

2020

MANAGEMENT & SUSTAINABILITY REPORT

CASSA
GROUP



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MESSAGE FROM THE CHAIRMAN

2019 ended and 2020 began with new challenges to overcome. Nothing led us to imagine that everything would come to a standstill so suddenly. And that is how the coronavirus began to leave profound marks on the personal, familial, communal and professional lives of millions of people.

We had to reinvent ourselves, and see the world differently; appreciating more our health and the present moment.

In the case of our country, the situation became even more complicated with climatic incidents such as the tropical storms Amanda and Cristóbal, which brought more fear and uncertainty. However, just as the stories, photographs and data in this management and sustainability report show, we never stopped; considering that our business is related to the food sector, and because we knew how to responsibly reinvent ourselves under the new reality.

Together, Central Izalco and Chaparrastique Mill were able to mill more than 2 948 486 MT of sugarcane, which became 342 779 MT of sugar and 128 557 MT of molasses. At the same time, they generated 372 471 884 kWh.



These numbers were achieved during a complex economic scenario: reduction in the demand for finished products globally due to the halt in economic activity; reduction in the demand for sugar on a global scale.

In a few weeks, there was a collapse in the international price for basic goods; as well as a considerable decrease in the price of electricity and enormous uncertainty. Nevertheless, our history of almost 60 years, living through difficulties of different types, prepared us to act as we did: with resilience, responsibility, solidarity, unity and positivity.

We are convinced that COVID-19 made us stronger and more innovative, considering that in just a few days we had to design a new way to operate and to interact. Even more, it allowed us to prove once again that by taking on crises ethically and with values, it makes you much more competitive.

That is why one of the biggest lessons from 2020 and a pledge for the present year is to continue strengthening our organizational culture, by launching our **business purpose in the year 2021: "TOGETHER WE BRING GOOD ENERGY FROM OUR LAND TO EACH HOME".**

A purpose that will serve as a compass so that our agricultural, industrial and commercial operations allow our different stakeholders to transcend and be successful; but not just as a link in our production chain, but rather as successful neighbors, families and Salvadorans committed to the future of this country.



MARCO REGALADO NOTTEBOHM
Chairman



PURPOSE

And we do it driven by these values:

VALUES



“TOGETHER
WE BRING
GOOD
ENERGY
FROM OUR LAND
TO EACH HOME.”

L**LEADERSHIP**

Inspiring, connecting and guiding by example.

**I****INNOVATION**

Creating value in a collaborative environment.

**D****DISCIPLINE**

Complete tasks with excellence and responsibility.

**E****ETHICS**

Working with transparency and honesty.

**R****RESPECT**

Acting positively with others and with the environment.



UNITED AGAINST COVID-19

Today, with the effort and enthusiasm of everyone, we can say that we have been able to convert crisis into opportunity. An opportunity that has allowed us to unlearn, learn and innovate, and has also strengthened us on many levels, including the professional and personal.

After the declaration of a pandemic, our first concern was to safeguard the health and safety of our people and their families.

Then, we maintained an active dialogue with all our stakeholders. Together we shared our concerns, we beat big fears and, of course, we sought the best way to care for one another and to fix our sites ahead, focusing on what we could do:



Support the country's initiatives to protect Salvadorans from coronavirus.



Activate a Crisis Committee to create protocols that protect the company's employees and the different stakeholders in our production chain, especially the neighboring communities.



We have all lived through a challenging year and the health crisis persists. That's why I thought it was important to share this space with our work colleagues, because we have confronted the pandemic as a team, and we should narrate the courageous path as such, working with optimism, energy, unity, and above all else, hope in the future.

JUAN EDUARDO INTERIANO
CEO



RESILIENT VOICES



“In the information technology department, we created and developed, together with the different areas involved, 16 applications, 6 systems and 3 digital platforms that have helped the company become more efficient and to be on cutting edge of technology, even in the middle of a pandemic. It was not easy. There were people who had some difficulties, because of the internet in the homes or to learn new tools; but far from having complaints or resistance to change as is usual, what we had was a good willingness to want to learn to work and move forward.”

RENÉ ALFARO

Information Technology Director



“When the pandemic started, from the first moment, the objectives were: care for our employees and their families, educate ourselves, guarantee prevention as best as possible and avoid infection. But we did not just seek to care for physical health, but also emotional health. And now, the most important thing is that here in CASSA we are all still here and we are looking forward, to the new challenges ahead, and to overcoming them eagerly.”

GUADALUPE LUCHA

Human Capital Director



“I am a survivor of COVID-19 and I am grateful for the company because they quickly took prevention measures that were very good. In my personal case, I was able to have daily medical follow-ups, during the morning and afternoon, through the company clinic. During my whole process they were with me, until I came through and was able to return to work.”

JUAN FRANCISCO CÁCERES

Agricultural Department





DAMARIS LEMUS
Industrial Department



ÁLVARO MOISÉS
Industrial Director



DANIELA CANIZÁLEZ
Agricultural Department

“When we went to telework, it was a tough task for the department to begin maintenance and to monitor all the indicators remotely. But through different resources like WhatsApp and Teams, we were able to maintain communication with those who were still in the mill and we were able to support each other through the different activities.”

“A person can change faster than they think. We thought that there were things that were difficult to change, such as telework, or wearing face masks, frequent handwashing or physical distance. But in reality, we all adapted immediately and all our people have done so successfully.”

“We have had to live through difficult times; but as Salvadorans we have not given up. One must always keep up the faith and hope because as CASSA Group we are committed to guaranteeing a supply of sugar and energy for all Salvadoran families.”

Video published in social media regarding the experience from March-December 2020:

Clic



OUTSTANDING
ACHIEVEMENTS
FROM 2020



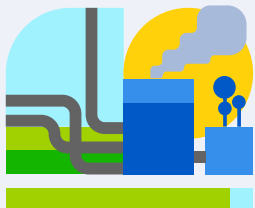


1. Supplies for 100% of international and national clients

The pandemic arrived in El Salvador in the month of March and the 2019-2020 harvest had still not finished, but this did not affect our commitment to our clients. We achieved all the quality and food safety specifications; and we maintained strict prevention measures for the care and protection of our workers and CASSA products.

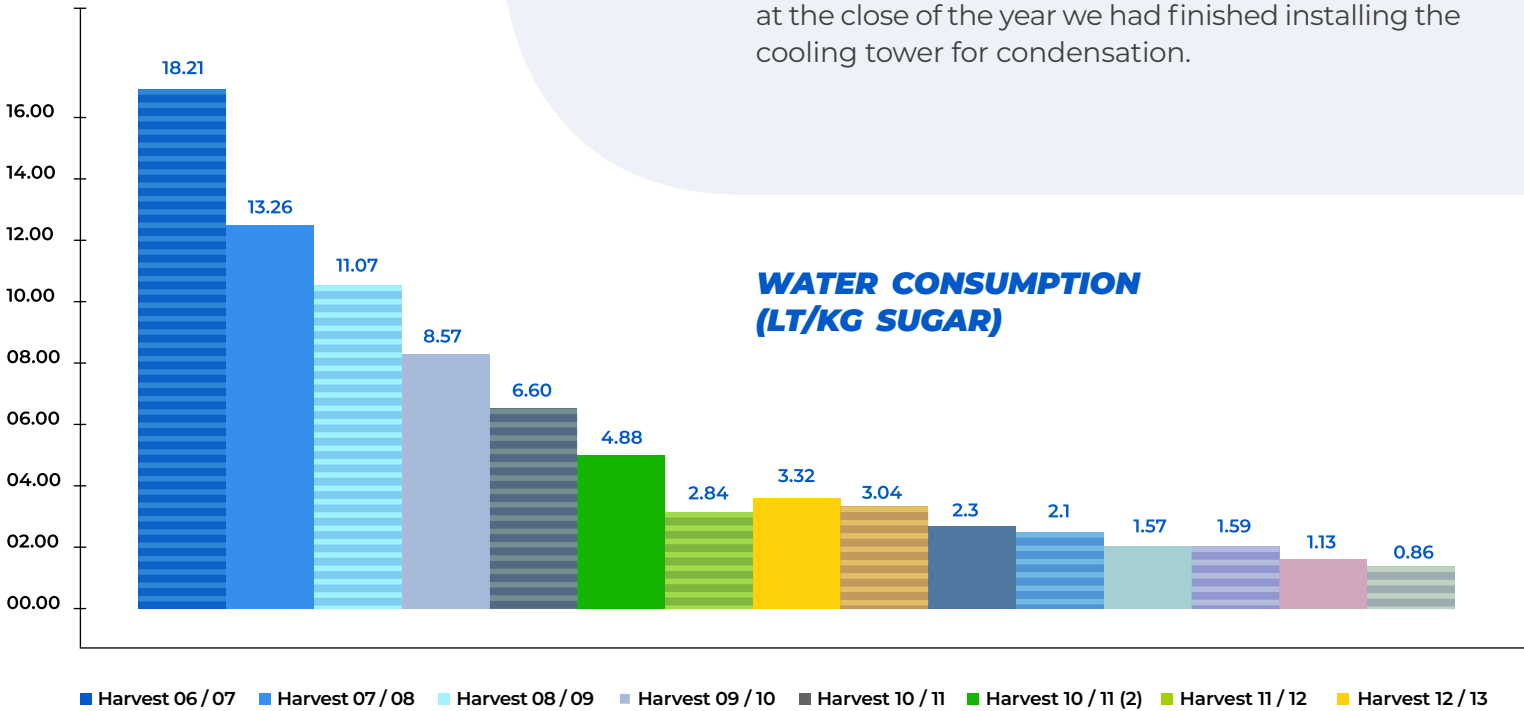
In this context, we also formed a multidisciplinary team, dedicated to achieving a better understanding of the needs, habits and trends of consumers to serve them better.





2. Reduction in water consumption in the industrial area of Chaparrastique Mill

At the beginning of 2020 we implemented the “Process water consumption reduction plan” and at the close of the year we had finished installing the cooling tower for condensation.



The results surpassed the expectations, considering that we have reduced water consumption for industrial purposes by **95 %**.





3. Digital transformation

This year, given the circumstances, we also took advantage of the opportunity to reinvent some actions and processes by way of new technologies, with the objective of improving company performance. These were some of the standout activities that were put together in record time.

Collaborations and telework:

We implemented the “Teams” platform which has offered multiple advantages in terms of teamwork and collaboration. At the close of 2020 we have 241 active channels, we had carried out close to 4000 meetings, and almost 700,000 messages had been sent and received through the digital tools.

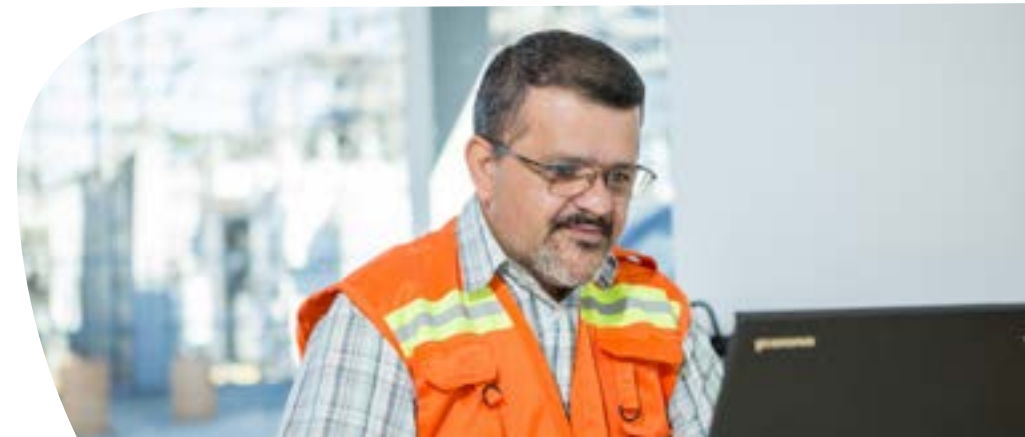
Automation of the sugarcane weighing system and the scales process:

The project reduced the process time and cost.



Digitization of processes in the human capital area:

WhatsApp and Teams were used for talent acquisition (interviews, tests, information capture, etc.); as well as for general and preharvest trainings.



CASSA's online training platform and performance evaluation:

22% of the CASSA Group's permanent employees are evaluated through the Performance Management System.

To strengthen the competencies and the commitment of the workers, an intensive training planned was maintained, which included 9 institutional courses, 11 orientation courses, and 1 training course for content creators. Therefore, in total, 510 people were trained and more than 4,300 hours of training were provided.

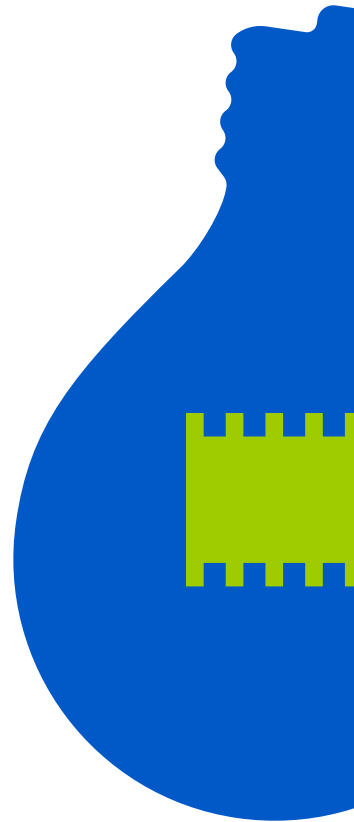
In addition, the performance management process was amplified in scope – quantity of people and time periods, migrating from an evaluation of not just the harvest period but of the whole year, as well as incorporating the group of people at the level of middle managers which meant that a total of 246 workers were included. In that same vein, the Online Performance Evaluation Platform allowed us to simplify the evaluation process and make follow-up easier regarding the objectives established between the evaluator, the evaluated party, and the administrator, all on one site that generates automatic measurements.

Agricultural schools for field personnel and harvest schools (hybrid model):

The objective was to make the management and activities of the agricultural team more professional, in tune with our sustainability commitment. Therefore, this year we trained 1,600 people, among them permanent and temporary employees and third-party truck drivers.

Before the courses, we asked each worker about their ability to connect to the internet and based on that information we decided which trainings would be virtual and which would be in person.

The virtual trainings were carried out on Teams and WhatsApp, while the in-person trainings were carried near the workers' homes, with a maximum number of 10 people per session and while maintaining biosecurity protocols.





4. Leaders' committees at a distance

The WhatsApp groups allowed us to maintain in contact and up to date on the wellbeing of **49 committees** made up of more than **240 community leaders**.

In this way, we were connected and could continue to work together -with the objective of supporting rural public education in the moments when our support was most needed, through an integrated network of more than **500 parents of students**.

5. Water 10 infrastructure projects

With this program we provide schools in the sugarcane communities with access to potable water; and we also built bathrooms and foot pedal activated handwashing stations, all under the **WASH program standard from the ONU**.

*This year we benefitted the **El Edén Public School** and the **Palo Combo Educational Complex**, which will allow these schools to have quality basic services and be prepared for the prevention of COVID-19 when they return to classes.*

6. COVID-19 Education and Prevention Campaign

After the pandemic was declared, we got to work on an internal and external campaign, with the objective to educate and promote prevention measures against COVID-19. As a result, internally we published more than 108 pieces of content, among them bulletins, announcements and educational capsules; in addition to 46 multimedia materials and 6 webinars oriented to promote the emotional health of our human talent.

These informative resources were shared through different channels such as emails, WhatsApp groups, and physical and digital bulletin boards.

Many of these materials were also shared through our social media.



CASSA
GROUP IN
NUMBERS
2019–2020



Installed capacity

23 000 Mt

CI: 14 000 Mt

CH: 9000 Mt

Metric tons of
sugarcane milled**2 948 486 Mt**

CI: 1 805 609 Mt

CH: 1 142 877 Mt

Metric tons of sugar

342 779 Mt

CI: 211 022 Mt

CH: 131 757 Mt

Metric tons of molasses

128 557 Mt

CI: 79 379 Mt

CH: 49 178 Mt

CASSA GROUP IN
NUMBERS 2019–2020

Annual business volume

\$501 640 235.55

CI: \$296 739 973.52

CH: \$204 900 262.03

Beneficiaries from the
sugarcane communitiesSalvadoreans **43 348**Families **9079**Volunteers **2300**

Sugarcane producers

2974Independents: **981**Cooperatives: **16**,
with 1993 associates

Electricity Generated

372 471 884 kWh

CI: 145 885 214 kWh

CH: 226 586 670 kWh

Hectares of
sugarcane harvested**34 115 Ha**

CI: 19 923 Ha

CH: 14 192 Ha

Direct employment
during harvest**14 583**

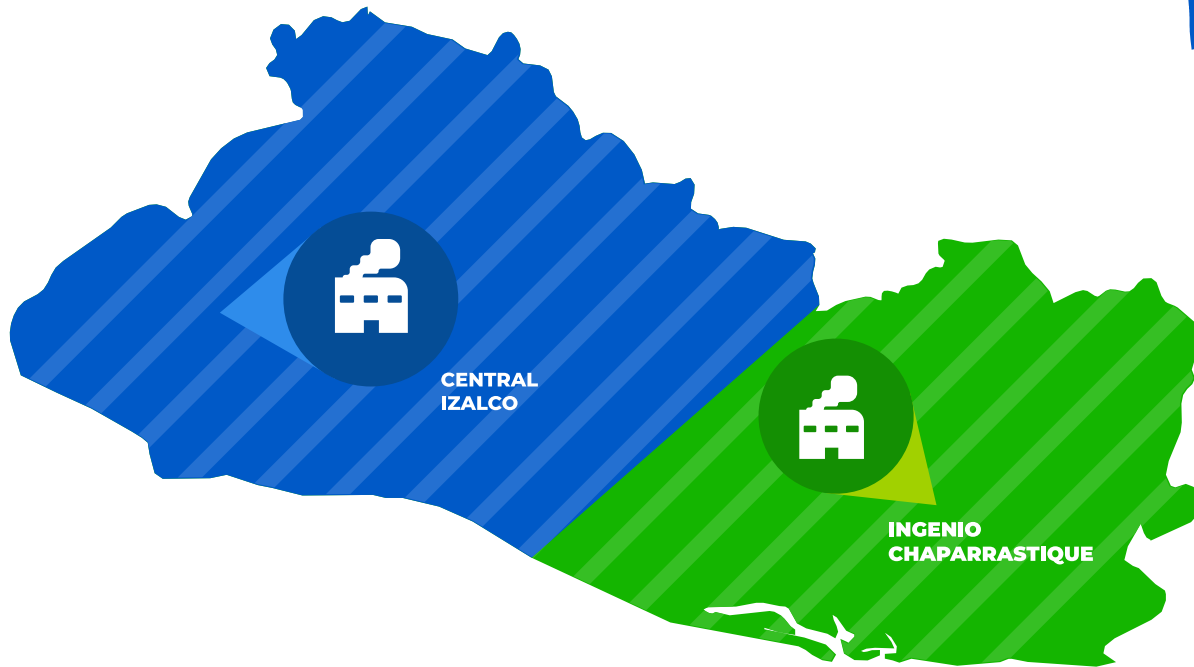
CI: 11 673

CH: 2910

COMPANY PROFILE



COMPANY PROFILE



NAME OF THE ORGANIZATION:

- **CASSA Group**
(Salvadoran Sugar Company)

SUGAR PRODUCTION MILLS:

- **Central Izalco and Chaparrastique Mill**
MILL LOCATION: Sonsonate and San Miguel

SUSTAINABILITY STRATEGY

Sustainability is a business model that includes all of our processes with the economic growth of the company, the wellbeing of our interest groups and the conservation of the environment, as a way to guarantee Sustainable Development, based on the **three working areas**:



Engine for
Development.



Agricultural
Partners.



Community
Allies.

MATERIALITY

CASSA Group has used the material aspects identified in the materiality analysis carried out in 2015 with the assistance and advice of the Business Foundation for Social Action (FUNDEMAS) as the guide and principal scope of this report.

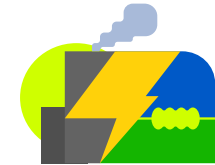
Through this process we validated **18** relevant topics and prioritized the following **six topics** that guide this report:



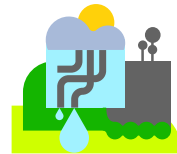
Economic performance



Job safety and health



Energy efficiency



Water



Community



Customer safety and health

According to the Global Reporting Initiative (GRI), material aspects are those important aspects which reflect the significant social, environmental and economic impacts of the organization; or those aspects which could substantially influence the decision of stakeholders to maintain their relationship with the company.

CONTRIBUTION TO THE
SUSTAINABLE DEVELOPMENT
GOALS (SDG)

We comply with five commitments that contribute to the Sustainable Development Goals (SDG) of the 2030 Agenda of the United Nations, and which seek to ensure the responsible operation of our long-term strategy.



CODE OF ETHICS

The objective of CASSA Group's Code of Ethics is to strengthen corporate governance through a guide that formalizes the lines of ethical and transparent behavior between the company and its interest groups.

The code is based on the **five values that guide the company**. Through these values and principals, we seek to maintain mutual respect between colleagues, clients, suppliers and communities where we have a presence.

Additionally, the code expresses our commitment to environmental protection, occupational health and safety, responsible marketing practices, and the preservation of a relationship with the government based on respect, dialogue, transparency and professionalism.

The ways to report an incident are the following:



Email

linea.etica@grupocassa.com



"Plant your Idea" Mailboxes: located in strategic locations in CASSA Group's sugar mills.



Code of Ethics was shared with and given to **100% of CASSA's permanent employees**



2 reports were received in 2020, which means a reduction of 66% as compared to 2019. Both reports are within the category of sexual harassment.

1 report was resolved in 2020.

1 report remains in the resolution stage.



COMMUNICATION WITH STAKEHOLDERS

The company has the following spaces and communication channels with the various stakeholders:



SHAREHOLDERS

- General Shareholders Assembly
- Board of Directors meetings
- Sustainability and Management Report
- Financial statements



CLIENTS

- Visits to the sugar mills
- Client satisfaction survey
- Web page / social media
- Email



WORKERS

- Plant your Idea program (suggestion box)
- Meetings
- Bulletins and announcement boards
- Performance evaluation system



SUGARCANE PRODUCERS

- Meetings
- Field days
- Web page / social media



GOODS AND SERVICES SUPPLIERS

- Meetings
- Web page / social media
- Visits to the sugar mills



SECTOR PARTNERS

- Meetings



GOVERNMENT

- Meetings
- Operations reports
- Environmental management reports

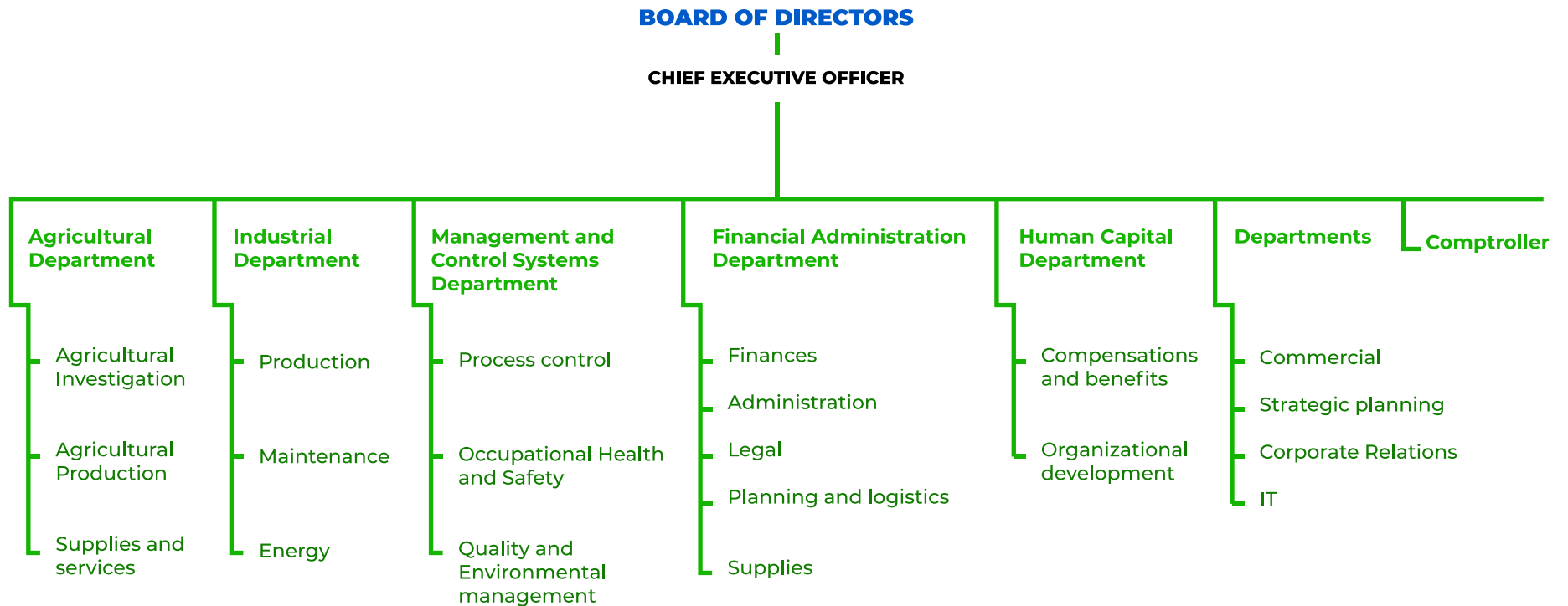


COMMUNITIES

- Plant your Idea Program (Community grievance mechanism)
- Community dialogue (management working groups)
- Visits to the sugar mills



CORPORATE GOVERNANCE



CASSA's organizational structure is comprised of a Board of Directors, Chief Executive Officer, Directors' Committee, Comptroller and Managers which answer to the directors.

BOARD OF DIRECTORS

CHAIRMAN:	Marco Regalado Nottebohm
VICE CHAIRMAN:	Arturo Regalado O´Sullivan
SECRETARY DIRECTOR:	Tomás Regalado Papini
PROPRIETARY DIRECTORS:	Ricardo Lima Mena Federico Rank Romero
ASSOCIATE DIRECTORS:	Ricardo Chávez Caparroso Ernesto Barrientos Zepeda Joaquín Palomo Déneke Salvador Rivera Juan José Goodall



EXECUTIVES 2019-2020 HARVEST

- Chief Executive Officer (CEO)
- Industrial Director
- Agricultural Director
- Management and Control Systems Director
- Administrative and Finance Director
- Commercial Director
- Human Capital Director
- Information Technology Director
- Corporate Relations Director
- Strategic Planning Director
- Comptroller
- Central Izalco Production Manager
- Chaparrastique Mill Production Manager
- Central Izalco Maintenance Manager
- Chaparrastique Mill Maintenance Manager
- Administrative Manager
- Agricultural Production Manager
- Legal Manager
- Energy Manager
- Process Control Manager
- General Accountant

Juan Eduardo Interiano López
 Álvaro Moisés Arguello
 Wilfredo Márquez Salazar
 Jorge Mejía Zetino
 Gregorio Zelaya Arango
 Emely Villacorta de Salazar
 Guadalupe Lucha de González
 René Alfaro Marchelli
 Fermina Cárdenas
 Julio Noltenius Catani
 Enrique Suárez Mantilla
 Edgard Armando José Amaya
 Luis Ernesto Villalobos Girón
 Diego Ricardo Sales
 Douglas Vladimir Mezquita
 Alejandro Duque Girón
 Juan Antonio Palomo Pacas
 Rafael Gómez Salazar
 Dany Reyes Núñez
 Adán Anaya Zepeda
 César Retana



ASSOCIATIONS AND ORGANIZATIONS IN WHICH CASSA PARTICIPATES

Sugar Association of El Salvador

Salvadoran Sugar Agro-Industry Council
(**CONSAA**)

Sugar Foundation (**FUNDAZÚCAR**)

Private Institute for Climate Change Research
(**ICC**)

Sugar Producers of the Central American
Isthmus (**AICA**)

Salvadoran Industrial Association (**ASI**)

National Association of Private Enterprise (**ANEP**)

Salvadoran Chamber of Commerce and Industry
(**CAMARASAL**)

Business Foundation for Social Action
(**FUNDEMAS**)

Salvadoran Foundation for Economic and Social
Development (**FUSADES**)

El Salvador Business Council for Sustainable
Development (**CEDES**)

Foundation for Social and Economic
Development of San Miguel (**FUNDESSAM**)*

*Only Chaparrastique Mill participates

SUSTAINABLE PRODUCTS





SUGAR

Through our two sugar mills, we produce sugar that satisfies the needs of clients in the national and export markets. CASSA products have important distinguishing characteristics, such as: an exact weight guarantee, use of biodegradable plastic packaging, use of solar energy for packing and vitamin A fortification.



MOLASSES

Is a subproduct that is sold for the production of animal feed and alcohol, in the national as well as export markets.



ENERGY

CASSA Group generates energy from renewable resources through the combustion of biomass (moist fiber that remains after processing the sugar cane, known as bagasse), which fuels the industrial activity of the sugar mills and the national electrical energy network.

NATIONAL MARKET



EXPORT MARKET



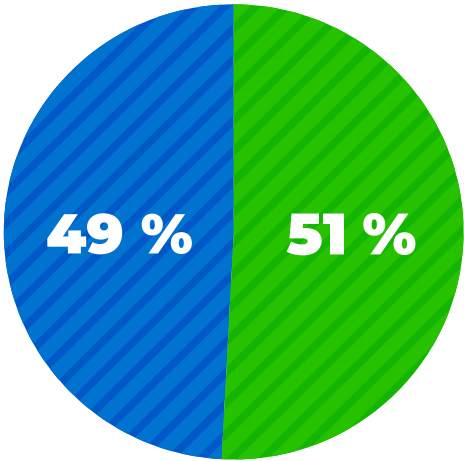
SUGAR MARKETS



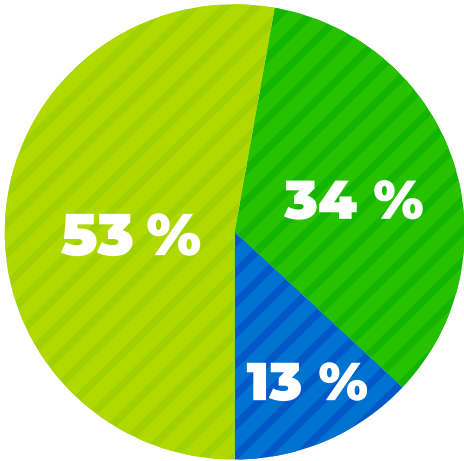
SUGAR	CI	CH	CASSA	PRESENTATIONS
LOCAL	71 183	45 662	116 845	0.50kg - 1kg - 1.24mt - 2.5kg - 50kg
PREFERENTIAL	28 004	17 979	45 983	1mt - 1.25mt
GLOBAL	111 835	68 116	179 951	25kg - 50kg - 1mt - 1.10mt - 1.25mt
TOTAL SUGAR	211 022	131 757	342 779	



LOCAL SUGAR MARKET



EXPORT SUGAR MARKET



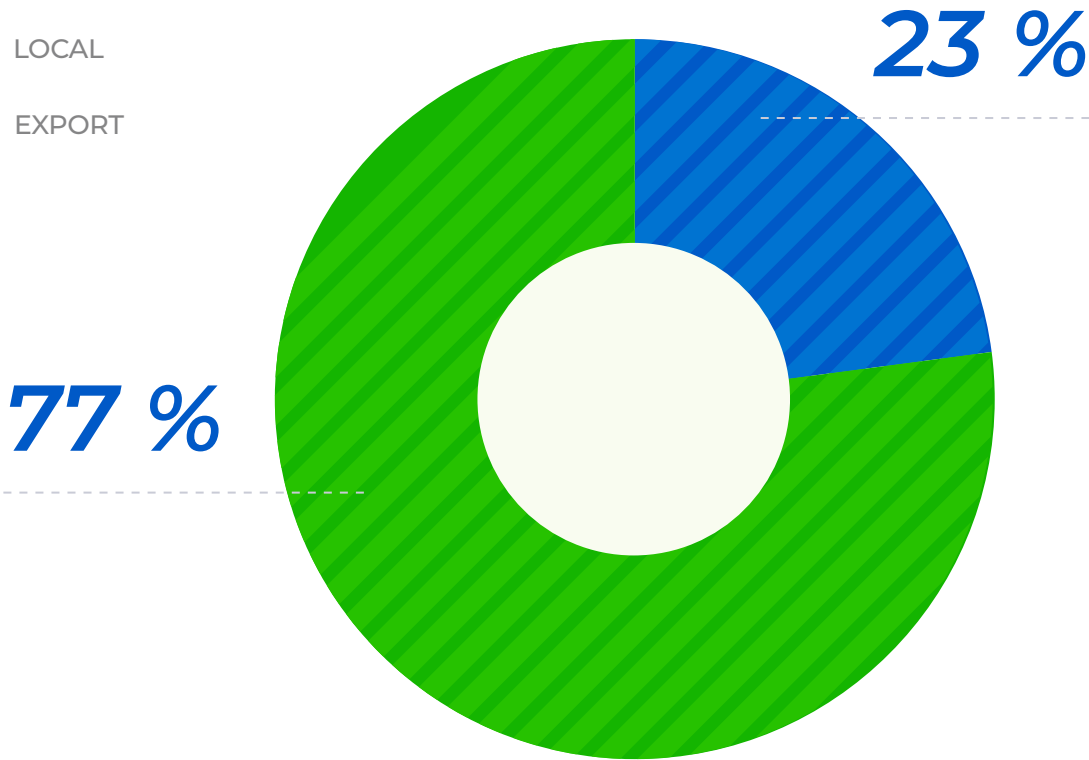
● INDUSTRIAL ● HOUSEHOLD ● GLOBAL ● PREFERENTIAL ● LOCAL

MOLASSES MARKETS

MOLASSES	CI	CH	CASSA
LOCAL	24 944	4 823	29 767
EXPORT	54 435	44 355	98 790

MOLASSES

- LOCAL
- EXPORT





ENERGY MARKETS

Quantity of homes illuminated: more than
200,000 (224,120 homes)

Percentage of energy consumption that comes
from renewable sources: **99 %**



CASSA GROUP

H18-19

H19-20

INSTALLED CAPACITY	107 400	107 400	KW
ELECTRICITY GENERATED	372 551 553	372 471 884	KWH
ELECTRICITY SOLD	259 969 386	257 405 960	KWH
NUMBER OF HOMES ILLUMINATED	226 352	224 120	HOMES
TOTAL ENERGY ENERGY CONSUMPTION	112 586 592	120 043 677	KWH
% CONSUMPTION FROM RENEWABLE RESOURCES	99.99 %	99.58 %	%

EXPORT DESTINATIONS

SUGAR DESTINATIONS

- Germany
- Belgium
- Canada
- Croatia
- Spain
- Greece
- Haiti
- Ireland
- Italy
- Mexico
- Puerto Rico
- Romania
- South Africa
- Taiwan
- United States

MOLASSES DESTINATIONS

- The Netherlands
- Puerto Rico
- United States
- Norway



CLIENT SATISFACTION

During this period, we surveyed 76% of our clients, between the local and export markets, with the objective to measure satisfaction with the service related to: the product, response time and opportunities for improvement. The results obtained were the following

Local market:

95 % satisfied

Export market:

97 % satisfied



EXPERTOS
DESMIENTEN MITOS
SOBRE LA RELACIÓN ENTRE
EL COVID Y EL AZÚCAR

Equilibrate



► [Click to see the Blog](#)

Equilibrate

RESPONSIBLE CONSUMPTION

Through the distribution and commercialization company, we educate and promote responsible sugar consumption through campaigns in different communication channels.

The “Balance yourself with Natural Sugar” movement has the objective to improve the consumer’s perception about natural sugar through a responsible consumption reflected in four pillars: health and nutrition, education, physical activity and the environment.

However, **during 2020, the strategy received an unexpected twist caused by the COVID-19 pandemic.** Without losing focus in the principal purpose and reason for being of the campaign, the efforts were oriented towards fomenting mental and physical balance in the home, adapting the content to the new reality that the public was facing: mental health problems, sedentarism, episodes of compulsive eating caused by anxiety, among others. In addition, CASSA strengthened its blog through valuable content on topics such as **“Experts refute myths regarding the relationship between the Coronavirus and sugar”, “Organized mind, balanced life”, “Top 3 apps for doing exercise in the home” and “The good side of sugar: it’s not all bad ”.**

Also, for the public who wished to experiment in the kitchen during the quarantine, we shared different easy and health recipes to prepare with natural sugar in the home.

CERTIFICATIONS

	CERTIFICACIÓN	ALCANCE	EMISOR
	FSSC 22000 VERSION 5 ISO 22000:2018 ISO/TS 22002-1:2009 Food safety and quality system	Manufacture, storage and dispatch of packaged raw sugar, standard white, Direct Consumption (DC), and refined sugar.	Lloyd's Register LRQA
	ISO 9001:2015 Quality management system	Manufacture, storage and dispatch of raw sugar, standard white, Direct Consumption (DC), and refined sugar, as well as the cogeneration and sale of electric energy.	Lloyd's Register LRQA
	NTS ISO/IEC 17025:2017 Accreditation of competency for test laboratories	Central Izalco Process Control Laboratory Certified areas: physicochemical analysis of sugar and its by-products.	Salvadoran Accreditation Organization, OSA
	BONSUCRO EU Sustainability good practices standard	Raw sugar, standard white, Direct Consumption (DC), refined sugar and molasses.	SGS ICS Certified Ltda.
	FAIRTRADE	Raw sugar, standard white, Direct Consumption (DC), refined sugar and molasses.	FLO-CERT
KOSHER	KOSHER Jewish Market Standard	Raw sugar, standard white, Direct Consumption (DC) and refined sugar.	Rabbi Hersh Spalter, Beit Menachem Chabad Lubavitch Congregation
	HALAL Muslim Market Standard	Raw sugar and refined sugar.	Islamic Church of El Salvador



QUALITY AND FOOD SAFETY SYSTEMS

CASSA'S QUALITY AND FOOD SAFETY POLICY

In CASSA, we are committed to satisfying our clients' needs by delivering products that comply with their quality and safety requirements, thus guaranteeing reliable relationships built on transparency and respect for the environment.

QUALITY AND FOOD SAFETY OBJECTIVES

- 1) Maintain and increase the productivity in our operations through effective processes.
- 2) Make avenues into new domestic and international markets.
- 3) Continuously improve our processes.
- 4) Maintain and improve the Quality Management System to ensure client satisfaction.
- 5) Comply with current legal regulations applicable to the sugar agro-industry.
- 6) Satisfy internal and external clients.
- 7) Guarantee the safety of sugar destined for direct human consumption through the effectiveness of the Food Safety System.
- 8) Comply with market demands, satisfying the requirements of all clients.

SUPPLIERS

1104 suppliers of industrial, agricultural and administrative goods and services.

The suppliers are a key piece within the value chain because the quality of our products depends on them, in order to satisfy the needs of national and international clients. Our goal is to make them sustainable over time and build work relationships that are transparent, fair, competitive and long term, through which we all win.



OUR PEOPLE





EMPLOYMENT GENERATION

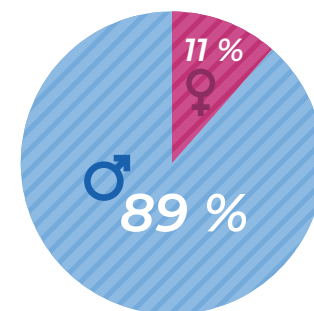
14 583

DIRECT JOBS

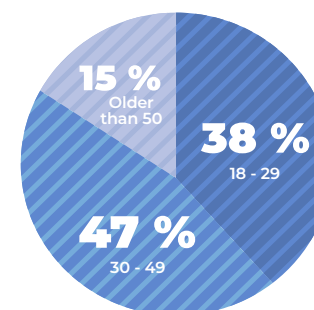
Employment generation:
period of November 2019 to October 2020.



Male-Female Percentage



Age ranges



Mill	Gender	PERMANENT		TEMPORARY	
		Industrial	Administration	Administration/ Operations	General total
CENTRAL IZALCO	Feminine	44	62	1329	1435
	Masculine	562	232	9444	10 238
CHAPARRASTIQUE	Feminine	7	28	202	237
	Masculine	274	99	2300	2673
GENERAL TOTAL		887	421	13 275	14 583

TRAININGS	CI	CH	TOTAL
Trainings held, including open and closed courses	210	70	280
Employees benefited	780	583	1363
Hours of training	13 550	5060	18 610
Average hours per employee	17.4	8.7	13.7

Main trainings carried out during 2019-2020:

- CASSA's learning management system: present the new Online Learning platform to employees and training them how to use it
- CASSA performance management: explain the new platform to the employees and train them how to use it.
- Applying techniques of cost-risk-benefit analysis to optimize maintenance plans
- Leaders with Purpose: strengthen the competencies of the company leaders to face new challenges, take advantage of crisis, prosper and grow through adversity, improving the management of their teams.
- CASSA COVID Protocol: communicate the protocol for acting in an emergency and how it should be implemented in the work areas.

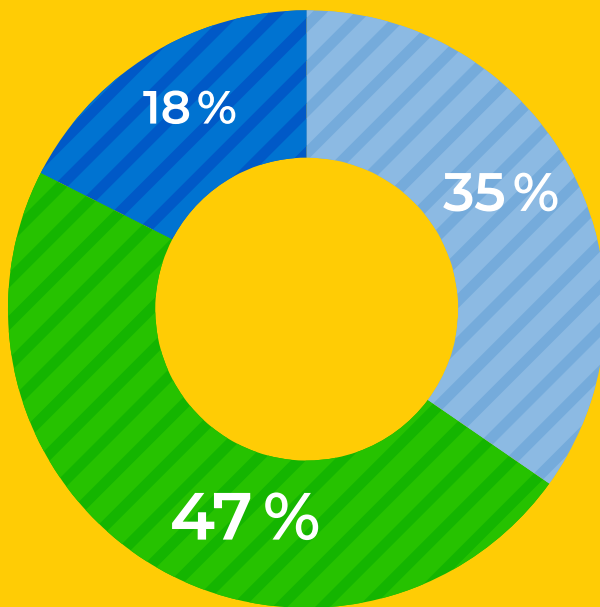


PLANT YOUR IDEA



The Plant your Idea program has the principal objective to provide a direct space for employees to express themselves and recommend changes or improvements for the company and the working environment.

- **34 suggestions** were received in 2020.
- **74 %** were closed in 2019.
- **26 %** are still being resolved.



CLASSIFICATION OF 19/20 SUGGESTIONS

- Compensations
- PPP/Equipment
- Benefits

BENEFITS

- **Minimum salary** 25% above the national minimum salary.
- **Vacation days:** 15 days required by law and 4 additional days.
- **Cooperatives:** the company provides annual support of \$12,000, plus utilities such as potable water, electricity, telephone service, among others.
- **Housing:** If the employee's work requires them to live on the grounds of the mill, and also for specialized workers involved in the sugarcane cutting during the harvest period, through camps with food service and recreational area.



BENEFITS

- **Temporary disability pay:** we provide coverage for the first three days that the Salvadoran Social Security Institute (ISSS) does not provide, and we complete the full real salary of the worker on disability leave (above the legal limit, for up to 9 months). For temporary workers, they receive coverage until the end of their contract.
- **Annual compensation: bonus.**
- **Recognition for years of service.**
- **Uniforms and shoes:** three shirts, three pairs of pants, and industrial safety shoes in the cases they are necessary.
- **Cafeteria service:** Breakfast, lunch and dinner (during the harvest period).
- **Life insurance for all workers.**

Recreational events

2300 supermarket gift cards.

Educational scholarships:

326 scholarships given to the children of workers with a salary below or equal to US\$750, based on merit, academic achievement and conduct.

Transportation:

950 workers benefitted from the Sonsonate, San Miguel and surrounding areas. As well as San Salvador to Sonsonate and surrounding areas (from Monday to Saturday).

Because of the pandemic we could not carry out some events and celebrations, among them are:

- Sports tournaments.
- Prizes and gifts during different celebrations.
- Visual health campaigns and subsidies for glasses.

HEALTH

In the two company clinics (Central Izalco and Chaparrastique Mill) we reinforced our medical team; and more than

8,000 consultations were provided, including more than 4,000 consultations y/o telephone monitoring in response to the health emergency caused by COVID-19, as well as attention given

in flu centers and preventative check-ups in different areas of the company.



- We carried out **6 flu vaccination campaigns**, as well as invested in additional medication to combat the virus.
- We reinforced our trainings and campaigns with all personnel regarding prevention measures.
- We carried out more than **1,600 check-ups** focused on attending to the risks of heat stress, noise and particulate matter. And the heat-related diseases prevention program (directed towards sugarcane harvesters), continued being carried out to educate and watch over workers in areas such as hydration, rest and the use of personal protection equipment.

OCCUPATIONAL HEALTH AND SAFETY PROGRAM (OHS)

In CASSA we recognize as a priority the commitment to provide a work environment that is safe and healthy, controlling risk to reduce work incidents and occupational illnesses that can affect workers, contractors, providers and the public in general.



OHS in the Agricultural Area:

100% of the CASSA harvest teams comply with the Agricultural OHS program.

- We have health promoters, equipped with first aid kits, who supervise the agricultural activities to guarantee the health and physical integrity of the workers on the harvest fronts.
- We installed shaded areas for rest spots, portable toilets and mobile hand-washing stations for agricultural workers in the harvest, hoisting and transportation blocks.
- We plan rest periods (morning and afternoon) for all of the harvest blocks.
- We provide 100% of agricultural workers with water bottles with 100% temperature protection; as well as isotonic beverages.
- We have extra water in the transportation units.
- We provide personal safety equipment: glasses, gloves, leather boots, metal shin guards, protective hat with neck covering, arm protection, machete cover, reflective vest, etc.
- We installed security equipment on 100% of the agricultural machinery (tractors, harvesters and lifters): back-up alarms, rear view mirrors, seat belt and fire extinguishers.
- We provide transportation to the work site.
- We offer life insurance.



OHS IN AERIAL APPLICATIONS

- We provide personal safety equipment: overalls, industrial shoes, ear protection, rubber boots for workers on the runway, masks, etc.
- We carry out cholinesterase exams to workers who prepare the mixes, workers who work on the runway, and pilots.
- We install GPS and satellite marshalling on agricultural airplanes to apply the products with greater precision.
- We installed signage on the runway and safety equipment: first aid kit, fire extinguishers, anti-spill kit (shovel, metal broom, container with sawdust or sand, and plastic bags).
- We have waterproofed the mixing areas with containment walls to avoid spills and soil infiltration.
- We have a Ministry of Agriculture and Livestock (MAG) Certification for CASSA's runways, pilots and airplanes.

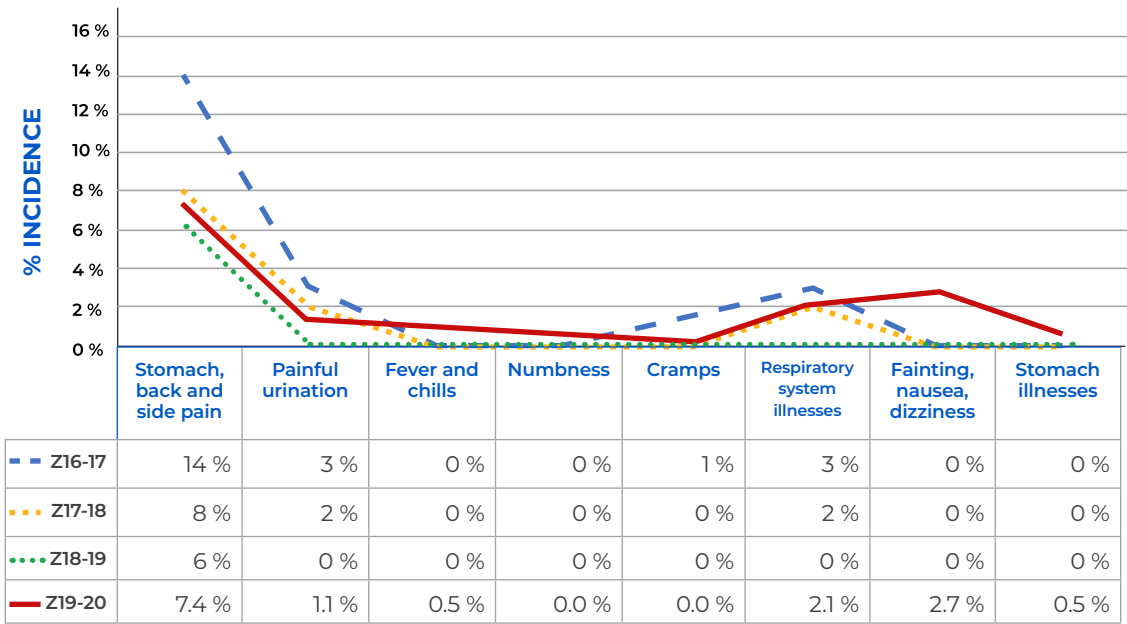


In addition, with the objective of determining the health risk factors for sugarcane harvest workers, we have developed **preventative measures for heat related illnesses**.

In this way, since the 2012-2013 harvest we have carried out studies on the work fronts to understand the different factors that influence whether the workers suffer from heat stress.

With which we have implemented agricultural best practices to reduce and control that symptomatology.

COMPARISON OF SYMPTOMATOLOGY

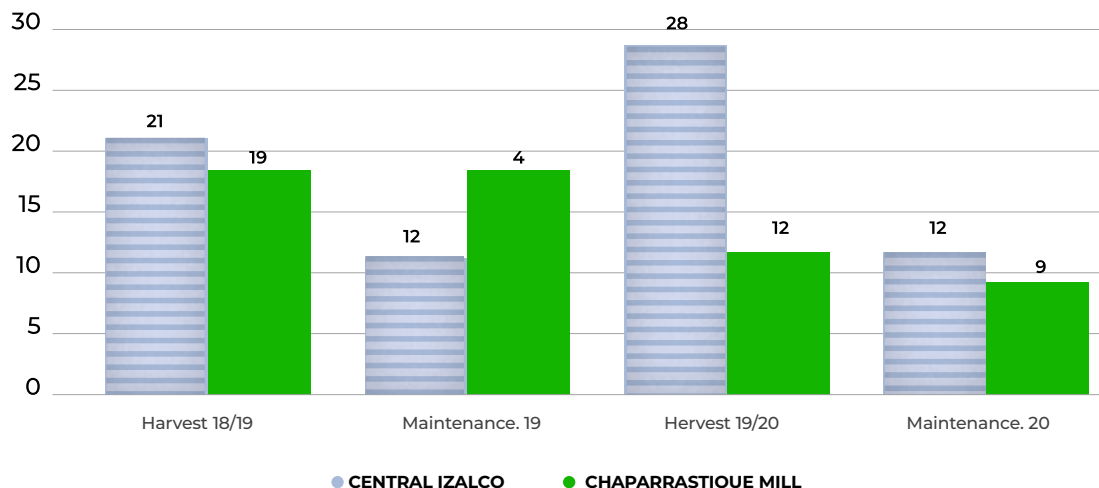


SYMPTOMS



FREQUENCY RATE AGRICULTURAL ACCIDENT INDICATORS

Frequency Rate (AIR):
is the number of accidents x
1 000 000 / number of hours
worked in the period.
According to the BONSUCRO
standard, the AIR should not
be greater than 45.



Finally, in **CASSA** we carry out a **transportation safety program** with the objective to reduce the road accidents of the different vehicles that we manage, by carrying out the following actions:

- Training **586 drivers** in the transportation and road safety laws, defensive driving and internal safety policies.
- We carried out **272 drug tests**, as well as alcohol tests in the transportation fleets for sugarcane, sludge, ash, and bagasse.

- We have installed GPS units.
- We have carried out technical vehicle checks of 100% of the sugarcane transportation fleet.
- We have improved the signage of entrance and exit of sugarcane trucks onto and from highways, by giving 12 signage kits (sign for precaution, entrance of trucks at 100 and 200 meters, traffic lights, flashing lights, traffic barrels, reflective flags and protective equipment).

- We created a Road Safety Committee, made up of representatives from the following areas: Transportation and Roads, Insurance, Human Capital, Physical Security, Automotive Workshop, as well as Occupational Health and Safety.
- We have insurance for third party damages.

All of these actions resulted in a 24% reduction in vehicular accidents as compared to the 2018-2019 period.

OHS IN THE INDUSTRIAL AREA

11 235 hours of training in OHS.

12 % of workers in CASSA Group promote topics related to OHS (OHS Committee, brigade members, health promoters and OHS department).

2020 OCCUPATIONAL HEALTH AND SAFETY TRAINING PROGRAM

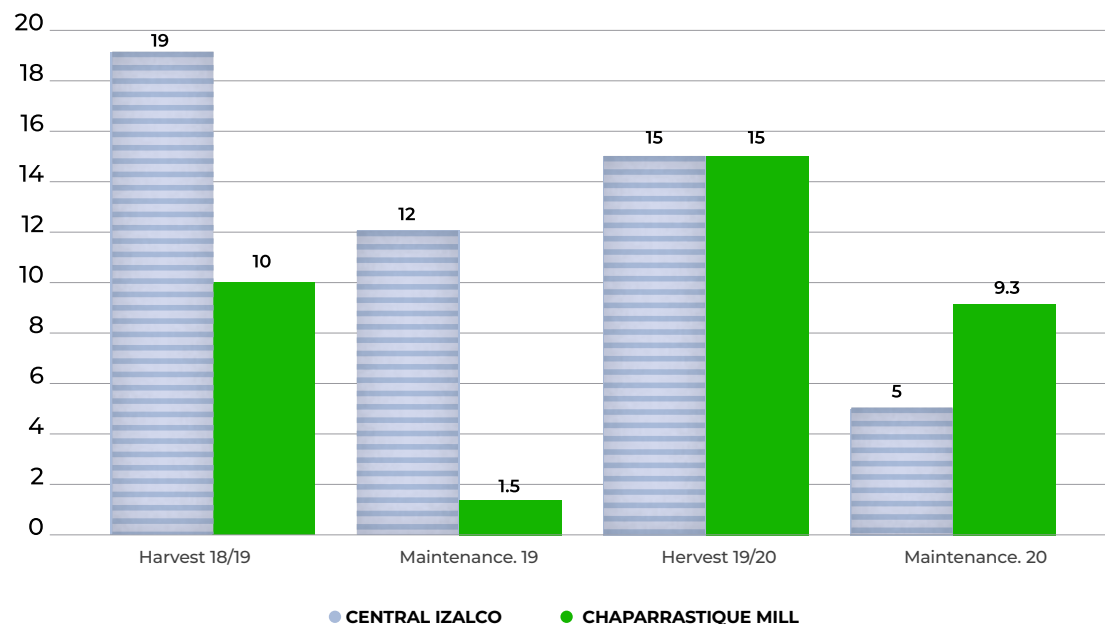
CASSA	NUMBER OF EMPLOYEES	MAN-HOURS
Central Izalco	4980	8077
Chaparrastique Mill	2201	3158
Total	7181	11 235

The documentation of work accidents allows us to establish indicators that measure the performance of the OHS System, according to the ANSI Z.16.1 standard. And in CASSA we standardized the calculation of these rates as a uniform procedure for the industry.



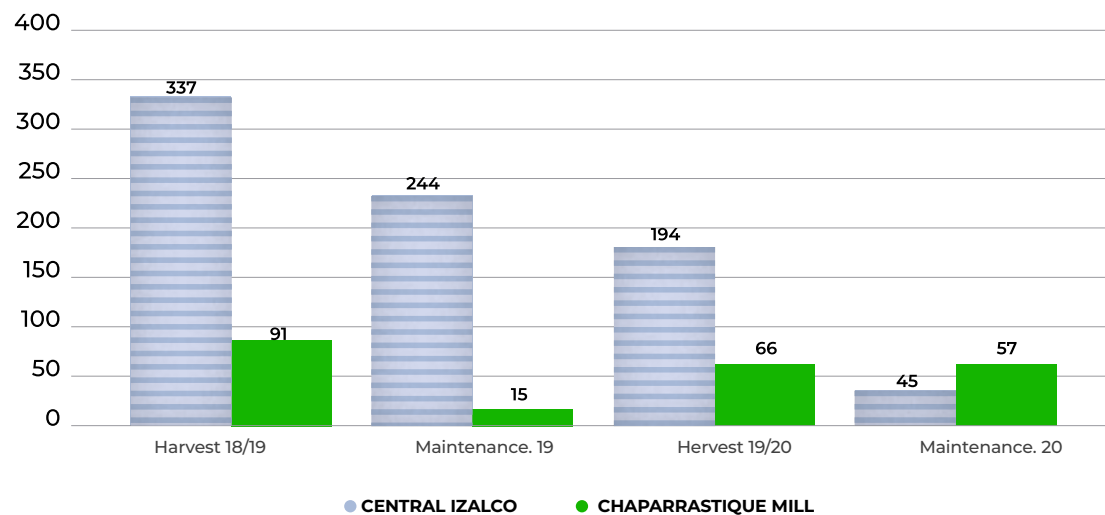
The following graphs should the results of these indicators in the last four periods.

FREQUENCY RATE – INDUSTRIAL AREA



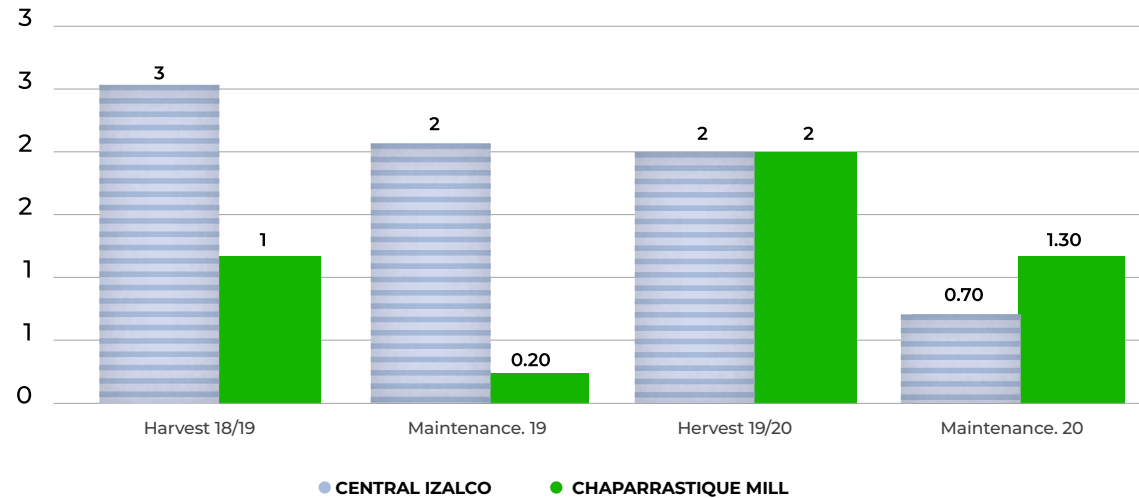
Frequency Rate (AIR):
Is the number of accidents x 1 000 000 / number of hours worked in the period.
Established AIR: no greater than 15.

SEVERITY RATE – INDUSTRIAL AREA



Severity Rate (SR):
Is the number of lost workdays x 1,000,000 / number of hours worked in the period.
Established SR: less than 100.

INJURY RATE – INDUSTRIAL AREA



Injury Rate (IR): is the number of accidents x 100 employees / number of employees in that period. Established IR: less than 3.

HUMAN RIGHTS

In CASSA we firmly defend the rights of children, which is why the eradication of child labor in the sugarcane harvest is a priority.

Therefore, we have implemented a Zero Tolerance for Child Labor policy along the production chain, carrying out activities to raise awareness and share

information with all parties involved regarding the policy as well as the current laws.

This effort is carried out in coordination with FUNZADUCAR (the social arm of the sugarcane sector), the Sugar Industry Association of El Salvador and the Ministry of Work and Social Welfare (MTPS).

SUSTAINABLE AGRICULTURE



SUSTAINABLE AGRICULTURE

Our agricultural vision consists of maximizing the potential of the production units, guaranteeing quality raw materials -as well as the profitability and sustainability of the system- through four strategic pillars:



Volume of
sugarcane/
sugar



Relationship with
the producers



Sustainability



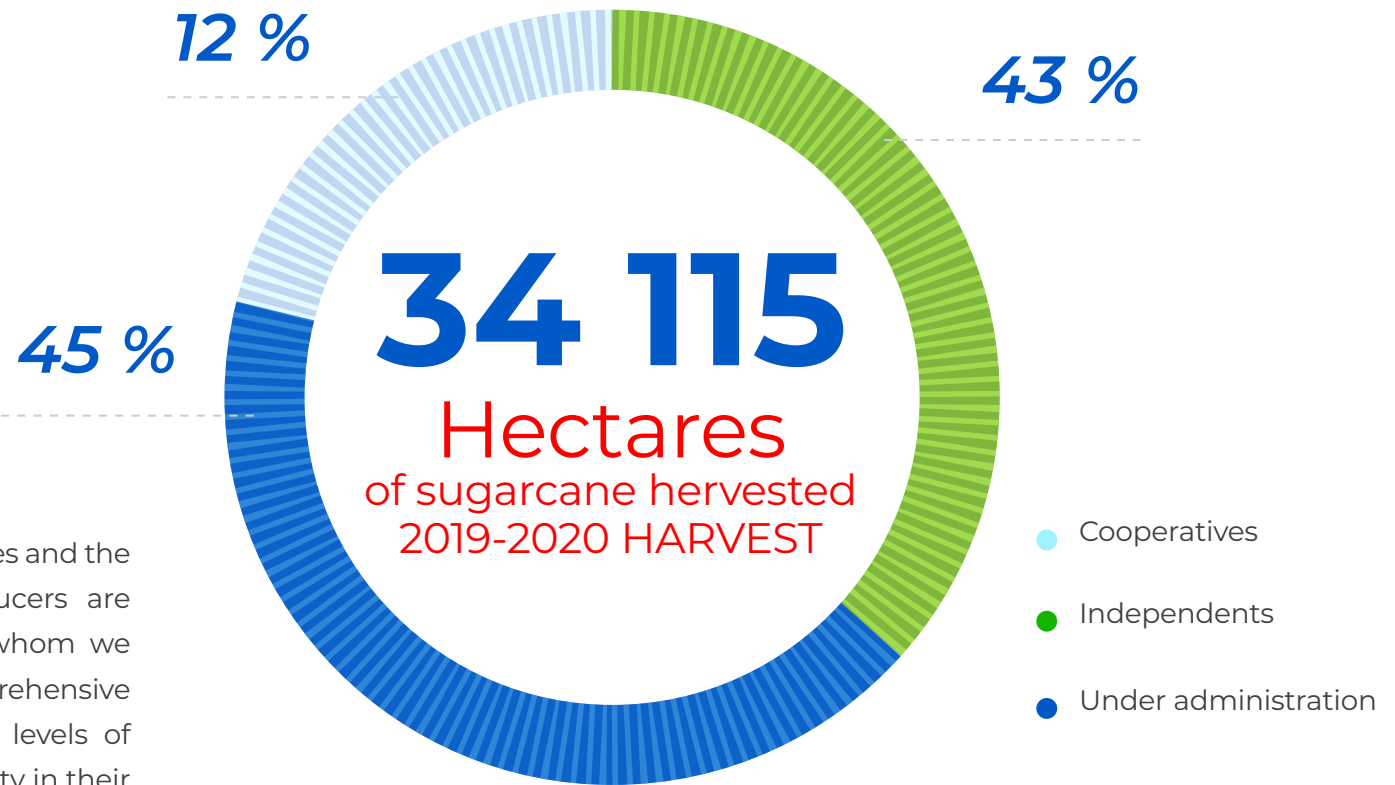
Operational
efficiency

This model is based on the continuous improvement plan which includes the implementation of good agricultural, environmental, labor, and occupational health and safety practices all along the value chain.



DISTRIBUTION OF PRODUCERS IN THE SUGARCANE SPACE

The reformed sector cooperatives and the independent sugarcane producers are CASSA's main partners, with whom we work to ensure their comprehensive development, as well as high levels of competitiveness and productivity in their sugarcane crops, through good practices in all their operations.



2974

associates or owners of sugarcane plantations.

56 %

of the total net income generated by the sale of sugar and molasses goes back to the sugarcane producers.

In addition, CASSA has a property administration **model through our subsidiary COAGRI** (*Agroindustrial El Paraíso S.A. de C.V.*) which offers two administrative alternatives:

- **Fixed model**
- **Variable model**



2019-2020 AGRICULTURAL
HARVEST PRODUCTION RESULTS

	CENTRAL IZALCO	CHAPARRASTIQUE MILL
Plant yield (kg/t)	116.90	115.29
Field productivity (t/ha)	93.48	85.68
Agroindustrial yield (t/sugar/ha)	10.93	9.88





In CASSA Group we have adopted the good agricultural practices established by the Bonsucro production standard, which operates with the principle that says: “that which you can measure, you can improve”.

In this way we guarantee that all our agricultural activities include the care for the workers, the environment and profitability, considering everyone involved in the sugarcane production value chain.

TECHNICAL ASSISTANCE AND SUPPORT TO THE PRODUCER

CASSA supports the sugarcane producers, guiding them to produce in a sustainable manner and by forming, over time, their technical capacity through field visits:

**CENTRAL
IZALCO**

Comprehensive
field visits

50

sugarcane producers on 114 sugarcane plantations.

6451.55

hectares in the Ahuachapan, Sonsonate, La Libertad and La Paz departments.

CHAPARRASTIQUE MILL

38

sugarcane producers on 67 sugarcane plantations

3614.40

hectares in San Miguel, Usulután and San Vicente departments.

Through which we have obtained the following results in the field for 19-20:

**CENTRAL
IZALCO****CHAPARRASTIQUE
MILL**

Renewal and new areas

135

hectares of new area and

766

hectares renewed.

34

hectares of new area and

248

hectares renewed.

Yield

646 164 MT

of sugarcane in the program, with
an average yield of

96.54 t/ha.**380 889 MT**

of sugarcane in the program, with
an average yield of

88.46 t/ha.

Production of semi-commercial
sugarcane seed

11 879 MT

of semi-commercial sugarcane seed.

11 157 MT

of semi-commercial sugarcane seed.

Irrigation

2976

hectares irrigated by gravity and sprinklers.

1810

hectares irrigated by gravity and sprinklers.

FINANCING

CASSA has designed a sustainability strategy for the producers, based on technical and financial assistance to obtain a diagnostic of their needs.

In addition, before the start of the harvest, the sugarcane producers for Chaparrastique Mill and Central Izalco have agricultural insurance policies against non-programmed burns.

AGRICULTURAL SERVICES

As part of the support given to producers, we also offer agricultural services using machinery of the highest standards and thereby guaranteeing quality work. These activities include:



Sugarcane seed



Perimeter mapping



Aerial applications



Agricultural mechanization



CLT:

- Cutting sugarcane (harvest)
- Loading sugarcane (loading cut sugarcane into trailers)
- Sugarcane transportation

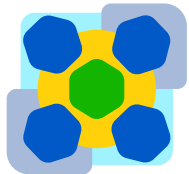


Maintenance of agricultural machinery and access roads to collect raw material



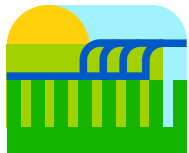
Property management

AGRICULTURAL RESEARCH



Integrated nutrition management

We create an annual fertilization plan with the objective of providing the crops the necessary elements for their development, without depleting the soil elements; as well as prevent nitrate and phosphate contamination.



Integrated pest management

We created a smartphone application in order to facilitate the collection of real-time monitoring data from the field, thereby speeding up the analysis and decision making. Now we can guarantee the suppression of potential pests at thresholds that guarantee sustainable production, leaving the use of agrochemicals as a last alternative.



Variety introduction

As part of the search for commercial varieties that comply with environmental, production and quality requirements, we introduced 50 promising varieties from the Guatemalan Center for Sugarcane Research and Training (CENGICAÑA). Three are already commercially viable in the Guatemalan sugarcane region.

These varieties will be evaluated under the conditions of the Salvadoran sugarcane region, hoping that they show the following characteristics: climate change adaptation and easy straw removal; as well as that they can withstand mechanized harvest, water stress, pests and disease.

The varieties were introduced in December 2019 and are currently in the open quarantine and multiplication phase.



SUGARCANE TRANSPORT

The sugarcane loading and transportation service is carried out by contracting with the specialized transportation sector. In addition, we have a school to help them become competitive business people.

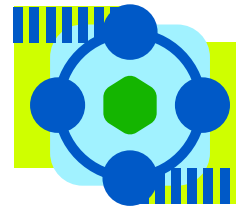
To achieve this objective, we provide training in *three strategic areas*:



Compliance with the contracting policy



Business development



Strategic alliances with the Vice Ministry of Transportation, National Civil Police, Ministry of Public Works, General Superintendent of Electricity and Telecommunications, Mayors' offices, and clean-up crews from the Salvadoran Sugar Association.



ENVIRONMENT



ENVIRONMENT

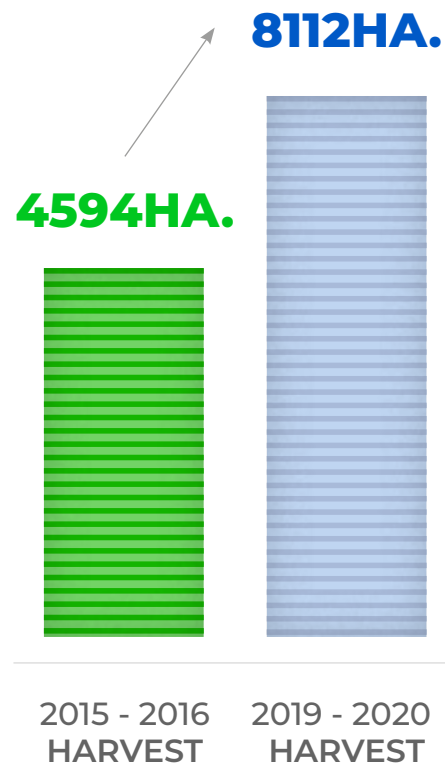


The good practices and effort to execute efficient environmental projects has allowed us to maintain our Functions and Operations Environmental Permits, as well as the Health Functions Permit, given by the Ministry of Environment and Natural Resources (MARN) and the Ministry of Public Health and Social Welfare (MINSAL), respectively, for both [Chaparrastique Mill](#) and [Central Izalco](#).

At the same time, as a part of our responsible environmental management, we carry out permanent monitoring activities and programs through which we measure the environmental performance of the processes, in line with the applicable laws, international standards and with the requirements of our clients.



GREEN HARVEST AND SUGARCANE STUBBLE MANAGEMENT



> **INCREASE
IN GREEN
HARVESTING**
(no burning)

8112 hectares were
harvested green

24 %

of the total area
is harvested green

“Green Harvest” is a vitally important project for CASSA because of our commitment with our communities and the environment.

Annually we gradually increased the green sugarcane harvest and stubble management plan, in coordination with the Salvadoran Sugar Agroindustry, the Ministry of Environment and Natural Resources (MARN), and the Ministry of Agriculture and Livestock (MAG).



Through the implementation of these practices, we have obtained different benefits in **three main areas:**



ENVIRONMENTAL

- Reduction of gas emissions from burns.
- Wildlife conservation.
- Soil improvement from the organic material and nutrient recycling.
- Erosion reduction.
- Reduction in herbicide use.



SOCIAL

- Reduction in air pollution.
- Reduction in the risk to communities from the burns.



ECONOMIC

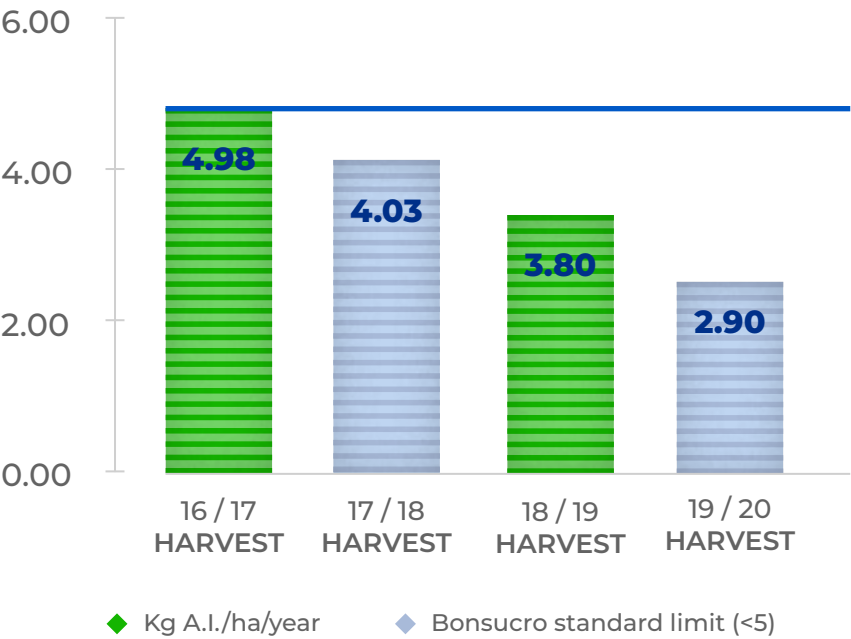
- Reduction in irrigation costs.
- Reduction in the cost of weed control.
- Long term improvements in production.

Article and video published on the blog: Benefits on a sugarcane plantation that harvest 100% green.

Clic 

RESPONSIBLE AGROCHEMICAL USE

Kilograms of active ingredient/
hectare/ year



0.90 KG/HA

reduction in active
ingredient

In CASSA Group we use agrochemical products permitted according to national law and international conventions. And, additionally, we guarantee that we do not use products prohibited by the World Health Organization (WHO), Stockholm Convention, Rotterdam Convention and the Montreal Protocol.

During the 2019-2020 harvest, we established a reference based on the limit indicated by the Bonsucro standard: <5 kg of active ingredient/hectare/year.

PROPER AGROCHEMICAL CONTAINER MANAGEMENT



11.31 MT

of containers collected

We promote and train about the use and final disposal of agrochemical containers in compliance with the national environmental legislation, in order to protect the natural resources and human health.

Therefore, we follow these steps for proper management including the elimination of the containers carried out by specialized companies, authorized by the Ministry of Environment and Natural Resources:



Triple wash



Collection and transport to the containment centers



Shipment and destruction

SOIL CONSERVATION AND RESTAURATION

130.27

hectares with
contour farming

419

plots with soil analyses
updated during the
19/20 harvest

We have implemented contour farming on all agricultural production plots that need it to:

- Reduce the nutrient loss caused by slopes.
- Decrease superficial runoff.
- Promote water infiltration in the ground.

In addition, we carry out sampling and soil analysis every 5 years or any time a plot is renewed, to design the most convenient nutrition plan. **In this way, we guarantee that pH remains at an acceptable level.**

BIOBEDS TO PROTECT SOIL AND WATER RESOURCES

135

biobeds

In order to prevent the contamination of soil, as well as underground and surface water sources, we work with these structures to prepare agrochemical mixes and to wash the empty containers.

We are committed to increase the number of biobeds as necessary to cover all the areas of influence.

TECHNOLOGICAL INNOVATION

2300

hectares were cared
for with drones

The implementation of this new technology allows us to:



Apply products to grow and maintain the crop over a small area (where before it was impossible to apply products with conventional airplanes), guaranteeing more control and precision.



Periodically monitor the crops to identify the state and to carry out opportune agricultural tasks accordingly.

The principal benefit of the use of these new technologies is that they allow us to be economically profitable, socially responsible and environmentally sustainable.



GOOD AGRICULTURAL PRACTICES MANUAL

Sugarcane producers and plantation foreman from **19 plantations** in the Jiquilisco municipality were trained.

In alliance with the Salvadoran Sugar Foundation (FUNDAZUCAR), we have continued to work circulating the Good Agricultural Practices (GAP) Manual for sugarcane production.

Among the different topics included in trainings:

1. Integrated pest management.
2. Construction of biobeds and tables.
3. Buffer zones and GAP for the conservation of biodiversity and wetlands protection.
4. Calibration of equipment for the application of agrochemicals, and triple wash techniques.
5. Soil and foliage samples.

Additionally, we have contributed with the elaboration and distribution of educational videos with relevant themes to the producers, facilitating the implementation of GAP in the ace of the COVID-19 pandemic.

These audiovisual resources are available on **FUNDAZUCAR'S WEBSITE.**

Bird rests

Click 

Rodent pests

Click 

Green traps

Click 

Gallery forests

Click 

CLIMATE CHANGE

Considering the high climatic variability that affects the region, and that directly affects the cultivation of sugarcane, we took the initiative to establish a relationship with the Private Institute for Climate Change Research (ICC).



The ICC is a private institution, leader in research and the development of projects to mitigate and adapt to climate change in communities and productive systems in the region.

During the 2019-2020 period we defined the methodology to estimate the Carbon and Water Footprints of CASSA Group. In addition, we created a comprehensive mitigation and adaptation plan regarding the effects of climate change.

At the same time, we worked on an initiative brought about by the Business Foundation for Social Action (FUNDEMAS) and the Nature Conservancy (TNC), called: **“Harvesting Resilience”**.

This project has the purpose of developing climate resiliency in the sugarcane and cattle sectors, through the best sustainable agriculture practices, strengthening public-private alliances for that end.

In said context, we signed an agreement with **FUNDEMAS** to establish 2 demonstration plots to implement the agroecological practices that promote sustainability and resilient landscapes.

The practices carried out to date are:



**Mechanical and
manual weed
control**



**Green
harvest***



**Organic
fertilization and
green compost**



**Use of non-herbicidal
maturing agents***

**Practice already implemented in CASSA Group plantations.*

ATMOSPHERIC EMISSIONS

Reduction of **257 229 TON CO2E** in the 19/20 period
 (equivalent to substituting, approximately, 25,000,000 gallons of diesel for a renewable energy source)



The thermoelectric plants have automated control systems, which contributes to improve the efficiency of the bagasse combustion, and to optimize the operations inherent in the generation and distribution of energy.

Before the combustion gases leave the bagasse boiler chimneys, in Central Izalco, the gases generated are controlled by passing through wet scrubbers, and in Chaparrastique Mill, by way of an electrostatic precipitator.

In addition, we carry out periodic monitoring of the particulate concentration and of the combustion gases, through which we evidence our compliance with the relevant standards (Proposal for the Obligatory Salvadoran Standard: NSO 13.11.02:11 Atmospheric Emission from Fixed Isolated Sources), and we protect the neighboring communities.

The intensity of greenhouse gas emissions in 2020 was **0.4 tCO2e** for each ton of sugar produced, which is representative of the CASSA's efforts to reduce the effects of climate change.

According to Bonsucro sustainability standards, emissions should remain at or below 0.4 tCO2e/t sugar.



AIR QUALITY

We carry out continuous monitoring and measurements at different points in the neighboring areas to quantify the concentration of total suspended particles (TSP), total particles with an average diameter less than 10 μm (PM10), and total particles with an average diameter less than 2.5 μm (PM2.5).

The objective is to measure the scope and potential impact that the combustion of bagasse could cause in the neighboring communities. The results demonstrate compliance with the relevant environmental standards (Standard proposal: Obligatory Salvadoran Standard NSO 13.11.01:01 Environmental Air Quality. Atmospheric Immisions).



AMBIENT NOISE

We carry out ambient noise measurements (night and day) in different points located on the perimeter of the industrial areas of Central Izalco and Chaparrastique Mill, so as to take immediate action if there are any signs of negative impact on the neighboring communities.

The results obtained demonstrate compliance with the international standards set by the World Health Organization (WHO) that apply to industrial and commercial areas, and internal and external transit.



WASTE REDUCTION,
REUTILIZATION AND RECYCLING

84.5 %

of waste was recycled
during 2020.

As part of the program to optimize processes, we carry out different actions focused on the reduction, reuse and recycling of residues, and hazardous and non-hazardous waste.

These actions consider all the regulatory elements that the national legislation establishes, as well as international conventions ratified, by contracting out with businesses authorized by the Ministry of Environment and Natural Resources (MARN).

2020 summary

TYPES OF DISPOSAL	WASTE GENERATED METRIC TONS	PERCENTAGE
Recycling	763 622.8	84.45 %
Reuse	369.6	0.04 %
Co processing	37.4723	0.0 %
Compost	139 761.5117	15.5 %
Landfill	430.67	0.05 %
Total	904 222.0	100 %



BIODIVERSITY

371

hectares of conservation forests in 2020.

1925.26

forestry plantations (50% more than the previous period)

120 000

trees grown in 2020 (39% more than the previous period)

FOREST NURSERY



In CASSA we have a forest nursery that has produced, to date, more than 1,851,915 wood producing trees, which have been donated to government institutions, schools, NGOs, sugarcane producers, and the general population.

This environmental effort contributes to the improvement of watersheds, and to revitalize the lungs of the national territory.

Summary of reforestation in agricultural areas in 2020

Location	Quantity of trees	Description
Sugarcane plantations	28 859	Restoration of riverbanks, reforestation of boundaries and non-arable land.
Plantations with forests	15 000	Reforestation of boundaries and non-arable land
Total	43 859	Total of reforestation carried out by COAGRI



ENERGY FORESTS

According to the United Nations Food and Agriculture Organization (FAO), these forest plantations generate environmental, social and economic benefits. They are used to combat desertification, absorb or counteract carbon emissions, protect soil and water resources, and rehabilitate soil that has been worn out by other uses. Additionally, they provide rural employment, and, if planned correctly, can diversity the rural landscape and help maintain biodiversity.

The energy forests are plantations of trees that are used to generate clean energy and whose period of growth takes between 4 to 7 years.

In 2020, **1645.26** hectares were added to the energy forest area where **774 316** forest trees were planted.

Currently, we have more than **1925.26**

hectares planted with energy forests in different parts of the country.

Article and video published in the blog:
Energy forests that light up homes-

Clic 

PROTECTED AREAS

CASSA, in alliance with the Environmental and Natural Resources Ministry (MARN), protects and conserves **371 hectares** in the Natural Protected Area in the Chilanguera Forest (Chirilagua, San Miguel).

The activities that we carry out seek to strengthen the aquifer recharge in the area, as well as preserve the biodiversity of flora and fauna found within, in benefit of the community. Among these activities, **we can mention:**

- Maintain the reforested areas where to date we have planted **91,000 trees**.
- Conservation of the perimeter fencing.
- Preservation of trails and fire breaks with the objective to control any possible forest fire.
- Maintenance of indirect education signs to promote tourism in the area.
- Train and form CASSA park rangers, who carry out activities that guarantee the conservation of the natural resources in the area.
- Carry out awareness raising and training activities with neighboring communities about the importance of caring for and preserving the resources within the limits of the Natural Protected Area. This activity is carried out in coordination with MARN technicians, local schools and the Chilanguera Cooperative Board of Directors.

Article and video published in the blog: Reforestation and conservation in the Chilanguera Forest

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WATER



Agricultural Area

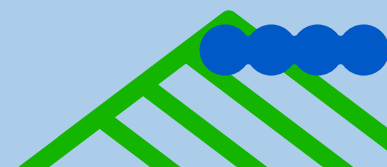
To conserve and protect natural water sources is one of the material topics identified within the materiality analysis that makes up the sustainability strategy.

That is why, since the **2017-2018 harvest**, we established the Bonsucro standard indicator of water consumed per unit mass of sugarcane produced, or in other words, less than 130 kg of water/kg of sugarcane produced.

At the same time, we have implemented the following actions during irrigation operations in the sugarcane plantations where we provide management services:

- 1. Create and implement an annual irrigation plan.*
- 2. Use drip irrigation and sprinkler systems under optimal conditions.*
- 3. Measure water levels to guarantee resources extraction.*

During 2019 we irrigated 2,067 hectares on the properties that we manage.



WATER



Industrial Area



73 % reduction of

water consumed in the industrial area during the last **5 years**.

98.54 %

of the total water used in the industrial area was recycled in the 19-20 period.

We have carried out actions related to **recycling and reusing water for industrial uses**, reducing the use of freshwater, and eliminating the dumping of wastewater into surface water bodies.

To that end, in Central Izalco we have implemented the use of a closed circuit of water; and meanwhile in Chaparrastique Mill, we have a system of specialized lagoons (*natural wastewater treatment systems*) where water quality monitoring takes place. These lagoons also guarantee favorable conditions for the reproduction and nesting of bird species that recognize these lagoons as artificial wetlands, which contribute to their natural habitat.

We estimate that we consume on average just **0.56 cubic meters** of freshwater per metric ton of sugarcane processed.

SUSTAINABLE COMMUNITIES



SUSTAINABLE COMMUNITIES

The intervention model of the program is centered on building sustainable relationships with the communities, while fomenting human development.

We carry out the program through three components:



Our “Community Allies” program has the objective to contribute to the sustainability of the agricultural operation along the value chain, by promoting good agricultural practices, generating win-win relationships, and improving the quality of life of communities in the areas surrounding the mills.

43 348 People benefited

Families benefited **9079**

28 Public schools benefited

91 Communities in Ahauchapan, Izalco, Sonsonate, San Julián, Armenia, Nahulingo, San Francisco Menéndez, Chirilagua, Concepción Batres, San Miguel y Usulután.

2300 CASSA Volunteer network



1. COMMUNITY RELATIONSHIPS

We generate spaces to build positive and sustainable relationships with neighboring communities and to guarantee that the agricultural operation is carried out in a responsible way, based on the respect for human rights and the environment.

And to achieve this goal, during 2020, we faced to enormous challenges: Coronavirus and a tropical storm.



ASSISTANCE DURING THE COVID-19 PANDEMIC AND TROPICAL STORM AMANDA

Specifically, because of the pandemic and the obligatory quarantine, we were able to maintain the communication with the sugarcane communities, reaching **115 leaders**, through WhatsApp groups, to provide them with:

1. Measures to protect from and prevent the illness.
2. Mental health guides related to the confinement.
3. Guidance regarding information provided by the Central Government.
4. Guidance regarding initiatives from the Central Government to support Salvadoran families.

20 LOCAL HEALTH UNITS

received biosecurity equipment (surgical gowns, surgical masks and KN95 masks), which allowed for **94 HEALTHCARE PERSONAL TO BE COVERED.**

Then, facing the emergency caused by tropical storm Amanda, we donated basic necessities and construction materials to **553 FAMILIES**, as well as to 100 CASSA agricultural workers, who live in the sugarcane communities.

For this, we used the funds donated voluntarily by the **2019-2020 HARVEST** Commission and other coworkers from the company.



Additionally, the **Community Allies team and the 2019-2020 Harvest Commission from Chaparrastique Mill, together with the health units from Usulután and San Miguel**, coordinated preventative fumigation campaigns in 13 sugarcane communities from these same areas, seeking to prevent the proliferation of the mosquito that transmits dengue, chikungunya and zika.

In this way, we protected

20 604
FAMILIES



“PLANT YOUR IDEA”
DIALOGUE MECHANISM



This is a communication channel between the areas around the agriculture zones of the company, and the mill. During the 2019-2020 period we responded to 100% of the complaints in a time equal to or less than 48 hours.

Total complaints received = **18**
Responded in $\leq$ **48 h** = **100 %**
Complaints resolved = **100 %**



COMMUNITY SUSTAINABILITY COMMITTEES

To date, we have created 16 of these committees, maintaining direct and permanent communication with the 80 leaders who make them up.



SUGARCANE IDENTITY

We carried out virtual workshops (through WhatsApp groups) with parents, teachers, principals and students from 36 public schools. Through this channel, we shared with them content related to the cultivation of sugarcane and good agricultural practices. In this way, we had the participation of 771 children.



TRAINING WORKSHOPS WITH THE AGRICULTURAL STRUCTURE

We carried out the trainings “STI dialogue mechanism and prevention strategy for dust and damage to electrical wires during sugarcane transport in the communities”.

Through these workshops we instructed 31 agricultural technicians and 718 drivers from the western and eastern zones. In addition, we improved 29 overhead electrical cables to prevent damage from.



IMPACT DIAGNOSTICS

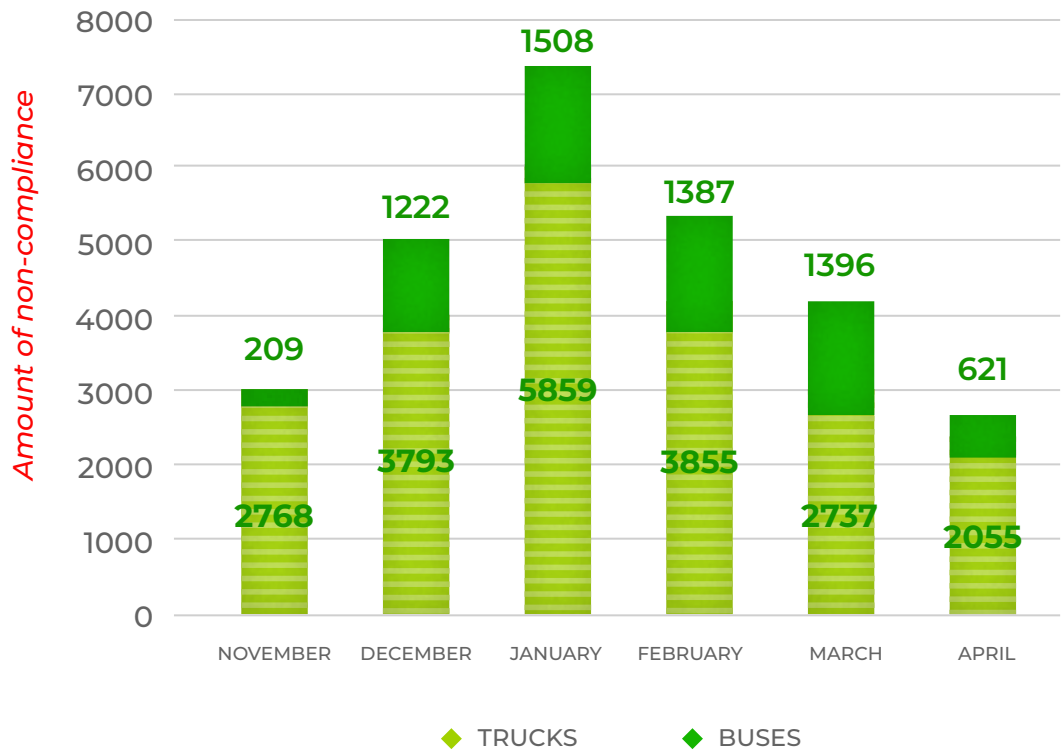
We carried out 16 analysis exercises between the company and community leaders, with whom we identified positive impacts, and those impacts we should prevent, in order to protect the community, the natural resources and the crops.



Through the implementation of GPS velocity monitoring, we obtained a baseline to measure improvements in compliance with the velocity policy on community roads.



Base line velocity infractions:



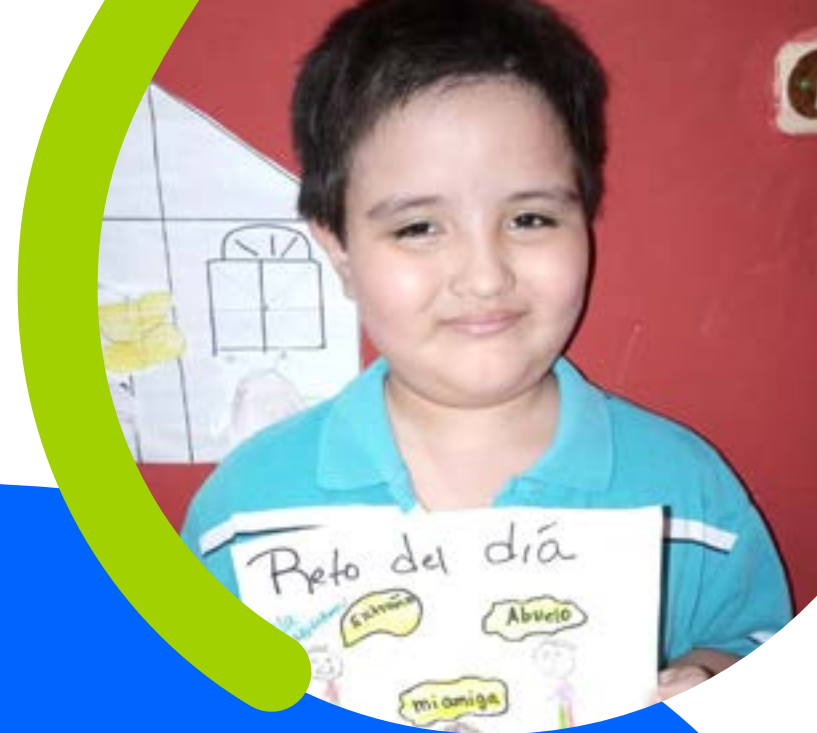
Internal roads velocity incompliance
CASSA Group range: 20 km / h < max V > 43 km / h

2. EDUCATION CORNERS

With this component of “Community Allies” we work to improve the educational quality for children from kindergarten through grade school in rural public schools.

Therefore, through different activities, we promote:

- **Learning** and development of cognitive and motor skills related to abilities such as reading and writing, mathematics and logic, motricity and other.
- **Well-being:** promoting socioemotional development, hygiene habits, agency, self-esteem, care for resources, prevention of patterns of violence and illness
- **Care** and protection of children’s rights through training in positive child-rearing habits with parents, caregivers and teachers.



Given the pandemic and the closure of the public schools, we provided weekly educational activities to **771 children** (virtually) through the action of the early childhood committees. Through which we were able to strengthen the sharing of preventative measures related to COVID-19, healthy relationships in the home, as well as support them in academic activities.

In addition, considering the obligatory confinement generated situations of anxiety and uncertainty for many families of teachers and parents, we provided specialized attention to **108 people**.



3. WATER 10

Based on the WASH model from UNICEF, we proved public schools with a model that guarantees them an adequate water cycle, from its extraction to its disposal in the environment.

Therefore, WATER 10 includes:

1. Introduction of potable water, the construction of hydration points and basic sanitation to ensure the wellbeing of students.

2. The promotion of hygiene practices, especially handwashing with soap.

3. Creation of WATER 10 Sustainability Committees, made up of parents, volunteers and professors, charged with ensuring the sustainability of the works and guaranteeing the hygienic practices are continued.



With the previous, we hope to care for the health of the students, preventing gastrointestinal illnesses that then cause missed attendance or even abandoning school; as well as improving their performance.

With this context, during the 19-20 period, we improved the water conditions in *two public schools: Palo Combo and El Edén, benefitting 624 people including students, teachers and parents.*

In this way, we were able to achieve a distribution network that complies with international and national standards. And we guaranteed potable water after carrying out physical, chemical, bacteriological, heavy metals and pesticide tests.



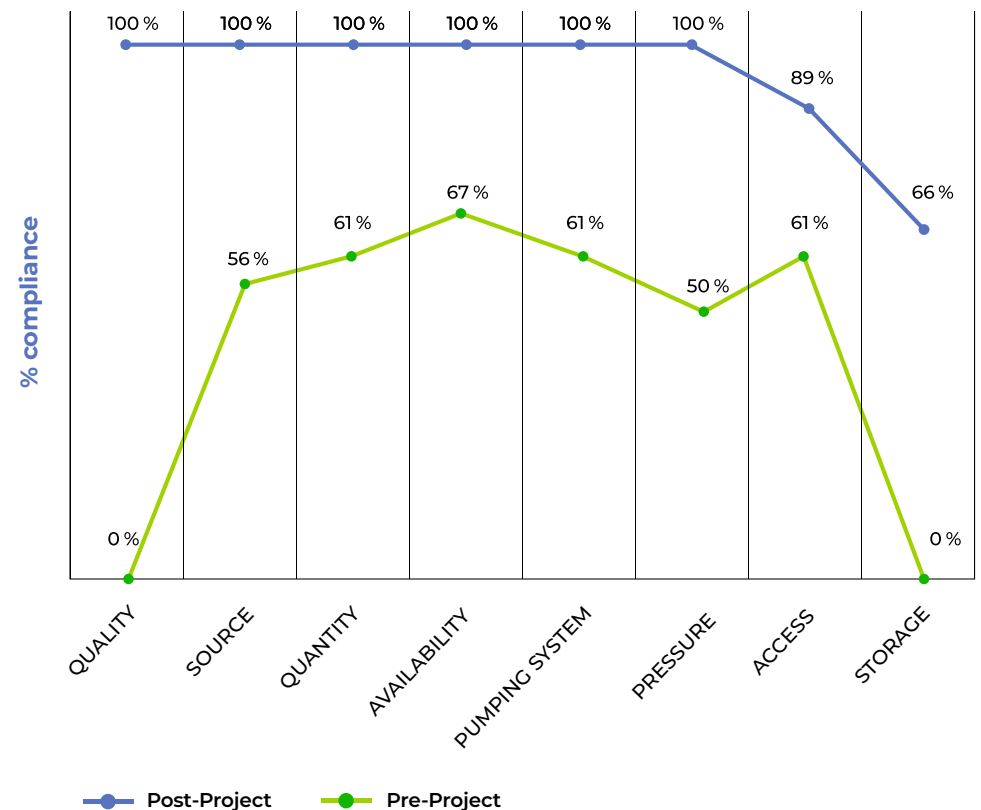
In addition, we provided support to families in three sugarcane communities with the execution of projects to introduce potable water, specifically in Planta Nueva (Sonsonate), Mundo Nuevo (San Dionisio) and Villa La Concordia (Jiquilisco). In this way, **297 families** received this service for the first time and another 1048 benefitted from improved supply of this resource.

The total investment for these projects in the communities was more than **\$230 000**, of which **CASSA Group provided \$83 000**.

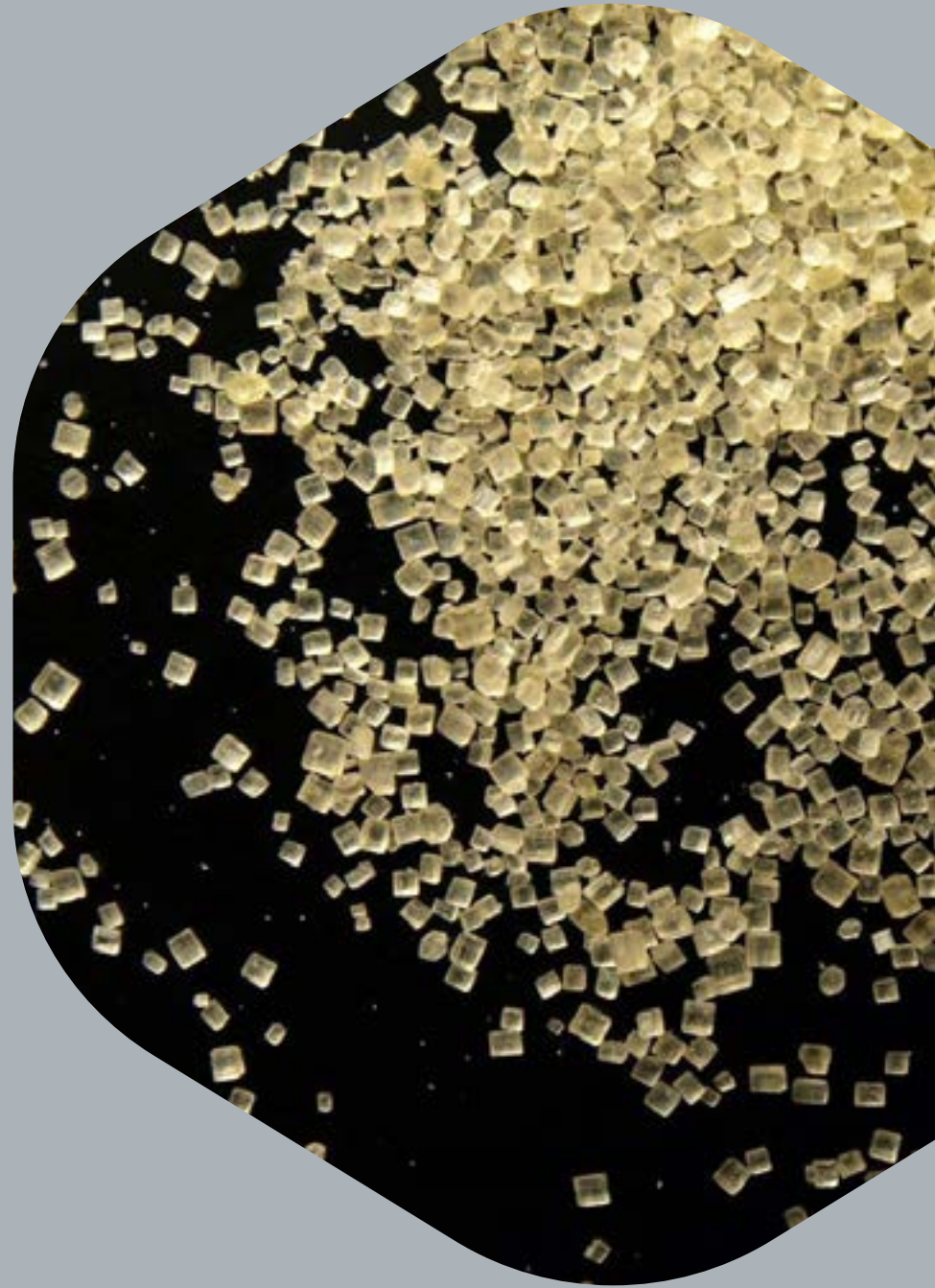
Others have been involved in these tasks, including the communities benefitted, the municipalities, NGOs like FUSAL and local businesses like Capella Solar from Neoen and Azure, among others.

In the graph you can observe the compliance with the water quality standards after the projects we have worked on in 18 public schools.

Indicators that measure the standard of access to water in public schools



GRI INDICATOR TABLE



GRI INDICATOR	INDICATOR DETAIL	LEVEL OF REPORT	REPORT SECTION	PAGE
STRATEGY AND ANALYSIS				
G4-1	Declaration from the senior decision maker regarding the relevance of sustainability for the organization, and the strategy related to it.	COMPLETE	Message from the Chairman	3
ORGANIZATION PROFILE				
G4-3	Name of the organization	COMPLETE	Organization profile	19
G4-4	The most important brands, products and services of the organization	COMPLETE	Organization profile and sustainable products	28
G4-5	Place where the organization has its headquarters	COMPLETE	Organization profile	19
G4-6	Countries where the organization operates	COMPLETE	Organization profile	19
G4-8	Markets served	COMPLETE	Export destinations	32
G4-10	Employees	PARTIAL	Our people	36
PARTICIPATION IN EXTERNAL INITIATIVES				
G4-16	Associations and national or international promotion organizations to which the organization pertains	COMPLETE	Organization profile	26

GRI INDICATOR	INDICATOR DETAIL	LEVEL OF REPORT	REPORT SECTION	PAGE
MATERIAL ASPECTS AND COVERAGE				
G4-19	List of the material aspects that were identified during the definition process for the content of the report	COMPLETE	Materiality	20
STAKEHOLDER PARTICIPATION				
G4-24	Stakeholders related to the organization	COMPLETE	Stakeholders	23
REPORT PROFILE				
G4-28	Reporting period	COMPLETE	Message from the Chairman	3
G4-32	GRI Index	PARTIAL	GRI Index	87-90
CORPORATE GOVERNANCE				
G4-34	Governance structure of the organization and its committees, and the committees responsible for decision making regarding economic, environmental and social questions	PARTIAL	Corporate Governance	24-25
G4-35	Description of the process by which the governing body delegates authority to the executive officers and certain employees related to economic, environmental and social questions	PARTIAL	Corporate Governance	24
ETHICS AND INTEGRITY				
G4-56	Describe the values, principals, standards and norms for the organization	COMPLETE	Purpose and values	5
G4-58	Describe the internal and external mechanisms to report unethical or illicit conduct, and matters related to integrity in the organization, such as the tiered notification to executive officers, mechanisms to report irregularities or phone lines.	COMPLETE	Code of Ethics	22

MATERIAL ASPECTS	GRI INDICATOR	INDICATOR DETAIL	LEVEL OF REPORT	REPORT SECTION	PAGE
STRATEGY AND ANALYSIS					
ECONOMIC PERFORMANCE	G4-EC1	Direct economic value generated and distributed	PARTIAL	CASSA Group in Figures 2019-2020	17
STRATEGY AND ANALYSIS					
ENERGY	G4-EN3	Internal energy consumption	PARTIAL	Sustainable products	31
EFFLUENTS AND WASTE	G4-EN22	Total water disposal, according to quality and destination	PARTIAL	Environment	74
BIODIVERSITY	G4-EN11	Operations facilities that are owned, rented or administered that are next to, have within or located within a protected area or unprotected area of great biodiversity value	PARTIAL	Environment	71
	G4-EN13	Total water disposal, according to quality and destination	PARTIAL	Environment	74

MATERIAL ASPECTS	GRI INDICATOR	INDICATOR DETAIL	LEVEL OF REPORT	REPORT SECTION	PAGE
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CATEGORY: SOCIAL PERFORMANCE

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EMPLOYMENT	G4-LA2	Social benefits for fulltime employees that are not offered to temporary or halftime workers, broken down by locations of significant activity	PARTIAL	Our people	39-41
HEALTH AND SAFETY ON THE JOB	G4-LA5	Percentage of workers that are represented by formal health and safety committees together with executives and workers, established to help, control and advise on work health and safety programs. Average hours of yearly training per worker.	COMPLETE	Our people	42
TRAINING AND EDUCATION	G4-LA9	Average hours of yearly training per worker.	PARTIAL	Our People	38

CATEGORY: SOCIAL PERFORMANCE

CHILD LABOR	G4-HR5	Identify the centers and suppliers with significant risk for cases of child exploitation and the measures adopted to contribute to the eradication of child exploitation	COMPLETE	Our People	48
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SUBCATEGORY: SOCIETY

CHILD LABOR	G4-HR5	Percentage of centers where development programs have been carried out, impact evaluations and local community participation	PARTIAL	Our People	77-85
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The logo for CASSA GROUP, featuring the word "CASSA" in a large, bold, white sans-serif font, with the word "GROUP" in a smaller, white sans-serif font directly below it. The logo is positioned on a blue background that is part of a larger graphic design with green and white curved shapes.

CASSA
GROUP

2020
MANAGEMENT &
SUSTAINABILITY REPORT

