

2020

**SUSTAINABILITY
REPORT**



TERM  **ENCOGIBLES**®

CON TE NT

1. GOVERNANCE

- Board of directors
- Sustainability committee
- Pillars of sustainability
- Organizational chart
- Mission, vision, and values
- Stakeholders and materiality assessment
- Ethical culture
- Anti-corruption and compliance

2. SUSTAINABLE DEVELOPMENT

- Incorporation into UN Global Compact
- Collecting recyclable material from homes (Recicla 503)
- Environmental management of value chain
- Carbon footprint
- Water measurement
- Recycling plant

3. CORPORATE CITIZENSHIP

- Trading (Intercambia)
- Marine life
- Collecting Recyclable Material (World Cleanup Day)
- Good Neighbor Project
- Solidarity with Central America

4. INNOVATION

- INnovaLab's opening.
 - Continuous improvement, innovation, and intrapreneurship management.
 - Detergent bag with 30% recycled material
 - Compostable Bags
 - Disposable gloves and gowns
 - Advisers for the mechanical respirator designed by UFG along with medical specialists.
 - Innovation forums
- PLASTIC FREE WORLD VIRTUAL SUMMIT
- Participation as an international panelist in the "Economics Week", of the Monterrey Institute of Technology, México.
 - Master class with Andrés Bello university, Venezuela.

5. QUALITY GROWTH ACROSS THE BUSINESS

- Scale and geographic coverage
- Financial growth by country
- Financial results (Sales per business unit)

6. MONITORING OUR PROGRESS

- Talent by country
- Organizational climate and work environment
- Turnover rate

7. TRANSFORMATION IN THE FACE OF WORLD CRISIS

- Training and development in the new normal
- Leadership academy
- Comprehensive Health Care
- Healthy Life/ Healthy Company
- COVID-19 Actions
- TermoBot
- Benefits
- Diversity and inclusion
- Occupational safety performance

8. ACHIEVEMENTS AND CERTIFICATIONS 2020

- Latin American Green Awards have granted us the certificate of completion of the Strengthening Program for our project "Development and Implementation of S-Geet System," Position #13.
- Ranking of the best companies for young professionals (Summa Magazine)
- Ranking of Senior Executives with Best Professional Ethics (Summa Magazine)
- CEO is on the list of the 100 latinos most committed to the organization's climate action.
- El Salvador's Top 5 companies in the 2020 Business Rankings published by "Vida y Éxito, Negocios y Buen Vivir."
- Message from Dr. Ken Blanchard
- National Environmental Award
- EDGE certification
- GRS certification



MESSAGE FROM OUR CEO

2020 was a historic year in many ways, different from everything we have experienced in the company's more than 50 years of existence. The pandemic came to challenge us in the way we see and do things, with barriers such as social distancing limiting ourselves to work, coexist and share physically. While we have gradually adapted to this way of life, one thing is certain: nothing will be as it was before.

How will we manage to walk forward in times of crisis? First, devoting to our culture, which proved to be strong no matter where we are. Both those of us who work at home, and those who continue in the plant, show the values that define us and continue to rely on the principles that make us the company we are now.

As a sign of this and maintaining our focus on sustainability, we decided to join the Initiative of the United Nations Global Compact, committing ourselves to its 10 principles of responsible behavior that are closely related to the Sustainable Development Goals, seeking real and measurable change on our planet.

Our company's greatest wager was Innovation. We proved that during crisis, we can find a solution to the most challenging situations through new ways of working. Our talent, in addition to innovation, played an important role in the fight against the pandemic, equipping and protecting the front line of defense. We also understood that within the company, we have heroes without a cape who in uniform, save the day for the company. Termo Heroes, who kept the heart of the company working at a full speed, fill us with pride and are an example of dedication and excellency.

In this path of finding new strategies, we took a first step towards the horizon with Innova Lab, which promises to be a source of knowledge and business opportunities, established with innovation as their fundamental pillar.

We are on the doorstep of a deep transformation that will lead us to be a world-leading company in solutions for a better world.

What we have experienced this year ensures us that we are ready to enter this new era, we have the talent, the will, and the energy necessary to achieve it.

The future was yesterday, and we were the first to arrive.

This 2021, We ´re going to give it our all!





GOVERNANCE

- Board of Directors
- Sustainability Committee
 - Pillars of Sustainability
 - Organizational chart
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- Stakeholders and materiality assessment
 - Ethical culture
- Anti-corruption and compliance

BOARD PRESENTATION



Blanca Villela



Hugo Tona Giolitti



Arturo Tona Giolitti



Hugo Eduardo Tona



Arturo Alfredo Tona



Cristian Leñero



José Carlos Bonilla



SUSTAINABILITY COMMITTEE

-Rodrigo Tona: CEO

-Eduardo Vidal: Financial Manager

**-Miguel Argueta: Regional Director
of Organizational Development and Human Talent**

-Raúl Aguilar: Supply Chain Director

-Jorge Murillo: VP Flexible Packaging Business Unit

-Juan Diego Tobar: VP Commercial BTD/BTC

**-Evelio Escobar: Regional Information
Technology Manager**

-Eduardo Abaunza: Regional Sales Manager BTC

-Hugo Eduardo Tona: Sustainability Project Manager

-Rodrigo Samayoa: Regional Manager of Corporate Affairs

-Andrea Oviedo: Sustainability Management Leader

-Irene Alvarenga: Head of Sustainability Projects



PILLARS OF SUSTAINABILITY

ORGANI- ZATIONAL CHART





MISSION

We provide packaging for a better world.



VISION

To be the regional leading group in flexible packaging solutions based on a sustainable business model over time.

Us



VALUES

- 1.We are a trusted business group.
- 2.We listen and understand the needs of the client and the market.
- 3.Teamwork is our strength.
- 4.We are passionate for success.
- 5.We encourage a good work environment and profound commitment.
- 6.Continuous improvement is in our DNA.
- 7.We focus on ensuring business sustainability



PRINCIPLES

- 1.Ethics
- 2.Action based on organizational culture.
- 3.Mutual development
- 4.Change management
- 5.Business management
- 6.Long-term vision
- 7.Sustainable development

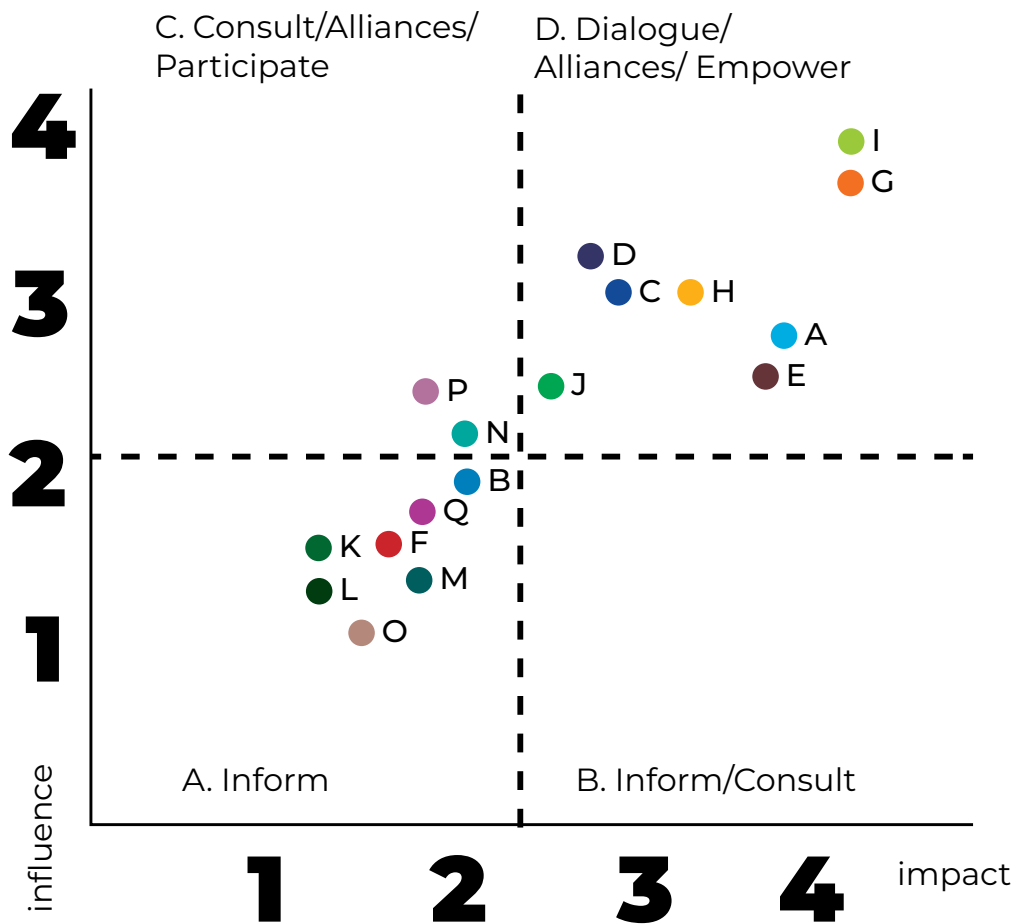
DIALOGUE WITH STAKEHOLDERS AND MAPPING

For defining materiality assessment, Termoencogibles identified stakeholders according to the relevance and influence they may have in the organization and in its decision-making.

This mapping aims to generate impact through associations between different stakeholders, such as clients, public

institutions, consumers, and strategic partners.

The Stakeholder Mapping, based on their relevance and influence, is plotted below:



STAKEHOLDER MAPPING

TERMOENCOGIBLES 2020

- A.** Primary suppliers
- B.** Secondary suppliers
- C.** Government
- D.** Local authority/local governance
- E.** Staff
- F.** Community
- G.** Clients
- H.** Consumers
- I.** Board of directors
- J.** Strategic partners
- K.** Unions
- L.** Educational institutions
- M.** Media
- N.** Environmental groups
- O.** Non-governmental organizations
- P.** Health institutions
- Q.** Recyclers

In 2020, we developed a Materiality Assessment that helped us to:



Identify priority issues for the company



Identify risks and opportunities



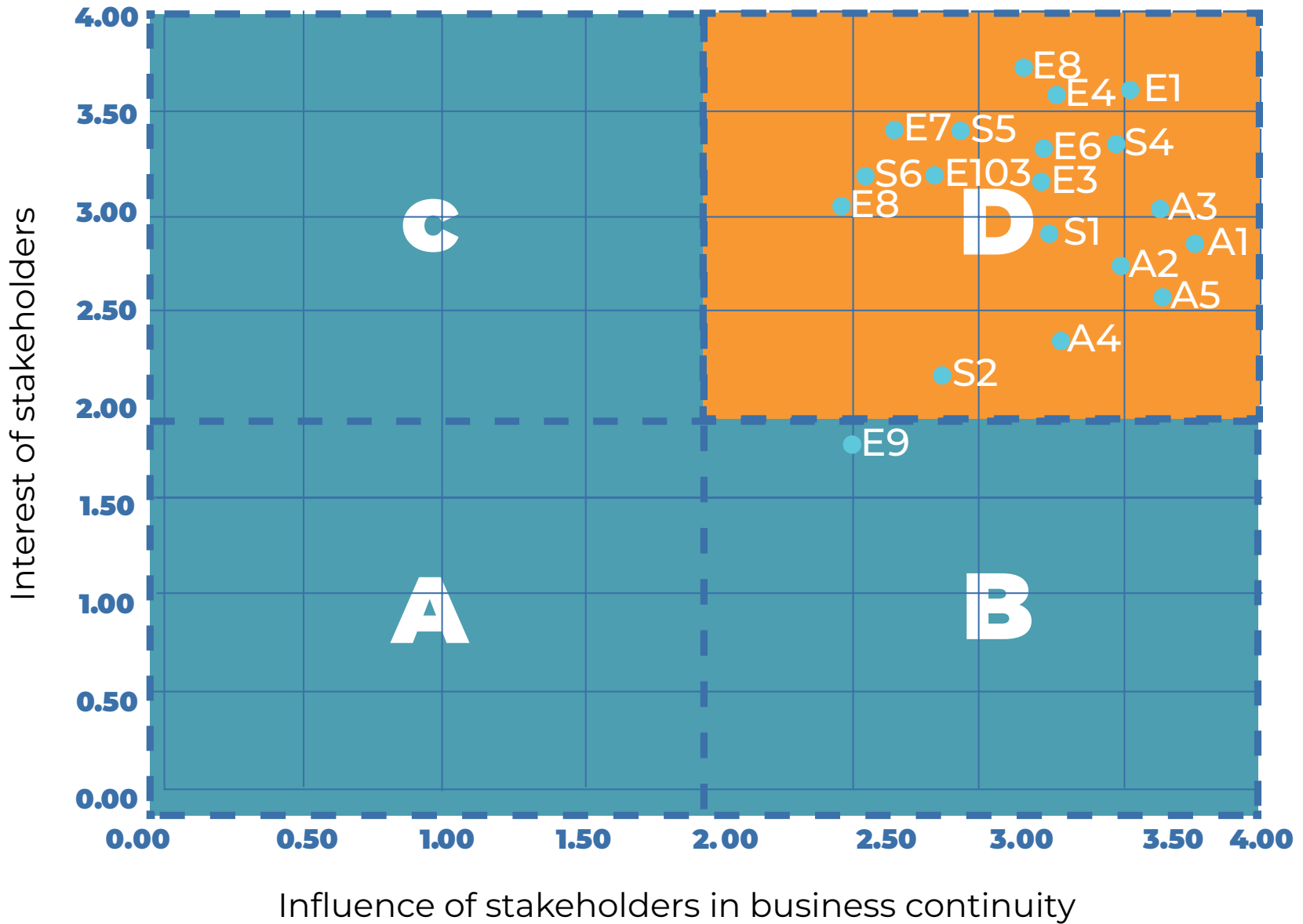
Define and implement action plans that improve our performance.

This materiality assessment identified and prioritized the main economic, environmental, and social issues that impact the company. Once the dialogue with stakeholders was completed, we established the company's material issues. These are the following:

- Economic issues**
- Governance, transparency, and business ethics
- Management of legal and regulatory framework
- Brand reputation management
- Product quality and safety
- Relationship with clients (B2B Businesses B2C Final consumer, B2D Distributors)
- Sustainability risk management
- Business innovation and adaptation
- Relationship with suppliers
- SME development
- Marketing environmental analysis

- Environmental issues**
- Consumption and responsible Waste Management
- Eco-efficiency and GHGs emissions management
- Circular economy initiatives
- Environmental education
- Climate change adaptation strategy

- Social issues**
- Dialogue and strategic alliances
- Relationship with unions
- Biosecurity, occupational safety and health
- Relationship with the community
- Talent management
- Organizational culture



All topics are important, but we will focus on Quadrant D topics to develop a strategy.

8

Mailboxes “express yourself for ethics” in the different plants



1

Intranet digital mailbox



1

Ethical line



And ethical cases are reported to superiors and company leaders



ETHICAL CULTURE

At Termoencogibles, our priority is to act ethically at all levels within the company and stakeholders such as: collaborators, clients, suppliers, shareholders, government, and community.

Our communication channels for ethical cases make it possible for collaborators to denounce or comment on these issues.



1640
HOURS

20
TRAININGS

347
EMPLOYEES

The cases that reach these channels are reviewed by the ethics committee, to give it the proper follow-up and adequate solution.

As part of the organizational culture in values and principles, in 2020, we carried out a campaign to raise awareness and educate employees on the values of the company and set ethics as our main value.

Training to reinforce the expected behavior described in the code of ethics was given, with a total of 1640 HH, 20 trainings and 347 employees. It will continue in 2021.



ANTICORRUPCIÓN



APOYAMOS
EL PACTO MUNDIAL

Anti-Money Laundering and Countering the Financing of Terrorism Act.

Termoencogibles is a company committed to compliance with the laws applicable in each of the countries it operates in.

On March 30, 2017, in compliance with the Legal Framework Against Money Laundering in El Salvador, we were qualified by the Financial Research Unit (UIF in Spanish), as an obliged subject. Therefore, we created the Committee on Risk Prevention of Money Laundering and Financing of Terrorism, which includes the General Manager, Chief Financial Officer, a Member of the Board of Directors, a Legal Adviser, and a Designated Person for Compliance.

We are committed to the compliance of this law, from top level management to each of our operational level employees and are conscious of our responsibility on this subject.





Activities directed on this subject are:

**•Training on law enforcement, risk identification and alerts.
Up to December 2020, we trained:**

Board of Directors

Timonel Management (Team Leaders)

480 new employees, 2020 employees from the administrative and operational level.

120 frontline collaborators reinforcing knowledge of the law.

Operational level employees.



ANTICORRUPCIÓN



APOYAMOS
EL PACTO MUNDIAL

•We developed three policies: Know Your Customer Policy, Know Your Provider Policy, and Know Your Employee Policy.

•Due Diligence to Customers, Suppliers and Employees before initiating a Business or Labor Relationship.

•Web system that captures the information from suppliers and their legal representative.

•We identify Politically Exposed Persons (PEP).

•Transaction monitoring and customer identification

•Regulated transactions report to the UIF.

•Procedure to track Reports of Irregular Operation cases.



SUSTAINABLE DEVELOPMENT

- Incorporation into UN Global Compact
- Collecting recyclable material from homes (Recicla 503)
- Environmental management of value chain
 - Energy efficiency
 - Carbon footprint
- Water measurement
- Recycling plant



APOYAMOS
EL PACTO MUNDIAL

UNITED NATIONS GLOBAL COMPACT

We proudly announce that this year, we became signatories to the United Nations Global Compact, strengthening our commitment to operate responsibly in accordance with the ten principles and to take strategic steps to move towards the United Nations Sustainable Development Goals (SDGS). Being a signatory to this initiative helps the company firmly integrate sustainability into our business strategy, as well as providing the right framework to strengthen our long-term commitment to responsible and ethical business practices.

Contribution to the SDGS

The company's sustainability strategy responds to the global challenges affecting our business and stakeholders, from inequality and human rights to climate change and circular economy. The United Nations Sustainable Development Goals provide an approach to how businesses, governments, and civil society can address these challenges to promote a more sustainable future for all.



Our Prioritized SDGS

At Termoencogibles, we contribute in various ways and at different levels to comply with all the SDGS. In alignment with the United Nations Global Compact guideline, we have identified which objectives are especially relevant for us. Where the company's expectations, risks, and opportunities are the greatest, and where we can make the most meaningful contribution.

Our compliance is at

67.7%

B Impact Assessment





MEDIO AMBIENTE



APOYAMOS
EL PACTO MUNDIAL

RECICLA 503

COLLECTING RECYCLABLE MATERIAL

Overcoming the challenges of 2020, “Recicla 503” provided solutions for the continuity of encouraging others on taking care of our planet.

We recycled 3,000 kg with the help of 200 Salvadoran homes.

We are dedicated to collect recyclable materials, in the spirit of raising awareness and promoting good habits at home.

In total, we collected 37 tons with 25 companies and institutions.

“Recycling Ambassador” Challenge

We created a digital challenge where we promoted environmental care activities at home:

1,300
people sensitized



We jumped into the digital world, where we provided training and webinars on waste separation and recycling.



Alliances with collection centers

We ensured the correct disposal of waste through alliances that dignify and generate revenue for collectors.



GREENLAB

ECO-EFFICIENT OPERATIONS

Although 2020 was complex, and energy efficiency was adversely affected by the pandemic and the Amanda storm factors, this did not prevent us from developing a new emblematic project, which allowed us to promote the first energy-efficiency cell in the sealing area.

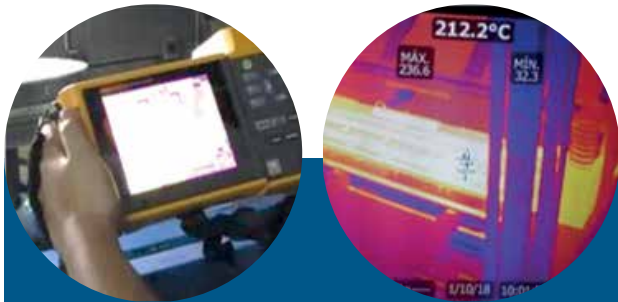
As a company, we believe in challenging the traditional way of doing things, in developing environmentally friendly, and sustainable energy sources. We believe that through innovation, **we can create a brighter future for El Salvador.**

SOLUTION HYPOTHESIS

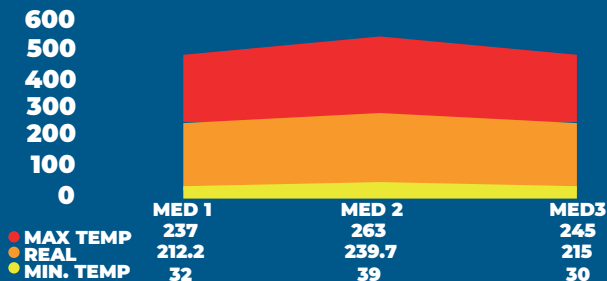
To keep contributing to our energy matrix, we focused on searching for new internal opportunities.

We evaluated the theoretical energy consumption of the sealing machines and found that the seal resistance and the main engine were the parts that consumed the most electrical energy. Therefore, we proposed a hypothesis that would reduce their consumption.

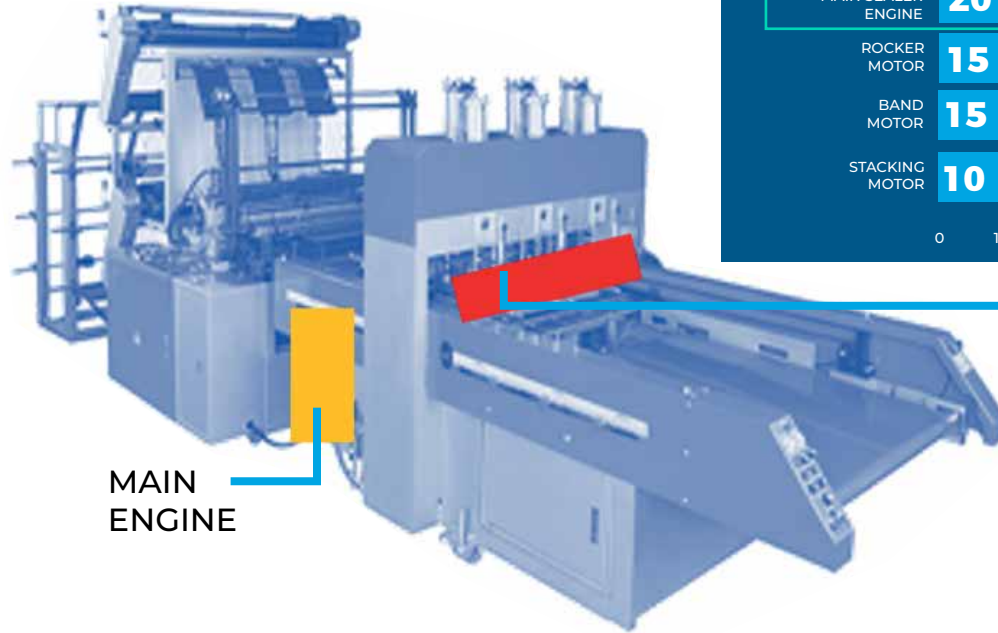
SEAL TEMPERATURE MEASUREMENT



SEAL TEMPERATURE MEASUREMENT

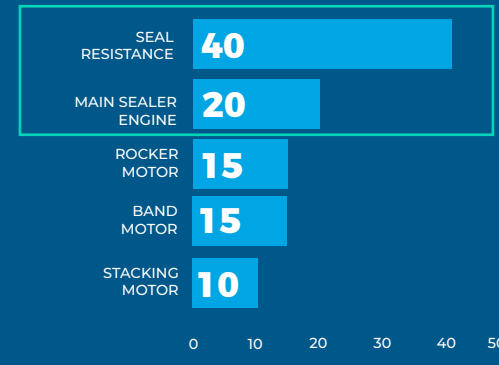


GREATEST OPPORTUNITY AREAS IN ENERGY CONSUMPTION



THEORETICAL ENERGY CONSUMPTION ANALYSIS

PARETO 100% ENERGY CONSUMPTION



SEAL RESISTANCE

- PERMANENT MAGNETS TECHNOLOGY
- MOTOR CHANGE FROM DC TO AC
- FIBERGLASS SEAL AND PROTECTION SHEETMENT
- SMALLER SIDE SEAL CONSTRUCTION

1	3
1	4
2	3
2	4

We are currently validating these hypotheses with teams specialized on the subject, and we hope to fully develop the Energy-Efficiency Cell in 2021. And to keep developing innovative solutions for the industry and environment, with the purpose of sustainability over time.

GHG INVENTORY AND CARBON NEUTRALITY

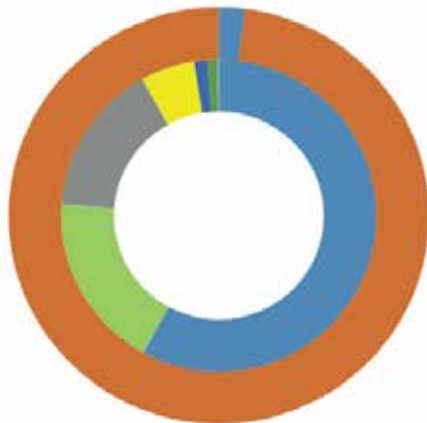
During the 2019 GHG inventory audit, the reduction in emissions was demonstrated by 0.008 tCO₂e per ton of finished product, an overall decrease of 47.4 tons of CO₂e, compared to emissions recorded in the base year.

The results from energy efficiency initiatives, one of the key components of GHG inventory management, boosted Termoencogibles to maintain its Carbon Neutrality.

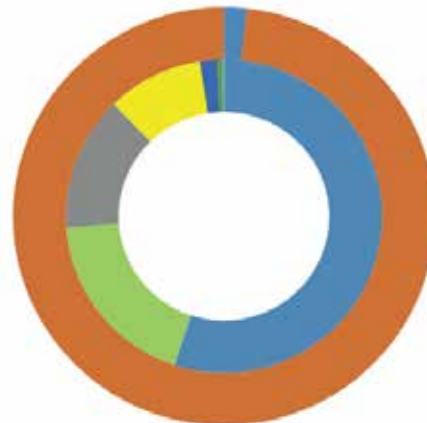
BASE YEAR 2018			BASE YEAR 2019		
Category	CO ₂ e Tons	Percentage	Category	CO ₂ e Tons	Percentage
Direct emissions	500.156	1.97%	Direct emissions	511.239	1.84%
Indirect emission	24,891.911	98.03%	Indirect emission	27,275.956	98.16%
Total	25,392.067	100%	Total	27,787.1755	100%

SENSITIVITY ANALYSIS BASED ON EMISSION RATIOS BY PRODUCTION			
Year	CO ₂ e Tons	Total Production	Ratio (CO ₂ e tons per produced ton)
2018	25,392	52,449 Tons	0.484 CO ₂ e tons per produced ton
2019	27,787	58,374 Tons	0.476 CO ₂ e tons per produced ton

2018 performance



2019 performance



In addition, compensation of 28,000 tons of CO₂e was made from initiatives of renewable-energy generation in Latin America, including:

16% of compensation bonds in projects located in Central America (8% in Guatemala and 8% in Costa Rica) and 84% of bonds from initiatives located in Brazil.

The measurement of gas emissions in 2020 is still in process, we hope that our efforts lead us in a path of reduction for the benefit of our environment.

WATER MEASUREMENT CONSUMPTION M2



JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
3674	3526	2764	2321	2793	3022	2880	2921	2280	2912	3060	2832

RECYCLING PLANT



17,700
Total tons
recycled in
2020.





CORPORATE CITIZENSHIP

- Trading (Intercambia)
 - Marine life
- Collecting Recyclable Material (World Cleanup Day)
- Good Neighbor Project
- Solidarity with Central America



MEDIO AMBIENTE



APOYAMOS
EL PACTO MUNDIAL

WE PARTICIPATED IN THE FIRST #INTERCAMBIA OF 2020

where we exchanged basic grains for recyclable material. We collected more than 13,000 pounds of materials, including: plastic, aluminum, electronics, paper, and cardboard.

MARINE LIFE

For more than 10 years, our commitment to the preservation of sea turtles has been on the main axes of the company, and this year was no exception.

The corral of Tasajera island was in maintenance through weekly technical visits alongside our ally FUNZEL; the team is responsible for technical training and monitoring nursery operators, who follow up on the egg collection and incubation process.

At the end of the 2020 nesting season, FUNZEL, Termoencogibles, and the community, exceeded the goal of 61,404 hatched eggs, reaching a total of 79,345 incubated sea turtle eggs.

79,345

sea turtle
eggs

74,211

neonates
to the sea

834

nests all
Golfina species
(*Lepidochelys olivácea*)

94%

success
release
rate

**in more than our 10 years
in the conservation of sea
turtles, we have released
597,138 neonates at sea.**



COMMUNITY SOLIDARITY

During the pandemic, we not only focused our efforts on egg nesting, but also on thanking all the team that transforms an incubation of eggs to neonates released into the sea.

Within the pandemic, we provided help with the delivery of baskets to **more than 35 families of nursery operators in Tasajera island.**

COLLECTING RECYCLABLE MATERIALS



MEDIO AMBIENTE



THE GLOBAL COMPACT
APOYAMOS EL PACTO MUNDIAL

World Cleanup Day

This event is a day in which more than 150 countries join on the same day to act on the global waste problem.

For third consecutive year we participated in

#WorldCleanupDay

with “Let’s do it” and allied brands. We collected recyclable materials.

September 19th was the day when we came together for a cleaner planet.

“We can all contribute to the mission of taking care of the environment; the first step is to dispose of the trash in its place and separate waste. We join this initiative for the 3rd time, because we are sure that by working hand in hand, we can build a better world.”

Rodrigo Samayoa
Regional Manager of Corporate Affairs



ALUMINUM
36 Kg.



PET
67 Kg.



PAPER
237 Kg.



CARDBOARD
77 Kg.



HDPE
40 Kg.

GOOD NEIGHBOR PROJECT

As a result of the combined work between: BIMBO, TERMOENCOGIBLES, DELSUR, Antiguo Cuscatlán City Hall, and FUNDEMAS; the project **“Good Neighbor”** emerges. The purpose of this initiative is to build spaces such as basketball courts, to generate recreational spaces for members of the surrounding communities and schools with limited resources, so that their students can practice this healthy sport; also, to provide an opportunity for the nearby company’s employees to use these facilities as well.



SOLIDARITY WITH CENTRAL AMERICA

Donations are part of our regional commitment to help public institutions in Central America on the prevention, mitigation, and response to COVID-19.

We recognize the titanic task of heroes who continue to work on detecting potential cases, sources of infection, and raising public awareness on the proper health measures, such as: the use of masks, social distancing, respecting social clusters, among others

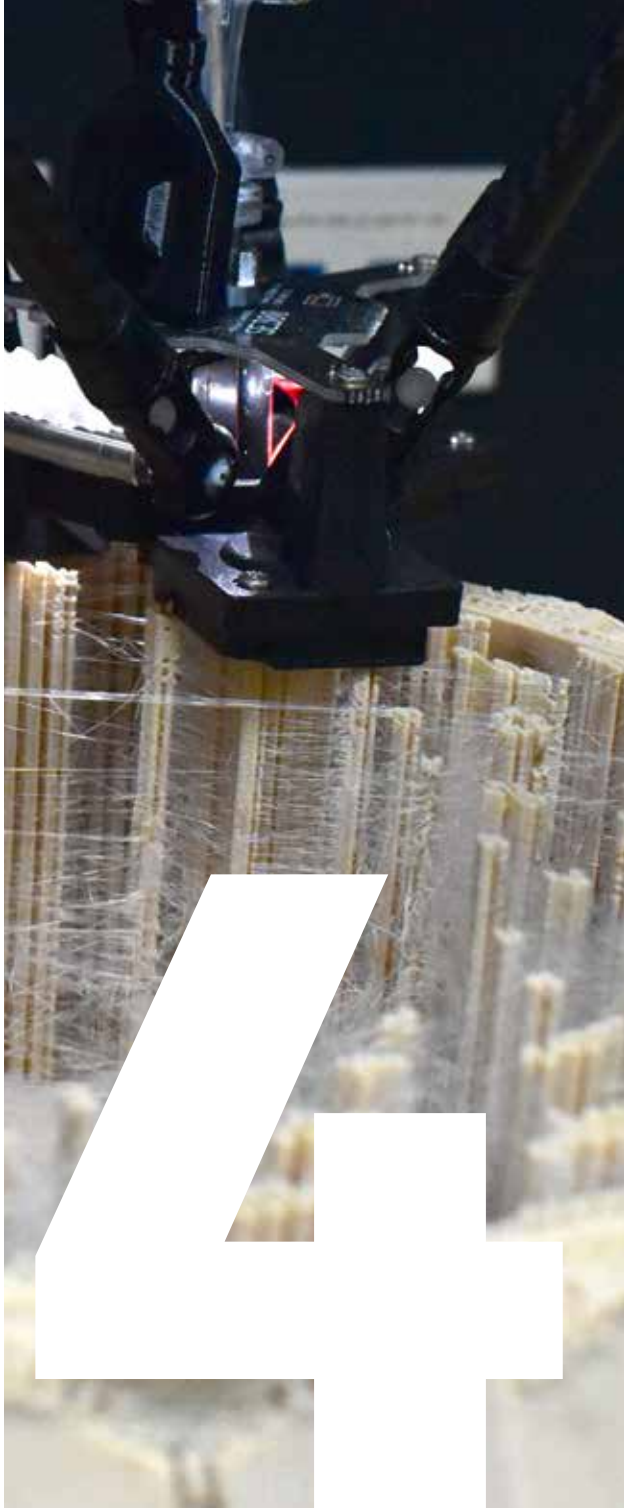
“Since the pandemic started, we have committed on becoming partners for the health sector, governments, customers, collaborators, suppliers and community in the region. The way we found to help was to transform one of the production lines to create protective gowns. We will continue to collaborate and support Central America as it is needed.”

Rodrigo Samayoa Valiente,
Corporate Affairs Manager.



More than 70k protective gowns and 400k gloves were given to the governments of El Salvador, Honduras, Guatemala, and Costa Rica.





INNOVATION

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- Detergent bag with 30% recycled material
- Compostable Bags
- Disposable gloves and gowns
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- Innovation forums:
 - PLASTIC FREE WORLD VIRTUAL SUMMIT
- Participation as an international panelist in the "Economics Week", of the Monterrey Institute of Technology, México.
- Master class with Andrés Bello university, Venezuela

INNOVALAB'S OPENING



With the purpose of connecting and enhancing innovation ecosystems in El Salvador and Central America, Termoencogibles, in partnership with USAID's Agency for International Development and the Salvadoran Association of Industrialists (ASI) inaugurated INnovaLab, the first laboratory specialized in connecting, incubating, and innovating for the development of high-value business projects.

The facilities are a meeting point for innovators and experts to converge and share knowledge about technology and tools, their will to experiment and develop new smart solutions for the people's changing needs.

“By creating this innovation lab, we are connecting the industry with the start-up technology company, educational institutions, government, and investment capital, to facilitate the construction and co-creation of innovative high-value businesses that generate investments for economic and social growth.”

Rodrigo Tona
CEO of Termoencogibles



INnovaLab's facilities are equipped with state-of-the-art technology such as 3D printers, laser laminators and cutters, among others for prototyping. In addition, it offers creative multimedia rooms, ideas rooms, individual and common spaces that encourage co-working. The lab will provide advice on building innovative ideas and mentoring; and it will make available an e-Learning digital platform with access to virtual and in-person courses.

“ASI has been working actively, propelling the industrial sector towards the fourth industrial revolution and innovation, promoting the use of technology for business development and high value-added labor skills. Our union joins this initiative in alliance with USAID, with whom we have already worked successfully in this effort, and with Termoencogibles, a partner company that has successfully assumed this challenge, whom we congratulate for betting on the future and taking an important step towards the path of innovation. ”

Eduardo Cader,
President of the Salvadoran Association of Industrialists.



This is how INnovaLab becomes an innovative comprehensive project to encourage initiatives that enable the industry's transformation and development in the country, promoting talent and creativity.

“It is an honor for USAID to witness the result of the efforts that Termoencogibles has achieved, being reflected in this final product, INnovaLab. I am sure that INnovaLab will become an important ally for both educational institutions and young entrepreneurs who want to innovate and improve their business models. ”

Matthew Reese,
Deputy Director of USAID El Salvador.



In addition to being a pioneering project, , **INnovalab was built on environmental criteria, endorsed by the Green Building Council, this facility recently obtained the global EDGE certification (Excellence in Design for Greater Efficiencies),** for meeting 20% saving's standards in energy, water, and used material energy consumption.

Furthermore, the design and conceptualization of the laboratory, both physical and virtual modes, were advised by the consultant Inbox, who will be responsible for helping and training in areas of innovation and prototyping; it will also support the American Rock3r company, which is dedicated to accelerating and building new companies with high value and social impact. INnovaLab becomes an effort to provide comprehensive support to the user, such as: educational institutions, entrepreneurs, start-ups, freelancers, investors, and companies who wish to innovate tomorrow's industry.



“ Our vision as the Innovation Secretariat is to participate and unite these efforts with other institutions that want to be a part of our innovation ecosystem. We are working and contributing to the creation of laboratories in other areas. With these, we want to move forward, support entrepreneurs, provide work methods, test new technologies, standardize them, and access other areas of innovation at the national level. ”

Fabrizio Mena,
Undersecretary of Innovation of the Presidency





INNOVATION AND INTRAPRENEURSHIP

In more than nine years of applying Continuous Improvement with excellent results for the company, we realized that the system is very good for improving the current business model; however, that was NOT enough to ensure its sustainability in the future.

In a highly uncertain and constantly changing environment, organizations need to be agile to explore the future while still harnessing the present.

INNOVATION OPERATING SYSTEM



INNOVATION COMMITTEE

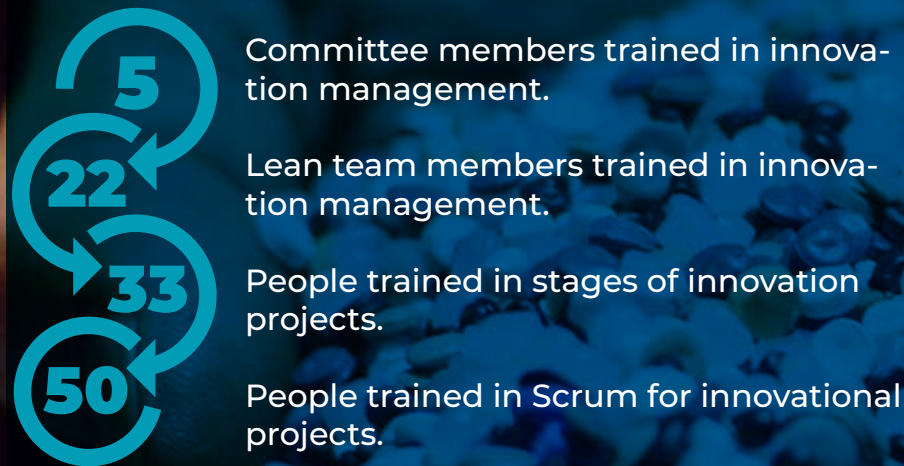
- **Rodrigo Tona**
CEO
- **Eduardo Vidal**
Financial Manager

- **Miguel Argueta**
Regional Director of Organizational Development and Human Talent
- **Rodrigo Samayoa**
Regional Manager of Corporate Affairs



INNOVATION MILESTONES

INNOVATION TRAINING



PARTICIPATION IN INNOVATION PROJECTS

69/
100

People participating in innovation projects.

captured
ideas

600/
500

2020 RESULTS

7

Brainstorming sessions
IDEATONES

27
PITCH

6

Intrapreneurs

4/5

active UNs with
thesis and
innovation
portfolios

\$123K
incremental
profit

2

products
launched to
the market



First Corporate Brainstorming

We developed the first corporate “Ideatón”, where leaders of the company, educational institutions and industries of different areas ventured in topics of: recycling, plastic culture for water management, connecting Asia-Latam market and business renewal with Opex approach; to generate business ideas with the potential to transform Termoencigibles’ business model.



RECYCLING

- AI for the creation of smart collection and distribution systems.
- Mega-material park.
- Decentralized technologies for W2E, W2BM, W2M.



PLASTICULTURE FOR WATER MANAGEMENT

- Underground water purification membrane.
- Water extraction from the atmosphere using plastic material.
- Nanotechnology in irrigation systems.



CONNECTING ASIA-LATAM

- To be the marketplace or intermediary, to export from Latin America to Asia
- Advisor company on “How to do business” in legal, commercial and logistical issues



BUSINESS RENEWAL WITH OPEX

- Mentoring service for CEOs (24/7) supported with AI according to their company.
- Support service for implementation team (24/7) supported with AI and technological tools.

RESULTS' SUMMARY

As a result of 26 ideas, we entered the prioritization and modeling process to build a profitable and scalable business model.



2020 EVENTS RESULTS

VSA	EVENTS 2020	ON TIME TOTAL EVENTS
B2D	52	307
B2C	46	46

Support Processes

- 33 developed
- 1- Discharge Automation
 - 2- R2R Flow Optimization

KNOWLEDGE TRANSFER

Through experience	9	Value chain analysis	3	Value chains in 9th improvement cycle	
	698	Quick Improvement Events	232	Other training events	
Human Dimension	71%	Immersive collaborators	1207	Collaborators who have participated in a RIE	
Certified persons	362	Bronze	154	Silver	
	0	Platinum	108	33	Gold
	27	Green Belt	5	29	Yellow Belt
	20	Lean Accounting	31	30	Gamba Coach
	13	Lean Expert	9	19	Trainers



DETERGENT BAG WITH 30% RECYCLED MATERIAL

In August 2019, and as part of the 4 pillars of sustainability launch, a possibility was opened with Unilever's Marketing and Sustainable Business Management Team, to develop a flexible packaging for their line of detergents that will incorporate a percentage of recycled material into its final structure.

This initiative was born as a result of Unilever's Corporate Sustainability Plan (USLP), which aimed to bring to market the first ECO packaging (Recycled Materials and Ingredients in Its Phosphate-Free Biodegradable Detergent)



This is how the CHAAC project was born, that contemplated developing the presentations of 1kg, 1.5kg 2.5kg and 5kg of "Rinso Natural" line.

Having aligned the development plan together with Unilever's technical/commercial team, in September of the same year, the validation process began, which envisioned the following steps:

- 1**) Presentation and approval of the CHAAC Project commercial offer.
- 2**) Development and approval of graphic prototypes (art design) from 1kg to 5kg.
- 3**) Escalating and approving the "Quick Scan, Short Run, Long Run" testing protocols at the output of the machine.

Rinso Natural



SEEL IN: SEP

PR:
OCT

GUATEMALA



SEEL IN: 22 JUN.

SEEL IN:
22 JUL.

PR:
15 AGO.

EL SALVADOR



SEEL IN: 30 AGO.

SEEL IN:
1 AGO.

PR:
SEP

COSTA RICA

After obtaining the approvals of the samples in each of the stages requested by Unilever and with the key support of our TP team, it was possible to finish successfully the entire Chaac project in December 2019, on time record, which would bring forward the construction of the official product launch to the Central American market.

The start of the pandemic caused the release to be delayed in the first quarter of 2020, but it was rescheduled for the second quarter, starting with the development of the definitive art designs that would be used for the final product presentations.

A schedule was established to supply product to the countries of Guatemala, El Salvador, and Costa Rica. The deadline was October, when the official launch would be made to the entire Central American market.

For the official launch, the Marketing Management requested that as a company, we accompany them in some points of their campaign, which would include:

-  A video about the history of the new "Rinso Natural"
-  Internal launch to its collaborators
-  Virtual launch of their campaign
-  Digital Notes (The Diary of Today and the World)
-  Smart Content
-  News Reporting
-  Conversations on Radios / Media Tour

Finally, in October 2020, the first detergent packaging made with a percentage of recycled material (PCR) was officially launched, Unilever being the pioneer who could achieve it, and we as a company, had the privilege of being chosen for this great project.



COMPOSTABLE BAGS

The Strategic Business Unit identified the opportunity and entered the market with Biodegradable products, helping us to lead the change. However, always looking forward to taking a step further and observing the changes on the market, we looked for paths where the consumer could migrate.

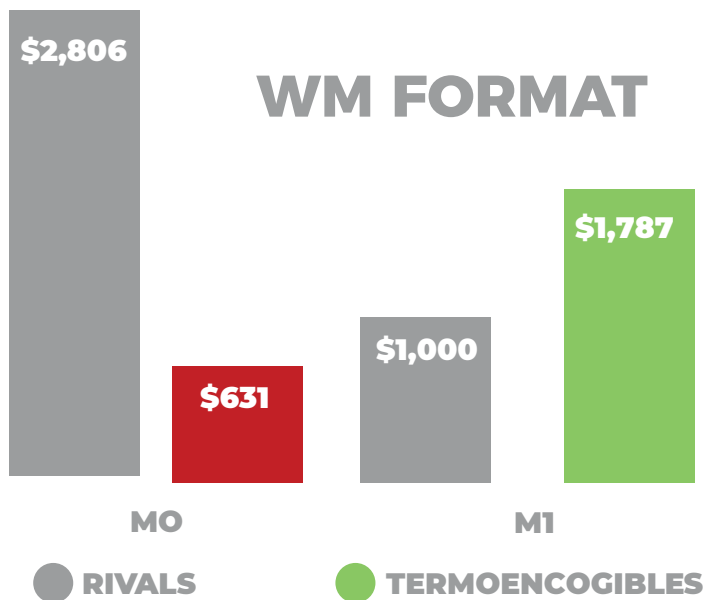
Considering all the above, we search for the opportunity to take the next step and be the pioneers in producing and distributing compostable bags in the region.





We are already on the point of sale!

As a company, we are committed to the environment since continuous improvement is in our DNA. The end-to-end team starts searching for alternatives to meet this market's need.



As a result of teamwork, for Expo Walmart 2020, we presented as an innovation, the development of the compostable bag for garbage household collection at an affordable price.

Walmart's reception was positive, and we codified the product to initiate modular change, achieving entry in December 2020.



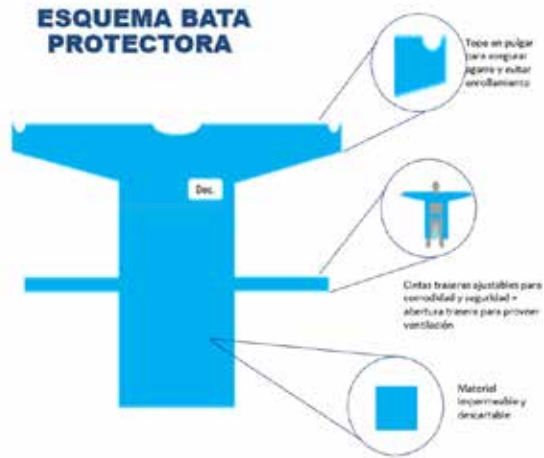
INNOVATION: IDEA OF PRODUCING GOWNS

HOW WAS THE OPPORTUNITY FOUND?

As Termoencogibles, we turn our eyes to our surroundings and try to be empathic. On this subject, when the issue of the pandemic began, we decided to have a meeting with the company's leadership team, to go from a state of alert and shock to a state of action and contribute in some way. We acted and tried to understand how we, as an industry, could contribute to this complex situation. The first thing

that was found in a 24-hour investigation was that the medical staff was improvising to protect themselves physically against the virus, not only in our country but worldwide. And this is where the idea of manufacturing plastic gowns as a primary protective alternative for our medical staff initiated.

FICHA TÉCNICA DE PRODUCTO - PRELIMINAR			
Proyecto:	Proyecto:	Fecha:	15/03/2020
Responsable:	Responsable:	Revisado:	15/03/2020
OBJETIVO DEL PRODUCTO: Diseñar un protectora para personal de salud que permita protegerlos de la contaminación por aerosoles.			
REQUISITOS DE LOS PRODUCTOS: Protección personal y seguridad.			
ESPECIFICACIONES TÉCNICAS			
Descripción	Unidad	Características	Observaciones
Material de fabricación	Plástico	LDPE	Material impermeable y descartable
Color	Verde	Verde	
Longitud	1,80 m	1,80 m	
Anchura	0,40 m	0,40 m	
ESPECIFICACIONES DE EMPAQUE Y VENTA POR UNIDADES			
Descripción	Unidad	Características	Observaciones
Paquete estándar	1	1,80 m	
Paquete especial	1	1,80 m	
Embalaje	1	1,80 m	



MATERIALIZING THE IDEA

FIRST PRODUCTION IN **5** DAYS

The first prototype was made inside the quarantine center, constructed from the material delivered in the cleaning kits, with razor blades and plastic bags. The first patterns were initiated based on the characteristics of the medical staff. This information was transferred to a multidisciplinary team for its creation.

This team consisted of: Production, Quality, Engineering, Maintenance, Human Resources and Business Clinic. Together, they collaborated to create the first industrial prototype, whose production could be started in five days.





DELIVERING LOVE

The production of gowns was delivered to the government of El Salvador in 5 days, which generated great satisfaction for contributing to this success story in the fight against COVID-19.

We will come out of this adversity together without a doubt, and thrive in this time of crisis, by taking completely innovative and revolutionary actions to bring the country forward.



INNOVATION: IDEA OF PRODUCING GLOVES

BUILDING THE IDEA

As Termoencogibles, the whole team met, and held several brainstorming meetings to find other ways to help in the fight against COVID-19. Within one of those brainstorming meetings, it was decided to reactivate the production of disposable gloves. Nitrile gloves could not be made (those occupied by doctors for their work), but there was the possibility of making polyethylene gloves.

MATERIALIZING THE OPPORTUNITY

In a moment of adversity when fear comes, there are two options: we can stand still and sit back, or we can face it and find out a way to get ahead. These are examples that prove our resolution to face adversity, looking for available resources: both machines and people, who were given the opportunity to put all their ingenuity for humanity.

As a company, we were motivated to contribute not only to El Salvador, but also encourage the commitment to bring these ideas to Central America. Today we continue to refine the prototype, improve the machinery, increase production capacity, and seek to inspire all companies, so we can search for our own heroes and make them available for others.



6
days
working



MECHANICAL RESPIRATOR PROJECT IN SUPPORT WITH FRANCISCO GAVIDIA UNIVERSITY

In March 2020, Termoencogibles was challenged to join Francisco Gavidia University (UFG) with a common goal, an innovation project for the development of an automated manual respirator to support the national COVID-19 emergency.

The challenge as Termoencogibles was to apply the tools for project management and continuous improvement that today are a big part of our competitive advantages, in an entirely new environment, where, in a team effort with the student's technical knowledge of the nanotechnology department of the UFG, we were able to develop an industrial prototype of a mechanical respirator.

For Termoencogibles, it was extremely rewarding being able to join forces between industry and educational institutions, because it was demonstrated that the tools used to manage projects internally today, are applicable to any area and that strength comes from union.

INNOVATION FORUMS



PLASTIC FREE WORLD VIRTUAL SUMMIT

Our CEO Rodrigo Tona, was part of major international exhibitors at the PLASTIC FREE WORLD VIRTUAL SUMMIT in which he spoke about “Recycled thin film packaging as a tool for plastic neutrality.”

A virtual event in which innovations in material, technology and solutions in the circular economy were discussed to create a world free of plastic waste.

PARTICIPATION AS AN INTERNATIONAL PANELIST IN ECONOMICS WEEK OF THE MONTERREY INSTITUTE OF TECHNOLOGY, MEXICO

The engineer Rodrigo Tona was invited to give a master class for the undergraduate students of the Faculty of Economics, with the theme “Circular economy and sustainability in large-scale production.”

In this talk, he explained the context of the circular economy and the success story of how it has been implemented in the company’s production processes. This “Economics Week” was dedicated to relevant topics and company cases that have implemented different business strategies in Latin America.

MASTER CLASS WITH ANDRÉS BELLO UNIVERSITY, VENEZUELA

Thanks to the publication of our 2019 report on LinkedIn, we received a comment of interest from a professor on the subject “Innovation and Entrepreneurship” at the Andrés Bello University from Venezuela.

His objective was to be able to present Termo as an example company of sustainable practices and innovative methodology in the industry sector, for students.

This is how our Director of Organizational Development and Human Talent, Miguel Argueta, and our Manager of Continuous Improvement and Innovation, Melania Parada, were invited to share the Methodology of Innovation and Sustainability Strategy under which all our company's actions are aligned. This presentation was given in a closed webinar for students studying innovation and entrepreneurship, under the coordination of the UCAB Innovation and Entrepreneurship Center.

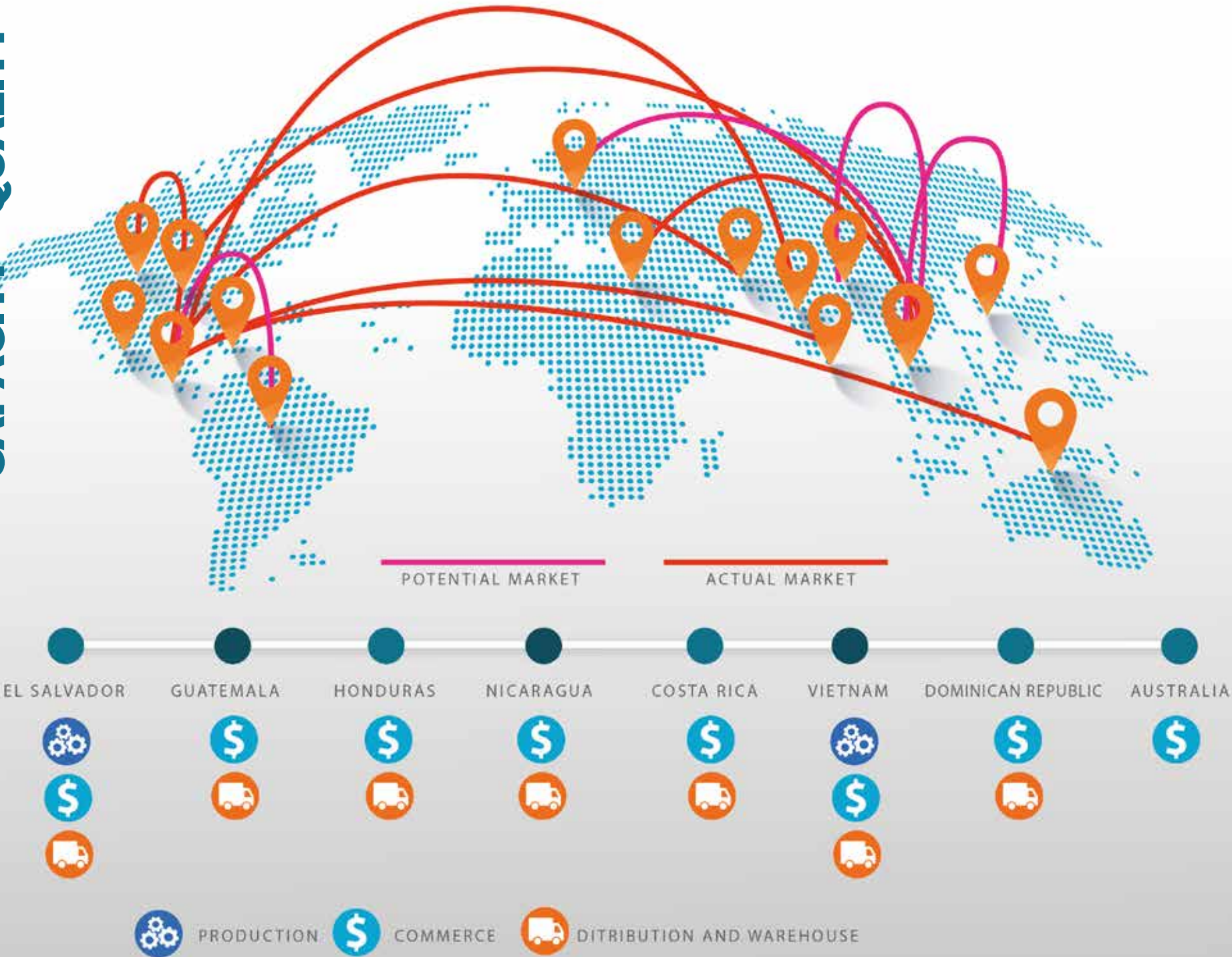


QUALITY GROWTH ACROSS THE BUSINESS

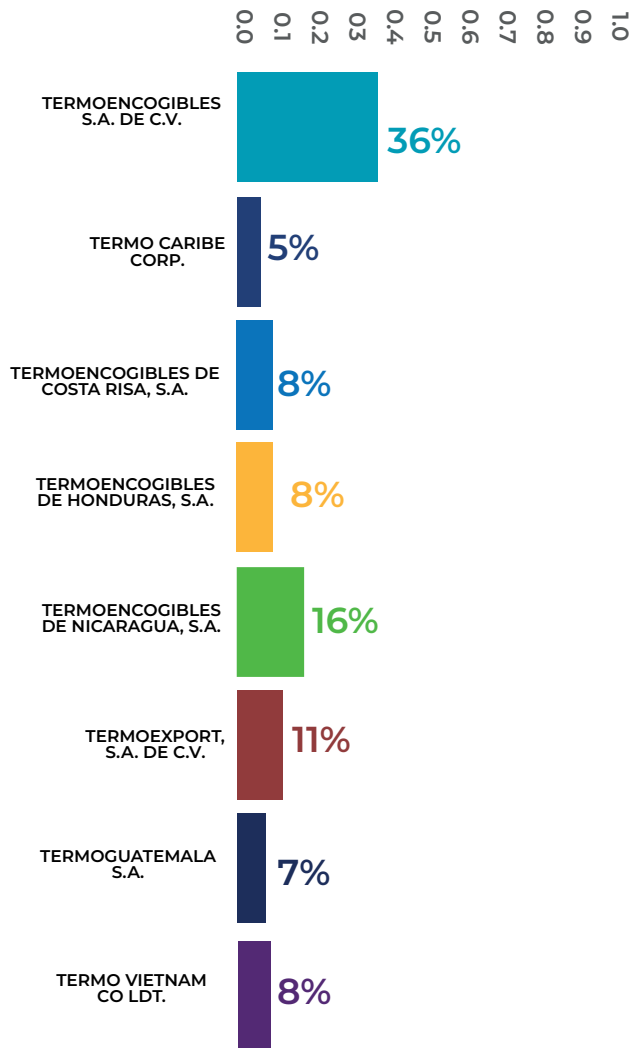
- Scale and geographic coverage
- Financial growth by country
- Financial results per business unit

WORLD REACH

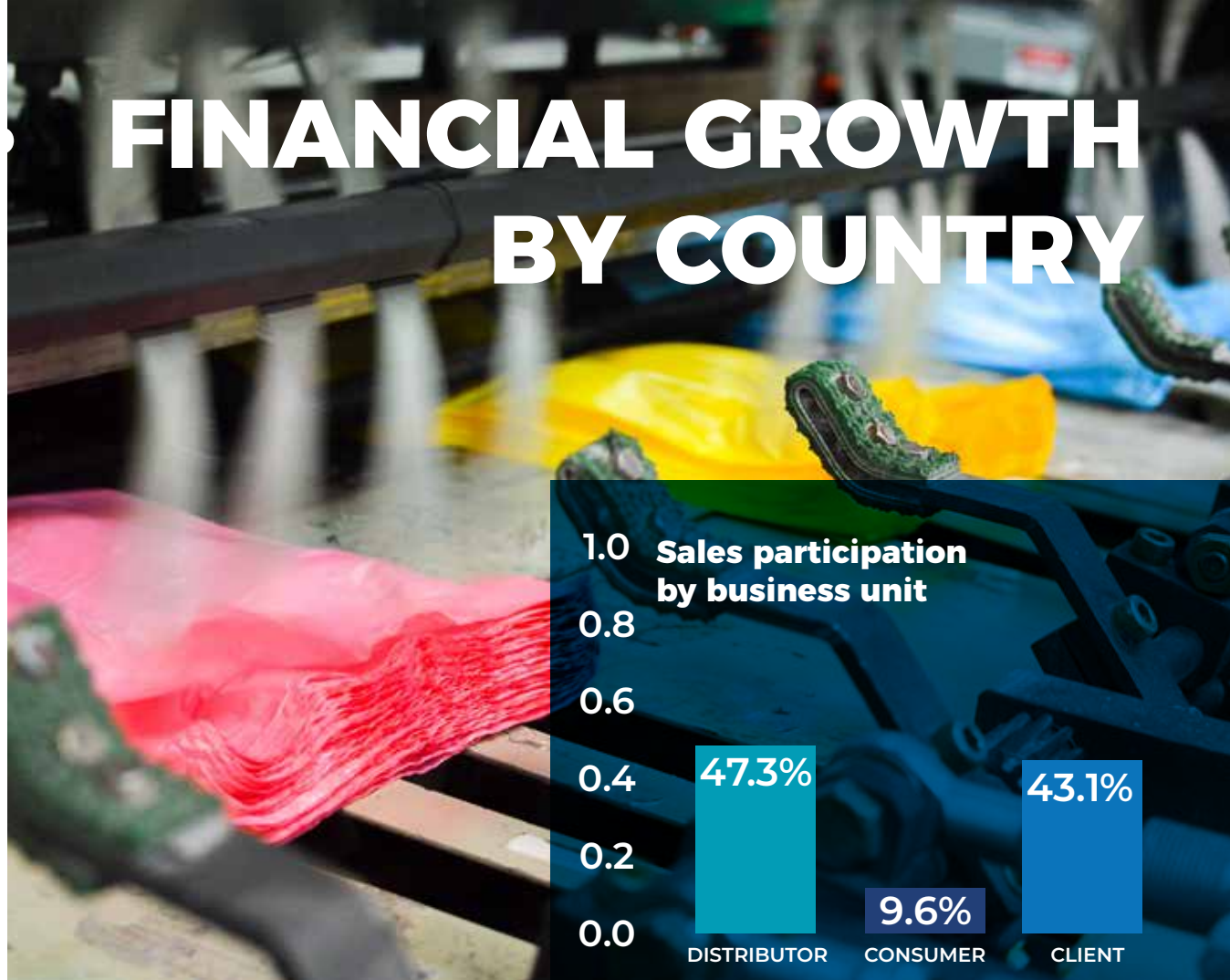
CAPACITY - QUALITY



Sales participation by a subsidiary



FINANCIAL GROWTH BY COUNTRY



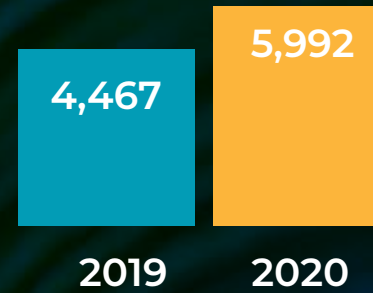
FINANCIAL RESULTS

SALE PER BUSINESS UNIT

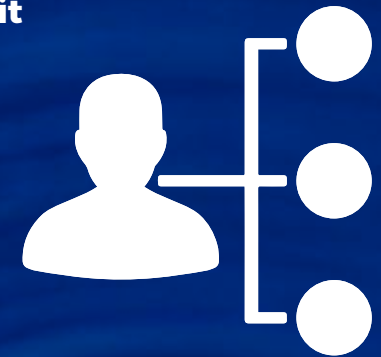
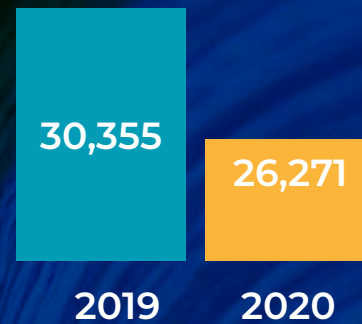
Internal UNIT Nomenclature	2019	2020
B2C	4,467	5,992
B2D	30,355	26,271
B2D SEG	6,281	6,261
B2B TXT	2,300	2,221
TOTAL B2B	8,581	8,481

BUSINESS UNITS

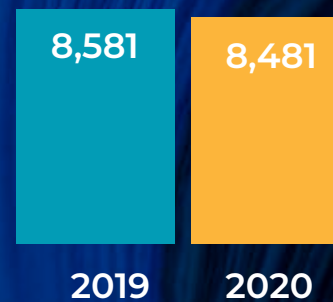
Consumer Business Unit



Distributor Business Unit



Client Business Unit





MONITORING OUR PROGRESS

- Talent by country
- Organizational climate and work environment
- Turnover rate

MONITORING OUR PROGRESS

START OF THE YEAR 2020

Welcoming collaborators and motivating them for a successful start of the year is a new implemented practice.

For this year, all the organization's employees were given a welcome message on all floors. In addition, we performed an activity that consisted of writing our year-end purpose on a banner to remember what we are going to work on, we also shared a small snack and a beginning of the year gift.



Gracias por tu compromiso, entrega y desempeño para que el país siga caminando



TU COMPROMISO
NOS
HACE MÁS FUERTES



WEEK OF GRATITUDE AND TERMO HEROES CAMPAIGN

An important part of our culture is to thank employees for their effort and commitment; therefore, in a year as atypical as 2020, the appreciation had to be special. "Thank you, week," was held with the aim of providing a pleasant moment, with a message from company leaders about encouragement, safety and appreciation of the commitment and work from each person.

We placed banners on all floors and shared a lunch with the group. The "Termo Heroes" campaign was also maintained for eight months, with the purpose of highlighting effort and work despite the circumstances.

TALENT BY COUNTRY

TOTAL DISTRIBUTION PARENT COMPANY AND SUBSIDIARIES

The table below shows the details of the number of people hired by country.

COUNTRY	QTY.
EL SALVADOR + TX	1,954
GUATEMALA	11
HONDURAS	8
NICARAGUA	15
COSTA RICA	7
VIETNAM	147
TOTAL	2,142



12.68

TOTAL
TURNOVER
RATE 2020

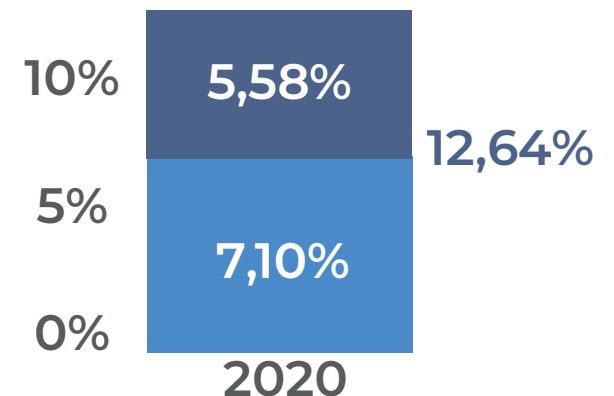
TURNOVER RATE

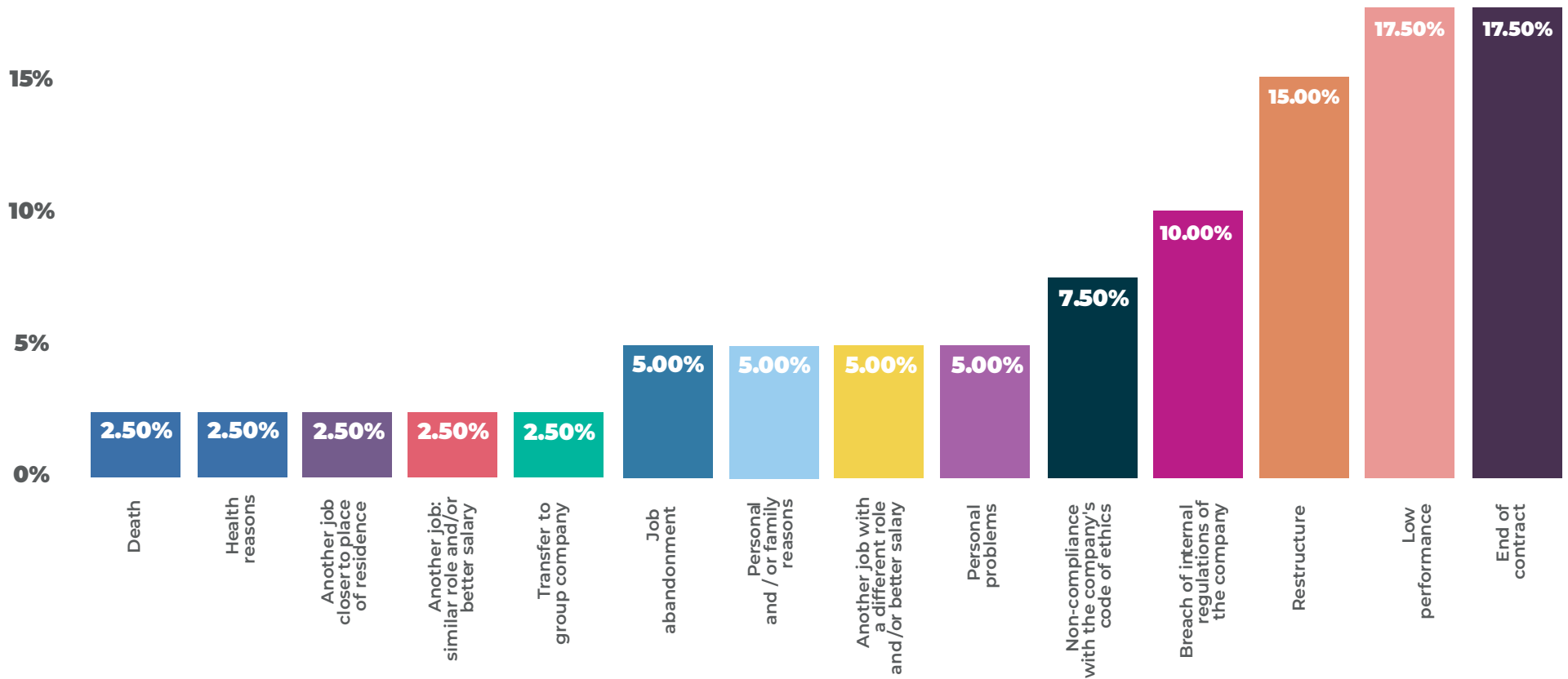
Personnel Rotation caused by Company Retirement:

The turnover accumulated in 2020 was 12.68, this indicator was impacted by the casualties that took place during the quarantine by COVID-19, where several people left the company because of factors related to it.

RETIREMENT TYPE

● INVOLUNTARY ● VOLUNTARY

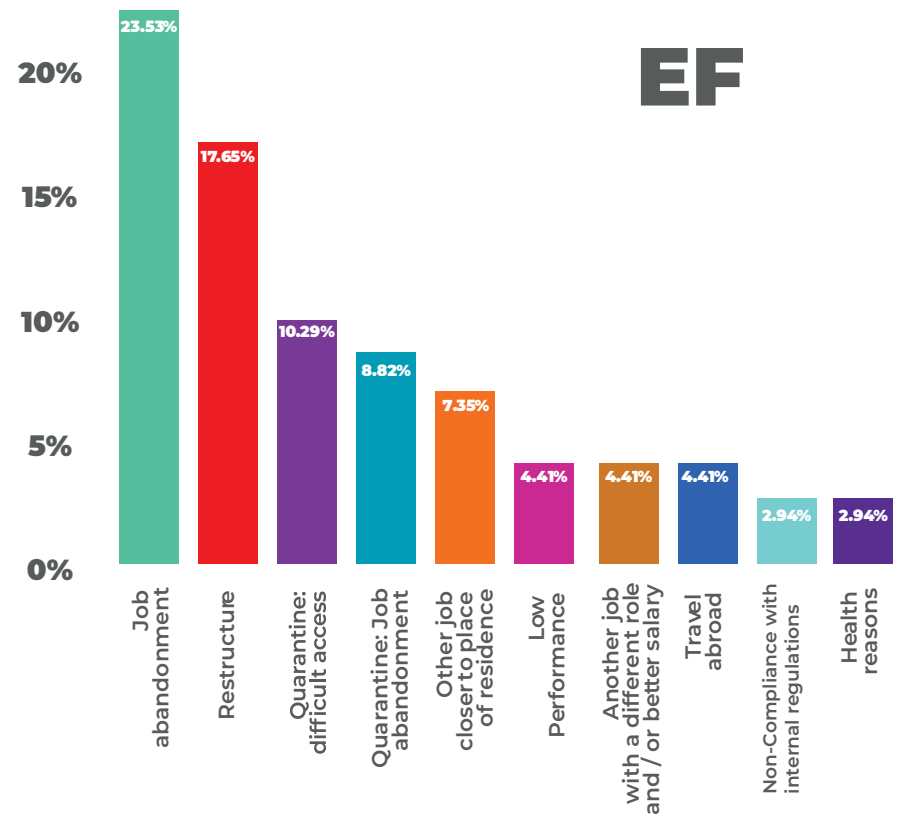
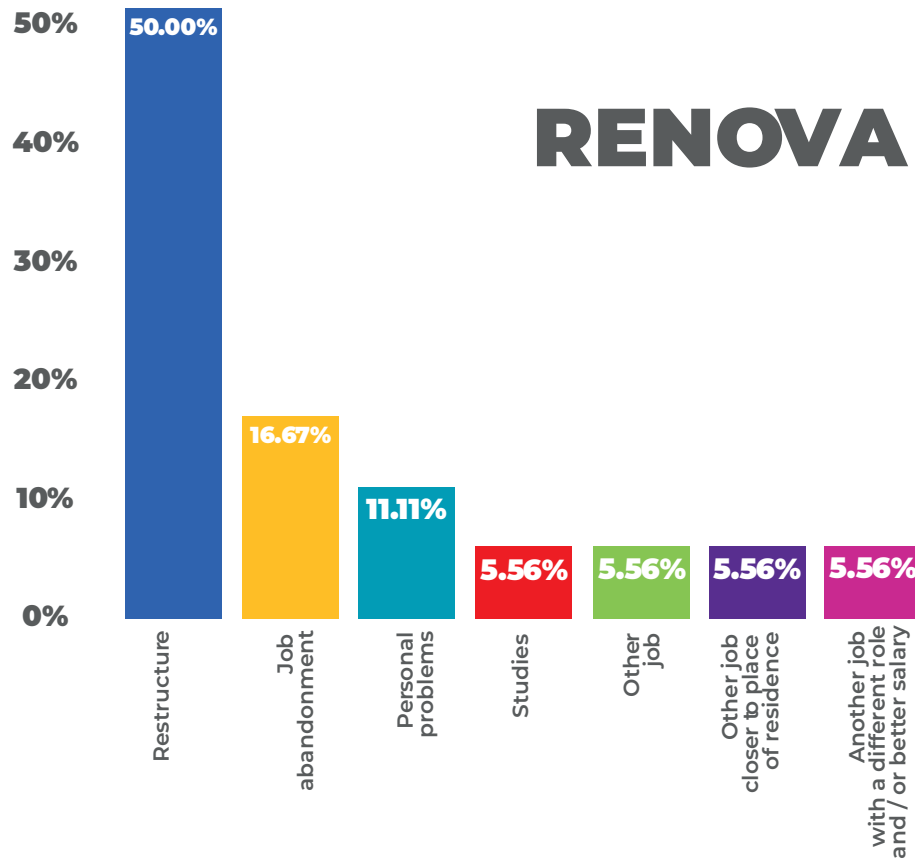




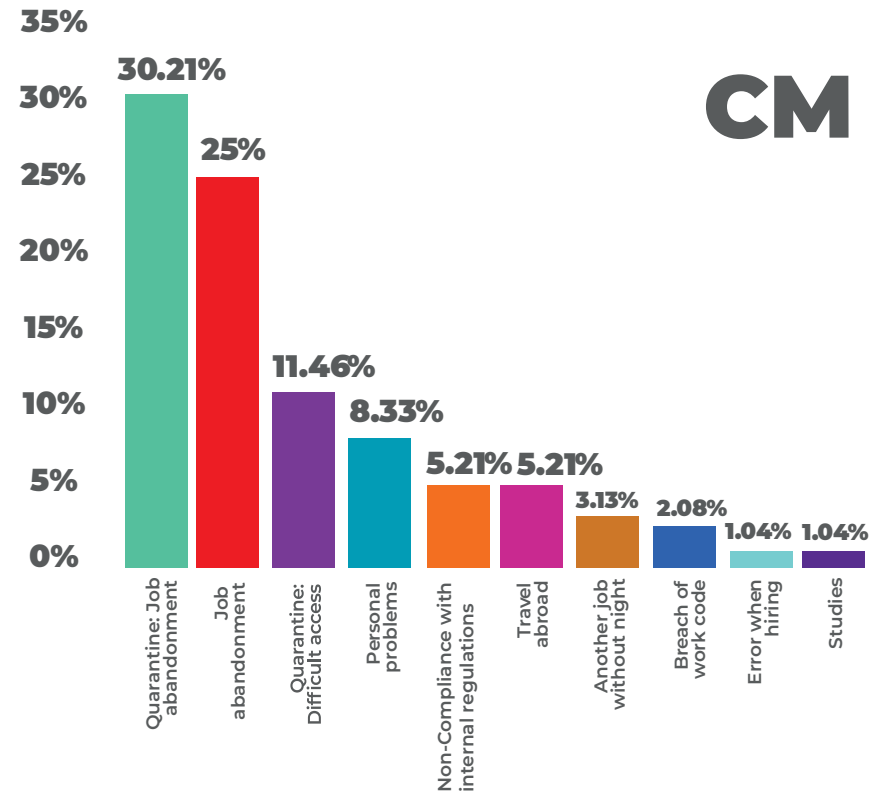
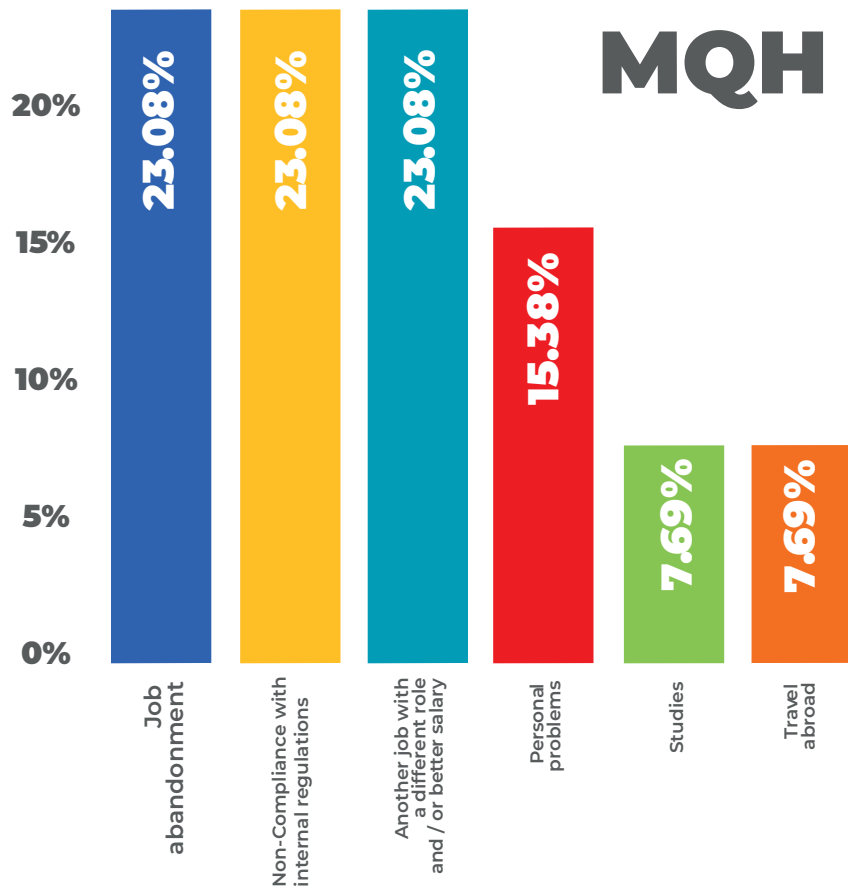
Above is a graph of the specific reasons for withdrawal in 2020. It presents the percentage that each reason meant in relation to 100% of the retirees. The graphs have been divided between administrative and operational personnel:

SPECIFIC REASONS FOR ADMINISTRATIVE PERSONNEL RETIREMENT

SPECIFIC REASONS FOR OPERATIONAL PERSONNEL RETIREMENT



SPECIFIC REASONS FOR OPERATIONAL PERSONAL RETIREMENT



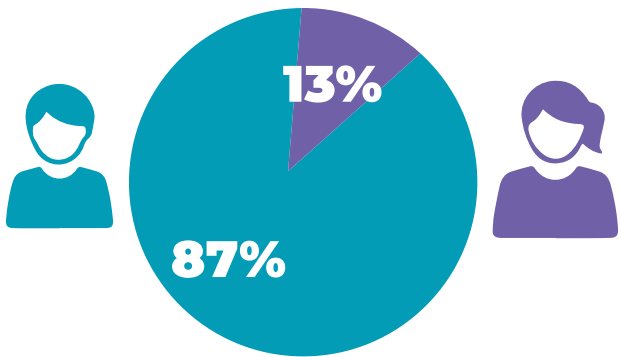


RESULT AT A GENERAL LEVEL

YEAR	PRF	ENTERPRICE
2016	75	GPTW
2017	78	KORN FERRY
2018	82	GPTW
2019	80	KORN FERRY
2020	83	GPTW

ORGANIZATIONAL CLIMATE

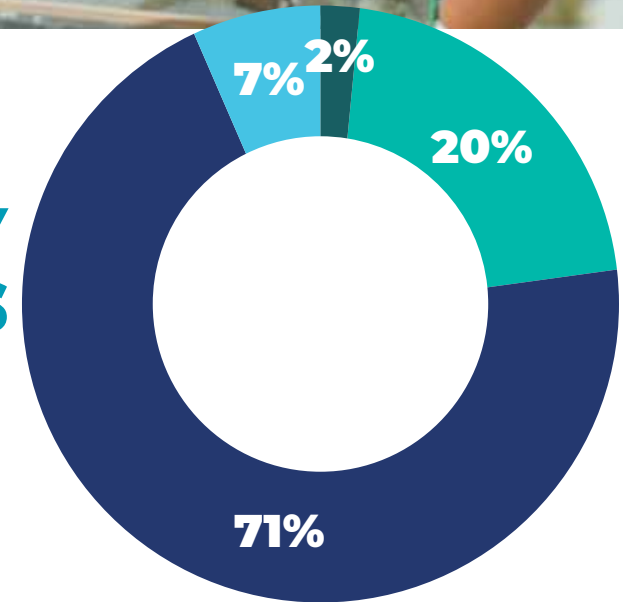
In 2020, we were conducting together with GPTW, the study in the perception of collaborators about different dimensions that make a company one of the best places to work. The study was carried out during the months of September – October 2020.

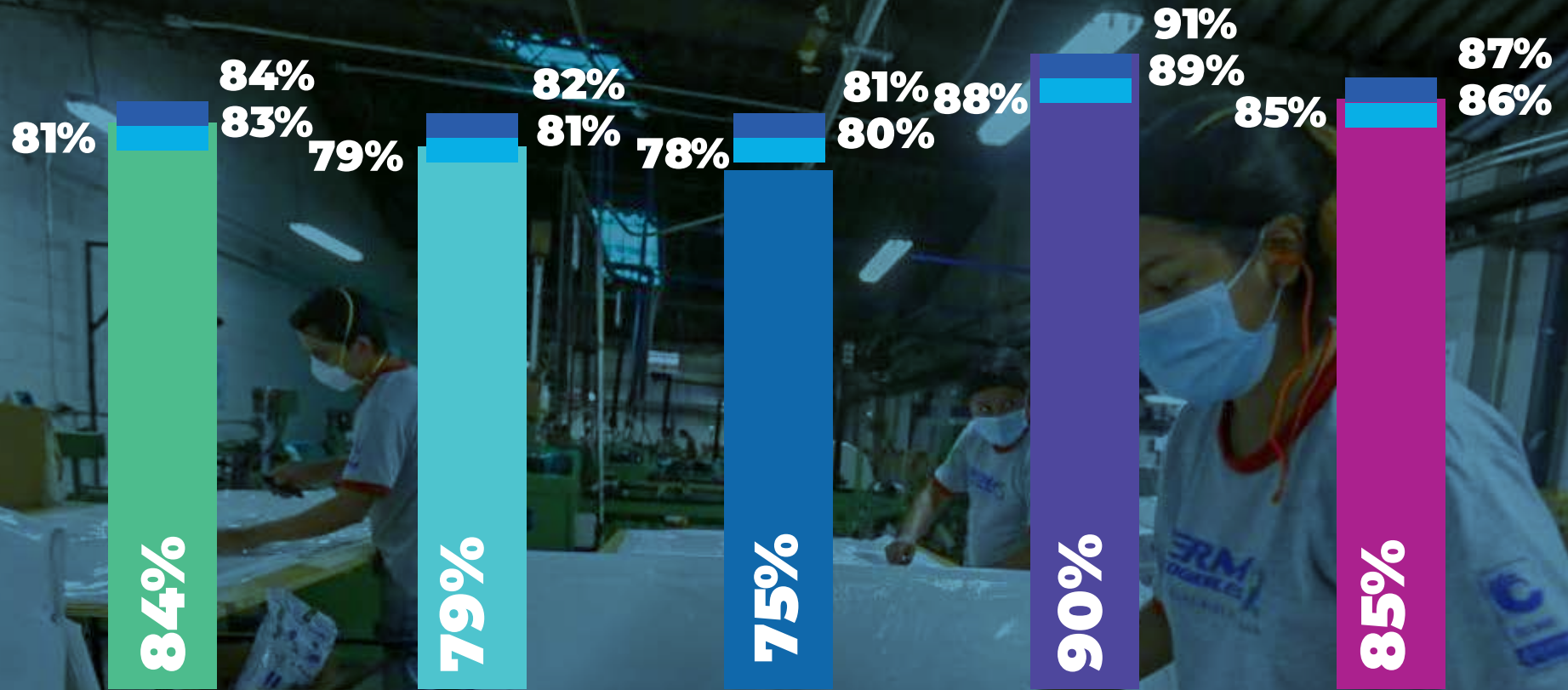


DISTRIBUTION BY GENDER

DISTRIBUTION BY GENERATIONS

- 1946 a 1964
Baby Boomers
- 1965 a 1980
Gen X
- 1981 a 1999
Millennials
- 1998 Onwards
Gen Z





CREDIBILITY

RESPECT

FAIRNESS

PRIDE

CAMARADERIE



best in El Salvador

best in manufacturing and production

22 best of 1000 to 2500 employees CA 2020

MODEL DIMENSIONS GREAT PLACE TO WORK®

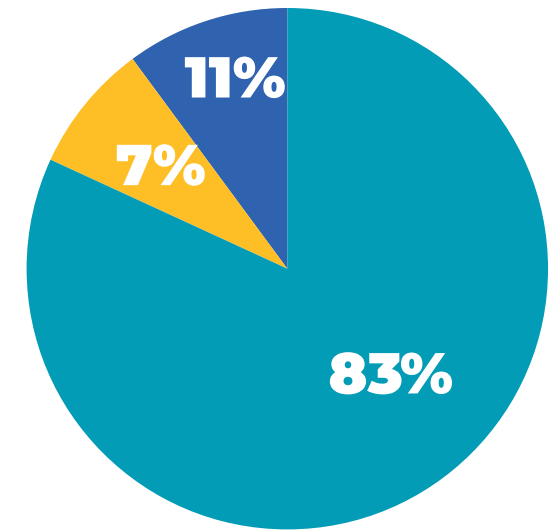


TRANSFORMATION DURING WORLD CRISIS

- Training and development in the new normal
 - Leadership academy
- Comprehensive Health Care
- Healthy Life/ Healthy Company
 - COVID-19 Actions
 - TermoBot
 - Benefits
- Diversity and inclusion
- Occupational safety performance

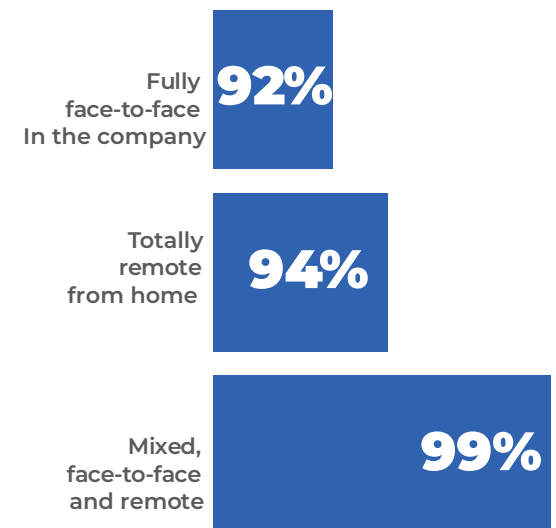


What is your work model during the COVID-19 crisis?



■ Fully face-to-face in the company
■ Totally remote from home
■ Mixed, face-to-face and remote

This is an excellent place to work by work models.

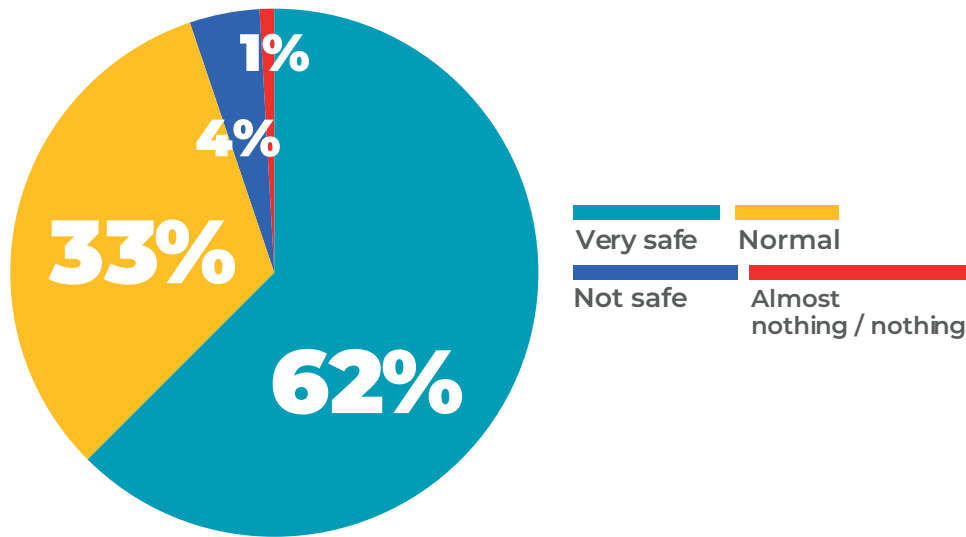


WORK MODAL

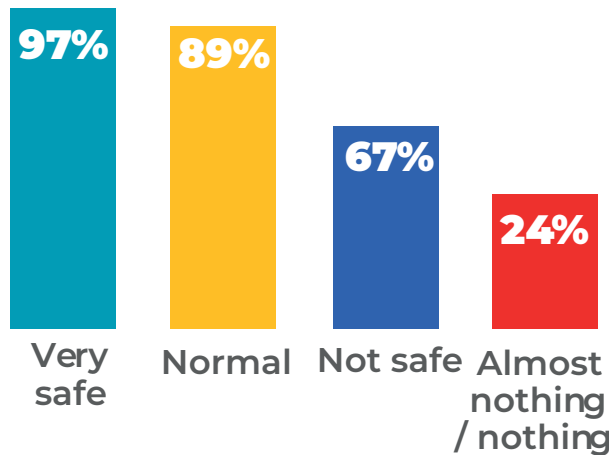
In 2020, the COVID-19 pandemic affected many organizations around the world. This has led us into uncertainty, we had to learn how to work differently and reinvent ourselves. The perceptions of collaborators in some related questions are as follows:

SAFETY FEELINGS

How confident do you feel with the decisions that the company makes in the current circumstances?

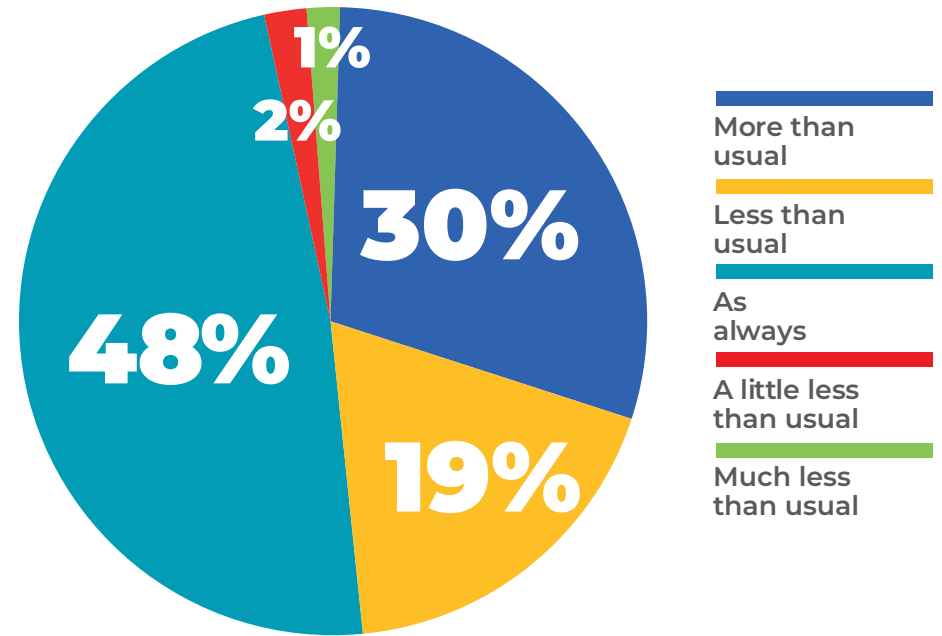


This is a great place to work based on perceived safety.

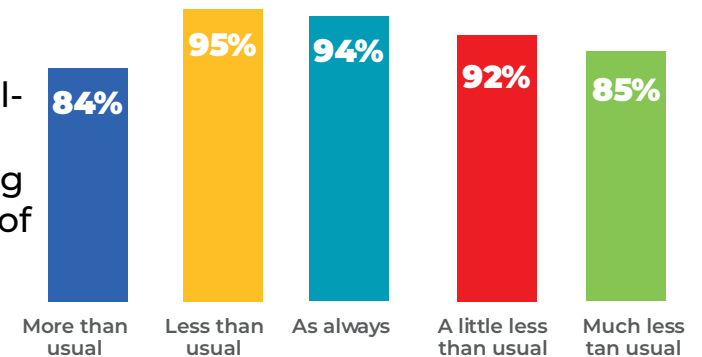


WORKLOAD PERCEPTION

During this time of COVID-19, I feel that my workload is...



This is an excellent place to work according to perception of workload.





TRAINING AND DEVELOPMENT IN THE NEW NORMAL

Skill development is a key aspect for personal and professional growth of employees, so despite the limitations present this year, the goal of training and preparing people was not missed. We worked by adopting an on-line modality for some trainings and ensuring biosecurity prevention measures at in-person events.

TERMO EXPERIENCE

One of the best ways to acquire knowledge is through experience, therefore, via partnerships with institutions, young people were given the opportunity to act as interns and promote their professional development.



LEADERSHIP ACADEMY

Just as we have an accompaniment for operational leaders, as a company, we also care about the development of administrative leaders. The leadership academy aims to improve leadership and self-leadership for business sustainability. One of the main issues to be addressed was the model of situational leadership. In 2020, workshops were provided by some collaborators who were certified as Trainers in Ken Blanchard's training program.

In 2020, we did not stop; we continue to lead in the face of uncertainty. The tools learned in situational leadership sessions were key to managing the emergency, by practicing everything we learned. The program was very much in line with the situation that was being experienced at the time, with a webinar whose theme applied to the situation: Three keys to make working from home a positive experience.



One way to keep up with lessons was through leadership statements sent through institutional mail every 15 days. These lessons were passed on by leaders to their teams, so this way, we all learned important topics. One of them was Self-Leadership: How to Diagnose a Team Development Level? How to give feedback to the team?

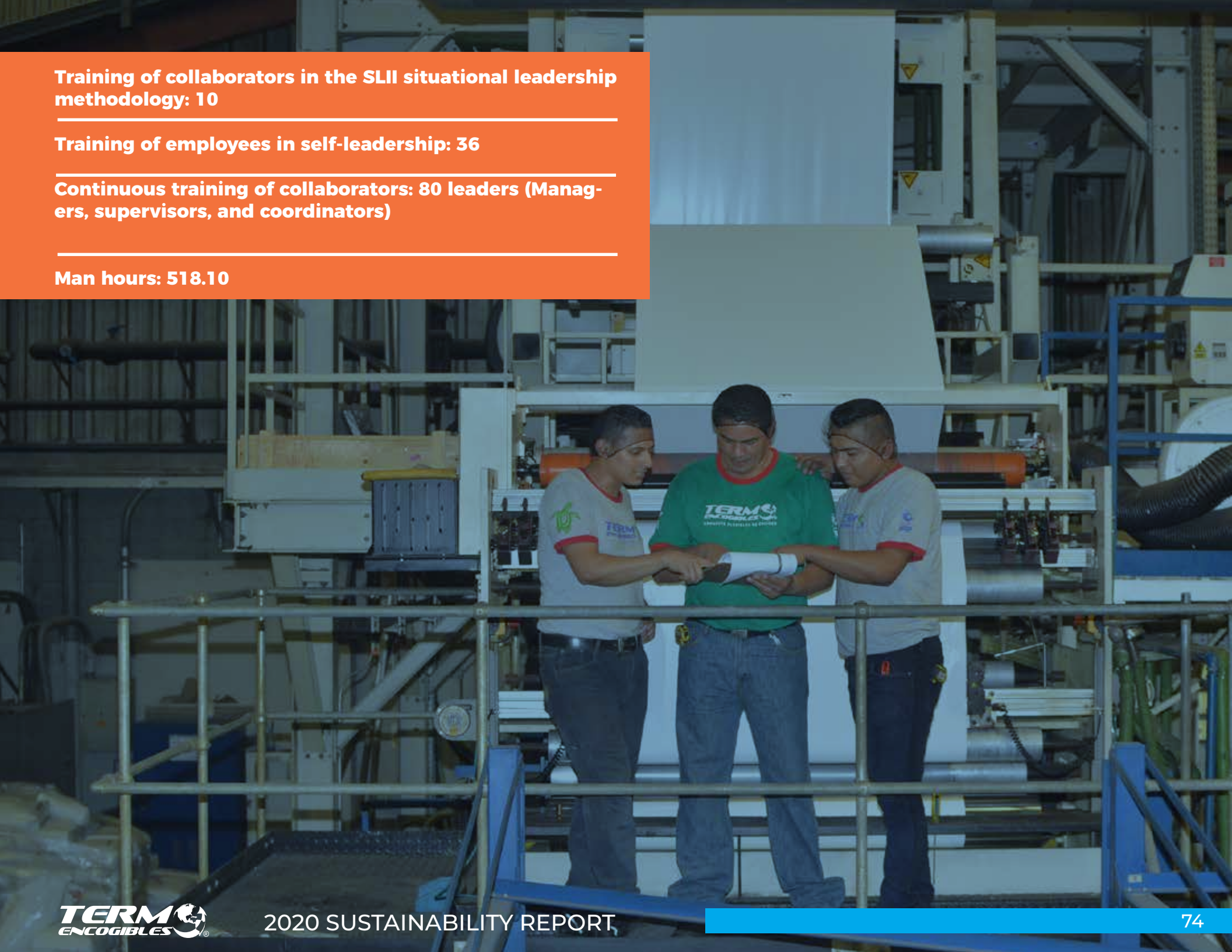
What we received in 2020 was a good first step, but the most important thing is that in 2021, we will go for more.

Training of collaborators in the SLII situational leadership methodology: 10

Training of employees in self-leadership: 36

Continuous training of collaborators: 80 leaders (Managers, supervisors, and coordinators)

Man hours: 518.10





72
PARTICIPANTS

Topics provided:

1. THREE KEYS TO MAKE WORKING FROM HOME A PRODUCTIVE AND POSITIVE EXPERIENCE
2. INTRODUCTION TO SELF-LEADERSHIP
3. LEADING VIRTUALLY
4. FITNESS IMPORTANCE
5. ADJUST SMART GOALS
6. CONVERSATIONS: LEADERSHIP STYLES 1 AND 2
7. CONVERSATIONS: LEADERSHIP STYLES 3 AND 4

DEVELOPING LEADERS
AT THE SERVICE OF THE PEOPLE





2020 was a different year for all, where everyone's leadership came afloat. It was time to show what we are made of. We did not stop and continue to develop operational leaders in person.

through a set of tools focused on strengthening the skills and abilities of operational leaders. To form leaders who positively impact their people.

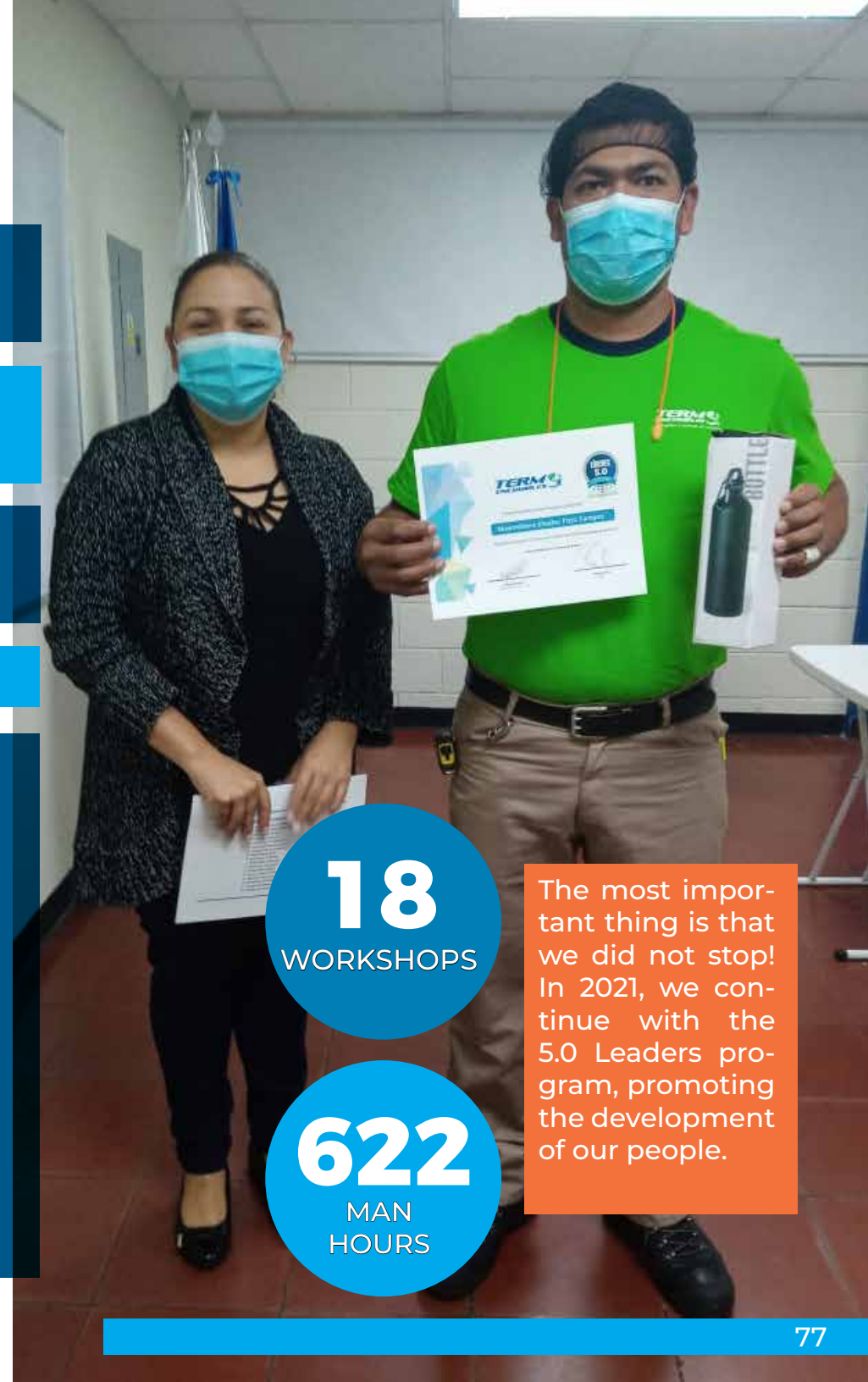
The 5.0 Leaders Program represents growth, the interest of improving continuously and achieving our goals through constant learning, that makes us more efficient/effective day by day.

During the pandemic, following the indicated protocols, we were able to develop 72 operational supervisors with face-to-face sessions, refreshing key topics for managing talent in the plant.

The goal was clear: "To develop leaders at the service of people"

The Leaders 5.0 program is based on 5 pillars:

- 1 Recognitions: Constructive Conversations
- 2 Skills training program
- 3 Individual Skills Development Plan
- 4 Performance Management
- 5 5. Organizational Climate Management
Topics covered included:
 - I am a 5.0 Leader in the event of an emergency (Supervisor Profile)
 - Implementation of comprehensive health and safety protocol
 - Results Promoter
 - Emotional Intelligence - Empathy
 - Organizational Climate Management
 - 5 Leading Competencies 5.0



18
WORKSHOPS

622
MAN HOURS

The most important thing is that we did not stop! In 2021, we continue with the 5.0 Leaders program, promoting the development of our people.

GUARDIANS OF THE CULTURE COMMITTEE



NORMAS LABORALES APOYAMOS EL PACTO MUNDIAL

The Guardians of Culture Committee is a group of employees, freely chosen by their co-workers, to represent them by communicating to the administration, in a personal and direct manner; comments, suggestions and requirements that contribute favorably to the organizational climate

Commitments:



Ensuring continuous improvement



Fostering a good working climate



Ensuring respect for people



DAY	MQH	ML	PL	TOTAL REQUIREMENTS	TOTAL RESOLUTIONS	RUNNING
1	17	26	11	54	49	
2	17	16	13	46	43	
3	16	13	8	37		37
TOTAL				137	92	37



CLINIC



The COVID-19 pandemic tested health systems around the world for the rapid increase in medical consultation combined with fear, misinformation, and mobilization restrictions. All of this made it difficult to provide health care with the risk of aggravating preventable diseases and treatable conditions.

The strategy during the pandemic was to strengthen health services to address over-consultation arising from the pandemic and maintain services, preventing pre-existing or curable conditions from aggravating. During 2020, we continued providing medical and dental consults, as well as laboratory exams.

Dental care was suspended by presidential decree during the start of the pandemic, but service was maintained for most of the year;



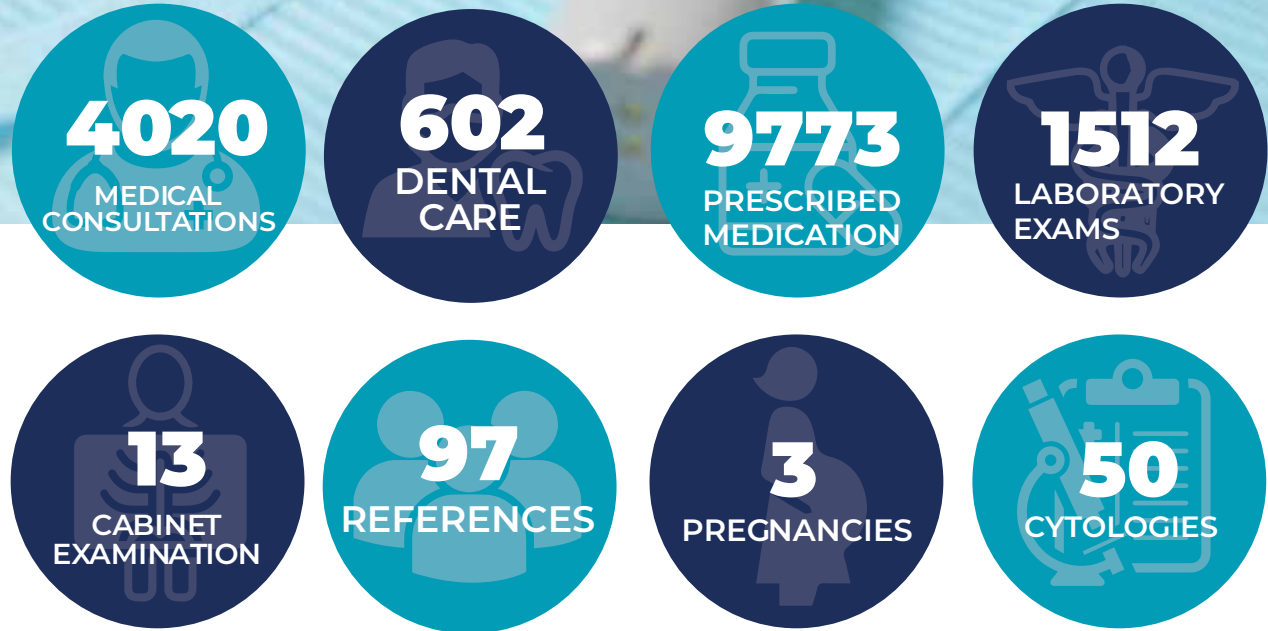
602 dental consultations were provided to 333 employees corresponding to 19% of the population.

Health Care Modifications

- Change of schedule from 6:30 am to 4pm (Mon-Thu) and 3:30 (Fri)
- Nurse Contract for Medical Consultation
- Strengthen women programs:
 - Medical Care during pregnancy
 - Nursing
 - Family planning
 - Cytology

Expanding dental services and implementing cost-sharing

- Extend schedule (March 2021)
- Prosthodontic services – prosthetics (June 2021)
- Surgery and endodontic services





HIERARCHY INTERVENTIONS SUGGESTED BY OCCUPATIONAL HAZARDS

+

ELIMINATION
-Social isolation

SUBSTITUTION
-Not applicable

**ENGINEERING
CONTROLS**
-Ventilation
-Physical barriers

**ADMINISTRATIVE
CONTROLS**
-Remote work, schedule,
hand hygiene, distancing

-

**PERSONAL
PROTECTION
EQUIPMENT**

- Respirators
- Gloves
- Masks
- Gowns

HIERARCHY CONTROL OF COVID-19

POPULATION DENSITY

- Establish collaborators with health or age restrictions.
- Encouraging remote work model.
- Reduction of the staff number at the same establishment or plant.
- Prioritizing production
- Relocate machines or furniture.
- Assign zones per worker or schedules for common areas.
- Assign task schedules.
- Stepped access to common areas (dining room, pantry, exit, bus stop)
- Define the direction of circulation (input and output at different access)

ILL COLLABORATORS

- Encourage staff to consult places near housing.
- Temperature intake at entry.
- Monitoring of people's health status during working hours.
- Providing access to health services

WORK SURFACES

- Remove biometric dialing, list signing, or card.
- Place plastic barriers over screens or work surfaces.
- Cleaning protocols and types of chemicals.
- Personal protective equipment, gloves if the above were impossible.

TRANSFERS

- Promote and facilitate remote work model.
- Hire dedicated transportation.
- Fewer busy schedules.
- Protective equipment, masks, travel gloves

PEOPLE'S CARE

- Reduce the number of people/customers in the same area (pantry, reception).
- Install physical barriers, acrylic laying, pantry windows.
- Implement pantry ordering systems.
- Encourage online or phone care.
- Personal protective equipment, mask



VISUAL HEALTH CAMPAIGN

A visual health campaign was carried out attending 325 collaborators for visual acuity assessments in addition to facilitating the acquisition of 115 lenses.



CYTOLOGY

Cytology and family planning were promoted to female collaborators, providing the exam for 51 women.



VIH

During 2020, we performed HIV screening on 102 employees, in addition to HIV testing to blood donors, with a total of 560 HIV tests during 2020.



VACCINATION

Disease prevention is very important during a pandemic, so we updated vaccination schemes for:

- Influenza 972 vaccinated.
- Diphtheria - tetanus 340 vaccinated.



BLOOD DONATION

As part of the actions that Termoencogibles performs for the well-being of its employees, the Comprehensive Health Care Program carried out a blood donation day, which had very good participation despite the circumstances of the pandemic; we carried out 2 campaigns obtaining 458 units of blood.

SALUD ocupacional

During the COVID-19 pandemic, the occupational health service participated in the following activities.

COVID-19

- Advice to company and collaborators on measures to be implemented for COVID-19 prevention.

- Implementation of COVID-19 measures, mainly related to suspicious or ill collaborators and employees with risk factors.

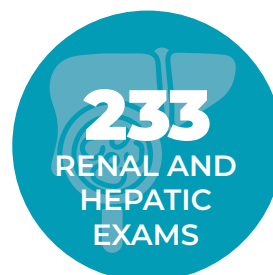
- Care and follow-up of sick collaborators

OTHER OCCUPATIONAL HAZARDS

- Occupational assessments

- Audiometry

- Spirometry





HEALTHY LIVING PROGRAM

The objective of the program is to generate actions that help the well-being of all the company's employees from the changes caused by the COVID-19 emergency. Furthermore, providing direct psychological support to employees to generate greater emotional stability and quality of life.

The Healthy Living program cared for 4 edges:

1. Mental health

2. Physical health

3. Financial Health

4. Weekend

¡Reto fotográfico!

Queremos retarte a ser parte de nuestro álbum fotográfico de MOMENTOS FIT desde casa.

Es súper fácil

1. Ingresa al **PILAR SALUD FÍSICA** en **VIDA SALUDABLE** en healthycompanyla.com y/o descarga la app desde la Play Store.
2. Haz alguna de las rutinas del pilar y tómate una fotografía.
3. Envía tu fotografía al WhatsApp **78559063** o al correo comunicacionorganizacional@termo.com.sv

Demuestra tu fuerza y capacidad física desde casa

¡Sé parte e invita a tu equipo a ser parte de esta iniciativa!
#TermoSaludable

Some of the activities that took place were:

•Webinars: Different webinars and lectures were conducted to provide education and raise awareness on various topics such as:

1.Mindfulness

2.How to manage my finances?

3.Self-Care Importance

135 CONSULTATIONS with different specialists



NUTRICIONIST



TRAINER



PSYCHOLOGIST



FINANCIAL

2020 REPORT



10 webinars were made, and we benefited more than 100 people.

·Specialist consultations: Each month collaborators could choose to have a consultation with a nutritionist, who assessed their condition and follow up on a personalized diet. In addition to this, you could also make inquiries about your fitness or about finances with a specialist.

·Videos: The platform was kept up to date with videos of exercises, nutritional recipes, relaxation, among others that contributed to the employees' quality of life.

·Weekend section: It consisted of different challenges and movie recommendations for sharing with the family.

·Termo Talent: We want to discover our collaborator's talent and get to know them in their personal lives, their attitudes, their passions, and skills. Therefore, we launched this section, in which; the collaborators shared made-at-home videos.



RECOGNITION PROGRAM

The company continues to work on recognizing a job well done and an outstanding performance: the contribution that each collaborator makes to the company. To do this, we award our collaborators with different formal and informal recognitions.

Path recognition

Each year, the company recognizes the work and effort of employees who have 15 years or more of their work trajectory, with an honorable mention every 5 years thereafter.

In 2020, this recognition was made with words from the area leader, as well as the delivery of an economic bonus and an award.



Recognition of brigadiers

Brigade members, first aid, firefighting, evacuation and rescue, and environment; all are a fundamental part in the company for its exceptional job. In 2020; we began to give a recognition for its valuable role, its constant formation and its altruistic contribution. An event dedicated to them was held with biosecurity measures, where leaders expressed their gratitude and shared a snack.

Termo Audits Awards

The company, with its philosophy of continuous improvement, constantly seeks the elements that contribute to its sustainability; a key element is having different management systems that meet the requirements of our customers.

For this, we have a team of internal auditors, whose work and commitment have an active role in the different management systems of the company. At the end of each year, they are recognized for their contribution to achieving the organization's objectives.

Termo Awards

It is a practice of institutional recognition for the outstanding behavior of teams of collaborators, who have implemented projects that impact the strategy and culture of the organization.

In 2020, this recognition practice was carried out through two virtual meetings in which a team representative exposed their project to the audience of administrative collaborators and Board of Directors. In these meetings, public recognition was made for great results and teamwork.



COVID-19 ACTIONS

HOME OFFICE

To take care of the collaborators' health and safety, the administrative staff that can carry out daily activities from a remote connection have been working from home. Since the declaration of state of emergency, which authorized home office, 243 people have performed their functions 100% from home or in combination.

ERGONOMICS (CHAIRS)

Collaborators who due to the emergency are performing their functions from home, 100% were authorized to move the ergonomic chair to their homes so that they can have more comfort.



BASIC FOOD BASKET (BFB)

Operational personnel who, due to demand and authorization by the Ministry of Labor, continued to work on production processes, were given a package of basic food every 15 days for two months as an incentive and support. This helped employees who could not purchase products from the basic food basket to bring food into their homes, due to the closing of many markets.



CLEANING KIT

As part of the biosecurity measures it is necessary for collaborators to use their mask permanently and wash their hands continuously, but as a company, it was well seen to make the delivery of a cleaning kit which contains liquid soap, 3 masks and hand sanitizer so that collaborators can take it home and that their families can also take safety measures.



LUNCH KIT

The operational staff who continued working during the emergency period were given a lunch kit so that they could bring their prepared food from home and not be at risk of purchasing food from the street.

DAILY SNACKS

The administrative and operational personnel working at Termoencogibles' facilities were given a snack on the two scheduled breaks during the working day. The snack delivery was made for 5 months (March-August).

REMODELED DINING ROOMS

As part of the security measures, separators were placed on the tables and seats so that collaborators can eat food in a safe area, reducing the risk of contagion.



TRANSPORTATION FOR STAFF

As a safety and health measure, the company offers employees, the ease of transporting from home to production plants through subsidized transport service.

The bus service is from Monday to Sunday at the schedules established for work shifts, distributed in 14 different routes.

The suppliers contracted for the service must follow the biosecurity measures indicated by Termoencogibles, which are listed in the protocol.





ADDITIONAL MICROWAVES

To avoid crowds in the dining rooms, we placed additional microwaves on each floor to reinforce social distancing during lunchtime.

TERMO ENCOGIBLES
 Te invitamos a celebrar los cumpleaños del mes
Viernes 31 de julio
 2:00 p.m. - 3:00 p.m.
¡Te esperamos!
 Por Teams

GET UP AND GO TO ZUMBA
 ¡Solo necesitamos un ritmo que seguir!
 Conéctate al Facebook Live de TermoFit
 Martes 12 y Jueves 14 de mayo
https://www.facebook.com/groups/559320921359150/?ref=group_header
 Haz los pasos con estilo y logra un acondicionamiento físico adecuado.
¡Te esperamos!

PANTRY SUPPLY

Due to the national emergency many places of food sale closed, for that reason, the two branches located in each of the plants searched for options to supply with more products than usual, so that employees did not have the need to look for places where they could buy food.

Currently the pantry offers approximately 400 different products.

VIRTUAL BIRTHDAY CELEBRATION

As part of the motivation initiatives for collaborators working from home, we implemented the celebration of birthday members of the month online. During the event, it was also communicated to collaborators, about the strategic initiatives of the business.

TERMO ZUMBA VIRTUAL

An entertainment activity that has been held for a long time is Termo Zumba, which is a group of collaborators who meet on Tuesdays and Thursdays to perform the physical exercise class. However, due to the emergency, in person classes were canceled, so the decision was to held classes online. That way, collaborators were able to continue their physical training on the usual schedule.

TERMO BOT

Objective: To enable a tool that allows different units to manage their cases and a response to their needs by interacting in a faster, more efficient, and effective way.

How did it develop?

We started with a concept tryout, including both DO-TH and IT-Support questions; then, the service was incorporated into the most frequently used channels such as TEAMS and WhatsApp, to understand both the technology and the users' needs. In 2021, we look forward to enhancing the tool further and deliver new surprises.

Benefits: Although the idea is still under development, the final benefit will be to have a Termo assistant, available for staff 24 hours a day.



BENEFITS



Termo VIP



Parking service



Family pantry



Internal transportation



Insurance program



Gifts for the birth of children's employees



Anniversary act



Mother's Day celebration



Seniority recognition



Father's Day celebration



Birthday celebrations



Termo Cup



Funeral expenses support for children and spouse

NEW!



TRANSPORT OF PERSONNEL



HOME OFFICE



DERECHOS HUMANOS



NORMAS LABORALES



APOYAMOS
EL PACTO MUNDIAL

DIVERSITY AND INCLUSION

Contributing to inclusive culture, in 2020, we managed to close with 178 women in plants, representing 11% of the operative level female staff. This meant an important advance in gender equality.



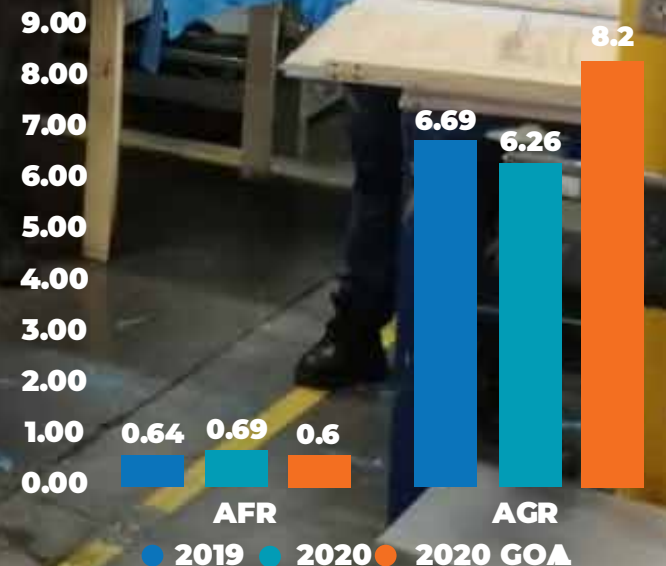


OCCUPATIONAL SAFETY RESULTS

For 2020, the two indices have been established that reflect: the behavior of frequency of accidents (AFR) and the other, the severity of accidents occurred based on the days of disability granted (AGR); obtaining the following performance:

1. For the AGR, we finished with 6.26, below the permissible target for 2020, which was 8.20.

2. For the AFR, we finished at 0.69 points, which is slightly above the permissible target which was 0.60.





ACHIEVEMENTS AND CERTIFICATIONS 2020

- Latin American Green Awards have granted us the certificate of completion of the Strengthening Program for our project "Development and Implementation of S-Geet System," Position #13.
- Ranking of the best companies for young professionals (Summa Magazine)
 - Ranking of Senior Executives with Best Professional Ethics (Summa Magazine)
- CEO is on the list of the 100 latinos most committed to the organization's climate action.
- El Salvador's Top 5 companies in the 2020 Business Rankings published by "Vida y Éxito, Negocios y Buen Vivir."
 - Message from Dr. Ken Blanchard
 - National Environmental Award
 - EDGE certification
 - GRS certification

Latin American Green Awards have given us the certificate of completion of the Strengthening Program for the project:

Development and Implementation of S-Geet System" Position #13.

In 2020, we signed up for the first time since VSA CM with the project "Development of Energy-Efficiency System" (which was already the pilot's deployment in Ciudad Merliot plants and improvement of the initial model) to the "Latin American Green Awards." This is one of the main international forums for the exhibition of initiatives related to sustainability and where 19 Latin American countries participate including Spain, Canada and USA.

Of 2,540 projects that applied, we succeeded entering the top 500 projects (we are within 20% of the best applicants), and we are ranked 224th (within 10% of the best applicants), obtaining the highest ranking of all Salvadoran companies that are participating. With this mention, we become part of the business network "PAGE" (Partnership for action on green economy).





Ranking of the best companies for young professionals (EFY: Employers for Youth)

We obtained the #12 of 15 in the public ranking, #12 of 30 in the global ranking and #2 of 3 in the Manufacturing Industry ranking. The best evaluated dimensions of Termoencogibles were: Work Environment, Talent and Innovation.

Ranking of Senior Executives with Best Professional Ethics, published by Summa Magazine.

We entered the ranking of companies with Best Corporate reputation and ethics with the following categories:

1-Top 30 of the Best Companies in El Salvador (Termoencogibles #2)

2-Top 30 of the Best General Companies in Central America and the Dominican Republic. (Termoencogibles #26)

3-Top 30 of the Best Regional Companies present in the region (Termoencogibles #13)



We were also part of the Ranking of the High Executives with Best Professional Ethics, in which only 30 executives from the Region were elected, and Rodrigo Tona is part of this exclusive selection in position #15. Just 5 Salvadoran entrepreneurs stand out in this ranking.

Only 5 Salvadoran businessmen stand out in this ranking

CEO is on the list of the 100 latinos most committed to the organization's climate action.

The list of the 100 most influential latinos, made by the support of different organizations, highlights people for their commitment in areas of climate activism, communications, environmental rights, sustainable policies, and business impact. Our CEO Rodrigo Tona, was named on the list and during 2020-2021 will be part of this group of leaders, who through their platforms encourage the need for Climate Action worldwide.

El Salvador's Top 5 companies in the 2020 Business Rankings, published by "Vida y Éxito, Negocios y Buen Vivir"

The information for this edition has been obtained by a survey made to more than 5,000 people who chose among the companies they considered to be protagonists in 2020. TERMOENCOGIBLES is in the top 5 of the INDUSTRY AND COMMERCE SECTOR in El Salvador of the companies preferred by the public.



Message from Dr. Ken Blanchard

Termo participated in the situational leadership workshops of “The Ken Blanchard companies,” where Ken Blanchard congratulated the team for training and seeking to increase leadership skills of the collaborators.



National Environment Award

We were winners of the award in the industry sector for our circular economy project.

The Minister of Environment and Natural Resources of El Salvador, Fernando López, gave the recognitions of the National Environment Award (PNMA) 2020 for good environmental management practices.



THIS CERTIFIES THAT
INNOVALAB
HAS ACHIEVED AN
EDGE ADVANCED PRELIMINARY CERTIFICATE
CERTIFICATE NUMBER
GP2-SLV-19103010080048-P



EDGE ADVANCED
Exemplifying achievement in the
following areas:

66%
Energy Savings

42%
Water Savings

97%
Less Embodied
Energy in Materials

14.40 tCO₂/year
Operational CO₂ Emissions

27.89 tCO₂/year
Operational CO₂ Savings

DEVELOPED BY
TERMOENCOGIBLES

CERTIFIED BY
Green Business Certification Inc. (GBCI)

Mahesh Ramanujam

Mahesh Ramanujam, President and CEO, Green Business Certification Inc.
DATE OF ISSUE: 26-JUN-2020



EDGE CERTIFICATION

We received the EDGE certification (Excellence in Design for Greater Efficiencies), which is a world-class qualification that evaluates sustainable construction standards. To certify a building, it is necessary to meet 20% saving standards in energy, water, and used material energy consumption. This is accredited by the Green Building Council.

GRS CERTIFICATION

The Global Recycling Standard (GRS) is an international, voluntary, and complete product standard that sets out the requirements for third-party certification of recycled content, chain of custody, social and environmental practices, and chemical restrictions.

The GRS aims to meet the needs of companies seeking to verify the recycled content of their products (both finished and intermediate) and verify the social, environmental, and chemical practices responsible for their production. The objectives of the GRS are to define the requirements to ensure the accuracy of content declarations, good working conditions, and to minimize environmental damage and chemical impact.

The GRS goals are to establish requisitions to guarantee the accuracy of content declaration and good work environment, that reduce environmental impact and harmful chemicals.



INFORMATION FOR STAKEHOLDERS



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SUSTAINABILITY REPORT

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20