrey (ITESM)

International

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



Corporate Governance

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

In 2023, the Board of Directors was supported by three committees to support and follow up on strategic pillars of the business, including environmental, social, and governance (ESG) matters. Committee members regularly meet with company executives to ensure that business objectives are met, closely aligned with the requirements of the Assembly of Shareholders.

2022: ♂ 90% ♀ 10%
2023: ♂ 85.7% ♀ 14.3%



Governance Committee

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

2022: ♂ 66.6% ♀ 33.4%
2023: ♂ 62.5% ♀ 37.5%

Compensation and Development Committee

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

2022: ♂ 66.6% ♀ 33.4%
2023: ♂ 65.5% ♀ 34.5%

Risk, Audit, and Compliance Committee

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

2022: ♂ 57.2% ♀ 42.8%
2023: ♂ 85.7% ♀ 14.3%



Code of Ethics and Conduct

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

Code of Ethics and Conduct:

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

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

Ethics and Conduct Committee

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

2022: ♂ 73% ♀ 27%

2023: ♂ 64% ♀ 36%

Human Resources Management

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

Ethics

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

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

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



Anti-Fraud and Anti-Corruption Policy

We have an **Anti-Fraud and Anti-Corruption Policy**, that establishes the guidelines for preventing fraud, corruption, and other illicit activities within the organization, minimizing the probability of occurrence and promoting transparency in the management of the fight against these practices. A process has been established to identify potential risks across the different business units and to implement protocols and procedures to mitigate them.

Receipt of complaints through authorized channels:



Pantaleon

Comprometidos con nuestro código de ÉTICA Y CONDUCTA VIVIENDO NUESTROS VALORES

- Integridad y honestidad
- Mejora y cambio permanente con visión a largo plazo
- Respeto por las personas y compromiso por su éxito



Para reportar incumplimientos:

Línea gratuita: 2377 2424
1801 0002424 4128 7000

Correo: codigo.conducta@pantaleon.com

Ética en línea: www.eticel.com/pantaleon





Resolution of Complaints

Any concerning behaviour that may represent a breach of the Code of Ethics and Conduct should be reported through the official channels, preferably before it escalates into a violation of the law a risk or, before it comes a risk to the health, stability, and safety of employees or the reputation of the company.

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

Complaints received in 2022 vs. 2023

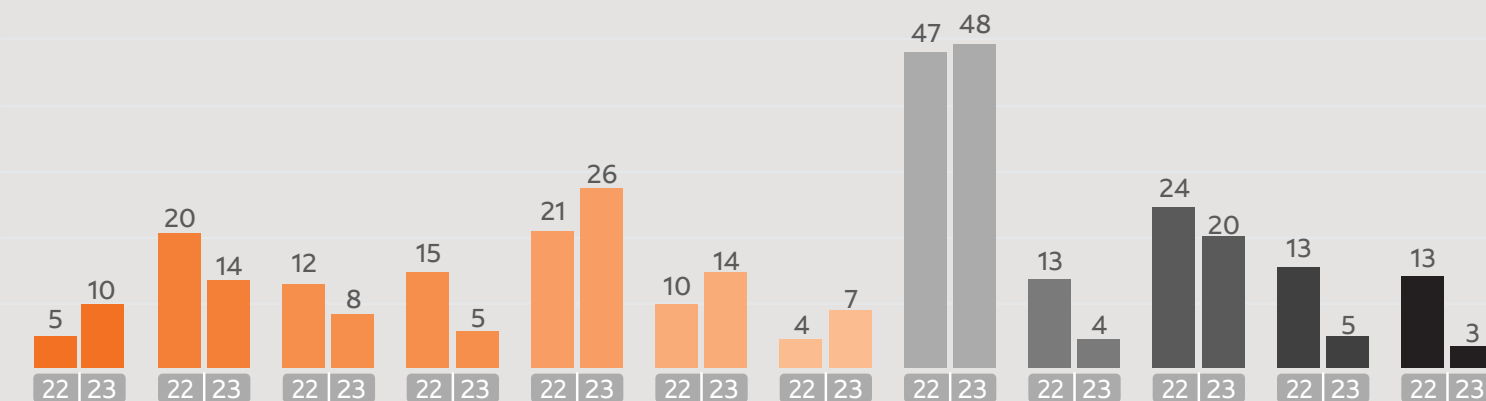
197 Complaints received in 2022

197 Resolved
0 in progress

164 Complaints received in 2023

164 Resolved
0 in progress

- Abuse and harassment
- Work agreements
- Conflict of interest
- Corruption and bribery
- Substance abuse
- Equal opportunities
- Information integrity
- Offensive behavior
- Unethical business
- Robbery
- Health and safety
- Improper use of resources



Communication Channels



Extension
5115
Internal calls

Third-Party Operator:

Guatemala
Toll free line: 1 801 0002424

Nicaragua
Toll free line: 001 800 5020098

Mexico
Toll free line: 800 1233422

International calls: +502-2377-2424

Webpage
www.etictel.com/pantaleon

Email
codigo.conducta@pantaleon.com

WhatsApp
+502 4128 7000



People

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





Our Human Capital

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



Employees on average

13,342

Employees during harvest season

+17,639



Responsible Labor Conditions Policy



Respect for our people

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



Commitment to future generations

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



Effective communication and social dialogue

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



Salary competitiveness

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



Talent development

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



Commitment to safe workspaces

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



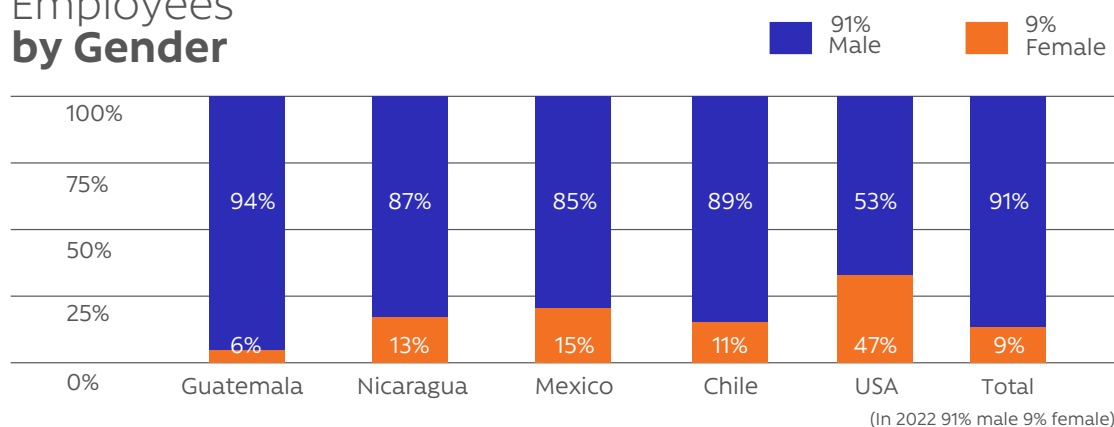
Our Human Capital in Figures

In the sugar agroindustry, the year is divided into two periods: harvest season and repair season. The harvest season is when the sugarcane is harvested and products are processed in industrial facilities, typically lasting six months. During this time, we hire a significant number of operational staff in both agricultural and industrial areas for the processing of sugarcane. The repair season is dedicated to factory maintenance and the cultivation of sugarcane. For the preparation of this report, we used the annual average of the monthly staff averages.

Employees by operation

Region	Employees
Guatemala	8,124
Nicaragua	2,838
Mexico	2,319
Chile	53
USA	8
Total	13,342

Employees by Gender

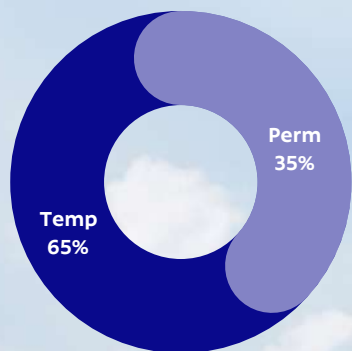


Employees by Hierarchical Level

Region	Administrative	Supervision/ Technical	Administrative support	Operational	Total
Guatemala	288	153	576	7,107	8,124
Nicaragua	106	140	133	2,459	2,838
Mexico	134	232	220	1,733	2,319
Chile	11	2	6	34	53
USA	7	0	1	0	8
Total	546	527	936	11,333	13,342

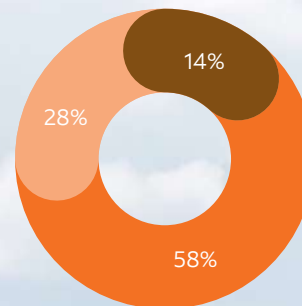


Employees by Gender and Type of Contract

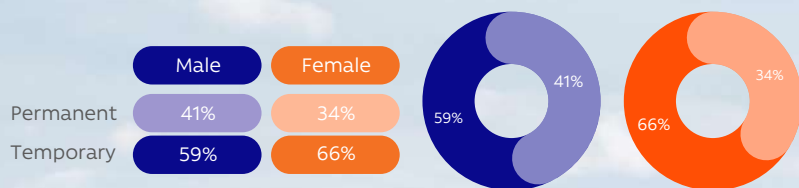


	Permanent	Temporary
Guatemala	39%	61%
Nicaragua	22%	78%
Mexico	32%	68%
Chile	91%	9%
USA	100%	0%

Employees by Age Group



Rotation rate of 6.7% considering only employees with a permanent contract.



100% Permanent unionized operational employees at Pánuco Mill.
 100% Permanent unionized operational employees at El Mante Mill.
 23% Permanent unionized operational employees at Monte Rosa Mill.

Employees by Hierarchy Level and Gender

Region	Administrative		Supervision/ Technical		Administrative Support		Operational		Gender
	Male	Female	Male	Female	Male	Female	Male	Female	
Guatemala	214	74	137	16	432	144	6,814	293	Male
Nicaragua	79	27	127	13	50	83	2,227	232	Female
Mexico	105	29	202	30	123	97	1,551	182	Male
Chile	9	2	2	0	4	2	32	2	Female
USA	4	3	-	-	-	1	-	-	Male
Total	411	135	468	59	609	327	10,624	709	

*The "Administrative" category consists of coordinators, executive, and managerial positions, while "administrative support" refers to role that provide assistance to these leadership positions.



Personal protective equipment (PPE)



Disability or incapacity coverage



Trainings



Survivor benefit



Pension plans



Uniforms



Medical insurance



Housing and accommodation



Nutrition and food



Adult education



Life insurance



Employee savings fund



Medical clinics



Educational centers



Consumer cooperative



Transportation



Recreational programs

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

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

Benefits

We strive for our employees to enjoy an excellent quality of life, both inside and outside the organization. We demonstrate our commitment to the well-being of our team by complying with all labor benefits required by the legislation of each country in which we operate, in addition to offering a range of additional benefits provided by the company, which include:



GRI 2: 2-19, 2-27, 2-29
GRI 201: 201-3
GRI 202: 202-1
GRI 401: 401-2, 401-3



Goal: 8.8



Developing Our Talent

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

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



194,308 hours of training

	GT	MX	NI	TOTAL
Number of training sessions	1,022	1,655	348	3,025
Total hours of training	95,176	33,508	65,624	194,308
Hours of training for operational employees	90,723	25,853	54,800	171,376
Hours of training for administrative employees	4,453	7,655	10,824	22,932



Student Internships

345 interns

Committed to sharing our knowledge with future generations, we incorporate final-year high school students, undergraduates, or postgraduates into different areas of the organization to prepare them for professional development. During 2023, we had 59% more interns than in 2022.



Scholarship Program

23 scholarships

We awarded 23 scholarships to our employees for undergraduate or postgraduate programs, which is a 43% decrease compared to 2022. Additionally, in Nicaragua, 36 children of employees received scholarships, while in Mexico, 351 children benefited from scholarships.



Internal Promotions

98 promotions

We are committed to the success of our employees, which is why we encourage them to apply for vacant positions within the organization, increasing the number of internal promotions. During 2023, we awarded 12% more internal promotions than in 2022.



Pantaleon Trajectory

604 employees

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



Moments of Dialogue

12,519 Moments of Dialogue

Effective communication with our employees results in greater alignment between staff and the company's strategies and initiatives, as well as improved individual and collective performance. Moments of Dialogue is a tool that promotes two-way communication with employees, creating a closer relationship. Each operation holds regular team meetings, either weekly or biweekly, to identify opportunities for improvement and recognize their efforts. The tool also allows us to strengthen certain values such as: credibility, pride, respect, impartiality, and fellowship.

These meetings are led by the employees themselves, following a participatory and independent format, with minutes taken of the topics discussed. In 2023, 11,120 Moments of Dialogue were held in Guatemala, 399 in Mexico, and 1,000 in Nicaragua, which is equivalent to 6,191 hours.

Pantaleon Ambassadors

217 employees

Pantaleon Ambassadors are a network of leading employees, who spontaneously and dynamically share official information on relevant organizational topics to different internal audiences. At the same time, through active listening, they gather employee feedback that helps generate timely information to strengthen trust and address different issues. In 2023, we provided our 107 ambassadors in Guatemala, 29 in Mexico, and 81 in Nicaragua with tools to support their role as spokespersons through effective communication and leadership workshops. They also received a workshop on responsible sugar consumption and health and wellness tools.



GRI 2: 2-8, 2-29

Goal:4.4



Goal:8.3



Training Programs

Our human talent represents a competitive advantage, which is why we provide our employees with opportunities and conditions to develop their skills, knowledge, and professional abilities, allowing them to reach their full potential.



Sowing Skills, Transforming Lives: Internal Technical Training Schools

In 2007, in Guatemala, we established the Training Schools with the purpose of supporting our employees in strengthening their leadership skills and technical capabilities, with a view to accessing new opportunities within the organization. This program has given rise to different training schools, which have come together under the name "Sowing Skills, Transforming Lives." Both specialists and the Human Resources Department identify

specialized roles that require more training and better tools for effective management of responsibilities. The content of these programs is customized and developed by our technical experts, with the support of staff from the Technical Institute of Training and Productivity (INTECAP).



My Productive Harvest School

87 employees

We seek to train crop, irrigation, and agricultural production supervisors to improve resource management and optimization, contributing to our goals and improving our competitiveness, health, and safety. 60 hours of training in total.



School of Electromechanics

8 employees

Our objective is to certify fire truck and sugar transport drivers, enabling participants to acquire skills for performing head maneuvering and load operations in accordance with internal procedures and standards. 256 hours of training in total.



Harvester Operators School

21 employees

Our goal is to facilitate and improve the knowledge of the agricultural machinery workshop staff on the preventive maintenance of agro-industrial machinery, sugarcane harvesters, and agricultural tractors, based on internal quality parameters. 300 hours of training in total.



School of Tractor Operators

General: 20 employees

Production: 33 employees

Harvest: 18 employees

We aim to facilitate and enhance the knowledge of harvest staff in the proper management and use of agro-industrial machinery, adhering to established quality parameters. 130 hours of training in total.



Work Competency Certifications

365 employees

In partnership with educational institutions, we certify and train our employees in the technical competencies they have acquired within the operation. This enables employees to obtain a credential that validates their skills. Since 2021, our operation in Nicaragua has partnered with Instituto Técnico La Salle to provide training courses customized to the needs of the operation, and with INATEC to certify the competencies of workers who lack formal technical education. In 2023, Monte Rosa Mill certified the competencies of 75 employees in welding and automotive mechanics, validating the technical knowledge they have acquired within our operation. In Guatemala, 240 employees were certified as pump operators and 50 in different machinery positions, including mechanics, welders, air conditioning technicians, among others.

Nicaragua

Machinery Operators Training Program (FOM)

95 employees

This program trains operators and assistants for tractors, harvesters, headers, and heavy machinery, with the goal of enhancing the growth of our employees. In 2023, we trained 40 Tractor Operators, 35 Header Operators, and 20 Mechanical Harvester Operators.

Mentorship Program

157 mentees and 69 mentors

We leverage internal talent to transfer the knowledge of experts and leaders to new generations. We rely on leaders and experts in different areas to support new employees in critical positions. In 2023, we benefited 96 mentees in the factory with the support of 50 mentors and 61 mentees in machinery with 19 mentors.

Development of Technical Competencies for Closing Skill Gaps

250 employees

In collaboration with Instituto Técnico La Salle and internal instructors, we create and deliver training courses customized to the needs of our operation to strengthen technical competencies and knowledge in various specialized areas.

Mexico

Forklift Operation Course

23 employees

Through a 184-hour training program, we develop the necessary skills for our employees to operate forklifts. Our goal is to increase the number of certified operators.

Welding Course

12 employees

We offer welding courses to teach our employees the general concepts of welding, proper machinery use, and application procedures.

Mechanics Course

26 employees

Through an 885-hour training course, we enable our employees to apply practical criteria to diagnose, prevent, and solve issues related to bearings, bushings, centrifugal pumps, and lubrication.

Awareness Course for Operators

139 employees

Through 2,168 hours of experiential training, we focus on providing tools that promote teamwork.

Digital Transformation Course: SAP

174 employees

As part of our digital transformation strategy, we enable our employees in strategic positions, for the successful adoption of SAP through 423 hours of training.

8 TRABAJO DECENTE
Y CRECIMIENTO
ECONÓMICO

Goal:8.5

4 EDUCACIÓN
DE CALIDAD

Goal:4.4



Occupational Health

At Pantaleon, we are committed to providing safe and healthy work environments. Occupational safety and health are not just priorities, they are permanent values within our company. All our employees are covered by an occupational health and safety protocol defined in our comprehensive management system. Our primary objective is to safeguard employees from potential hazards inherent to their roles, which is why we set rigorous targets for reducing workplace accidents and occupational illnesses. We also develop detailed action plans to achieve these targets. We comply with current legal regulations in each of the countries where we operate and even establish internal protocols and procedures exceeding what is required by law. We generate risk analysis for each of the positions and generate tailor made training, which allows us to develop plans to minimize and mitigate risks. In the event of accidents, we carry out different analyses to strengthen our processes.

Under this vision, we have managed to reduce the main risks of our operations, including contractors, who are subject to the same health and safety standards as employees within the company. We have an internal platform called CLEVER where we ensure suppliers compliance with our requirements, including having valid social security, required skills and certifications, among others. We also carry out different safety leadership programs and continuous trainings for staff during working hours, as well as significant investments to improve labor conditions.

We have developed a series of training programs as part of the induction process for all staff, and specialized training with the support of certified external instructors, including an e-learning platform. We assess the understanding of the courses through theoretical and practical evaluations. Our comprehensive management

system is audited both internally and externally, following the guidelines established by international certifications, including Bonsucro, ISSC, and ISO 45001.

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

As an organization, we deeply regret the loss of one employee and one contractor in Mexico, as well as the passing of one employee in Nicaragua during the 22-23 harvest season. Following each of these unfortunate incidents, we conducted thorough safety analyses to identify process deficiencies. Under senior management's leadership, corrective measures were implemented, including the review and update of the Process Risk Panorama to strengthen controls and enhance staff protection. Additionally, both supervisory and operational staff competencies were evaluated and reinforced through targeted training focused on managing critical activities. New hire training programs were also intensified, and communication and coordination systems were improved to ensure more effective crisis management.



129,653

Hours of training (283,534 hours in harvest season 21/22)



381

Third-party companies audited on occupational and safety issues (532 in harvest season 21/22)



32,660

Inspections (35,497 in harvest season 21/22)

GRI 2: 2-27, 2-29
GRI 403: 403-1, 403-2, 403-4
403-5, 403-7, 403-8, 403-10
GRI 410: 410-1



Goal: 8.8



1,526

Training events (3,102 in harvest season 21/22)



573

Brigadiers trained (562 in harvest season 21/22)



7,166

Unsafe acts addressed (6,262 in harvest season 21/22)



54

Campaigns (63 in harvest season 21/22)



11,965

Occupational safety orientations conducted for employees and third-party staff (8,846 in harvest season 21/22)



62

Drills (73 in harvest season 21/22)

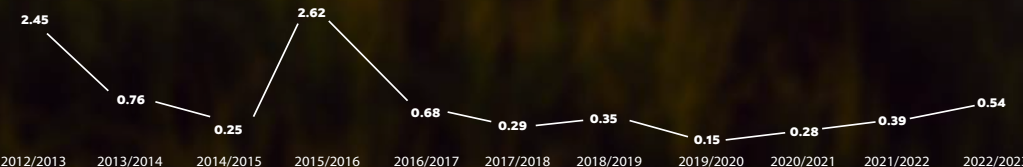
Frequency rate



Severity Rate



Disabling Injury Index (DII)



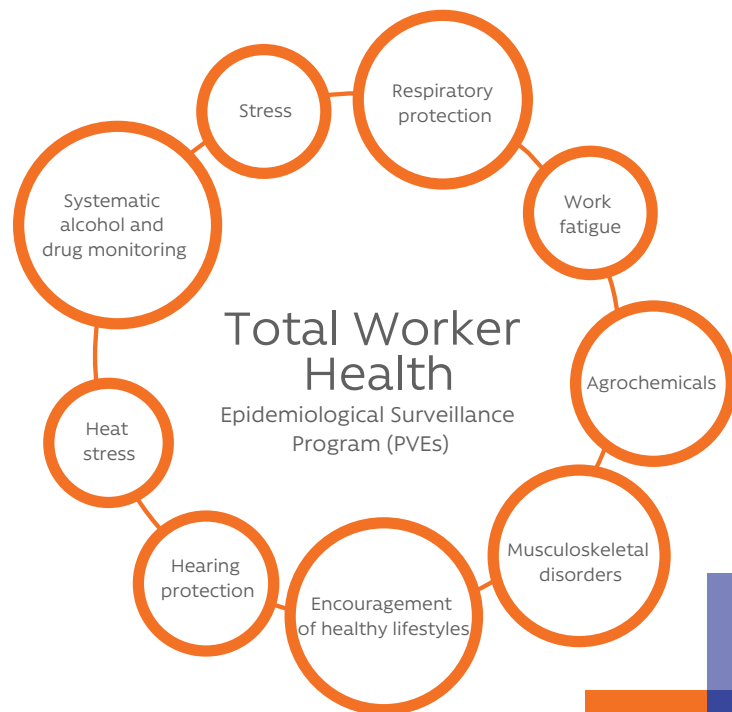
Progress and Achievements in Occupational Health and Safety (OHS)

- Through the initiative "I Report, I Contribute," we successfully doubled the number of prevention reports in the second semester, proactively addressing more unsafe conditions, unsafe acts, near misses, and positive interventions.
- We improved transportation protocols by implementing monitoring systems with cameras, optimizing operator rest facilities, and managing work schedules. Additionally, defensive driving skills were enhanced, resulting in a decrease in accidents involving injuries and property damage.
- We upgraded our fire prevention systems and provided training on emergency response plans.
- Outstanding Occupational Health and Safety (OHS) performance, particularly in Guatemala, achieved a world-class Disabling Injury Index (DII) of 0.017.
- Successful Development of "My First Harvest" Program in Nicaragua which has significantly contributed to reducing risks for new staff.
- We made considerable investments to improve working conditions, focusing on accessibility, lighting, signage, and equipment safeguards in Mexico.



Total Worker Health

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



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

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

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



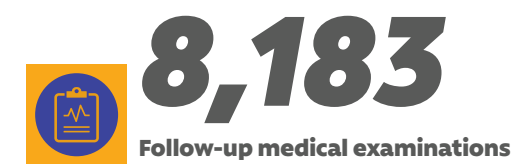


Healthcare assistance

At Pantaleon, Integral Well-being is at the core of all our activities. All our operations have health clinics offering primary care services, ophthalmology, and dentistry services. We have a healthcare team of 130 professionals, including 1 epidemiologist, 2 occupational physicians, 2 public health specialists, 8 general practitioners, 3 nutritionists, 56 nurses, 4 paramedics, and 46 health brigadiers.

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

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



Medical Consultations		
Country	2022	2023
Guatemala	33,472	36,986
Nicaragua	3,804	4,000
Mexico	2,386	1,906
Total	39,662	42,892



Prosperity

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

Community Development Projects

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



Our community development projects in 2023:

21 Education Projects

- Pantaleon Schools
- Child Development Centers "Arcoiris del Futuro"
- Adult education
- Soccer/ Football school
- Improvement of educational infrastructure and donations of materials
- Computer centers
- Entrepreneurship programs
- School breakfasts
- Technical trainings in communities

18 Health Projects

- Health clinics
- Maternity wards
- Children's epidemiology ward
- Early stimulation room
- Mental health modules
- Hearing screens
- Integral nutritional food programs
- Improvements in infrastructure, furniture, and supplies of health clinics

24 Community Development Projects

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

5 Water and Sanitation Projects

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



50,280

People directly benefiting from the projects



98

Communities benefiting from the projects



US\$4.5M

Community investment

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



Goal 1.3



Goal 2.3



Goal 3.8



Goal 4.4



Goal 5.b



Goal 6.4



Goal 10.2



Sowing skills, transforming lives

Community Technical Training Schools

196 community members

In 2007, we founded the Training Schools to develop both technical and soft skills among our employees. Seeing the potential impact on our communities, we launched the Community Schools in 2022, with a focus on empowering women. By training them for new roles, we not only expanded employment opportunities but also promoted gender equality and regional economic growth. This approach enhances self-confidence and promotes financial independence. To date, over 4,000 employees have advanced to better positions thanks to the skills they have gained, and we have positively impacted more than 300 people from the South Coast, who are now employed.

In 2023, 196 community members, both men and women, participated in six training programs, with 85% of the participants securing jobs. Of these, 67% are now working at Pantaleon, and 33% in other companies.

The program "Sowing Skills, Transforming Lives" was awarded during the XVIII Inter-American Congress on Human Resource Management (CIGEH) with the Excellence Award from the Inter-American Federation of Human Resource Associations - FIDAGH. This award, recognized throughout Latin America, celebrates best practices in Human Resource Management and highlights innovative programs that positively impact organizations and people.

Women in Leadership: Tractor Operators School

130 female community members

Our most recognized Community Technical Training School is designed to train women from surrounding communities in the operation of agricultural machinery, providing them with non-traditional job opportunities that enhance their economic standing and quality of life. The program consists of 186 hours of training focused on three main areas: Comprehensive Development, Theory, and Practice. A key component is the Comprehensive Development module, based on the "Mejores Familias" ("Better Families") methodology from ASAZGUA (Guatemalan Sugar Producers Association), which teaches leadership with values, self-esteem building, financial education, integration, and teamwork, among other aspects.

To date, 130 women have completed this program, with 84% currently employed, earning an average monthly salary that is 2.5 times the minimum wage.

Our efforts have received recognition through several awards, including being finalists for the Corporate Citizen of the Americas Award from the OAS and winners of the MAS Program from ED&FMAN.



In partnership with *Pantaleon Foundation*

we developed the following educational projects:



Pantaleon schools and "Arcoíris del Futuro"

1,326 students

Education is one of the pillars of our efforts to promote development in surrounding communities. We have three schools, one in Guatemala and two in Nicaragua, where we provide comprehensive, quality education to the children of our employees and families living in communities nearby our operations. We provide education at the primary, secondary, and high school levels. Additionally, we promote preschool education in the "Arcoíris del Futuro" Child Development Centers (CDI).

In 2023, in Guatemala, we benefited 28 children at the CDI and a total of 383 students at the Pantaleon school. In Nicaragua, we supported 75 children at the CDI and a total of 810 students at the Pantaleon school and the La Curva Educational Center.

Online Community Education

22 community members

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

Weekend Program

145 community members

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

Nido Águila

183 children

We established Club América's official football/soccer school, where we work on the integral development of children by promoting values, discipline, teamwork, and leadership. We seek to promote a healthy and safe space for children and young people. Within the program, students receive visual health care, psychological support, dental care and awards for academic excellence, while their mothers receive Zumba classes.

Adult Education Program

111 employees

We provide opportunities for sugarcane cutters who wish to continue their primary, secondary, and computer studies. During the harvest season, after the workday ends, interested employees receive leveling classes. In Mexico, 33 cutters have benefited from this program, while in Guatemala, 78 have participated.



Goal:4.2



Goal:4.4



Goal:8.3



Promoting Entrepreneurship

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

Technical Trainings

629 community members graduated

Through a partnership with INTECAP, we provide men and women from communities near our operations with the opportunity to receive training in areas such as motorcycle mechanics, handcrafted bags, beauty services, and more. In 2024, we benefited 709 community members, with 591 successfully graduating.

In Mexico, we identified the product needs of the communities where we operate and promoted technical and administrative education, offering seed capital for entrepreneurs to start small businesses like bakeries, water purification plants, and beauty salons. In 2023, we trained 38 women to operate two bakeries in Pánuco and two beauty salons in Mante. These projects have a broader impact on the communities, as they bring essential services closer and offer quality products at affordable prices.

Bootcamp Enactus Pantaleon

36 entrepreneurs benefited

In partnership with Enactus, we founded a program to promote the generation of ideas and new businesses related to agricultural innovation. Our Bootcamp is the leading acceleration program for early-stage entrepreneurs. Its purpose is to develop skills and transfer knowledge to strengthen their business model. In our sixth edition, we benefited 36 entrepreneurs with 20 innovative ideas, who receive intensive training, mentoring, and assessments from experts and business leaders over a two-month period. To date, we have supported 236 people, driving the success of 130 entrepreneurial projects.



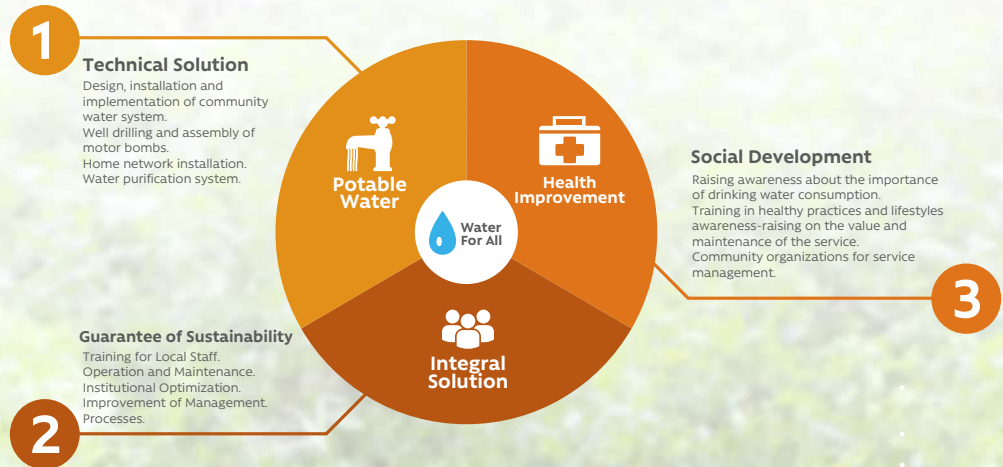
Goal:4.3



Goal:8.3

Water for All Program

Our methodology is comprehensive and participatory, we train community leaders and members of the Water and Sanitation Committee (CAPS) to ensure the sustainability of the systems. We teach them different technical and social tools such as basic accounting, assertive communication, and financial planning enabling them to manage the plant independently.



Since 2014, we have partnered with communities, local entities, and strategic allies to provide drinking water directly to the homes of over 9,297 people. Our contributions include drilling wells, assembling pumps, installing home water networks, and facilitating the processes of water storage and purification.

18 Communities
9,297 People benefited



Projects in Community "Los Kilómetros 9 y 10"

84 Homes
560 People benefited

US\$95,000
in investment



Community Engagement

To maintain proactive, two-way relationships with the different communities of influence and stakeholders, we continuously interact with community leaders and interested parties. During these visits—both formal and informal—we share information about our responsible operating practices, strategies for potential risk mitigation, social programs, and various projects that benefit the communities and countries where we operate.



Promoting Corporate Social Responsibility

We support events and activities focused on promoting Corporate Social Responsibility in the countries where we operate. As founding members of the Corporate Social Responsibility Center in Guatemala (CentraRSE), we sponsored the First Ibero-American CSR Forum.

In Nicaragua, we received first place in the “Producción Más Limpia” (Clean Production Certification), where we presented our “Suelo Vivo” (Living Soil) program, which offers sustainable solutions to eliminate the use of pesticides and chemical fertilizers.

In Mexico, we were awarded the title of Socially Responsible Company by the Mexican Center for Philanthropy (CEMEFI), in Pánuco for thirteen consecutive years and in El Mante for the third consecutive year. Additionally, we have maintained our adherence to the Global Compact in Pánuco for eleven consecutive years and in El Mante for three consecutive years.

Community Management Model

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

In 2023, 24 communities participated in this Management Model, with agreements primarily focused on transportation routes, aerial applications, and scheduled burns. A survey was conducted among 184 community leaders and residents, revealing that 91% perceive an improvement in operations compared to the previous harvest.

We use different communication channels such as:

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

Watershed Management

We actively participate in multi-sectoral tables to seek collaborative solutions on water issues. In 2023, Technical Business Committees (CTE) were organized by the Climate Change Institute (ICC) for the watersheds of the South Coast, in which Pantaleon participates in five. The CTEs are made up of business users from the watersheds, and technical decisions are sought to ensure the responsible use of resources, especially to ensure that water reaches the mouth.

Partnership for Central América

We are part of the Partnership for Central America (PCA), an initiative led by the U.S. government to create job opportunities in the region. More than 40 local and international companies have announced various commitments that will represent an investment of US\$5.2 billion to create economic opportunities and development in Northern Central America. We are committed to attracting foreign investment through Synergy Industrial Park and to investing in improving the skills of workers to qualify for the new job opportunities that the park may attract.





Communication and Impact Mitigation Mechanisms

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

The Social Development teams, together with operations, follow up on the resolution of alerts or incidents to develop improvement plans. All notifications received are recorded and investigated. This information serves as feedback to incorporate practices into our operational protocols that mitigate and eliminate social impacts. In 2023, we received no fines or sanctions related to social issues.

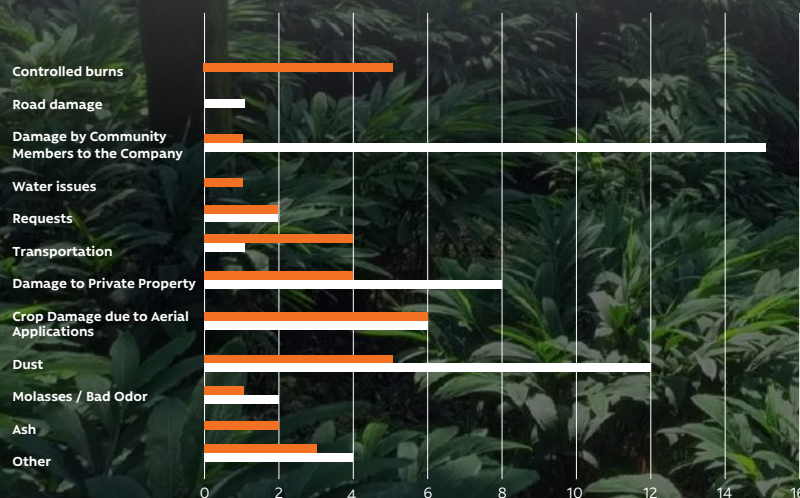
58

Alerts received

100%

of the complaints were addressed within 72 hours

Community Complaints in 2022 vs 2023



Topic / Type of Complaint	% 21-22	% 22-23
Controlled burns		19%
Road damage		2%
Damage by Community Members to the Company	4%	26%
Water issues	4%	
Requests	7%	3%
Transportation	15%	2%
Damage to Private Property	15%	14%
Crop Damage due to Aerial Applications	22%	10%
Dust	19%	21%
Molasses / Bad Odor	4%	3%
Ash		3%
Other	11%	7%



Billboards Placed in Communities of Guatemala

Communication Channels

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

- Webpage**
www.etictel.com/pantaleon
- Email**
Directed to the Social Development Team
- WhatsApp: +502 4128 7000**

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



Identifying Impacts

We evaluate the potential risks of our operations on various stakeholders, including neighboring communities, indigenous peoples, vulnerable groups, and others. To identify these impacts, we have established 4 general categories, including a total of 11 specific impacts. Some of these impacts may vary depending on the context of each country. Therefore, each Social Development team has adapted certain procedures while maintaining the primary approach and purpose.



Transportation

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

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

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



Aerial Applications

6. Damage to other crops

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

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



Protection of Social Infrastructure

7. Electrical Wiring
8. Bridges

We ensure that the vehicles transporting sugarcane comply with the permitted height and dimensions. Our units display a rear identification with the telephone number for "Pantaleon Te Escucha" at 2377-2424, allowing for the reporting of any infrastructure incidents.



Environment

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

Planned Burns and Ash Control

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

Water Consumption from Rivers and Wastewater Management:

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

Pantaleon Foundation



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

The main objective of the Education Program is to be a benchmark for educational quality, focusing its efforts on developing a unique educational methodology in the 7 "Arcoiris del Futuro" Child Development Centers and the 3 Pantaleon schools located in Guatemala and Nicaragua. Additionally, as part of this program, vocational training and entrepreneurship courses are offered in Guatemala and Mexico, providing training in baking, tailoring, motorcycle mechanics, and artisanal bags, primarily targeting adult women from communities near the operations.

As part of the Health Program, Pantaleon Foundation provides support and is a benefactor of the Healthy Child Clinic in Guatemala, which offers free medical care for children. In Nicaragua and Mexico, work is done in Maternity Houses that provide free prenatal and postnatal care. In Mexico, collaboration with government entities also focuses on improving the infrastructure of Health Houses.

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

To learn more, visit: www.fundacionpantaleon.org





Planet

We innovate to produce sustainably, transforming our practices to achieve harmony with nature



Environmental Management

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

We have implemented different management systems to prevent, monitor, control, and reduce environmental impacts, ensuring the optimal and rational use of resources in all our processes. We establish robust environmental efficiency goals and compare them with international standards. We adhere to the environmental sustainability performance standards of the International Finance Corporation (IFC) of the World Bank. As material aspects we have identified energy, water, air emissions, greenhouse gas (GHG) emissions, waste and agrochemical management, as well as biodiversity and soil preservation.

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

During 2023, El Mante Mill addressed a requirement from the National Water Commission (CONAGUA) for exceeding two parameters in an environmental monitoring of industrial effluent, as outlined in NOM-001. The issue was resolved by adjusting the effluent treatment parameters, which resulted in a fine of US\$9,727.



Significant achievements:

- We promote a circular economy, with 93% of our waste being reused. Goal: 12.5
- 95% of the energy we use comes from renewable sources. Goal: 7.2
- 96.5% of our consumption was supplied by our own cogeneration. Goal: 7.3
- From 2013 to 2023, we achieved a 52% reduction in water consumption, improving resource efficiency. Goal: 6.4
- We protect natural resources and promote education, research, and environmental awareness. We manage 3,315.72 hectares of protective forests along riverbanks, ecological trails, and species protection areas. Goal: 15.5
- We innovate in agricultural processes by using nitrogen-fixing bacteria, phosphorus-solubilizing bacteria, crop rotation, intercropping, bio substrate application, and liquid carbon. Goal: 12.2

	2022	2023
Reused waste (%)	93%	93%
Energy from renewable sources (%)	98%	95%
Consumption supplied by self-cogeneration (%)	96%	96.5%
Reduction in water consumption since 2013 (%)	67%	52%





Energy

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

Electricity

377,226 MWh

of consumption, 96.5% of which was supplied by our own cogeneration.

405,883 MWh

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

95%

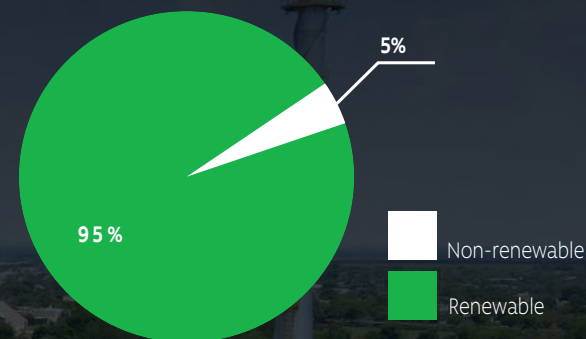
 of the fuels used come from renewable sources such as bagasse, wood chips, and firewood.

0.35 MWh

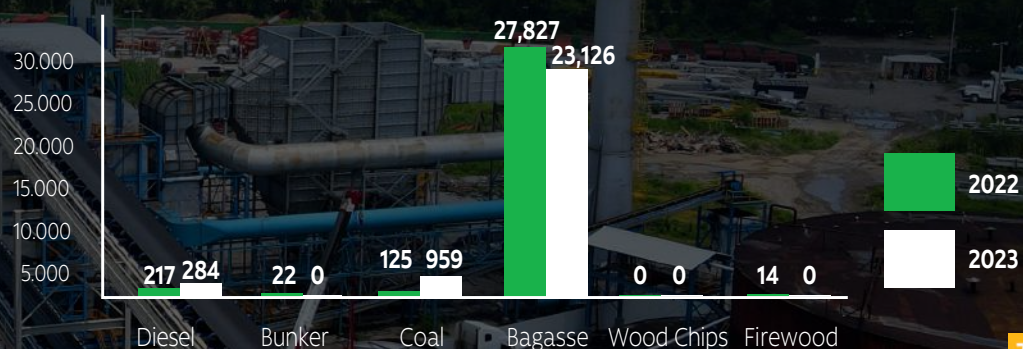
electricity consumption per ton of sugarcane produced.



Types of Fuel Energy Sources



Types of Fuel for Energy Production (TJ)





Water

52%

Reduction in water consumption 2013-2023

Water is a fundamental resource in our agricultural and industrial processes, especially in the irrigation process. We have made great efforts to optimize water usage and effectively manage effluents. This is especially important in years of significant drought, such as 2023. Using 2013 as a baseline, we have successfully reduced our overall water consumption by 52%. In the industrial area, the reduction is 82%, while in agriculture area, it stands at 41%.

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

In the industrial area, we have significantly invested on water recirculation systems at our mills to reduce water consumption. We constantly monitor water use and quality, while also investing in projects focused on cooling recirculated water and reusing industrial effluents in agricultural areas. In 2013, we committed as an organization to reducing water use (m³/ton of cane) by 50%. To date, we have exceeded this goal, achieving an 86% reduction.

In 2023, our commitment to environmental sustainability translated into US\$878,133 in strategic investments. In Mexico, we started the first phase of an irrigation automation project with an US\$83,000 investment. This system optimizes the pumping on/off process based on operational needs, resulting in substantial water savings. In Guatemala, our focus was on two key areas: in agriculture, we invested US\$375,567 to continue improving irrigation water efficiency; and in the industrial area, we allocated US\$199,566 for optimizing wastewater treatment. In Nicaragua, we made significant improvements in ash water treatment from boilers, with an investment of US\$220,000. These initiatives reflect our ongoing commitment to responsible water resource management and reducing our environmental impact across all operations.

	2022	2023
Agricultural Reuse	12%	8%
Industrial Reuse	77.9%	77%
Agricultural Reduction (versus 2013 baseline)	62.6%	41%
Industrial Reduction (versus 2013 baseline)	81.2%	82%

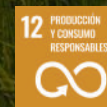
Among the key measures adopted to optimize water use within our operations are:

- Dry cane cleaning
- Lining of irrigation channels
- Soil moisture measurement
- Irrigation optimization through satellite imagery
- Infiltration irrigation
- Water harvesting
- Reuse of industrial water for agricultural irrigation (fertigation)
- Water recirculation system in factories
- Real-time irrigation monitoring using remote sensing technology

Type of Irrigation by Operation:

In the agricultural area, the irrigation plan is developed with the vision of transitioning to more efficient water use systems that optimize all resources involved in productive activities, as a result maintaining a sustainable system. Among the actions we are taking are investing in more effective technology, lining irrigation channels, measuring soil moisture to minimize the need for irrigation, and monitoring irrigation equipment in real time.

	GT	NI	MX	Efficiency percentage
Drip irrigation	2%	6%	0%	90%
Sprinkler irrigation / reel irrigation	5%	17%	49%	85%
Pivot irrigation / mechanized irrigation	83%	77%	50%	80%
Gravity irrigation	10%	0%	1%	40%





Climate Strategy and GHG Emissions

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

In 2023, our carbon footprint was 0.23 tCO₂ per ton of sugar produced in Scopes 1 and 2, using the GHG Protocol methodology. In 2013, we set a goal to reduce greenhouse gas (GHG) emissions by 40% by 2024. We have achieved a 38% reduction.

Currently, we are reviewing our carbon footprint calculations with the support of experts to evaluate our measurements, assess our Scope 3, and define a realistic target aligned with a global temperature increase of 2°C.

	2022	2023
Intensity of GHG Emissions: Agricultural Processes	0.13	0.17
Intensity of GHG Emissions: Industrial Processes	0.19	0.06
Total GHG Emissions (Scope 1 and 2)	0.32	0.23

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

	Scope 1	Scope 2
Fertilizer application	70,644	-
Stationary sources	12,020	-
Cane burning	18,308	-
Mobile sources	86,869	-
Fugitive emissions	1,981	-
Effluent treatment	27,618	-
Biomass consumption	25,202	-
Electricity consumption	-	9,051
Total	242,642	251,693

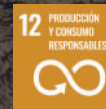
Sugarcane also provides significant environmental benefits. During its growth, it absorbs CO₂ for 364 days a year, making it one of the most efficient plants for carbon fixation. Additionally, the byproducts from sugarcane can be used to generate renewable energy. According to a study by ICC, in Guatemala,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

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

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

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

GRI 202: 201-2
GRI 305: 305-1, 305-2, 305-4, 305-5



Goal: 12.4



Emissions



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

Green Mechanized Harvest

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

75%

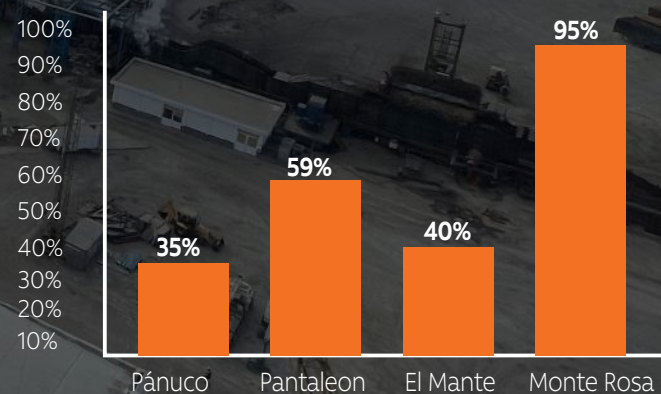
of the harvest is mechanized

60%

of the harvest is green mechanized

	2022	2023
Mechanized Harvest (%)	70.7%	75%
Green mechanized harvest (%)	51.1%	60%

Percentage of Green Mechanized Harvest



GRI 305: 305-4, 305-5

Goal:12.2



Goal:13.2



Promoting Circular Economy!

93% of Waste Reused

Part of our vision includes utilizing waste from the sugar production process and repurposing it into byproducts or energy sources, contributing to the circular economy. Some of these projects include Novapellet, organic fertilizers, and agricultural biomass generation. We continuously monitor the types and quantities of waste generated in each operation to establish strategies for reduction, reuse, and recycling. The types of waste we manage include bagasse, mud (filter cake), ash, paper, cane table waste, cardboard, plastics, lubricants, and oils. For non-reusable waste, we manage its disposal with accredited providers following environmental criteria and local regulations.

From 2013 to 2023, we have reduced waste generation by 44%, achieving a 3.6% reduction in the last year alone.

Detail	Type	2022	%	2023	%
Reuse	Non-hazardous	1,485,001,208	73.11%	1,439,565,634	73.55%
Recycling	Non-hazardous	5,692,565	0.28%	6,894,944	0.35%
Composting	Non-hazardous	394,195,269	19.41%	366,904,383	18.75%
Recovered	Non-hazardous	0	0.0%	0	0.0%
Landfill	Non-hazardous	1,561,210	0.08%	1,524,885	0.08%
Dumpsite	Non-hazardous	690,817	0.03%	605,218	0.03%
Incinerated	Hazardous	192,853	0.01%	65,538	0.003%
Storage	Hazardous	143,835,429	7.08%	141,592,478	7.23%
Total		2,031,169,351	100.0%	1,957,153,080	100.0%

Novapellet

Novapellet is our fiber plant based on sugarcane, established in Mexico in 2022. In this product, we utilize 100% natural fiber, which is converted into an ingredient for livestock feed or as a fuel source for energy generation, providing a sustainable alternative to coal.

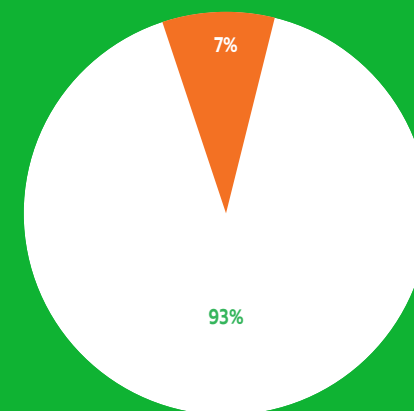
Feed Pellet: The pellet enhances chewing and salivation in livestock during ingestion, aiding ruminants in digestion by buffering acidity levels in the rumen and reducing the risk of acidosis. This process allows for better nutrient absorption by the animals. Currently, we offer two products: Novafibra® and Novaproteica®.

Energy Pellet: This pellet possesses good energy properties, like wood pellets, serving as a renewable and sustainable alternative to other fuels in energy generation.

Agricultural Biomass

We use the concept of disruptive technology to innovate in the agricultural process by introducing machinery that separates excess biomass from sugarcane during mechanical harvesting. This not only creates a more efficient industrial processing system but also allows for the integration of organic material into the soil. This organic matter can be utilized to generate energy or used as animal feed.

Waste Management

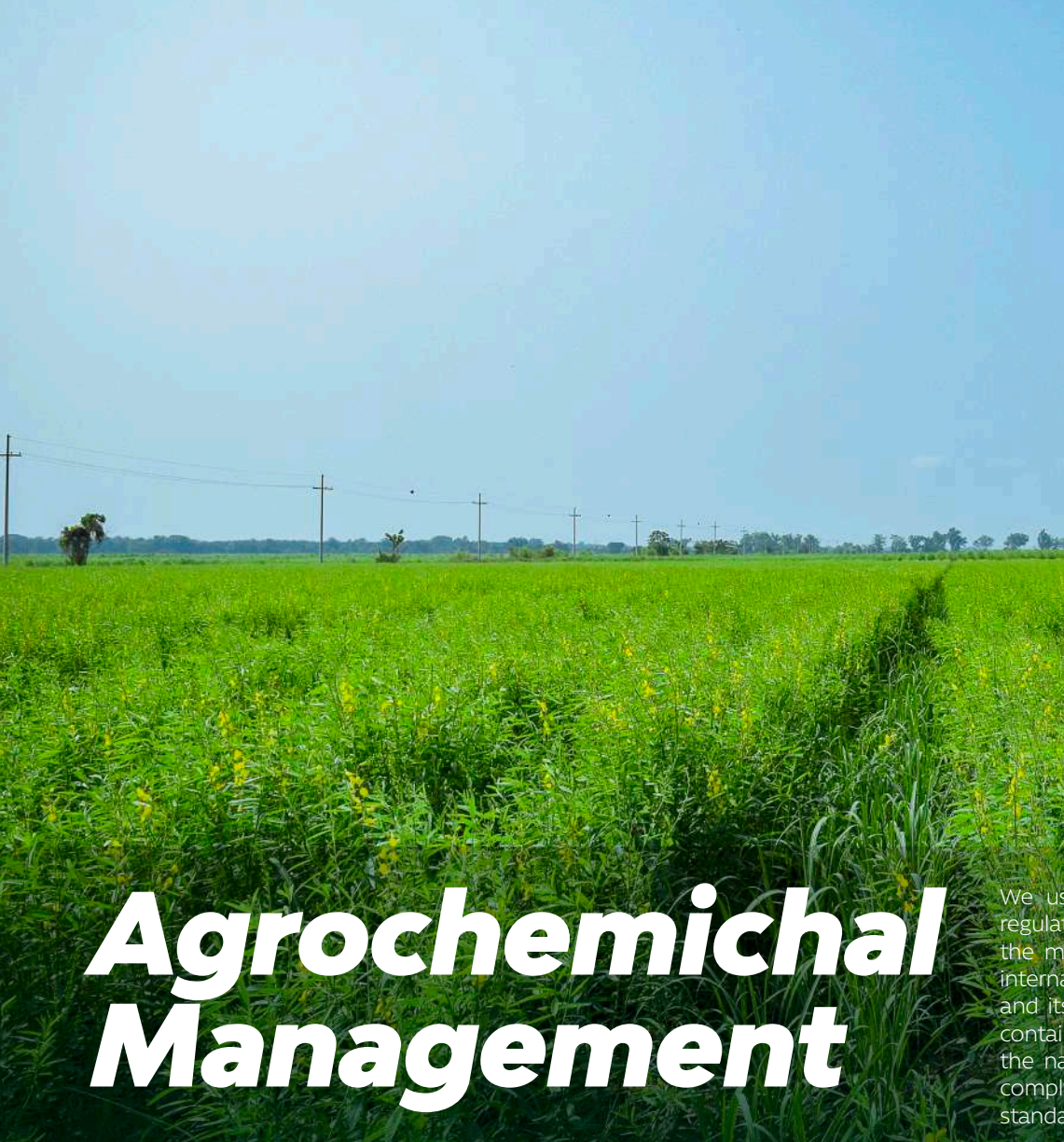


Non-hazardous Hazardous



Goal:12.5

GRI 301: 301-1, 301-2, 301-3
GRI 306: 306-1, 306-2, 306-3, 306-4, 306-5



EL TRIPLE LAVADO es

repetir 3 veces los siguientes 3 pasos:

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

1 Agregue agua hasta 1/4 del envase vacío.

2 Agítelo bien por 30 segundos.

3 Vierta la mezcla en su bomba de aspersión.

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

Deposítelo en el Mini Centro de Recolección.

Campo Limpio
PROGRAMA DE MANEJO DE ENVASES PLÁSTICOS

COGUANOR N° 44-086/98, Norma de Triple Lavado. Acuerdo Ministerial No. 166, 2905 del Ministerio de Ambiente y Recursos Naturales, clasificación de envases plásticos vacíos, como no peligrosos.

Agrochemical Management

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



Collection

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



Triple rinsing

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



Collection Centers

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





Soil Conservation

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

Soil Selection Process

Technical evaluation of soil and environmental impact.

Soil Preparation

We implement mitigation measures such as:

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

Land Use Plan

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



Sustainable Precision Agriculture (ASP)

We Promote Regenerative Agriculture!

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

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

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

1. Precision Agriculture
2. Utilization of the Microbiome
3. Use of Organic Matter and Carbon Agriculture
4. Adjusted Fertilization
5. Innovative Agronomic Practices

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

To date, we have covered **49,078 hectares**, representing approximately 85% of the area under management, achieving the following notable results:

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

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

Biodiversity

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

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

Each operation carries out reforestation activities. In Guatemala, with the support of the Institute of Climate Change (ICC), 11 hectares were restored for reforestation in riparian areas and biological corridors in the Acomé and Coyolate river basins. In El Mante, reforestation activities were conducted in the square of El Mante Mill, planting 100 jacaranda trees, and a partnership was established between the Guatemalan Embassy in Mexico, the Government of the State of Tamaulipas, and Pantaleon Group to create the "Bosque de la Amistad" (Friendship Forest), planting over 600 trees in Alameda Park. In Pánuco, three volunteer activities were held where 240 native tree species were planted.

**3,315.72 hectares
of conservation
and riparian areas**

2,971.31

Pantaleon

252.11

Monte Rosa

92.3

Pánuco



 Pantaleon
EL BOSQUE ES MI HOGAR
**NO SOY UNA MASCOTA,
¡DEJAME EN LIBERTAD!**
 PROHIBIDA LA CACERÍA DE ANIMALES SILVESTRES
¡ÚNETE AL RESPETO POR LA VIDA SILVESTRE Y LA LIBERTAD DE LAS ESPECIES!



Forest Nurseries

Monte Rosa

Monte Rosa Mill has a local forest nursery, which in 2023 donated a total of 70,000 plants, supporting reforestation campaigns led by state institutions such as MARENA, INAFOR, and various municipalities. Additionally, it provided plants to community members, producers, companies, organizations, and the general population, which are used for reforestation campaigns executed with collaborators.

From 2014 to 2023, Monte Rosa Mill has produced over 2,070,000 plants to support reforestation campaigns, becoming a national reference in this aspect.

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

- Release of green iguanas in the protected area of San José de La Marías.
- Reforestation efforts in degraded areas.
- Initiative "Un Árbol a la Vez" (One Tree at a Time), donating trees from the forest nursery to raise awareness among the population about the need to restore the environment and promoting the planting and care of a tree.

San José de las Marías

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

To engage our employees, students, teachers, and local producers, we formed a group of guides trained in visitor assistance and educational methodologies. The team in charge of the Environmental Management coordinates tours open to the public.





Product

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



Products and Certifications

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



Sugar

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



Molasses

- High Test Molasses (HTM)
- Molasses



Alcohol

- Neutral Alcohol
- Anhydrous Alcohol



Energy

- Biomass based renewable electric power



Products derived from sugarcane production

- Novapellet
- Agricultural Biomass
- Agricultural Fertilizers and Animal Feed Additives



Our Certifications

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

El Mante: ISO 9001 / FSSC 22000 / Kosher

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

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

Monte Rosa: Bonsucro / ISO 9001 / FSSC 22000 / HACCP / BPA / Kosher / Halal / Non-GMO

Pantaleon Commodities Corp: Bonsucro CoC / Certified CCOF Organic Handlers

Panor: HACCP

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

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



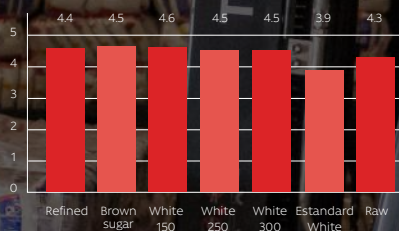
Our Clients

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

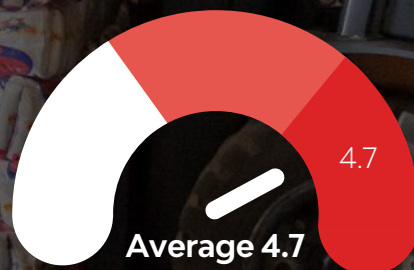
Our customers value the high quality of our products and our excellent customer service, describing it as "agile and effective." They highlight our focus on finding quick solutions to problems and our constant responsiveness to their needs.

Additionally, customers have expressed satisfaction with the ease of doing business with us, emphasizing our adaptability and ongoing support, even in the face of adversity. This positive feedback not only reflects our commitment to excellence and responsibility but also underscores our dedication to contributing to the success of our customers and mutual development.

Quality



Service



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

***Service:**
Did Pantaleon do everything to make your process as easy as possible?
Scale from 1 to 5.





Suppliers of Materials and Services

We source materials and services through **5,112 suppliers, 85% of which are local**, promoting the economies of the countries where we operate. Our Sourcing Policy, updated in 2022, defines the guidelines and processes that the entire organization must follow to ensure the optimal and transparent acquisition of goods and services. It defines the responsibilities in procurement management, guaranteeing confidentiality and transparency in negotiations, in compliance with the Code of Ethics and Conduct, the Anti-Fraud and Anti-Corruption Policy, and Pantaleon's current regulations.

We use technology platforms that provide greater traceability and transparency in the bidding and purchasing process for each request. The Sourcing and Procurement team sets commercial and technical selection criteria for objective decision-making, presented and verified with technical experts and involved managers. Suppliers are categorized based on potential implications in quality, safety, environmental sustainability, and occupational health, and these aspects are discussed in the annual Supplier Evaluations. If a supplier's performance is unsatisfactory, they must submit an action plan to ensure improvement, which will determine whether the commercial relationship continues.

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

The system manages 912 contracting companies, 10,519 contract workers, and 4,372 equipment items, including vehicles and machinery.



Supplier Incubation Program

579 new jobs

Since 2019, we have annually invited selected suppliers to participate in the Supplier Incubation Program with the objective of promoting economic growth in the region and strengthening our value chain. In 2023, five companies participated, creating 18 new jobs and achieving, on average, a 46% increase in sales.

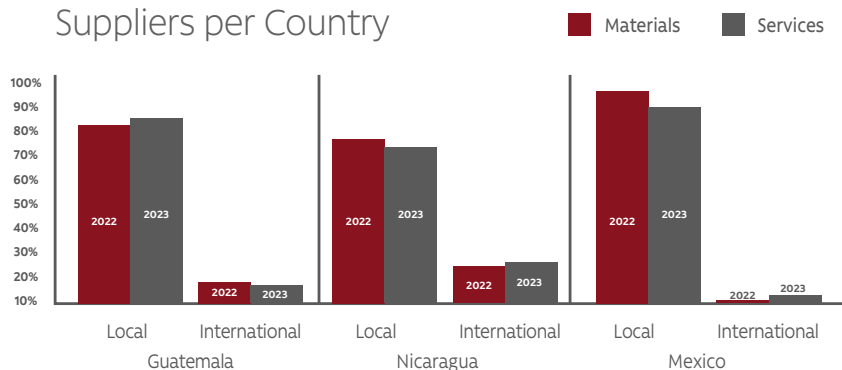
The participating companies receive support from specialized consultants over the course of a year to strengthen their business models, growth, and sustainability. The program is conducted under the guidance and methodology of Pomona Impact, a consulting firm focused on fostering entrepreneurial ecosystems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

Throughout the program, suppliers:

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

The 28 companies that have completed the program have generated 579 new direct jobs. The long-term vision of this program is to equip our suppliers with the tools needed to adapt and create new opportunities, therefore strengthening the company-supplier relationship and contributing to Guatemala's development through job creation and the promotion of a sustainable business ecosystem.

Suppliers per Country





Scale Up Fundesa

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

Our participants achieved a **38% increase in sales, generating 8 new jobs and 15 new clients**. This program reinforces our commitment to strengthening our value chain and promoting the development of the countries where we operate.

Independent Sugarcane Suppliers

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

Responsible Supply Chain Program



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

Since 2014, we have implemented the program in Guatemala, where 90% of the sugarcane received from producers has been part of the program. In 2023, four suppliers participated, representing a complete update for 75% of the third-party sugarcane hectares. We focused on updating labor legislation and occupational safety issues, achieving 90% compliance in labor matters and 81% in occupational health and safety.

In 2019, we replicated this program in Nicaragua. To date, 93 suppliers have participated, covering 47.2% of the sugarcane received from third parties. In 2023, 40 suppliers completed the program, achieving an average compliance of 92.5% in areas related to labor compliance, health and safety, environment, and social responsibility. In 2023, we also reviewed the two previous cohorts, who increased their average compliance from 70% to 95% in labor, occupational safety and health, environmental, and corporate social responsibility issues.





Extensionism Program

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

Pánuco Mill

In 2021, we signed a collaboration agreement with Bayer and leaders of sugarcane associations to create a platform that includes all actors in the value chain, focused on adopting better agricultural practices for the 3,672 sugarcane producers in Pánuco over a three-year period. Under this agreement, we are developing:

- **Socioeconomic Study:** We conducted 3,378 interviews representing 92% of sugarcane producers in 130 ejido zones of the municipality of Pánuco. This information serves as a diagnosis and baseline to prioritize support areas, quantify progress, develop social and community support strategies, and create learning strategies.
- **Diploma for Technicians and Producers:** With the purpose of enriching knowledge and aligning technical criteria in the management of sugarcane cultivation, a diploma program was conducted for 90 technicians and producers.

Solidaridad



- **MAS CAÑA Program:** Provides on-site training in ejidos, technical assistance in the field, demonstrations with demonstration plots, and the exchange of best practices between producers and technicians. The objective is to provide attention and technological training to the 3,672 sugarcane producers of Pánuco Mill, covering 1,200 suppliers per year. By the end of 2023, we have trained 3,372 sugarcane producers in 8 different technical topics.

The MAS CAÑA program focuses on 3 pillars. During the second year, we achieved:

- **4,946 technical consultations.**
- **146 training events** covering various topics such as integrated weed management, irrigation, crop nutrition, and operation and calibration of equipment.
- **Installation of 101 demonstration plots** to instruct suppliers with dynamic examples on various topics such as weeds, irrigation, crop nutrition, planting, and pests.

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





Extensionism Program in El Mante Mill

In August 2023, with the support of Barry Callebaut, the producer associations ULPC-CNC and UNC-CNPR, and the execution of the NGO Solidaridad-PanameriCaña, the program was replicated for 2,250 sugarcane producers of El Mante Mill, starting with a group of 789 sugarcane producers during the first year. To date, we have achieved the following:

- Socioeconomic study with 3,392 interviews of sugarcane producers in 119 ejido zones of the municipalities of Mante and Xicoténcatl.
- Initial diagnosis to determine the profile of producers and the conditions of crop management.
- 7 training events related to integrated weed management (MIM, in Spanish), attended by 141 participants; additionally, 301 producers have been trained in the sequence of tasks by type of sugarcane.
- Technical assistance provided to over 500 producers.
- 8 demonstration plots.
- Field days have been implemented, where producers visit each other to observe and validate the benefits of implementing best practices.



Within the Extensionism Program, we also developed the “Productores Difusores” (Information Diffusing Producers) project, where we strategically select sugarcane producers who can take on leadership roles in their communities and ejidos. Our goal is to strengthen technology transfer, develop their leadership skills, and enable them to positively influence their communities. Through this initiative, we aim to improve the efficiency and sustainability of production, while creating a positive and lasting impact on local communities.

Cane Production and Quality Committee

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

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

To boost worker productivity and income, we also promote various good agricultural practices. With the support of the Committees, in 2023, we implemented 1,200 hectares of drip irrigation, optimizing the use of water resources. We are also advancing in the creation of environmentally friendly organisms through a biodiverse substrate rich in fungi and bacteria to restore the soil’s microbiological richness. Additionally, we are encouraging the adoption of new technologies, such as biochar, applying 750 tons of this product to improve the soil’s chemical and physical properties.



Harvest Extensionism Program

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

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

Regional Training Center:

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

The program is structured around two key training areas:

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





Sugar and Wellness

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

Key facts about Sugar

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





Sustainability Awards 2023

Partnership for Central America (PCA)	Pantaleon Group	Adherent	U.S.-led initiative to create job opportunities in the region.
HSBC Sustainable Innovation Leaders Award	Pantaleon Group	Finalists in the social category	It recognizes companies with a strong commitment to long-term sustainability.
Corporate Citizen of the Americas (CCA) Award by the Trust for the Americas	Pantaleon Mill	Finalist	Recognition for the Sowing Skills, Transforming Lives (Sembrando Habilidades, Transformando Vidas) Program as an example of human capital development.
MAS Program from ED&FMAN Liquid Products	Pantaleon Mill	Winner	Winners of the MAS Program to receive funding for the Female Tractor Operator Training School Program.
Award for Excellence in Human Management from the Guatemalan Association of Human Management (AGH)	Pantaleon Mill	Winner	Award granted by the Sowing skills, Transforming Lives (Sembrando Habilidades, Transformando Vidas) Program, which has developed various training schools.
Mexican Center for Philanthropy (Cemefi)	Pánuco Mill	Socially Responsible Company	Distinction received for the thirteenth consecutive year.
United Nations Global Compact	Pánuco Mill	Adherent	Adhered for the eleventh consecutive year.
Mexican Center for Philanthropy (Cemefi)	El Mante Mill	Socially Responsible Company	Distinction received for the third consecutive year.
United Nations Global Compact	El Mante Mill	Adherent	Adhered for the third consecutive year.



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