

2021 Sustainability Report Tropical Oil





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July 2022

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AgroAmerica



AgroAmerica



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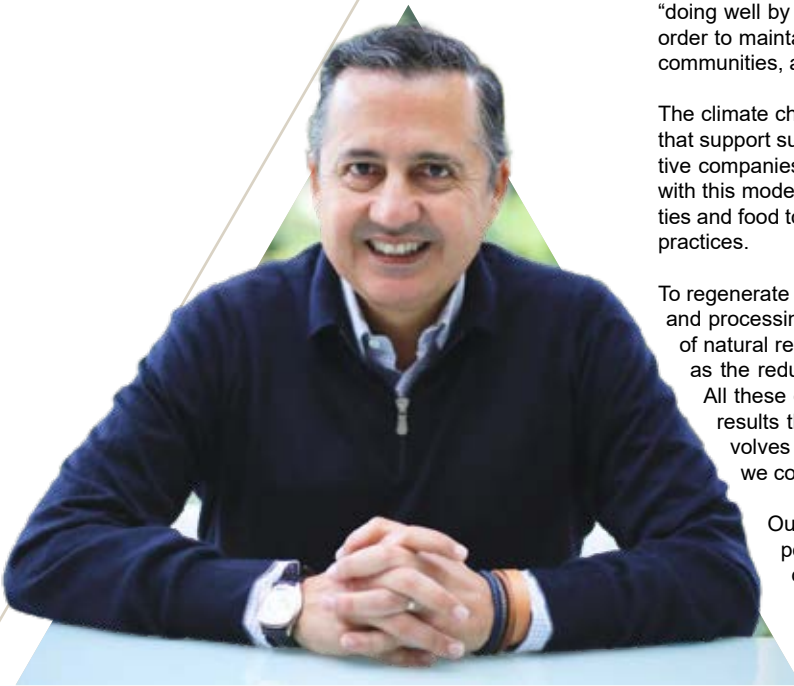
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LETTER FROM THE CEO
FERNANDO BOLAÑOS

“Our business model is focused on Regenerating the Earth and its resources”



Our father founded AgroAmerica more than 60 years ago under a simple business model: “doing well by doing good” Since then, we have been operating under this philosophy in order to maintain the sustainability of our operations with our clients, employees, nearby communities, and the environment.

The climate change crisis we are now facing, triggered my thoughts on business models that support sustainable development. One of these business models is that of regenerative companies, which have recently emerged in response to environmental challenges; with this model, the company’s vision is to help transform the supply chains of commodities and food to make them regenerative, placing nature and people at the center of trade practices.

To regenerate means to preserve, to restore, to renew and to replenish. In the production and processing of food and natural ingredients, it means soil regeneration, efficient use of natural resources, increased productivity, preservation of biological diversity, as well as the reduction and compensation of carbon dioxide emissions to the atmosphere. All these efforts have the objective of obtaining better economic and environmental results that contribute to our stakeholders’ prosperity. Regenerative agriculture involves comprehensive management that also helps improve the quality of the food we consume.

Our efforts to adopt this business model have been made in line with our corporate vision. One example is our future vision plan towards NetZero and our commitment to forest conservation, reforestation, and biodiversity protection through our strategic alliances and long-term programs. We maintain forest reserves as part of our operations and have launched a conservation project in Guatemala, the only one in the region to be promoted by the food industry for the restoration of ecosystems for pollinators.

We continue to play a vital role in numerous initiatives with the Rainforest Alliance, Solidaridad Network, Wildlife Conservation Society, government institutions, and local communities. In addition, I would like to highlight the award we received from the World Economic Forum in the category of Excellence in Social Responsibility, where we were recognized as a company differentiated for its excellence in business governance, social responsibility, innovation and sustainability.

We are genuinely proud of the work completed in 2021. According to the global ranking of the renowned evaluation "Sustainability Policy Transparency Toolkit," we are among the top five most transparent companies; in which 100 producers, processors, and buyers of tropical oil were assessed for their public disclosure of policies and commitments to the best environmental, social, and governance (ESG) practices.

We seek to provide more information about the efforts, commitments, and progress we achieved in 2021 in this Sustainability Report. I invite you to read it and become "regenerative" agents through innovation, seeking harmony in our relationship with the world and the living creatures that inhabit it, and continuously improving our way of doing business.

I want to express my gratitude to all employees, whose labor has allowed us to achieve the success and position we currently hold. We have distinguished ourselves in the market by providing high-quality, sustainable, and natural food, and ingredients to the world while restoring the planet and its resources.

Fernando Bolaños
CEO
AgroAmerica

**“Most of the food we eat depends on bees.
Protecting bees is protecting the planet”**





AGROAMERICA

A WORLD-CLASS CORPORATION

In this section:

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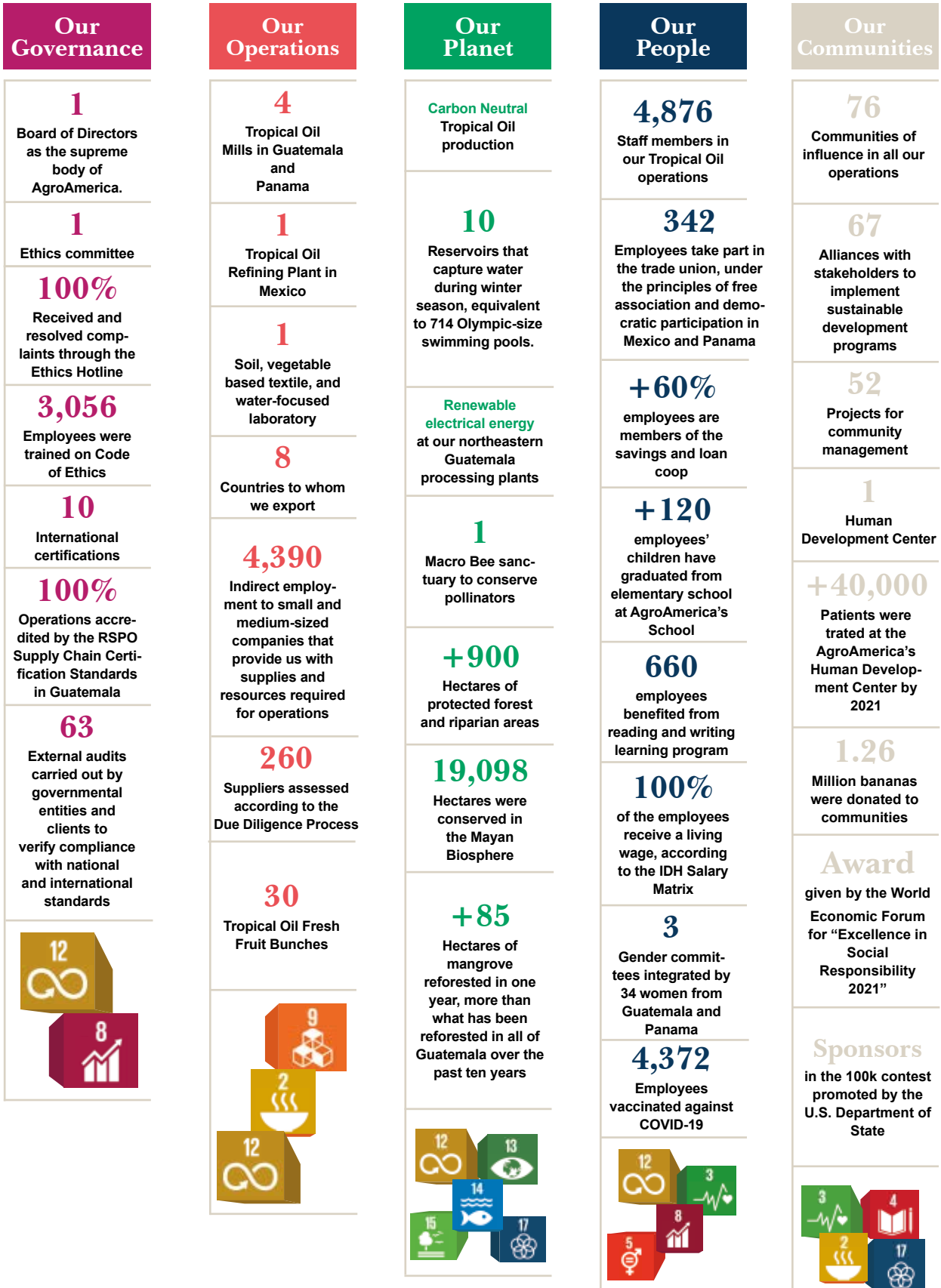
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AGROAMERICA TROPICAL OIL IN NUMBERS

Our Progress in 2021



A WORLD-CLASS CORPORATION

AGROAMERICA



AgroAmerica

We are a third-generation family-owned corporation that is competitive, diversified, and vertically integrated in the production of agricultural products, agro-industrial processing, and the marketing and distribution of the highest-quality sustainable foods.

AgroAmerica seeks to transform the agroindustrial sector and maintain competitiveness through sustainable production, mainly from private farms.

We work every day to contribute to the socioeconomic development of the countries and regions where we produce the highest-quality food and ingredients for the world.



Vision

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

Mission

To be a world-class agro-industrial corporation dedicated to providing worldwide clients with quality food of highest international standards, contributing to the socioeconomic development of the region.

Values

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

- ▶ **Diligence:** We bring discipline, effort and dedication in our work. We are committed to guaranteeing that our products and services are always of the highest quality.
- ▶ **Team Work:** Our team is committed to the company's objectives.
- ▶ **Honesty:** We act with integrity, transparency and ethics.
- ▶ **Perseverance:** The key is the willingness and persistence to achieve our goals.
- ▶ **Responsibility:** We fulfill our obligations and implement a Corporate Sustainability strategy that promotes a responsible production for people, our communities and the environment.
- ▶ **Generosity:** We promote a culture of socioeconomic development in the regions where we operate. We generate benefits for all of our stakeholders.



AgroAmerica

At AgroAmerica, we grow, export, and distribute tropical fruits, especially organic and conventional bananas, as well as natural ingredients and tropical oils. We also have a portfolio of investments in leading high-tech agriculture, renewable energy, restaurants, and entertainment businesses.



Conventional and organic bananas



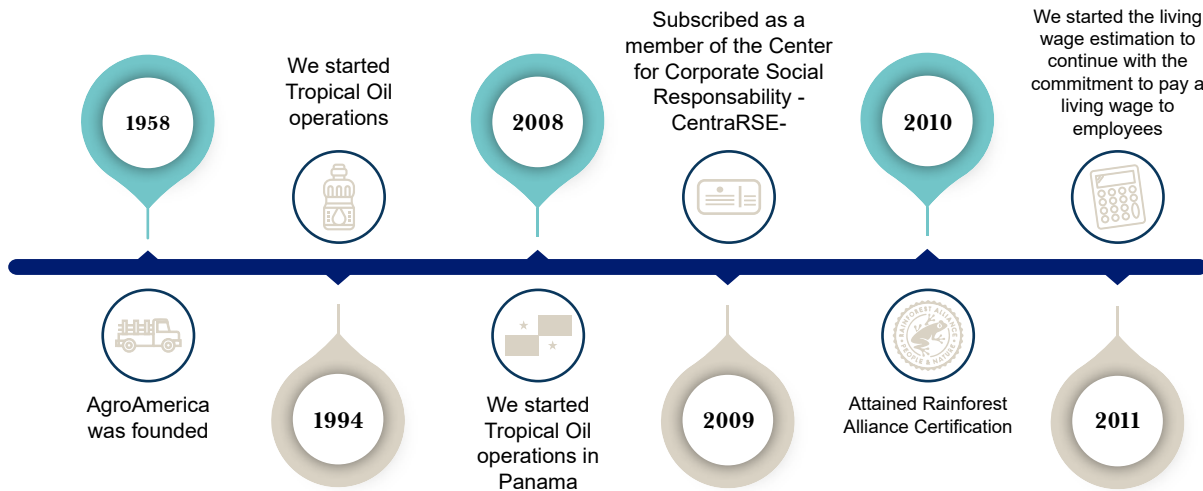
Tropical Oils



Transport



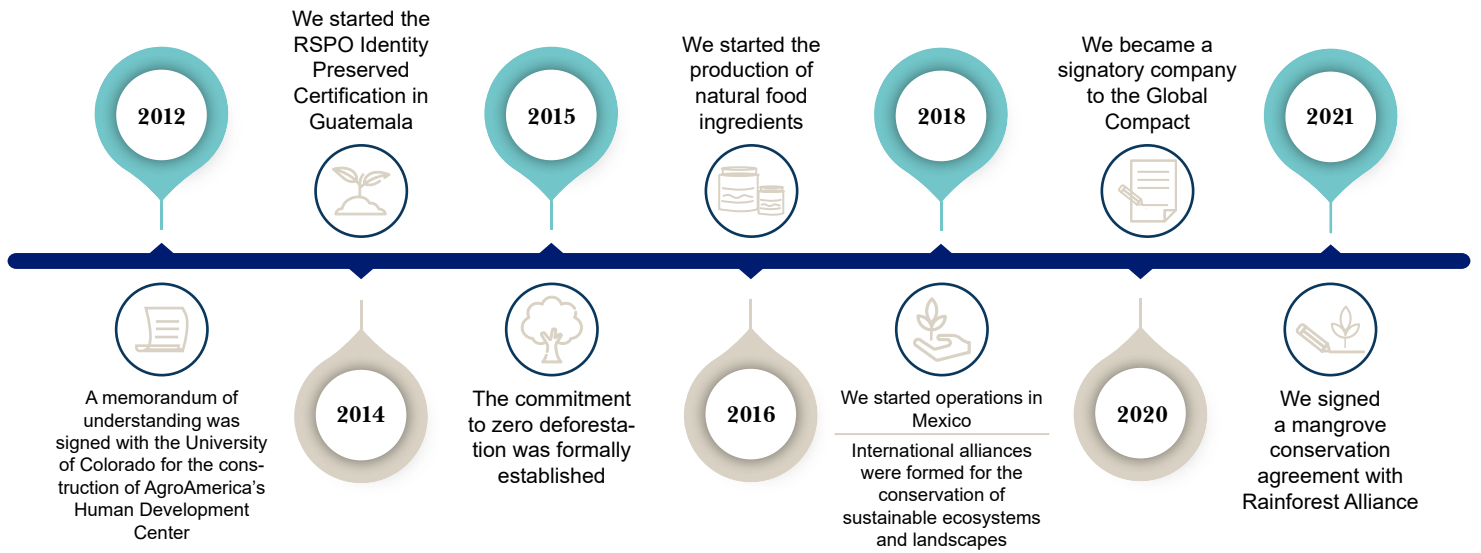
Other Business



OUR



We have operations in:



HERITAGE



SUSTAINABLE TROPICAL OIL

A responsible production

This report addresses the key outcomes for AgroAmerica's Tropical Oil division.



Foresta Foods is AgroAmerica's commercial brand for the distribution of sustainable and refined tropical oil that is sold as a raw material for food and personal care products.



Our products with sustainable practices certifications

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

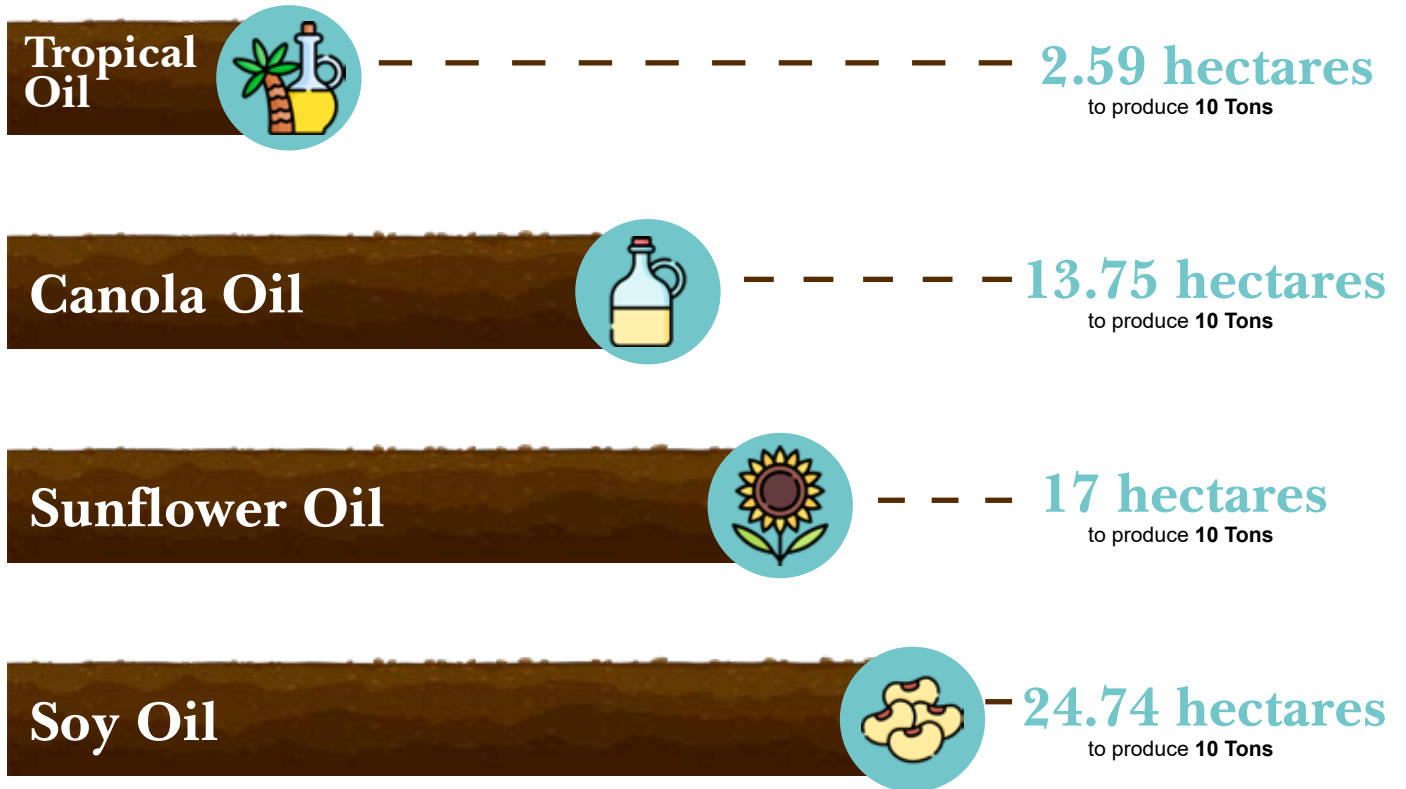
Guatemala is the world's leading producer:

Source:
Socioeconomic Statistics in 2021, Gremial of Guatemalan Palm Cultivators (<https://lnkd.in/gXmcwzsh>)



More food with less natural resources

The following chart shows how tropical oil has a higher production yield on a smaller amount of land compared to other vegetable oils.



Our supply chain operates sustainably

We always strive to ensure that our supply chain generates positive impacts at every stage of operations, from production and delivery to marketing. Therefore, we work responsibly, seeking to guarantee traceability, safety, sustainability, quality, and compliance, following the highest industry standards.

Having a vertically integrated operation allows us to turn traceability into a competitive advantage by keeping complete control of processing, transportation, and commercialization processes.



Nutritional value of our tropical oil

Carotenoids

that contain vitamin A work as powerful antioxidants to strengthen the immune system and lower the risk of developing cancer, cardiovascular diseases, and blindness.

Vitamin E

which protects the body against chronic diseases.

Free of trans fats (ATG)

which are linked to risks of cardiovascular diseases.

Calories

that give the body energy.

In contrast to other

vegetable oils, it has greater stability and a longer storage life without requiring hydrogenation.

TROPICAL OIL ALL OVER THE WORLD

Responsible production

AgroAmerica – Tropical Oil



Countries in which we operate:

- Guatemala
- Panama
- Mexico



Destination countries for our exports:

- | | |
|-------------|---------------|
| Netherlands | United States |
| Italy | Colombia |
| Germany | Guatemala |
| Mexico | |



4 palm oil processing plants, each with its own palmistry plant for producing both oil and palm kernel flour, and 1 tropical oil refinery plant:

3 Tropical oil Mills in Guatemala

1 Tropical oil Mill in Panama

1 Tropical oil refinery in Mexico

Subsidiaries:

- Agrocaribe: Northeastern Guatemala and Mexico
- Agroaceite: Southwestern Guatemala
- Agropalma de Inversiones, S.A.: Western Region of Panama

Our clients include Major Food, CPG, and Personal Care Products Companies.





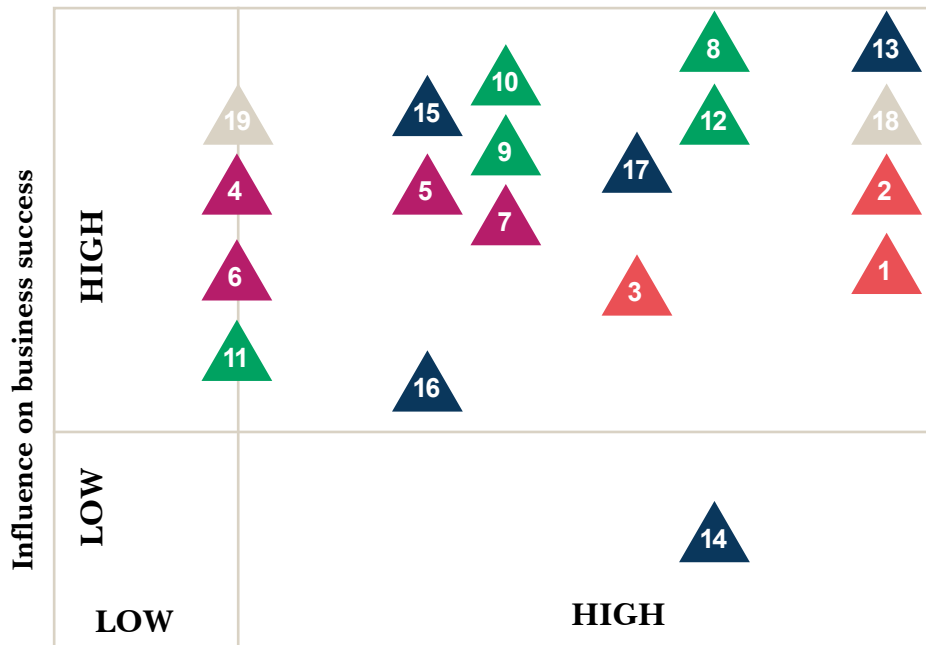
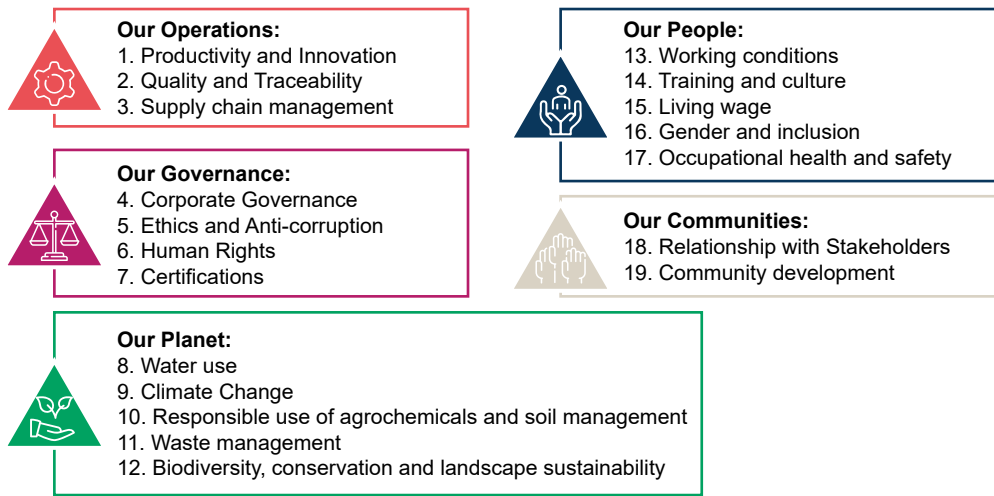
OUR APPROACH TO SUSTAINABILITY

Material Topic of priority

In 2021, we kept working on the environmental, social, and governance issues that are important to how our business operates. These were determined based on their importance level for both internal management and external stakeholders. This analysis included an open and participatory process where AgroAmerica interest groups were consulted, through workshops, surveys, and interviews, to determine their key areas of interest.

Materiality Assessment

As a result, we identified 19 areas as shown in the following Materiality Map:

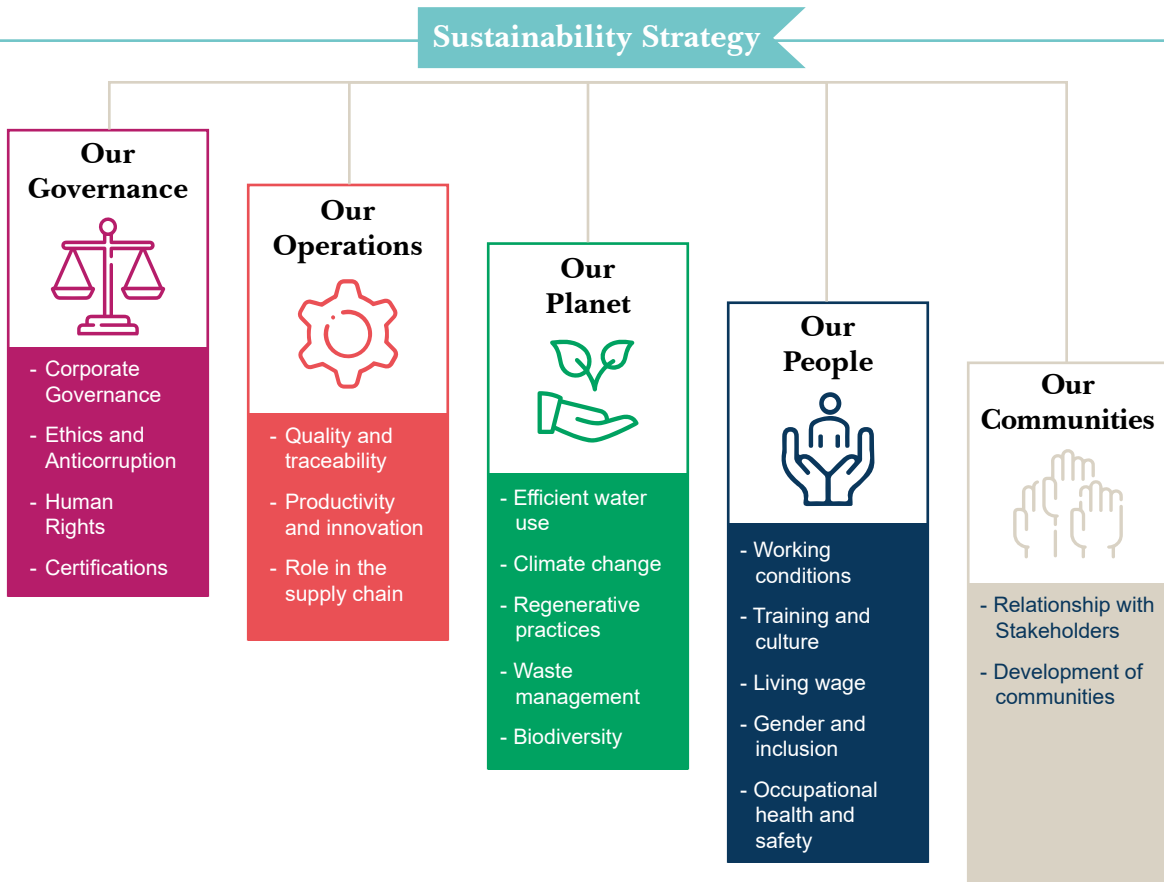


Importance for stakeholders

Read on page 89 the definitions and the level of involvement of the topics that are illustrated in a table that shows the topic's scope in the company and its value range, determining if it has a direct, indirect or non-relevant impact.

We consolidated the 19 topics in our sustainability strategy, which is focused on working on five pillars that serve as a guide to reporting our performance.

The 5 pillars of sustainability and the 19 areas of interest in our sustainability strategy are shown in the following graphic:



Agenda 2030: SUSTAINABLE DEVELOPMENT GOALS

We combined our sustainability priorities with the Sustainable Development Goals, promoted by the United Nations, to serve as the roadmap to do our share in addressing the world's biggest challenge. From this analysis, we are proud to say that we have contributed to eleven (11) of the seventeen (17) of Sustainable Development Goals (SDGs), as shown in the following graphic.



The ODS 2, 5, and 14 were added in 2021 as a result of the efforts we took to achieve greater impacts.

SUSTAINABILITY TEAM

AgroAmerica team committed to sustainability



Under the supervision of the CEO and with the corporation's Board of directors' approval, AgroAmerica's Corporate Affairs monitors the sustainability management for AgroAmerica's Tropical Oil division and the other areas.

This team also provides service to the business divisions. To ensure that the strategy, programs, policies and procedures are rigorously enforced, it works in a decentralized manner with the areas of certifications, human resources, compliance and legal, social responsibility and communications.

Each operation has a manager responsible for the different areas: environment, labor, occupational health and safety, and social responsibility, who complement their functions with the different operational areas.



SUSTAINABILITY POLICIES

Our approach to ensure compliance



The main impacts and risks of AgroAmerica's Tropical Oil operations are identified and assessed annually in order to manage them, ensure legal compliance, meet the standards and certifications to which we voluntarily adhere, and to strengthen our management according to our commitment of continuous improvement. Along with including the main environmental, social, and economic effects of our management in the materiality assessment (described earlier), we guarantee that we will have policies and management systems in place that address these effects while coordinating the management of our offices and farms to achieve desired results.

AgroAmerica made a significant effort to consolidate the sustainability policies in 2021, **successfully integrating 27 policies into 14**. This facilitates their communication, comprehension, and implementation. The content, execution, and compliance of these policies are detailed throughout this report.



Human Rights:

1. Human Rights Policy
2. Labor Confidentiality Policy
3. Occupational Health and Safety Policy
4. Hiring and Working Conditions Policy
5. Land Rights Policy
6. Women's Rights, Non-discrimination and Non-harassment at Work Policy
7. Equality and Non-discrimination Policy



Environmental:

8. Food Safety Policy
9. No Deforestation, No Peat and No Exploitation Policy
10. Environmental Management Policy



Governance:

11. Supplier Relationship Policy
12. Global Anti-corruption Policy
13. Conflict of Interest Policy
14. Ethics Hotline on Complaints and Claims policy

COMMITMENT WITH OUR STAKEHOLDERS

A key to a Sustainable Approach

From our early beginnings, our founder, Fernando Bolaños Menéndez, built the company under the philosophy of connecting with people through close relationships with employees, communities, clients, and all those around the business. Our main stakeholder and the communication channels we use are described in the following diagram.



Stakeholders



Consumers



Clients



Certification Bodies/
Auditors



Employees and
their families



Shareholders



Suppliers



Communities



Chambers of
commerce and Trade
Associations



Non-governmental
organizations



Government



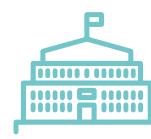
Media
Outlets



Civil society



Private Entities



Government
institutions

Communication channels with stakeholders

- ▶ Shareholders assembly
- ▶ Visits and communication with clients
- ▶ Sustainability Reports
- ▶ Scheduled visits to the company's operations
- ▶ Training for employees
- ▶ Negotiations with labor groups linked under the principle of free association
- ▶ Ethics Hotline
- ▶ Newsletters
- ▶ Digital media
- ▶ Community visits
- ▶ Meetings with stakeholders
- ▶ Participation in multidisciplinary
- ▶ Internal and external audits

AGROAMERICA STRATEGIC ALLIANCES



Memorandum of Understanding signed with Rainforest Alliance.

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

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

- ▶ World Economic Forum: <https://www.weforum.org/>
- ▶ Agexport Guatemala: <https://export.com.gt/>
- ▶ American Chamber of Commerce in Guatemala (AMCHAM): <https://amchamguate.com/>
- ▶ Chamber of Industry of Guatemala: <https://cig.industriaguatemala.com/>
- ▶ Guatemalan Chamber of Agriculture: <https://www.camaradelagro.org/>
- ▶ Palm Grower Association of Guatemala: www.grepalma.org

Alliances for corporate social responsibility purposes:

- ▶ Food and Agriculture Organization of the United Nations (FAO): <https://www.fao.org/guatemala/es/>
- ▶ Global Compact: <https://www.unglobalcompact.org/>
- ▶ Rainforest Alliance: <https://www.rainforest-alliance.org/>
- ▶ Solidaridad Network: <https://www.solidaridadnetwork.org/>
- ▶ Wild Conservation Society: <https://guatemala.wcs.org/>
- ▶ Roundtable on Sustainable Palm Oil: <https://rspo.org/>
- ▶ University of Colorado Denver: <https://www.colorado.edu/>
- ▶ LandScale: <https://www.landscape.org/join-us/#pc>
- ▶ RedEAmérica: <https://www.redeamerica.org/>
- ▶ Seattle International Foundation: <https://seaif.org/es/>
- ▶ Zoological Society of London, SPOTT: <https://www.spott.org>
- ▶ International Centre of Corporate Social Responsibility: <https://centrarse.org/>
- ▶ Agricultural Chemical Guild Association (Agrequima, by its acronym in Spanish): <https://agrequima.com.gt/site/>
- ▶ Foundation for Private Education in Rural Areas: <http://funcafe.org/ES/>
- ▶ Climate Change Institute: <https://icc.org.gt/es/icc-2/>
- ▶ “Salvemos El Manchón” an initiative that promotes the preservation and restoration of the mangrove ecosystem in the Manchón Guamuchal, one of the largest wetlands in the Guatemalan Pacific. <https://www.salvemoselmanchon.org/>
- ▶ BeeHub Pollinator Conservation Company <https://www.beehubguate.com/>
- ▶ Institutions and governmental agencies in the countries where we operate focused on issues such as education, nutrition security, health, employment, and social and economic forecasting, as well as agriculture and conservation of protected areas.



OUR GOVERNANCE

“Our Governance” sustainability strategy promotes effective leadership over our teams and communities while directing the best decisions and activities, providing long-term value to our organization.

In this section:

Corporate Governance:
Governance for a clear purpose

Ethics and Anticorruption:
It is all about integrity

Human Rights:
Doing business the right way

Certifications:
Feeding the world sustainably



CORPORATE GOVERNANCE

Governance for a clear purpose



Why is it important?

Our corporate governance ensures that the decision-making process and actions to generate long-term sustainable value are implemented.



The Ethics Committee ensures the proper implementation of such code. This body consists of the Corporate Director, Compliance Officer, Corporate Controller and the Chief Financial Officer (CFO).

The responsibility of the leaders' team, which is integrated by the corporate and business presidencies, is the management of the administrative, financial, social, and environmental departments. This team's challenge is to develop different strategies and the programs that allow continuous improvement and growth.



Our approach, actions, and accomplishments in 2021

AgroAmerica's highest body is the General Shareholders Meeting. AgroAmerica's directory is responsible for ensuring proper corporate governance, with due diligence, always looking after the company and its shareholders. The Board of Directors determines the mission, vision, values and global strategies for commercial, agricultural and sustainability areas. The leadership team at AgroAmerica is challenged to develop the strategy and programs that allow us to grow and continuously improve.

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

1
Corporate Director who leads the management and direction of the sustainability strategy, under the direction of the Board of Directors and the CEO's supervision.



ETHICS AND ANTICORRUPTION

It is all about integrity



Why is it important?

With transparency, ethics, and integrity, we aim to stand out in the market and have a long-lasting positive impact on the agroindustry and the communities where we operate.



Our approach, actions, and accomplishments in 2021

We continue implementing the highest standards of ethics, transparency, and integrity as outlined in our code of ethics, which regulates the behavior of all those who work for the company and those who are associated with it.

The implementation of the Code of Ethics is aligned to three Sustainability Policies: [Ethics Hotline on Complaints and Claims policy](#), [Conflict of Interest Policy](#) and the [Global Anti-corruption Policy](#)

The Ethic Hotline, a system control, communication and continual improvement

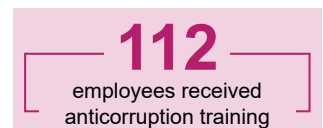
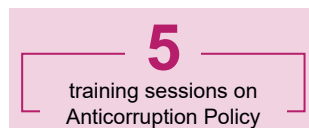
The Ethics Code provides the obligation to report any infringement in accordance to the procedures, on claims, and complaints, established in the Ethics Hotline Policy. The Ethic Hotline continues to be the main complaint channel, and it is available to employees, clients, suppliers, communities, and other interested parties. A complaint is resolved in a maximum of three months from the time it is filed until it is resolved.

Refer to the Ethics Hotline Policy on Complaints and Claims and the 2020 Sustainability Report for details on the respective procedures.



Anti-corruption fight remains strengthened

Our Anti-corruption Policy rejects improper actions and events by anyone who seeks to violate established ethical standards and laws. It applies to administrators, employees, consultants, agents, or representatives, as well as any stakeholder in our company. Our actions have continued to successfully achieve maximum compliance with this policy.



SUCCESS STORY 2021

We listen to our communities

Throughout 2021, a resident of the neighborhood surrounding one of our tropical oil production farms, located in Northern Guatemala, called our Ethics Hotline to complain about the maintenance of a road that passes between two corporate farms and is occasionally used by our transportation as well as cars owned by local residents.

The computer system gave this complaint the reference number 23120. We immediately started conducting the research related to the production area, which uses the route for transporting the fresh fruit bunches (FFB); also working with the Human Resources team and the Corporate Social Responsibility team. The Ethics Committee recommended maintaining a 5 km road between the two farms for the benefit of all road users and to improve access and communication with the surrounding communities.

The road is now in excellent conditions and enables local residents to move around safely. In response to our actions, the complainant later called the Ethics Hotline to express gratitude for the support given.

Additionally, as part of our ongoing improvement and in order to avoid a future occurrence of this circumstance, we have established a plan for annual maintenance of the road.

A five-kilometer road connecting our properties was repaired in the northeastern part of Guatemala. This success case demonstrates our commitment to supporting the nearby communities and our desire to hear from interested parties who contact us through our Ethics Hotline.



HUMAN RIGHTS

Doing business the right way



Why is it important?

Our stakeholders are people with rights, which must be respected at all levels. We fully consider these rights, due to the nature of our organizational culture, which does not allow any action against them.

We also believe that respect is the best way to minimize risks that could affect our operations, generate genuine loyalty from our stakeholders, reduce costs and be able to access and serve international markets transparently.



Our approach, actions, and accomplishments in 2021

Our Human Rights Policy was updated in 2021 to ensure its clarity and reaffirm our commitment to respecting the rights of all of the employees who work for us, as well as those of our clients, nearby communities, and other groups with an interest in our business. This policy explains the procedures we follow to prevent, protect, and address any human rights violations within our operational territories.

16 complaints on Human Rights issues were received and resolved **2020**

7 complaints on Human Rights issues were received and resolved **2021**

We are glad to report a decrease in the number of complaints received and that 100 % of the complaints were solved.

Ethical Commerce Audit

Annually, we are audited by one of our clients to verify the transparency and accountability in our supply chain. Our clients use SMETA (Sedex Members Ethical Trade Audit) to verify that we adhere to the standard's requirements.

2

audits conducted in accordance with SMETA standards

300

employees received SMETA methodology training

Human Rights Training

As part of our new approach, we have integrated trainings into our operations since we're responsible of ensuring that human rights are respected.

Every year, we make an effort to raise awareness about importance of respecting Human Rights.

These trainings include our employees and the security personnel responsible to protect our operations.

3,861

employees were trained in Human Rights.



CERTIFICATIONS

Feeding the world sustainably



Why is it important?

We maintain international certifications that demonstrate our excellence in quality, integrity, sustainability, and customer security management. These certifications have created a culture of continuous improvement which compels us to take actions that are founded in strong corporate policies. With the certifications, we ensure the continuity of our operations while also building confidence among our interested parties.



Our approach, actions, and accomplishments in 2021

We continuously work to improve and maintain our processes and procedures meeting high standards and the international standards for quality, security, safety, and sustainability. This work is supported by a culture of training so that the management and successful completion of each certification contribute, in a cross-functional way, to the expansion of our operations.

Since 2010, we have had international certifications guaranteeing responsible and sustainable production in our operations.



10

International certifications have been maintain in 2021

Tropical Oil processing plants certifications

RSPO

RSPO (Roundtable on Sustainable Palm):
is the most notable certification due to its relevance in the following areas:

- ▶ Ensures the social and environmental sustainability of tropical oil production.
- ▶ Guarantees the supply chain's traceability.
- ▶ Encourages dialogue with stakeholders.
- ▶ 19.3 % of palm oil has been RSPO-certified on an international scale.
- ▶ Nowadays, there are 5,312 RSPO members spread over 96 countries worldwide.

The next section lists the certification standards for each country under which we are accredited.



To implement the requirements of the management system and continuous improvement plans, employees are constantly trained in all international standards.

RSPO Principles and Criteria	This standard guarantee sustainability in the production of tropical oil, both socially and environmentally.	Operations are certified in Guatemala. Panama is in certification process.
RSPO Identity Preserved	Guarantees full traceability of the supply chain, ensuring that the bunches of fresh fruit are certified by their own source of supply in accordance with the RSPO's Principles and Criteria.	Operations are certified in Guatemala. Panama is in certification process.
RSPO Supply Chain Certification Standard	This standard guarantees the traceability of the supply chain; management systems are implemented to control the supply chain from the plantations to the final certified product. The refinery plant has a Supply Chain Certification, under RSPO Identity Preserved, Segregated and Mass Balance models.	Refinery plant in Mexico
Business Alliance for Secure Commerce	This certification endorses the company's use of global security standards to prevent smuggling or crimes in its logistics and international trade chain, from shipment to final destination.	66% of Tropical Oil Mills are certified in Guatemala
GlobalSTD	Guarantee the implementation of Good Manufacturing Practices.	33% of Tropical Oil Mills are certified in Guatemala
Kosher	Verification system for food to comply Jewish practices.	Tropical Oil Mills in Guatemala and Panama; and the Refinery plant in Mexico
Halal	Verification system for food to comply with Islamic practices	Refinery plant in Mexico
ISO 14,001	Implement environmental practices that promote the efficient use of natural resources	Refinery plant in Mexico
FSSC 22000	Focuses on the Food Security and Safety Management System	Refinery plant in Mexico

The global tropical oil industry's certification for sustainability by the Rainforest Alliance was gradually suspended. To learn more about the Rainforest Alliance's decision, visit the following website:

<https://www.rainforest-alliance.org/resource-item/policy-palm-oil-certification-phase-out/>.

Growing demand for certified tropical oil

The demand for certified oil has increased over the past few years, particularly in Europe and the United States.

“Demand for certified tropical oil has increased in recent years as consumers increasingly value the sustainability of products.

- Leonel Paiz, Supply Chain Director.



In Guatemala:

Compared to the year 2019, the total volume of certified oil increased by 36% in 2021.

In the world:

Worldwide, the operations of the tropical oil agroindustry have certification processes that demonstrate and validate whether the production phases have been developed in accordance with sustainability criteria, and as a result, the palm oil produced can be marketed as sustainable palm oil.

SUCCESS STORY 2021

AgroAmerica, one of the 5 most sustainable tropical oil producers in the world

According to the annual ranking The Zoological Society of London (ZSL) publishes, using the tool SPOTT (Sustainability Policy Transparency Toolkit), AgroAmerica is among the top five businesses out of 100 that were evaluated globally in the palm oil sector with the most transparent performance. This indicates that AgroAmerica received the fifth highest ranking in the category of environmental, social, and governance policies and practices (ESG).

The scores confirm and demonstrate AgroAmerica's complete transparency and commitment to achieving the best environmental, social, and governance results.

This is the fourth year that AgroAmerica participates in this initiative, and the result is only a reflection of the great effort made by our employees to guarantee good practices, transparency, and sustainability. AgroAmerica is and will continue to be an agent of change through sustainable production for the regeneration and restoration of the Earth and the well-being of its people.

- Fernando Bolaños, CEO of AgroAmerica

SPOTT evaluated 182 environmental, social, and governance indicators (ESG), grouped into 10 categories.

A team of experts from prestigious universities in London who are members of ZSL and RSPO evaluate the companies based on publicly available information.

The following categories were those in which



- ▶ Sustainability Policy and Leadership 100 %,
- ▶ Traceability 98.5 %,
- ▶ AVC, ACC and impact assessments 98.1 %,
- ▶ Community, land, and employee rights 93.4 %,
- ▶ Water and agrochemical management 91.6 %.

Professionals from prestigious London universities, who are members of ZSL and the Roundtable on Sustainable Palm Oil (RSPO), incorporated the SPOTT evaluation team.



AgroAmerica in position five of 100 companies evaluated.

In 2021

AgroAmerica received a score of 87.7%.



External audits are part of our continuous improvement and compliance

As part of our continuous improvement and compliance culture, we report that in 2021 we received 65 audits from clients and governmental institutions in occupational safety, environmental protection, health, and food hygiene, as well as compliance with COVID-19 protocol.

61

Government
Audits

2

Clients Audits



OUR OPERATIONS



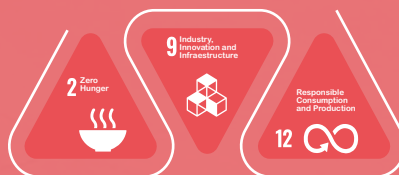
"Our Operations" is the pillar whose strategic goal is to ensure that our productive and commercial operations include innovation and productivity, quality and traceability, as well as the best possible supply chain management.

In this section:

Product quality and Traceability
Sustainable and quality products

Productivity and Innovation
State-of-the-art technology

Supply chain
Sustainable management



PRODUCT QUALITY AND TRACEABILITY

Sustainable and quality products



Why is it important?

We guarantee the quality of our products and increase clients' trust through complete control and traceability. We focus on traceability to manage risks associated with quality, safety, environment, social, and governance throughout the entire production chain until the products reach the final consumer. At the same time, we increase productivity and comply with food safety regulations.



Our approach, actions and accomplishment in 2021

Our company' commitment to the quality and safety of food is established in our Food Safety Policy. In line with this policy, our goal is to maintain the highest level of quality while ensuring that our products meet the high standards set by our clients. We accomplish this goal through our values and continual improvement processes established in our System of Quality Management.



PRODUCTIVITY AND INNOVATION

State-of-the-art technology



Why is it important?

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

Through innovation, we develop new products with high nutritional value, use resources responsibly and efficiently, achieve material circularity, reduce carbon emissions, generate employment, and support the economic development of the countries where we have productive footprint.



Our approach, actions and accomplishments in 2021

Innovation serves as a means of achieving our goals in the many areas of higher production and sustainability. Regarding water, we innovate with efficient irrigation systems; in terms of soil, we innovate with organic management techniques and a specialized laboratory; in social matters, we continue to innovate with the Human Development Center. In terms of productivity, we prioritize innovation to achieve the highest results.

4

Tropical oil processing plants in Guatemala and Panama

1

refinery plant in Mexico

1

soil, plant tissue, and water laboratory located in Guatemala



SUPPLY CHAIN

Sustainable management



Why is it important?

Our clients and other interested stakeholders have access to transparent and regular audits of the activities of both our supply chain and our productive operations. For this reason, and in accordance to our corporate culture and ethics, we proposed a management strategy that prioritizes sustainability and the highest possible quality across our entire supply chain in order to provide clients with products that go above and beyond their expectations.



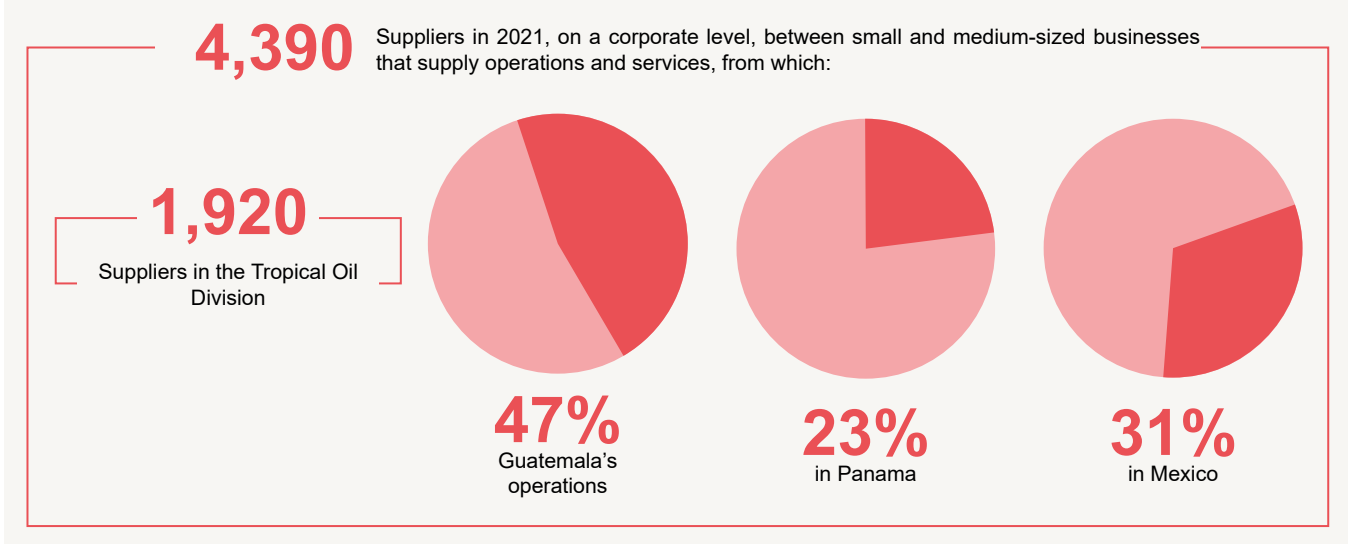
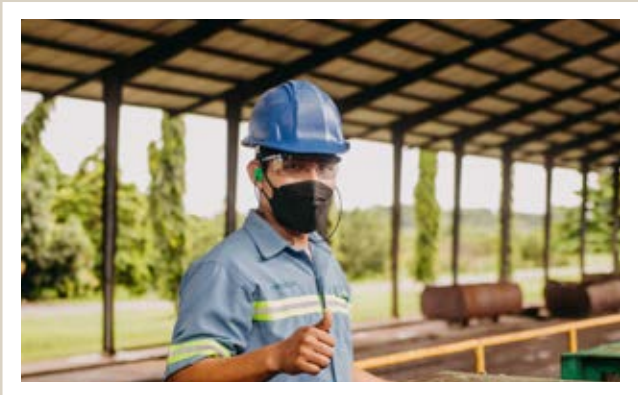
30
suppliers of Tropical Oil fresh fruit bunches
in Panama and Guatemala



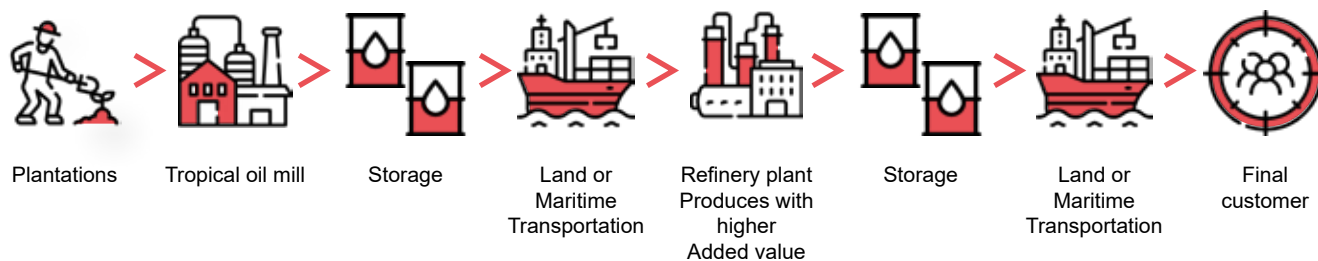
Our approach, actions and accomplishments in 2021

Our main focus is on ensuring a responsible and sustainable supply chain, which includes our suppliers of fresh fruit bunches, unrefined oil, and other products. We work with suppliers who must share our values and fundamental principles of doing things right, in accordance with the Supplier Relationship Policy.

We recognize our obligation to uphold a sustainable supply chain. Therefore, we ensure it through audits we conduct on a variety of areas, including labor conditions, environmental concerns, and human rights, to name a few. The providers who present the greatest risk or influence in these areas are the focus of these audits.



Tropical Oil Supply Chain:



Independent producers: producers of fresh fruit bunches (FFB)

We have 30 independent producers who provide us with Tropical Oil Fresh Fruit Bunches (FFB) in Guatemala and Panama.

Our process for assessing independent producers allows us to ensure that our FFB supply chain for third parties complies with all applicable legal requirements as well as AgroAmerica policy. We closely monitor the working, environmental, health and safety, legal, social, and other conditions that our FFB suppliers maintain in their farms.

With technical and financial support from AgroAmerica, 5 independent Guatemalan producers, that provide us with FFB, were able to obtain the RSPO certification.



Independent producers in Panama

In Panama, 25 fresh fruit bunch suppliers are still working on building their capacities in order to obtain the RSPO certification.

Once the processing plant in Panama obtains its RSPO certification in 2022, independent producers will have three years to achieve their own.

Every year, we provide more support to independent producers in order to help them become RSPO certified and, as a result, increase traceability.

In 2021, we conducted audit visits and training sessions with these producers on a variety of topics, including social, environmental, productive, and quality issues, among others. To obtain the RSPO certification, they must overcome a number of challenges, starting with economic ones. Our goal is to keep showing as much support as we can. We are working with the assistance of a consulting firm to continue implementing the Program for Supporting Independent Producers in order to achieve this goal (read the success story below).



Meeting with Independent Producers in Panama.

STORY AGROAMERICA

Strengthening the development of independent producers in the province of Chiriquí, Panama

The AgroAmerica Independent Producer Support Program, in cooperation with PROFOREST, advances and strengthens.

Since 2020, the program made significant advancements in its first two phases by 2021.



José Roberto Montenegro, President of the Tropical Oil division of AgroAmerica, giving training to independent producers in Panama; on good agricultural practices.



1. Assessment:

The assessment of the producers was the next step, and each one was given a technical fact sheet.

2. Training:

Additionally, progress was made in the area of training and sensibilization.

- ▶ The RSPO certification for producers went into greater detail: production of FFB, good agricultural practices, organization of farms, safe use and management of pesticides, employment policies, socioenvironmental policies, human rights, among other topics.
- ▶ There are plans to continue the training sessions, covering topics like environmental protection, general association aspects, fundamental accounting, the use of personal protection equipment (PPE), foliar sampling and soil displays, among others.

3. Georeference:

In the coming months, advancements are anticipated in the producers' farms' georeferencing and the corresponding legal review of the facilities.

4. Association:

Finally, we want to support the producers in establishing an association to coordinate and strengthen their cooperative, sustainable production, and commercialization efforts.

System of due diligence for suppliers

Our supplier evaluation system has been in operation since 2017; however, in 2021 the implementation of the system of due diligence started, which makes use of software to evaluate suppliers and approve those who meet the established criteria.

Any provider must register using the procedure outlined in the provider's user guide, using the "application for creating and registering providers," and declaring any kind of conflict of interest with an employee by using the "declaration to avoid conflicts of interest."



+200

approved suppliers according to the system

28

denied suppliers according to the system

OUR PLANET

“Our Planet” is the pillar with a strategic goal focused on the rational and sustainable use of natural resources, such as water and soil, and the surrounding environment.

To address the challenge, we must implement a regenerative agriculture approach that prioritizes the preservation, renewal, and improvement of soil health and fertility, as well as the protection of water resources and biodiversity. With this approach, we can maintain larger amounts of carbon dioxide in the soil and plants while also increasing the resilience of the food systems.



In this section:

Climate change:
Our race to Net Zero

Efficient water use:
Our efforts for water conservation

Responsible use of agrochemicals and soil management:
A regenerative approach

Biodiversity:
Regenerating the Earth and its resources

Waste management:
Our journey to Zero Waste

OUR PLANET GENERAL APPROACH

The environmental action approach has a focus on regeneration and is based on our environmental policy. This policy prioritizes the precautionary approach, which focuses on preventing and minimizing negative environmental impacts while committing to the implementation of efficient and timely solutions.

Our Environmental Policy guides our actions in three areas



Environmental training

We focus conservation efforts in our operations, training our personnel in environmental policy management, waste management, environmental management plan, convinced that knowledge makes all action more easily implementable.

Environmental audits

We also demonstrate to the appropriate government agencies our best manufacturing, hygiene, and agricultural practices, as well as how to store our goods and raw materials in the best possible conditions. In 2021, we received five environmental audits from the Ministry of Agriculture, Livestock, and Food.

This way, we ensure that the legal requirements and our internal procedures are followed in a clear and consistent manner.

Environmental monitoring

Following our Environmental Policy, we conducted 49 monitoring studies in 2021 on various environmental parameters and issues, such as pollution, residual water quality, noise, prevention and impact mitigation plans, water management, waste management, and wildlife. These monitoring operations were carried out by specialized external companies.



156

training sessions on environmental topics

3,693

employees trained in environmental topics

5

governmental audits on environmental topics

49

environmental monitoring by specialized companies to ensure internal compliance

0

sanctions imposed by environmental authorities in the countries where we operate

CLIMATE CHANGE

Our race to Net Zero



Why is it important?

Even though our crops absorb emissions as they grow, we recognize that food systems have an impact on the climate. We joined the global effort to measure and reduce greenhouse gas (GHG) because climate change is a global challenge that requires prevention and mitigation strategies.

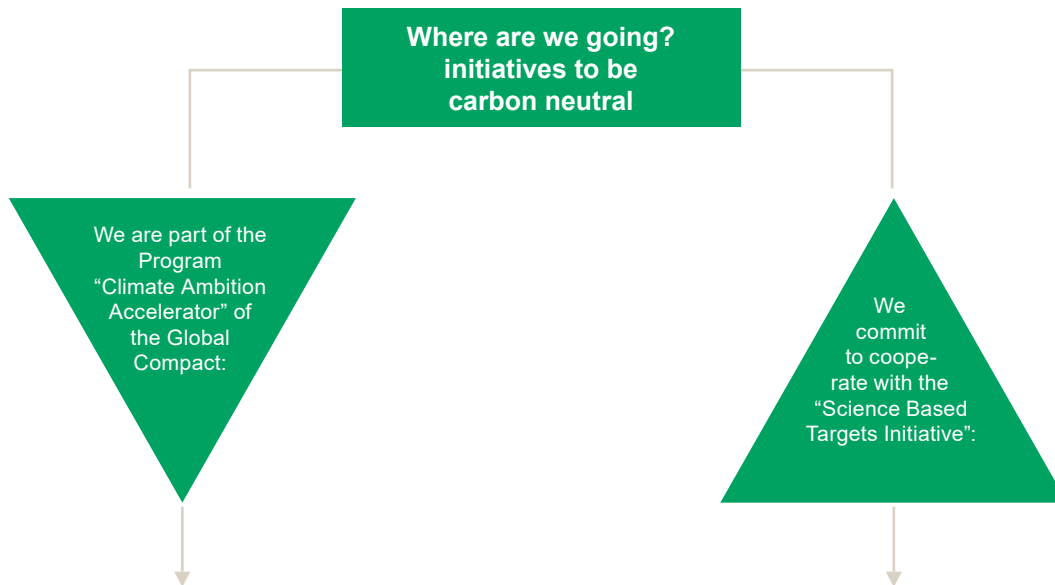


Our approach, actions, and accomplishments in 2021

Our focus is on using sustainable agriculture, which includes conservation and reforestation efforts, to capture the greenhouse gas in the soils and plants; without ignoring the GHG emission reduction measures we may display in our industrial activities. In this way, we also improve our resistance to the effects of climate change.

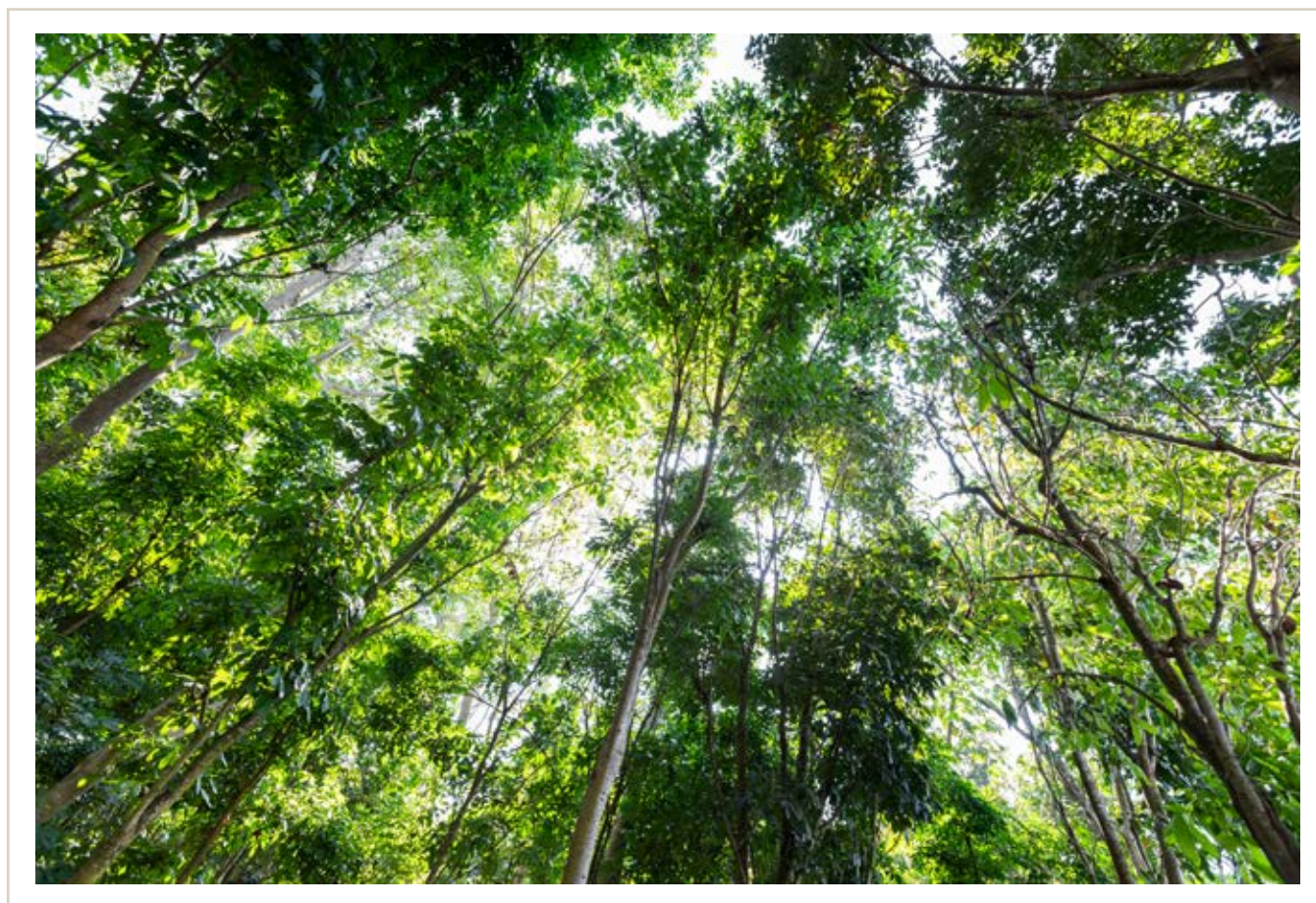
We are convinced that things that can't be measured can't be managed, and things that can't be managed can't be controlled. Therefore, we continue to make efforts to estimate our GHG emissions, the amount of greenhouse gas we store in soil and plants, and the compensation we achieve through our conservation and reforestation efforts.

According to the carbon footprint measurement done in 2021 using the strategies outlined in ISO 14064-1, the GHG protocol, and the calculation tool created by RSPO certification standards, our tropical oil operation has carbon-neutral production.



As signatories of the Global Compact, we have joined the Climate Ambition Accelerator, a six-month learning program that will allow us to expand our knowledge and learn the skills we need to contribute to halving global emissions by 2030, and reaching Net-Zero by 2050.

To meet our emissions reduction targets by raising the level of ambition, we plan to formalize our commitment to the Science Based Targets Initiative. Thus, by 2022, we will be setting goals to reduce our greenhouse gas (GHG) emissions and identifying the strategy that will allow us to achieve those goals. Additionally, we are preparing plans to reduce our carbon footprint.



SUCCESS STORY

Renewable energy, our race to “Net Zero”



One of our subsidiaries in Guatemala, AgroCaribe, continues to produce and use only renewable electricity in 100% of its operations. The biogas produced by the anaerobic digestion of waste water in three lagoons is collected, treated, and then put into an electric generator.

On the other hand, a biomass boiler can also produce renewable electricity using organic material made of the remnants of fresh fruit waste. The same tropical oil processing company uses all of the generated electrical energy, and the surplus is sold to the Guatemalan government's national interconnected system.

The capacity of the biogas generation system is 2 MW/HR, which is added to the approximately 10 MW/HR capacity of the biomass boiler.



EFFICIENT USE OF WATER

Our efforts for water conservation



Why is it important?

We are aware that water is a limited natural resource that is essential for life, crucial for our communities, and necessary for our operations. The availability of potable water on a worldwide scale has been impacted by climate change, population growth, and other factors. According to estimates, more than half of the population is expected to be impacted by the water shortage by the year 2050. Therefore, we must make every effort to preserve water in our operations and impact zones if we want to keep the regional and practical balance of our watershed.

Probes and Reservoirs

For water storage, we have 10 reservoirs (equivalent to 714 Olympic swimming pools) and 16 private subterranean storage areas. During the winter, reservoirs collect rainwater. Superficial river water abstraction takes place with the proper concessions and usage practices for its rational use.



The Intelligent Irrigation System enables efficient water and fertilizer use while raising land productivity.



Our approach, actions and accomplishment in 2021

Our main focus is on fully preserving the water supply through its most efficient usage, as well as the maximum re-use of processed waste waters utilized in agricultural irrigation.

Efficient use of water

We use procedures and technologies that allow us to efficiently monitor and use water throughout our whole production line.

Micro-spraying

As a component of our program for efficient water use in agricultural production, which identifies goals and actions for the short, medium, and long term, we highlight the implementation of an intelligent irrigation system that measures the moisture of the soil and doses the irrigation water according to real needs.

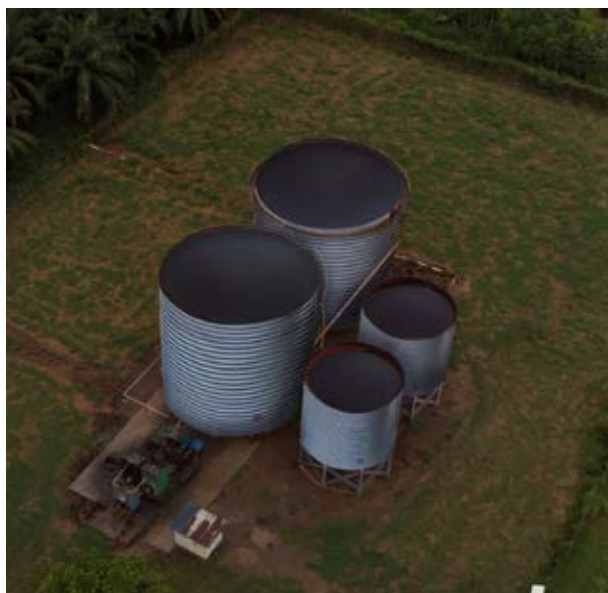
- ▶ **Soil moisture monitoring:** Using pressure monitors with an integrated telemetry system, it is possible to track the humidity of the ground in real time. This makes it possible to calculate the ideal amount of water needed for irrigation.
- ▶ **Microspraying:** According to the needs identified by the soil moisture measurement system, this optimal water dosage system enables a uniform and effective irrigation in the plantations.



Effective Water use in processing plants

The effective use of water is another priority for our processing plants. In the four processing plants, we were able to achieve an average water use of one cubic meter per ton of processed fresh fruit bunch.

Our average water consumption in Tropical Oil processors **1** m³/t Fresh Fruit Bunch processed



Wastewater Treatment Systems

The waste water treatment systems (STW) that are installed in our 4 processing plants process all of the liquid discharges from our operations. We use the nutrient-rich water that results from the treatment process to irrigate our crops. Before being reused, the wastewater is rigorously cleaned to improve its physicochemical properties.

In our industrial processes at the tropical oil processing plants, we achieved zero liquid discharges to surface water bodies by taking these actions.

STW includes an anaerobic treatment. In the case of AgroCaribe, the resulting biogas is utilized for the production of electric power (see Climate Change section). This procedure enables the consumption of the organic portion of the waste water to improve their conditions.

Additionally, we maintain a systematic monitoring of the quality of our liquid deliveries as part of our focus on conserving water resources; as well as the surface-level and underground water bodies that are in the area where we operate. This enables us to clearly and certainly demonstrate that neither the surrounding water bodies' ecosystems nor the biodiversity are harmed by our operations.

To ensure the effectiveness and efficiency of the treatment, different physical and chemical parameters are monitored in accordance with a predetermined calendar. Consistently monitored parameters include pH, temperature, and Chemical Oxygen Demand (COD).



Anaerobic lagoons that capture biogas to transform it into renewable energy

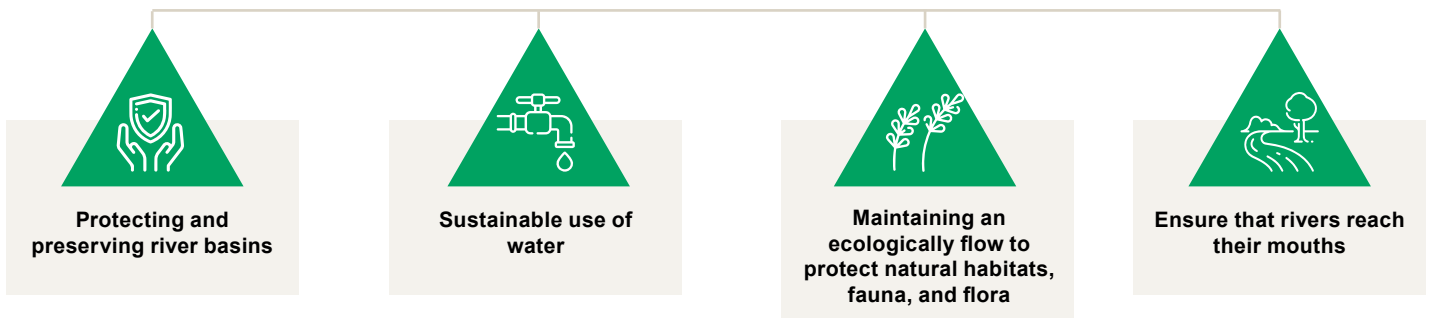
Integral actions: river basin technical working groups

We are still actively participating in the public-private effort to manage the river basin of Guatemala's southern coast and the Southwest region in a sustainable and integrated manner.

Since its implementation in 2016, this integrated approach has shown to be a successful water management strategy, and since that time, significant advancements in the use and sustainability of river basins have been made.



Technical Basin Committees major objectives:



RESPONSIBLE USE OF AGROCHEMICALS AND SOIL MANAGEMENT

A regenerative approach



Why is it important?

We maintain the soil's health and fertility to reach optimal levels of productivity while also focusing on the protection of the water resource and biodiversity. A healthy soil has a greater capacity to hold carbon, which lowers GHG emissions and makes it more resistant to the effects of climate change. In this way, we ensure solid foundation for a sustainably production of our food products. We train our employees to ensure proper management and administration of agrochemicals.



Our approach, actions, and accomplishments in 2021

In the context of sustainable agriculture, we prioritize efforts to preserve soil health and fertility through the deployment of best practices that minimize the use of agrochemicals. Actions we have in motion:



1. When we harvest the bunch, we reuse 100% of the palm tree plant's pruning. Additionally, the processing plant's byproducts including ash, fruit stones, fiber, sludge, and rachis are added to the soil as organic matter. This maintains soil fertility and decreases the need to apply agrochemicals, ensuring integrated cultivation management.



+530,000 TM

from organic material produced in processing plants are returned to the field.



2. We use "fertigation" to irrigate some of our crops using water that has been treated in our processing plants. This also functions as a mechanism for reintegrating organic nutrients into the soil.



3. We have a Department of Technical Services that is part of the Pests and Diseases Monitoring area. To control parasites, this specialized department must take the following actions:

- ▶ Maintain constant monitoring of diseases and pests.
- ▶ A biological control should always be used as a first step for identifying any problem.
- ▶ Only use chemical pest management if biological pest control fails to function.



4. Regarding product application, we comply with local national laws in the countries where we conduct business and international standards through the certifications we have. We look for the best agricultural product alternatives based on how they affect the environment.



5. In order to place herbicides, we use ultra-low volume application bombs. We are able to use water and agrochemicals effectively thanks to this equipment.



6. Due to our lawn and plant tissue analysis lab (AGROLAB), we are able to implement a preventive work model and practice "precision agriculture." Due to our constant research into the soil, we are able to make quick and accurate nutritional decisions in real time. Committed to sustainable agriculture, we seek to make significant advancements in soil management.



7. We constantly train our employees in the proper use of agrochemicals. Some of the topics addressed include: correct use of personal protective equipment (PPE), handling agricultural chemical spills, triple-washing of containers, understanding labels, pamphlets, and safety instructions for commonly used agrochemicals, and the toxicity of agrochemicals, to name a few.



8. In order to protect the soil from hydric and eolic erosion, we use leguminous cover in our plantations. We also contribute with organic material, improve humidity conditions, and improve nitrogen-fixing efficiency.

470

employees were trained in the responsible use of agrochemicals.



Responsible use of agrochemicals capacitation for employees.

BIODIVERSITY

Regenerating the Earth and its resources



Why is it important?

We operate in ecosystems with significant biodiversity, taking into account the ecological balance that preserves life-supporting conditions. We materialize the topic of biodiversity to ensure its protection and preservation, aware that any damage would have both a local and a global effect.



Our actions and accomplishments in 2021

We contribute to the preservation of biological diversity by focusing on regenerative agriculture, sustainable landscapes, and a No Deforestation, No Peat and No Exploitation Policy. In addition, we seek to restore damaged areas in order to have a positive impact on the local flora and fauna as well as other high-valued habitats. Consolidating strategic alliances that enable the launch of conservation initiatives and projects is a crucial element of our strategy.

0

operations located inside or next to protected areas.

Flora and Fauna

We have performed and updated the High Conservation Value (HCVs) studies that identify all of the fauna and flora species that are present in the areas where our operations have direct and indirect influence. This includes species that are listed as being of interest on the List of Endangered Species, the Red List of Threatened Species by the IUCN and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES, by its acronym in Spanish).

This help us identify the conservation actions and care efforts being made for the species that are located in the areas where our operations have an impact. We are working with allies to dig deeper into the actions that are most appropriate for their protection and preservation.



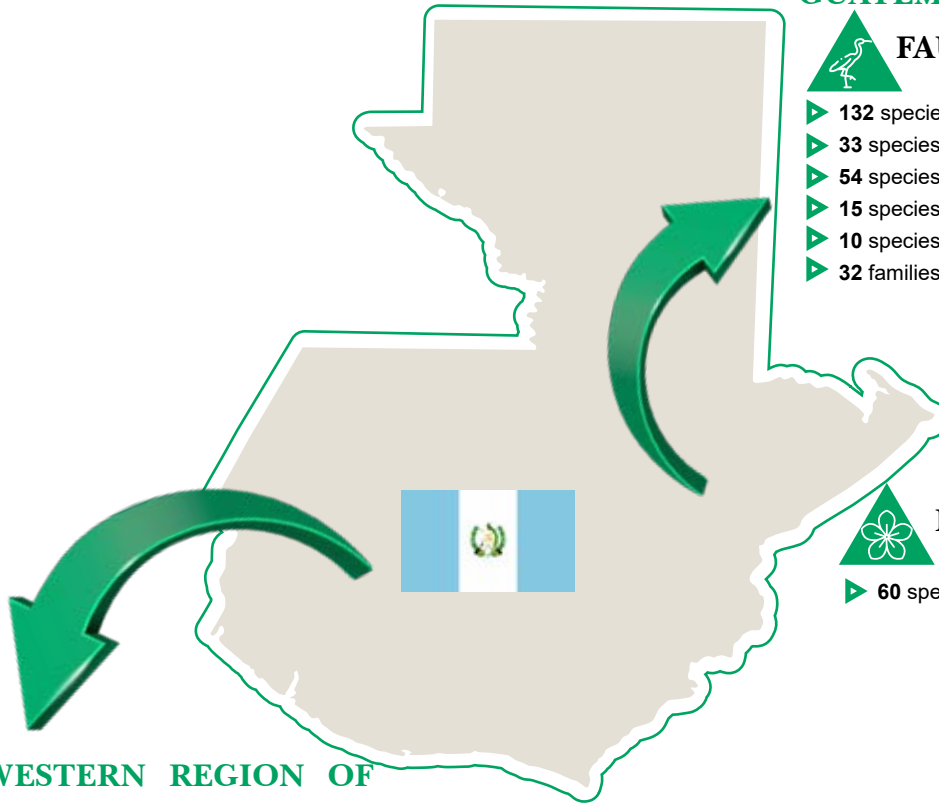
NORTHEASTERN REGION OF GUATEMALA

FAUNA

- ▶ 132 species of birds, 47 of them migratory
- ▶ 33 species of amphibians and reptiles
- ▶ 54 species of bats
- ▶ 15 species of terrestrial mammals
- ▶ 10 species of freshwater fish
- ▶ 32 families of macroinvertebrates

FLORA

- ▶ 60 species of flora



SOUTHWESTERN REGION OF GUATEMALA

FAUNA

- ▶ 16 species of mammals
- ▶ 20 endangered species of mammals
- ▶ 42 species of birds
- ▶ 12 endangered species of birds
- ▶ 17 species of amphibians and reptiles
- ▶ 18 endangered species of amphibians and reptiles

FLORA

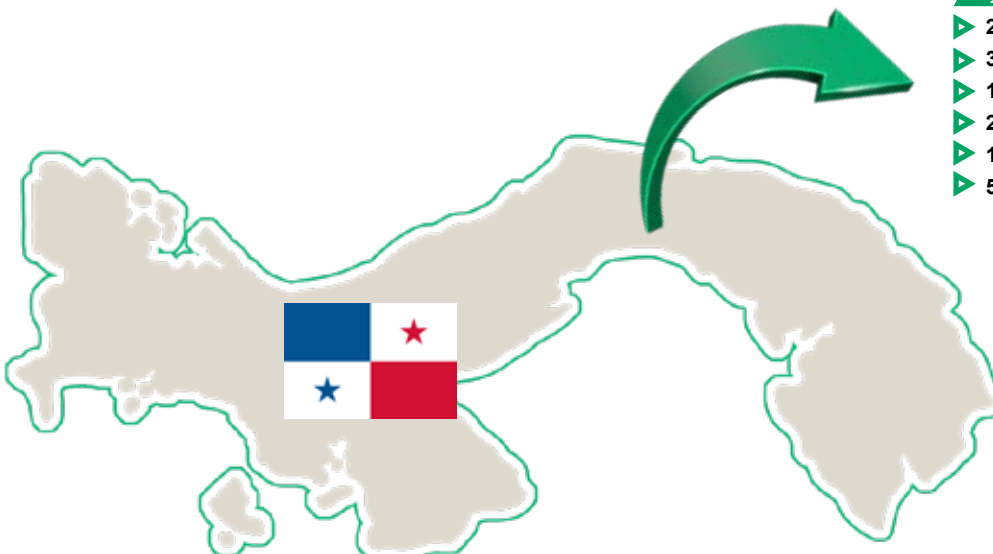
- ▶ 18 species of flora
- ▶ 18 endangered species of flora

FAUNA

- ▶ 25 species of amphibians and reptiles
- ▶ 3 endangered species of amphibians and reptiles
- ▶ 126 species of birds
- ▶ 23 endangered species of birds
- ▶ 11 species of mammals
- ▶ 5 species of mammals under conservation

FLORA

- ▶ 127 species of flora



CONSERVATION

During the year 2021, we manage to preserve more than 900 hectares of forest and riparian areas in our operations.

Up to the year 2021, we are part of significant conservation initiatives, among those which stand out are:

1. Mayan biosphere:



Through this initiative, we help preserve more than 19,000 hectares in the southeast region of the National Park Laguna del Tigre, in the location of El Perú-Paso Caballos-Peñón de Buena Vista, San Andrés, Petén, Guatemala. The full amount of AgroAmerica's investment in this initiative is US\$1.2 million.

AgroAmerica has invested a total of US\$1.2 million in the project. With the project, we will preserve a total of 19,098 hectares, including 14,038 hectares of forest, 117 hectares of water bodies, 704 hectares of wetlands, and 4,239 hectares of non-forest.

2. LandScale:



By joining this initiative we promote a standardized approach to measure sustainability performance, on the scale of a landscape. Among the actions that we have been implementing within the framework of this landscape vision, we can mention the following:

- ▶ Forest nursery with a capacity of 75,000 plants
- ▶ Donation of 37,000 natural forest seedling to reforest riverbanks
- ▶ The maintenance of 34.5 hectares of conservation area in the southwestern region



3. "Pollinators" Project:



This innovative initiative in the Central American region, seeks to preserve the population of bees. You may search for more details about the topic further ahead in "AgroAmerica's Story: Protecting the bees is protecting the entire planet".

4. Conservation of mangrove areas:



Through various financial actions we contribute to conservation and restoration of mangrove areas. Continue reading for more information in the two AgroAmerica's stories.

AGROAMERICA'S STORY

Protecting the bees is protecting the entire planet



Approximately 90% of flowering vegetation is reliant on pollination to reproduce. Likewise, 75% of the world's food crops rely, in some way, on pollination and the ecological services provided by natural pollinators.

Besides helping with agriculture, pollinators also play a role in food security and biodiversity preservation.

Bee conservation Sanctuaries:

Understanding the significance of bees for agriculture, we launched a pilot project, in 2021, to create a bees and other pollinator's sanctuary at Guatemala's southern coast.

During this year, we completed the first phase of the diagnostic procedure, which included the recognition of native bee species, data collection and the development of infrastructural information on bee sanctuaries.

The successful completion of this preliminary phase provided us with crucial data for the physical implementation of the integrated and biodynamic sanctuary in 2022, using exclusive methodology and scientific foundation, to protect and increase the population of native pollinators. We hope to replicate this initiative in other areas of the country in upcoming steps.

We hired the services of a company that specializes in the design of a bees and other pollinator's sanctuary, as well as the implementation of biodynamic apiculture projects and environmental education.

BeeHub, our supplier, has the support of the United Nations Convention to Combat Desertification (UNCCD), University of Kassel in Germany, Club Rotario Nueva Guatemala, and other conservation projects in Guatemala, Chile, Colombia, and Spain.



Bees are crucial for agriculture, food security, and biodiversity conservation.



1

macro bee's sanctuary has been established in a conservation area, inside AgroAmerica's operations on the South Coast



22

plant species and 10 pollinator species have been identified in AgroAmerica's forest conservation area

Strategic alliance to promote a sustainable landscape Mangrove restoration



The “Manchón Guamuchal” mangrove is the last and biggest wetland (mangrove ecosystem) on Guatemala’s Pacific Coast. It is located in the area of influence of the company’s farms, and its existence is essential to the Mesoamerican Biological Corridor.

Due to the fact that Manchón Guamuchal meets the criteria for identifying internationally significant wetlands, it has been designated as RAMSAR site.

Why are mangroves important?



They are able to absorb up to 1,000 tons of carbon dioxide CO2 per hectare every year, which is five times more than tropical forests.



They are distinguished by a combination of different vegetative communities, including flora from the coastal dune, dry forests, mangrove forests, palm forests, aquatic macrophytes, willow forests, fresh/ brackish lagoons, marsh areas and freshwater wetlands, and secondary vegetation areas.

The mangrove is threatened by illegal logging, pollution originated by garbage, and the existence of E. coli bacteria, which originates in the waste waters of the river basin that ends in this ecosystem. Furthermore, it suffered significant losses in forest covered area during a forest fire that affected 90 hectares of mangrove in 2019.

Mangrove restoration program:

In October 2021, a program for mangrove restoration and sustainable landscape was launched.

It was supported by AgroAmerica and implemented in collaboration with the Rainforest Alliance, Solidaridad, Landscape, Climate Change Institute (ICC, by its acronym in Spanish), and a number of national and local organizations, including the National Forest Institute (INAB, by its acronym in Spanish), the National Council of Protected Areas (CONAP, by its acronym in Spanish), and the local municipality.



The recovery of the ecosystem took place within the framework of the Landscape initiative, which included a diagnostic of the affected area, mangrove restoration, monitoring of the intervened area, and evaluation and systematization process.

It gives us great pleasure to announce that we have exceeded our forest restoration goal, and instead of restoring 43 hectares, we recovered 85 hectares of forest by 2021.

As a result of this intervention, several species of flora and fauna in the Manchón mangrove were able to be recovered. If we compare this year’s accomplishments to previous years, we can see that we have exceeded what was accomplished in the previous 10 years, during which we recovered 65 hectares via inter-agency efforts.



The greater goal is to restore 250 hectares of mangrove, and we will continue to work with our allies to restore the Manchón ecosystem and other forest landscapes in the region.

With our allies we were able to reforest 85 hectares of mangrove during 2021. The goal is to reforest 250 hectares of mangrove. In 2021, we signed a Memorandum of Understanding (MOU) with Rainforest Alliance in order to protect this ecosystem.

“

It is essential to bet in favor of the restoration of the mangrove. As a regional leader in agriculture and food, we recognize the value of this ecosystem’s contribution to nature; as a result, we have chosen a sustainable business model, with regenerative agriculture and environmental restoration practices that contribute to the preservation of 85 hectares in the Manchón Guamuchal

”

Javier Aguirre, Corporate Director.

AGROAMERICA'S STORY

Saving the last and biggest mangrove in Guatemala's southern region: Manchón Guamuchal

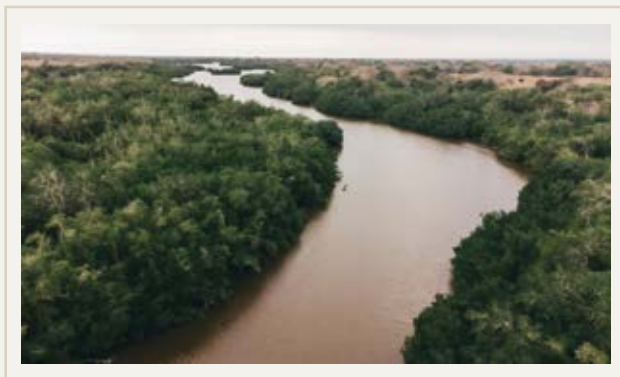


The "Save the Manchón" initiative emerges in 2021 as part of an alliance between our company and 9 public and private organizations: Solidaridad, CentraRSE, Climate Change Institute (ICC, by its acronym in Spanish), Green Development, the National Council of Protected Areas (CONAP, by its acronym in Spanish), Ecofiltro, National Forest Institute (INAB, by its acronym in Spanish), Landscale, Rainforest Alliance y Agroaceite.

The initiative's goal is to promote the preservation of El Manchón Guamuchal, the last and biggest wetland on Guatemala's Pacific coast.

Manchón Guamuchal is located in Guatemala's southwest region, between the Ocosito's river basin and the Pacific Ocean. Despite being a vital ecosystem for the Mesoamerican biological corridor, it is known to be impacted by the pollution of three neighboring municipalities.

"Save the Manchón" began with the development of the website salvemoselmanchon.org, which provides information and visual materials on this significant reserve and promotes civic awareness by detailing how individuals have an impact on the Ocosito's river basin. The initiative was successful in installing 20 water quality meters in the river basin, allowing the ICC to identify key regions of higher and lower pollution.



The project generated the "Save the Manchón Award 2021," which was launched in March of that year through promotional institutions' media and social media networks. The prize included a \$10,000 seed capital as well as the technical assistance and support of the associated organizations in order to maximize the effect of the winning initiative. The contest's goal is to find and finance solutions to reduce environmental pollution in the river basin via business and social innovation.

Natural Garden and Vetiver Tech were the winner entries. Vetiver Tech is a Guatemalan company with over 20 years of experience in providing slopes protection, environmental restoration, and erosion and sediment control services. While Natural Garden is dedicated to environmental restoration, gardening, production and consulting of ornamental plants. Their proposals include implementing bioengineering tools in a portion of the Ocosito River, the main source of water (and pollution) flowing into El Manchón.

The tools will promote the growth of local vegetation, which will lead in ecological systems such as riverbank woodland which will help to slow the movement of sediments towards the river's mouth and El Manchón.

Riverbank woodlands provide several ecological and biological purposes, such as acting as natural sediment filters.

Additionally, we have increased our efforts in El Manchón by reforesting mangroves from other AgroAmerica's divisions.

Learn more about our initiative at: www.salvemoselmanchon.org.

"We recognize that this is only the beginning of so many months of hard work and effort, but we are certain that these actions will allow us to continue working together to save El Manchón."

- Alex Guerra, Executive Director of ICC

Allies

Solidaridad



ecofiltro



LANDSCALE



AGROAMERICA'S STORY

Transparency in biodiversity conservation



On July 6, 2020, a claim was filed with the Roundtable on Sustainable Palm Oil (RSPO) system, accusing AgroAmerica of polluting part of “El Manchón Guamuchal” mangrove. We answered quickly and transparently, providing all necessary information in a clear and concise manner facilitating the entire investigation process. After demonstrating the integrity and non-impact on biodiversity of AgroAmerica’s operations, a year later, RSPO dismissed the claim.

Nevertheless, recognizing the area’s vulnerabi-

lity, we launched the El Manchón Guamuchal conservation initiative, as previously reported, and the “Save the Manchón” initiative to contribute to strategic alliances for the preservation of landscapes, mangroves, and community development.



Reforestation

By the year 2021, we have reforested 10.24 hectares of forest and riverside areas, making it a total of 9,216 trees in the southwestern region of Guatemala.

On the other hand, we are contributing in the reforestation of 6,027 hectares in Guatemala’s northwestern region by joining the reforestation campaign of the protected Cerro San Gil area, which is located in Aldea Punta de Palma, Puerto Barrios, Izabal. This activity was coordinated by the Foundation for Ecodevelopment and Conservation (FUNDAECO, by its acronym in Spanish), with the support and participation of various public and private institutions.



Conservation and Reforestation alliances

Alliance	Objective
National Forest Institute	Monitoring of reforested areas Donation of forest seedlings
Technical working sessions for the conservation of Guatemalan basins	Promoting collaborative actions such as reforestation and conservation
Private Climate Change Institute	Development of our reforestation strategy Donation of forest seedlings for forest nursery
Ministry of Agriculture, Livestock and Food	Technical consultancy in forest nursery
Ministry of the Environmental and Natural Resources	Donation of forest seedlings for our forest nursery in order to reforest the basin areas
Rainforest Alliance	Receive technical consultancy Implementation of a 75,000-forest seedlings nursery
Landscape	Landscape conservation
WCS y Solidaridad Network	Conservation of more than 19,000 hectares of the Mayan Biosphere.
Community Councils for Development	Reforestation of river basins in farms. Donations of forest seedlings to reforest communities.
Municipalities	Donations of forest seedlings

10.24 hectares have been reforested as a result of the operations, which corresponds to more than **9,000** planted trees in river basins.

WASTE MANAGEMENT

Committed to zero waste



Why is it important?

We prioritize appropriate and responsible waste management in our manufacturing process, including critical items such as agrochemical containers throughout their life cycle to avoid negative impacts on soil, air, and water bodies. Any failure to manage waste properly would disrupt the balance of our ecosystems, which is unacceptable to us.



Our focus, actions, and accomplishments in 2021

Our waste management procedures are primarily focused on reusing, recycling, recovering, and/or estimation of organic and inorganic waste. In the last case, we consider appropriate treatment and disposal based on the kind of waste.

We have categorized the different wastes generated in our manufacturing process, as well as the method of segregation, management, reuse/recycle, and final disposal. The wastes are separated in their original location for a better use. These procedures are formally integrated in the Integrated Management Plan for Solid Waste.



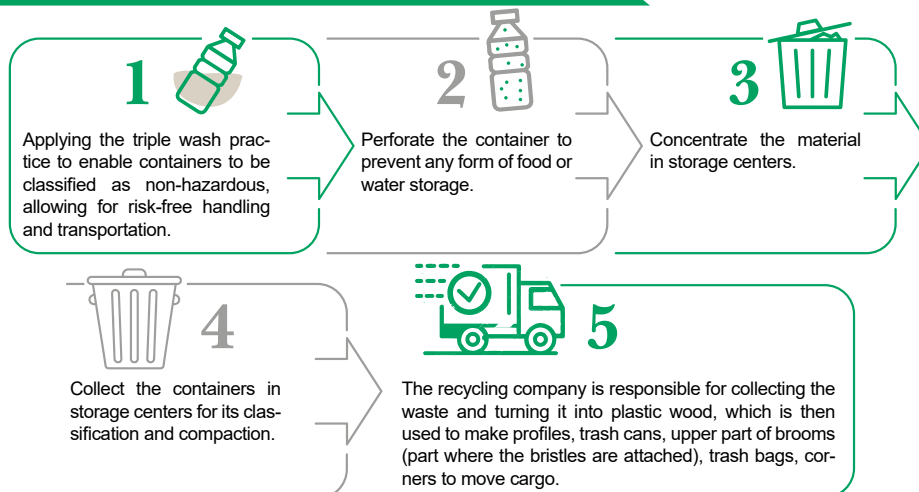
Organic Waste

A 100% of the palm plant pruning at the time of the harvest, as well as the bunch and derivatives from the processing facilities, such as: cinder, pit, fiber, mud and rachis, are being reintegrated to the crops. This action reduces the use of agrochemical products.

Inorganic Waste

Type of waste	Reusing/Recycling or ultimate disposal
Tires, cans, electronics, batteries, burnt oil.	Delivered to companies with the necessary permits for their responsible management and disposal.
Plastic, paper, cardboard and scrap metal.	Delivered to third parties for recycling. In the year 2021, it was recycled: - 4.6 tons of plastic - 0.87 tons of paper - 28 tons of scrap metal
Healthcare waste, wet cloths, filters and contaminated PPE.	Delivered to a company that specializes in the proper disposal of this kind of dangerous waste.
Agrochemical product containers	Recycled by Campo Limpio (Clean Field) program created by the Guatemalan Association of the Chemical Agricultural Guild "AGREQUIMA", as well as, other qualified suppliers. In the year 2021, it was recycled: - More than 95 % of agrochemical product containers

Steps for recycling agrochemical product containers:





OUR PEOPLE

The “Our people” pillar focuses on the company’s internal social management. We seek to provide appropriate working conditions for our employees’ professional and personal development. We promote a culture of training and growth, also, we ensure living wage and gender and diversity inclusion, guaranteeing people’s health and occupational safety.

In this section:

Working conditions:
Caring for our people

Training and culture:
Developing our team

Decent employment and living wage

Gender and inclusion:
Individual strengths enhance our team potential

Occupational health and safety:
A safe workplace for our people



OUR PEOPLE

More than 4,870 people work at our company, demonstrating a high level of commitment and determination to deliver products of exceptional quality on a global scale while maximizing productivity and sustainability.

We endeavor to make our business a desirable place to work where everyone feels comfortable while living up to our company values in an environment that prioritizes their health and well-being.

4,876

employees in AgroAmerica Tropical Oil operations with permanent jobs and living wages.

We distinguish ourselves from other agricultural employment sources that depend on seasonal production by providing families with year-round, steady income-producing jobs. We respect our employees and value their potential regardless of their race, gender, origin, religion, sexual orientation, age, or other factors.



WORKING CONDITIONS:

Caring for our people



Why is it important?

We are a company that creates a large number of employment opportunities and works hard to ensure that each one of them is regarded as the best employment position in the region. We ensure proper management of legal compliance and employment requirements while promoting a healthy, secure, and appealing workplace environment.



Our focus, actions and achievements during the year 2021

According to what is stated in our Hiring Policy and Labor Conditions, we provide sources of employment that fulfil all requirements stated in national laws, labor agreements with the International Labour Organization (ILO), and best industry practices.

As stated in our policy, we support internal growth and reward any employee who demonstrates exceptional performance. We work hard to create the best opportunities and a better working environment that inspires each person to give their best effort.

Labor Audits

During the year 2021, in terms of subjects relating to employment regulated by law, we received 26 government audits. Internally we conducted 7 audits whose goal was to find areas of opportunity to improve the working conditions we provide.

Labor Benefits

The working conditions we provide seek to give employees the atmosphere and peace they need to complete their tasks. For this reason, in addition to the position itself, we provide the following benefits to our employees:

- ▶ **Parental leave granted to our employees** (men and women) due to the birth of their children.
- ▶ **Savings and credit Coops for employees**, who offer savings accounts with the highest market profitability, posthumous care programs, convenience stores, and easy access to financing.



- ▶ **Additional medical insurance**, in addition to social security, insurance against accidents, and other benefits like feeding and transportation to and from work.
- ▶ **Elementary school for the employees' children**, settled by AgroAmerica in the southwestern region of Guatemala 11 years ago. Its purpose is to provide our employees' children with access to high-quality education through an innovative educational approach that places a focus on the student and his or her social and natural environment. During the year 2021, 117 students were registered, 52% of them were girls.

As of 2021, more than 120 students, children of employees, have graduated from the primary level.

+60% of our employees are members of the Savings and Loan Coop

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



Free association and democratic participation

We respect freedom of association and we encourage the democratic participation of employees, creating a culture of individual and collective dialogue. We maintain communication relationships with trade union organizations and entities that promote labor welfare at local, national and international levels.

312 employees (73 %) belong to the trade union of AgroPalma operations in Panama.

30 employees (39 %) belong to the trade union of the refinery plant in Mexico.



General Assembly with the worker-members of the Cooperative

AGROAMERICA'S STORY

AgroAmerica ratifies its commitment with the trade union within its operations in Panama

The Industrial Union of Employees of Chiriquí Land Company (SITRACHILCO, by its acronym in Spanish) and AgroAmerica agreed to a new collective labor agreement, which was ratified by the The Ministry of Labour and Development (MITRADEL, by its acronym in Spanish) local authorities of Panama.

The agreement benefits 192 unionized employees and will be in effect for 4 years as of the date of ratification.

The Secretary-General of SITRACHILCO, Simón Lezcano, acknowledged AgroAmerica's willingness regarding the improvement of the quality of life for employees.

With this action, AgroAmerica affirms its support for the freedom of association and the promotion of democratic participation among its employees.



Working environment

We continuously review our working environment through internal surveys and employee interviews. This enables us to apply ongoing improvements.

In the 2021, we conducted 21 internal surveys on working environment and interviewed 597 employees about the subject. The results are encouraging since they showed a high level of employee satisfaction with our company's workplace environment.

21

working environment surveys conducted.



TRAINING AND CULTURE

Developing our team



Why is it important?

We believe that everyone can achieve personal and professional success. For this reason, we encourage constant training opportunities creating a continuous learning culture for our people. Additionally, we operate in regions with low levels of education, which is why training personnel ensures the necessary levels of knowledge to perform functions in the company.



Our focus, actions and achievements during the year 2021

Training and development actions in our operations focus on both professional and personal topics, seeking for integral development. At the professional level, organizational competencies, leadership, dialogue and effective communication, human talent development, as well as the promotion of specific technical competencies per se, are developed.

Between the main topics we may mention: labor and socio-environmental policies, disciplinary guide, Code of Ethics, ethics line, grievances, complaints, and suggestions procedure; agricultural and industrial practices, international certifications, occupational health and safety, appropriate manufacturing practices, zero tolerance for child labor, human rights, COVID-19 preventive measures, among others.

4,056

trained employees in, at least, one institutional, environmental, government or technical topic.

3,715

employees trained in internal policies.

Personal and professional growth of our people

On a personal level, we give our employees the chance to complete their schoolwork. In accordance with this, we've joined forces with CONALFA (by its acronym in Spanish), Guatemala's National Literacy Committee, so that any employees who have the desire can take advantage of the program for literacy. AgroAmerica is responsible for logistics as part of the program, in addition to providing school supplies and the workplace spaces needed for employees to attend their academic classes.

600

employees have participated in the reading and writing learning program by the year 2021



Employees received their diploma for completing the Literacy Program

AGROAMERICA'S STORY

The story of a professional career

Celebrating 25 years with the company



Christian Mora, Operations Manager (in the middle) with his team of work

The company has always been known for growing hand in hand with the development of its employees. As an illustration of this shared success, we would like to highlight Christian Mora's career. He is an inspiring leader and role model who consistently sets high goals and who has demonstrated over the course of his 25 years of work how to live up to the company's values by working in teams, persevering through challenges, and showing loyalty.

In 1997, Christian started working for the company as a student who was doing his university internship in the Guatemalan Northeast Coast banana plantations. Fernando Bolaños Menéndez, the company's founder, spoke with Christian early on and requested that he continue working there, thus after completing his internship, Christian rejoined the team as a supervisor that same year. Later, in 1998, he was promoted to Farm Administrator for the Campo Verde (Green Field) farms. Later, he was promoted again in 2001 to Supervisor of Agricultural Services and then to Manager of Farms.

In 2009, he was invited to lead the palm division located in the south coast of Guatemala, he was designated as the new Tropical Oil Production Manager. From 2009 to 2019 he showed with high performance and leadership, finally in 2020, Christian was promoted again as Operations Manager.

“Like our founder, we never stop looking for new ways to inspire our people and create a sense of loyalty while giving 200 percent of ourselves to the work we love. I like it when people seem trustful and committed. We work together as a team to grow with the company”.

– Christian Mora, Operations Manager.

Christian provides concrete examples of how he has helped the employees under his supervision grow along with the company. He states that among the 2021 accomplishments made during his leadership, it is important to note that throughout the pandemic, exhausting efforts were made to care for our employees and communities. This made it possible for the company to continue operating.

This commitment caused the employees to have a great deal of dedication and loyalty to their work. In addition, despite the challenges of operating during the pandemic, we took the lead and successfully managed to maintain the operation in accordance with international standards and certifications.

“Success requires setting goals that are higher than the average, to always be one step ahead. It is difficult, but anything is achievable with persistence and consistency”.

– Christian Mora, Operations Manager.

LIVING WAGE

Decent employment and living wage



Why is it important?

We determined the wages for agricultural activities in rural areas based on what is required to maintain a family in a respectable manner. We don't just follow the law's minimum wage requirements; instead, we go further than what is required of us.



Our focus, actions and achievements during the year 2021

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

Since 2011 we have been developing financial models to identify the living wage, as a commitment for those who work in agriculture to receive a payment that not only complies with national laws, but also it is a payment that allows them to support their families by covering all basic expenses.

IDH Salary Matrix

We use the Salary Matrix, developed to support with practical tools, efforts that can be used to provide transparency in supply chains in relation to wages. This helps you to assess how total compensation (including wages, bonuses, cash and in-kind benefits) compares to relevant living wage benchmarks.

According to the results of the application of the Salary Matrix, we have no gaps in the provision of a decent wage in any of the regions in which we operate, thus we can say that AgroAmerica provides its employees with a living wage



According to the results of the Salary Matrix we pay more than the fair wage by adding value to the employees' need for subsistence.

We measured our salary and compared it to the benchmark studies conducted by the Global Living Wage Coalition (GLWC) in each of the countries where we operate, and we're happy to report that there is no wage gap.

Social Progress Index

The statement made in the previous paragraph is consistent with the findings of our employees' Study of Social Progress Index (SPI), which was completed in 2021.

The results indicate that our employees have an SPI that is 5% higher than Guatemala's national average.

SPI is an index that combines social and environmental factors and measures three aspects of social progress: basic human needs, foundations for well-being, and opportunities. Each of these dimensions captures 4 aspects, as shown in the following graph.

These are the areas where  AgroAmerica performs better than the national SPI score:

- ▶ **Personal and local hometown safety:** 17.84 pts higher than national SPI.
- ▶ **Health and wellness:** 17.84 pts higher than national SPI, demonstrating a low prevalence of chronic diseases.
- ▶ **Opportunities:** 20 pts higher than national SPI in the areas of human rights, personal freedom and choice, inclusiveness and access to advanced education.

When carrying out the measurement, we joined the Social Progress in Latin America Network, which comprises 21 initiatives, 10 countries and 107 organizations.



GENDER AND INCLUSION

Individual strengths enhance our team potential



Why is it important?

We operate in regions and nations where, typically, the agro-industrial sector is dominated by men and includes a variety of ethnic groups.

We are working to promote a human talent valuation that provides equal opportunity and does not exclude people based on their gender, race, ethnicity, place of origin, religion, sexual orientation, or any other aspect of their humanity.

21% of the Executive Committee is made up of women



Our focus, actions and achievements during the year 2021

We are a company committed to promoting diversity, equality, and inclusion in all our workplaces, as established in our Equality and Non-Discrimination Policy.

We work in multiple geographies with different ethnic and age groups, so we are able to hire diverse people who bring different points of view to the operation of the company.

We still face challenges in the gender balance topic of our operations, at the field and factory levels, where men mainly perform the work. Nevertheless, we strive for greater gender parity in our operations in accordance with our Women's rights, Non-discrimination and Non-harassment at Work Policy. We have made great strides, mainly in the administrative and executive areas, but we are confident that there is always room for improvement.

Comparison in number of female employees in all operations 2020 and 2021:

92 female employees in 2020

116 female employees in 2021

Gender committee

Our gender committee seeks to improve working conditions and the gender equity management system. Also aims to listen to the main needs of female employees, as well as, search for their empowerment and influence inside the company.



3

Gender Committees in Guatemala and Panama.

34

female employees form the Gender Committee.



OCCUPATIONAL HEALTH AND SAFETY

A safe workplace for our people



Why is it important?

We look after our employees' health and safety because it's crucial to building sustainable organizations. Employees' health and well-being leads to better performance while also ensuring a safe and trusting work environment.



Our focus, actions and achievements during the year 2021

Industrial Safety Policy the deployment of health and safety actions is displayed in our Health and Industrial Safety Policy, and also comes from the Corporate Occupational Health and safety Plan, updated in the 2021. According to this document, our focus involves the following management guidelines:



Worker's Health



Risks and incidents



Emergency situations



Health and safety training



Audits and control

The health of our people

We take care of the health of our employees by using prevention and control procedures as well as immediate and comprehensive response to unanticipated situations. High standards of quality are maintained by our medical services, which are managed with the assistance of specialized medical staff, which includes 11 nurses, who provide medical care at the workplace.

We have an outsourced medical service at the refinery that provides prehospital emergency medical care to our employees in accordance with Mexican official standard NOM-034-SSA3-2013. This service has two paramedics available 24/7, and it offers first aid medication delivery as well as, if necessary, transportation in an ambulance to a healthcare facility.

COVID-19 prevention:

On the other hand, handling the pandemic was also a priority during this time. Along with continuing to develop and strictly apply to our COVID-19 Prevention Plans and Control Strategies, we are focused on encouraging vaccination among all of our employees. We conducted immunization events in the workplace in collaboration with the Guatemalan Social Security Institute (IGSS, by its acronym in Spanish) and the Ministry of Public Health.

Worker's Health

6 free-access medical dispensaries and 12 emergency spots (locations where the nurses assess the field laborers, they have a stretcher and first aid kit).

9,374

treated cases in the nursing area of the southwest region of Guatemala, 60% of them were common diseases.

812

employees participated in AgroAmerica's Human Development Center Clinic. A medical file was created for each worker taking into account the employees' state of health. Additionally, a number of tests were conducted to identify any illnesses preventively.

4,372 COVID-19 vaccines administered to the AgroAmerica's Tropical Oil personnel



1,371

COVID tests conducted.

4,117

employees trained in COVID-19 prevention procedures.

Detection and management of risks and incidents

We are constantly working to update the risk matrices for all operations, which identify risks, threats, and estimate the likelihood and severity of occurrence. With this analysis, we are working on developing and/or updating occupational health and safety management system, including plans, protocols, programs, and actions that address and mitigate the many identified contingencies.

We are actively using the Bipartite Committee on Occupational Health and Safety to ensure our employees' participation in OHS processes. This includes both managers and employees in an effort to incorporate them and take into account their advice, suggestions, and opinions in OHS-related activities. The election of new members is done according to the "Bipartite Committee on Occupational Health and Safety election process". The Committee is responsible for looking into incidents and accidents as well as making sure all measures intended to reduce risks are taken. This enables us to easily update and improve our actions to reduce workplace risks.

102

employees belong to the OHS committee.

59

completed OHS committee meetings.

363

days without accidents at the Tropical Oil Processing Plants.

Emergency Situations

We continue to distribute our emergency plan, which is constantly updated and shared in order to achieve the appropriate response and attention to emergency situations.

In 2021, we involved our people in responding to potential emergencies through the creation of 23 brigades, each of them were made up by 363 employees throughout our three operating nations. During this whole period of time, we continued educating our people about topics like first aid, risk analysis, duties as brigades, use of extinguishers and first aid kits, among other things.

Emergency situations in 2021

- ▶ 23 conformed brigades
- ▶ 34 training sessions provided
- ▶ 363 people selected for brigades
- ▶ 22 drills performed
- ▶ 20 brigade reunions

Health and Safety Training

We are convinced that proper training is essential for successful performance. It is for this reason that, as our OHS Plan stipulates, we continuously train our employees in OHS-related topics such as proper use of personal protection equipment, COVID-19 prevention, risks, order and cleanliness, disease prevention, emergency response plans, safe use of cutting tools and other tools, first aid, among other examples.

Health and Safety Training

- ▶ 28 OHS training sessions
- ▶ 5,641 employees trained in OHS
- ▶ 5,120 employees trained in COVID-19 prevention plans/actions
- ▶ 2,853 employees trained in HIV

Audits and Control in Occupational Health and Safety:

The internal and external audits that we get are by far our best tools for control and continuous improvement. Because of this, we carry out a number of systematic reviews in the areas of health and workplace safety that allow us to evaluate our performance, in this case, in regard to OHS.

Audits and Control

- ▶ 18 government audits regarding OHS topics
- ▶ 14 government audits regarding compliance with regulations COVID-19.



Occupational Health and Safety Brigades



Refining plant evacuation drill

OUR COMMUNITIES



With the pillar “Our Communities” we strengthen our business’s external social management and the commitment to promote constructive relationships with our target audiences, and our role as agents of sustainable development.

In this section:
Relationship with Stakeholders:
Working for sustainable development
Development of communities:
Our contribution to social challenges



17 PARTNERSHIPS TO ACHIEVE OBJECTIVES

INTERACTION WITH ACTORS

Working for sustainable development



Why is it important?

We address multiple target audiences by communicating, collaborating and working together to review the social and environmental challenges facing our society; with the objective of providing alternatives to contribute to social development and the success of our business.

We operate in close proximity to 76 rural communities. We impact millions of consumers seeking healthy, sustainable food. We have thousands of suppliers. We are audited by government institutions and international organizations, to name a few of our many stakeholders.



Corporate Director of AgroAmerica with municipal authorities of Panama



Our focus, actions and achievements during the year 2021

A coordinated and friendly interaction with our stakeholders allows us to enhance the social impact we want to generate through our community projects and other comprehensive actions and initiatives.

We work in alliances and with a communication network that involves more than 304 local contacts, including community and religious leaders, members of Community Development Committees, teachers, school principals, mothers, governmental and non-governmental institutions, as well as the media. This has allowed us to articulate our efforts, maintain a constant dialogue and manage sustainable development projects.

63 visits

by our community relations team to our surrounding communities.



Guided visit to community leaders and local institutions in the oil processing plant

AGROAMERICA'S STORY

AgroAmerica is committed to promoting health and food safety.

As part of our stakeholder engagement, we participate in various committees or commissions that support integrated actions at the community and basin levels.

The most relevant participation is in the Municipal Health and Food Safety Committee in the southwestern region of Guatemala, which has the following functions:

- ▶ Raise awareness among the population and organizations on the importance of health and nutritional food safety.
- ▶ Guide and conduct the elaboration of the diagnosis of the food safety situation in the communities of the municipality.
- ▶ Elaborate an action plan, in total harmony with the needs identified in the community diagnoses.
- ▶ Coordinate food assistance actions, when necessary.
- ▶ Promote integral and complementary actions that respond to the fulfillment of the four NFS (nutritional food security) pillars.
- ▶ Implement a monitoring and evaluating system for the NFS situation in the municipality, through NFS surveillance and early warning systems (situation rooms, categorization of communities).
- ▶ Strengthen community organization in favor of NFS.



AgroAmerica's Corporate Director at the Municipal Health and Food Safety Commission in the southwestern region of Guatemala

Governmental institutions, civil society and private entities of the municipality participate in the Municipal Health and Nutritional Food Safety Commission. In this instance, the partnerships for the reduction of acute malnutrition have been highlighted.

Achievements in 2021:

- ▶ AgroAmerica actively participated in 6 Municipal Health and Food Safety Commissions in the southwestern region of Guatemala.
- ▶ Participation in 31 meetings.
- ▶ 264 cases of acute malnutrition, 62% of which were recovered due to the coordinated activities of the Municipal Health and Food Safety Commissions.

Local alliances for community development

In the most recent years, we formed alliances that enable us to articulate comprehensive projects and initiatives. In 2021, we finished the year with 67 alliances in Panama and Guatemala, aimed at promoting sustainable development projects at the local level: Governmental and Non-Governmental Institutions, Civil Society and Private Entities.



We highlight the continuity of our commitments in the southwestern region of Guatemala:

- ▶ With more than 50 community leaders, members of the Local Coordinators of Natural Disaster Reduction, with whom we have contributed to their conformation since 2016.
- ▶ With the Trifinio Southwest Association, formed by 52 communities that have been promoting the development of the area since 1994. With it we actively contribute to community management projects in health, education, infrastructure and environment.

AGROAMERICA'S STORY

Partnership for the integral development of more than 50 communities of the Trifinio, in southwestern region of Guatemala



The Association for Comprehensive Development of the Southwest Trifinio (ASODITSO, by its acronym in Spanish) was created in 1990 to respond to the needs of the communities located in the Trifinio basin, that is, the point where three departments of Guatemala meet. The representatives of more than 52 communities decided to organize themselves to work together for the development of the region and manage projects to solve problems such as flooding, access to basic services and infrastructure. Its overall goal is to raise people's quality of life in this area by the participation of central and local government, the private sector and civil society. It also seeks to manage programs that contribute to the generation of employment, education, health care, and infrastructure, as well as the empowerment of women and the development of communities' capacity to manage their own development.

AgroAmerica maintains a strong relationship with ASODITSO by actively participating in the monthly meetings and handling urgent situations as they arise. Our role is the one of a friendly neighbor, working to overcome local challenges and serving as proactive agents in projects that collaborate with the public, private, and civil sectors.



Corporate Director of AgroAmerica gives recognition to the President of ASODITSO for the work carried out for the development of the area

We had the chance to lead a project in 2021 for the benefit of ASODITSO communities, which made it easier for local coordinators of disaster reduction to establish in various cities.

We will continue to work with ASODITSO on various initiatives to promote sustainable development.

These are some of the highlighted projects during 2021, in which AgroAmerica participated and actively contributed to the development of the Trifinio:

- ▶ Infrastructure improvement efforts: maintenance and repair of roads, including the asphaltting of 29 kilometers of highway.
- ▶ Weather Change: Preventive measures for tropical storms, formation of Local Coordinators for Natural Disaster Reduction, as well as the donation of trees to communities in the Trifinio for reforestation of river basins.

Training for target audiences

The more we inform and train our target audiences, the more confidence we generate in them. Some of the training is carried out by our own personnel; while, on some occasions, we outsource the training process to specialists or technicians in the chosen field.

The trainings address personal and professional training topics to facilitate the development of the communities in the area of influence. The topics, dates, and format of the training sessions are determined in collaboration with the regional authorities via participatory mechanisms.

425 stakeholders

(citizens, institutions and employees) were trained and informed on various productive, institutional, environmental, preventive health, safety and social issues.



AGROAMERICA'S STORY

Supporting higher education programs on sustainability

Public-private collaboration between the U.S. Department of State, U.S. Embassy, and Partners of the Americas with companies, foundations and regional academic networks.

Latin America has great environmental challenges, and therefore we need to contribute to the training of a new generation of academics and students who conduct research and generate innovative solutions to respond to these problems.

In this line, AgroAmerica has positioned itself as one of the main sponsors of "The 100,000 Strong in the Americas (100K) Innovation Fund", donating more than US\$100,000.



As of March 2022, after 31 grant competitions since 2014, the Innovation Fund has awarded 278 grants (\$25,000-\$35,000 each) to 534 institutions of higher education working in teams, in 25 countries and 49 U.S. states.

"With great enthusiasm, AgroAmerica joins the Department of State as a strategic partner in this regional initiative. Through our shared values, we are building, step by step, a prosperous and hopeful future for our nations. At AgroAmerica we are certain that strategic investments like these will be multipliers of prosperity for the United States, Central America, and the Dominican Republic in the future of our continent."

- Fernando Bolaños, CEO of AgroAmerica

The fund enables more students in the region to have access to innovative academic training and exchange programs so they may collaborate, do research, develop their technical and linguistic skills, and get prepared for the demands of the labor force. To this end, **12 grants of US\$25,000 each have been awarded in the Central American region and the Dominican Republic for projects that will begin in early 2022.**



The US Department of State and AgroAmerica are the sponsors of the \$100K competition, which also has the support of the US Embassy, the US Department of State's Office for Western Hemisphere Issues, the US ONG Partners of the Americas, foundations, other private businesses, and regional academic networks.

One of the successful research projects that came out of the funding was an effort between the Universities of San Carlos in Guatemala, Technological University of Honduras, and Texas Tech to find comprehensive solutions to the issue of the pollution of the "Motagua" river, which is located in the Northeast region of Guatemala bordering Honduras.

This project is moving along and shows great promise in providing information that is necessary to address this environmental issue.

"The 100K Innovation Fund promotes a positive agenda for the hemisphere by harnessing the power of education to transform societies, provide opportunities and stimulate economic growth."

- William Popp, United States Ambassador to Guatemala.

We congratulate the winning Guatemalan students and academics, who partnered with universities in the United States and received funding to create innovative solutions to environmental problems in the region.

100K is a public-private partnership between the U.S. Department of State, U.S. embassies and Partners of the Americas, with regional businesses, foundations and academic networks.

AgroAmerica has donated more than \$100,000 to the U.S. Innovation Fund to award grants to institutions of higher education.

In 2021, the 100K competition was sponsored by the State Department and AgroAmerica.

+2,300

institutions of higher education have joined the Innovation Network, including 1,300 universities in the United States.

DEVELOPMENT OF COMMUNITIES

Our contribution to social challenges



Why is it important?

We operate in rural communities where our employees come from and where our operations have an impact. In these areas, there are multiple needs, high levels of poverty, malnutrition, limited infrastructure and little presence of authorities. Therefore, we collaborate with our communities and various stakeholders, such as the State, civil society and the private sector, to contribute to a common sustainable development agenda.

The projects that were completed during this most recent period are mentioned in the next section.

Infrastructure:

- ▶ Donation of material for restoration of drinking water system damaged by tropical storms.
- ▶ Road maintenance.
- ▶ Donation of building materials for the improvement of governmental institutions.
- ▶ Donation of building materials for community infrastructure.
- ▶ Bridge maintenance.
- ▶ Reinforcement of border protection to prevent flooding.

Education:

- ▶ Donation of supplies for the literacy program.
- ▶ Improvement of school classrooms.
- ▶ *Schools were closed during the COVID-19 pandemic, therefore, support for education will resume in 2022.

Health:

- ▶ Donation of computer equipment to the municipal health department for use in implementing the COVID-19 National Vaccination Plan.
- ▶ Management and oversight of the health department for coemployees' COVID-19 vaccinations at their place of employment
- ▶ Community medical days.
- ▶ Nebulizations in communities to prevent diseases such as dengue, zika and chinkingunya.

Environment:

- ▶ Donation of forest seedlings for reforestation of river banks.
- ▶ Training of stakeholders in natural disaster preparation, prevention and reduction.



Our focus, actions and achievements during the year 2021

We reaffirm our commitment to acting as development agents in our communities while seeking to improve the conditions and quality of life of the families that comprise them. The impact of our action is reinforced by our alliances and is especially aimed at the communities that are close to our operations.

76

influence communities

To help our communities develop, we work in the areas of infrastructure, health, the environment, and education. In the year 2021, we carried out 52 community management projects in Guatemala and Panama that is 13 more than in the year 2020.



Our Results:

570

patients treated at community health fairs.

+4,000

houses that were nebulized in cooperation with the health department in the southwest of Guatemala to prevent vector-borne diseases.

52

community management projects that were implemented in health, education, infrastructure and environment.

Donations:

AgroAmerica periodically donates bananas to communities and government institutions to promote health and food safety in our areas of influence:

1,264,100

bananas donated in 2021

28,040 forest seedlings donated during the 2021.

Donation of supplies to prevent the spread of COVID-19 in 2021

Supplies donation:



425

Face masks donated in 2021



109

Gallons of gel alcohol donated in 2021



9

Gallons of liquid soap donated in 2021



546

Gallons of bleach donated in 2021



President of the Tropical Oil division of AgroAmerica, receives recognition from the Ministry of Health for contributing to the National COVID-19 Vaccination Plan.



AGROAMERICA'S STORY

Listening to communities through social impact studies

In 2021, we conducted three social impact studies in our Tropical Oil operations, in Guatemala and Panama, through external companies outsourced for their elaboration. This, in order to identify positive and negative impacts, as well as, improvement opportunities for the preparation of our Annual Social Responsibility Operating Plan.

We had the participation of 342 stakeholders (communities, employees, private entities, governmental and non-governmental organizations) in participatory workshops and interviews to define the main impacts and respond to the posed challenges.

3

social impact studies in Guatemala and Panama.

+342

stakeholders participating in the participatory workshops for the elaboration of the studies.



These were the main results and tools of the Social Impact Studies:

- ▶ **Mapping of our stakeholders**, including internal and external public and private actors in the area of influence of our business.
- ▶ **Development of a matrix of positive and negative impacts** that our operations generate; in order to systematize, analyze and classify all information related to the perception of stakeholders.
- ▶ **Development of participatory workshops and interviews with stakeholders** that are part of the study, to collect information
- ▶ **Preparation of an Annual Corporate Social Responsibility Operating Plan**, based on the information gathered from the Social Impact Studies that prioritize and focus our efforts on mitigating negative impacts, enhancing our positive impacts and reaching out to stakeholders.



Workshops with local institutions and communities for Social Impact Study in our operations in Panama and Guatemala

Human Development Center in AgroAmerica

Without a doubt, our Human Development Center will continue to be our flagship social project in the area of health (HDC).

The CDH was established in Guatemala's southwest region in 2014 in order to provide medical services and preventive health programs for more than 30,000 residents of the Trifinio region (where three departments converge).

The HDC was created, built, and is currently run in collaboration with the University of Colorado in the United States as part of our overall vision to provide access to health services and programs for our employees, their families, and the local communities.

Some data from our CDH for 2021:

10,600

patients were seen at the medical clinic at the Human Development Center.

790

children and women participated in the community programs, which contributed to reducing maternal and child mortality and chronic malnutrition

The main services provided by the Human Development Center are:

1 Medical services for our employees and communities:



- ▶ Medical consultations
- ▶ Emergency Attention
- ▶ Ambulance
- ▶ Childbirth
- ▶ Pharmacy
- ▶ Laboratory tests
- ▶ Dental checkups

From 2014 to 2021

45,900 patients have benefited from medical services



2

Community programs Growing Healthy with Healthy Mothers.



The company has programs to reduce maternal and infant mortality in the area, targeting pregnant women and children from 0-3 years of age.

During 2021, an alliance was made with Colgate to promote oral health as part of community programs. The brand donated 5,000 dental kits that included toothpaste, toothbrushes and oral health information. In addition, it provided training and educational material.

From 2014 to 2021

4,019 children and 2,185 mothers have participated in the programs Growing Healthy with Healthy Mothers.



3

Research Center:



In the HDC facilities, there is a research center built by the University of Colorado USA to measure the incidence of diseases in the area and develop action plans focused on their eradication. Among the research highlights are the following diseases:

- ▶ Zika
- ▶ COVID-19
- ▶ Gastrointestinal disorders
- ▶ Dengue
- ▶ Malaria

There is an advisory committee made up of community leaders who contribute and offer the studies and programs that the CDH has planned to carry out with the aim of hearing and taking into account community opinions and needs.



4

Programs for teenagers



We have programs aimed at teenagers between 12 and 18 years old. The main objective is to provide this age group with the opportunity to have a comprehensive development to excel in the personal and professional spheres, as well as to be pillars of change in their families and communities.

During the 2021:

- ▶ 902 teenagers participated in the comprehensive programs for teenagers.
- ▶ 702 teens received specialized care at the HDC: medical services, psychology, laboratory tests, responsible reproductive health and nutrition.
- ▶ By 2021, 36 scholarships have been awarded to promote quality education for teenagers.



AGROAMERICA'S STORY

AgroAmerica received the 'New Champions Award 2021' award:

from the WORLD ECONOMIC FORUM, in addition two other sustainability awards.

The Human Development Center (CDH) as a space of coexistence that allows us to generate positive impacts in the country and seek to improve the living conditions of the population. It has received attention from various interested publics and has been awarded three distinguished awards in 2021:

1. WORLD ECONOMIC FORUM

"New Champions Award 2021" from The World Economic Forum (WEF) in the category of Excellence in Social Responsibility: recognizes AgroAmerica as a company that embodies the values of innovation, sustainable impact and benefit to society; provides strong market signals and embraces innovative solutions to revitalize our societies, accelerate technology and innovation, and promote responsible corporate governance.

Other sustainability awards:

1. "V LATIN AMERICAN TRANSFORMERS AWARD 2021"

The award was given to us by RedEAmericas in the category of Private Social Investment and Sustainable Communities. It recognizes organizations that aim for a more equitable, inclusive and sustainable development.



AgroAmerica, represented by Javier Aguirre, Corporate Director, receives the grand prize for Business Sustainability from the Guatemalan-American Chamber of Commerce



2. GRAND PRIZE FOR BUSINESS SUSTAINABILITY

Awarded by American Chamber Of Commerce in Guatemala (AmCham), this award recognizes companies that have contributed to two or more areas in their community, such as education, environment, employee development, and compliance. AmCham had 25 Guatemalan companies that participated and submitted 45 projects.

HDC's efforts have reduced maternal and infant mortality to 0.56% in its area of influence (compared to 34% in Guatemala), and child chronic malnutrition to 4% (compared to 50% in Guatemala).

"These awards commit us to continue innovating in order to improve the HDC's performance as well as the health and standard of living of our employees and the communities surrounding the operations in southern Guatemala." emphasized Gerardo Asturias, AgroAmerica's Corporate General Manager.



REPORT CONTENT AND SCOPE

In this section:

About this report

GRI Standards Index

Global Compact Principles

Priority Management Issues

ABOUT THIS REPORT

“AgroAmerica’s Sustainability Report 2021” Provides target audiences an update on our performance regarding topic materials identified for 2021. We encourage you to visit the website for further information <https://agroamerica.com/>

Employed standards

This sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) standards. Additionally, this report complies with the requirements of the Communication on Progress or CoP that the United Nations Global Compact requires its signatories to submit each year.

Scope, methodology and delimitations of the report

The document addresses the operations of AgroAmerica’s Tropical Oil, which brings together a group of subsidiaries in Guatemala, Panama and Mexico that are involved in the production, transportation and marketing of palm oil products.

This report is published every year and covers the period from January 1st to December 31st, 2021. The last report published corresponds to the year 2020. The current text does not include significant changes in the scope of operations compared to the 2020 report. The report discloses the data available for 2021 and, in some cases, comparative data for previous years.

AgroAmerica’s Corporate Division office led the process of preparing this report, with input from the Executive Committee and stakeholders. The report was not submitted to external verification; however, it was prepared with the advice and consulting services of Sustainable Strategies, a company of high-level professionals certified by GRI for the preparation of reports.

The report details the company’s structure, governance, strategy and management, focusing specifically on material issues. One of the challenges is to continue improving the processes of collecting quantitative data from our various operations, to share with our audiences in this report and other media.

Forward-looking statements

The document includes “forward-looking statements” that reflect AgroAmerica’s expectations regarding future growth, supply and demand, results of operations, performance and business opportunities. These statements show current beliefs about future activities, based on available information. AgroAmerica cannot guarantee the performance illustrated in these forward-looking statements.

We invite you to share your comments, recommendations or contributions to our sustainability efforts. You can send them to the sustainability area sustainability@agroamerica.com



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DEFINITION AND SCOPE OF MATERIAL ISSUES

ID: Direct Involvement
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Value Chain Outreach and Level of Involvement

#	AXIS	MATERIAL SUBJECT	DEFINITION OF THE SUBJECT	Value Chain Outreach and Level of Involvement			
				Agricultural	Independent producers	Marketing and sales	Transportation and logistics
1.	GOBERNANCE	Governance	Políticas, prácticas y procesos que estructuran el liderazgo de la corporación familiar, incorporando mejores prácticas de gobernanza internacional.	DI	II	DI	DI
2.		Ethics and anticorruption	Maintaining high standards of integrity in business dealings, from employees of corporate offices to those who work on farms. This includes having a code of ethics, educating employees on ethics, and putting effective reporting (including a telephone complaint line) and monitoring systems in place. Operating ethically and lawfully even in environments where corruption and theft are common practices. Policies, practices, and procedures to ensure that the company upholds the transparency principles in its dealings with the government and with other businesses.	DI	DI	DI	DI
3.		Human Rights	Policies, practices, and procedures that support and uphold the internationally recognized human rights while also ensuring that no involvement in any form of abuse related to those rights has taken place. These abilities extend beyond advocating for workplace rights, educational rights, and the promotion of diversity rights, among other things.	DI	DI		
4.		Certifications	Commitment to continuous improvement, demonstrated by certifications required by international clients that add to our continuous improvement process.	DI	DI		
5.	OUR OPERATION	Productivity and innovation	Ability to generate economic value for shareholders and thus generate value for employees, communities, consumers, clients and other stakeholders. Faculty to innovate new products to add value to fruits. Promote products and processes to produce food in a more sustainable way.	DI	DI		
6.		Quality and traceability	Set of policies and processes that guarantee product traceability, from the land to the shelf where it is picked up by the customer.	DI	DI		DI
7.		Supply chain management	Establish policies, standards and processes to ensure responsible management of social and environmental risks in the supply chain, through activities such as audits, monitoring and capacity building in work areas such as: health and safety, environment, traceability, quality, compliance with the Code of Ethics, among others.	II	DI		

#	AXIS	MATERIAL SUBJECT	DEFINITION OF THE SUBJECT	Value Chain Outreach and Level of Involvement			
				Agricultural	Independent producers	Marketing and sales	Transportation and logistics
8.	OUR PLANET	Climate change	Measurement and control of energy use and CO2 emissions resulting from processes. Description of policies, procedures and measures that focus on reducing energy usage, CO2 footprint and climate change mitigation and adaptation practices.	DI	DI		DI
9.		Efficient water use	Policies, procedures and practices that address water use and quality, including water collection methods, responsible and efficient water management, and wastewater treatment, when not used for fertigation. Water usage in own operations, including assessment of water inputs and sources, on-site water consumption, and water reuse and recycling. Quality and quantity of water returned to public systems or natural media.	DI	DI		II
10.		Responsible use of agrochemicals and soil management	Policies, procedures and practices for the use of agrochemicals and soil protection. Includes the implementation of soil management and protection actions, as well as the responsible use of agrochemicals with a focus on the use of permitted products and favoring the use of biological techniques and/or organic products.	DI	DI		
11.		Waste management	Policies, procedures and practices for the implementation of strategies to reduce the use of materials, reuse, recycle and valorize the different wastes generated by the production processes. It also includes all actions for the proper management and disposal of waste that cannot be valorized.	DI	DI		DI
12.		Biodiversity	Policies, procedures and/or programs to manage the impact of the business on biodiversity in areas of direct and indirect influence. Management, conservation and compensation actions with a landscape and/or basin approach. Measurement of positive impacts and building partnerships for conservation.	DI	DI		
13.	OUR PEOPLE	Working conditions	Policies, programs, and initiatives adopted to ensure compliance with national and international laws and legal requirements for employees, including child labor, forced labor, discrimination, freedom of association, among others.	DI	DI	II	II
14.		Training and culture	Policies, programs and initiatives adopted to foster a learning environment, through the acquisition of skills to do a better job and prepare for future opportunities, enabling employees to develop the competencies required by the business. In addition, we seek the well-being and satisfaction of our employees, from the physical, emotional and mental aspects, to improve their quality of life and work performance.	DI	DI	DI	DI
15.		Fair wage	Policies, programs, tools to calculate the living wage and ensure fair pay for all our employees.	DI	DI	II	II

#	PILAR	TEMA MATERIAL	DEFINICIÓN DEL TEMA	Alcance en Cadena de Valor y Nivel de Involucramiento			
				Agrícola	Productores independientes	Mercadeo y ventas	Transporte y logística
16.	OUR PEOPLE	Gender and inclusion	Policies, plans and protocols to integrate women in AgroAmerica's operations and at the corporate level. We seek to form a team that does not discriminate against people based on their gender, race, nationality or any other attribute different from the capabilities that a job requires. The inclusion of indigenous peoples and people with disabilities is addressed.	DI	DI	II	II
17.		Occupational health and safety	Policies, guidelines, processes and programs that provide a general direction to all business units, to guarantee the integral wellbeing of employees, suppliers, contractors, clients and visitors, contributing to the profitability and sustainability of operations. To provide safe and healthy work environments, as well as to promote the generation of knowledge and competencies in each stakeholder group.	DI	DI	II	DI
18.	OUR COMMUNITIES	Occupational health and safety Relationship with our stakeholders	Policies, practices and strategies for identifying key stakeholders and strategies for interacting with them, including outreach tactics such as communication, consultation, dialogue, among others.	DI	DI	DI	II
19.		Communities development	Programs, activities and investments made to create social benefits and capacities, specifically in the communities in the area of influence where the business operates This may include direct action, capacity development, fostering citizen participation, partnerships and collaborative efforts with others (society, business, central and municipal government) for the sustainable development of communities.	DI	DI		



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