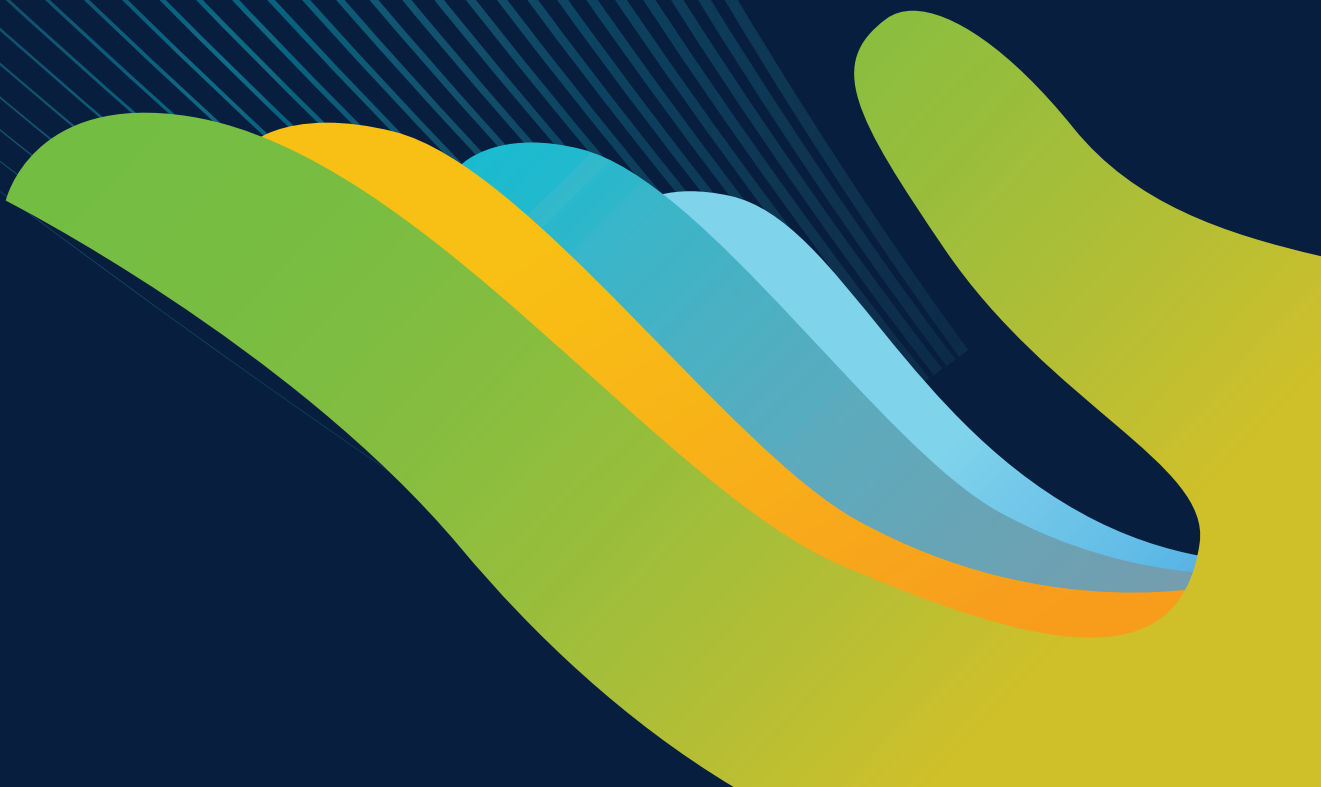




CORPORACIÓN
ZONA FRANCA
SANTIAGO

Showcasing to the world the best of the **DOMINICAN REPUBLIC**



Corporate
Management
Summary
2020



Corporate Management Summary 2020



Index

1 Chapter I: Letter from the CEO

- Historical Overview and Accountability for 2020

2 Chapter II: Stakeholders preparing for the Free Trade Zone Sector's big leap to the next level.

- Vision
 - **Víctor -Ito- Bisonó Haza**, Minister of Industry, Trade and MSMEs
 - **Daniel Liranzo**, National Free Trade Zone Board (CNZFE in Spanish)
 - **Federico Domínguez**, National Free Trade Zone Board (CNZFE)
 - **Pedro Brache**, President, National Private Sector Business Council (CONEP in spanish)
 - **Circe Almánzar**, Executive Vice President, Dominican Industry Association, Inc. (AIRD in spanish)
 - **Proto Jacinto Báez (Eddy)**, Mayor of Western Santiago Municipal District
 - **Abel Martínez Durán**, Mayor of Santiago Municipality

Santiago Free Trade Zone Corporation (CZFS)

- Mission, Vision and Values
- Board of Directors
- Members
- Organizational Structure
- Inter-institutional Relationships and Activities

Key stakeholders

- PIVEM
- Capex
- La Aurora Cooperative
- CEGESTA
- Médica
- Free Trade Zone firefighters Trust

3 Chapter III: PIVEM: 21st Century Free Trade Zone Companies. New Opportunities for productive sectors.

- Single Value Proposition: Victor Espailat Mera Industrial Park (PIVEM)
- All in unison
- Health Response

- 360° vision: transformation process
 - **Katy Lizardo de Contreras**, CZFS General Director
 - **Juan José Battle**, CZFS Board Member
- PIVEM Entrepreneurs
 - **Oscar Frías**, General Manager of Swedish Match Dominicana
 - **Diosnedy Estévez**, General Manager of Sewn Products, S. A.
 - **Damien Bischoff**, CEO of Grand Island Group, S.R.L.
 - **Augusto Reyes Vargas**, CEO of Swisher Dominicana
 - **Joe Torres**, CEO of RJ Torres
- Community leaders
 - **José Jáquez**, West Santiago Committee - Comité Amigos PlaZona
 - **Hipólito Martínez**, Attorney, teacher and community leader.

4 Chapter IV: Productive Social Investment

- Environment
 - Sustainable production and eco-innovation
- Education and Entrepreneurship
- Health and Wellness
 - Bringing life and hope
- Beneficiaries of Training and CSR Actions
 - **Gilda Tavarez**, Human Resources Manager Hilos A&E
 - **Connie Reyes**, Human Resources Manager PC Precision

- **José Octavio Reinoso**, President of the Santiago Center Business Association (ASECENSA)
- **Pedro Jiménez**, Project Manager Timberland
- **Bernardo Espínola**, General Manager of La Fabril
- **Mechy Coronado**, Educator and principal of the San Juan Bautista School
- **Fernando Capellán**, President of Asociacion Para el Desarrollo (APEDI)

5

Chapter V: A sustainable and Competitive Consortium

- ZonaXol: First fully self-sustainable industrial campus in the Americas with photovoltaic renewable energy
- Seventh Stage
- Tech Campus
- Industrial Garden: a Botanical Park
- Residential Centers
- Planting the present and the future



1

CHAPTER

LETTER FROM THE CEO



Dear Members:

Pursuant to the Bylaws of the Santiago Free Trade Zone Corporation (CZFS) and, on behalf of its Board of Directors, we are honored to present our 2020 Annual Report.

Before quoting the highlights of a very atypical year, I invite you to look at the agenda for 2019 and the wide-ranging program, visits, meetings and negotiations that we undertook together.

We were embarking on the new decade with high expectations, with several projects oriented towards innovation, technology and sustainability in sight, however, our course changed with the Coronavirus outbreak (COVID-19). The outbreak created by the pandemic forced us to rethink every plan, both in our productive and social activities, and in all spaces throughout the world. Furthermore, our country faced a challenging electoral process and new authorities were appointed. The newly appointed government of Luis Abinader Corona and Raquel Peña Rodríguez announced through the Health Cabinet a plan to deal with the aftermath of COVID-19.

The Free Trade Zone sector which, as of 2019, according to the National Free Trade Zone Export Council (CNZFE in Spanish), had **75 parks** in

operation and **695 companies**, generating around **176,555 direct jobs**; began the first months of the year with **6,162 fewer jobs**, before strongly experiencing the pandemic. Executive director of the CNZFE, Daniel Liranzo, acknowledged that, by the end of April 2020, the FTZ sector had lost 31.8% of its direct jobs, in comparison to 2019.

However, in that month of setbacks and challenges for the national productive sector, due to the first major confinement, a process of labor recovery began, led by the tobacco and related products and medical devices and pharmaceuticals subsectors. According to CNZFE, from April to the end of the year, direct employment grew by over 72%.

The health crisis dampened the favorable winds of change for our industry. However, we have been resilient in our sector and, we continue to drive Dominican exports as an engine for the reactivation of the national economy.

Miguel A. Lama Rodríguez
President of the CZFS Board of Directors

There are **711** companies approved to operate in **75** industrial parks under this modality nationally and we live in one of the nations with the greatest commercial movement in Latin America, followed by Costa Rica and Puerto Rico.

During the new “Every day-Covid life”, we experience, every day, the strength of unity and empathy. The Santiago Free Trade Zone Corporation, with an innovative spirit since its inception, has supported important development projects and at the same time is very present in the urgent needs of the city and the northern region. Moreover, we are committed to the mission of keeping ourselves safe, caring for others, and protecting our means of production by ensuring the sustainability of our resources.

The Corporation’s support units united their efforts in this mission, acting with solidarity and adaptability, at times when there was only permission for the essential tasks of health, food and transportation. Capex, the Center for Innovation and Professional Training; La Aurora Cooperative; Mēdica; CEGESTA, the Center for Talent Management; and the Free Trade Zone Fire Department are some of the allied entities that support our strategic pillars.

Like many other training centers, Capex classrooms also suffered the effects of COVID-19. Offering a great example of adaptability, the center became a great ally of the companies and transformed its virtual platform into a large online academy to meet the training and orientation needs of internal and external audiences, benefiting nearly 15,000 people in 2020 alone. In record time, it delivered its educational

experiences in online presentations, which are currently references of resilience and business flexibility.

Meanwhile, the efficient management of Mēdica exceeded the expectations of health response in 2020, both with the population of the Park, as well as the neighboring communities. Its specialists offered us a great example of resilience, responding in a timely manner to the constant challenges of the pandemic. They assumed new developments in the management of tests, studies and evaluations according to the pertinent protocols, providing strict follow-up to each patient.

The health center has provided care to more than 60 thousand people, in different areas. Currently, Mēdica offers the following services: family medicine, gynecology, pediatrics, dentistry, emergency, laboratory, X-ray imaging, mammography and sonography.

In 2021, the center will add new specialties and services to meet the emergencies of patients with high quality care at low cost, such as: specialized facility for treatment of patients with contagious diseases, CT scanner, cardiology, dialysis center, among other innovations that you will see in the course of these Reports, along with the successes of the other support entities of the Corporation.

Preserving health and jobs

The government proposed measures for the productive sector that were to be complemented by economic adjustments within the companies, which were implemented and complied with by our



institution. The Corporation also structured a biosafety protocol to protect the personnel of the Victor Espallat Mera Industrial Park (PIVEM), through the following:

- Establishment of the CZFS Internal Emergency Committee, comprised of members of the Board of Directors, financial and legal advisors, chairmanship and general management.
- Creation of the CZFS COVID-19 Compliance Committee to ensure compliance with the standards established by the Occupational Safety and Health Unit, WHO and the Ministry of Public Health.
- Medical triage area to identify potentially contagious patients and perform diagnostic tests.
- Providing protective equipment to staff.
- Communication campaign to raise awareness among the productive community about COVID-19 care.
- Hygiene stations installed at the points with the greatest flow of people.
- Provision of technological tools to optimize teleworking
- Rapid COVID-19 tests were administered to all personnel prior to reintegration, and a permanent requirement was established prior to the entry of each employee.

- Delivery of meals and prevention kits to employees and non-profit organizations.

The CZFS Facilities and Support Program, which benefits more than 80 companies located in the PIVEM, includes special economic concessions, such as discounts on lease payments and the suspension of contractually agreed increases.

Thanks to the large economic support plan for the companies installed in the Park, in the order of 100 million pesos, the investors were able to withstand the onslaught of the pandemic, committed to preserving as many jobs as possible and reinforcing biosecurity measures to ensure the well-being of their employees.

The Coronavirus crisis also tested global empathy. In this sense, I would like to highlight the resilient spirit of those PIVEM companies that reoriented their production processes, in order to manufacture face masks, to respond to the needs of the moment.

Through Compromiso Santiago (Santiago Commitment), businessmen prioritized in the overall health and safety of their personnel and donated 30 million pesos to purchase hospital supplies for the fight against COVID-19.

Likewise, the Corporation, through the National Private Enterprise Council (CONEP), contributed for the purchase of 25,000 doses of vaccine against Coronavirus, which was added to the initial payment of the Dominican Government's agreement with the British pharmaceutical company AstraZeneca, as part of the local and national



business response to the health emergency that is still affecting us today.

The Corporation's Board of Directors also approved contributions in various areas, such as the request for one million pesos to the Yaque del Norte Water Fund to finance the construction of artificial wetlands and reduce sewage pollution. In addition, CZFS contributed eight million pesos at the request of the National Free Zone Council (CNZFE), to cover the costs of promoting the sector in 2020.

This and other actions reached in consensus within the Board of Directors are evidence of the organization's responsibility and high commitment to the city, the region and the country.

The Park

In recent years we renewed, resized and internationalized the impact of this Industrial and Services Park, seeking to consolidate the most competitive, profitable, reliable, safe and sustainable business environment in the country and the Region; guided by the highest standards and international best practices, this has allowed us to double the number of jobs and productive business activities.

From an industrial park, we have become a small Productive City, where more than 22 thousand people work in 80 companies that occupy almost 200 buildings. These buildings cover 6 million square feet of leased warehouses and are located within 2 million square meters of land.

In the last two years, several companies in the tobacco and textile

sectors have registered significant growth within the Victor Espaillet Industrial Park (PIVEM). This increase resulted in an addition of 450 thousand square feet to the industrial floor.

By incorporating Call Center activities, in a space of 15,000 square feet, 170 new jobs were added, managed by Sewn Products company, in a joint investment of around DOP\$60,000,000.

Our immense efforts over the last decade ratify PIVEM as an infrastructure that offers significant advantages for investors. Access to experienced employees, safety, health, customer service, quality of response, competitive prices and stable costs for long-term investment are essential values for a healthy operation and these are recognized by our tenants.

Between 2021 and 2022, three new warehouses will be built in a total area of 250,000 square feet, with the aim of providing 700 direct jobs.

In order to extend the industrial floor of the Park, 240,000 square feet were added, currently occupied by the companies Swedish Match and Boombah, with a joint investment of DOP\$900,000,000. These building adaptations and remodeling have also favored companies in the footwear manufacturing and logistics sectors.

Present and future

Following the fact that 2020 closed as the toughest year for the world economy in recent history, leading international economic organizations have put on the table growth projections for Latin America and the world in 2021. According to the World Bank, despite



the fact that the world economy registered a 4.3% contraction during 2020, it is expected that for this year the global recovery will reach 4.1%, with a stable projection of 3.8% for 2022.

A year ago, the U.S. government was forced to shut down most of its economy to deal with the Coronavirus pandemic. By April 2020, there was an unemployment rate of 14.8%, a figure not seen before since 1948. One year later, with a vaccine in place and the implementation of several federal aid programs, with stimulus checks and loans, the scenario is much more optimistic.

“The robust U.S. economic recovery in 2021 will lead the country to grow by more than 6 percent this year, according to several estimates. For example, the IMF has estimated in its latest global outlook report that the United States will expand by 6.4 percent, raising its forecast by 1.3 percentage points in just three months since January,” said Alex Segura, renowned economic analyst and journalist, in an interview with Voice of America.

According to the World Bank’s report on the Dominican Republic, the country experienced a remarkable period of strong economic growth over the past 25 years. The economy maintained its rapid expansion in the years leading up to the COVID-19 pandemic; between 2015 and 2019, the annual growth rate of Dominican GDP averaged 6.1 percent.

Tourism, remittances, foreign direct investment, mining revenues, free trade zones, and telecommunications helped make the DR one of the fastest expanding economies in the Latin America and Caribbean (LAC) region. However, the global impact of the pandemic significantly

affected the Dominican economy, causing a sharp contraction in all critical sectors in the second quarter of 2020. GDP is expected to contract by 4.3 percent in 2020 and to grow below potential in 2021 and 2022.

During this time, we have gained the knowledge and tools to cope with these changes. I know we lost speed in growth and some projects had to be postponed, but we did not give up. The Corporation and PIVEM staff have worked hard, both to provide appropriate responses and to lay the groundwork for the necessary recovery in production.

The institution presented a financial surplus of DOP\$380.5 million, which, due to the COVID-19 pandemic, showed a 27% decrease compared to DOP\$522.4 million in 2019.

Nevertheless, operating income in 2020 was a record for the Corporation, totaling DOP\$1,003.7 MM. Even with the facilities and discounts granted to the Park’s clients.

Aware that circumstances may change from one moment to the next, we are committed to the fact that evolution will find us working and consolidating our learning in order to always make the best decisions.

Thus, in the midst of adversity, with a stronger and highly qualified team, we continue to advance towards the consolidation of innovative projects that we had on the agenda as part of the Master Plan for 2025, and that aim at the growth and diversification of activities of the Free Trade Zone Corporation:



ZonaXol: Aims to become the first fully self-sustainable industrial campus in the Americas, with photovoltaic renewable energy.

Seventh Expansion Stage (Health and Innovation Campus): The development of this campus responds to the Corporation's interest in diversifying the attraction of new types of industries and sectors that bring new processes and technologies and generate higher value-added jobs. We are currently in the process of creating a strategy for marketing and attracting these new sectors. At the same time, we will maintain the support and availability of new spaces for the companies currently operating in our Park.

Tech Campus and Industrial Garden:

The Tech Campus is a compound already in process and with views to a specialized area for software development, call center, back office, research,

offices, logistics and entrepreneurship centers. It is located on the grounds of the Industrial Garden, a Botanical Park that will be a great green lung for the enjoyment of the population and tourism, with a new concept where work and recreation are integrated in harmony.

Residential Centers: To ensure a healthy living environment and family security, we will build quality housing that can be purchased by people who work in the industrial park, contributing to significant savings in transportation, health and education.

We, the Corporation and its related institutions, maintain our proposal to establish a Strategic Planning for Municipal and Provincial Development, with the objective of sowing better conditions, and placing ourselves in the first line of requirements in the post pandemic period.

This is in response to the urgent need of cities for development plans to ensure that their companies, productive entities and wealth creators have a safe, healthy, efficient and competitive environment.



Likewise, we remain firmly committed to the global positioning of Santiago and the country. To this end, we will continue to support the growth of current sectors and companies, as well as the Education, Entrepreneurship, Health and Environment pillars.

We are working with an expanded, modern, global vision that prepares us to participate in the business and investment activities that will take place in the next decade. We project that CZFS has the possibility of promoting these projects in the next 5 years, in the amount of 20 billion pesos.

In a world forced to coexist with new habits and a seriously convulsed and changing international context, we need citizens who are more committed to values, people who are more honest about the environment and natural resources, and talents capable of competing internationally.

By prioritizing best business practices, the Corporation remains current and renewed, offering timely solutions through the Corporate Social Responsibility programs described in the following pages.

We are strengthened by the institutional approach that continues to honor a transcendent legacy for the benefit of the city, the northern region, and the country as a whole.

¡ Thank you!

Miguel A. Lama Rodríguez
President of the CZFS
Board of Directors





2

CHAPTER

STAKEHOLDERS

Preparing for the Free Trade Zone Sector's big leap to the next level



We witnessed a pandemic in 2020 that shaped the future of the world; it altered the course of the present and demanded new ways to face the future. Productive sectors that uphold the world's economies were also affected by the health crisis.

Fortunately, despite the regulations imposed for health reasons and the partial cessation of operations for approximately two months, we have been resilient. Together with the companies that make up the Victor Espallat Mera Industrial Park (PIVEM), we reaffirmed the potential of the Free Trade Zone sector in the Dominican Republic and its value in boosting productivity and the national economy.

Changes were noted in the processes, and the sector showed strength and resilience to withstand the onslaught of a crisis yet to be overcome.

In October 2020, the Dominican Association of Free Zones (ADOZONA) reported that the Free Zone sector presented a solid growth of 4.4% compared to the previous year.

Exports approximating US\$565 million in October 2019, for the first time reached US\$592.06 million in the same month of 2020, marking a new record in this area, even in the midst of the health crisis.

According to ADOZONA, these statistics reveal the sector's dynamism and continued growth, despite the global economy's sufferings due to the effect of the pandemic

The Dominican government, together with free trade zone operators, presented a plan to relaunch the sector in October 2020 in order to attract more investments, generate 100,000 new jobs, increase annual exports to double digits and generate more foreign exchange in the 2020 - 2024 timeframe. The plan is based on five pillars: **investment promotion, zero bureaucracy, trade facilitation, promotion of productive alliances, education, strengthening of infrastructure and open data.**

During the same period, the Dominican Government, together with a Multisectoral Committee, presented the Country Brand strategy, which will serve as its main tool for the promotion of the nation, under the banner of these five pillars: **investment, exports, tourism, culture and citizenship.**

Accordingly, in President Abinader's economic recovery plan, the

Dominican industrial sector will be prioritized, as it is the basis of our productivity, competitiveness and growth of our economy.



Vision

The Santiago Free Zone Corporation has played a stellar role in all stages of the sector's growth and development during the 50-year history of the Free Zone sector in the Dominican Republic. Dominican and foreign-owned companies that have positioned themselves as regional leaders in various industries such as textiles, tobacco, services, plastics, among others, were first established in the Santiago Free Zone.

CZFS manages the largest free zone park in the country and with the largest number of established companies, which translates into the generation of a quarter of the formal employment of the Santiago province. However, its greatest success lies in its vision of investing in the development of the province and the northern region, in educational, environmental, health and transportation projects. We value the Corporation's success over the past five decades, which marks a turning point in the development of Santiago and the northern region.

Without a doubt, from the beginning of its operations, the Victor Espallat Mera Industrial Park (PIVEM), operated by the Santiago Free Trade Zone Corporation (CZFS), has become a benchmark of a comprehensive management model, where business and social responsibility aspects converge.

2020 has been a year of great challenges, where the global and local economy has had to face a serious health and economic crisis, as a consequence of COVID-19. However, our free zone sector has been able to reinvent itself and adapt to these challenges, achieving a full recovery and growth of its productive activities.

It is evident that, the Victor Espallat Mera Industrial Park has been one of the main actors in this recovery and growth process, since both the companies operating there and the executives of the Santiago Free Zone Corporation have implemented business and social responsibility strategies that have facilitated the economic recovery of the Province of Santiago and, consequently, of the country as a whole.



Víctor -Ito- Bisonó Haza

Minister of Industry and
Trade, and MSMEs



Daniel Liranzo

Executive Director National Free
Trade Zones Council (CNZFE)

The Santiago Free Trade Zone Corporation, established in 1974 by the renowned citizen Don Víctor Espaillat Mera, was initially a far-sighted impacting and transforming project, attracting foreign investment, generating jobs, foreign exchange and, most importantly, creating the basis for a new work culture and opportunities for all social classes in the province of Santiago, which spread and multiplied throughout the Northern Zone of the country.

We value the contribution made by the Santiago Free Trade Zone Corporation as transcendental, not only in the northern region of the country, but also nationally. We can consider it as a point of reference, since it is one of the oldest and most consolidated commercial zones in the country. It has a diversity of companies committed to its Corporate Social Responsibility, and that have included excellence and innovation in processes within their principles.



Federico Domínguez Aristy

President Dominican Free Zone
Association (ADOZONA)



Pedro Brache

President National Private
Enterprise Council (CONEP)

The Santiago Free Trade Zone Corporation is for us a reference that we value very positively in terms of private management of industrial parks and what can be done for the benefit of a sector and a region: promotion of formal employment, clear vision of its role in investment promotion, contributions as a corporate entity that assumes its social responsibility in the region, concern for the social capital of the companies located in the industrial park it manages, involvement in key causes of the Santiago Province and the region... in other words, a model that we have much to learn from.



Circe Almánzar

Executive Vice President, Dominican Republic Industry Association, Inc. (AIRD)

We appreciate the contribution of the Santiago Free Zone Corporation (CZFS), which has created more than 12,000 jobs in the Western Santiago Municipal District, through which more than 15,000 families make a living. We do not know where our youth would be if this Free Trade Zone did not exist.

Furthermore, we stress the Corporation's innovative capacity, in its modern facilities.



Proto Jacinto Báez (Eddy)

Mayor of Western Santiago Municipal District

The Free Zone sector in the Dominican Republic is undoubtedly one of the main supports of the national economy, generating a considerable amount of direct and indirect jobs.

The strength and great progress of this sector, rests largely on the Santiago Free Zone Corporation, having the Victor Espaillat Mera Industrial Park, as the largest industrial park in the Dominican Republic.

The great growth and development of the park has been the result of the hard work and passion of a great and valuable team of visionary men and women, who have believed in Santiago as their center of operations; having as their sacred mission, the generation of sources of employment.

As the Mayor of the Santiago Municipality, we feel special pride in having an institution with solid roots, such as the Santiago Free Zone Corporation, an entity that has walked hand in hand with the development and progress of the nation.




Abel Martínez Durán

Mayor of the Santiago Municipality




-  **2 hours** flight to the US


-  Access to the U.S. maritime market in only three **(3) days by sea.**

-  Only 20 minutes from Cibao International Airport and VIP service

-  1-2 hours from seaports

-  1 hour from Puerto Plata airport and port terminal

-  More than 20 daily flights to the USA

-  Second Country in Latin America and the Caribbean in terms of infrastructure installed for connectivity

-  Easy access to skilled and talented Human Resources

Our unique value proposition (PUV)



CORPORACIÓN
ZONA FRANCA
SANTIAGO



Santiago Free Trade Zone Corporation (CZFS)

The Corporation is the managing and administrative entity of the Victor Espaillet Mera Industrial Park (PIVEM), and its mission is to create and attract investments that generate employment and promote the socioeconomic growth of the city of Santiago, the northern region and the entire country.

Founded April 21, 1974, its primary objective was to create sources of employment and, over the years, thanks to its practices oriented towards excellence and innovation, it has established as a benchmark for **national economic development**.



Mission

Promote world-class industrial and commercial economic investment, with a high sense of social and environmental responsibility.

Vision

Be a leading investment promotion entity, with a high impact on the economy and the quality of life of the Dominican people.

Values



Sustainability

Economy • Development • Investment
Profitability • Environment • Society



Excellence

Effectiveness • Quality • Productivity • Training



Integrity

Equality • Loyalty • Transparency
Security • Justice

Institutional Philosophy



CORPORACIÓN
ZONA FRANCA
SANTIAGO

Board of Directors



**Lic. Miguel A.
Lama Rodríguez**
President CZFS



**Lic. Carlos Alfredo
Fondeur Victoria**
Vicepresident CZFS



**Mauricio
Haché Álvarez**
Secretary



**Dr. José Augusto
Vega Imbert**
Treasurer



Daniel Liranzo
Ex-Officio Member
Dominican Government. Executive
Director, National Free Trade Zones
Council (CNZFE)



Fernando Ramírez
Ex-Officio Member
Santiago City Council



Fernando Capellán
Ex-Officio Member
Asociación para el Desarrollo, Inc.
(APEDI)



Nicasio Pérez
Ex-Officio Member
Santiago Business and
Industrialists' Association, Inc.
(ACIS)



Carlos Iglesias
Ex-Officio Member
Santiago Chamber of Commerce
and Production, Inc.



Benito Ferreiras Rodríguez
Ex-Officio Member
ISA University, Inc.



Iluminada Severino
Ex-Officio Member
Pontificia Universidad Católica,
Madre y Maestra. (PUCMM)



Juan Ventura Pichardo
Ex-Officio Member
Northern Region Industrial
Association Inc., (AIREN)



Luis José Bonilla Bojos
Ex-Officio Member
Santiago Association of Free Zone
Companies, Inc. (AEZFS
)



**Dr. Juan José
Batlle Álvarez**
Member



**Félix M.
García Castellanos**
Member



**José Armando
Bermúdez Madera**
Member



Partners

Agripino Núñez Collado

Santiago Business and Industrialists`
Association, Inc. (ACIS)

Santiago Association of Free Zone Companies,
Inc. (AEZFS)

Northern Region Industrial Association,
Inc. (AIREN)

Santiago City Council

Benito A. Ferreiras Rodríguez

Santiago Chamber of Commerce and
Production, Inc.

Carlos Alfredo Fondeur Victoria

Celso A. Portela Alonso

Cristian Reyna

Dominican Government

Félix M. García Castellanos

Fernando A. Capellán

Fernando Puig Miller

Francisco José Thomén

George Schwarzbartl

Inmaculada Adames

Iván Reynoso

José Armando Bermúdez Madera

José Augusto Vega Imbert

José Ramón Vega Batlle

Juan Alfonso Mera

Juan José Batlle Álvarez

Juan Manuel Ureña

Lina García de Blasco

Luis José Bonilla Bojos

Mauricio Haché Álvarez

Miguel A. Lama Rodríguez

Nicasio Pérez Zapata

Oliverio A. Espailat Torres

Pontificia Universidad Católica, Madre
y Maestra (PUCMM)

Rafael Emilio Yunén

Ricardo José Fondeur Victoria

Isa University, Inc.

Víctor García Sued

Organizational Structure

ADMINISTRATION

Katy Mercedes Lizardo Cuevas
Scarlet Muñoz Brador
Yanilka Lantigua Núñez

GENERAL AUDITING

Amisael Adelaine Felix Vicioso
Erick José Luciano Polanco

CEGESTA

Orquídea Altagracia Cruz Collado
Greilyn Alexa Guzmán Villalona
Lisbely García Batista
Luisania Del Carmen Peralta Peralta
Vielka Alt. González Zorilla

PROCUREMENT

Lourdes Yamilka González B.
Raquel María Díaz Martínez
Yordania Reyes Rojas
Fabiola de Jesús González Zorilla

COMMUNICATIONS, MARKETING AND INSTITUTIONAL AFFAIRS

Karen Gómez Almonte
María José Balaguer Jerez
Mabely Teresa Jiménez Tejada
Fernanda Madelaine Payano
Amelia Ceverino Lorenzo

ACCOUNTING

Onis Alt. Del C. Polanco
Australia S. Polanco Consuegra
Natalia M. Mago de Hernández
Wendy Yasmín Lantigua Cepeda
Ericson José Peña Jiménez

HUMAN RESOURCES MANAGEMENT

Jomery Rosario Caimares
Ana Patricia Hernández Nurse
Scarle Alexandra Cruz Rodríguez



Katy M. Lizardo
Chief Executive Officer



Fernando García
Director of Operations



José R. Sánchez
Planning and
Development Manager



Ingrid Fernández
Engineering Manager



Jomery Rosario
Human Resources
Manager



Onis Polanco
Accounting Manager

ENGINEERING

Ingrid Elizabeth Fernández Mata
Adela Katusca Tavera Santo
Anginette M. Rivera Rosario
Emanuel Tomás Bisonó Rodríguez
Polibio Ramón Collado Guzmán
Yanirka Regalado Gómez

PLANNING AND DEVELOPMENT

José Ramón Sánchez Castillo
Eduardo Ortega Vargas
Albania Lizbeth Fadul Lantigua

OPERATIONS

Fernando José García González
Manuel Bernardo De Peña Gómez
Omar Rafael Jorge Peralta
Dionisio Alberto Bisonó Peña
Gioconda María Castillo Polanco
Hansel Ramón Sanchez Camacho
Laura María Santelises Valverde
Leodaliza Alt. Tavaréz Hernández
Máximo Antonio Suriel Mieses
Moisés David Herrera Lirio
Eider Castillo Mencía
Josías Andrés Gómez Luciano

PROJECTS

Emmanuel de La Rosa
Cristina Amelia Martínez Asencio

GENERAL SERVICES

Rosa Margarita Núñez Payamps
Belkis A. del C. Salcedo Díaz

INFORMATION TECHNOLOGY

Randall Francisco Rivera Viñas



Karen Gómez
Communication,
Marketing and
Institutional Affairs



Emmanuel De La Rosa
Projects Manager



Manuel de Peña
Operations Manager



Rosa M. Núñez
General Services
Manager



Lourdes González
Procurement Manager



Amisael Felix
General Auditing
Manager

● Inter-institutional Relationships and Activities





Ministry of Industry, Commerce and, MSMEs



Foreign Affairs Minister



General Directorate of Internal Revenue



Meeting with Legislators of Santiago Province

Governmental

Visit of the Minister of Foreign Affairs

In order to create strategic alliances in the Free Trade Zone sector; the **Foreign Affairs Minister, Miguel Vargas Maldonado**, toured the facilities of Médica, Capex and the different areas of the Victor Espaillet Mera Industrial Park.

Furthermore, Minister Vargas Maldonado and the organizations comprising "**Compromiso Santiago**" (Santiago Commitment) signed an agreement to boost foreign promotion of businesses and companies in the Cibao region.

Participants included members of the Ministry of Foreign Affairs, **members of the Corporation's Board of Directors and officials of the Dominican Free Trade Zone Association (ADOZONA).**

Industry, Commerce and, MSME's Minister

Minister of Industry, Commerce and MSMEs, Víctor Bisono Haza, was present at the dialogue "Promoting the Free Zone Sector in the Dominican Republic", organized by the Free Zone Business Association of Santiago (AEZFS), ADOZONA and the Corporation. The objective was to create synergies for the transformation of free zones into highly competitive environments. Likewise, the main concerns and possible solutions for the Free Zone sector were addressed, with the goal of recovering and relaunching the sector as a driver of the national economy.

Participants: **Carlos Guillermo Flaquer**, Free Trade Zones and Special Regimes Vice-Minister; **Fantino Polanco**, Industrial Development Vice-Minister; **entrepreneurs from various free zone parks, directors of the CZFS and AEZFS.**

* Images of activities where guests and executives appear without masks were taken prior to the pandemic.

Director General of Internal Revenue

During a meeting with the **Santiago Free Zone Business Association (AEZFS)** and entrepreneurs of the Free Zone sector, **Luis Valdez Veras, Director General of Internal Revenue**, visited our Corporate Campus, as well as the Médica facilities.

Meeting with Legislators of the Santiago Province

Accompanied by Santiago **Senador Eduardo Estrella**, Compromiso Santiago (Santiago commitment) gathered **provincial legislators** with the aim of initiating a process of permanent articulation, guaranteeing joint efforts towards development projects, legislative initiatives and the 2020-2024 legislative agenda, in coherence with the Regional Development Agenda and the Official Santiago 2030 Agenda.

Ministry of Labor visit

Minister of Labor, Luis Miguel De Camps, visited the Corporation with the objective of strengthening the role of the public agency in the Free Trade Zone sector, as an important driver of the national economic reactivation and a crucial factor in increasing new employment opportunities.

Executive Director of ProDominicana

The Executive Director of ProDominicana, Biviana Riveiro, was welcomed by members of the Board of Directors of the CZFS. During the visit, they discussed collaboration strategies to strengthen the image of the country and its free zones as an ideal destination for foreign investment and as an international partner with the capacity to compete with any other country in the world.



Ministry of Labor



ProDominicana



CNZFE and Customs General Directorate



Luperon City Hall

* Images of activities where guests and executives appear without masks were taken prior to the pandemic.



European Union



Delegation of the Embassy of Japan in the DR



Embassy DR in Argentina



Embassy of the DR in the United States

CNZFE and Customs General Directorate

The Executive Director of the National Free Zone Council (CNZFE), Daniel Liranzo, and Julio Anulfo Pascual, Deputy Director of Free Zones of the Customs General Directorate (DGA), together with the Santiago Free Zone Corporation and the Santiago Free Zone Business Association (AEZFS), held a discussion on “Main Challenges of the Free Zone Sector” in order to capitalize on opportunities and jointly face the challenges of the sector.

Mayor of Luperon visits

The Mayor of the municipality of Luperon, Douglas Pichardo, was welcomed at the Corporation by its Director of Operations, Fernando García. He was also accompanied by: Mónica Capellan from Limestone Park and his assistant, Alejandro Brito.

International

European Union

We received the visit of representatives of the European Union delegation in the country, who enjoyed a presentation of the programs and projects promoted by CZFS. Topics of common interest were discussed, such as the generation of employment, renewable energy, environmental issues, and socioeconomic development.

The visit was led by Felice Zaccheo, Head of the Latin America and Caribbean Operations Unit in the European Commission's Directorate General for Cooperation, and Markus Handke, responsible for cooperation with the Dominican Republic in the Latin America-Caribbean Unit. They were accompanied by: María González Mata, Head of Cooperation and Sachenka Encarnacion, Program Officer.

Diplomats

Japanese Delegation

The Corporation received the **honorable Ambassador of Japan in the Dominican Republic, Hiroyuki Makiuchi**, together with a delegation from the Japan External Trade Organization (JETRO), to showcase the institution's current and future projects, the unique value proposition offered by PIVEM, and to strengthen business relations. Miguel Lama Rodríguez, Chairman of the Board of Directors, acted as host along with other members of the institution.

Ambassador to Argentina

The Dominican ambassador to Argentina, Marjorie Espinosa, held a meeting with executives of the main exporting entities, including the Santiago Free Trade Zone Corporation (CZFS), Procigar and La Aurora.

EA meeting was held at the Corporation with the **director of operations, Fernando García**, and **Silvia Cochón**, in charge of promotion for the **National Free Trade Zones Council (CNZFE)**, where they exchanged ideas on how to increase exports and define strategies to continue penetrating this and other South American markets

DR Embassy in Washington

Sonia Guzmán, **Ambassador of the Dominican Republic to Washington, D.C.**, toured our Corporate Campus and MÉDICA's facilities. She was accompanied by **Eduardo Redondo**, **embassy representative** and **Jean Antonio Haché Álvarez**, **vice president of the Board of Directors of Banreservas**.



Embassy of France in the DR



Embassy of the DR in the Republic of Egypt



Central Santiago Business Association



National Institute for Teacher Education and Training

* Images of activities where guests and executives appear without masks were taken prior to the pandemic.



Scotiabank President



Santiago Christian School

Miguel Lama, Benito Ferreiras, Juan Ventura, Nicasio Pérez, Mauricio Haché and Iluminada Severino, served as hosts at the Corporation's facilities

Embassy of France in the DR

Jean-Baptiste Dabiezies, head of the Economic Department for the Dominican Republic and Haiti of the Embassy of France in the country, visited the Corporation to learn about its infrastructure, employability, education and sustainability projects. The French government official and the institution's directors also explored possible joint projects and the attraction of French investment companies.

Dominican Ambassador to the Republic of Egypt

With the objective of strengthening commercial ties between both nations, during his visit, **Manuel Morales Lama, Dominican Ambassador to Egypt**, toured the facilities of our Corporate Campus, learning more about the projects developed by the organization.

Education

Director of INAFOCAM

Saturnino Silva Jorge, executive director of the National Institute for Teacher Education and Training (Instituto Nacional de Formación y Capacitación del Magisterio) (INAFOCAM), visited the Corporation last November. During the meeting, they shared ideas about initiatives to be developed jointly, with the aim of continuing to promote education as a fundamental pillar of comprehensive development, both in the communities and in the productive sphere.

He was accompanied by: **Francisco Ramírez, deputy director; Julia Margarita Ubiera, director of Training**

and Development; Marcelina Piña, postgraduate manager; Luis Disla, finance; Felicia Arnó, internal auditor; and Taris Gil, legal consultant. Hosted by Miguel Lama, CZFS president, Katy Lizardo, CZFS general director and Cayra Bencosme, CAPEX executive director.

Santiago Christian School

Forty fifth grade students from **Santiago Christian School** visited the Santiago Free Trade Zone Corporation. At CAPEX, they saw the Free Trade Zone sector projection and its contributions to the country, as well as the work of the Corporation in its more than 45 years of operation. They also visited the company Soles del Mar, where they learned about its production logistics

Corporate

ASECENSA Visit

The executive board of the **Central Santiago Business Association (ASECENSA)** conducted a tour of the Victor Espallat Mera Industrial Park, MEDICA and CAPEX, with the aim of building bridges for alliances to benefit Santiago's commercial development. **José Octavio Reinoso, president of the Board of Directors ASECENSA** led the delegation and **Miguel Lama** served as host, along with **Nicasio Pérez**, Member of the CZFS Board of Directors.

Banking

Scotiabank President

Miguel Lama welcomed a commission from Scotiabank, headed by Gonzalo Parral, Senior VP & Country Head Dominican Republic, to the Corporation. He was accompanied by **Elis Faña, from Commercial & Corporate Banking DR; Luis Neumann, CCBC director and Asela Jorge, Senior Manager Corporate Banking**. Participants: for CZFS Nicasio Pérez, Katy Lizardo and José Ramón Vega.



Key stakeholders



PIVEM

Based on the experience of almost five decades of productive development, the Victor Espaillet Mera Industrial Park (PIVEM), where more than 80 companies of the Free Trade Zone sector operate, is recognized for its constant innovation, productivity, competitiveness and the collective well-being of the companies, employees, and surrounding communities.

PIVEM occupies nearly two million square meters. Its infrastructures include tailor-made designs, led by CZFS's Planning and Development and Engineering departments.

In 2020, the expansion of the Park continued with the construction of three new eco-industrial buildings, which added 240,000 square feet to the floor dedicated to production for export. These buildings were occupied by the companies Swedish Match (Tobacco Manufacturing) and Boombah (Textile Manufacturing), with a joint investment of DOP\$ 450,000,000.

As part of its value offer, the park has a high-capacity wastewater treatment plant; an electric power sub-station; rooftop solar panels; as well as state-of-the-art telecommunications infrastructure and fiber optics throughout the perimeter, which are part of the PIVEM's services.

The CZFS Emergency Committee was created on March 2 in response to the situation caused by COVID-19 and in order to act strategically at all times. Measures were adopted and shared to safeguard the health of all the employees of our productive community, as well as to provide support and follow-up for the safe reintegration of work and the sustained restart of the companies. Likewise, it extended relief to the companies to ease their financial burdens, preserve jobs, and refocus their efforts to remain operative, contributing to continue promoting the national economy's spiral.



CAPEX

The Center for Innovation and Professional Training is a center specialized in business promotion and professional development through training, knowledge transfer and strengthening relationships. It is an innovative concept to boost talent, professional skills and competitiveness. Capex designs and develops important entrepreneurship and innovation projects for Santiago, the northern region and the country.

In 2020, the academy installed within PIVEM, deployed an innovative educational program through technology, allowing to connect different

audiences in an attractive offer for companies, professionals and the entrepreneurial community.

Capex's value proposition in virtual format received an admirable scale of tuning from audiences who already knew the institution and from others who joined its different digital classrooms. In 2020 alone, more than 14,200 people connected and participated in its training activities, thus expanding its international audience.





La Aurora Cooperative

It is the financial and social support wing of PIVEM's workforce. Despite the uncertainties of 2020, the people associated with CoopLaAurora ratified their confidence in the entity, increasing their savings and investments.

In addition, this year the CoopLaAurora Mobile application was launched, with online information on available products, and assets grew above the financial sector average.

CoopLaAurora promotes solidary economy. It provides its members with financial services and products to improve their quality of life, as well as education on how to manage their personal finances.



CEGESTA

Specialized in talent management with experience in industrial sites. It is focused on providing the tools and solutions to facilitate a successful recruitment process.

Before the pandemic pause, CEGESTA had a total of 395 open vacancies, distributed among 25 companies both from PIVEM and companies located outside the Park.

After the reopening, the center was able to position itself once again, meeting recruitment requirements for the two largest companies in the Park, Swedish Match and Swisher Dominicana, among 13 other PIVEM companies and 14 local companies.



Médica

Provides high quality preventive health and outpatient care to the working population of PIVEM and families living in the western Santiago Municipal District, as well as other surrounding areas.

In 2020, it managed to position itself as a real option for comprehensive health management of companies and patients in general, as well as people affected by COVID-19. Regarding Coronavirus, Médica has kept up to date at all times, performing tests and diagnoses according to pertinent protocols, and adding appropriate patient follow-up to. Currently, the services of Rapid IgG / IgM Tests; AG Antigens are offered, with results in no more than 3 hours; and PCRs, with results in 48 to 72 hours.

New specialties, imaging and outpatient services will be added in 2021, such as: **Internal Medicine, Cardiology, Diabetes Management, Nutrition, Orthopedics, Gastroenterology and Nephrology.** In addition, a hemodialysis treatment and tomography area will be inaugurated to complement the services with state-of-the-art equipment that allows a correct and high-precision diagnosis.



Free Zone Firefighters Board

The Board of Trustees is responsible for maintaining the emergency unit at the forefront, aimed at ensuring the physical integrity of the Park's infrastructure and neighboring communities. The internal fire station has a significant contribution to mitigate risks to factories, employees and the community, with high-level equipment and a qualified and 100% service-oriented staff.





3

CHAPTER

PIVEM:

21ST CENTURY FREE TRADE ZONE COMPANIES.
NEW OPPORTUNITIES FOR PRODUCTIVE
SECTORS

Unique Value Proposition: Victor Espailat Mera Industrial Park (PIVEM)

The Victor Espailat Mera Industrial Park (PIVEM), a pioneer in the Free Zone sector in the Dominican Republic and one of the most innovative and competitive facilities in the country, has been in operation for almost five decades, producing high quality products for export.

With an area of 2 million sq m and 650 thousand sq m of industrial floor, it currently houses more than 80 companies and a total of more than 22,000 employees.



PIVEM Sectors



Tobacco

56%



Textile

27%



Footwear

3%



Electronics

2%



Miscellaneous

12%



PIVEM's facilities have been planned and their growth has been programmed. The environmental-industrial buildings meet service demands of companies and investors, providing quality infrastructure with technical, engineering and security support and follow-up. In addition, the meters dedicated to production, carefully harmonize with the designs of wellness, leisure, and nature care places to converge with the quality of life of the hard-working community of the Park, as well as the more than 250 thousand people living in the surrounding neighborhoods.

As part of its value offer, the Park has a high-capacity wastewater treatment plant; an electric power substation; rooftop solar panels; as well as state-of-the-art telecommunications infrastructure and fiber optics throughout the perimeter. In addition, the Park is supported by support organizations that provide a comprehensive offer to the large community of investors that settle in the Park, promoting its efficient operational management and growth, through: talent management, recruitment and selection through CEGESTA; professional training projects with Capex; high quality medical attention in Médica; financial support from La Aurora Cooperative; and a fire substation that serves both the PIVEM companies and the different communities in the surrounding area.

PIVEM's attractive conditions make it the best free zone location to invest and establish companies. We pursue an "Urban" planning of the site that favors a healthy use of land plan, with over 30% green areas.

It is located in a privileged area of the city of Santiago and its factories have access to skilled labor. Likewise, it is closely linked to the Cibao International Airport, for a quick connection with the United States.

In the last two years, the companies installed in this industrial area have experienced an important growth. They have increased to 450,000 square feet of industrial floor space in traditional sectors such as tobacco and textiles.

This increase is also reflected in our diversity, as new economic activities, such as call center operations, have also settled in the Park. Currently, they occupy a 15,000-square-foot building and contribute close to 200 new jobs to the sector.

Three new buildings are planned for 2021, and their operation will add approximately 700 new jobs.



All in unison

The emergence of COVID-19 paused, for several weeks, machinery that daily combines production and opportunities for progress. This confinement triggered an alert and the Corporation, which runs the Victor Espallat Mera Industrial Park (PIVEM), launched a program, never seen, to safeguard the health of its employees and support the companies.

CZFS's facilities and support program, which benefited the more than 80 companies in the PIVEM, included a set of measures in health and safety, as well as in the financial area.

Prioritizing support to the factories involved rethinking budgets, postponing the construction of new industrial facilities, and postponing the start of the two new parks that were in the pipeline. In addition, as a contingency measure, the Corporation implemented a biosafety protocol to assist the companies in adapting their operations.

First, CZFS created an Emergency Steering Committee, comprised of members by the Board of Directors, with the main objective of safeguarding the integrity of the companies, employees, and surrounding communities, as well as promoting ongoing development

and competitiveness of the companies. It also created the CZFS COVID-19 Compliance Committee to ensure compliance with the protocol established by CZFS, as well as the guidelines of the Ministry of Health and the World Health Organization.

In addition to internal rules, prevention recommendations, supervisory visits and updating of the biosecurity protocol, we added wide-ranging educational campaigns aimed at preventing infection through all available channels, both internal and external.

The Education and Prevention strategy covered all the Corporation's allied and support units, such as Médica, CEGESTA, Capex, La Aurora Cooperative, and the emergency unit of the Free Trade Zone Fire Department, involving the general population.

Aware of the economic impact on companies, the CZFS Board of Directors approved additional economic facilities more than 100 million pesos, in an effort to support their competitive capacity and, in turn, ensure that they remain committed to preserving as many jobs as possible and to reinforcing biosecurity measures to protect the welfare of their employees.



In addition, subsidized rapid tests for each COVID-19-positive case diagnosed, thermometers for daily temperature taking and the supply of disposable masks.

Other key actions during the health crisis were:

- Significant contribution from the Santiago Free Trade Zone Corporation (CZFS) for the purchase of 25,000 doses of the COVID-19 vaccine, for an approximate amount of US\$100,000, which will benefit more than 12,000 individuals.
- Constant monitoring and reinforced park safety.
- Monitoring of compliance of mask use, social distancing, and protocol inside the park.
- Donation of supplies, protective materials, and rapid tests to governmental organizations in charge of pandemic control in Santiago, in partnership with Compromiso Santiago (Santiago Commitment), to fight COVID-19.
- Program for the donation of protective equipment and meals to nearby

communities and different institutions in Santiago, among which we can highlight several foundations, health centers, and various trade associations.

- Delivery of personal protective equipment (PPE) kits to the staff of PIVEM and Médica companies, as part of the Porque Te Quiero (Because I love you) (PQTQ) 2020 campaign.
- Creation of distancing spots in areas of high flow of pedestrians in the park.
- Twice-daily disinfection of the Park, with the support of the Fire Brigade.
- Disinfection of communities surrounding PIVEM: Altos de Vireya, Cienfuegos, Ensanche Bermudez, Ensanche Espaillat, Ensanche Libertad, Las Colinas, La Otra Banda and Monte Rico.
- Radio broadcasting in the different areas of PIVEM, at all times, to emphasize the awareness and education of employees.
- Awareness and educational campaigns on COVID-19 precautionary measures, carried out through internal and external actions:

- COVID-19 lectures were given at Capex and in PIVEM companies to employees. These were carried out together with the Dominican Institute for the Prevention and Protection of Occupational Risks (Instituto Dominicano de Prevención y Protección de Riesgos Laborales, IDOPPRIL).

- Conversation with the management of each company in the Park, on the measures and protocols established in the context of the pandemic.

- Educational campaign through CEGESTA for the labor community on the Employee Solidarity Assistance Fund (Fondo de Asistencia Solidaria a Empleados, FASE).

- Educational messages on COVID-19 and prevention measures through videos, billboards, posters in companies, text messages, social networks, e-mails, and public address system.

Health Response

Médica's team accurate and committed management during 2020, positioned it as the real option to manage, comprehensively, the health issues of companies and communities against COVID-19 and ailments derived from the virus.



Médica' logistics, an allied unit of CZFS, privileges the safety of its users, creating an important support management in the handling of tests, examinations and evaluations, according to official protocols and adding a strict follow-up of every patient, confirms its Executive Director, Laurina Rodríguez.

Up-to-date specialists, constantly reviewing health protocols, conduct IgG / IgM rapid tests, AG antigen tests, with results delivered within three hours, and PCR tests, with results available within 48 to 72 hours.

This health support has been vital to keep the Park's operation standing, since Médica is the ally of the human management departments and the working population, which has empathetic professionals there and receive personalized care. In addition, there is little risk of infection and the fortune of obtaining accurate, fast, and low-cost diagnoses.



The health center has provided care to more than **60 thousand people**, in different areas. Currently, Médica offers the following services: Family Medicine, Gynecology, Pediatrics, Dentistry, Emergency, Laboratory, X-Ray Imaging, Mammography and Sonography. They will add new specialties, imaging, and outpatient services by 2021, such as Internal Medicine, Cardiology, Diabetes Management, Nutrition, Orthopedics, Gastroenterology and Nephrology. In addition, a Hemodialysis and Tomography treatment area will be inaugurated, to complement the services with state-of-the-art equipment that allows a correct and high precision diagnosis, so that the user community can receive high quality and affordable services at Médica.

360° vision:

transformational process

2020 was a time of learning for those of us who, in one way or another, served the Santiago Free Trade Zone Corporation (CZFS). We reinvented ourselves and, believing in ourselves, joined forces to conquer the challenges and continue to boost the productivity and competitiveness of our Corporate Campus.

Faced with the COVID-19 pandemic, we prioritize on the health and well-being of our people and their families. Continuing with the objectives of our Productive, Inclusive and Safe Park program (programa Parque Productivo, Inclusivo y Seguro, PPIS), we strengthened biosecurity protocols and promoted an awareness and prevention campaign to avoid the possible spread of Coronavirus and to protect our large workforce and the community. We also offered constant support to strengthen the competitiveness of the companies, providing them with significant financial support and comprehensive guidance, to support their competitive capacity and ensure that they remained committed to preserving as many jobs as possible.

In this process, we learned about new technological tools to deal with the changes and although the productive pace ceased temporarily, we have recovered our operations, quality levels and projected growth.

With more experience, the commitment of our customers, as well as the will and resilience of our employees, we continue working to strengthen the Free Trade Zone sector as a primary source of exports, healthy investments, new technologies and employment opportunities.



● **Katy Lizardo
de Contreras**
Managing Director
Santiago Free Trade
Zone Corporation
(CZFS)

The development of the Santiago Free Trade Zone Corporation has been an unparalleled source of employment and productive foreign export. A great undertaking for the country.

Recent inauguration of Médica has been an extraordinary progress for the health of workers and our neighborhood. The beauty of the park makes us feel proud to have it.



● **Juan José
Batlle**
CZFS Board
Member

PIVEM Entrepreneurs: Facing uncertainty

Since my beginnings in the Free Trade Zone sector, 25 years ago, I have had the privilege of witnessing the growth of an exceptional industry, which has become a pillar of our nation's economy and has served as a beacon of development; producing quality jobs, developing excellent professionals and adding value to the export sector with state-of-the-art technologies and innovative production systems, which add value to what is exported from our country.

Through my experiences in the Free Trade Zone, I have been part of the systematic transformation of the sector, and this has made me a better professional and human being.

A high percentage of PIVEM's production comes from prestigious companies in the tobacco sector, which contribute to maintain the name of the Country Brand worldwide. At the textile level, there are companies like ours, which set a trend in the innovative verticalization of our business model, directly accessing our end consumer through sales, design, support services, manufacturing and exporting.



● **Diosnedy Estévez**
General Manager
Sewn Products, S. A.

I chose PIVEM in 2008 because I wanted to be next to companies that were important references in the tobacco sector. Besides that, for a company starting from scratch, the amounts of services provided by the Park were the most competitive in the region and possibly in the country, both in terms of rent, electricity, security, etc., which are still the same. Other additional benefits have been the permanent improvement of the conditions of the Park over the years, its responsiveness to the needs of its tenants, and the perfect functioning of the tobacco cluster.

The Corporation's management supported me from the beginning, and from the bottom of my heart I must say that I am very grateful. We are returning, as much as we can with jobs all the kindness we received from this country, from its people and from the Park's management. Currently, I sell to local companies and to other companies located in Nicaragua, Honduras, Indonesia, Sri Lanka, the Philippines, and the Netherlands, Belgium, Denmark, among others.



● **Damien Bischoff**
President
Grand Island Group,
S.R.L.

This park offers additional services such as CEGESTA, Médica and Capex. These institutions offer us the necessary support to hire, train, update and follow up on the health of our employees. Over the years, PIVEM has successfully adapted to companies' demand for services. For example, we have created infrastructures that extend beyond providing basics to companies (campaigns, technical support, engineering, security, etc.).



● **Oscar Frías**
General Manager
Swedish Match
Dominicana

One of PIVEM's missions is to build industrial facilities for the companies that are already here and to attract new investments. For me, this support is vital so that companies like ours can continue expanding.

I believe that the Corporation should continue focusing on internal projects and improvements. And develop an area for training of personnel, line collaborators and Human Resources staff, in order to train, together with INFOTEP, all the people in the companies that manage the productive system.



● **Augusto Reyes Vargas**
President
Swisher Dominicana

The Corporation's course is ahead of current market demand. Clear short-, medium-, and long-term strategy that allows companies to plan their own internal strategies, without conflicting with the Park.

PIVEM has many strengths. The ones I value most are:

- Trained human talent, managing the Park, which allows us to have access to fast and effective solutions.
- They are not afraid to invest the money produced by the Park in internal and external solutions to benefit tenants, employees, and the city.
- Constant listening to the heart. Listening equitably to the small and the big, providing opportunities for all.
- The Park can be said to have a solid security strategy that works. It has combined a high-profile in-house team with a reputable external security company as Armor. We as tenants and employees appreciate this, but also the international clients who visit us admire the security that the park has, and they say so.

Finally, I must mention Médica, Capex and the firefighters who, as PIVEM service institutions, complement us with world-class care.



● **Joe Torres**
President
RJ Torres

Community Leaders

The Santiago Free Trade Zone Corporation has taken very important steps towards the welfare of the community. In doing so, it extends its helping hand to the communities near the industrial park.

Médica is a great example of support to the working population and families in the surrounding area. Also, in the Health pillar, the breast cancer prevention campaign “Porque Te Quiero” (Because I Love You) and the special support programs for patients are highly commendable.

The Corporation also provides support to educational centers such as the Ramón Dubert Novo Technical School in the Ciudad Satélite community of Cienfuegos and, through Capex, develops training programs that promote quality employment.



José Jáquez

Community leader of the Western Santiago community
Member of the PlaZona Friends Committee

The Santiago Free Trade Zone Corporation (CZFS) is an organization that enhances the northern region, and represents a dignified workspace that generates great economic vitality in popular sectors of the province. It guides all its actions based on a Strategic Plan that has a positive impact on the peace at work that is observed and on the full satisfaction of the community of employees, customers, and related parties.

The Board that presides the Corporation enjoys an experienced, enterprising, and visionary leadership; aware of its Corporate Social Responsibility, with key projects that have a significant impact on Health, Technical Training, Environment and the generation of development opportunities for a significant part of the population.

The Corporation is comprised of a team of top-level managers, linked to all the productive, representative and population sectors of Santiago and the Region. As a group of business leaders, it is a mandatory reference, if you want to establish contacts with the leading productive sectors in the Dominican Republic.



Hipólito Martínez

Attorney, teacher and community leader.





4

CHAPTER

PRODUCTIVE SOCIAL INVESTMENT

Productive Social Investment

Business ethics and environmental balance are essential factors in the actions of the extensive Corporate Social Responsibility (CSR) Plan of the Santiago Free Trade Zone Corporation (CZFS). The institution's morally committed performance seeks economic, environmental, and social improvements in the surrounding communities, the municipality where it operates, and the northern region.

The set of practices of the organization has very present the mission of promoting economic, industrial and commercial investment of world-class quality, with a high sense of competitiveness, and social and environmental responsibility.

Our intention is to involve the public with the institution and society in general. Thus, the Corporation's projects are inspired by the pillars defined in its master plan: Environment, Education, Health and Welfare, and Entrepreneurship and Business Incubation.

ENVIRONMENT

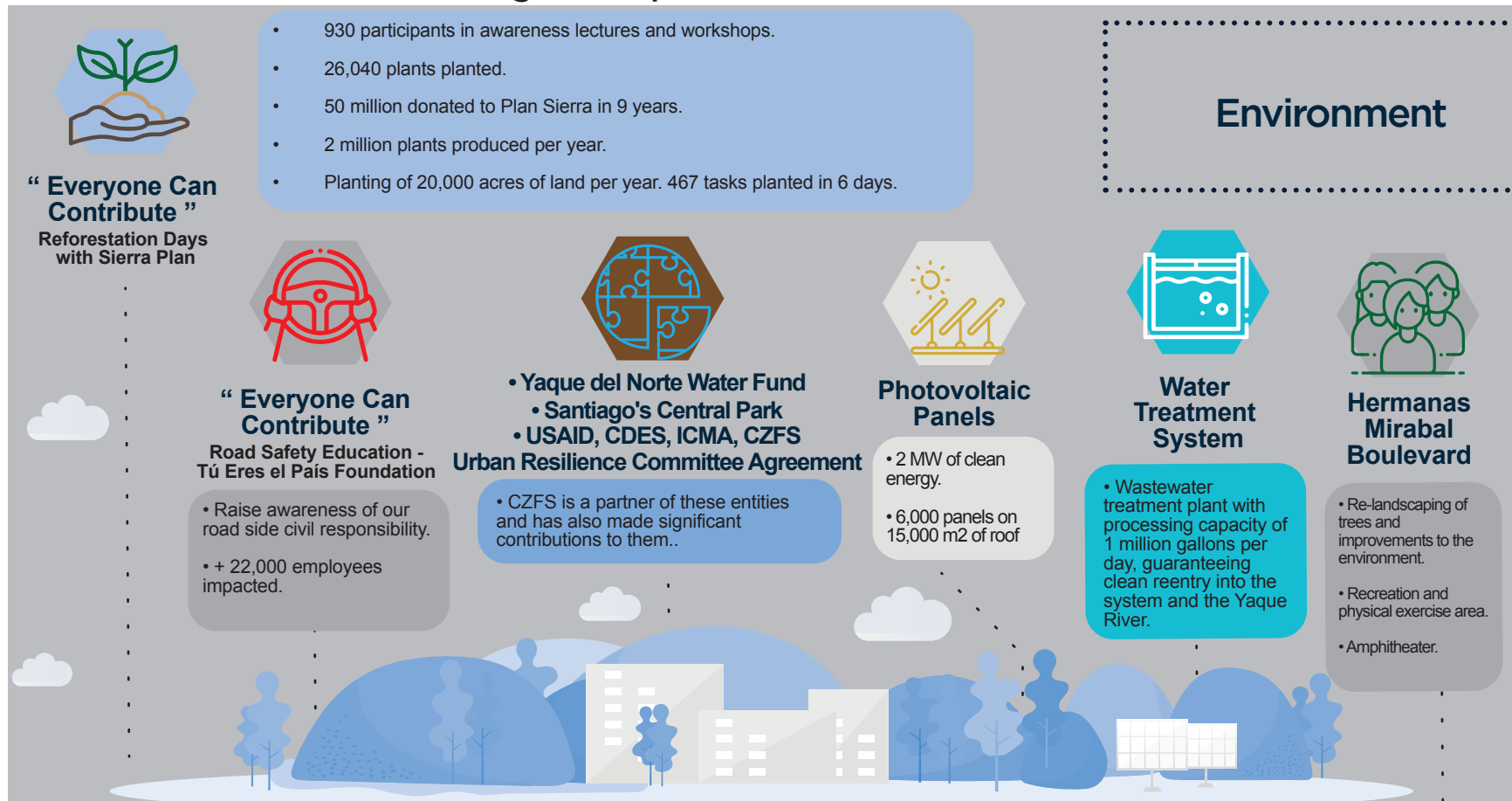
Environmental innovation and sustainability production

With CZFS's Environmental Sustainability Program, we are initiating a new and more powerful stage of our progress in environmental innovation, which, during its implementation, has encompassed the three dimensions of sustainable development. It is an innovative

program that promotes environmentally friendly alternatives and actions for sustainable production and the improvement of the quality of life of our stakeholders.



Programs Implemented and Achievements



The Espallat Mera Industrial Park (PIVEM) will have 105,000 square meters of new gardens in addition to the flower and palm tree borders and climbing plants that decorate communal areas.

The space has been conceived to offset CO2 emissions and to serve as an urban lung in the very heart of this productive campus. The project is part of the environmental pillar of CZFS's Corporate Social Responsibility programs.

The Industrial Garden will be integrated with the Technological Campus and will have recreational areas, walking trails, open spaces, an exotic tree planting area, and facilities for technology-focused companies, as well as parking, a social space, and connecting facilities for both the inside of the park and the surrounding areas.

In the last five years, CZFS has been a standard bearer of innovation in terms of infrastructure to accommodate industrial activities in the Free Trade Zone sector, expanding its social contribution in several directions. Energy development towards the full installation of clean energy is part of this commitment to present and future generations.

The Corporation's vision of transformation led it to install a 15,000-square-meter farm of six thousand solar panels several years ago, the largest rooftop solar farm in Central America at the time. The goal is to continue advancing in practices that add sustainability to the company's business.



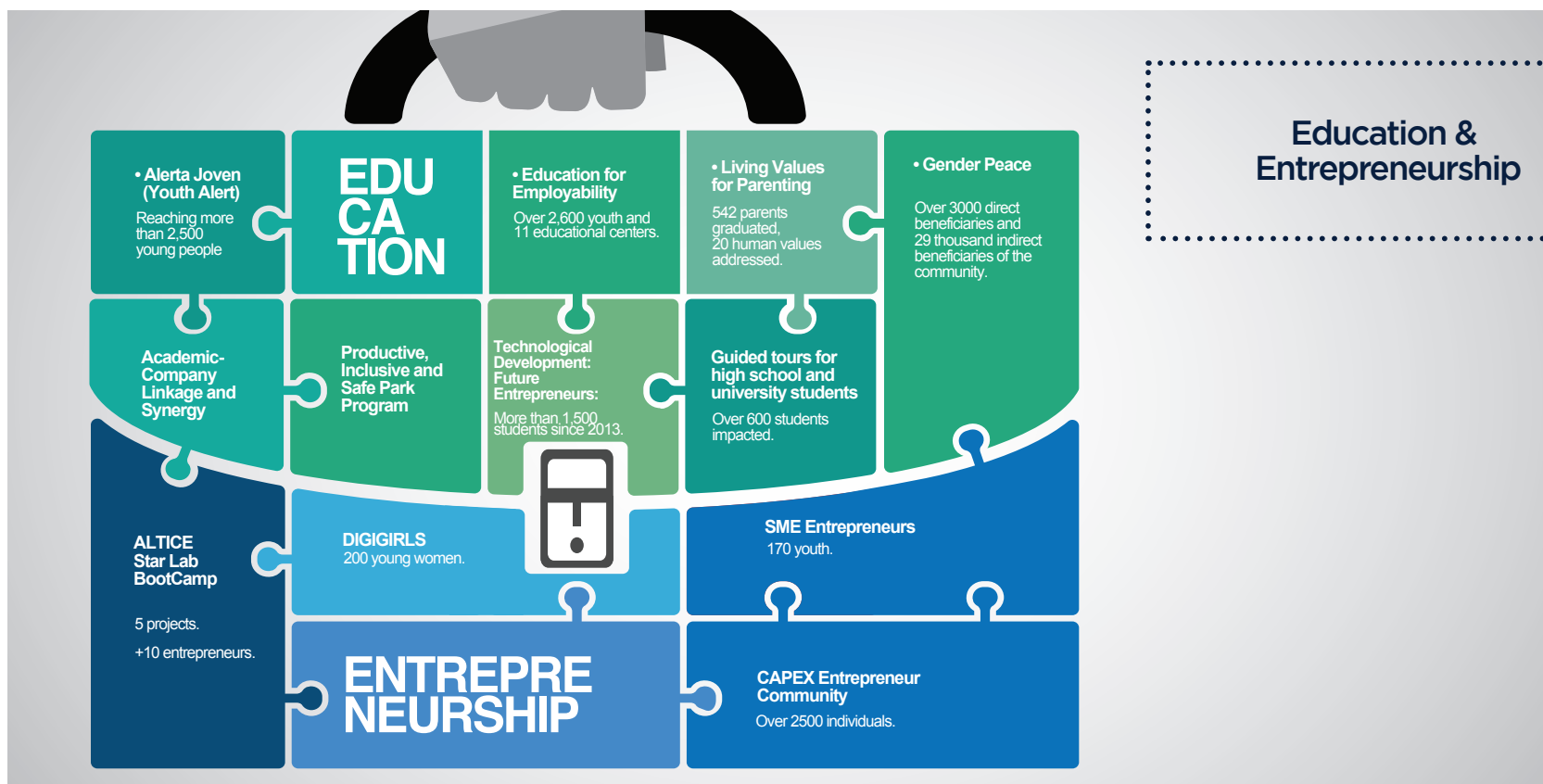
EDUCATION AND ENTREPRENEURSHIP

Education and entrepreneurship are part of the main pillars of the CZFS CSR Plan. Therefore, year after year, the organization invests in the development of educational programs implemented by Capex, Center for Innovation and Professional Training, which respond to current demands.

access to quality education. Ensuring the development of necessary competencies and soft skills. Through entrepreneurship, we encourage and sponsor the creation of communities oriented to different areas of knowledge such as: Organizational Development, Entrepreneurship, Business, Technology and Operations.

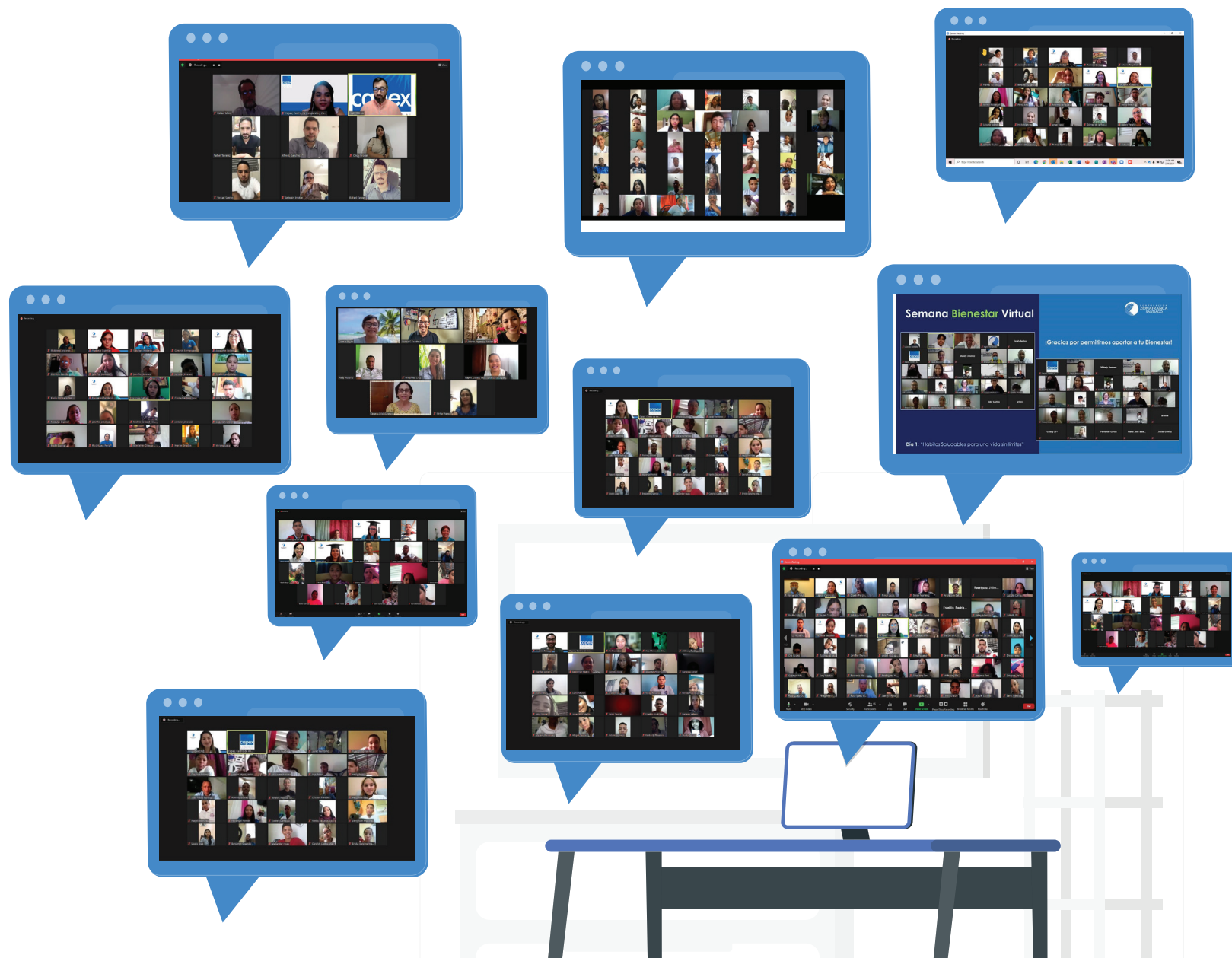
Through these programs, we promote inclusive and equitable

Programs Implemented and Achievements



When the COVID-19 pandemic meant that we had to be confined, Capex's technological windows were a transcendental pillar that extended to all of our audiences. This educational center, driven

by the Corporation, propelled us and led us to register a significant growth in our value offer in 2020, served exclusively through virtual platform.



HEALTH AND WELLBEING

Ensuring the well-being and comprehensive development of the Corporation's people is the driving force behind the health pillar of the Corporation's socially responsible mission. This pillar

focuses on promoting corporate productivity based on the well-being and health of employees, their families, and the surrounding communities.

Programs Implemented and Achievements



Workplace Wellness Week

About 800 people impacted.



"Because I love you" campaign (Porque Te Quiero, PQTQ)

Nearly 8,000 studies performed in 6 years



Cibao Rehabilitation Board

Leprosy Control Board (Patronato de Lucha Contra la Lepra)

Dominican Pain Foundation (FUNDOLOR)

Rama Femenina Contra el Cáncer (Women Against Cancer)

Solidary Member Recurring contribution

Healthcare



2020 was a test for us, yet it showed us, above all, that we are made of resilience. Challenges raised by the health crisis changed the course of our plans, leading us to broaden our vision, to be stronger and to reinvent ourselves, guaranteeing biosafety and the jobs of our broad productive community.

We assumed a shared responsibility to contribute towards reducing the impact of this pandemic. With the faithful commitment to continue contributing, and under the Corporate Social Responsibility program, CZFS contributed DOP\$5 million for the acquisition of rapid tests and protection materials, through the business associations and development entities that make up Compromiso Santiago Committed with Santiago), whose teamwork, and thanks to the unity and solidarity of families and entities, together delivered a donation of RD\$30 million.

These deliveries have benefited the three provincial directorates of Public Health, more than 10 municipal hospitals and health centers, City Hall, the National Police, the Fire Department, Civil Defense, public transport drivers and agricultural product sellers of Hospedaje Yaque.

Other social contributions made by CZFS during the Coronavirus pandemic include the contribution for the purchase of 25,000 doses of COVID-19 vaccine, as well as the donation of food and protective equipment to various institutions located in the surrounding communities and the city of Santiago. The action is part of the Solidarity Plan linked to the **“Todos Podemos Contribuir”** (We Can All Contribute) campaign, which aims to provide materials and supplies to organizations of renowned service vocation, to help with the reduction of the impact of the spread of COVID-19.

Among the institutions favored are those dedicated to working with children at risk, health, senior citizens, education and youth, such as: **Cometas de Esperanza, Centro Primer Nivel Cienfuegos, Centro Juventud Comunal- CJC y Centro de Primer Nivel Fundambiente. Including: Hogar Crea, Acción Callejera, Hospicio San Vicente de Paul, Hospital Arturo Grullón y el Patronato de Ayuda al Cuerpo de Bomberos de Santiago.**

The journalistic community, through its professional associations, was the beneficiary of donations to the National Union of Press Workers (SNTP), the Santiago chapter of the Association of Art Journalists and the Santiago chapter of the Dominican College of Journalists.



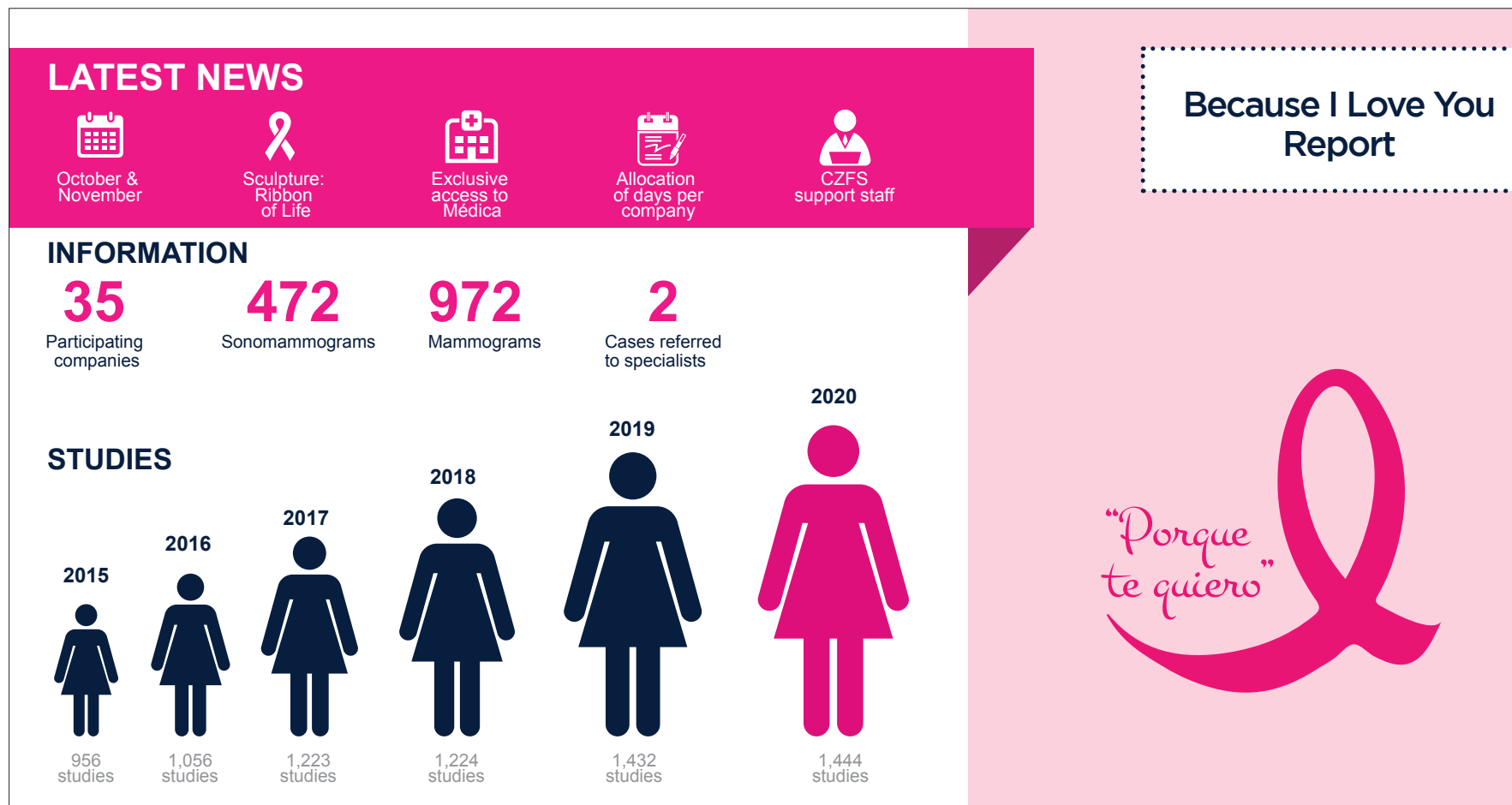
Bringing life and hope

Even amid the challenges of 2020, the Corporation successfully carried out the sixth edition of the health and prevention drive Because I Love You (Porque Te Quiero, PQTQ), and continue to reduce the number of breast cancer victims, hand in hand with its support entities and PIVEM's internal community.

The prevention initiative was extended to two months to ensure distancing measures and reach the largest number of people possible. Médica, the health center where mammograms and sonomammograms are performed, enabled an exclusive entrance to perform these exams, in order to comply with biosafety protocols.

To date, PQTQ has had an impact on nearly eight thousand women in the park and surrounding communities. This year, more than 1,400 studies were carried out with the support of the following Solidarity Collaborators: AFP Siembra, Primera ARS de Humano, ARS Simag, AFP Crecer and ARS Yunén.





On International Breast Cancer Awareness Day, October 19, the Santiago Free Zone Corporation (CZFS) and Médica unveiled the sculpture “Lazo de Vida” (Ribbon of Life) as a tribute to the women who, shielded by prevention, have mitigated the disastrous statistics of the disease.

The work of architect Eduardo Ortega, from the CZFS Planning and Development team, was unveiled in the PlaZona park by: Miguel Lama, president of the CZFS Board of Directors; Rosa Santos, provincial governor; Plutarco Arias, Minister of Public Health; Mayra Jiménez, Minister of Women; Marcel Morel, president of Médica and members of the CZFS Board of Directors.





● Training and CSR beneficiaries



**Gilda
Tavárez**
Human Resources
Manager Hilos A&E

Capex has managed to create a balance between its growth as an innovative training company and the social well-being of its environment. In a very special way, it has had a positive impact on the lives of the more than 20 thousand people who work in the PIVEM companies, their families, and those who live in the surrounding area.

Since the beginning, I have been aware of the social responsibility programs that have been developed by the Corporation, together with Capex, and I have been a facilitator or beneficiary of some of them.

I am thrilled to see the joy and the gleam of hope in the eyes of young people in the “Alerta Joven” program when they have the opportunity to get off the streets, get training and enter the job market. In fact, in Hilos A & E Dominicana we have had interns from this program and one of them has been working with us for 5 years.

The “ Culture of Peace” program is of enormous value. This program has liberated women from gender based violence and has trained leaders and multiplying agents in this culture to prevent or identify signs of violence in their coworkers.

As a socially accountable company, Capex creates a ripple effect that has a positive impact on society and companies, contributing to the education not only of employees, but also of their families.

The interesting “ Technological Development Program: Future Entrepreneurs” provides young people with technical training in technological skills and human values required by today’s labor market, among other programs and orientation campaigns for the region.

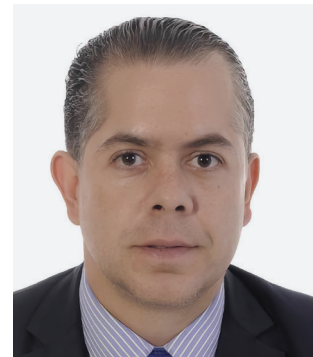
As a manager, I value the Corporation’s social accountability programs as an active contribution to the social, economic, and labor climate improvement of our companies. They are a platform that, as an added value, allows us to positively promote the competitiveness and well-being of our employees.



**Connie
Reyes**
Human Resources Manager
PC Precision

In challenging times such as those experienced in 2020, the Corporation was an important support for all the companies to keep us operating and to meet our commitments. The biosecurity protocol established and monitored throughout the Park, both for the companies and for suppliers and visitors, helped us to keep the pandemic under control. In addition, the Porque Te Quiero (Because I Love You) campaign, to raise breast cancer awareness among female employees and their families, was very valuable.

Also, the promotion of the Culture of Peace, through the development of domestic and gender violence prevention programs for the companies, has had a positive impact on all of the Park’s employees and the community. My compliments to Capex and the Corporation.



**José Octavio
Reinoso**
President
Santiago Center Business
Association (ASECENSA)

For the sector that ASECENSA represents, the Corporation has become a strategic ally within the business innovation and training framework of our human talent, because of which it has been possible to identify market realities, as well as to make the performance of the companies that use the services provided by the institution more efficient.



**Pedro A.
Jiménez**

● Projects Manager
Timberland

We appreciate your support and commitment to sustainability and the accountability of your stewardship towards us, our current and former employees. The Corporation and the Community of Entrepreneurs that support Capex have been an extraordinary platform for the management of any project. The professional quality is tuned and balanced with a great human quality, which transforms the scattered into sustainable goals, executed in a responsible manner.



**Mechy
Coronado**

● Educator and principal of the
San Juan Bautista school.

Participating in the Corporation's activities, organized by Capex, meant a beautiful opportunity to touch the hearts of those who received it; bringing them the hope of a new vision of reality in the midst of so much uncertainty. I was very happy and grateful to be able to positively impact so many lives. I encourage you to continue with this motivating activity in order to keep education alive, which I believe is the only way to move forward in life.



**Bernardo
Espínola**

● General Manager
La Fabril

Participating in the Corporation's activities through Capex has always been an enriching and refreshing experience. The issues discussed, the speakers, the audience, and the infrastructure are elements that excite and invite you to continue being part of the institution. I congratulate its directors for the sustainability of this exemplary project.



**Fernando
Capellán**

● President
Association for Development
(APEDI)

The Master Class designed by the Corporation and developed by Capex and dedicated to the Free Trade Zone sector was an activity that provided guidance and added value to exports. It also gave us the chance to identify opportunities and the corrections needed to take advantage of the current global scenario.





5

CHAPTER

A SUSTAINABLE AND COMPETITIVE CONSORTIUM

From its beginnings, competitiveness and innovation have been a constant for the Board of Directors of the Santiago Free Zone Corporation (CZFS). The vision of building a sustainable present can be appreciated in the projects and investments led by the institution, as a promoter of Dominican economic and social growth.

An example of this is the Victor Espaillet Mera Industrial Park (PIVEM), a consolidated entity for more than four decades, from where we provide comprehensive quality services: security, health, education, talent management, customer service and general guidance, among other facilities provided from day one and throughout the operation, are part of the Unique Value Proposition that makes productive activity more prosperous.

Before a new decade filled with opportunities, we have broadened our vision towards the conception of a renewed commercial strategy; focused both on the consolidation and expansion of the traditional activity of our sector, as well as on achieving a greater diversification of

the productive sectors and entering new international markets.

PIVEM's competitiveness and innovation are also evident in the creation of exemplary environmentally friendly infrastructures to house free trade zone industrial activities and, for the past few years, establishing the bases for a comprehensive technological operation.

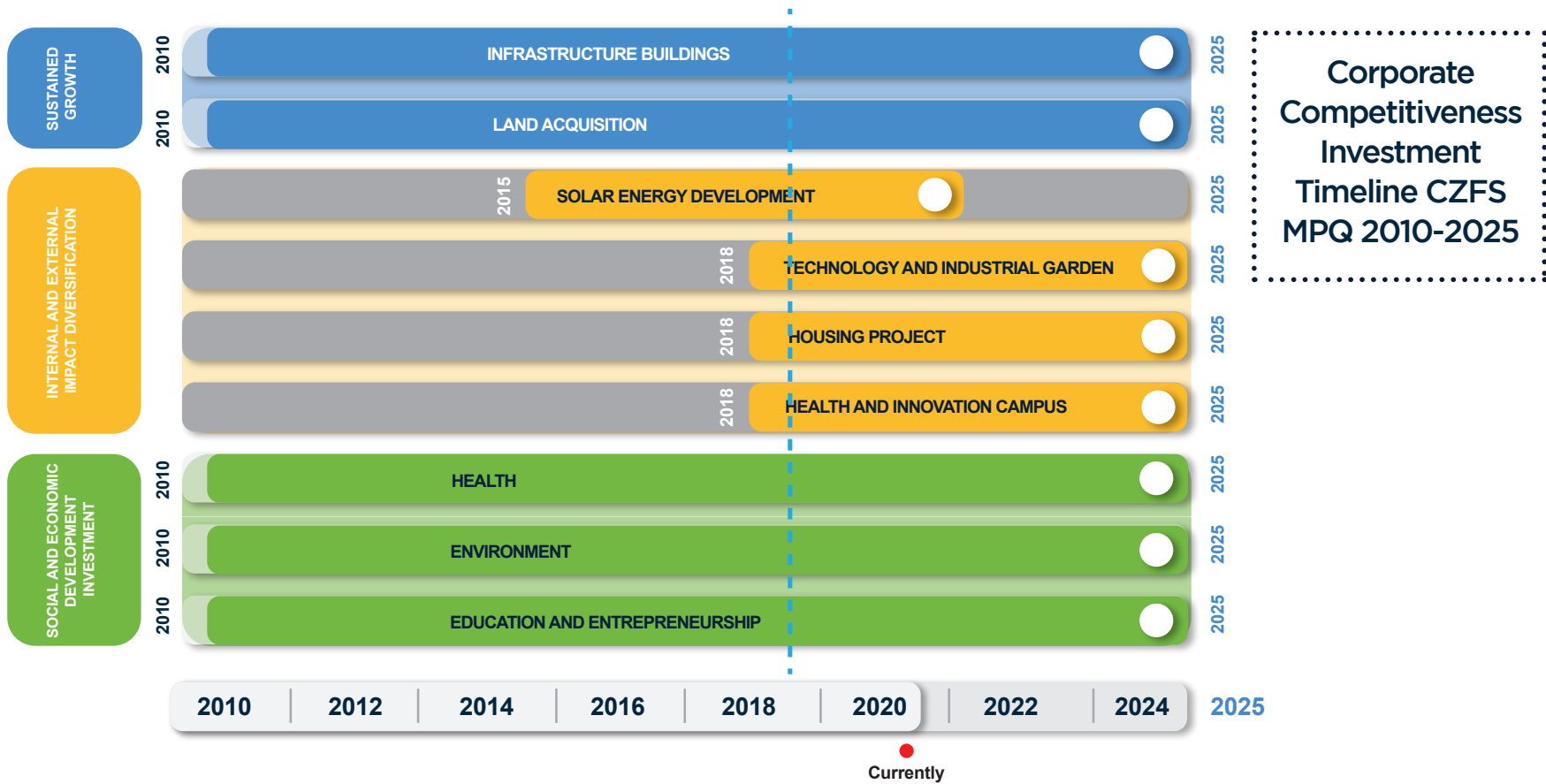
Technology, as an inherent element of production, health, and major development projects, is an essential component of competitiveness. PIVEM has several actions in place to further develop this approach. One of them is a modern technological platform to streamline communication with companies and meet their demand for services in record and real time.

Furthermore, we continue to make progress in environmental innovation, based on the major CZFS Program for Environmental Sustainability, which encompasses these three dimensions of sustainable development:



An event that impacts the triple bottom line of **sustainability**





ZonaXol: First fully self-sustainable Industrial Campus of the Americas, with renewable photovoltaic energy

Pioneers in clean energy generation, in the Free Trade Zone sector, since 2016, thanks to the photovoltaic panel farm installed on 15 thousand square meters of roof, we have a production capacity of two (2MW) megawatts of energy, without any environmental compromise.

Along these lines, advancing in the mission of promoting sustainability in production processes, and honoring green economy principles, the Corporation intends to launch a second phase of the current solar energy project, to expand energy production during the 2021-2023 term.

In this new stage, with the extension of our production capacity, we aim to achieve PIVEM's complete energy autonomy, and become the **First**

Industrial Campus of the Americas to be totally self-sustainable, with photovoltaic renewable energy.

Seventh Stage

Redimensioned extension of Stage Six of the Victor Espaillet Mera Industrial Park (PIVEM).

This new Park will have modern facilities, linked to the productive and logistical needs of new sectors and new companies over the next decade.

Adding to the diversification of PIVEM's Unique Value Proposition, for this 7th stage, CZFS has conceived the Health Campus Project, which will be implemented in the 2021-2025 timeframe. This project will provide



specialized facilities for companies in the pharmaceutical, medical product manufacturing and telemedicine sectors, where approximately 4,000 jobs are expected to be created.

The project seeks to promote the first cluster of free zone companies in the northern region in the health sector, as well as to be part of the growing positioning of the Dominican Republic in this industry.

Tech Campus

Planned to be developed between 2021 and 2024, the Technology Campus is an initiative of high economic, environmental, and social impact for the city of Santiago and the country. Its purpose will be to promote the development of the first technological cluster of the Cibao,

through local and foreign investment of companies dedicated to high technology, biotechnology and those dedicated to financial services, contact centers, among others. This is intended to capitalize on the rise of new types of special economic zones, focused on new industries.

This Eco-Technological Park, developed and located within a large Botanical Park and Sanctuary of Sustainability, conceives modern facilities designed for technology and telecommunications companies.



It will also provide a space for emerging companies and SMEs.

The close integration of a Green and Natural Sanctuary with industrial and business activities is a new concept of “Business Gardens and Eco Enterprises”, which will be enjoyed and will impact all industrial, business, environmental and community activities.

Some of the benefits of the project include:

- Development of a technology cluster.
- Generation of employment.
- Economic sector diversification.
- Spaces to foster creativity and innovation.
- Offer of certified, environmentally friendly, and operational facilities in PIVEM’s catalog.
- Contributions to Gross Domestic Product, national trade balance, among others.

Industrial Garden: A Botanical Park

The report “The Vision of the Green Economy in Latin America and the Caribbean”, produced by the Latin American and Caribbean Economic System, defines a green economy as one that is low-carbon and efficient

in the use of natural resources, in addition to traditional inputs such as labor, fossil energy and capital.

Well aware of the impact of the operation of the Free Trade Zone sector and industrial activity in general, the Corporation took on the important environmental responsibility and transition, with the aim of mitigating its carbon footprint through large-scale reforestation activities, a wastewater treatment system, beautification and proliferation of landscaping in the industrial area, a farm of panels to produce clean energy and the creation of an Industrial Garden of 165,000 m².

Industrial Garden, as we have named this Botanical Park, which will be a great green lung for the enjoyment of the population and tourism. Our Technological Campus will be located within the grounds of the Industrial Garden, bringing a new concept where work and recreation are integrated in harmony. This forest reserve will allow forest regeneration and recovery of native and endemic species, coexisting with the Park and its technological vocation.

The Industrial Garden will be a recreational space for the surrounding communities and the city by providing internal trails and tourist attractions in the eastern area of PIVEM, encouraging social coexistence and different activities such as cultural events, hiking, sports, and recreational activities, among others.

With this and other projects, the Corporation reaffirms its status as a standard bearer for innovation in the construction of infrastructure to house industrial activities in the free trade zone, incorporating the precepts of the green and sustainable economy into all its operations.



In addition to the space that will serve as an urban lung to offset CO2 emissions, other plans are already underway for the benefit of the large and industrious free trade community.

Residential Centers

This project will build more than 4,000 homes, thereby enhancing the quality of life for employees and communities, providing them with better access to health, education, and transportation services, right next to their workplace.

Planting for Today and the Future

For decades, the Corporation has kept an important connection with Plan Sierra, an entity committed with the preservation of natural resources: water, land, forest, and biodiversity, together with the continuous improvement of the quality of life of the families of La Sierra.

Since 2011 in San José de las Matas, as part of the “Todos Podemos Contribuir” (We Can All Contribute) Campaign, CZFS brings together the local population of the Victor Espaillet Mera Park (PIVEM) and members of the surrounding communities in reforestation sessions that contribute towards the production of clean water.

Through these planting sessions, in partnership with Plan Sierra, Boca

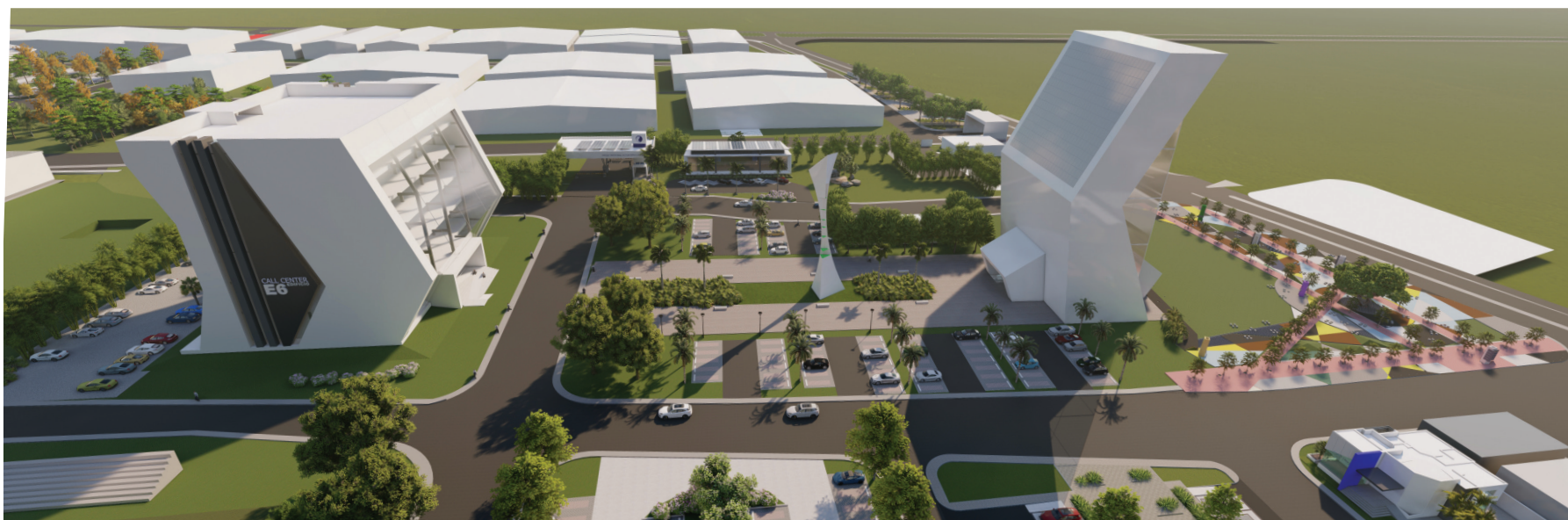
de Higua, El Pinar, El Mamey, El Verdún, La Cuesta, Jaiquí Picado and Los Montones have been planted with more than 26 thousand plants in nearly 500 hectares. To date, more than 800 employees of the Park have participated in the work that favors the coverage of the Amina River sub-basin.

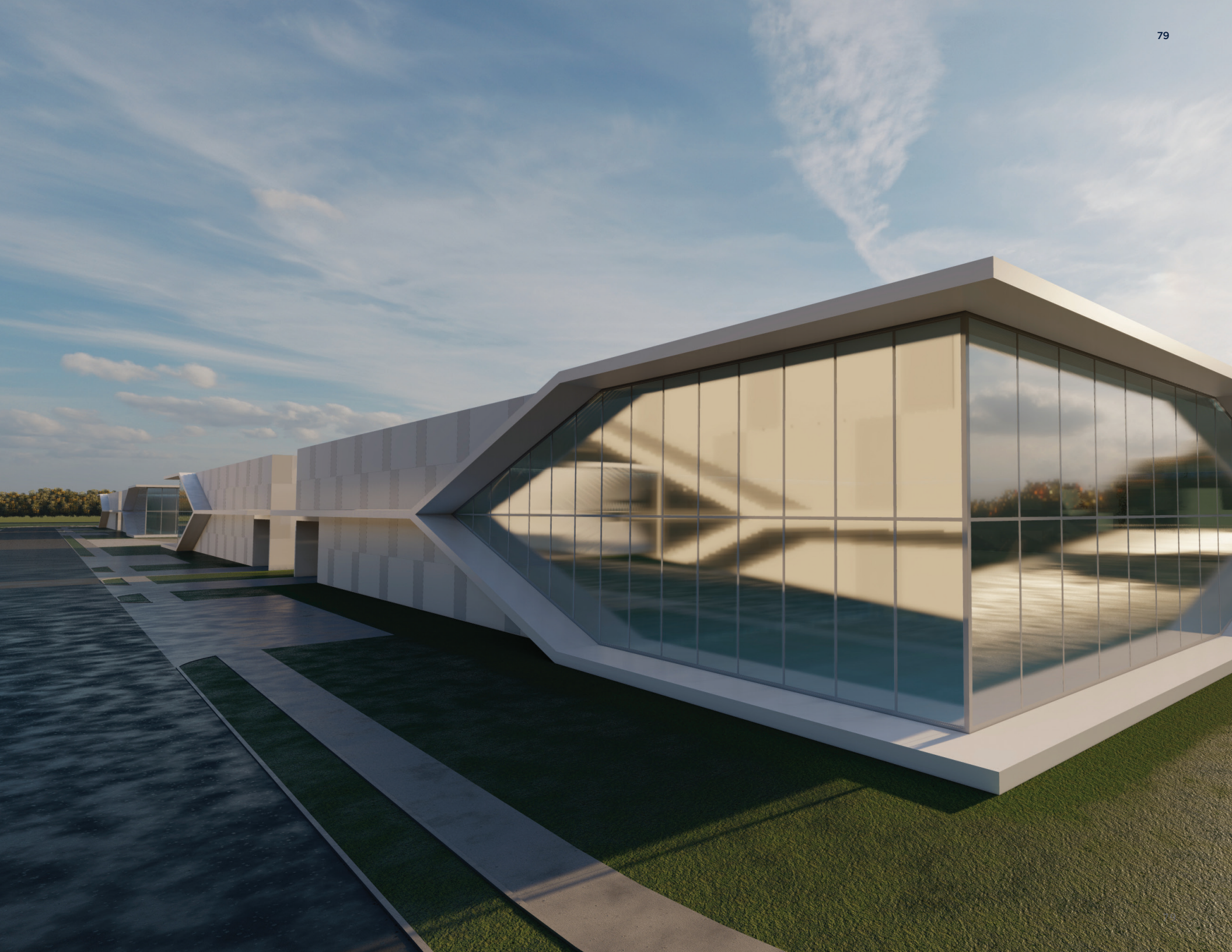
According to Plan Sierra estimates, the trees planted by PIVEM personnel can capture about 5,833 tons of CO2 per year, retain about 2,187 tons of soil per year, and infiltrate about 55 million liters of water annually.

In addition, to support the creation of ideal conditions for the sustainable management of natural resources, the Corporation has contributed approximately RD\$50 million pesos annually to Plan Sierra since 2009 to date. Thanks to the alliance between the two institutions, almost 2 million plants have been produced each year and more than 20,000 hectares of land have been planted annually.

As can be seen, the Corporation’s commitment to the green economy and sustainable production is present in both the Park’s companies and its support units. CZFS’s environmental action plan includes support for important projects such as the Central Park, the Yaque del Norte Water Fund, the USAID Urban Resilience Commission Agreement, CDES, ICMA, CZFS, and Hermanas Mirabal Boulevard, among others.

This is a task that challenges us every day: to be a competitive campus that does not compromise the future of coming generations.





Acknowledgements

Concep:

Concept:
CZFS Marketing, Communications &
Institutional Affairs Department

Writing and Editing:

Grisbel Medina
Mabely Jiménez

Design and Infographics:

José Ángel Rodríguez

Photography:

Guarionex Pichardo
Carlos Chicón

Overall supervision:

Katy Lizardo
Karen Gómez
María José Balaguer



Corporación Zona Franca Santiago
Avenue Mirador Yaque,
Santiago, Dominican Republic

Tel.: (809) 575-1290

**www.zonafrancasantiago.com
contacto@zonafrancasantiago.com**

     @czfsantiago



C O R P O R A C I Ó N
ZONA FRANCA
SANTIAGO

Corporate
Management
Summary
2020