SUSTAINABILITY CHALLENGES
in the sugar cane sector in Central America

Juan Carlos Fernández Q.
Azucareros del Istmo Centroamericano
ISCC Regional Stakeholder Dialogue Latin America
- Approximately, 17,000 independent sugarcane producers.

- 537,304 hectares of sugarcane in crop 2018 / 2019

- 41 mills
  - The crushing capacity of the mills more than 340k metric tons per day.

- More than 1.0 million workers – direct and indirect jobs.
Sugar Production Growth

International Sugar Organization Database – Central American sugar production: Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica
Sugar production growth (base 100 in 1999) – metric tons

2000 - 3,293,950 TM
2018 - 5,129,994 TM
<table>
<thead>
<tr>
<th>Country</th>
<th>2017 / 2018 Metric Tons (96°)</th>
<th>2018 / 2019 Metric Tons (96°)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guatemala</td>
<td>2,963,544</td>
<td>3,160,740</td>
</tr>
<tr>
<td>El Salvador</td>
<td>784,969</td>
<td>815,230</td>
</tr>
<tr>
<td>Honduras</td>
<td>526,153</td>
<td>543,867</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>800,417</td>
<td>788,331</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>431,172</td>
<td>442,185</td>
</tr>
<tr>
<td>Central America</td>
<td>5,506,255</td>
<td>5,750,353</td>
</tr>
</tbody>
</table>

Source: AICA
Molasses
+2 million mt produced on the crop 2018-2019

340.5 million liters produced on the crop 2018-2019

Cogeneration
✓ Installed Capacity – 1,568 MW / h
✓ MW delivered to national matrix- 641.4 k (2018-2019)
✓ Contribution to electric production by country
  • Guatemala 31%
  • El Salvador 8%
  • Honduras 7%
  • Nicaragua 15%
  • Costa Rica 1%

Alcohol

Molasses
+2 million mt produced on the crop 2018-2019

340.5 million liters produced on the crop 2018-2019

Cogeneration
✓ Installed Capacity – 1,568 MW / h
✓ MW delivered to national matrix- 641.4 k (2018-2019)
✓ Contribution to electric production by country
  • Guatemala 31%
  • El Salvador 8%
  • Honduras 7%
  • Nicaragua 15%
  • Costa Rica 1%

Alcohol
Guatemala 11 mills
Costa Rica 13 mills
Nicaragua 4 mills
El Salvador 6 mills
Honduras 7 mills
Trade – Promote favorable trade conditions for the sugar sector.

Sustainability – Boosting the sustainability of the sugar sector at the regional level

Sugar and Healthy Lifestyle – Promote an adequate assessment about the impact of sugar on health.
Different actors and circumstances are promoting the importance of sustainable practices.
SUSTAINABILITY

Mainstream definition

Economic development activity that meets the needs of the present without compromising the ability of future generations to meet their own needs.
Environment
- Water resources management
- Air & GHG emissions
- Soil quality
- Agrochemical use
- Waste management

Economy
- Economic growth
- Employment generation
- GDP impact

Society
- Labor compliance
- Property rights
- Community development
- Sugar’s impact on health

✓ Compliance with regulations
✓ Transparency
✓ Climate change
Efforts of the Central American Sugar Sector in Sustainability

ASAIZGUA
Corporate governance policies:
• Labor
• Health and occupational Safety
• HIV in the workplace
• Transportation
• Environmental
• Sugarcane Suppliers

Fundazúcar.GT
Social development programs

APAH. Sustainability Principles
2nd Sustainability Report GRI
Funazúcar. Social development programs

CNPA
Manual of Best Practices for Sugar Production

AAES – Fundazúcar.ES
Manual of Best Practices for Sugarcane Cultivation

Panamanian sugar sector
Efforts implemented by mills

LAICA
• Protocolo Sectorial de Sostenibilidad
• Program “Cultivando Futuro”

– in process –
Regional Workshop; Guatemala City, August 2019.
Trade – Promote favorable trade conditions for the sugar sector.

Sustainability – Boosting the sustainability of the sugar sector at the regional level

Sugar and Healthy Lifestyle – Promote an adequate assessment about the impact of sugar on health.
Our vision to face the challenges on noncommunicable diseases

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Clear information information to the public:</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Responsible advertising practices.</td>
<td>▪ Importance of physical activity.</td>
</tr>
<tr>
<td>▪ Sports and physical activity in education programs.</td>
<td>▪ The effects of sugar consumption</td>
</tr>
</tbody>
</table>

All of the above based on:
- Scientific evidence
- Joint work with nutritionists
- Measure success in changing consumer behavior and improving health