

Sustainability Report 2023



A BETTER
Life



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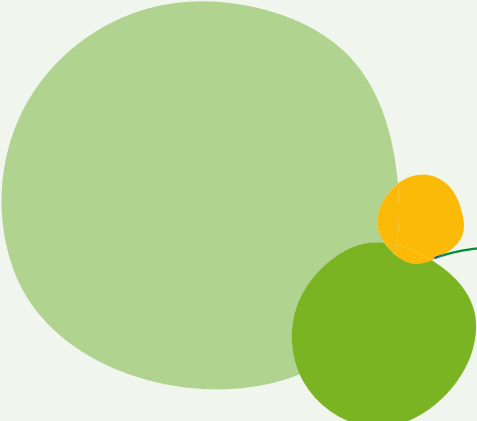
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Message from our President

I am pleased to introduce Arcor Group's 2023 Sustainability Report which, like our 18 former versions, reflects our commitment to creating economic, social and environmental value for all our stakeholders.

2023 represented important changes and was framed by a renewal process in the company's leadership. In April I took over as president of Arcor Group, with great enthusiasm and pride. This huge challenge was accompanied by a new composition of the Board of Directors and the management structure. One step further in the company's evolution process.

2023 was a year marked by a challenging political, economic and social context, where we had to resort to our creativity to overcome new obstacles and flexibility to constantly adapt to changing scenarios. But despite adversities, we showed that we were able to make progress and continue along a growing path that was put forward in each of the Group's business, country, and area. This has always been and will be the vision that guides us at Arcor Group.

The growth of our businesses was complemented by our focus on sustainability. Guided by our 2030 "A Better Life" Sustainability Strategy, and reinforcing our commitment to producing sustainable food, promoting people's prosperity, and preserving the planet's sustainability, so that all people can live better, we are advancing in defining goals to much

of our sustainability commitments. We firmly believe that establishing clear objectives is essential to align all members of our organization toward achieving the commitments we have made.

This report reflects our commitment to the 2030 Agenda and the United Nations Global Compact, presenting our progress in compliance with human rights, labor, environmental, and anti-corruption principles. Every year, this report is prepared based on the highest standards for the disclosure of non-financial information, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

I invite you to go through each segment of this Report, in which you can walk along the different paths we chose to continue contributing to sustainable development.

Thanks a lot!



Alfredo Pagani
Arcor Group President





Message from our Corporate Sustainability Manager

In this new edition of our *2023 Sustainability Report*, we are pleased to present to our stakeholders highlighted information about Arcor Group's contribution to sustainable development.

During 2023, we continued promoting the sustainable management of our business through the implementation of Arcor Group's **2030 Sustainability Strategy, A Better Life**, which shows the commitments we adopted to produce sustainable food, promoting people's prosperity and preserving the sustainability of the planet, so that everyone lives better.

Throughout the year, each of Arcor Group's businesses and corporate areas developed 1,004 initiatives through their *Sustainability Operational Plans*. In addition, a total of 3,818 employees were reached by divisional sustainability objectives and 1,046 management level employees defined specific objectives. Aligning the goals of our collaborators with the sustainability commitments assumed is still a key factor in boosting the environmental and social performance of the entire company.

Through the nine commitments of our *Sustainability Strategy*, we continue strengthening our business strategy.

In line with our commitment to **Healthy and Affordable Food**, we reviewed the initiatives included in the Healthy Eating & Habits Strategy: *Food for a Better Life*, focused on the three pillars of action that the company fosters with the aim of promoting a varied, balanced, inclusive, and accessible diet: products that evolve to offer the best alternatives, alliances, and knowledge to innovate and actions to promote habits of healthy living. In the

product pillar, we continue promoting initiatives for continuous nutritional improvement and the development of new products.

We also continue strengthening our commitment to **Quality at Every Step**, deepening our Quality Strategy: Value at Every Step, which seeks to promote 360° quality management in all our processes throughout our value chain. Thus, we passed new Global Food Safety Initiative (GFSI) Audits and maintained the BRC certification in our industrial plants.

Based on our commitment to **Regenerative Agriculture**, we made progress in the implementation of the initiatives of the Sustainable Agriculture Program, aimed at promoting a sustainable supply of the main agricultural raw materials that we process and acquire. We achieved important goals such as the certification of 280,000 hectares of corn and wheat from our suppliers under the SAI-FSA sustainable production standard. Furthermore, within the framework of the Agro+30 initiative and together with CREA and UPL, a project was launched to measure organic carbon in soil in 9 productive chains in 4 regions of Argentina (sugar cane, meat, tomato, stone fruits, grapevines, citrus, complete cycle livestock, forestry and rotation (corn, wheat, soybeans) that favor the development of management strategies to increase organic carbon in the soil.

Within the *Diversity Committee*, and in line with our commitment to **Inclusion, Diversity and Equality**, we continue fostering the company's Diversity Strategy with the aim of promoting a diverse internal culture by working on the following lines of work: gender equality, inclusion of people with disabilities,



inclusion of generations, sexual diversity (LGBTIQ+), and races and ethnicities. Based on the activities promoted, during 2023, 43% of the company's new hires were women, 38% of management vacancies were covered by women, and 1.5% of the total staff is made up of people with disabilities.

Based on the commitment to **Workplace Well-being**, we continued implementing different programs aimed at promoting the safety, health and well-being of collaborators in industrial operations: *Comprehensive Cultural Evolution Program, Ergonomics Program, 6C Risk Program*.

Regarding our commitment to **Community and Value Chain Development**, we celebrated 15 years of our Community Impact Management Strategy, which was created to foster a comprehensive development of the communities that we are part of and promoted through 30 Community Relations Committees made up of industrial operations leaders of the entire Group. During 2023, we donated more than 1,100,000 kilos of products through the *Corporate Food Donation Program* through Food Banks, Cáritas and organizations that work primarily with children and adolescents. We also kept on promoting our *Responsible Inclusive Purchasing Program*, to contribute to the inclusion and development of community-based suppliers, who develop productive processes in vulnerable conditions, and the *Linkage Program* with Technical Schools, to contribute to training processes and quality education in the areas where we operate.

Thanks to the Arcor Foundation in Argentina and Chile and the Arcor Institute in Brazil and within the framework of this commitment, we also implemented our *Social Investment Strategy in Children*, which seeks to contribute to making education a tool for equal opportunities for children in Latin America. During 2023, we supported and implemented 156 initiatives in Argentina, Brazil, Chile and other countries in the Region, which reached 356,517 boys and girls and 40,777 people who were trained in issues related to childhood. Likewise, we managed to get 426,587 people to interact in our initiatives digitally and 3,250,826 people from the mass public to access our content through different platforms.

Together with our value chain, we deepened the development of our *Sustainable Supply Strategy*. We are advancing in the

implementation of the REconocer Program, through which we evaluate new suppliers with regard to commercial quality and sustainability. We also boosted to our *Sustainable Logistics Plan* and made progress in the implementation of our *Distributor Sustainability Strategy*, through the Red Activa Program.

Regarding the preservation of our planet, and reaffirming our commitment to **Water Care**, in 2023 we continued working to make increasingly efficient use of this resource. Through our *Water Strategy*, we achieved a reduction in net water consumption of 6.9% in our plants located in High Water Risk areas, compared to the previous year.

Regarding the commitment we assumed for **Climate and Biodiversity Action**, we promoted a comprehensive review process of our *Climate Change Strategy*, adding to our inventory a scope 3 emissions screening that will allow us, in the future, to review our emissions mitigation goals. Within our Packaging Division, we achieved the Carbon Neutral Certification for Papel Misionero, being the first Arcor Group plant to achieve this objective. On the other hand, within the framework of our *Biodiversity Strategy*, we are making improvements regarding conservation activities in the high-value areas that we preserve in the provinces of Misiones and Tucumán, in Argentina. In Misiones, we developed a fauna survey, both in the Papel Misionero Natural and Cultural Reserve and in forest production areas, identifying more than 29 species of mammals that account for the high degree of conservation of the natural environments that we protect in that eco-region.

Based on our commitment to the **Circularity of Materials**, we continued moving towards our goal of zero waste sent to

landfill by 2025 and we have achieved this goal in 16 of the Group's plants.

Finally, in 2023 we formalized our Commitment to **Human Rights Policy**, applicable to the entire Arcor Group. The commitments linked to the rights related to labor practices, preservation of the environment, information and confidentiality, communities and integrity were reflected there.

Finally, I want to thank the enormous commitment of all areas of the company in preparing this report. I invite you to learn about the main results of our progress on the path of integrating sustainability as a way of being, doing and making our company grow.

Thank you very much!



Bárbara Bradford
Corporate Sustainability Manager



Arcor Group

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We are Arcor Group

We work with the purpose of making nutrition trends accessible so that everyone lives a better life. We operate in three business units: Consumer food products, Agribusiness, and Packaging, carrying out a sustainable management as our way of being, doing, and growing.

In every decision we make, we are committed to quality, and, in that way, we reach people in more than 100 countries through our leading brands.

Through Bagley Latinoamérica S.A., the company formed with Grupo Danone, we are leaders in the production of cookies, *alfajores* and cereals in Latin America.

We have more than 45 industrial plants in Latin America, an industrial plant in Africa¹, and commercial offices in four continents. We are more than 20 thousand people who work at Arcor Group and we are convinced that the integration of different cultures enriches our view of the world.

¹ In line with the Consolidated Financial Statements of Arcor Group, this Sustainability Report does not include information related to our operation in Angola (Dulceria Nacional).

 Strategic alliances with leading companies such as Danone Group, Laboratorios Bagó, Mastellone Hermanos, Grupo Bimbo and Coca Cola

1st
world producer of hard candies

 World-class retail distribution model

 Main food company in Argentina

 Present in more than **100** countries

+45
industrial plants in the world

 Main manufacturer of Kraft packaging paper in Argentina


 **Leading cookie, *alfajor* and cereal company in Latin America**
(through Bagley Latin America S.A., a partnership with Danone Group for the Cookie, *Alfajor* and Cereal businesses in Latin America.)

1st
maize flour producer in Argentina

 One of the main sugar producers in Argentina

 Argentine leader in the production of corrugated cardboard

 Key player in the circular economy through recovering and recycling plastic and cardboard materials

 Main manufacturer of paper in Argentina and an important referent in South America



Arcor Group in the World



North America
United States, Canada,
Mexico



**Central America
and the Caribbean**
Honduras, El Salvador, Costa Rica,
Guatemala, Panama, Nicaragua,
Belize, Aruba, Barbados, Haiti,
Jamaica, Dominican Republic,
Puerto Rico, Trinidad and Tobago,
Cuba, Curacao, Saint Vincent,
Saint Lucia, Granada,
Netherlands Antilles



South America
Argentina, Brazil, Chile, Peru,
Uruguay, Paraguay, Bolivia,
Colombia, Ecuador, Venezuela,
Guyana, Surinam



Europe
Spain, Bulgaria, Macedonia, Albania,
Estonia, The Netherlands, United
Kingdom, Belarus, Croatia, Belgium,
Germany, Hungary, Portugal,
Andorra, France, Italy,
Bosnia and Herzegovina, Latvia,
Lithuania, Greece



Africa
Angola, Cape Verde, Democratic
Republic of Congo, Egypt, Guinea-
Bissau, Equatorial Guinea, Kenya,
Liberia, Libya, Madagascar,
Mauritius, Mauritania, Morocco,
Mozambique, Sierra Leone,
Nigeria, South Africa, Senegal



Middle East
Israel, Lebanon, Jordan,
Iraq, Syria, Azerbaijan,
Georgia, Armenia,



Asia and Oceania
Australia, China, Bahrain,
India, Japan, Kuwait,
Mongolia, Oman, Philippines,
Saudi Arabia, South Korea,
Thailand, United Arab
Emirates, Vietnam,
Taiwan, Yemen,

Our Strategic Alliances

In our efforts to pursue ongoing growth, we foster the creation of strategic alliances and new businesses.



2005

We partnered with Grupo Danone and created Bagley Latinoamérica S.A. for the cookie, *alfajores* and cereal businesses, being one of the leading companies in the region.



2006

Together with Bimbo Group we created Mundo Dulce with the aim of manufacturing confectionery and chocolates for the Mexican and export markets.



2010

We created a strategic alliance with Coca-Cola for the joint development of new products with original combinations.



2015

We partnered with Mastellone Hnos., the Argentine company with more than 90 years of history and a leader in the production and marketing of dairy products.



2017

We acquired 100% of Zucamor S.A. With this incorporation, the Packaging Business becomes the largest producer of recycled paper in the country and an important referent in South America.



2018

We created an alliance with Laboratorios Bagó to combine health and food worlds creating Simple, a dietary supplements line.



2019

In alliance with Coca-Cola, we created Kamay, the first Argentine open capital fund launched to finance and advise start-ups with innovative projects.



2021

In 2021 we created a strategic alliance with Ingredion², a leading global ingredients company since 1906, to enhance the production, marketing and distribution of innovative ingredient solutions for different industries in Argentina, Chile, Uruguay and other Latin American countries.

² Subject to be approved by the CNDC (National Commission for Competence Defense).

Our Businesses

We are a leading multinational industrial Group, made up of 3 business units:

Consumer Food Products

Agribusiness

Packaging

Consumer Food Products

We specialize in the production of food products for a varied, balanced and inclusive diet. As market leaders, we seek to offer quality products through an exclusive and innovative offer, and a broad brand portfolio.

Food

We are the main food company in Argentina. We manufacture products with a meticulous selection of raw materials and advanced technological processes, which ensure the high quality of our products from the field to the table. Our product offering includes jams, dry pastas, hard candies, sauces, canned vegetables, tomatoes and fish, drinks, powdered juices, premixes, polentas (maize flour), dressings, milk caramel, oil, cocoa and spices.

2023 Highlights: Launch of La Campagnola Selection Blueberry Jam, BC Lemonade Juice Powder, Águila Muffins, BC Raspberry Jelly and La Campagnola Tomato Extract. Meanwhile, we grew up in Arepas and Polenta Presto-Pronta.



Chocolates

We are leaders in the Argentine market. We are present in all categories with well-known brands that are highly appreciated by consumers. Our portfolio includes chocolate bars, bonbons, chocolate-coated wafers, sugar-coated chocolates, chocolate for children and pastry products.

2023 Highlights: Growth in our Águila brand, development of Assorted Boxes, and innovation in the Graffiti brand.



Cookies, Snacks and Cereals

We are leaders in the region through Bagley Latinoamérica S.A. together and our ally Danone Group. We produce cookies, crackers, alfajores, cereals, and snacks. Our offer includes Crackers, Cereal Cookies, Filled Cookies, Dry Cookies, Alfajores, Cereal Bars, Breakfast Cereals, Wafers, Snacks, Assorted Cookies, and Toasts.

2023 Highlights: Launch of White and Black Chocolinas, Cereal Mix cereal snacks, Maná Petit, Saladixs Chips, and relaunching of White and Black alfajores.



Confectionery

We are the first candy exporter of Argentina, Chile and Peru and the most important company of the region in production capacity, sales, and brand development. Our offer includes candies (filled, hard, sour, crystal, and soft), milk candies, gummy candies, lollipops, chewing gums, bubble gums, nougats, tablets.

2023 Highlights: Launch of extruded products under the Mogul Extreme platform. Entry into the filled hard candies segment with our Butter Toffees brand, and the sugar-free compressed tablets market through Menthoplus, with the presentations of Mix Berries and Cool Mint.



Ice-Creams

We are one of the leaders in this category, with a varied proposal, high quality, and unique flavors. The portfolio has the endorsement of the brands of chocolates, candies and cookies preferred by consumers. Our offer includes water and cream popsicles, cups, cones, small cups, chocolate-coated ice-creams, frozen desserts, buckets, cakes, multi-packs, ice-cream portions and gelato.

2023 Highlights: Launch of new proposals under the Chocolinas/Chocortorta Cofler brand and the XL Gelato Line.



Functional Business

Since 2018, Arcor and Laboratorios Bagó have been working as strategic partners to develop the line "Simple" for the dietary supplements market. This line includes the development of products that contribute to health care and can be easily incorporated into daily life. Our offer includes: Vitality, Defenses, Weight Well-Being, Sports Nutrition, Collagen, Digestive Health, Bone Health.

2023 Highlights: Launch of a new communication campaign in mass and digital media, with the brand ambassador, Andrea Frigerio.





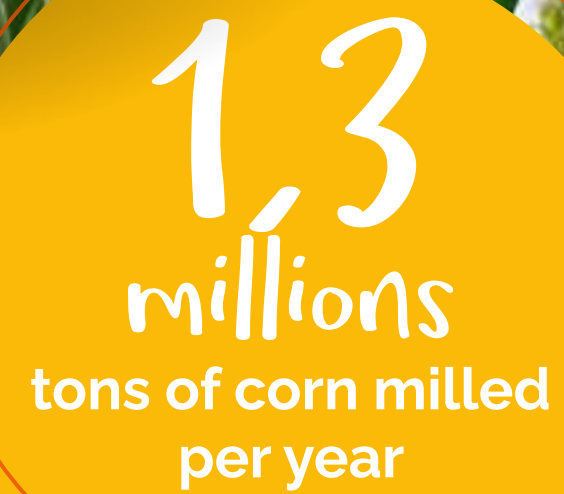
Agribusiness

We develop ingredient solutions for the food, beverage, paper, corrugated cardboard, personal and home care, and animal nutrition industries, among others. We are leaders in corn processing and cereal ethyl alcohol production. Our main products are: white granulated sugar, organic sugar, milk, ethyl alcohol from cereals, fructose, maltose, glucose, corn starch, corn flour, semolina, corn oil and a significant number of corn by-products that are used for animal feeding.

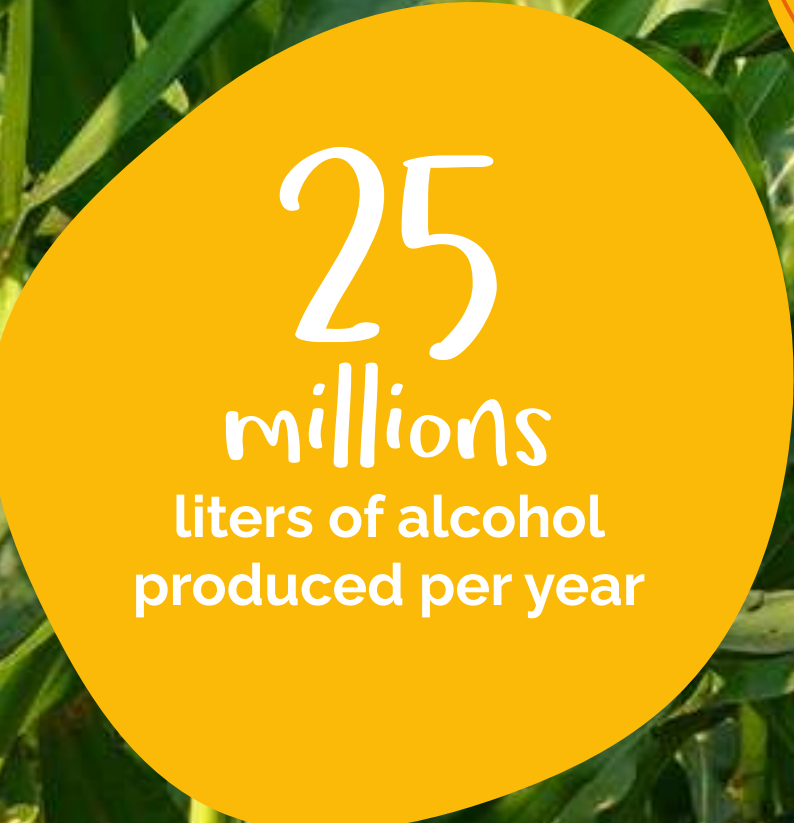
In 2021 we formed an alliance with Ingredion³ to enhance the production, marketing, and distribution of innovative ingredient solutions in Argentina, Chile, Uruguay and other Latin American countries.

³ Subject to be approved by the CNDC (National Commission for Competence Defense).

2023 Highlights:



1,3
millions
tons of corn milled
per year



25
millions
liters of alcohol
produced per year




The largest
corn milling capacity
in the region




One of the main
sugar producers
in Argentina



1st
maize flour
producer in
Argentina

Packaging

We are one of the most important packaging solution companies in the Southern Cone, with industrial plants in Argentina, Chile and Peru. We lead the corrugated cardboard, paper, and flexible packaging markets in Argentina. We stand out for the quality of our products through the brands Cartocor, Converflex, Zucamor, Puntapel and Papel Misionero, which offer innovative and sustainable packaging solutions to customers from different industries.

We offer innovative and sustainable solutions through a circular business approach. This implies obtaining our materials in a sustainable way and carrying out a production process that is careful with the environment and resources and that puts emphasis on the human development of all those involved.

2023 Highlights:

900
million
square meters of
corrugated cardboard
per year

12
thousand
tons of flexible
material per year

270
thousand
tons of paper
per year

230
million
of units of industrial
bags per year

23
thousand
own hectares
for forestry
development



Our Corporate Philosophy



Mission

Provide people around the world with the opportunity to enjoy high quality, delicious, and healthy confectionery products and food, which will turn their everyday life into magical moments for gatherings and celebrations.



Vision

Be a leading food and confectionery company in Latin America and a well-known company in the international market, standing out for our sustainable practices and our ability to venture into new businesses.



Goal

Make food trends accessible so people can have a better lifestyle.



Our Collaborators

| | 2023 | | | | | | 2022 | |
|-------------------|---------------|------------|--------------|------------|---------------|--------------|-------------------------|-------------------------|
| | Men | | Women | | Total | | Total | Total |
| | Full-Time | Temporary | Full-Time | Temporary | Full-Time | Temporary | Full-time and Temporary | Full-time and Temporary |
| By country | | | | | | | | |
| Argentina | 10,270 | 574 | 2,466 | 437 | 12,736 | 1,011 | 13,747 | 13,964 |
| Brazil | 2,114 | 11 | 1,612 | 28 | 3,726 | 39 | 3,765 | 4,223 |
| Chile | 1,274 | 26 | 314 | 38 | 1,588 | 64 | 1,652 | 1,662 |
| Peru | 140 | 125 | 12 | 91 | 152 | 216 | 368 | 361 |
| Mexico | 590 | 3 | 530 | 2 | 1,120 | 5 | 1,125 | 1,064 |
| Spain | 6 | 0 | 6 | 0 | 12 | 0 | 12 | 12 |
| Rest of the world | 189 | 11 | 142 | 20 | 331 | 31 | 362 | 343 |
| TOTAL | 14,583 | 750 | 5,082 | 616 | 19,665 | 1,366 | 21,031 | 21,629 |

Our Main Economic Data

Main Economic and Financial Indicators ⁽⁴⁾

| | 2023 (millions of pesos) | 2022 (millions of pesos) |
|---|-----------------------------|-----------------------------|
| Net Sales | 1,915,229.0 | 1,946,553.5 |
| Marketing and Administrative Expenses | 388,493.0 | 379,102.5 |
| Salaries, Wages and Social Security Contributions | 437,212.3 | 420,657.2 |
| Investment in Fixed Assets and Other Assets | 42,779.2 | 33,562.7 |
| EBITDA | 156,561.4 | 181,583.7 |
| Total taxes ⁵ | 90,722.7 | 111,785.9 |
| <i>Direct taxes</i> | 34,539.2 | 33,607.4 |
| <i>Export rights</i> | 6,146.4 | 6,621.3 |
| <i>Taxes, Rates and Contributions</i> | 5,911.0 | 5,753.9 |
| <i>Income Tax ⁶</i> | 44,126.1 | 65,803.3 |
| Net Income / (Loss) for the Fiscal Year ⁷ | 4,608.7 | 99,772.6 |
| Payment to capital providers | 184,086.0 | 118,499.4 |
| Total Capitalization ⁸ | 856,909.8 | 701,851.1 |
| <i>Shareholders' Equity ⁹</i> | 336,753.3 | 301,368.0 |
| <i>Non- Current Loans ¹⁰</i> | 313,803.0 | 188,667.9 |
| <i>Current Loans ¹¹</i> | 206,353.5 | 211,815.2 |

For more information, please refer to the Arcor Group 2023 Annual Report and Financial Statement, available at www.arcor.com.

⁴ All figures are expressed in Argentine pesos, except where otherwise indicated.

⁵ Tax breakdown by country (in millions of pesos) in 2023: Argentina 84,156.36 - Bolivia 888.78 - Brazil 1,635.61 - Chile 860.97 - China 6.96 - Ecuador 24.41 - Spain 1,435.85 - United States (129.33) - Mexico 561.08 - Paraguay, 52 - Peru 197.61 - Uruguay

⁶ It includes deferred taxes.

⁷ Result and Equity attributable to the Shareholders of the Company.

⁸ It includes Shareholders' Equity and the total Financial Loans of the Group (It includes heading "Lease liabilities").

⁹ Result and Equity attributable to the Shareholders of the Company.

¹⁰ It includes the heading "Lease liabilities".

¹¹ It includes the heading "Lease liabilities".

Arcor Group Board of Directors

Our governing body is made up of the Shareholders' Meeting and our Administrative Body is made up of the Board of Directors, with Mr. Alfredo Gustavo Pagani as the president of the Board of Directors.

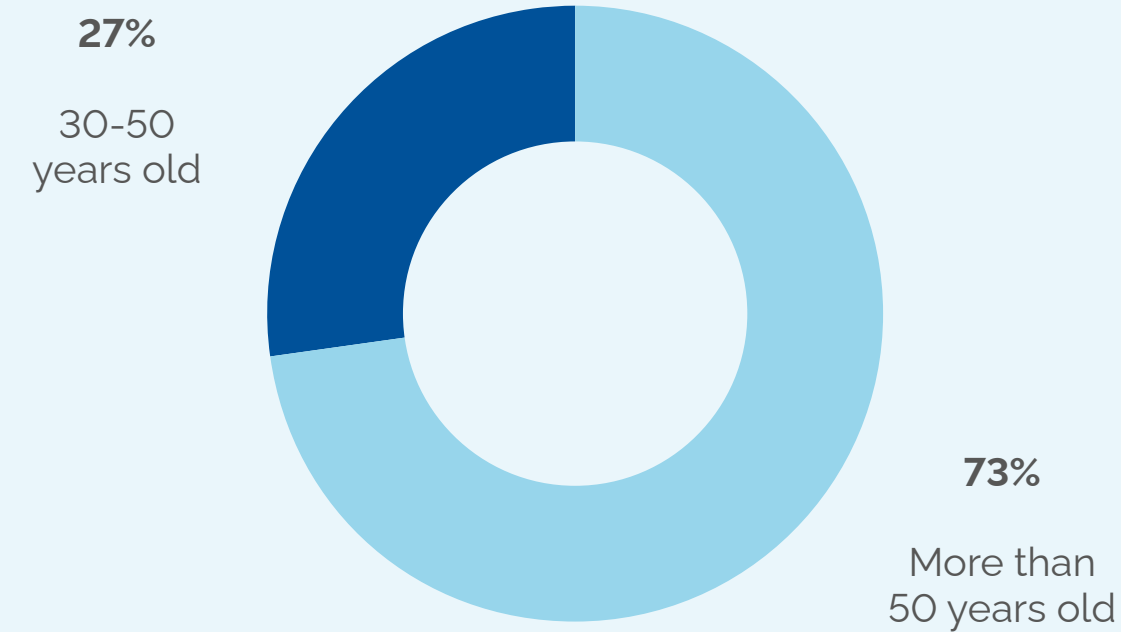
Based on the criteria defined for the selection of the Administrative Body, the Human Resources Committee makes proposals for members that are presented to the Board of Directors, so that the latter can then raise it and propose it to the Shareholders' Meeting for its consideration. The appointment of the people that form the Board of Directors is an exclusive power of the Shareholders' Meeting, so the proposal made by the Board of Directors will always maintain the non-binding nature.

The Human Resources Committee is also responsible for verifying the existence of a succession plan for the people that form the Board of Directors and Senior Management.

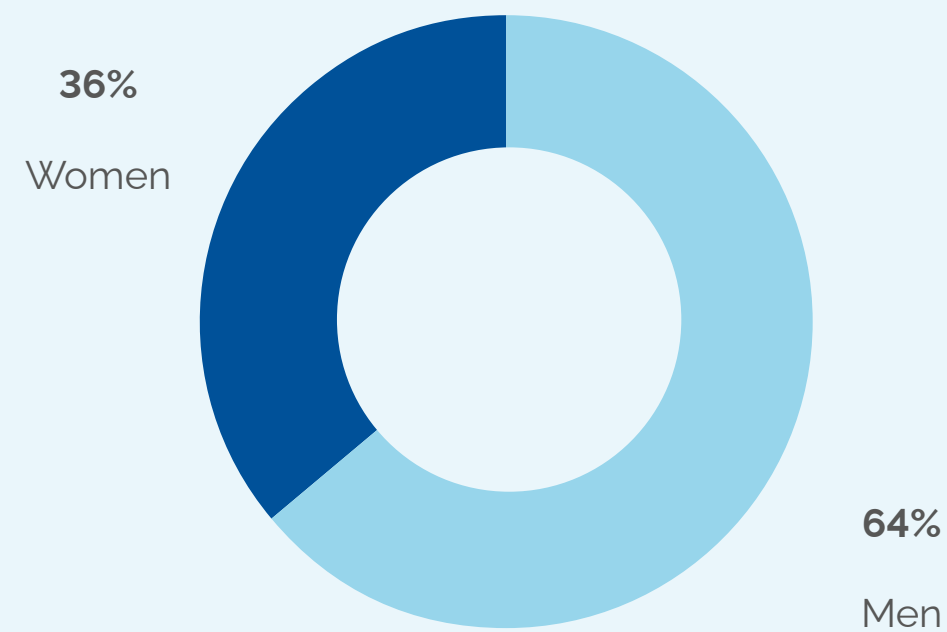
During 2023, a new stage and a renewal process in the company's leadership began, with a new composition of its Board of Directors. After three decades as president and CEO of Arcor Group, Luis Alejandro Pagani left his role and was succeeded by Alfredo Gustavo Pagani, the new Chairman of the company. Along with this change, there have been other changes to the administrative body in the last period, which include the appointment of Mario Enrique Pagani as Vice Chairman. In addition, Andrea Cecilia Pagani and Nicolás Enrique Martín have joined as Regular Directors. All changes took effect as of April 28, 2023.



Age Range of the Board of Directors (regular and alternate positions)



Composition of the Board of Directors According to Gender (regular and alternate positions)



| Name | Position | Executive / Non-Executive | Independence | Number of Years Serving at the Board* |
|----------------------------|--------------------|---------------------------|-----------------|---------------------------------------|
| Alfredo Gustavo Pagani | President | Executive | Non-Independent | 19 years |
| Mario Enrique Pagani | Vice Chairman | Executive | Non-Independent | 1 year |
| Víctor Daniel Martín | Regular Director | Executive | Non-Independent | 18 years |
| Alejandro Fabián Fernández | Regular Director | Non-Executive | Non-Independent | 15 years |
| Andrea Cecilia Pagani | Regular Director | Executive | Non-Independent | >1 year |
| Nicolás Enrique Martín | Regular Director | Executive | Non-Independent | >1 year |
| Fernán Osvaldo Martínez | Regular Director | Non-Executive | Non-Independent | 6 years |
| Alejandro Asrín | Regular Director | Non-Executive | Non-Independent | 2 years |
| Lilia María Pagani | Alternate Director | Non-Executive | Non-Independent | 6 years |
| Karina Ana Mercedes Pagani | Alternate Director | Non-Executive | Non-Independent | 8 years |
| Marcela Carolina Giai | Alternate Director | Non-Executive | Non-Independent | 6 years |

*The number of years in the current position has been considered. In the case of Alfredo Pagani and Mario Pagani, the number of years serving as Regular Directors has been considered, not as Chairman/Vice-Chairman, respectively. It should be noted that they are Regular Directors and, by resolution of the Board of Directors, they were also appointed as Chairman and Vice-Chairman.

The Board of Directors is responsible for approving Arcor Group's Sustainability Report as well as the Mission, Vision, Purpose and Values of the company. In turn, the Board of Directors and senior management prepare the Operational Plan (OP) and the Budget (Pe) for each year, taking into account the general strategy of Arcor Group, the Sustainability Strategy, and associated risks.

In addition to our governing body, we have several committees created by the Board of Directors to foster joint work and reach the goals established by the company.¹² During 2023, the Board of Directors approved separating the functions of the Finance, Investments and Strategies Committee, established in 2010, thus creating the Finance and Strategies Committee on the one hand, and the Investments Committee, on the other hand. In this way, 7 Committees were established, which report to the Board of Directors on several aspects of their concern:

Ethics and Conduct Committee

It was formed in 2009 and its main function is to ensure compliance with the Code of Ethics and Conduct. It contributes to the ongoing improvement of the Company's ethical climate, by promoting awareness, communication and training actions for all employees and stakeholders specific to each value chain.

¹² The functions of each committee can be seen in Practice 4 of the Corporate Governance Code, published on the [CNV website](#).

Audit Committee

It was created in 2010 and its functions are the following: (a) monitor the operation of internal control systems and the administrative accounting system, as well as the reliability of the latter and all the financial information and other significant events; (b) oversee the application of the Company's risk management reporting policies; (c) review the internal and external auditors' plans and assess their performance; (d) consider the internal and external audit budget; and (e) evaluate the different services provided by the external auditors and their relationship with their independence, as established by audit standards in force. This Committee does not apply the regulations established by the National Securities Commission since the Company is not required to create it under such terms.

Finance and Strategies Committee

It was established in 2023, based on the Finance, Investments and Strategies Committee (formed in 2010). Among its functions are the review of the annual budget, the evaluation of alternative sources of financing, investment plans, and new businesses.

Investment Committee

It was set up in 2023, and its most relevant functions include analyzing and suggesting investment plans to the Board of Directors, and carrying out detailed monitoring of each and every one of the investments that are approved.

Human Resources Committee

It was established in 2015 to monitor that the remuneration structure of Board members and key personnel is related to their performance, as well as risk management and long-term performance, the development of selection criteria, and the application of training, retention and succession policies for members of the Board of Directors and Senior Management. One of its key functions is to propose on a non-binding basis, considering the criteria approved by the Board of Directors, Directors, members of the Committees and Senior Management, who, where appropriate and if applicable, must be put for consideration by the Board of Directors, so that it submits them to the Shareholders' Assembly.

Purchase Committee

It was established in 2015 by the Board of Directors. Its main function is to evaluate, manage, and mitigate the risks related to Arcor Group's supply chain regarding goods and services.

Sustainability Committee:

Established in 2015, the Sustainability Committee is responsible for advising in all aspects related to sustainability, supporting the identification and analysis of critical issues that can present risks and impact opportunities relevant to the Group, among other functions.



Comprehensive Management System

We have a Comprehensive Management System (CMS) based on the culture of our company and the concepts, requirements, and improvement tools considered world class.

This system seeks to support the company's strategy through operational discipline, continuous improvement of processes and their adaptation to the demands of the markets our products reach. It maintains a continuous evolution of management standards regarding operations, seeking continuous improvement.

Sustainable Operations Managements

We use the best industrial management practices to produce sustainable food, promoting the people's prosperity and preserving the sustainability of the planet.

58
operational bases
with ISO 14001
Environmental
Management

53
operational bases
with ISO 45001
Occupational Health
and Safety



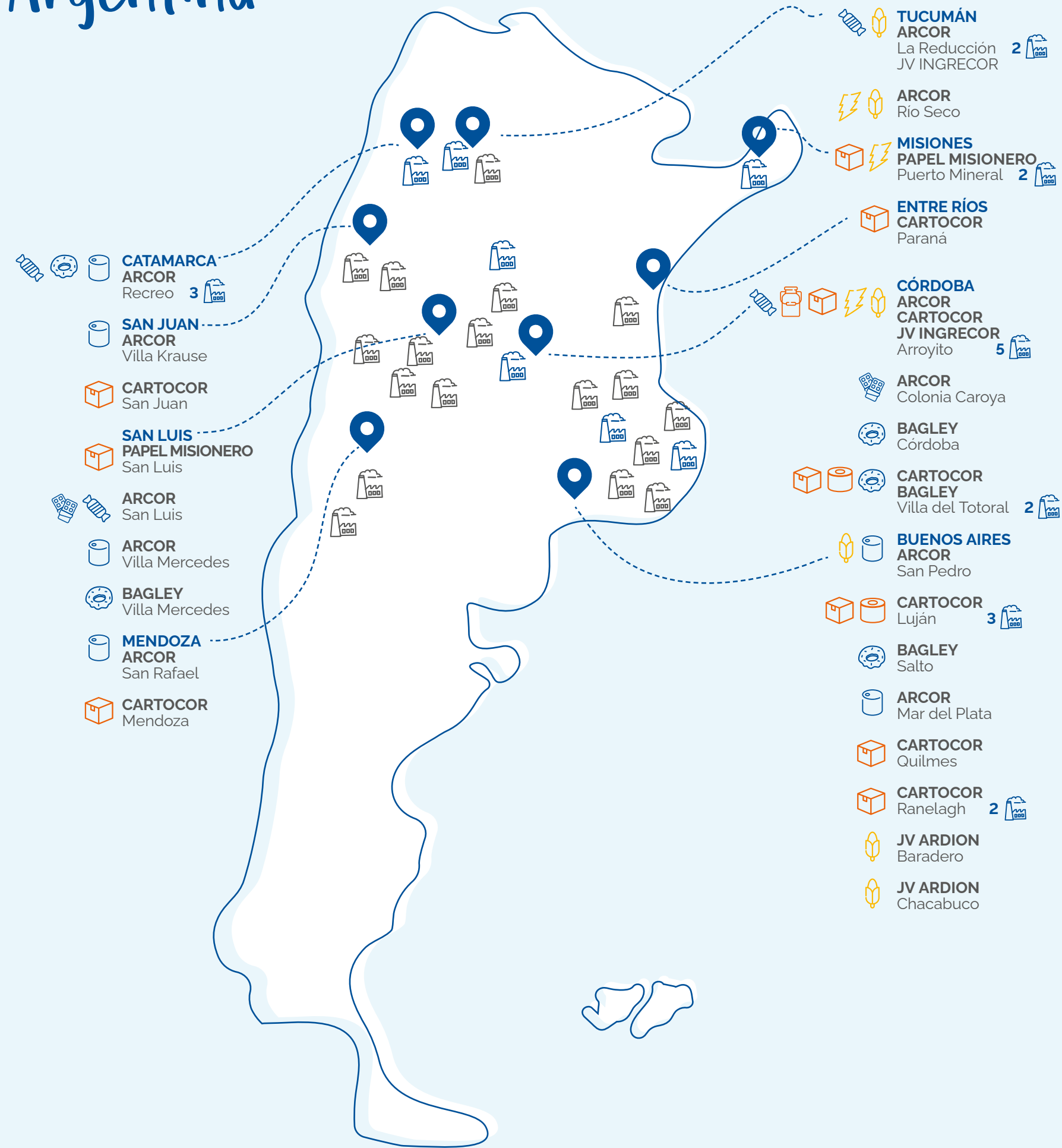
Throughout 2023, we
allocated USD 1,458,484
to investments linked
to the sustainable
management of our
operational bases

57
operational bases
with ISO 9001
Quality Management

13
operational bases
with Forest
Management
certifications

46
plants
with Food Safety
standards
certifications

Argentina



- Food
- Chocolates
- Cookies and crackers
- Confectionery
- Agribusiness
- Energy
- Cardboard/paper
- Flexible packaging
- Tambo
- Industrial plant
- Complexes with more than one industrial plant

Latin America



Africa

Innovation Management

With our eyes on the future, innovation is key as it allows us to work on creative and value-added solutions. In this sense, we continue making advancements to promote the adaptation, transformation, and evolution of products, processes, and services to enhance the sustained growth of the business, the care of natural resources, and the satisfaction of clients and consumers.

Our innovation management is based on the following pillars:

We promote the internal culture of innovation through the initiative called "Innovation Week", whose objective is to promote the internal culture, creating a space to disseminate initiatives, tools, success stories or good practices. This activity includes talks with experts, participatory creativity activities, dissemination of innovations implemented within the company, among others. In 2023, nearly 1,600 collaborators from Argentina, Chile, Mexico, Uruguay, Peru, Bolivia, Paraguay and Brazil attended this event.

To foster linkage, we are part of the "Innovation Club" of Argentina, which belongs to RELACI (Latin American Network of Innovation Clubs). This Club was created to accelerate the innovation processes of organizations based on collaboration, knowledge, and peer learning. We participate in activities such as training workshops (Toolbox), open door sessions in different industries (Open doors), and sessions with start-ups (StartMeUp).

We also link with the entrepreneurial and scientific ecosystem through Start-ups and institutions, both in ingredients and packaging materials, with the aim of being at the forefront of the latest technological trends and accelerating their adoption.

Sustainable growth of the business



Care for natural resources



Customer and consumer satisfaction



> Empowering our innovative DNA <

On the other hand, we carry out ideation sessions within our business units seeking to add different visions and knowledge to generate perspectives, concepts and prototypes that can inspire the search for innovation for our brands and leverage the company's results, offering news to consumers. Some of the activities carried out during 2023 were:

- **3D Event:** An event sponsored by Arcor Brazil's Research & Development, intended to boost the Innovation Network, encouraging participation across all levels and areas and connecting people in favor of a collaborative work model, looking for business sustainability from a creative approach.
- **Workshop "Creating the Future Towards the 2028 Pipeline":** This initiative was developed with the support of the consulting firm Trendsity. We analyzed the main socio-cultural macro trends and, together with our businesses, we devised solutions that address these needs. As a result, 15 opportunity spaces and more than 70 ideas emerged.
- **"Innovation Day" sessions** for Bagley, Foods, Functional Products, Confectionery Products and Chocolates: Joint session with ingredient suppliers where topics of formula optimization, new textures, nutritional improvements, among others, were addressed.
- **Sessions with packaging materials suppliers** to review trends and new technologies.

Kamay Ventures

In 2019 we formed Kamay Ventures¹³ in alliance with Coca-Cola to speed up innovation in our business ventures, contribute to the entrepreneurial ecosystem and help to transform the internal culture towards greater innovation opportunities. This initiative is focused on the application of technology to optimize processes and reduce environmental impact throughout the industry, attract and retain innovative talent, and contribute to the company's digital transformation, among others.

Currently, Kamay Ventures' investors are Coca-Cola Latin America and Arcor Group, as founding partners, and Grupo Bimbo, who recently joined.

During 2023 Kamay invested in:

- **INI:** The first payment network based on new technologies (LoRaWAN), which provides connectivity to businesses, banks and delivery services, with low connection requirements to carry out digital payment transactions in real time.
- **Nude:** It is a Brazilian foodtech venture specialized in the production of plant milk.
- **Sensei:** It is a European provider of autonomous stores that offers an AI-powered solution to retailers to provide a seamless shopping experience, without scanning products or waiting in lines.

¹³ <https://kamayventures.com/>



Kamay Code

Kamay Ventures created the Kamay Code event with the purpose of connecting entrepreneurs and corporations with the vibrant innovation ecosystem of Latin America. The experience included discussions on the latest technology trends presented by local and international speakers, training through various workshops, and the opportunity to network with inspiring leaders.

The proposal was complemented with a competition for startups and scaleups, where they presented in just a few minutes innovative solutions that addressed the challenges proposed by the corporations associated with Kamay Ventures. The selected companies won the opportunity to participate in the exclusive Design Sprint together with Kamay Ventures partners.

Finally, some companies had the opportunity to develop a Proof of Concept (PoC).

The Kamay Code experience began in Buenos Aires in March 2023 and continued in São Paulo, Brazil, in August.

Arcor Innovation Award

Since 2009, Arcor has been carrying out the Arcor Innovation Award, together with the Ministry of Science, Technology and Innovation of Argentina and the Arcor Foundation.

The objectives of the award are:

- Support research projects and/or technological developments in the food area, covering products, processes, and services in the industry that have an impact on society and at a technological level.
- Promote innovative culture and technological development within the academic, entrepreneurial, and industrial field that leads to greater productivity and competitiveness in the food sector, as well as achieve improvements in the living conditions and social situation of the communities.
- Recognize and stimulate talent, the application of knowledge and entrepreneurial attitudes that allow the introduction of new processes and/or products, the addition of value, and technological differentiation.
- Promote and speed up the technological transfer between the scientific, technological and productive fields.

In its 8th edition, the award called on entrepreneurs, researchers, SME companies and non-profit organizations to present innovative scientific and/or technologically-based projects for the food sector. The preparation of the semi-finalists was in charge of Overboost, through Kamay.

Arcor Group's challenge, through this call, is to reaffirm its commitment to a culture of innovation and scientific and technological development in the food sector, with the aim of "making food trends accessible so that all people can live in a better way".



Arcor Innovation Award Winner

KRESKO RNAtch is a Santa Fe SME that developed a solution to preserve the super nutrients present in foods at the time of harvest, creating dietary supplements with broad health benefits. They use regulatory RNAs which are molecules that work as tools to reprogram metabolism. According to Daniela Teplitzki, Director of Operations at Kresko: "We want all people to reach their maximum level of well-being. We develop natural and innovative products that respond to different lifestyle disorders, seeking to improve people's lives through functional and intelligent nutrition."



Special Distinction | Arcor Foundation

BREAR was the proposal that received a Special Distinction awarded by the Arcor Foundation to reward the project with a strong social and community profile. Originally from the city of Recreo, province of Catamarca, the company created the first national tar rubber industry. This product, derived from the resin of a tree native to northwest Argentina, is used in the food industry as a stabilizer, gelling agent, emulsifier, and thickener. In addition to promoting innovation, it generates triple impact by being a sustainable alternative that creates economic opportunities in rural areas and replaces the total import of gum arabic. Leónidas Cordi, CEO of Brear states that: "We are working on the geographical expansion of production to take 10% of the total market in Argentina and advance in strategic commercial agreements with leading companies in the food industry."

Sustainable Management

We understand sustainability as a comprehensive approach that allows managing risks and maximizing opportunities arising from our business activity and from the relationship with our stakeholders.

We seek to create economic, social, and environmental value in the long term by comprehensively managing these aspects.

Produce Sustainable Food

We produce sustainable and responsibly manufactured products, without waste, offering our customers quality, affordable and safe options to contribute to their well-being, whilst providing them with moments of pleasure.

In order to achieve this, we are committed to:



Healthy and Affordable Food



Quality at Every Step



Regenerative Agriculture

2030 Sustainability Strategy

Our 2030 Sustainability Strategy, "A Better Life", encourages us to "produce sustainable food, promote people's prosperity and preserving the sustainability of the planet, so that all people can have a better life."

In order to reach this goal the company assumed nine commitments organized into three pillars:

Preserve the Planet's Sustainability

We preserve the planet by taking care of water, taking actions that benefit the climate and biodiversity, and encouraging a circular business model of supplies and waste to help enhance ecosystems.

In order to achieve this, we are committed to:



Water Care



Action for the Climate and Biodiversity



Circular Flow of Materials

A BETTER Life



Promote People's Prosperity

We foster people's prosperity, based on inclusion, diversity and equality to establish bonds of trust, ensuring our collaborator's well-being at the workplace, and strengthening the progress of the communities we are part of, together with our broad value chain, in order to contribute to the economic and social growth of our environment.

In order to achieve this, we are committed to:



Inclusion, Diversity and Equality

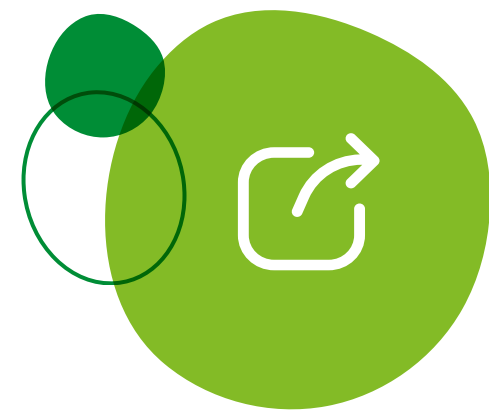


Workplace Well-Being



Community and Value Chain Development

These commitments are based on Integrity, Human Rights, and Innovation that are at the core of our actions.



Learn more about our Sustainability Strategy at sustentabilidad.arcor.com



Packaging Business' Sustainability Policy

Since 2018 our Packaging business has its own Sustainability Policy in line with Arcor Group Sustainability Strategy. This policy is made up of five commitments that summarize the main sustainability challenges for this business:



Sustainable Supply: Promoting the traceability and sustainable management of our supply, taking care of forestry resources and areas of high conservation value, and encouraging the use of renewable, recycled, or reused raw materials and supplies.



Environmental Protection and Resource Conservation: Fostering the rational use of water, good energy performance, and generation and use of renewable energies, preventing contamination, and reducing, reusing and recycling materials at our operations.



Human Development: Contributing to the respect and promotion of human and labor rights, local development, community impact management, inclusion and diversity.



Innovation and Sustainable Solutions: Encouraging innovation in solution technological development, ensuring suitable product security, safety and preservation, and offering packages that generate the least environmental impact.



Circular Economy: Encouraging circularity from the design of our products, and the creation and operation of workflows to recover scrap materials and keep them within the production system.



Sustainability Governance and Management System

To integrate sustainability as a fundamental component of the direction and management of our company, for more than a decade, we have had a two-level sustainability organizational structure:

Political - Strategic

Since 2009, we have had an Arcor Sustainability Committee headed by the Chairman and made up of senior management members of the company. This committee advises the Board of Directors on issues related to the triple impact:

- Supporting the identification and analysis of risks as well as high-impact opportunities.
- Determining priorities and implementing corporate policies, strategies and activities, related to sustainability of Arcor Group's businesses.
- Assessing the company's performance regarding the sustainability of its businesses, monitoring and minimizing the environmental and social impacts of its operations.

- Counseling about sustainability with regard to the relationship strategy with different audiences.
- Following and assessing the implementation of the Group's sustainability plan.
- Ensuring that there are appropriate and effective communication policies to build and protect the company's reputation as a sustainable business.

In addition, in Chile and Brazil there are local sustainability committees, made up of the general directors of each country and their first line of reports, whose roles and responsibilities consist on implementing to a local level corporate guideline, defining priorities, and following and monitoring the sustainability local plan.

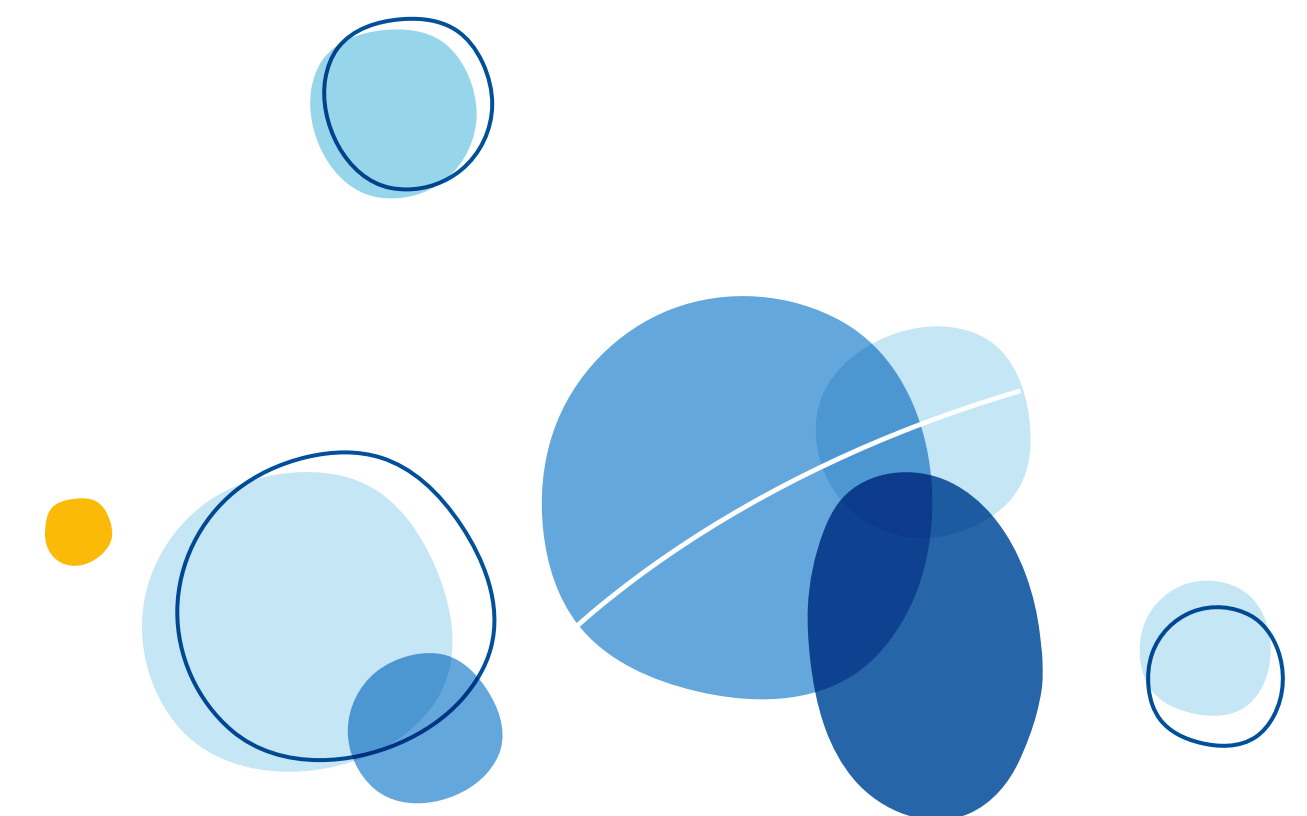
Strategic - Operational

We have a Corporate Sustainability Management Division, which is comprised by the Sustainability Strategy Management, the Regional Social Investment Management (in charge of Arcor Foundation in Argentina and Chile, and Arcor Institute in Brazil), and the Community Relations Management.

Our Sustainability Strategy Management is responsible for giving support to the Sustainability Committee in the design of the Group's sustainability strategy, and to all areas and businesses in the implementation of such strategy, by fostering innovation in sustainable practices, and facilitating and giving technical advice to the different areas of the company.

The Community Relations Management is in charge of managing our community impacts in every location in which the company has industrial facilities.

The, the Regional Social Investment Management executes our social investment strategy, aimed at ensuring equal educational opportunities for children in Latin America, by mobilizing social agents, developing skills among caregivers and guardians, and supporting territorial scope projects targeted at children, from a perspective of rights.



Sustainability Goals

As part of the implementation plan for the 2030 Sustainability Strategy, during 2023 Arcor Group's Sustainability Committee promoted a process to establish corporate goals for each of the commitments of the Arcor Group's Sustainability Strategy. As a result of this process, 20 goals were established related to 6 of the 9 commitments included in "A Better Life":



Quality at Every Step

- 100% of our own food manufacturing plants certified under GFSI Standards by 2030.
- 80% of food ingredient suppliers certified under GFSI Standards by 2030.
- 100% suppliers of raw materials and packaging materials evaluated or qualified under GFSI Standards or Arcor Audits by 2030.



Inclusion, Diversity and Equality

- 50% of vacant management and leadership positions covered by women by 2030.
- 50% of vacancies covered by women by 2025.
- 2.4% of the total workforce made up of people with disabilities by 2025.



Workplace Well-Being

- Reduction of the Disabling Frequency Index (IFI, as per its initials in Spanish) in our operations, reaching <5 by 2025 and <3 by 2030.



Community and Value Chain Development

- 100,000 people reached by development and socioeconomic inclusion initiatives by 2030.
- Train 200,000 people by 2030 to contribute to equal educational opportunities for children in Latin America.
- 100% of distributors audited for their social and environmental performance
- 100% of transport providers evaluated under sustainability criteria
- 100% of new suppliers signing the Letter of Adherence
- 100% of third-party distributors audited for their social and environmental performance



Water Care

- Achieve a reduction in specific water consumption (m³/ton) of 25% by 2025 and 30% by 2030, compared to consumption in 2020.



Circular Flow of Materials

- 100% of the plants with zero waste sent to landfills by 2025.
- 40% reduction in waste generated in our operations by 2030, compared to 2016.
- 100% recyclable, reusable, compostable or biodegradable packaging by 2030.
- 100% certified or recycled paper in packaging by 2030.
- Zero PVC in the packaging of our products by 2025.
- Support recovery and recycling projects for the packaging materials that we place on the market.

The goals for the Healthy and Affordable Food, Regenerative Agriculture, and Climate and Biodiversity Action commitments are under development.

Sustainability Management System

With the purpose of integrating the challenges of sustainability commitments into the plans of each of the company's businesses, we promote a procedure for the construction of the Risk and Opportunity Matrix and Strategic Sustainability Plans by Business.

This procedure includes the following stages:

1. Business scenario, proposed by the management of each business based on the context and future perspectives, considering different global, local, internal and external aspects.
2. Map of interest groups, outlined by an interdisciplinary team selected by management.
3. Analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT), based on the business scenario and the expectations and needs of the interest groups.
4. Matrix of Risks and Opportunities in the Value Chain, based on the internal and external analysis of the previous steps.
5. Strategic Guidelines for Business Sustainability, including topics to be addressed and priority initiatives to be promoted with a medium-term view of 3-5 years.

As a result of this process, sustainability priorities are defined for each of the Arcor Group Businesses, with the certainty that they maintain a direct relationship with the commitments of the 2030 Sustainability Strategy. The main guidelines that Businesses take into account annually for the development of their Sustainability Operational Plans are thus defined and agreed upon. In this way, the company ensures that its Sustainability

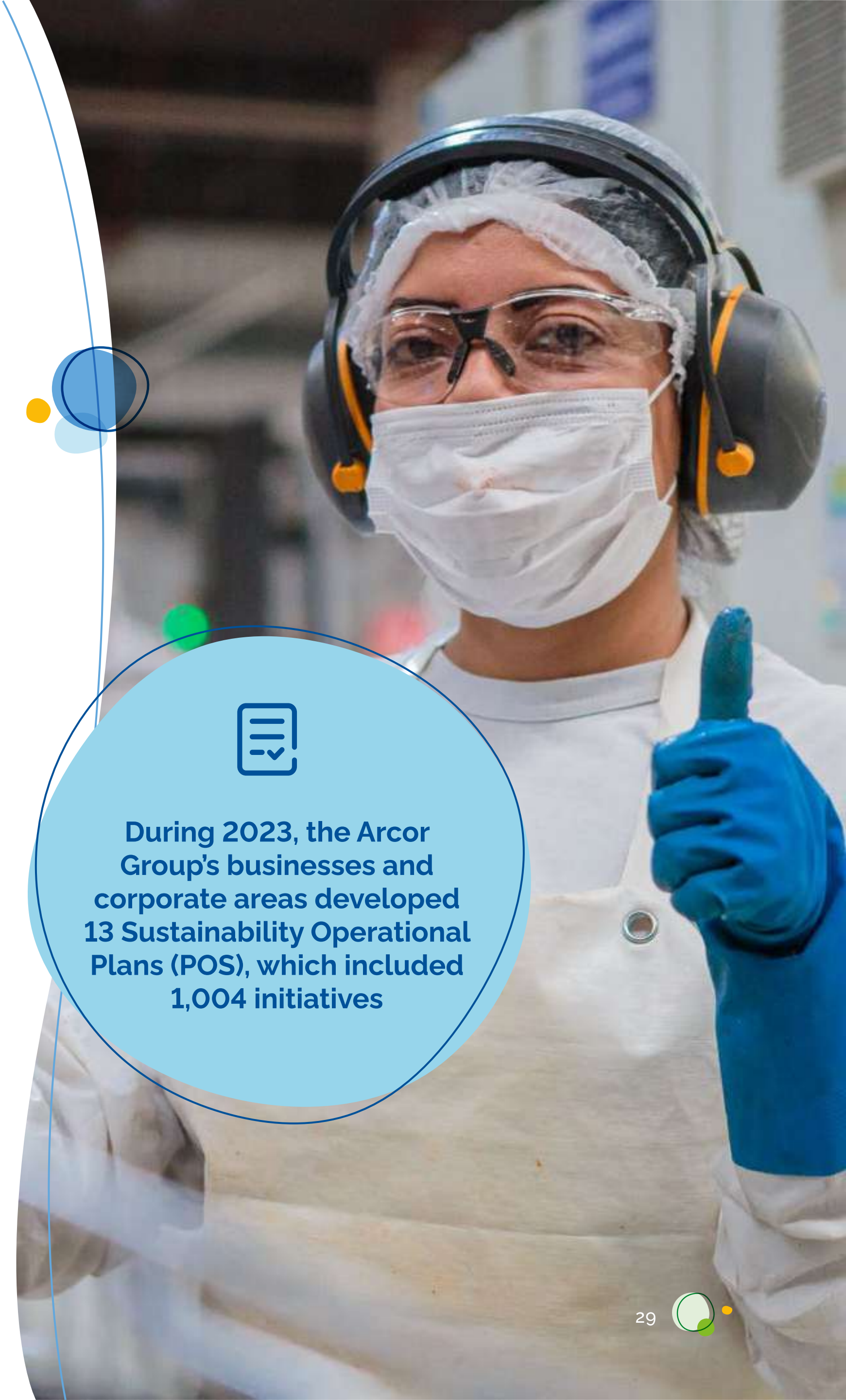
Strategy is integrated into the strategic plans and is present in the decisions of each Business.

Sustainability Operational Plans

Arcor Group's businesses develop Sustainability Operational Plans (POS, as per its initials in Spanish) annually. The POS are developed from the commitments assumed in the company's Sustainability Strategy, the risk and opportunity matrix of each business, and the corporate goals established for each commitment.

Sustainability in the Performance Management System

In 2023, a total of 3,818 employees were covered by divisional sustainability objectives and 1,046 management level employees established specific sustainability performance objectives. The compliance with these objectives impacts the variable remuneration of the collaborators involved.



During 2023, the Arcor Group's businesses and corporate areas developed 13 Sustainability Operational Plans (POS), which included 1,004 initiatives



Commitment to the SDGs

At Arcor Group we carry out management aligned with the 17 United Nations Sustainable Development Goals and we contribute to 46 of the 169 established goals through initiatives promoted in accordance with the commitments of our Sustainability Strategy.

Producing Sustainable Food

We produce sustainable food that is made responsibly, without waste, offering quality, affordable and safe options.

Healthy and Affordable Food



- SDG 2:** Zero Hunger
- SDG 3:** Good Health and Well-being
- SDG 12:** Responsible Consumption and Production
- SDG 17:** Partnerships to Achieve Goals

Quality at Every Step



- SDG 3:** Good Health and Well-being
- SDG 12:** Responsible Consumption and Production

Regenerative Agriculture



- SDG 1:** No Poverty
- SDG 2:** Zero Hunger
- SDG 3:** Good Health and Well-being
- SDG 8:** Decent Work and Economic Growth
- SDG 11:** Sustainable Cities and Communities
- SDG 12:** Responsible Consumption and Production
- SDG 17:** Partnerships to Achieve Goals

Promoting People's Prosperity

We foster people's prosperity, welcoming inclusion, diversity and equality, ensuring our collaborator's well-being at the workplace, strengthening the progress of the communities we are part of together with our value chain.

Inclusion, Diversity and Equality



- SDG 3:** Good Health and Well-being
- SDG 4:** Quality Education
- SDG 5:** Gender Equality
- SDG 8:** Decent Work and Economic Growth
- SDG 10:** Reduced Inequalities
- SDG 17:** Partnerships to Achieve Goals

Workplace Well-Being



- SDG 3:** Good Health and Well-being
- SDG 4:** Quality Education
- SDG 5:** Gender Equality
- SDG 8:** Decent Work and Economic Growth
- SDG 17:** Partnerships to Achieve Goals

Community and Value Chain Development



- SDG 1:** No Poverty
- SDG 2:** Zero Hunger
- SDG 3:** Good Health and Well-being
- SDG 4:** Quality Education
- SDG 5:** Gender Equality
- SDG 8:** Decent Work and Economic Growth
- SDG 10:** Reduced Inequalities
- SDG 11:** Sustainable Cities and Communities
- SDG 12:** Responsible Consumption and Production
- SDG 16:** Peace, Justice and Strong Institutions
- SDG 17:** Partnerships to Achieve Goals

Preserving the Planet's Sustainability

We preserve the planet by taking care of water, taking actions that benefit the climate and biodiversity, and encouraging a circular business model of supplies and waste.

Water Care



- SDG 6:** Clean Water and Sanitation
- SDG 9:** Industrialization, Innovation and Infrastructure
- SDG 12:** Responsible Consumption and Production
- SDG 14:** Life Below Water

Climate and Biodiversity Action

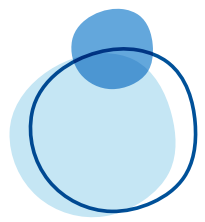


- SDG 7:** Affordable and clean energy
- SDG 9:** Industrialization, Innovation and Infrastructure
- SDG 12:** Responsible Consumption and Production
- SDG 13:** Climate Action
- SDG 15:** Life on Land

Circular Material Flow



- SDG 9:** Industrialization, Innovation and Infrastructure
- SDG 12:** Responsible Consumption and Production
- SDG 15:** Life on Land



Awards and Recognitions

Our company received several distinctions and awards during 2023:

Arcor Group

- “100 Companies with Best Corporate Image,” from Apertura magazine. 2nd place in the overall ranking.
- “Top Brands” from Apertura magazine. 3rd place in the overall ranking.
- “Dircoms Awards” from Círculo Dircoms. First prize in the category “External Communication” to the “Crossing Borders: from Argentina to Angola” campaign.
- “Eikon Awards”
 - o Golden Eikon in the category “General Institutional Communication Campaign” for the campaign “Crossing Borders: from Argentina to Angola”.
 - o Silver Eikon in the category “General Sustainability Campaign” for the “Our Positive Footprint for a Better Life” campaign.
- “Merco ranking” by Clarín newspaper. 4th place in the general ranking and 1st place in food companies ranking. Besides, Luis Pagani occupied the 3rd place in the “Business Leaders with the Best Reputation in Argentina” ranking.
- “Las Mejores” ranking for Public Opinion of SEL Consulting Company. 2nd place.
- We were recognized at the XIII Perfil.com Awards in the category “Best Innovation in the Private Sector”.
- “Ranking Empresa de los Sueños” prepared by Compañía de Talentos 2023. 7th place.
- We were recognized by the Argentine Creativity Circle with 4 Golden DIENTE Awards for our comprehensive campaign “We are not in a Campaign, we are at Campagnola”. Two

of the awards were given to the television spot, one in the category “TV & Other Screens, Spots up to 60 Seconds” and another in the category “TV & Other Screens, Script.” The other two recognitions were for our radio spots, one in the “Unconventional Radio & Audio” category for the “Electoral Calls” advertisement and another award in the “Radio & Audio” category for the “Campaign Achievements” spots.

- Luis A. Pagani was recognized with the Business Career Award granted by the Government of the Province of Córdoba and the Chamber of Foreign Commerce.
- “Top 100 Confectionery Companies in the World”, from Candy Industry Magazine, 15th place.
- Business Sustainability Award 2023, awarded by the Argentine Industrial Forest Council to Papel Misionero, one of the group companies dedicated to the production of Sack Kraft and Kraft Liner Board papers.

Arcor Foundation in Argentina, Arcor Institute in Brazil, and Arcor Foundation in Chile

- Gold “Eikon Award” (National Edition) in the “Social Sustainability” category for the campaign “Returning to the Encounter: Painting to Play” and “Soft Playgrounds for Early Childhood.”
- Silver “Eikon Award” (National Edition) in the category “General Institutional Communication Campaign” for the Arcor Foundation campaign “30 Years Building Opportunities for Children.”
- Gold “Eikon Award” (Córdoba) in the “Social Sustainability” category for the Arcor Foundation campaign “Returning to the Encounter: Painting to Play” and “Soft Playgrounds for Early Childhood”.
- Gold “Eikon Award” (Córdoba) in the category “General Institutional Communication Campaign” for the Arcor

Foundation campaign “30 Years Building Opportunities for Children” category.

- Silver “Eikon Award” (Córdoba) in the Events category for “30 Years of Arcor Foundation”.
- “APSAL Award” for the Early Childhood Education category.
- “Early Childhood Friendly Company” awarded by the Municipality of Campinas (Brazil) for the work of Arcor Institute.





Dialogue with our Stakeholders

We promote the relation with our stakeholders to strengthen and address their needs and expectations. To do this, we promote participation and communication through different channels.

Government and Society

In the different countries where we operate, Arcor Group participates in different chambers, business associations and organizations linked to social investment and sustainability. • We are involved in different representation areas, as part of working committees and governing bodies in different institutions both nationally and regionally. • We adhere to initiatives and commitments related to Sustainable Development such as Global Compact, SDGs, and WEPs, among others.

Community

Spaces for dialogue with local communities. • Working groups with provincial and municipal governments. • Coordination with civil society organizations. • Site visits. • Communication actions aimed at attracting talent to our company. • Support in specific searches on social media. • Social networks. • Corporate website.

Shareholders

Shareholders' Meeting. • Communication through the Corporate Management division, which is responsible for coordinating all corporate aspects of the Group. • Information to Investors, analysts and shareholders through the Administration and Finance Management, Public Affairs and Press, Institutional Communication and Marketing Services, Sustainability and Societies. • Financial statements. • Annual Report. • Institutional website. • Argentine Securities Commission's website. • Report on the Degree of Compliance with the Code of Corporate Governance.

Stakeholders



Distributors

• Ethics Line. • Corporate e-mail. • TOKIN App. • Guide to Good Practices in Sustainability & Sustainability Performance Index. • Arcor Tour.

Collaborators

Ethics Line • Internal communication channels: RedComTV, Intranet, RedCom App, and mailing. • Feedback meetings under the Performance Management System framework. • Satisfaction surveys on courses and meetings. • Workplace well-being surveys.

Suppliers

• Ethics Line. • Letter of Adherence. • Meetings with suppliers: Agricultural producers, outsourced suppliers. • Self-assessment and training under the REconocer program.

Consumers

Customer Service (SAC, as per its initials in Spanish). • Social media monitoring. • Corporate e-mail. • Institutional website. • Market research meetings. • Consumers Committee (Brazil). • Service and product satisfaction surveys. • Reports for different stakeholders.

Media and Thought Leaders

Institutional website. • Social networks. • Press releases. • Interviews with spokespeople. • Participation in news articles and special reports.

2

Human Rights and Integrity

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- 38 Code of Ethics and Conduct
- 42 Information Safety and Data Protection





Human Rights and Integrity

Respect for Human Rights is the core condition to all our relationships. It is our responsibility to enforce them both at the workplace and in our broader areas of influence.

During 2023 we formalized our Commitment Policy to Human Rights reaching all Arcor Group.

This Policy is framed within the framework and spirit of the United Nations Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the American Convention on Human Rights. Likewise, it contemplates respect for the rights contained in the International Labor Organization Declaration on Fundamental Principles and Rights at Work.

Additionally, it considers the following standards applicable to the private sector and voluntary initiatives in their most up-to-date editions:

- a. The 10 principles of the UN Global Compact (2000).
- b. The Sustainable Development Goals (SDG) adopted by the United Nations (2015).
- c. The Guiding Principles on Business and Human Rights: Implementation of the UN <<Protect, Respect and Remedy>> Framework (2011).

- d. The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (2006).
- e. The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (2011).
- f. The declaration "Children's Rights and Business Principles", agreed by UNICEF, Save the Children and the UN Global Compact (2012).
- g. The Equator Principles, developed at the request of the International Finance Corporation (IFC) of the World Bank (2003), considered the financial industry standard to determine, evaluate, and manage environmental and social risks in projects.
- h. The proposal for a Directive of the European Parliament and the Council on due diligence by companies in matters of sustainability (February 2022).

The Commitment to Human Rights Policy establishes the principles of relationship with our shareholders, collaborators, business partners, suppliers, clients, consumers and communities impacted by our productive and commercial activities, and is applicable to all the company's activities, regardless of the place where they develop.

Within it, the priority principles and commitments for Arcor Group are established from the perspective of the aforementioned frameworks:

1. Labor practices

- 1.1 Rejection of child labor
- 1.2 Rejection of forced labor and compulsory labor
- 1.3 Respect to equality
- 1.4 Workplace harassment
- 1.5 Freedom of association and collective bargaining/
Social dialogue
- 1.6 Safety, health, and well-being

2. Commitment to environmental protection

3. Information and confidentiality

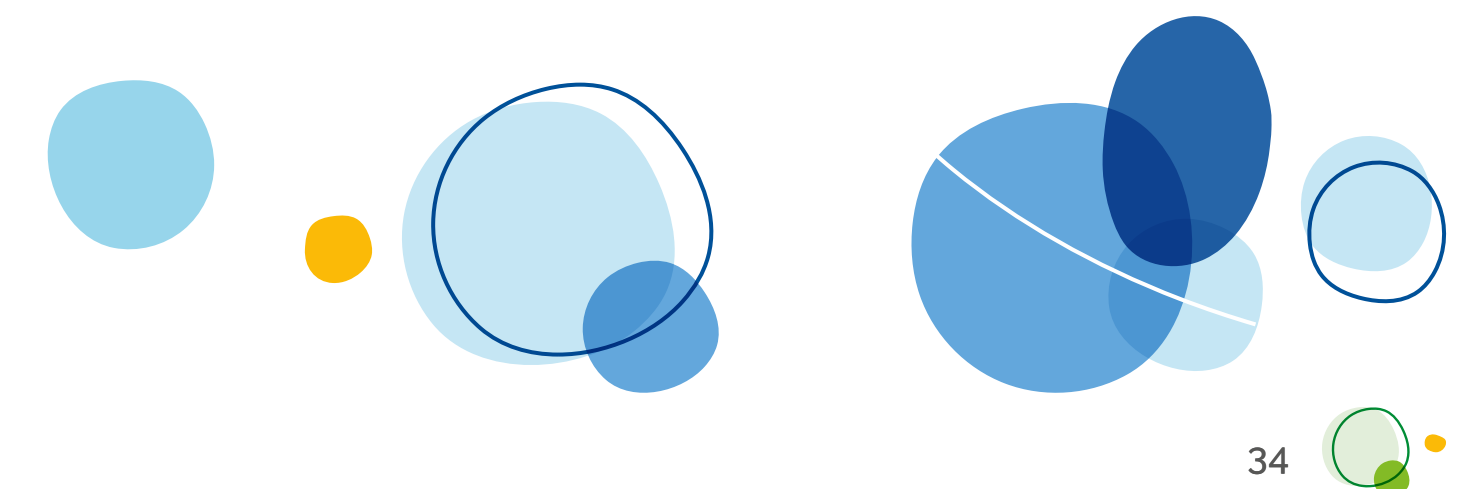
- 3.1 Consumer law

4. Respect for community rights

- 4.1 People safety

5. Business integrity

Within the framework of these principles and commitments, in operational management we promote different risk analysis processes framed by the concept of due diligence in matters of human rights.



Human Rights Due Diligence

We develop a Human Rights Due Diligence Process that allows us to identify, prevent, and assess the real or potential impacts that we may generate, contribute to, or be related to. This process was implemented through the application of several initiatives and programs, which include conducting evaluations to analyze the human rights impacts of our sourcing, developing risk and opportunity matrices in each business to guide the development of their annual plans, the promotion of community impact management in all the locations where we operate, and the promotion of education and training programs in sustainability throughout our value chain.

Once the impacts have been identified, we work on implementing initiatives, projects, and programs to protect, respect, and remedy these impacts, extending this practice to our entire value chain.

Suppliers

We foster actions aimed at including sustainability in the commercial relationship with suppliers. This relationship begins by requesting a formal commitment to sustainable management through signing a **Letter of Adherence to the Fundamental Principles for Responsible Management**, a decalogue of values linked to the ten principles of the United Nations Global Compact, work standards defined by the International Labor Organization (ILO), and best business practices. Through a gradual, comprehensive, and strategic process, we encourage our suppliers to become key components for sustainable business management that contributes to the development of the entire society. The commitments of the Letter of Adherence refer to:

1. Respect for and protection of Human Rights.
2. Ensuring decent working conditions.
3. Respecting trade union freedom.
4. Contribution to the elimination of all forms of forced labor.
5. Contribution to the elimination of any form of child labor.
6. Contribution to the elimination of discrimination in employment and occupation.
7. Environment preservation.
8. Working against all forms of corruption.
9. Ensuring responsible and transparent conduct.
10. Establish sustainable business relationships.

In 2023, we added to the Letter an Annex for producers of agricultural raw materials

 [For further information, see Section 4.3](#)

We make available to our suppliers a confidential channel for queries or reports of irregular events, or those that by their nature may affect the ethical environment of the company, indicating the contact methods of the Ethics Line

 [For further information, see Section 2.3](#)

Subsequently, we evaluated the alignment with these commitments through the **REconocer Program**, which includes the assessment of practices related to the respect and protection of human and labor rights in our supply chain.

 [For further information, see Section 4.3](#)

Distributors

Through the **Red Activa Program**, we promote the sustainable management of our distributors network. Through an audit process, we evaluate good practices of Sustainability, Environment, Hygiene, Industrial Protection and Quality in 100% of the distributors network. The audits include the following topics:

- Human rights
- Ethics and culture
- Workplace well-being
- Health, safety and quality of life
- Inclusion
- Donations
- Relations with the community
- Energy efficiency
- Effluents
- GHG emissions
- Waste management

 [For further information, see Section 4.3](#)



Consumers

To manage queries or complaints about our products, we have a **Customer Service Channel** through our corporate website (www.arcor.com/ar/contacto-productos). Queries and complaints are managed by Consumer Service

 **For further information, see Section 3.2**

Community

We identify economic, social and environmental impacts, and we manage the risks and opportunities inherent to the company-community relationship as part of a comprehensive process to respect human rights in all the communities where we operate.

Through 30 Local Community Relations Committees in our industrial plants, we promote dialogue processes that allow us to get to know what is impacting the community and how they perceive them. This helps us to identify the strengths and opportunities to improve the company-community relationship, and then establish focused strategies and work plans in the short and medium term.

 **For further information, see Section 4.3**

Human Rights Training for Security Personnel

We carry out training in sustainability and human rights for the company's property security guards. Arcor Group's surveillance personnel have received training related to sustainability in all plants in Argentina, Peru, Mexico, Brazil and Chile, in person or virtually.

In Property Security we have divided the Sustainability training into two training days that included Sustainability topics I "Arcor Sustainability Policy and Sustainable Development"; Sustainability II "Human Rights, Children's Rights and Business Principles". In 2023, a total of 491 guards participated in these trainings, representing 93% of the workforce.

Finally, the staff received training in healthy living habits. By means of periodic Asset Security audits, the Corporate Property Security Management through a boss or security referent encourages and verifies the promotion of healthy living habits, focusing on the security staff.



Committed to Children's Rights

We respect, protect, and promote children's rights through initiatives that incorporate this perspective in all our businesses, in our supply chain, and the community in general. We seek to actively participate and share ideas in different dialogue forums, with the aim of coordinating efforts and influencing public policies related to this issue.

In 2015, we formalized and published Arcor Group's Commitment to Children's Rights Policy, becoming the first company in the region to incorporate this perspective into its Sustainability Strategy. The policy is also framed in our corporate philosophy and the company's Code of Ethics and Conduct.

The commitments detailed are the following:

1. Respect and promote children's rights as a key part of its sustainability strategy.
2. Eradicate child labor in all business activities of our own operations and extend it throughout the value chain.
3. Provide decent work that supports workers, men and women, in their role as parents and caregivers.
4. Ensure the protection of children in business activities and facilities.
5. Ensure that products and services are safe for children.
6. Use institutional communication and marketing in a way that respects and supports children's rights.

7. Respect and promote the rights of children in relation to the environment, safety provisions, and emergency situations.
8. Strengthen community and government efforts to put into effect children's rights.

All company employees are responsible for ensuring compliance with this policy and the Ethics and Conduct Committee is the body in charge of resolving conflicts that arise in relation to non-compliance with its content.

To promote these commitments in management, at Arcor Foundation we promote the Company-Childhood initiative to integrate the perspective of Children's Rights throughout the company. Along these lines, in 2023 we participated in the evaluation developed by the Global Child Forum, a group of more than 1,100 companies around the world that are evaluated from a Children's Rights perspective. The initiative takes into account the company's work in relation to children through 25 indicators distributed in four dimensions: Governance & Collaboration, Workplace, Marketplace and Community & Environment. Based on the evaluated indicators, we identified aspects for improvement to be integrated into the management of all areas of the company.





Code of Ethics and Conduct

Integrity is the value that governs all our decisions. We always try to do the right thing and promote transparent, consistent, and responsible business conduct, hoping that all the people with whom we work adopt behaviors based on corporate ethics.

For 17 years, in application of the legal regulations in force in each country in which the company operates, we have had a Code of Ethics and Conduct that covers topics related to the set of values, principles and standards of the company that guide the actions of all our collaborators. This document is based on the values that support the Group's identity and is organized around 8 ethical principles:

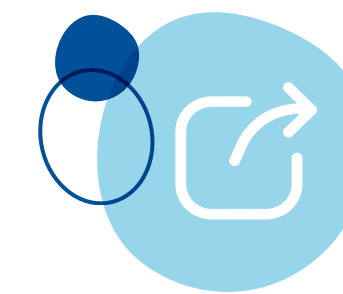
- **Principle 1:** To act with transparency and respect the agreements established with the different audiences with which the company is linked, promoting lasting relationships and trust. *Rules of conduct referring to conflicts of interest, company assets, commercial relationship with suppliers and customers, transparent relationship with government institutions, consumer law and political participation.*
- **Principle 2:** To apply the highest available quality and service standards, aiming at satisfying our customers and consumers. *Rules of conduct referring to product quality and suppliers and customers development.*

- **Principle 3:** To create innovative ways of growth and development adding value to the company and its shareholders. *Rules of conduct for ethical relationships and support for causes.*
- **Principle 4:** To promote communication based on veracity of information and facts, and the right to information, freedom of expression, and non-discrimination. *Rules of conduct referring to information treatment, confidential information handling, the right to information, values dissemination, responsibility in external communication and social networks responsible use.*
- **Principle 5:** To provide a safe and healthy work environment that encourages respect, diversity, tolerance, initiative, creativity and the continuous growth of the company's human capital. *Rules of conduct referring to equal opportunities, quality of life, participatory dialogue, private information management, right to information and work environment.*
- **Principle 6:** To contribute to the comprehensive development of the communities where we operate and of society in general, respecting their cultures and customs. *Rules of conduct referring to local development.*
- **Principle 7:** To establish a sustainable management of processes, based on a balance between economic, social and environmental dimensions. *Standards of conduct referring to economic, social and environmental impacts.*
- **Principle 8:** To respect national and international laws and

conventions by integrating our value chain into this commitment and promoting a sustainable commercial context. *Rules of conduct referring to the relationship with the competition, selection of suppliers and commercial relationship with clients, and the commitment to the Global Compact.*

The Code is reviewed and updated on a frequent basis¹⁴ taking into account the current legal and regulatory provisions and taking into account the best practices in this matter.

Currently, our Code of Ethics and Conduct is available on the corporate website (intranet) and on the Arcor's website.



To access the Code of Ethics and Conduct and delve deeper into our values and principles, visit the corporate website: www.arcor.com/ar/quienes-somos

¹⁴ The Code of Ethics and Conduct was updated in 2021.



Communication and Training on the Code of Ethics and Conduct

The Code of Ethics and Conduct is communicated to both the Board of Directors and all employees through the intranet and the different means of internal communication.

We also have e-learning material of the company's Code of Ethics and Conduct that employees can consult and thus become aware of the importance of acting in accordance with the established rules. During this year, the dissemination of this e-learning material was reinforced through internal communication campaigns. As of December 2023, 3,668 employees were trained in the contents of the Code of Ethics and Conduct through e-learning (18% of the total Arcor Group employees).

Regarding new collaborators who join the company, as part of the training activities, the Human Resources area informs them of the obligation to complete said e-learning course.

Regarding the training of Board members, they maintain contact with the Ethics and Conduct Committee and two of them have completed the e-learning course. However, it is planned to continue with these training activities during the next year.

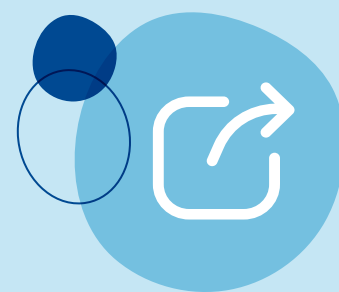


Code of Ethics and Conduct Administration

We have an administration procedure for queries or complaints of non-compliances regarding the principles and standards of conduct contained in the Code of Ethics and Conduct.

1. In the event that a query or situation arises that involves non-compliance with the Code of Ethics and Conduct, employees must inform their direct superior, a representative of the Ethics and Conduct Committee, or a representative of Internal Audit Management. In case a collaborator does not feel comfortable making the presentation through the previous methods, or if this collaborator did so, but did not receive a satisfactory response, the Arcor Group Ethics Line can be reached.
2. The cases received are referred to the Internal Audit Management for registration and investigation, who may

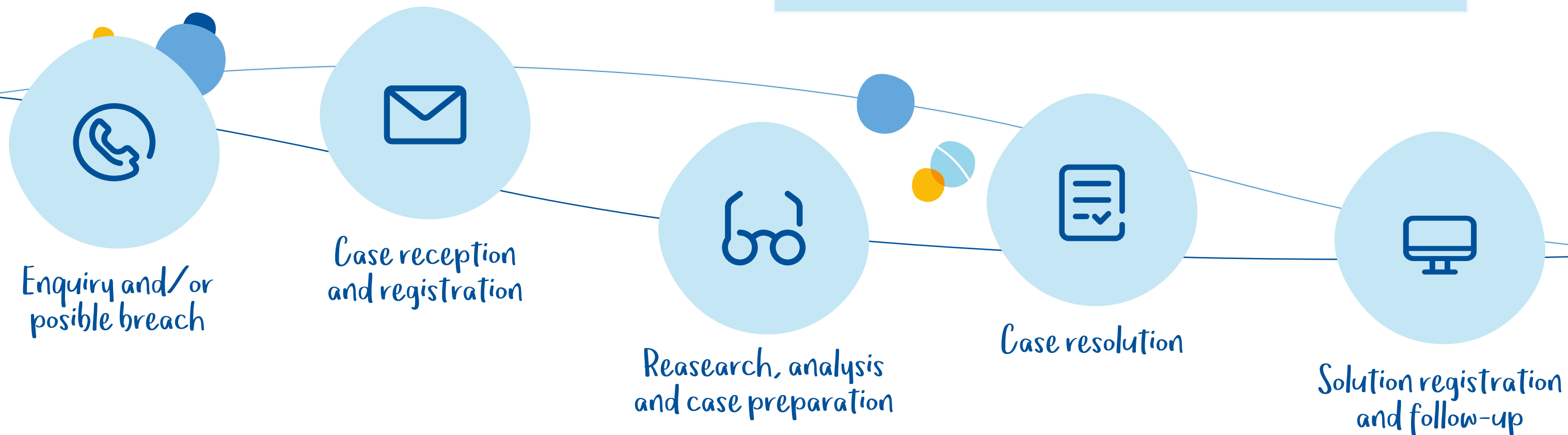
The **Ethics Line** is a tool that the company makes available to both collaborators and all its stakeholders to facilitate the presentation of facts and/or acts that could manifest a breach of the Code. Queries and/or complaints can be made through different communication channels (WhatsApp, telephone call, email and web form) and, if desired, they can be done anonymously:



Email:
lineaetica@arcor.com
Web page:
<https://www.arcor.com/ar/contacto-codigo-etica>
WhatsApp: +54 9 351 3850711

resort to the relevant areas of the company to deepen aspects of the topic in question. Once the investigation has progressed, the Internal Audit Management presents the case to the Ethics and Conduct Committee.

3. The Ethics and Conduct Committee meets periodically to analyze and make decisions related to breaches of the Code and the corrective actions it considers. These actions are supervised by the Company Management. Once the decision on the case has been made, the Ethics and Conduct Committee formally communicates the resolution adopted to the head of the respective Area so that the resolution is made effective and its compliance and follow-up is guaranteed. Besides, the Committee notifies in writing the person or sector involved, with a copy to the Internal Audit Management.



Queries and Complaints Received Through the Ethics Line

During the year, a total of 41 queries and 107 complaints were received through the communication channels established in the Code of Ethics and Conduct or through other channels that were agreed upon in the meetings of Arcor Group's Ethics and Conduct Committee. It should be noted no queries, complaints, or incidents were received in relation to Children's Rights.

The queries, complaints, or incidents received are classified into the following categories

Environment and community relations:

It is related to the improper conduct by collaborators that harms or may harm the environment, the community, public health, causing harm to the Group, whether directly, by generating obligations for civil compensation, or indirectly affecting its reputation and public image.

Social and labor relations:

It is related to workplace or sexual harassment or bullying, discrimination of any type (racial, sexual, religious, due to political ideas) that generate problems or dangers in the work environment and, in general, all those cases in which they refer to the conduct of employees in the workplace. This category also includes issues related to Hygiene and Safety in the workplace and aspects linked to the impact on the Quality of Life.

Relationships with suppliers and clients

It is related to unjustified or discriminatory preferential treatment of clients, suppliers, or potential clients or suppliers. This category also includes issues related to conflicts of interest when contracting third parties, procurement fraud, giving or receiving bribes, accepting gifts, participating in events, etc.

Theft, petty theft, or improper use of company assets

It is related to theft of merchandise, fixed assets, tools, or supplies. This category also includes the improper use of these assets for personal benefit, or the lack of care given to fixed assets that are under the custody of a collaborator.

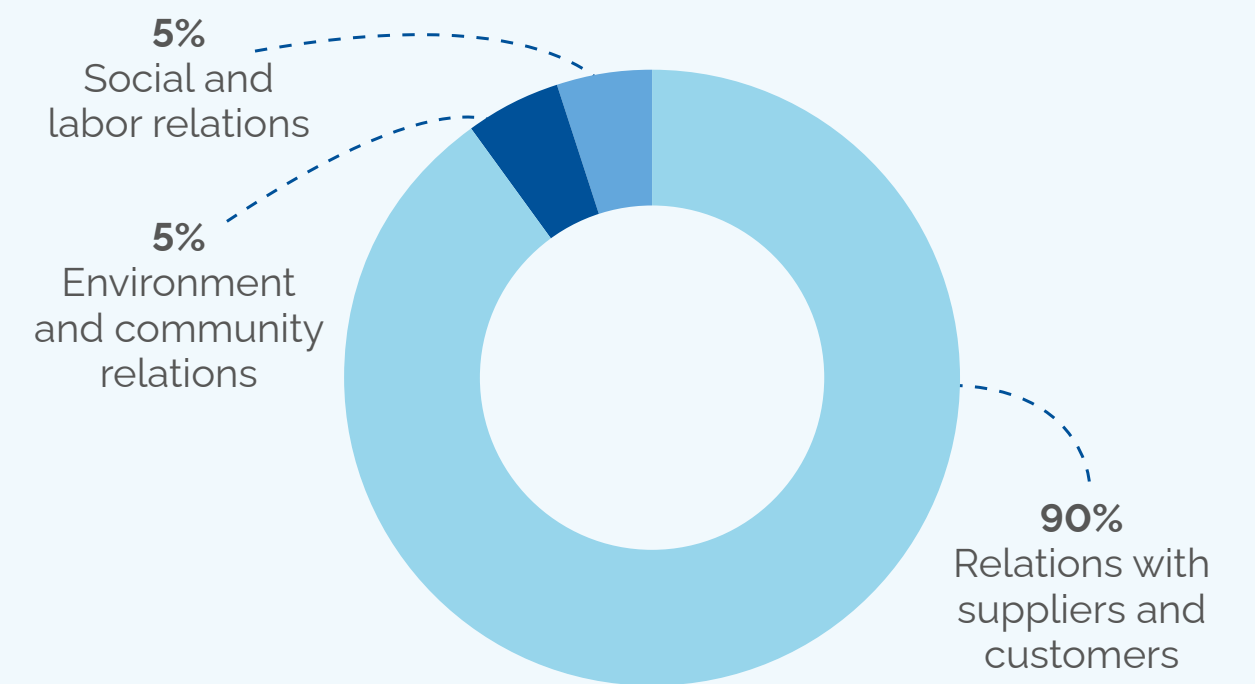
Financial fraud

It is related to accounting, financial fraud, misappropriation of funds, etc.

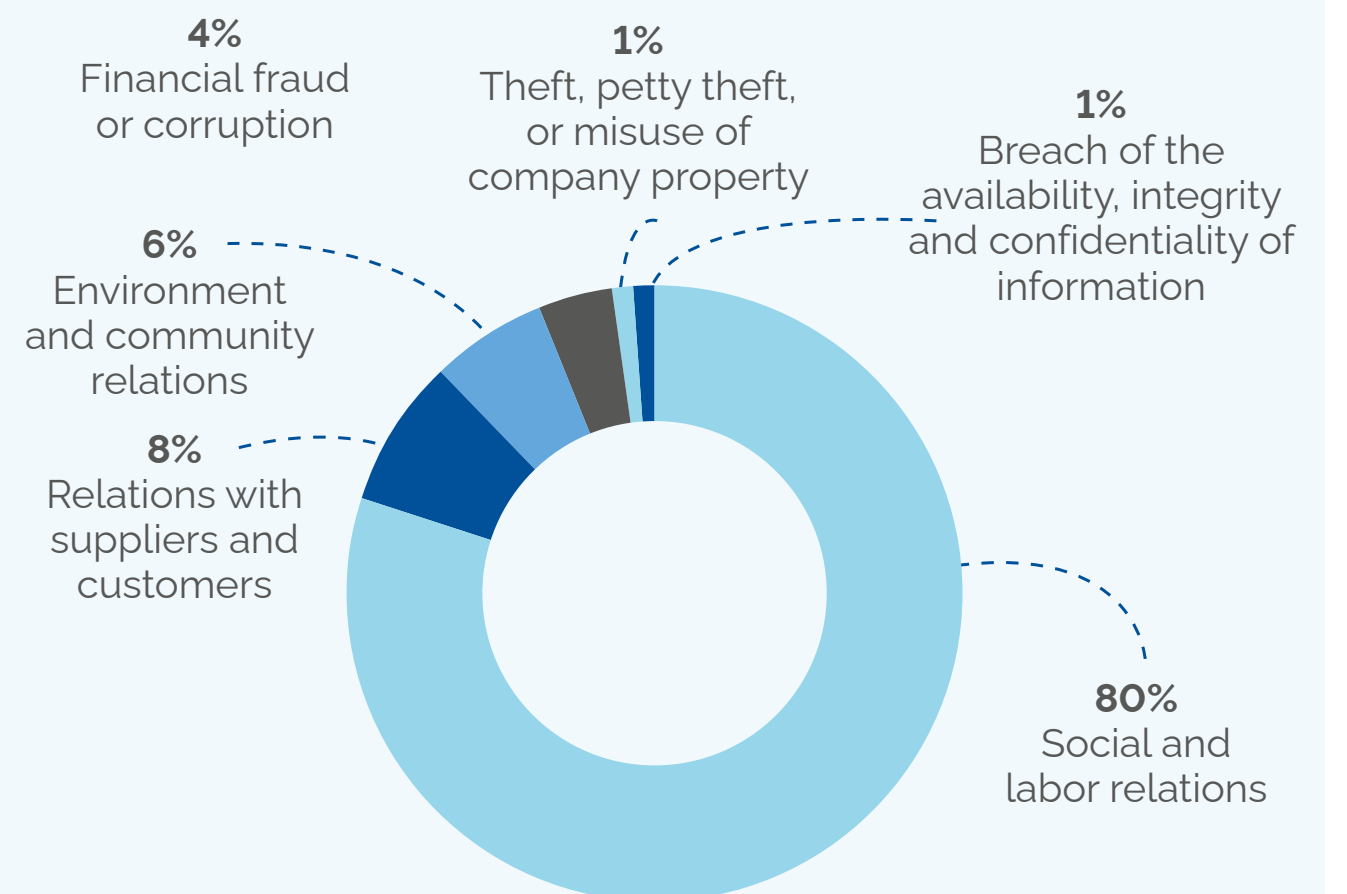
Violations of the availability, integrity and confidentiality of information:

It is related to violations of the Information Security Policy.

Number of Queries Received by Type



Number of Complaints Received by Type



Information Safety and Data Protection

At Arcor Group we are committed to the comprehensive protection of personal data stored in all our databases through technical, administrative and organizational security measures, in addition to the implementation of a set of established rules, procedures and controls. Our working procedure is constantly reviewed and updated, based on data security methods and techniques consistent with commonly accepted good practices, taking into account the constant evolution of threats to privacy.

Our Corporate Information Security Code is aligned with internationally accepted standards in terms of data processing, in compliance with Law No. 25,326 on the Protection of Personal Data (Habeas Data Law). Additionally, in search of best practices, we have certified the ISO/IEC 27001 international standard, allowing us to fully manage the management of information and data security, reducing the risks of fraud and loss or leaking of information, facilitating a framework of work for information security management systems in order to provide structured and coordinated security processes as well as complying with applicable legal requirements.

Our Information Management System allows us to guarantee:

- Information confidentiality, so that it is accessible only to those people authorized to have access to it.
- Integrity, to safeguard the accuracy and completeness of information through secure processing methods.
- Availability, to ensure that authorized users have access to the information and resources related to it when they require it.



3

Producing Sustainable Food

- 44 Healthy and Affordable Food
- 65 Quality at Every Step
- 69 Regenerative Agriculture



Producing Sustainable Food

Arcor Group produces sustainable and responsibly manufactured products, without waste, offering our customers quality, affordable and safe options to contribute to their well-being, whilst providing them with moments of pleasure.

We are committed to:



Healthy and Affordable Food



Quality at Every Step



Regenerative Agriculture

Healthy and Affordable Food

We believe that eating consists on nourishing, enjoying and creating bonds. A healthy diet is varied, sufficient, comforting and capable of providing the nutritional balance that each person needs. Also, a healthy diet is affordable when its price-quality equation and its simplicity make it available to every consumer.

We are committed to making available the best alternatives for people who seek to have access to a balanced and healthy diet adapted to their needs, preferences, and culture.

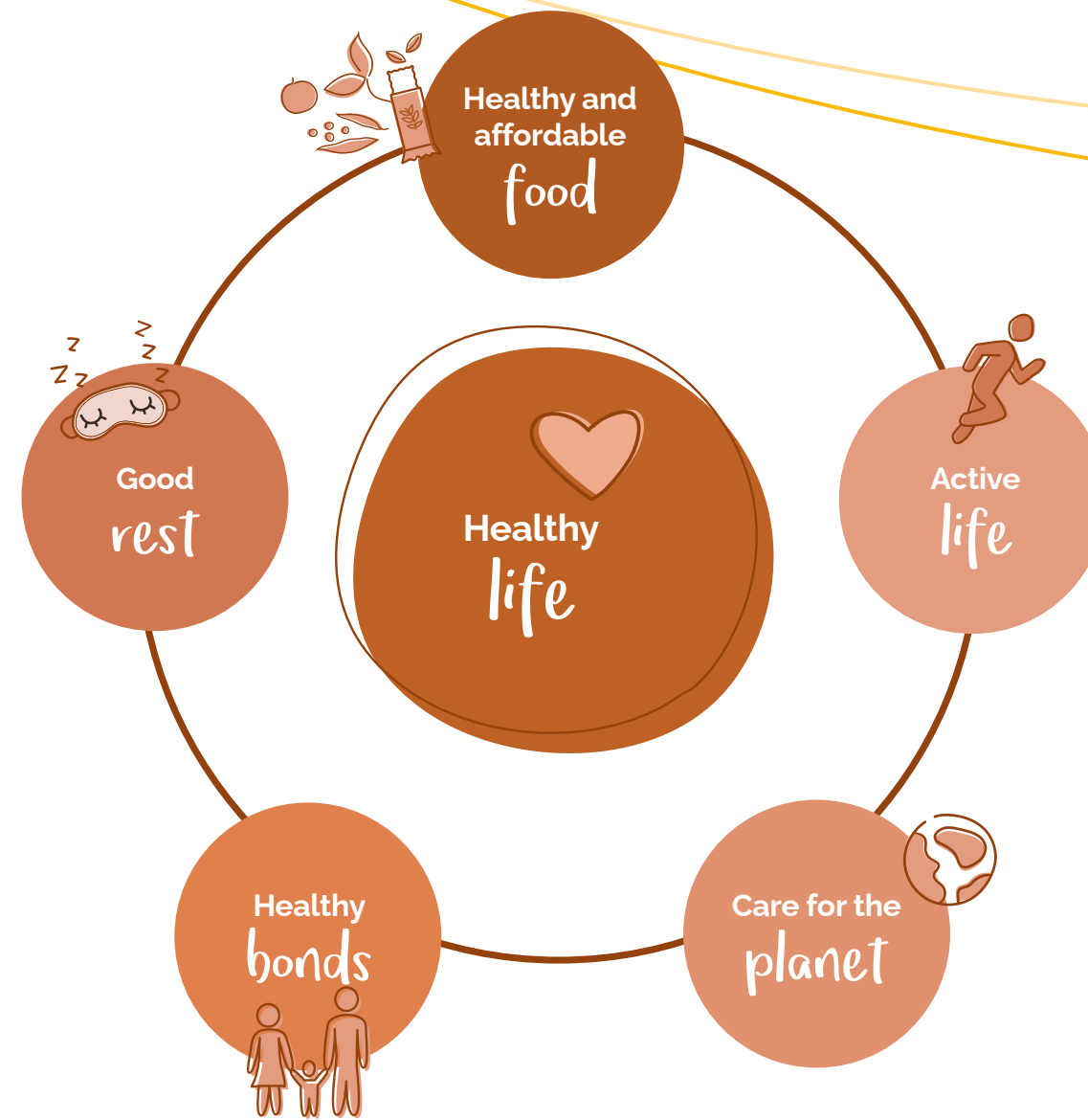
Through this commitment, we offer options that answer to the new consumption food trends, considering the needs of a pleasant nutrition and inspiring healthier life habits.



Our Vision on Food and Health

Arcor Group adheres to the definition of the World Health Organization (WHO) which states that: *“health is a state of complete physical, mental, social and spiritual well-being, and not only the absence of conditions or diseases.”* We believe that nourishing is much more than just eating. “Eating consists on nourishing, enjoying, and creating bonds, which implies an approach to health that considers the fullness and integrity of people, which includes, in addition to physical well-being, spiritual and environmental aspects, social resources and healthy bonds.”

As market leaders, we are strongly committed so that every individual can enjoy quality food. We have specialized teams that work in an interdisciplinary way to identify trends and transform them into relevant and affordable products for consumers, with sustainable management throughout the value chain to leave a positive footprint on communities and the environment.



We believe that eating consists on nourishing, enjoying and creating bonds.

FOOD FOR A BETTER life

At Arcor we believe that food is key to people’s quality of life and well-being. We believe that a healthy diet should be varied, balanced, and inclusive, and it should be available to everyone. A varied and balanced diet includes all food groups, in the appropriate frequency and portions according to the specific needs of each person.

Healthy habits lead to a healthy lifestyle. In this way, physical activity, proper rest, caring for the planet, and building healthy bonds together with a healthy diet contribute to living healthily and developing each person’s potential to the fullest.

Complementing the concept of health of the World Health Organization (WHO), which comprehensively considers people, we also adhere to the view of the Food and Agriculture Organization of the United Nations (FAO) and its definition of the Sustainable Agrifood System as “the one that guarantees the food security and nutrition of people in such a way that the economic, social, and environmental bases of the food security of future generations are not put at risk.” In this way, we consider two equally relevant dimensions when we talk about health: the health of people and the health of the planet.



Our Strategy: “Food for a Better Life”

In 2022 we launched our Healthy Diet and Living Habits Strategy for the period 2021-2025, under the name “Food for a Better Life”. This new strategy was developed by the **Nutrition Committee** and approved by the **Sustainability Committee**.

“Food for a Better Life” centers on 4 pillars to continuous improvement:



Alliances and knowledge to innovate

We believe in collaborative work, so through knowledge networks with the scientific-technological community, specialized organizations and health experts, we support each decision we make with scientific evidence and data, respecting the current regulatory framework, our consumers demand and needs and the best management practices following rigorous international standards.



Products that evolve to offer the best alternatives

Our networks and our research and development capacity allow us to generate knowledge and resources to innovate and evolve. We continuously improve our portfolio and create new products and ingredients with the aim of boosting nutritional value and contributing to the sustainability of the planet.



Actions to promote healthy life habits

We add to our portfolio and our networking, actions and programs that contribute to education and information supported by experts that are intended to promote healthier life habits in employees and the community.



Communication

The initiatives developed within the framework of the strategy are accompanied by responsible, transparent, and accessible communication to different audiences. We provide feedback to our strategy by talking to and linking with specialists and the community of health professionals and actively listening to consumers and society to understand their needs and trends.

Eating
 Nourishing
 Creating bonds
 Pleasing
 Varied, balanced,
 inclusive and
 affordable food

**FOOD FOR A
 A BETTER
 life**

Alliances
 and knowledge to
 innovate

Nutrition
 based on evidence
 Knowledge
 networks

Products that
 evolve to
 offer
 the best options

Permanent
 nutritional improvement
 Innovation
 Food
 for every
 person
 nutritive
 and sustainable
 ingredients
 Plants based
 food

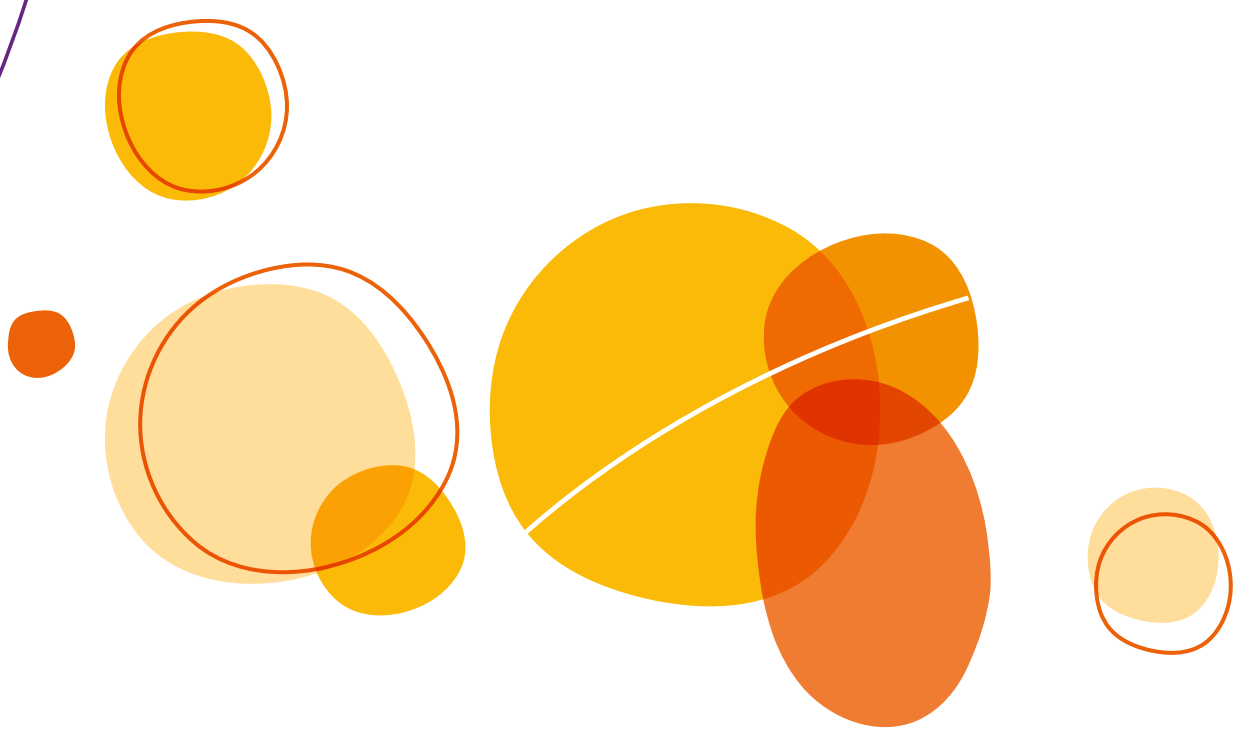
Actions to
 promote
 healthy life habits

Actions
 for the community
 Actions
 for our employees

Regulatory framework – Recommendations from referent organizations – Food trends

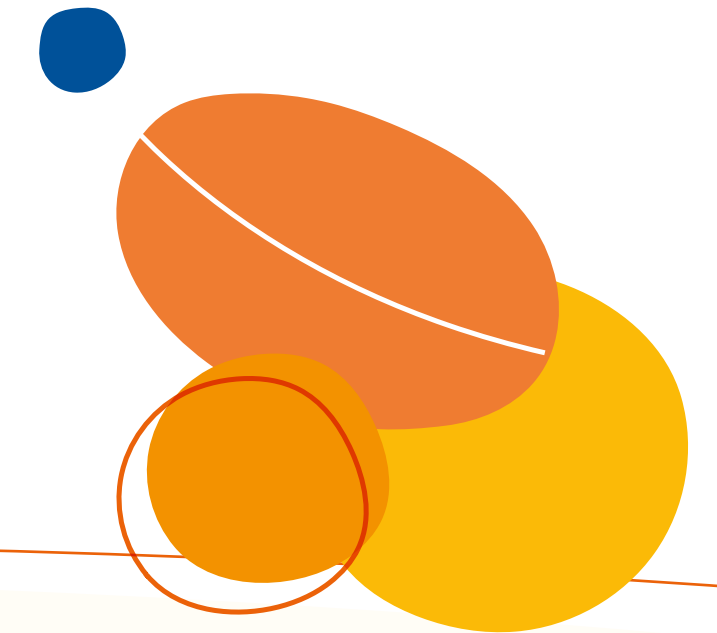
Communication

Responsible
 and transparent
 Active listening
 and closeness
 to stakeholders
 Communication
 of the Healthy
 Eating and Life
 Habits Strategy



With this strategy, we seek to provide options that respond to the new trends of our consumers, contemplate the need for pleasurable nutrition and inspire healthier habits, making

available the best alternatives, so that each person can access and enjoy quality, appropriate food according to their needs, tastes, preferences, and culture



Pillar

Initiative

Commitments



Alliances and knowledge to innovate



Nutrition based on evidence



Knowledge networks

- To base our decisions, developments and corporate guidelines on objective data, scientific evidence and international standards.
- To support nutritional and health claims with the best scientific evidence available, respecting the local regulatory framework and, in its absence, the Codex Alimentarius.
- To support and adhere to initiatives of national and international organizations in the framework of the prevention of chronic non-communicable diseases (NCDs) and their risk factors.
- To generate, apply, and disclose scientific knowledge together with strategic actors for topics of interest in relation to food and well-being.



Products that evolve to offer the best options

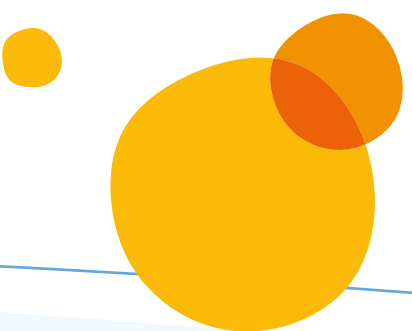


Continuous nutritional improvement



Innovation

- To progressively increase the overall nutritional quality of our products reducing sensitive nutrients and increasing nutrients and the desired ingredients in accordance with the recommendations of food-based dietary guidelines.
- To advise our consumers on how to identify and choose the appropriate portion size.
- To strengthen our capacity for development, research, and innovation to significantly reduce sensitive nutrients and increase the amount of fibers, whole grains, fruits and vegetables, legumes and nuts in our products without compromising sensory enjoyment.



Pillar

Initiative

Commitments



Products that evolve to offer the best options



Food for every person

- To offer food that meets specific nutritional, compositional, and cultural requirements.
- To develop projects focused on addressing deficits in food and nutrition of vulnerable population groups.
- To make the daily consumption products of our portfolio accessible to the largest number of consumers, both in price and distribution.



Nutritious and sustainable ingredients

- To continue incorporating into our portfolio sustainable ingredients characterized by their contribution to caring for the planet and people.



Food based on plants

- To offer products and culinary solutions that contribute to increasing the population's consumption of fruits, vegetables, legumes, and nuts.
- To offer product options without components of animal origin.
- To diversify the protein sources of our products.



Actions that promote sustainable life habits



Actions for the community

- To positively impact our communities developing, together with institutions and specialists, actions aimed at promoting healthy and accessible eating and healthy life habits.



Actions for our employees

- Positively impact the health and well-being of our collaborators and groups associated with the production chain.
- To promote breastfeeding following Arcor Children's Rights Policy.

Pillar

Initiative

Commitments



Communication



Responsible and transparent communication

- To provide clear, accurate and reliable information about the ingredients and nutritional information of our products respecting the local regulatory framework of the target country and, in its absence, Codex Alimentarius.
- To guarantee that advertising and promotions comply with the local regulatory framework, respecting international standards, especially when they are aimed at children.



Active listening and closeness to our stakeholders

- To actively listen to our different audiences in order to respond to their demands, expectations, and needs.
- To strengthen our relationship with health and food professionals.



Communication of the Healthy Eating and Life Habits Strategy

- To provide clear, organized, and updated information about the Healthy Food and Life Habits Strategy and its achievements.



Government and Management

For more than 11 years we have had a Nutritional Platform Group, made up of representatives of Research and Development, Marketing of Consumer Food Products Businesses and Agribusiness, Innovation, Nutrition, Functional Businesses and Food Legislation, which corporately proposes and resolves operational, commercial and technical matters associated with the Healthy Food and Life Habits Strategy.

In 2016, we created a Healthy Food and Living Habits Committee with the aim of enhancing the work of the already existing Nutritional Platform Group from a higher government body that defines the strategy for the entire Group. This committee, chaired by the General Manager of Consumer Food Products Businesses, is made up of the leaders of the corporate areas related to the definition and monitoring of the strategy: Consumer Food Products and Agribusiness Businesses, Sustainability, Public Affairs, Food Legislation, Institutional Communication, Transformation Management, International Marketing, Technology Linkage, Human Resources and Nutrition.

The coordination of the Committee is in charge of the Nutritional Development Area, created in 2016, which is also the area in charge of accompanying all Arcor Group's consumer food products businesses in the execution of the Healthy Food and Life Habits Strategy.

Healthy Food and Life Habits Committee

It is the governing body responsible for defining and ensuring the execution of the Healthy Food and Life Habits Strategy.

Nutritional Platform Group

It is the operating group responsible for the evolution of the food portfolio in terms of nutrition and composition, considering the profitability and sustainability objectives of the company.

Corporate Nutrition Area

It is the specific area in charge of coordinating, providing support and doing the operational monitoring of the actions resulting from the implementation of the Healthy Food and Life Habits Strategy.





Products that Evolve to offer the Best Alternatives

We work to provide affordable food, improve the nutritional profiles of our products to make them more nutritious, and constantly innovate to enter into new categories. Thus, we seek to offer more and more foods that contribute to meeting the needs of our consumers, including those with specific requirements, to help them achieve their nutritional goals within the framework of a healthy and balanced eating pattern.

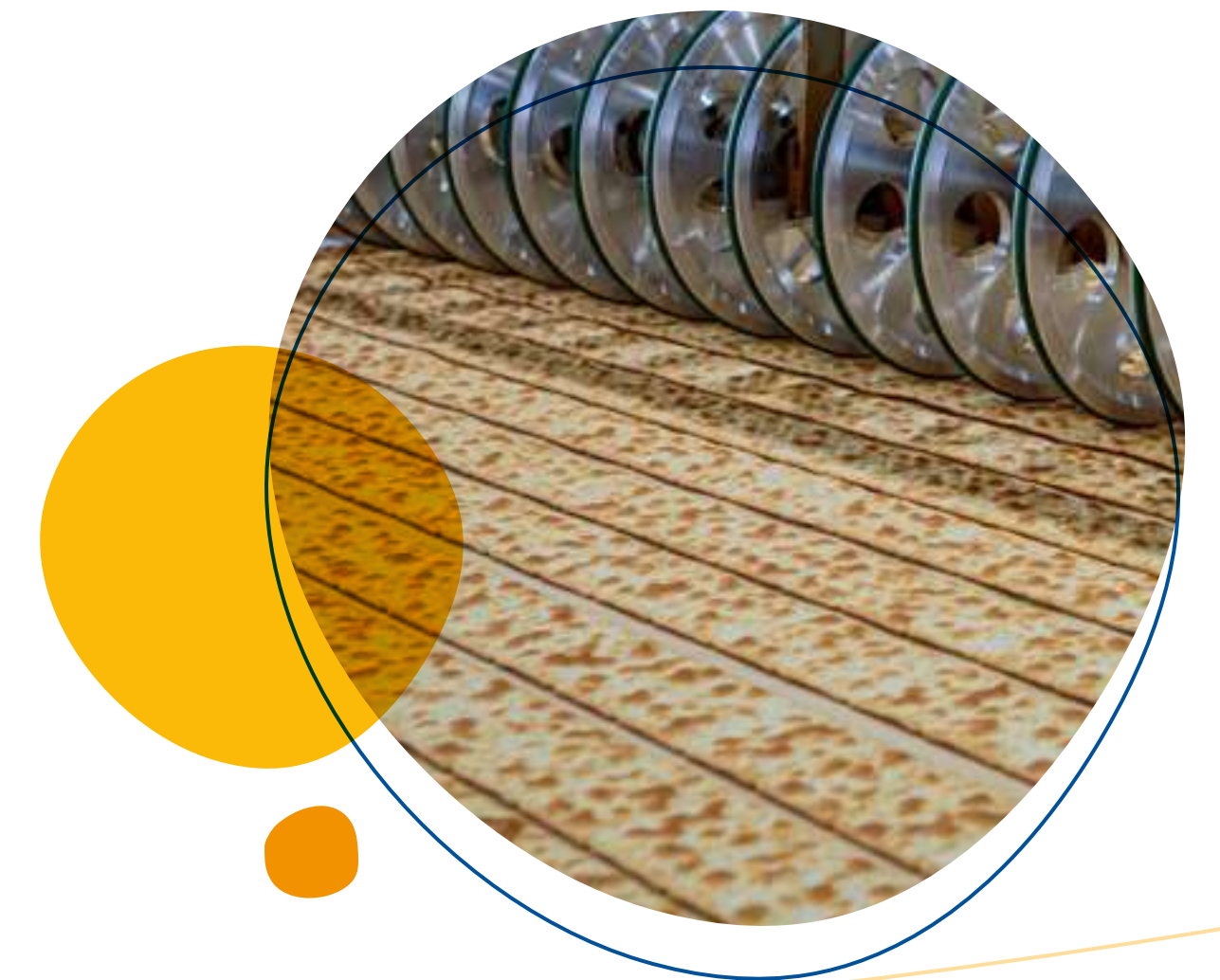
The approach of our portfolio is constituted by the following actions:

- We work on the sensitive nutrients in our recipes, seeking their reduction or alternative replacements of “-free” products.
- We add desirable ingredients to our offer of products such as fruits, vegetables, nuts and legumes, whole grains and fibers, micronutrients and proteins.
- We challenge ourselves by developing lines of research that allow us to incorporate scientific and technological advances and also new trends in food.
- We develop products aimed at cultural groups with specific preferences.
- We develop products that meet special nutritional needs such as intolerances or specific requirements (physiological state, sports activity).
- We develop products with specific functionalities for vulnerable groups.
- We implement actions aimed at improving the accessibility to food.
- We promote portioning to reduce energy intake and sensitive nutrients.
- We contribute to gratification and bonding, with rewarding products for those who consciously wish to enjoy and share good times.

- We ensure the quality of the products so that they are safe and in accordance with control processes.
- We sustainably manage the supply of inputs and production processes, in addition to selecting the best ingredients, prioritizing nutritional quality and diversity.

Continuous Nutritional Improvement

We work on the continuous improvement of our products to reduce sensitive nutrients and increase positive aggregates.





Sensitive Nutrients

We focus on the sensitive nutrients that are present in our recipes, promoting their reduction or looking for alternative replacements to convert them into “-free” products.

In a sustained effort during more than 10 years, we managed to reduce sugars, sodium, and saturated fats by 50.75% of the kg sold by the Food and Bagley Latin America businesses.

Sugar

We comply with nutritional labeling regulations in relation to total and added sugars in those countries where they are required. In addition, we voluntarily report the total sugar content on the labels of our products even in non-compulsory cases.

5.5% of our SKUs correspond to products with modified sugar content in all its varieties.

Our sugar reduction plan has reached so far reductions in 154 SKUs, which implied that 1347493.8 kg of did not reach the market in 2023.

Sodium

In Argentina, all products are within the parameters defined by local legislation related to sodium content.

Since 2014 we have corporately managed the sodium content in our products through the Sodium Content Policy published in 2014 and challenged in 2018.

In 2023 we complied with the limits of this Policy in 98.5% of our products. We continue working to achieve the goal of reaching 100% compliance by the end of 2025.

302 SKUs correspond to products with sodium reduction, which implied that 215,777kg of sodium did not reach the market in 2023 (the equivalent of 550,277.87 kg of salt).

We work on improvements according to the initiatives of the governments of Argentina and Brazil, highlighting the participation in the Argentine program “Less Salt, More Life”.

Saturated Fats

We innovate to reduce the saturated fats present in our products, mainly by replacing them with high oleic sunflower oil in Argentina and structured fats in Chile and Brazil.

Our innovation areas work on the continuous improvement of products to incorporate a greater proportion of liquid oils and fat substitutes with a lower content of saturated fat.

Our saturated fat reduction plan reaches 326 SKUs which meant that 4,297,580 kg of saturated fat did not reach the market in 2023.

During the year, we continued with the execution of our Saturated Fat Replacement Strategy with specific lines of action.

Trans Fatty Acids

We continue working to reduce trans fatty acids (TFA). It was a commitment initially assumed with the signing of the Trans Fat Free America Agreement promoted by the Pan American Health Organization (PAHO) in 2008 and ratified in its subsequent documents.

Internally, for more than 10 years, we have implemented a Trans Fatty Acids Policy that we have already reached and surpassed on two occasions (published in 2011 and amended in 2014 and 2021).

Having surpassed our current policy that establishes a limit of 2% TFA/fat, we added the goal of partially eliminating hydrogenated fatty acids from our portfolio by December 31, 2025.

We have currently reached our goals by 97.4% over the world, and by 100% in products manufactured in Peru, Uruguay, and Brazil.



Partial Replacement of Beef Fat with High Oleic Sunflower Oil in Sonrisas Filled Cookies

Within the framework of our commitment to reducing the content of saturated fatty acids in our products, we are advancing in the search for beef fat substitutes, which allow us to offer our consumers products with a better fatty acid profile, without affecting the organoleptic characteristics.

In April 2023 we relaunched our cookies on the market with a new recipe, whose formula has a partial replacement of beef fat with high oleic sunflower oil, thus achieving a 37% reduction in saturated fat. With this recipe change, both in products for the domestic market and for foreign trade, we stopped delivering 63,010 kg of saturated fat per year to the market.



Reduction of Undesired Nutrients in Daily Consumption Products

We work to reduce undesired nutrients in our daily consumption products, with the goal of developing options that allow balanced diets.

With this objective, since 2021 we have a work plan to improve our nutritional profiles in several categories. During 2023, we worked on the following products:

Powdered Juices

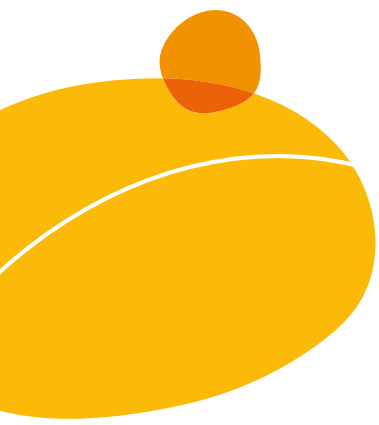
We reduced the sugar content in the formulation of our juice powders while keeping their indulgence and distinctive characteristics. In line with this objective, we managed to reduce the sugar content in the orange-flavored juice powder sachets by 10%. In this way, we stopped delivering approximately 607 kg of sugar per year to the market through this product.



Canned Vegetables

We reduced the sodium content in our canned vegetables, in line with our current policy and regulatory requirements. Within this framework, we managed to achieve a 69.2% reduction in sodium in our cans of peas. This change allowed us to stop delivering 1,391 kg of sodium per year to the market with this product.





Portioning

We are working to increase the supply of individually packaged food whose quantity corresponds to one serving or less. Consciously choosing the appropriate portions contributes to being able to carry out a balanced diet that includes all food groups without the need to exclude any of them.

For this reason, we developed the Arcor Portioning Guideline with the aim of promoting the offer of foods that are consumed as snacks in individual containers. In this way, we help our consumers moderate their consumption of indulgent snacks and also select appropriate portions of daily snacks, such as our fruit and nut mixes.

In 2023, 69.1% of our snacks sold in individual containers met this Portioning Guideline.

Having snacks in individual portions, that is, physically limiting the amount of consumption, helps our consumers moderate their daily energy intake by balancing their diet according to their needs.

In addition to offering foods in individual portions, we communicate the serving size in the nutritional tables of 100% of our packaging, thus helping our consumers make informed choices.

We met our Arcor Portioning Guideline in 69.1% of the snacks marketed in individual packaging during 2023.

Positive Nutrition

Our product portfolio includes food with nutritional benefits above the market standard, such as products reduced or without sugar and sodium, with added vitamins and minerals, rich in fiber and low in saturated fat, and with positive ingredients (such as fruits, vegetables, nuts and legumes, whole grains and fiber, micronutrients and proteins and bio-active components).

We produce and offer food to people with specific nutritional needs such as gluten-free foods. We also offer foods that provide well-being, such as balsamic and inhalant products, which are aimed at cultural groups with particular eating criteria.

28.3% of our 2023 turnover corresponded to products with additional nutritional attributes¹⁵, while the turnover of foods that provide well-being represented 8.2% of the turnover of previous last year. The implementation in Argentina of Law 27,642 on the Promotion of Healthy Eating prevents the declaration of nutritional properties on products that have warning seals. For this reason, in 2023 there was a slight decrease in the participation within our portfolio of products with additional nutritional attributes. However, at Arcor Group, we remain committed to the continuous improvement of our products, based on WHO recommendations and the Company's Internal Policies, particularly with the reduction of sensitive nutrients such as saturated fats, sugars and sodium.

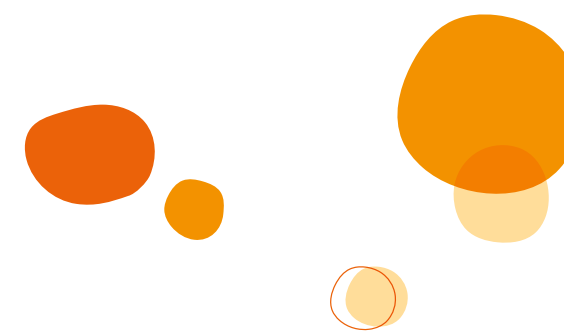
We have a Regional Research, Development and Innovation Network that is made up of more than 150 collaborators distributed in Argentina, Chile, Brazil, Mexico, Peru and Angola.

This network responds to the commitment to significantly reduce sensitive nutrients and increase the content of fiber, whole grain, fruits and vegetables, legumes and nuts in our products without reducing sensory enjoyment.

This team also has a Network of Pilot Plants that conducts trials and works on scaling up to an industrial plant. This network is also articulated with our quality control laboratories that help us characterize our developments and then maintain their attributes during production.

In this way, we constantly challenge ourselves to achieving foods low in or without sodium, saturated fats and/or sugars, while preserving the identity and sensory quality of our products, and also to innovating our portfolio by incorporating positive ingredients.

¹⁵ It refers to products whose packaging declares additional nutritional properties such as "high in fiber", "reduced in sugars", "low in sodium", "low in saturated fats", "low in calories", "fortified", according to the CODEX Alimentario and the national food codes of the countries in which we operate. It also includes products with a "gluten-free" seal in Argentina.





Triunfo Cereal Mix with Whole Grains

In order to improve the nutritional profile of the products we offer to our consumers, and in compliance with applicable regulations, in 2022 we began working with the objective of reformulating our Cereal Mix cookies in Brazil.

After more than a year of work, in June 2023 we launched our new Cereal Mix cookies with a modified formula, which incorporates whole grains. The consumption of whole grains has multiple health benefits as they preserve the external part of the grain, known as husk or bran, rich in soluble and insoluble fiber and multiple vitamins and minerals, mainly B complex vitamins, phosphorus, potassium and magnesium, which are essential nutrients in our diet. Fiber has important functions in the body: it helps us stay fuller for longer, reduces the impact of carbohydrates on glycemia (blood sugar), maintains our digestive health by promoting intestinal transit and our cardiovascular health by reducing cholesterol.

This nutritional improvement allowed us to offer the market around 220,000 kilos of whole grains per year (based on sales volume in 2022).

We continue working on the reformulation of our products to offer better alternatives for our consumers.

Flourless Cereal Snacks

At the end of 2021 we began to dream of offering our consumers an innovative offer in the cookie segment, a "snackable" proposal that was rich and nutritious, made from cereals and without flour. After more than a year of work, in July 2023 we launched our flourless Cereal Mix to the market.

Its particular composition of oats, corn flakes, roasted peanuts, a mixture of seeds and peanut paste for the "Original" version and cocoa and honey for the "Cocoa" version, involved overcoming technical feasibility challenges to agglomerate and form a product with a high load of cereals and without flour, while achieving a flavor profile specific to the ingredients used.

This product fills us with pride and paves the way for us to continue developing innovative and nutritious alternatives.



Selz Corn Cracker

In the quest to deliver healthy product alternatives with a clean label (only 2 ingredients) to the market and after almost three years of development, in June 2023 we launched the 100 gr Selz Corn Cracker in Chile.

The Selz corn cracker offers a healthy snack alternative for mid-morning or mid-afternoon at home. Innovation in grains allows us to offer our consumers an accessible and nutritious option for their snacks.



Dietary Supplements

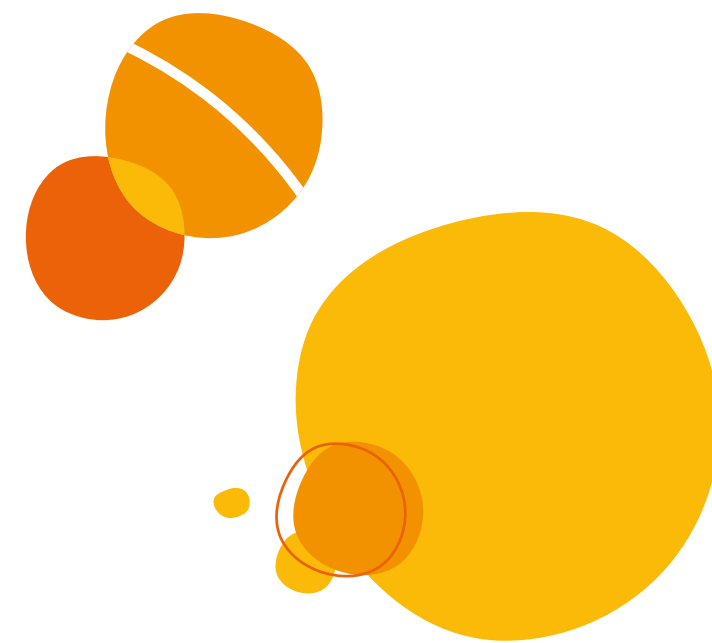
Promoting health care, since 2018 we have worked together with Laboratorios Bagó as strategic partners to develop the Simple Line in the dietary supplements market. Our products are present in the categories of Vitality, Defenses, Weight Well-Being, Sports Nutrition, Collagen, Digestive Health and Bone Health.

As in previous years, we continue working in favor of consumer education on preventive health care, through a communication campaign in mass and digital media with the renowned Argentine artist Andrea Frigerio as the protagonist. These campaigns focus on the importance of daily incorporation of key nutrients for bone health, as well as for skin, hair, and nail care.



Nutritious and Sustainable Ingredients

We select the ingredients we use in our products, prioritizing nutritional contribution and promoting variety. In this way, we provide, among other things, antioxidants from cocoa and tomato, fats of good nutritional quality from the use of high oleic sunflower oil, high oleic peanuts, nuts and seeds, fiber from whole grain flours and alternative flours and wheat and corn bran, complex carbohydrates and vegetable proteins through our legume offering.



SUGARFIBE Syrup

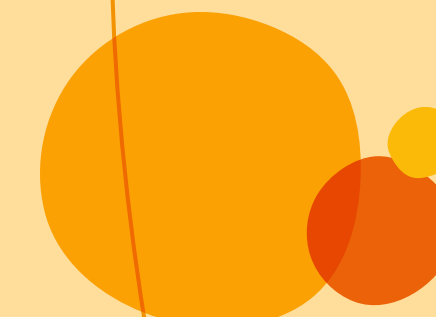
On the path to reducing sensitive nutrients in foods and offering the market options with a better nutritional profile, at our Agribusiness Division we work on the development of ingredients that favor these transformations without affecting the functionality or palatability of our products.

With this objective, we launched SUGARFIBE syrup on the market, with the aim of providing an innovative alternative in sweeteners that reduces sugar levels, provides fiber, and meets technological requirements. In this way, we help to improve the nutritional profile of foods in which this ingredient is used.

In this project, we partnered with NOVOZYME, who supplied us with enzymes, and spent around USD 100,000 to build and install a sugar diluent at PMH1.

This syrup, the first of its kind developed in Argentina, allows its application in various food matrixes, from sweet baked products, confectionery and beverages, to dairy products, cereal bars, jams, among others. Additionally, it is compatible with a wide range of ingredients, such as sweeteners, starches, fats, hydrocolloids, and flavors.

SUGARFIBE syrup represents a significant contribution to the innovation and nutritional improvement of products in the region.



Food for Every Person

We are committed to providing product options that include all of our consumers, addressing specific nutritional needs, vulnerable groups, food intolerances, and cultural or ideological preferences. Following our purpose of making food trends affordable so that every person can have a better life, we assume the commitment to take action so that products with the best nutritional profile have wide distribution and a convenient price-quality equation.



Launch of Maná Petit: The Cookie of Early Childhood

With the aim of offering parents a first cookie option for their children, in July 2022 we began working on the formulation of a semi-sweet cookie with added oats, fruit juice and vitamins, and with a lower sugar content with respect to the existing ones.

After a year of work, in July 2023 we launched Maná Petit on the market. Through this product we offer parents an option with added value, without warning seals, and at an affordable price.

Gluten-Free Food

As part of our commitment to serving consumers with specific nutritional needs, we stand out in offering gluten-free foods.

At Arcor, we know that maintaining a gluten-free diet implies major changes in lifestyle and impacts the planning of daily meals. For this reason, we take on the commitment to expand our offer of gluten-free foods year after year, maintaining the flavor, quality and safety standards that characterize our portfolio.

We currently have more than 492 gluten-free products, which makes us the Argentine food company with the largest offering of products of this type in different categories: hard and chewing candies, chocolates, lollipops, nougats and Christmas candies, canned food, jams, corn flour (polenta), juices and drinks, mixed nuts, dietary supplements, chocolates and premixes, rice toast and ice-cream.

Our certified gluten-free products are identified with the "Sin TACC" (gluten-free) logo. These products are made under strict controls that guarantee their safety. Our products are made in

plants that have "Gluten Free" certifications, strictly applying Good Manufacturing Practices throughout the value chain to offer consumers alternatives according to their needs with a contribution of versatility and practicality.

Gluten-free products represented 74% of Food Business sales, 51.07% of Confectionery sales, 27.91% of Chocolate sales and 52.99% of Ice-Cream sales.

To facilitate the accessibility of our "Sin TACC" (gluten-free) products to consumers, we offer a list of clearly identified products on our website and we also distinguish these types of products on our Arcor en casa (Arcor at Home) e-commerce platform.

In addition, together with the Argentine Celiac Association, we developed several initiatives both in social networks and in specific supermarket gondola shelves, to achieve the massiveness of our "Gluten-Free" products.



Let's Enjoy Together: A Gluten-Free Guide

To celebrate the International Celiac Disease Day, on May 5 we carried out a digital communication campaign under the concept "Let's Enjoy Together", which was present on our channels throughout May. Through this action, we made known our portfolio of more than 420 gluten-free products.

Within the framework of this campaign and together with the Argentine Celiac Association, we created the guide "Let's Enjoy Together", a document that can be easily accessed through our website, in which we make visible the care that is needed when cooking and sharing food with people with celiac disease. In this way, we seek to help people with celiac disease share this document in a practical way with their friends and family.

Finally, in November, we once again took part in the Celiac Expo, an event organized by the Argentine Celiac Association that brings together the celiac community and the most prominent companies in the gluten-free food sector. On this occasion, we distributed the "Let's Enjoy Together" guide for free, and we played fun games with the attendees where they won prizes to cook at home.





Alliances and Knowledge to Innovate

Each decision we make is based on both scientific evidence and solid data, within the framework of current regulatory compliance and pursuing the demands and needs of consumers.

We develop knowledge networks with the scientific and technological community, specialized organizations and health experts to improve our portfolio and develop new products and ingredients that are constantly evolving.

Evidence-Based Nutrition

Since 2016, we have measured the evolution of the execution of the Healthy Eating and Life Habits Strategy, "Food for a Better Life", through a number of indicators that constantly evolve and cover 100% of our global portfolio.

We measure the impact of our actions by using an independent international standard, the Arcor Nutritional Score, which establishes a weighted average nutritional score in billing for all the product categories we produce.

Nutritional Surveillance System

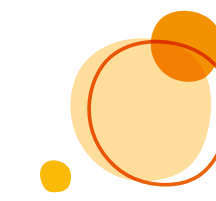
Our Nutritional Surveillance System allows us to manage implementing the best practices, incorporate recommendations from leading organizations, learn about consumption patterns and nutritional deficits, and access the latest scientific news and food trends. We base our decisions on data and we support our products and programs on the best scientific

evidence available, based on an Indicator System that covers 100% of our portfolio and a Nutritional Advice Model that meets business's needs.

Knowledge Networks

The management of internal knowledge and support for product development and communication actions is complemented by the Nutritional Advisory System, which coordinates the Nutritional Development area and involves consultations and joint actions with professionals and external referents from institutions specializing in the topics to be addressed.

We build, based on alliances with specialized institutions, leading professionals, strategic suppliers and participation in different Chambers and Associations, which constitutes a broad network of scientific-technological links. It allows us, through our Open Innovation Model, to facilitate both the generation and dissemination of knowledge and joint work with our network, resulting on collaborative actions for the development of products and programs. Our collaborative work consists on generating key links with our stakeholders, promoting responsible and enriching dialogue to substantially contribute to respond to the demands and food needs of society.



Habits for a Better Life

In addition to the activities developed to improve our food portfolio and work networks, we implemented actions and programs that promote the adoption of healthier lifestyle habits, both in our collaborators and in the community. All these initiatives are fostered by responsible, transparent, and accessible communication to our different audiences.

Actions for the Community Focused on Children

During 2023, we continued implementing initiatives to promote healthy lifestyle habits in children through the Arcor Foundation in Argentina and Chile and the Arcor Institute in Brazil.



Learning to Enjoy Program (PAD)

Together with Arcor Foundation in Argentina and Chile, and Arcor Institute in Brazil, we promote the Learning to Enjoy Program (PAD, as per its initials in Spanish) with the purpose of promoting healthy living habits in boys and girls in primary schools, kindergartens, and civil society organizations, involving families, communities, provincial or municipal state, and other social actors of the territory.

The PAD is carried out considering 3 lines of action:

1. Support for projects in communities.
2. Training and education events for adult referents linked to children.
3. Positioning and dissemination of the issue on the public agenda.



Corporate initiative in Argentina, Brazil and Chile

Goal
Contribute to the promotion of healthy living habits in childhood by supporting projects, training childhood leaders, and placing the issue on the public agenda.

Support to projects that promote healthy living habits through active life, healthy eating, and healthy bonds in children from 3 to 12 years old.

Learning to Enjoy Award: Recognize experiences that promote healthy living habits in childhood and that are developed in schools and community centers. Economic stimulus and dissemination of the experience. Together with OEI, and support of universities (UCC, FESB).

Social mobilization and communication, content production, communication campaigns, and training.

PAD Argentina

30 projects from civil society organizations and schools were supported, distributed in 20 locations in 11 Argentine provinces.

Support and training were carried out virtually during the project formulation stage. At the beginning of their execution, field visits were made to each of the organizations participating in the Program.

- 4,305 boys and girls participated
- 1,416 adults participated
- Articulation with 168 social actors/organizations
- Provinces: Jujuy, Salta, Catamarca, Tucumán, Córdoba, Buenos Aires, Ciudad de Buenos Aires - CABA, San Luis, Entre Ríos, San Juan, Mendoza

PAD Brazil

We support 14 projects launched by public schools and civil society organizations, through which 2,466 children will be cared for over a period of 12 months.

The initiatives will be developed in the municipalities of Rio das Pedras, Bragança Paulista, in the state of São Paulo and in Contagem, in Minas Gerais.

Training related to the theme of the Program is planned, in addition to the technical support provided by the Arcor Brazil Institute.

PAD Chile

Three kindergarten and school initiatives were supported in the city of Santiago (Metropolitan Region):

- Oreste Plath kindergarten in the commune of Cerrillos with the project: "Exploring Bodies in Motion" (psychomotor project).
- Cardenal Raúl Silva Henríquez day nursery in the commune of Cerrillos, with the project: "Active and Healthy Life Olympics 2023".
- Alicia Ariztia de Silva School in the commune of Lo Espejo, with the project: "Playing and Moving Innovated my Learning".

Through these projects we reached 275 boys and girls.

Learning to Enjoy Award

We recognize experiences that promote healthy living habits in childhood, which are developed in schools and community centers in Argentina, Brazil and Chile, and that are linked to some of the dimensions of healthy living. This distinction is developed in partnership with OEI, Arcor Foundation in Argentina and Chile and Arcor Institute Brazil, with the endorsement of the Catholic University of Córdoba, and Fundação de Ensino Superior de Bragança Paulista (FESB).

In 2023, 254 experiences were registered, 36 experiences were preselected (19 from Argentina, 13 from Brazil and 4 from Chile) and, after a thorough selection process, the jury announced the names of the award-winning projects in each country and region:

REGIONAL AWARD

"De Boa na Lagoa com sabor e saúde" de EM Antonia Joana Barsi Ferrari - Paulínia – State of São Paulo, Brazil.

NATIONAL AWARD

- Argentina: "Nourish to grow: A Comprehensive Proposal for Healthy Eating" from Special Education and Rehabilitation Institute Esperanza O913 in Puerto Iguazú, Misiones.
- Brazil: "At our School, Nothing is Lost, Everything is Transformed!" by EM Luiz Marinho Vidal - Pirai – State of Rio de Janeiro.
- Chile: "Watch out for the Children, Podcast and Magazine Made by Boys and Girls of Public Education" from the José Bernardo Suarez School in Macul, Santiago.

SPECIAL MENTIONS

- Argentina: "Me too! Leading Experiences in Childhood" by Proyecto Vaso de leche in Córdoba Capital, Córdoba.
- Brazil: "Garden Project: Healthy Food with Colors, Aromas, Flavors and Shapes" by CMEI Dona Laura Yaroslava Rodowanski Schmeing -Rio Bonito do Iguaçu – State of Paraná.
- Chile: "Educating as a Family for Life, in Healthy Lifestyles through Play, with the Traveler's Notebook" from the Santa Ana Nursery and Kindergarten in Colchagua, Del Libertador Bernardo O'Higgins region.



Other Actions to Promote A Healthy Lifestyle in Childhood

In turn, we promote healthy living habits in childhood, through training and knowledge generation, as well as social mobilization about the subject, with activities such as:

- **Walk with Humor**

In alliance with Prefeitura Municipal de Piracicaba, we carried out the 10th Walk with Humor on September 17. This action aims to encourage physical activity while involving humor. More than 700 people were present, moving for a healthier lifestyle. The activity that makes up the 50th edition of the Piracicaba International Humor Show had the support of the Arcor Brazil Institute, Arcor do Brasil, and other partners.

- **“Promoters of Active Life for Early Childhood” Course:**

Within the framework of the actions to expand the territorial scope in Chile, through this hybrid course (in-person and virtual), 75 educators from 33 educational institutions were trained in alliance with the municipalities of Cerrillos, Lo Espejo and San Francisco from Mostazal in the Metropolitan and O'Higgins Regions. This training was certified by the University of Santo Tomás.



Actions for our Collaborators

We have a Corporate Wellness Program, based on 3 pillars: movement and energy, healthy eating and harmony.

Through these 3 axes, we designed a work scheme made up of different programs, actions and initiatives aimed at accompanying sports activities, food education and the offer of healthy food in all the bases in Argentina where we offer to our collaborators food service, medical examinations, improvements in work spaces, updates to work modalities and new actions aimed at promoting breastfeeding.

During this year we defined and promoted action plans with the objectives of reinforcing, refocusing, and improving the actions and initiatives of the 3 pillars. In the short-term, they seek to achieve a preliminary leveling that allows positive leverage of ongoing actions to address long-term objectives.



Communication

Responsible and Transparent Communication

We understand that responsible communication is a solid pillar in building trust in our consumers. Promoting an informed and conscious choice through complete and truthful nutritional labels is one of the main purposes of our Strategy. We develop our product labels in compliance with the specific regulatory requirements of each country, so that they offer all the necessary information to our consumers. We also consider the criteria defined by the Codex Alimentarius, which is the highest international regulatory reference for general and nutritional labeling. All our products include mandatory nutritional information and, in addition, complementary information such as total sugars, vitamins, among others.

- The nutritional information tables express the contents per 100 g and per serving size of the product, also including the Daily Value percentage (%DV).
- We include front labeling on the packaging of our products. In some of the markets where we operate this is mandatory.
- Products with nutritional properties declarations include the quantification of said nutrients on the label.

We have a corporate document that guides and offers specific guidelines for the labeling of our products, the "Arcor Group Labeling Manual", which includes requirements and criteria for the markets where we sell, thus guaranteeing a global and consistent approach. It is periodically updated based on regulatory changes that may occur.

Marketing and Publicity

In order to promote and share practices of transparent communication and responsible advertising, we participate in several spaces: The Argentine Advertising Council (CPA), the Argentine Chamber of Advertisers (CAA), the Association of Communication Directors (CIRCULO DIRCOMS), the Professional Council of Public Relations of the Argentine Republic (CPRRPP), the Brazilian Association of Advertisers, the National Council of Advertising Self-regulation in Brazil; and the National Association of Advertisers and the Council for Self-Regulation and Advertising Ethics in Chile. In addition, Arcor Group maintains its adherence to COPAL's Self-regulation Policy, which carried out the compliance verification methodology.

We understand that we must play an essential role in disseminating messages that promote improvement in living and eating habits, mainly for children. That is why, since 2018 we have had our own Self-Regulation Policy for Children's Advertising. It defines that Arcor can communicate to audiences composed (at least 50%) of children under 12 years of age, only for those products that fit our Arcor Nutritional Profile System. It is applicable in all markets and countries where our products are marketed, unless there is a more demanding guideline or agreement, which is then applied.

Strategy Communication

We developed a section within Arcor's corporate website called "Food for A Better Life" in which we detail our Healthy and Affordable Eating Strategy.

Through this site, we present to all our interest groups the main framework of our strategy, the pillars, the initiatives, and the progress made in each case: www.arcor.com/ar/alimentos-para-vivir-mejor.



Quality at Every Step

We believe that only safe foods that respect their attributes and are accompanied by transparent information can meet the nutritional needs of the population.

We are committed to guaranteeing the highest quality of all the food we offer, considering consumer expectations and ensuring a reliable supply chain, certified production processes and an efficient marketing network.

Through this commitment, we seek to achieve the experience expected by customers and consumers at every contact points.

¹⁶ It includes the Dulceria Nacional plant in Angola.

Goals

- 100% of our own food manufacturing plants certified under GFSI Standards by 2030.
- 80% of food ingredient suppliers certified under GFSI Standards by 2030.
- 100% suppliers of raw materials and packaging materials evaluated or qualified under GFSI Standards or Arcor Audits by 2030.

Results:

90%
of our own plants certified under GFSI.¹⁶

94,8%
raw material suppliers evaluated or qualified under GFSI standards or Arcor Audits.

65%
ingredient suppliers certified under GFSI.

The Value of Quality

We incorporated the value of Quality as part of our Corporate Philosophy, assuming our commitment to achieve the highest quality, listening to the voice of our customers and consumers at each stage of the value chain, to achieve the experience they wish with our products. Based on this commitment, we established a new quality approach represented in our Quality Strategy, "Value at Every Step".

This strategy is aligned with our Sustainability Policy and with our Comprehensive Management Policy, and consists of 4 initiatives:

- **Growing** at every step with our suppliers, from the beginning of the value chain.
- **Adding** value to our operations.
- **Reaching** our customers and consumers in what they expect through the marketing chain.
- **Ensuring** our customers and consumers' Loyalty.

Suppliers Assessment

As part of "GROWING at Every Step with our Suppliers from the Beginning of the Value Chain" Initiative, we work to reduce the risks associated with the supply chain and have reliable suppliers that share our management philosophy.

For this reason, we implement a detailed selection, evaluation, monitoring and follow-up process to ensure that all our suppliers of raw materials and production materials meet the standards required to produce quality, safe, and authentic

products according to current legal frameworks. We evaluate and qualify our suppliers, considering approved those that exceed a minimum score defined for the ARCOR's audit and those who are certified by any of the standards recognized by GFSI (Global Food Safety Initiative). In cases in which this minimum score is not reached, suppliers are accompanied in the development and monitoring of improvement plans so that in the future they can meet the required standards.

In addition, we undertake initiatives focused on the development and evaluation of agricultural producers associated with Food and Agribusiness Businesses, implementing specific strategies and questionnaires. For some strategic suppliers, we apply a Certified Quality program, based on the consensus of verification requirements and methodologies, the reliability of their operations, and the raw materials and packaging materials delivered.

58.6 % of the suppliers of the Group's consumer food products plants¹⁷ and 60.5 % of our suppliers of finished products and semi-finished products have a recognized GFSI certification.



¹⁷ It includes the Dulceria Nacional plant in Angola.

The initiatives implemented these years, as well as the support for our suppliers, allowed us to considerably increase the number of suppliers with approved qualifications from 72.3% in 2015 to 91.9% by 2023.

During 2023, Cartocor (former Zucamor), Baradero, Chacabuco and Angola plants consolidated the methodologies and criteria defined for supplier management, after their implementation in 2022.

Certified Industrial Process

As part of "ADDING value to our operations" Initiative, during 2023 we continued with the implementation of the certification plan for the management systems of our plants, through the DNV certification body.

To continue guaranteeing Food Safety, we incorporated new certifications: Voluntary Module Preventive Controls FSMA and FSVP of BRC at the Recreo

Complex plants, BRC in the Arcor Villa Mercedes Grain Canned Plant, and FSSC 22000 in Cartocor San Juan. In the same sense, we managed to maintain the BRC, HACCP, BPM, Global GAP, IFS, and FSSC 22000 certifications received in previous years.

Regarding the ISO 9001 certified quality management systems, we incorporated the certification of the Cartocor Peru plant and maintained those obtained in previous years. On the other hand, we consolidated HACCP-HARPC (Preventive Controls), Food Fraud, Food Defense and Allergen Management, developing new analyses that allowed us to improve our manufacturing standards.

As part of our export business, we developed ongoing activities aimed at improving our processes throughout the value chain to achieve the experience that our clients and consumers expect in the countries of destination. Within the framework of these activities, we carried out the "First

Pallet Program" for new clients, in which we highlighted the commitment of collaborators in their participation as protagonists of this Program.

We also continue working on improving the processes of our subsidiaries. The United States subsidiary, for its part, was verified by the FDA¹⁸ in compliance with the requirements of the FSVP Regulation¹⁹.

Every year in October, we celebrate the "Month for Quality" in all our Business Units, symbolizing the commitment of all collaborators to actions that allow us to recognize and internalize our quality culture.

¹⁸ FDA: Food and Drug Administration

¹⁹ FSVP: USA Foreign Supplier Verification Program.

46 plants have Food Safety Certification.





Customers and Consumers

Through the initiative *“REACHING our customers and consumers with what they expect through the marketing chain”*, we managed quality from the logistics system, in our own and third-party warehouses, in transportation, and in each of the marketing channels of each region.

- Distributors
- Supermarkets
- Wholesalers
- New businesses

We procure to keep products in optimal conditions to guarantee their integrity until they reach consumers, permanently improving the associated processes to meet their requirements and expectations. To continue with the integration of internal and external logistics and commercial processes, we hold work groups with all the people involved to improve the marketing and distribution network.

Getting Closer

To get closer to our clients and consumers, we continued working on our strategic initiative *“BUILDING LOYALTY with our clients and consumers.”*

During 2023, the existing contact channels were maintained: telephone service, corporate website, integrated social networking service (Facebook, Twitter, Instagram), corporate email address, after-hours answering machine and postal mail, considering new consumer profiles.

In the pursuit of optimizing the quality of service to our consumers and clients, in Argentina, improvements were made to the integrated social media monitoring and telephone service. We managed to maintain our levels of attention and service,

building loyalty among our after sales channel with clients and consumers. All contacts are registered in our CRM system and the information is shared with our Quality area to prepare a response in each case.

To ensure consumer satisfaction and have a global vision of their opinion in relation to the service provided and our company activities related to:

- Contact with consumers who make product claims to inform them of the technical response in case they request it
- Service and product satisfaction surveys
- Reports preparation for different stakeholders
- Coordination of promotions

We accompany the development of Consumer Service in New Businesses, such as in the e-commerce channel *“Arcor en Casa”* (Arcor at Home) and the new subsidiary in Angola. We also provide assistance to distributors through the support of the commercial application, regarding listening at points of sales (POS). During 2023, we consolidated the communication channels with clients and consumers through commercial platforms and POS.

On the other hand, through our Web portal, we maintain our philosophy of consumer education to instill good consumer practices through available videos.

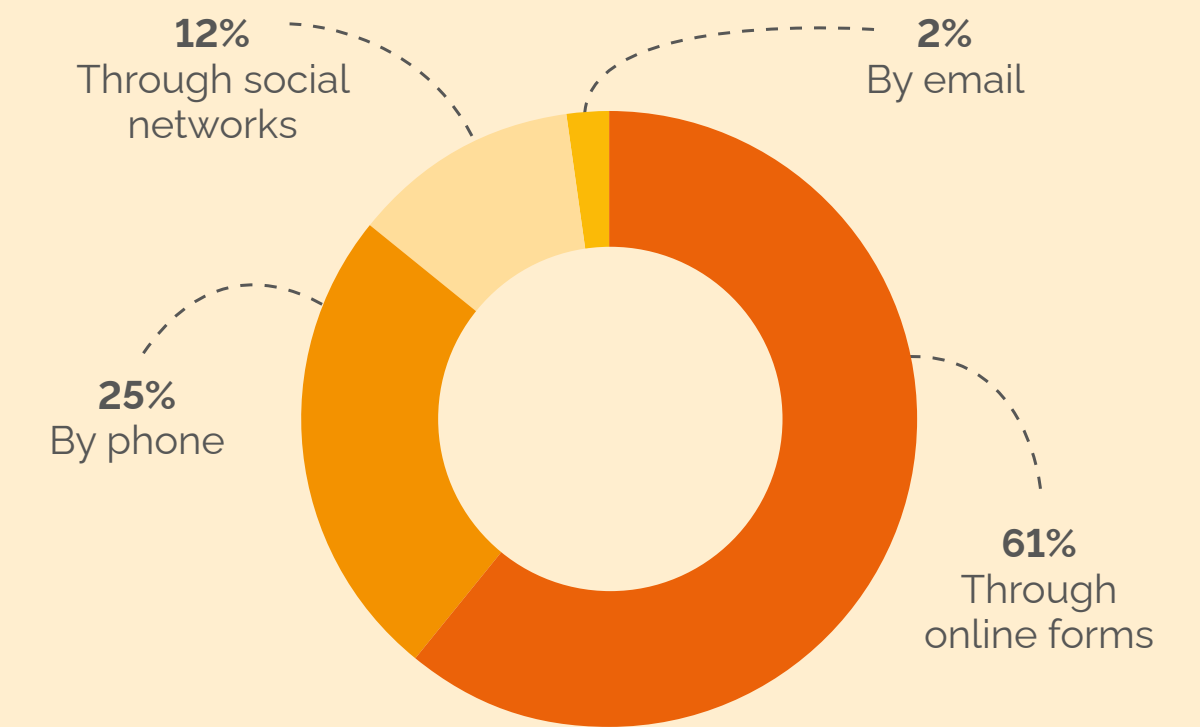
Finally, it is worth noting that we maintain the ISO 9001 certification in the Consumer Service, which ensures compliance with requirements and continuous improvement.

Customer Service

We listen to our customers and consumers to be able to deliver the experience they expect with our products.

From Consumer Service (SAC), during 2023 we received a total of 85,187 contacts, of which 99.93% were resolved satisfactorily.

Contacts received through service channel



In turn, 87% of consumers who made complaints about products and received a satisfaction survey indicated 5 stars for the attention received.



Regenerative Agriculture

We believe that food production systems must be sustainable to meet the demands of a growing world population. Regenerative agricultural production models present solutions to meet this demand, while considering the main environmental challenges of our time.

We are committed to implementing conservation models for the production of our raw materials that contribute to the regeneration of ecosystems, intensifying the best agricultural practices and incorporating precision technologies. Through this commitment, we contribute to ecosystems resilience and climate stability, favoring a positive interaction between production systems and natural environments.

During 2023 we continued working with the objective of guaranteeing the sustainable supply of the main agricultural raw materials that the company processes in its three business units (Agribusiness, Consumer Food Products, and Packaging), promoting regenerative production models that ensure the resilience of ecosystems and climatic stability, the development of producing communities, and a positive interaction between productive systems and natural environments.





Sustainable Agricultural Production

Our Sustainable Agriculture Approach

We evaluate the productive, social, and environmental practices in our own production and in the producers that supply us with different inputs, to identify the main challenges we face from a sustainability perspective.

Our approach is based on promoting production systems aligned with the highest sustainable standards, such as BONSUCRO (for sugar production), Global GAP (for extensive crops and fruit and vegetable production), SAI-FSA (for corn and wheat), Rainforest Alliance (cocoa), RSPO (palm), FSC and PEFC (for forest production).

We consider aspects of traceability, human and labor rights, environmental, good agricultural practices and economic conditions. We seek to improve productive, environmental, and social performance in the main agricultural chains in which we participate, promoting the adoption of the best agricultural practices, the incorporation of technology and innovation, and the search for solutions to environmental and social challenges. To achieve this objective, we implemented continuous improvement initiatives in our production and provide support to producers through training, modernization, technical assistance and financing.



Sugar Sustainable Production

During 2023, Arcor's La Providencia Sugar Mill continued to promote the Sustainable Sugar Production program, focused on the following lines of action:

Global GAP, Local GAP and BONSUCRO Certifications

We achieved the recertification of the Global G.A.P and Local G.A.P. ("do not burn" sugarcane) standards for our own production of sugarcane in 5,240 hectares belonging to La Providencia Sugar Mill. In the month of July, we certified the BONSUCRO standard for the 2022 harvest, which allowed us to certify the sustainable production of more than 16,289 tons of sugar under this standard. Regarding the certification of the 2023 harvest, it is scheduled for August 2024.

Rotation of sugarcane cultivation with soybean production

The rotation of sugarcane cultivation is considered a good agricultural practice since it increases soil fertility and reduces weed pressure, which, in turn, allows reducing the applications

of agrochemicals and increases productivity. In 2023, we increased the number of hectares with crop rotation, achieving production of 540 hectares of soybeans in their own sugar cane plantations.

Organic Sugar Production

We carried out the USDA-NOP audit in our own fields and in producers' fields, which allowed the production of more than 4,200 tons of organic sugar, destined for clients in the United States and Canada.

During 2023, we also launched an initiative aimed at developing organic production in small sugarcane producers that participate in the "Cobra Project". To advance the project, a group of 8 producers was formed, who manage a total of 50 hectares certified under the NOP-CAN standard, with whom they will work together for the organic certification of their sugar cane. Participation in this initiative will allow sugarcane producers to add value to their production, through the production of a specialty product.



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Development of Small Cane Producers

We continue implementing the "Cobra Project", which aims to promote the comprehensive development of small sugarcane producers by supporting them in replacing their conventional harvesting model (semi-mechanized) with a mechanized one, increasing productivity, promoting more environmentally friendly production and resources, and giving these producers tools to improve their income. The mechanized harvest replaces a large part of the work of the small sugarcane producer, allowing them to reduce the harvest time from 100 to 3 days, offering them the possibility of devoting the available time to the development of other productive tasks and, with this, diversifying their sources of income. At the same time, mechanization avoids the practice of burning the cane field as a method of cleaning the harvest stubble since the machine carries out the complete cleaning of the cane and everything that is removed to clean it (leaves, tips), is returned to the soil, producing a great agronomic benefit in terms of the conservation of organic matter in the soil and the carbon cycle. During 2023, the scope was maintained to a total of 27 small producers, who delivered 32,000 tons of sugar cane to the mill.

Irrigation

As part of a macro project to increase the productivity of marginal areas in sugar cane crops, this year we completed the purchase of roller irrigation equipment. This project considers the progressive purchase of other equipment and brings different associated environmental benefits such as greater control in water dosage, better quality of water application to crops, and avoids soil compaction and water erosion.



Production of Compost from Production Organic Waste

We continue promoting the project for the production of compost from organic waste from sugarcane processing (filter cake, bagasse, mud, and ashes). The production of organic fertilizer from composting reduces the use of chemical fertilizers by replacing them with a low-carbon alternative, which allows reusing organic waste, transforming it into nutrients to enrich the soil.

During 2023 we collected the by-products of the sugar industry (filter cake, mud, ashes and bagasse) to produce 1,000 tons of organic compost, which will be used in our own fields for the production of organic cane and in some conventional cane fields, as a replacement. of chemical synthesis fertilizers.

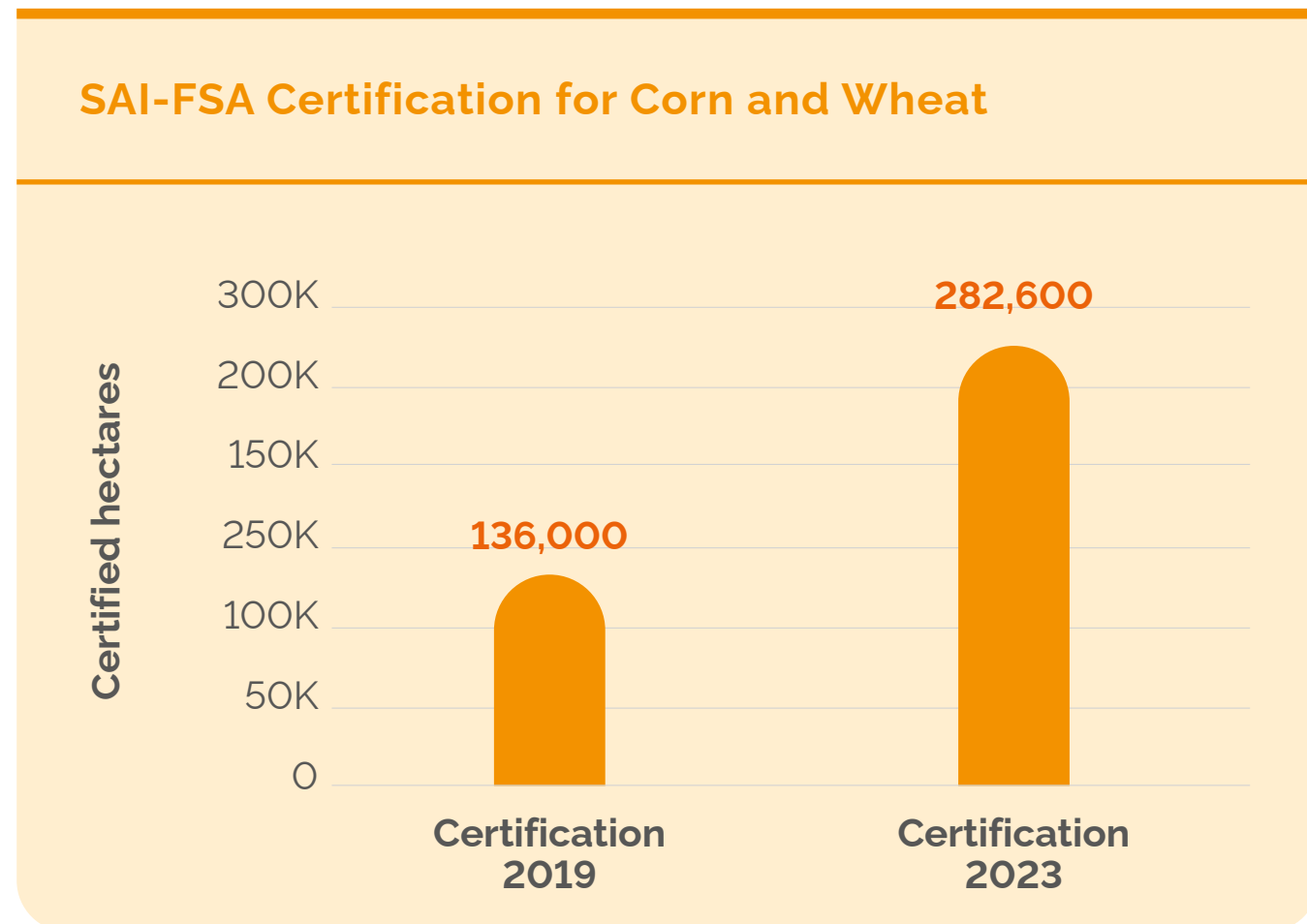




Development of Sustainable Corn Producers

We continue to promote our Sustainable Corn Producer Development program, with the objective of promoting the incorporation of sustainable practices in our own production and in third parties that supply corn to our Agribusiness Division plants.

In 2023, we continued with the plan started in 2020, which included the certification of 8 corn producers (who manage ~140,000 hectares of corn) under the SAI-FSA sustainability standard²⁰. Throughout the year, we worked on the development of a recertification plan focused on expanding the scope (certified producers and hectares), adding producers from the supply area of the corn milling plants of San Pedro, Baradero and Chacabuco, and extending also the scope of certification to other rotation crops (wheat).



The recertification plan included the formation of a group of 13 producers who manage a total of 282,600 hectares. The producers joined by signing a Letter of Commitment detailing the parties' consent to being part of the Group. Then, based on the steps defined in the standard, progress was made with the self-assessment of 100% of the producers and, based on its results, progress was made with documentary and in-person audits carried out by third parties. Considering the findings of the audit process, a continuous improvement plan was presented to work over the next 3 years being the certification the starting point.

The continuous improvement plan was developed based on the results obtained from the self-assessments, analyzing the improvement opportunities identified in each case through a tool provided by SAI Platform. The themes of biodiversity, water management, and air and emissions management are the ones that registered the greatest number of opportunities for improvement.

As a result of the audits, the SAI-FSA Silver Level certification was obtained for 100% of the corn production of the 13 producers participating in the Working Group led by Arcor Group. "Multi-Crop" certification was also achieved, meaning that 100% of the wheat from certified establishments is also certified under this standard.

²⁰ Sustainable Agriculture Initiative - Farm Sustainability Assessment (<https://saipatform.org/fsa/>)



Development of Fruits and Vegetables Producers

Good Agricultural Practices Survey

During 2023, we carried out a diagnosis to deepen our knowledge of the context in which the producers of different inputs that supply the Food Business operate: tomato, corn, sweet potato, pear, plum, apricot, peach, quince, and orange.

To do this, we advanced an information survey through a questionnaire based on the self-assessment of the FSA-SAI certification, which included different topics related to sustainability in agricultural production: management of the agricultural operation, working conditions, community, biodiversity, air quality and emissions, soil management, water management, crop protection, and comprehensive pest management.

The diagnosis covered 14 plum, apricot, peach, tomato and pear producers. Based on the results, during 2024 progress will be made in identifying areas for improvement to define a work plan together with producers to promote the implementation of different sustainable agricultural practices.

Sustainable Fruit Supply

During 2023, we sourced fruit from our own farms certified under the Global GAP standard, which ensures that food has been produced safely and sustainably. The certification covers 275 hectares of plum, peach, orange, quince and apricot production, which are processed in the Food Business plants for the production of pulps and jams, among other products.



Prevention and Eradication of Child Labor: Grow up Playing for a Childhood Without Child Labor

Supported by our commitment to respect for human rights, we work to prevent and eradicate child labor in the fruit and vegetable supply chain, through three specific lines of action:

- Community intervention: Opening of Child Development Centers (CDI) for children of fruit and vegetable growers during the harvest season.
- Raising awareness and training the people involved about the importance of eradicating child labor.
- Inclusion of clauses referring to the prevention and eradication of child labor in contracts with producers who supply us to guarantee joint commitment.

During 2023, we worked directly with 43 producers; we supported and contributed to strengthening the work of 7 Child Development Centers (CDI) that offered support and care to 320 boys and girls. Now, we continue working together with municipal governments and participating in joint actions with COPRETI (Provincial Commission for the Prevention and Eradication of child labour).

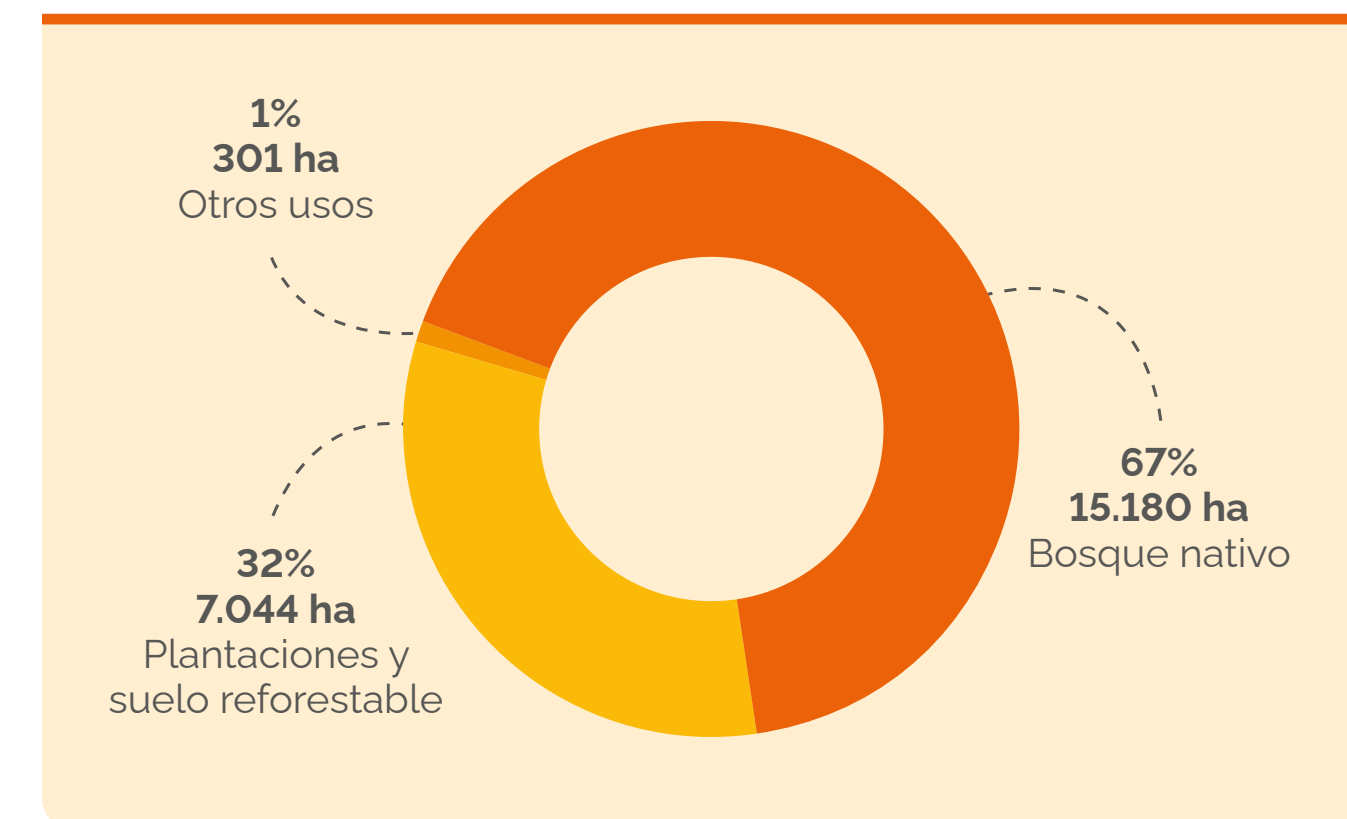
Sustainable Forest Production

Within the framework of our commitment to sustainable supply, from Papel Misionero Forest Area (Packaging Division of Arcor Group) we sustainably manage 22,500 hectares of forests in the province of Misiones, which include 7,044 hectares of plantations and soil capable of being reforested, 15,180 hectares of native forest and 301 hectares intended for other uses.



Our commitment focuses on the following objectives:

- Implement and maintain a management system that allows guaranteeing sustainable forest management of native and introduced forests, maximizing the benefits they provide and preserving biodiversity and natural resources associated. This management system is certified under the PEFC Argentina and Cerfoar (Argentine Forest Certification System) scheme.
- Identify and evaluate social aspects and impacts associated with forestry production activities, and facilitate communication channels with neighbors and local communities.
- Plan sustainable forest management in the long term, having the necessary resources, controls and monitoring to achieve the objectives defined in the management plan.
- Respect applicable laws and regulations, and ensure compliance with assumed commitments.
- Establish a system for the identification, monitoring and control of forest products produced and marketed to guarantee the chain of custody.



The sustainable management of forest plantations is carried out over during a 17-year cycle that includes all the activities needed in the stages of land preparation, planting, plantation maintenance, silvicultural treatments, and clearcutting. During the preparation, planting and maintenance stages, procedures were established for the proper handling of phytosanitary products in order to avoid impacts, and watercourses were monitored to verify the efficiency of the implemented procedures. An adequate integrated pest management is also carried out.

Around 400 hectares are reforested on an annual basis. Before starting the land preparation activities, through planning, the stands to be planted, the areas to be included in the Native Forest Recovery Program, and the protective forest zones or connectivity areas are defined and identified.

Sustainable Milk Production (in own dairy farms)

We produce our own milk for the manufacture of different types of confectionery, such as Butter Toffees, Vaca Lechera, Cremino, Holanda, among others. Currently, we produce around 45,000 liters of milk per day, through 5 milking units and 1,500 dairy animals.

We focus on guaranteeing animal comfort and well-being, taking care of the quality parameters of our milk from its origin. Regarding milk, we have the Good Dairy Practices Program (BPL) of the BAP Network²², we implement protocols adopted from the IRAM Standards, and the dairy farms are audited by the company's Quality area.

Technology for Animal Welfare

For closer and more effective management, we introduced "electronic collars", which have sensors that allow us to monitor the health, feeding, and reproduction parameters of each animal. Through these devices we can identify situations of heat stress and detect any health problem in advance, which allows us to avoid more critical situations. With these advances, we reduce the use of veterinary supplies and animal mortality.

We have also incorporated Automatic Splitting Doors that respond to the Collar's commands and allow us to separate the animals for inspection and individual care without human intervention.

For food management, we have incorporated software that allows monitoring of the operation through the web (NUTRIR +) with a high impact on making general management more efficient, both in quantities and schedules, contributing to the pillar of "Freedom from Hunger, Thirst and Malnutrition" from Animal Welfare.

Without Growth Promoters and Antibiotics

In our dairy farms, we do not use injectable growth promoters or growth diets. The general use of antibiotics in production is therapeutic and it is prescribed by veterinarians; in these cases, the milk is not used in commercial circuits.

Likewise, we currently carry out different practices to reduce the therapeutic use of antibiotics such as pre-deeping, drying nipples with paper, post-deeping and foot baths, among others.

²² Good Agricultural Practices





Sustainable Supply

We seek to ensure sustainability in the primary production of raw materials that we acquire through processors, particularly in value chains where we do not have the opportunity to interact directly with producers. To achieve this, we promote sustainable sourcing initiatives with our suppliers.

Cage-Free Eggs Supply

We continue to advance with the Cage-Free Egg Supply project, which seeks to ensure that the egg products used by Arcor Group come from suppliers that use chicken breeding and management systems that allow these animals to develop their natural behaviors.

In 2023, more than 64,000 kg of cage-free egg derivatives were purchased, certified under the "Certified Humane" animal welfare standard. The lines that consumed cage-free eggs were: Alfajores (mini torta and B&N triple, Cofler mousse, Águila), Wafers (Ópera and Cofler).

Progress was also made in the processes necessary to migrate the Tofi alfajores lines and the assorted cookie lines to "cage-free".

Palm Sustainable Supply

We make progress in the presentation of the Annual Communication of Progress (ACOP) to RSPO (Round table on Sustainable Palm Oil)²³. In this presentation we reported the action plan to achieve 100% sustainable supply, the volume of palm and derivatives used by Arcor Group during 2022, as well as the percentage of that volume that corresponded to products with RSPO sustainable certification.

Cocoa Sustainable Supply

During 2023, we continued sourcing cocoa certified under the Rainforest Alliance and worked with the objective of deepening the analysis of strategies for the sustainable supply of cocoa, beyond certification. Within this framework, we are advancing together with our suppliers in the evaluation of alternative sustainable cocoa supply programs to be implemented in the future.

Sustainable Tuna Supply

Since 2007, our Mar del Plata plant has had the Dolphin-Safe chain of custody certification, which guarantees that all the tuna in our canned fish have been captured without putting dolphins at risk. The Dolphin-Safe Certification is one of the most effective environmental programs for the conservation of marine life. This is a certificate that involves fisheries to end the practice of rounding up dolphins by fleets using purse seines and to end the use of driftnets in fishing operations, as well as the need to eliminate the death of other marine mammals, seabirds, sea turtles and other species, and to reduce the capture of juvenile tuna.

²³ Roundtable on Sustainable Palm Oil



Agro +30

During 2023 we continued promoting the Agro+30 Program which was launched in 2022 with the objective of fostering regenerative production models that ensure the resilience of ecosystems and climate stability, the development of producing communities, and a positive interaction between productive systems and natural environments. The Program complements the initiatives that the company has implemented since 2012 to ensure the sustainable production of the main raw materials that Arcor Group manufactures and acquires, working on three axes:

Carbon Balance

In the context of the global climate crisis, the agricultural sector has significant potential to reduce greenhouse gas emissions. Sustainable practices can reduce emissions from agriculture and livestock, helping to mitigate climate change and facilitating adaptation. Regenerative production practices, aimed at sequestering carbon in the soil, are a way to mitigate climate change that is being studied around the world. The Agro+30 Program seeks to promote agricultural practices that balance the carbon cycle of the system, through the analysis and management of the challenges and opportunities in agriculture and livestock.

In 2023 we launched the "Carbon in Agricultural Systems" project, in alliance with CREA²⁴ and UPL²⁵, with the aim of studying the challenges and opportunities of agricultural production in the carbon balance of the system. The project will include the measurement of organic carbon in soils of 9 productive chains (sugar cane, dairy farms, tomatoes, stone fruits, grapevines, citrus, full cycle livestock, silvopasture and corn-wheat-soybean rotation) in 4 productive regions of Argentina: Pampas, Argentine Northeast, Argentine Northwest, and Cuyo.

²⁴ <https://www.crea.org.ar/>

²⁵ <https://uplArgentina.com>

Bio-Solutions

Faced with the growing demand for food, climate change and the need to reduce the environmental impact of agricultural production, the use of organic products in agriculture presents itself as a great opportunity. Bio-solutions, which include bio-controllers, bio-stimulants and bio-fertilizers, are tools that prevent environmental degradation and the loss of biodiversity. Through Agro +30 we intend to develop and promote the adoption of bio-solutions in the main agricultural production chains in which we participate.

During 2023, we advanced in the development of agricultural trials with bio-solutions in tomato production in the province of San Juan, with the objective of evaluating the effect of the implementation of a natural and degradable physical soil conditioner that allows the efficient use of water and mitigates different types of stress. Some of the expected benefits were:

- Manage a regular supply of water available to the plant.
- Regulate the movement of water in the soil profile.
- Carry out more efficient irrigation with energy savings and water flow used.

As a final result, improvements were achieved in the moisture content of the soil and an increase in yield was obtained, as well as achieving extra income per unit of surface area in production.

Additionally, throughout the year, we continued promoting the production of organic compost at La Providencia Sugar Mill to be used in sugarcane cultivation, instead of chemical synthesis fertilizers.

Digital Agriculture

Digital agriculture refers to the use of technology and digital processes to obtain data, in real or deferred time, in order to control the variables that affect agricultural activity and production. Its purpose is to increase efficiency and profitability through optimal resource management and the implementation of Good Agricultural Practices (GAP), which facilitates precision agriculture. Through Agro+30, we seek to promote the adoption of these precision technologies in the main agricultural production chains in which we are involved.

In 2023, we continued making progress in the implementation of the AURAVANT²⁶ digital agriculture platform for the agricultural management of different productions. Since 2022, the platform has been used to manage its own production of 10,000 hectares of corn-wheat-soybean, peach, plum, apricot and sugarcane rotation in the provinces of Córdoba, Tucumán, Mendoza, San Juan and San Luis, in Argentina. The objective is to manage production by environment, maximizing productivity and sustainability through optimization of the use of natural resources and the implementation of Good Agricultural Practices (GAP).



As a result, among the practices that improved with the use of this technology, variable planting and efficiency in the use of fertilizers stand out, minimizing their impact on the environment.

During 2023, we also worked with the start-up Kilimo²⁷, to advance in measuring the water footprint in tomato production. The objective of this work is to draw a baseline to subsequently advance in the development of a plan to improve the water footprint of tomato producers.

Finally, in 2023 we developed a pilot test with the start-up WiAgro²⁸ with the aim of implementing a survey of information and sampling of environmental parameters, such as CO₂ levels, humidity, and temperature in the corn silos of our plants in Arroyito to work on better quality and the conservation of grains.

²⁶ <https://www.auravant.com>

²⁷ <https://www.kilimo.com>

²⁸ <https://www.wiagro.com/es/inicio/>



4

Promoting People's Prosperity

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- 86 Workplace Well-Being
- 96 Community and Value Chain Development

Promoting People's Prosperity

We foster people's prosperity, based on inclusion, diversity and equality to establish bonds of trust, ensuring our collaborator's well-being at the workplace, and strengthening the progress of the communities we are part of, together with our broad value chain, in order to contribute to the economic and social growth of our environment.

Our Sustainability Policy establishes the following commitments:



Inclusion, Diversity, and Equality

We are convinced that inclusion is essential to ensure that no one lags behind on the way to development, that diversity enriches teams, and that equality is key to address imbalances.

We are committed to fostering a respectful and tolerant workplace, building a culture in which everyone is valued as an individual.

Through this commitment, we ensure equal opportunities for everyone, without discrimination.

Goals

- 50 % of vacant management and leadership positions covered by women by 2030.
- 50 % of vacancies covered by women by 2025.
- 2.4 % of the total workforce made up of people with disabilities by 2025.

Results:



Diversity and Inclusion Strategic Plan

Understanding that diversity enriches our view of the world, our teams and the organization as a whole, since 2021 we have promoted our Strategic Plan for Diversity and Inclusion (PEDI, as per initials in Spanish).

We have a Strategic Diversity Committee, led by the General Manager of Human Resources and made up of 14 leaders from all Arcor Group areas and businesses. The Committee met 5 times during the year with the external advice of María José Sucarrat and, in addition, we were part of the Network of Companies for Diversity of the Di Tella University (UTDT) to firmly advance in this process of cultural change.

We also have an Operating Committee made up of 21 people from the company. These collaborators, motivated by their personal interest, take an active part in building this change. This Committee is in charge of developing proposals to advance in each of the defined axes.

To work on inclusion and diversity in our organization, we focus on 5 axes:

- Gender Equality
- Inclusion of People with Disabilities
- Sexual Diversity
- Generations
- Ethnic Cultures

To address them, we draw up action plans that range from awareness-raising and training actions, to initiatives and policies focused on specific groups. Based on the challenges of each axis, we define actions, initiatives and corporate policies, considering the cultural evolution of these issues in our organization, in society, and in our teams.





Gender

At Arcor, we are committed to recognizing and promoting the comprehensive development of women. We ensure they are actively involved in the core of our business, providing spaces where they can reach their full potential, be visible, and fully contribute to the wider community.

At the beginning of the Gender Equality Program, promoted since 2012, we focused on increasing the participation of women in the company. In the last decade, we implemented several policies to achieve this objective, such as the requirement that 50% of the people who are hired through the Young Entrepreneurs Program be women or the benefits linked to motherhood to accompany the professional career of women in our company.

As a complement to these pillars, we defined new goals to advance in this axis. By 2024, we aim for 50% of the company's employees to be women, increasing their participation within the organization. On the other hand, we established the transversal objective of ensuring that 50% of the coverage of management vacancies is made up of women in 2025.

During 2023, we continued promoting initiatives based on the established guidelines and goals, among which the following stand out:

- **3rd edition of the “+ Women Leaders” Mentoring Program**, designed to enhance the development and visibility of Arcor Group's collaborators. This program seeks to promote career development practices with a gender perspective, connecting company leaders and collaborators. During 2023, a total of 88 mentees and mentors participated.

- **We integrate the corporate Gender objectives**, which are transversal to the entire organization, to the annual sustainability objectives of all the company's businesses, within the framework of our Performance Management System.
- **We promote the “Encounters that Inspire” program**, designed to create a space for listening, dissemination, and feedback on the needs of women in Arcor Group. During 2023, a total of 66 women from the Bagley Córdoba, San Pedro, Bagley Totoral, Converflex Totoral and Planta Caroya plants participated. In the coming years, the initiative will be extended to the rest of the Group's plants.
- **In Brazil, we launched the “More Women in Maintenance Program”**, which aims to train women mechanics and electricians to work in our operations. This has a quota of 6 employees per Plant and consists of a training period of 18 months. Also, in Brazil we held the “Coffee with Knowledge” meetings, to listen to women and provide them with channels and paths for their self-development.

In 2017 we strengthened our commitment to gender equality by adhering to the United Nations Women's Empowerment Principles (WEP). In 2021 we inaugurated a new stage in our Gender Equity Program based on three pillars:





Diversity in the Governing Body and Employees ✓

| | Director | | Manager | | Chief | | Analyst/Supervisor | | Assistant/Operator | |
|-------------------------|----------|-------|---------|-------|--------|-------|--------------------|-------|--------------------|-------|
| | Number | % | Number | % | Number | % | Number | % | Number | % |
| Gender | | | | | | | | | | |
| Female | 1 | 14.3% | 72 | 17.0% | 297 | 31.1% | 1,248 | 38.0% | 4,080 | 24.9% |
| Male | 6 | 85.7% | 352 | 83.0% | 659 | 68.9% | 2,037 | 62.0% | 12,279 | 75.1% |
| Age group | | | | | | | | | | |
| Under 30 years | 0 | 0.0% | 1 | 0.2% | 53 | 5.5% | 814 | 24.8% | 2,794 | 17.1% |
| Between 30 and 50 years | 2 | 28.6% | 279 | 65.8% | 719 | 75.2% | 1,999 | 60.9% | 9,523 | 58.2% |
| More than 50 years | 5 | 71.4% | 144 | 34.0% | 184 | 19.2% | 472 | 14.4% | 4,042 | 24.7% |
| Region | | | | | | | | | | |
| Argentina | 5 | 71.4% | 293 | 69.1% | 669 | 70.0% | 2,222 | 67.6% | 10,558 | 64.5% |
| Brazil | 1 | 14.3% | 56 | 13.2% | 78 | 8.2% | 398 | 12.1% | 3,232 | 19.8% |
| Chile | 0 | 0.0% | 28 | 6.6% | 64 | 6.7% | 253 | 7.7% | 1,307 | 8.0% |
| Peru | 1 | 14.3% | 5 | 1.2% | 19 | 2.0% | 45 | 1.4% | 298 | 1.8% |
| Mexico | 0 | 0.0% | 12 | 2.8% | 71 | 7.4% | 209 | 6.4% | 833 | 5.1% |
| Spain | 0 | 0.0% | 3 | 0.7% | 3 | 0.3% | 6 | 0.2% | 0 | 0.0% |
| Rest of the world | 0 | 0.0% | 27 | 6.4% | 52 | 5.4% | 152 | 4.6% | 131 | 0.8% |



People with Disabilities

We believe in generating inclusive work spaces, through the promotion of solutions within the company's sphere of action, which allow people who work in the company, regardless of their status, to feel part of and develop on equality of conditions in all their plans of intervention: health, cultural, social and legal. For more than 10 years, we have consistently worked on the inclusion of people with disabilities (PCD, as per initials in Spanish).

Since 2012 we have promoted the Labor Inclusion Program for People with Disabilities, with the purpose of creating the conditions for the integration of people with disabilities in our work teams. Over these years, we have improved the job accessibility conditions across all our sites and developed several local sources of recruitment.

Based on our sustained commitment to diversity and inclusion, we established the goal that 2.4% of Arcor Group staff be made up of people with disabilities. In addition, we ensure that we comply with the specific legal requirements in this matter in each of the countries in which we operate: 5% in Brazil and 1% in Chile.

In 2023, we developed a workshop for our collaborators in the HR areas to raise awareness and train them for the inclusion of people with disabilities. It consisted of two meetings that had a total participation of 73 collaborators.

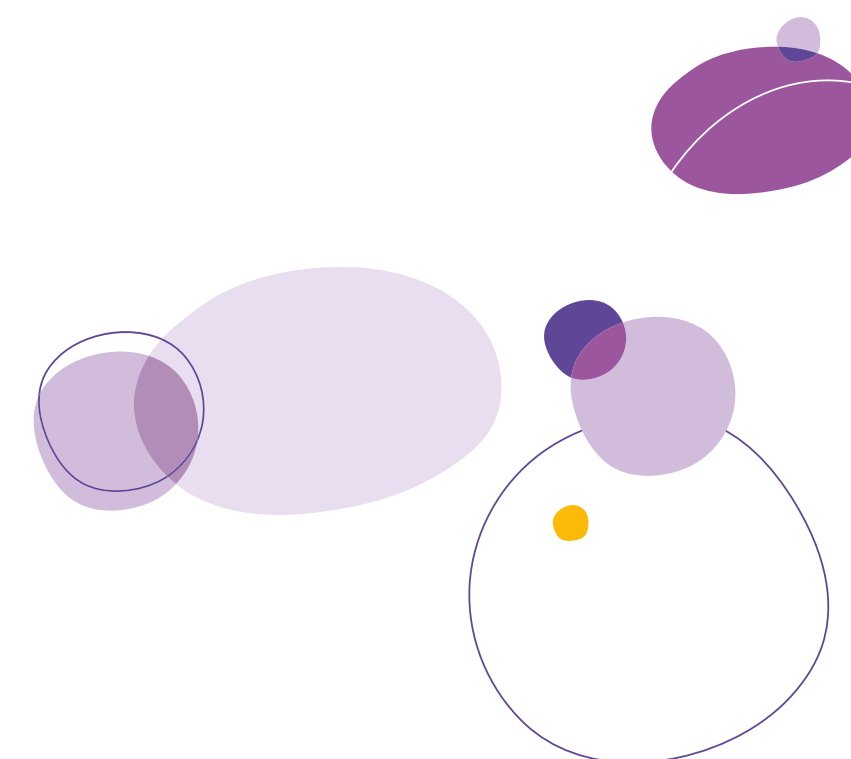
We also launched the Basic Considerations for the Inclusion of People with Disabilities Manual, designed with the objective of facilitating the effective inclusion of people with disabilities in the company, promoting awareness and understanding of the issue. The manual offers tools and concepts such as what disability is, types of disabilities, the correct use of language, barriers to hiring people with disabilities, and what the inclusion process entails at Arcor Group, with scope in Argentina.

In Brazil, during the year 2023, we carried out training in Sign Language. In this space, students welcomed employees with hearing disabilities to share experiences about their work routine and teach them the most used signs.

We also carried out a survey of all jobs in the administrative and commercial areas of our plants in Brazil, in collaboration with SENAI School, with the aim of ensuring -with the help of specialists- that our jobs are diverse, equal, and inclusive. Allowing all employees to do their best, regardless of their disability.

Number of People with Disabilities by Country

| Division | Number | % |
|-------------------------|--------|------|
| Gender | | |
| Female | 98 | 1.7% |
| Male | 217 | 1.4% |
| Age group | | |
| Under 30 years | 67 | 1.8% |
| Between 30 and 50 years | 182 | 1.5% |
| More than 50 years | 66 | 1.4% |
| Region | | |
| Argentina | 98 | 0.7% |
| Brazil | 170 | 4.5% |
| Chile | 20 | 1.2% |
| Peru | 1 | 0.3% |
| Mexico | 24 | 2.1% |
| Rest of the world | 2 | 0.6% |





Sexual Diversity

We are a company for all people and we consider it essential to guarantee respect for free expression, gender identity and sexual orientation, in order to ensure an inclusive work environment, where each person can live authentically.

We strive to create and maintain work environments that foster inclusion, where each individual can live genuinely, thereby promoting diversity of experiences and perspectives.

During 2023, we promoted initiatives focused on consciousness and awareness raising around diversity and gender.

Within the framework of these initiatives, a Sensitization and Awareness Workshop on Diversity and Gender was developed, aimed at collaborators in the Human Resources areas, along with other awareness actions such as conferences, workshops, and conversation circles. A total of 73 participants took part in these activities.

For the international day against discrimination based on sexual orientation and gender identity, we seek to reaffirm our commitment to inclusion and respect for all people through awareness-raising and communication actions.

During LGBTIQ+ Pride Month, an internal communication and training campaign was carried out through capsules available in all internal communication media that developed the following topics:

- 1. Why an LGBT pride day?**
- 2. Why talk about this topic in the workplace?**
- 3. What is the difference between sex and gender?**
- 4. What is the difference between sexual orientation and gender expression?**
- 5. What are the “invisible challenges” of LGBT people in the workplace?**

At Arcor we promote respect and a safe work space for all people.

Generations

We value the diversity of perspectives and experiences of our collaborators, which allows us to remain in constant evolution and development. We encourage the participation of people of all ages in our organization, eliminating any age limit in our hiring and talent management processes.

Arcor is a company with more than 70 years of experience, which continues growing thanks to the contribution of the different perspectives of the people who make it up. The interrelation of different generations allows us to continue evolving from the same DNA. For this reason, we encourage and value the participation of people of all ages within the framework of our organization.

By integrating different generations into our work teams, we enrich our vision, creativity and innovation. This diversity helps us address challenges and conflicts more effectively and allows us to create a positive and collaborative work environment.

We recognize that each generation contributes uniquely to our company, and we value the integration of all of them to maintain our history and continue to be a vibrant and successful organization.

In 2023 we held the workshop “A Company for All Ages”, aimed at the Human Resources community, which consisted of two modules and had the participation of more than 100 collaborators. At the meetings, we covered topics such as: Diversity and inclusion from an intersectional perspective, population changes, types of generations, data on generational links and work, stereotypes associated with ages and generations, the value of diversity and strategies for good intersectional management.

In Brazil, in turn, we continued executing the Youth on the Move Program, which aims at hiring and training young people between 14 and 24 years old who live in vulnerable situations in their first work experience. In the 2022-2023 cycle, 200 young people and 150 tutors participated and received training in good practices to guide young people in their first work experience.

Ethnic Cultures

Arcor is a multicultural company for everyone. We promote representativeness and respect towards ethnic cultures.

The Ethnic Cultures axis is developed mainly in our operational bases in Brazil, through the Refugee and Migrant Inclusion Program.

In 2023 we worked in the Brazilian plants on the incorporation and integration of migrants into our operations. 16 collaborators from Venezuela and Haiti joined. Together with the UN International Organization for Migration (IOM), we provided training to the Human Resources teams who are responsible for carrying out the recruitment and selection processes of refugees and migrants.

As a complement to these actions, we developed communications aimed at addressing integration and promoting inclusive spaces, as well as publicizing the Program and its characteristics through local anniversaries such as World Refugee Day (June 20), the Black Latin American and Caribbean Woman (July 25), and the International Day of Indigenous Peoples (August 9).

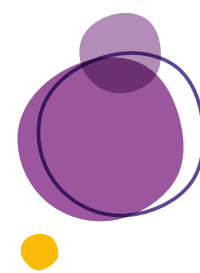
Internship Program

As part of our process to incorporate new talents, each year we seek to welcome students who are in the last years of different university degrees, with the aim of giving them the possibility of linking the vocational sphere to the work sphere, by having a first work experience.

To achieve this, we promote alliances with universities and training centers. During 2023, we participated in 18 job fairs and 9 Conferences (talks/workshops) in different institutions with coverage throughout the country. Among the events that we were part of, are the work days organized by WorkTec, job fairs organized by Siglo 21 Business University, the Faculty of Economic Sciences of the National University of Córdoba, the Argentine Catholic University, the National Technological University, the National University of San Martín, Austral University, the Faculty of Engineering of the National University of La Plata and Conferences at the Professional Council of Economic Sciences CABA, Blas Pascal University, the Argentine Business School, among others.

In 2023, 131 new interns were hired in Argentina, reaching a total of 143 active internships at the end of the year in that country.



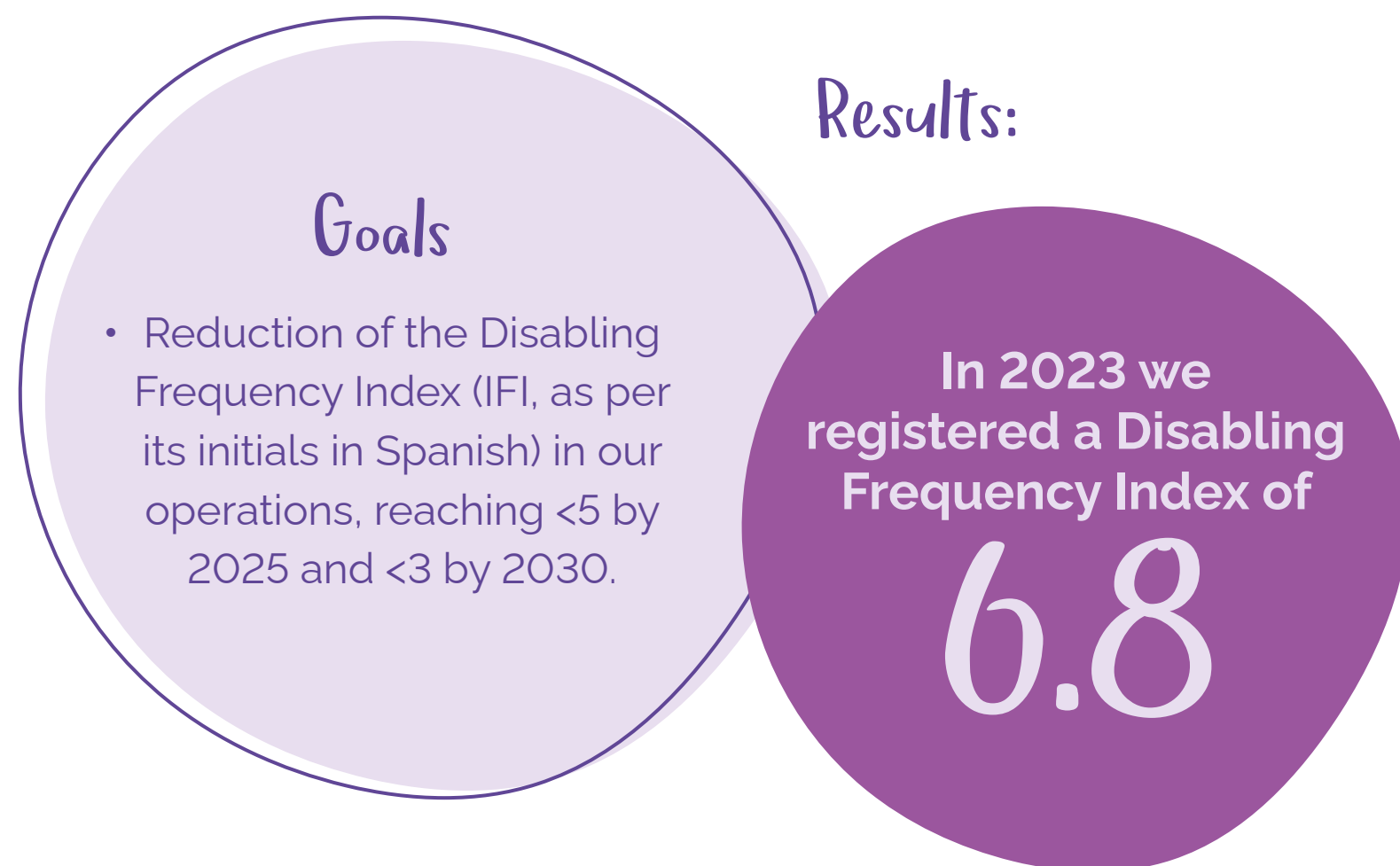


Workplace Well-Being

We believe that safe working conditions, a good working environment and professional growth are key aspects of people's quality of life.

We are committed to maintaining safe and healthy work spaces to guarantee the well-being of each member of the company, thus stimulating their creativity, initiative and development, as well as an appropriate balance between personal and work life.

Through this commitment, we foster the creation of suitable, flexible and modern work environments for all employees, adapting to the challenges posed by the future of work.




Occupational Health and Safety

At Arcor Group we seek to maintain adequate working conditions that promote the health, safety, and well-being of all our collaborators. We have an Occupational Health and Safety System that reaches 100% of our employees and workers who are not employees, but whose work or workplace is controlled by our company. This system complies with the health and safety legislation in force in each country and, in turn, has the ISO 45,001:2018 certification with a coverage of 86.9% of the Group's industrial operations.



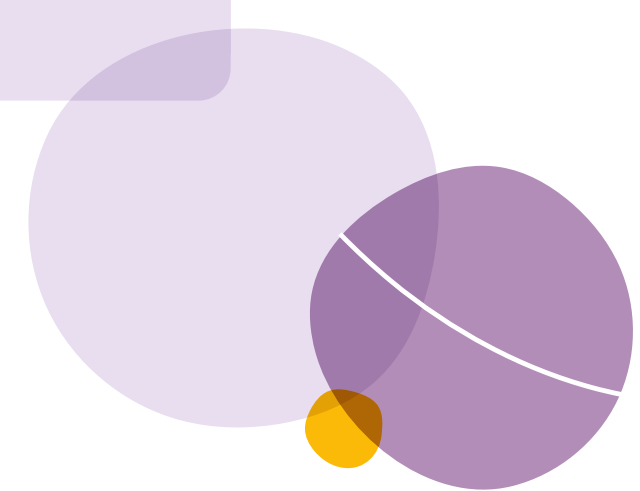
ISO 45,001 Certification

Our Occupational Health and Safety System is based on the management guidelines of the ISO 45,001 standard. To date we have 53 sites certified under this standard and we continue working to achieve certification in 100% of our operations.

Safety in operations and the well-being of our collaborators are priority aspects for our company. Through our programs and initiatives in Occupational Health and Safety, we work on continuous improvement in our management, identifying and proposing improvements to guarantee a safe work environment.

In addition to our Occupational Health and Safety System, we have a Hazard Identification System composed of:

- A Corporate Risk Identification and Evaluation Procedure (IPER).
- IPER procedures (applied to process plants).
- On-line risk survey processes, used by operators, "Scare Cards" and "Safe Work Analysis" (ATS) implemented by operators in special and non-repetitive tasks.
- Safe work procedures for special repetitive tasks.



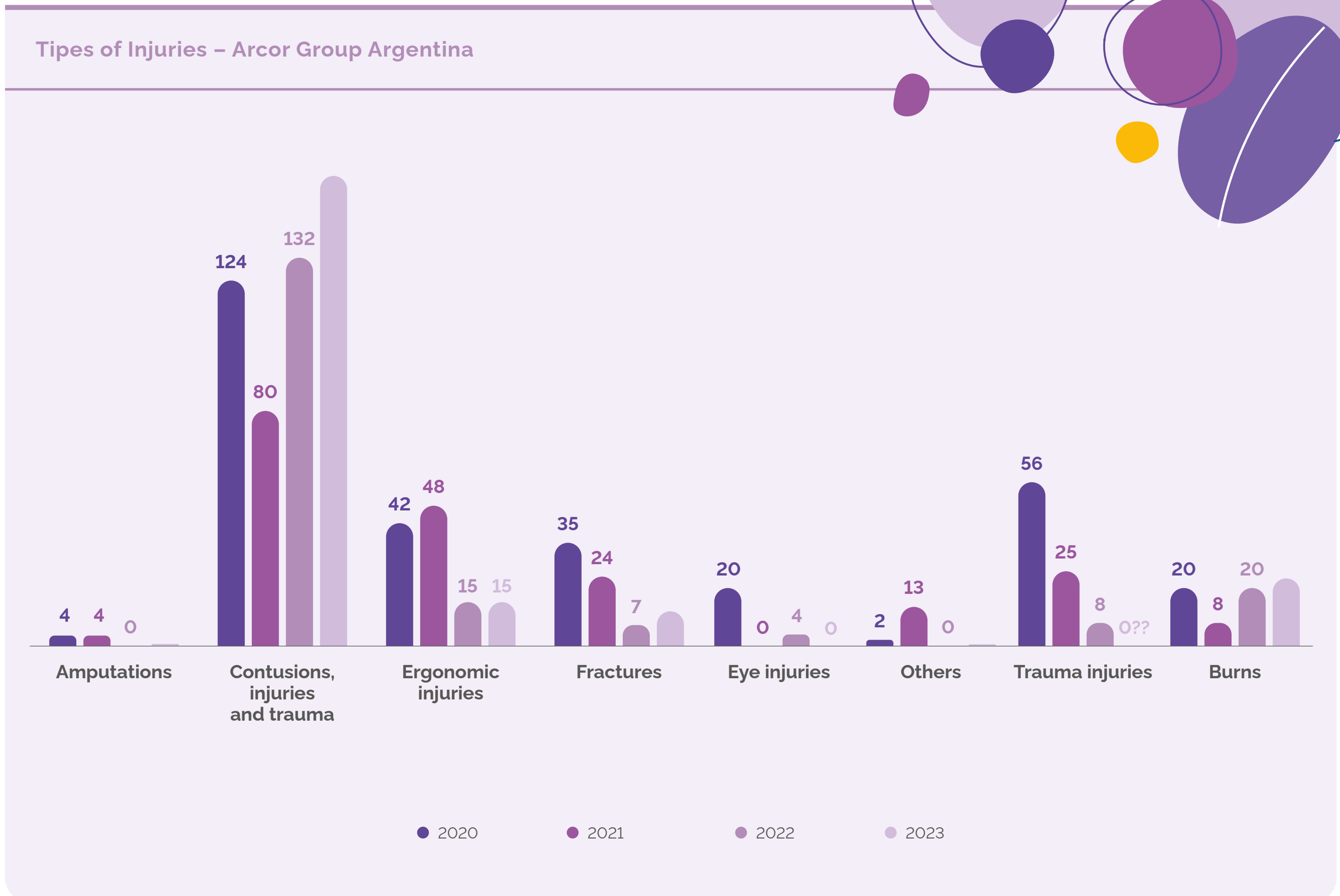
Accident Rate

During 2023, we observed an increase in accidents compared to the previous year. This increase could be attributed mainly to Consumer Food Products plants, which tend to have a greater presence of temporary personnel and a high turnover of middle management. In each of the plants where an increase in accident rates was identified, an analysis of the causes and risk agents that caused them was carried out. Based on the results obtained, action plans were implemented, which will continue during 2024 to reduce these events.

Accident rate in figures:

Evolution of Arcor Group's Disabling Frequency Index (IFI)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|------|------|------|------|------|------|-------------|
| Accidents with lost working date | 274 | 291 | 270 | 273 | 256 | 245 | 283 |
| Accidents with working days 6C | 49 | 56 | 46 | 57 | 47 | 50 | 69 |
| Disabling Injury Frequency Rate | 7.6 | 8 | 7.4 | 8.3 | 6.9 | 6 | 6.83 |
| Disabling Injury Frequency Rate 6C | 1.4 | 1.5 | 1.3 | 1.7 | 1.3 | 1.2 | 1.66 |



Psychosocial Risks

During 2023, in line with the requirements of the ISO 45,001 standard, we continue working on the development of a psychosocial risk approach for each job position and tasks in our operations. Within the Job Analysis, we incorporated the analysis of the factors associated with the task that can generate this type of risk.

Through a Committee made up of the Corporate Management of Environment, Hygiene and Industrial Protection (MAHPI) and HR, we continue working together to adjust the methodology for the survey of psychosocial risks and addressing them from a perspective that allows their systematization.


For the next few years (2024-2025) we plan to develop an information methodology that allows addressing psychosocial factors and evaluating possible associated risks from an organizational approach.

Occupational Diseases

Last year there was a reduction in complaints about occupational diseases compared to 2022. This decrease is attributed to the fact that in the previous year cases of NIHL (Noise-Induced Hearing Loss) were reported, which allowed for preventive work and measures to be taken in this regard. On the other hand, ergonomic diseases continued to increase compared to 2022, especially in the upper limbs.

In 2023 we updated our Ergonomics Program to continue working from the plants on these factors, incorporating analyses related to gender and healthy aging into the global vision.





6C Risks

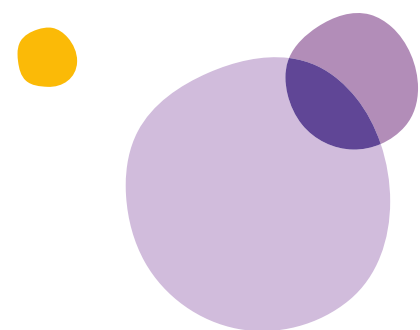
We continued implementing the 6C Risk Program with the objective of controlling the organization's main risks through a prioritization methodology, which allows us to allocate investments more assertively. Risks 6C are the main risks defined by Arcor Group linked to accidents caused by the following reasons:

- Falls from height
- Being trapped by equipment with motive power
- Electric risk
- Falling Objects
- Being hit by a car
- Contact with chemical or hot substances

Accidents that have occurred due to these causes are considered 6C, since they are the agents that can potentially cause a serious accident.

The main objectives of this new program are:

- Reduce and eliminate risk situations that can potentially cause highly serious accidents (6C Risks).
- Contribute to the effective reduction of this type of accidents.



As part of this implementation, a 2022-2025 6C Risk Strategic Plan was defined, with the following objectives:

- **Establish a road map to contain and eradicate these risks through:**
 1. Golden rules associated with a consequences program
 2. Equipment adjustment
 3. Technological update towards safer processes
 4. Replacement of higher risk methodologies
 5. Definition of standards to systematize high-risk operations

- **Define deadlines for the application of each of the previous points**
- **Consider the necessary investments for the adaptation of equipment or technological replacement.**

In line with the Strategic Plan, during 2023 we defined different actions to be implemented by the plants aligned with 5 of the 6 key aspects of the program. Regarding the risks associated with being run over by an industrial vehicle, the definition of removing the traffic of industrial vehicles from productive areas, the placement of devices on equipment and people to stop vehicles due to proximity, as well as the subdivision of plants were maintained.

| Key Aspects | Work Axes | Specific Actions |
|---|---|---|
| Isolation of equipment with driving force | Define increasing levels of protection of moving parts depending on the severity of the risk to achieve a level of security commensurate with the risk. | Standardize blocking procedure for large teams with people entering. |
| | Determine safety rules and protection mechanisms to avoid cleaning moving machines. | Establish as a golden rule the prohibition of manually cleaning moving equipment. |
| | Pre-feasibility PO 2024 | Prepare pre-feasibility of the need for prioritized investments for PO 2024. |
| Contact with chemicals or hot substances | Establish corporate rules for the use of hot water, steam and chemicals. | Determine as a rule "water temperature limitation to 60° C for manual cleaning" . |
| Falling objects | Ensure compliance with the new weight movement standard. | Implement the application of the weight movement standard PG-9999-9999-200. |
| | | Incorporate the application of the weight movement procedure into the AI process. |
| Related to electricity | Control potential risk situations related to electric arcs. | Implement Ac Flash standard throughout the Group. |
| Fall of person to a different level | Resolve risks associated with truck unloading. | Establish as a golden rule the obligation to hitch for operations at height for loading and unloading trucks. |



Cultural Evolution Program

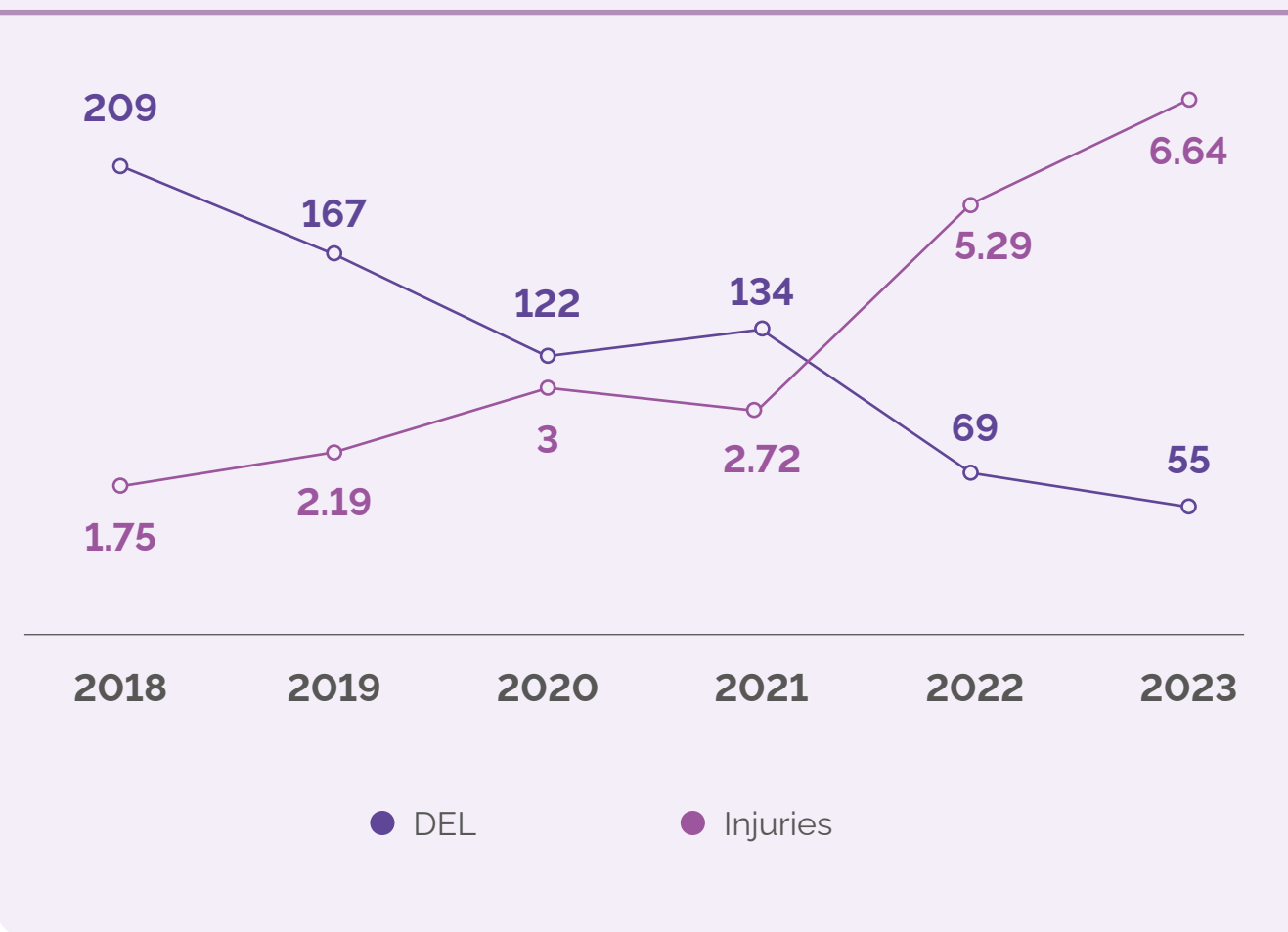
Cultural transformation is a process in constant evolution. This is not a simple superficial change, but a path towards the creation of a new model, based on the positive aspects of the organization and its environment, to evolve towards a new culture.

For several years we have been working with different models of cultural evolution programs that obtained excellent results and achievements, such as the “Learn to Grow” program implemented in the Packaging Division or the “Commitment Program” implemented in consumer food products plants.

Taking Care to Grow

We continued implementing the “Taking Care to Grow” program at the La Providencia Sugar Mill, a cultural evolution program aimed primarily at middle management, based on the “O Index” methodology. During 2023, we completed the support process through an external consultant, obtaining important results, such as the increase in days between injuries (DEL) and the decrease in injuries.

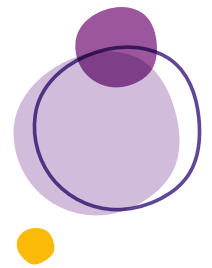
Injuries



Throughout 2023, we held 13 workshops for managers, bosses and supervisors as part of the Cultural Evolution Program with the aim of raising awareness among middle managers on safety issues. These workshops were held at Arroyito Complex, Bagley Córdoba plant, Bagley Totoral plant, Arcor Caroya plant, Recreo Complex and Bagley Salto plant. Some of the topics discussed were: risk perception, safety leadership and people approach techniques.

Applying the same methodology used in the La Providencia Sugar Mill, we carried out diagnoses in 3 consumer food products plants: Bagley Villa Mercedes, Arcor San Juan and Arcor Colonia Caroya. From the Management of Environment, Hygiene and Industrial Protection (MAHPI), Quality, and Comprehensive Management System (CMS), we began with the construction of a Single Management Model, addressing the behaviors and methodologies in these three plants. Initially, we will implement this model during 2024 on a pilot basis at the Bagley Villa Mercedes plant, and, then, we will advance the implementation in the other diagnosed plants.





Comprehensive Ergonomics Program

We continue working on the health and safety of our collaborators, addressing the challenges of different positions and work environments. During 2023, we launched our Comprehensive Ergonomics Program, which considers the different needs of all our collaborators.

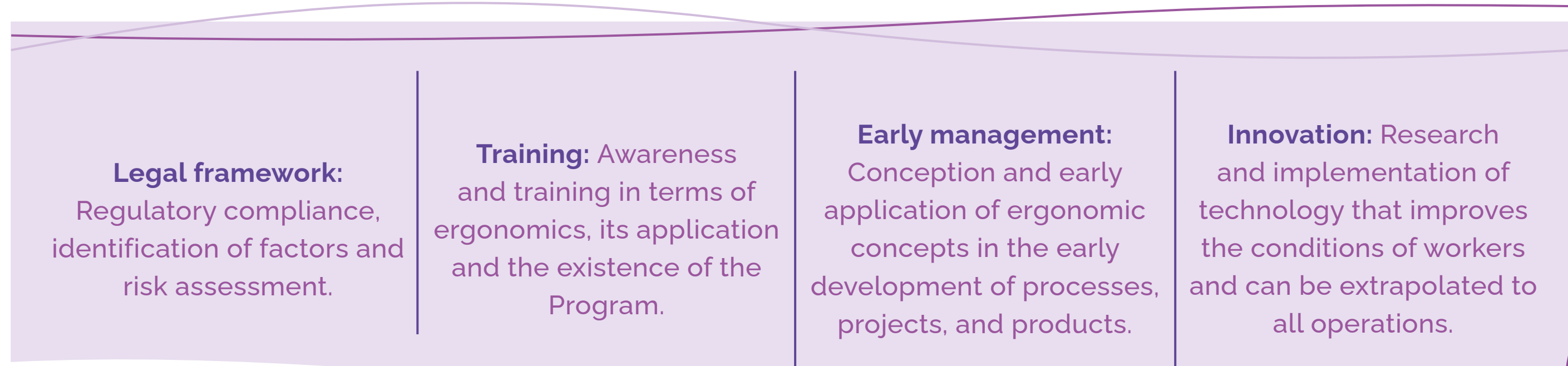
This new approach will allow us to continue working on identifying collaborators who represent a risk population given their seniority, existing pathologies and age, and on adopting measures to protect their health.

The program has 3 axes and 4 pillars:

Axes



Pillars



Occupational Health and Safety in Logistics

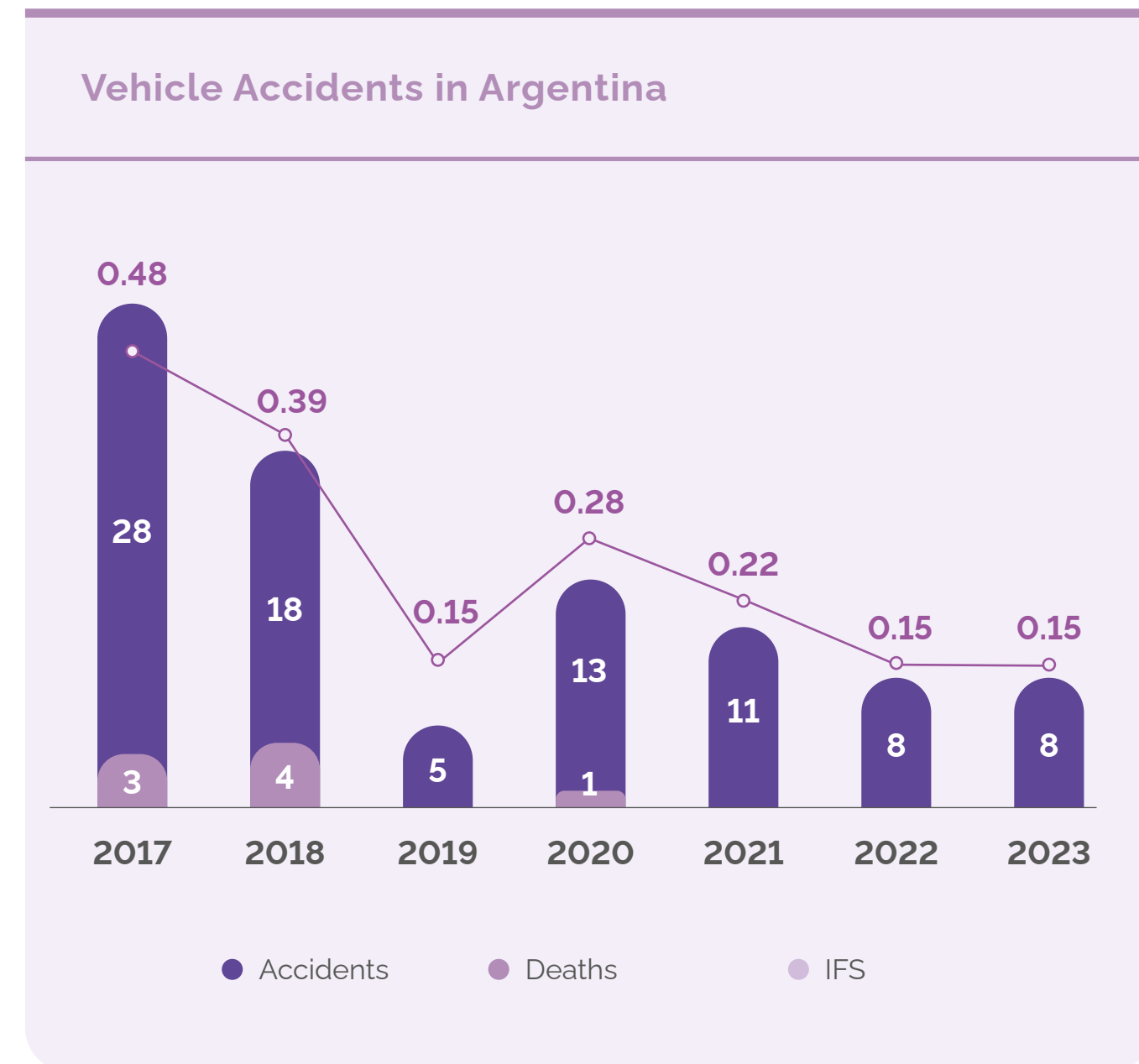
In search of guaranteeing road safety, during 2023 we virtually taught the "Social Responsibility to Drive" course, mandatory for the transport companies with which we work in Argentina, Chile, Uruguay, Bolivia and Paraguay. At the same time, we have implemented in-person training in Argentina with a focus on raising awareness and promoting good driving practices.

In 2023, we trained a total of 3,393 drivers from 362 transportation companies in Argentina, Chile and Southern Subsidiaries (94% of Arcor's fleet) in safe driving practices.

As every year, we monitor and analyze transport accidents through our accident rate indicator, which allows us to monitor accidents and manage preventive activities to avoid future accidents. The Accident Frequency Index (AFI) is calculated as the number of accidents per million based on the kilometers traveled.



In 2023 we incorporated the investigation of incidents with a focus on prevention and expanded the indicator for the Southern affiliates and the Chilean DC. As in 2022, during 2023 an AFI of 0.15 was recorded (STD: 0.15), with 8 accidents in Argentina, 1 in Chile and zero accidents reported in other countries.

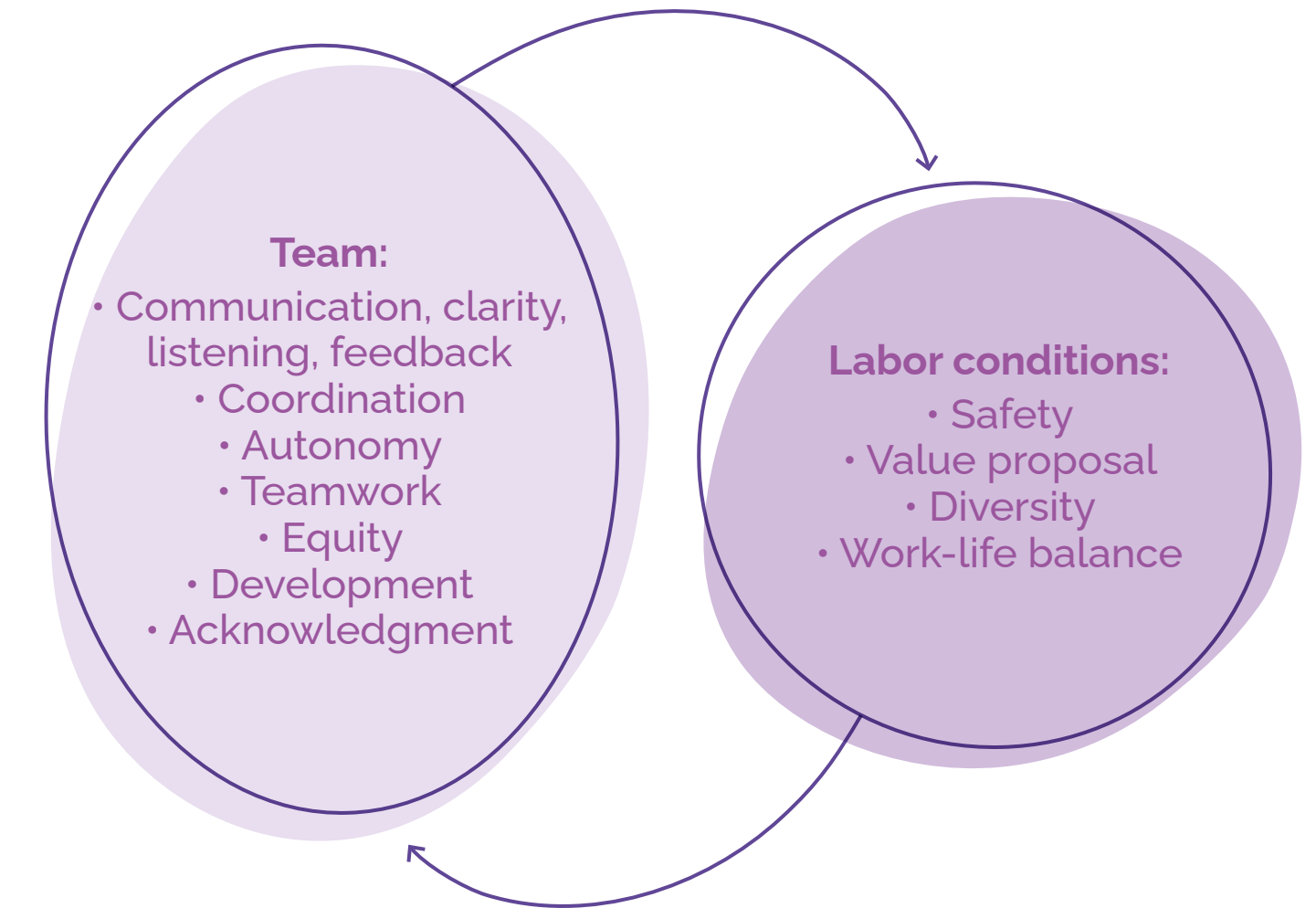


Internal Environment Management

The well-being of our collaborators is framed in a sustained management over time, which is based on addressing the result of the perceptions of each member about the organizational conditions, work teams, bonding, the value proposal, and participation in the organization. In this way, we conceive the well-being of the people within our organization in a comprehensive way.

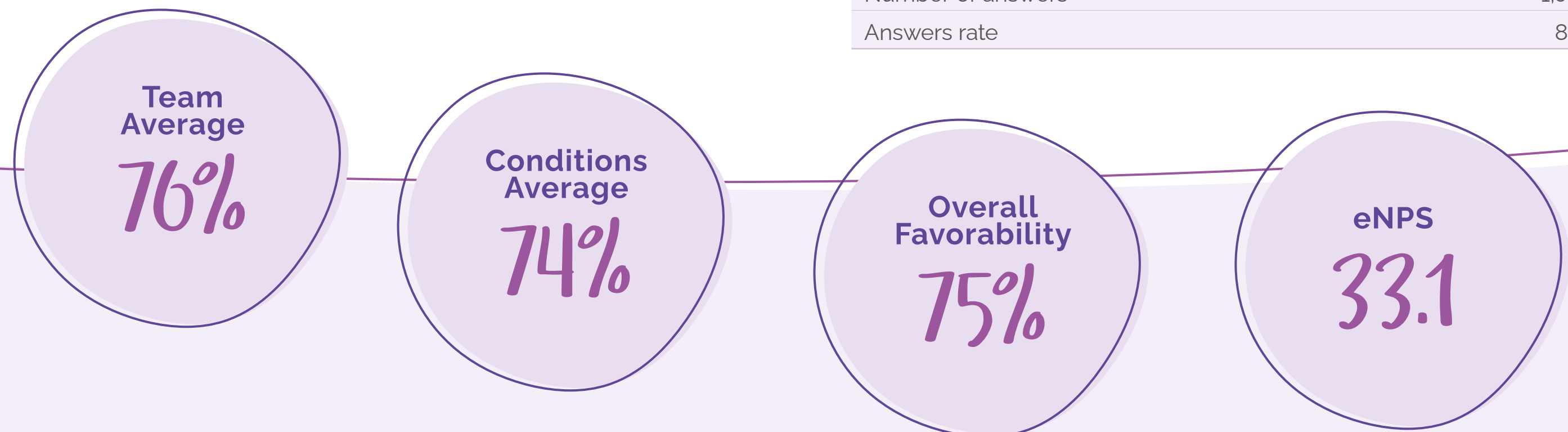
In 2022 we designed a Well-Being Survey that would allow all members of the organization to participate 100% on line, with easy access, confidentially, and with an active role. During 2023, pulse surveys were carried out in different businesses or areas of the company, as a complement to the general survey, to generate closeness with collaborators and obtain greater depth in the topics surveyed.

To guarantee traceability with the 2022 survey, in these pulses the structure of the survey was maintained under the following dimensions:



| Surveyed population | 2,212 personas |
|---------------------|----------------|
| Number of answers | 1,930 |
| Answers rate | 87% |

Pulse Survey Results:



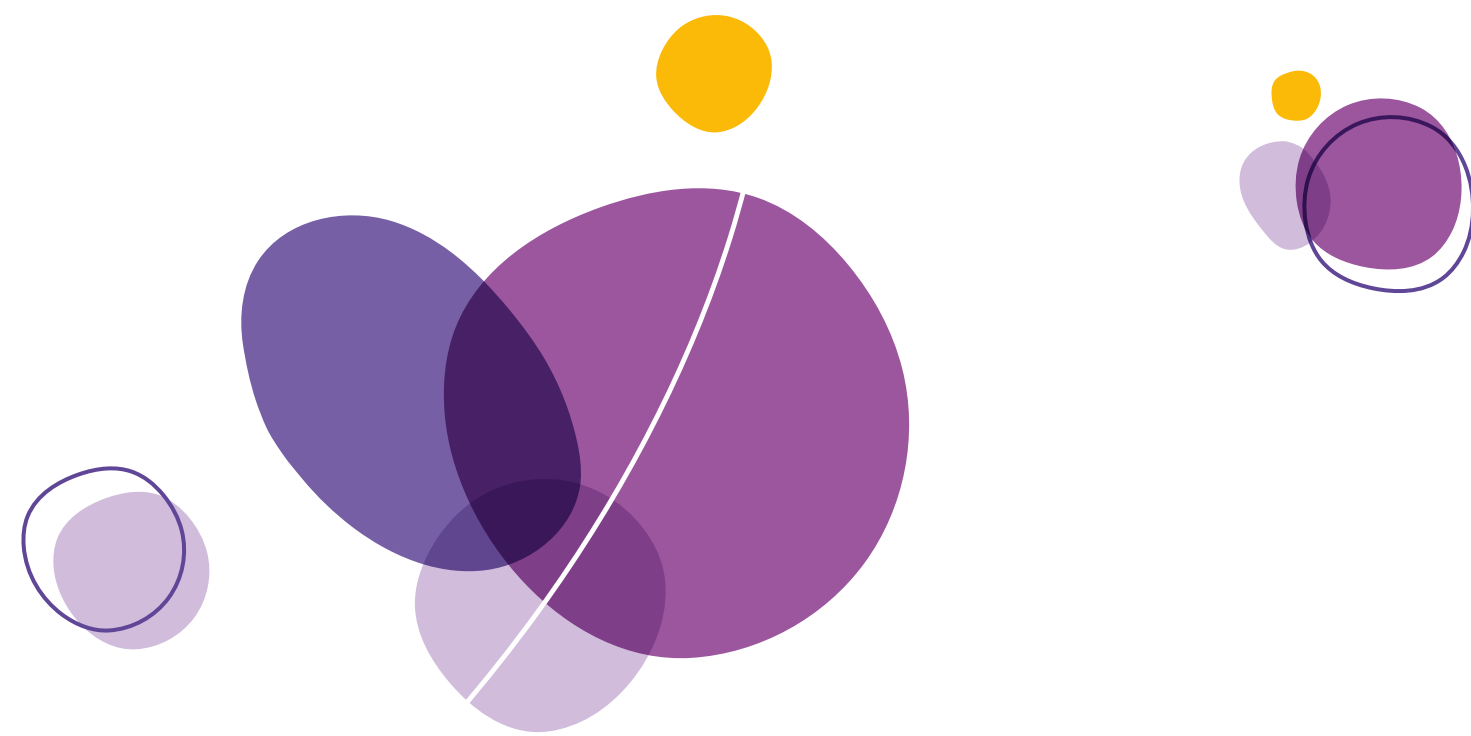
Professional Development and Training

Our work teams are the heart of our business. That is why, we encourage development and training opportunities in new tools and knowledge for all our collaborators, to enhance their capabilities and ensure the sustainable growth of the company.

Arcor Internal Job Posting Program (BIA)

We promote the professional development of those Arcor Group employees who seek to take on new challenges within the company. Through the Internal Search Program (BIA, as per its initials in Spanish) Portal, we offer our employees the opportunity to apply for active job postings available in the company.

During 2023, 43% of vacant positions in Argentina were filled by Arcor Group's employees.



Strategic Resources Planning (PRE)

We promote the Strategic Resource Planning (PRE, as per its initials in Spanish) process every two years, with the objective of identifying people with high potential who can fill leadership positions. The process is based on the theoretical framework of Eliot Jacques, using evaluation tools managed by HR with the active participation of the leaders of each team.

During 2022-2023, the 9th Edition of the PRE process was carried out. During this edition, we placed special emphasis on the development of women leaders. Before starting the Round Table space, we presented the specific gender indicators of that evaluation group. This allowed us to become aware of the number of women who have been promoted since the last evaluation process, how many have been identified as potential talents, and how many currently fill leadership positions.

During the 9th PRE cycle (2022-2023), 2,446 employee potential estimates were completed and 1,344 employees were mapped as successors. 109 of them were promoted to management positions during this period, filling 86% of management vacancies internally.

Performance Management System (SGD)

We have a Performance Management System (SGD, as per its initials in Spanish) to measure our performance, but also to identify opportunities that help us improve as a company and provide our collaborators with the opportunity to grow together. The SGD helps us plan and evaluate performance according to assigned responsibilities, individual and business objectives, company-defined competencies, and progress in each employee's development plan.

Since 2010, we have integrated the sustainability dimension into all stages of the SGD. During 2023, 3,818 employees were covered by divisional sustainability objectives and 1,046 management level employees established specific sustainability performance objectives.

Additionally, during the year, we continued strengthening the multiple feedback process to improve the Self-Assessment, Evaluation, and Review of the performance of each employee. In this way, we incorporated perspectives from internal clients, peers, and reports to enrich the feedback and consolidate the system as a 360° development process.

in 2023 the SGD reached 4,922 employees.



Arcor University

At Arcor University we provide a variety of corporate, technical, and general interest learning opportunities so that employees can improve and update their skills and knowledge. Our goal is to democratize access to knowledge, encouraging each employee to take charge of their professional development, setting their own goals and encouraging interest in maintaining an open attitude to continuous learning.

In 2023, 8 new contents in different formats were added to the platform and more than 1,296 users accessed the training offer. At a general level, 145,858 hours dedicated to learning were recorded this year.

This platform allows us to create, organize, and manage training offers to effectively achieve business objectives, through a catalog of approximately 270 active courses with topics such as:

- Powerful Conversations
- Sustainability Management
- Business Analytics
- Relations with the Community
- Service Quality
- Assertive Communication
- Sustainable Management Development
- Diversity
- Customer Service
- Quality Management
- Operations Management
- Leadership Management
- Project Management and Agility
- Induction
- Innovation, Proactivity and New Trends
- Innovation and Creativity
- Research and Development
- Systemic and Inspiring Developer Leadership
- Marketing
- Digital Mindset
- CMS
- Software and Applications
- Teamwork
- Personal Transformation



Compensations and Benefits

We encourage our collaborators to balance their professional and personal lives to develop healthy and lasting bonds with the company. For this reason, we develop policies and offer a series of benefits, adapted to the reality of each country where we are present.

Among the benefits offered the last year are:

- ✓ Provision of company's products
- ✓ Marriage gifts (*)
- ✓ Birth gifts (*)
- ✓ Food and lunch Vouchers
- ✓ Health care
- ✓ Additional optional life insurance (*)
- ✓ Pension plans for senior staff (*)
- ✓ Discounts on fitness clubs
- ✓ Reduced workday for maternity reasons, and adoptive maternity/ parenting leaves (*)

^(*) Current benefits only for full-time employees.

Some of the benefits associated with children include:

- ✓ Monthly financial aid for working mothers per child up to 6 years old²⁹.
- ✓ High-school scholarships
- ✓ Summer school
- ✓ Breast feeding room at industrial facilities
- ✓ Kits with school clothing and supplies for employees' children
- ✓ Provision of Arcor products
- ✓ Private health insurance
- ✓ Children's Day Celebration

At Arcor Group, we do not make any type of salary distinction based on the gender of our collaborators in any job category. Our compensation system is based on the renowned HAY methodology through which we are able to monitor the salaries of our non-bargaining employees to enhance internal equity, ensure gender equality, and be competitive in the labor market.

Range positioning is based on data from the comparative market and on each employee's individual performance. We pay close attention to market trends to ensure that our company maintains a level of competitiveness that allows us to attract and retain the talents needed for our operations.

Freedom of Association and Collective Bargaining

In compliance with the principles of the United Nations Global Compact, our Commitment to Human Rights Policy, in accordance with the guidelines established in our Code of Ethics and Conduct, and in accordance with the laws in force in the countries where we carry out our operations, we defend the right to free association and the full recognition of collective bargaining.

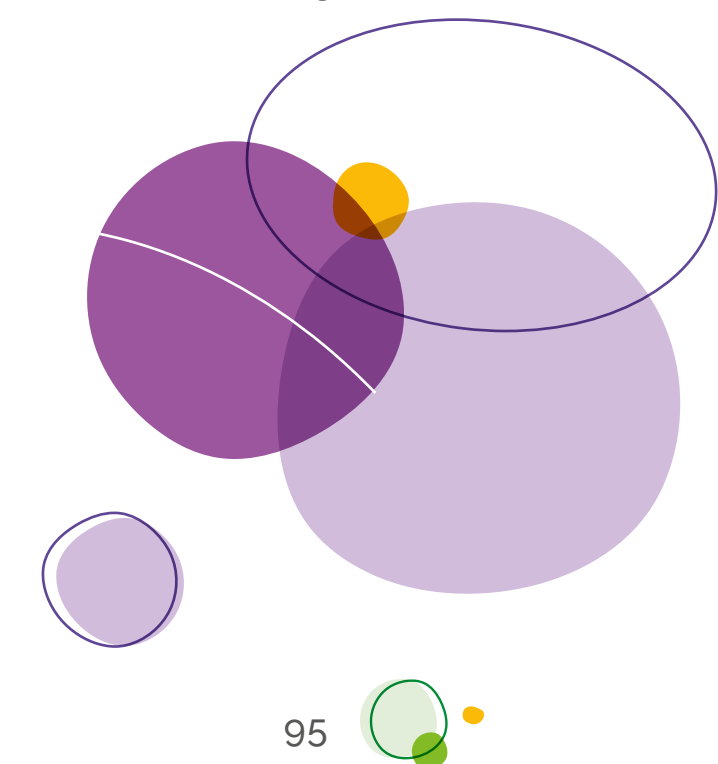
In 2023 there were no incidents in the company's main production centers or those of suppliers that have put these rights at risk.

| Countries | Employees covered by collective bargaining agreements (%) |
|---------------------|---|
| Argentina | 77% |
| Brazil | 100% |
| Chile ³⁰ | 86.5% |
| Peru ³¹ | 30.2% |
| Mexico | 80.1% |
| Spain | 100% |

²⁹ During 2023, the new scheme was implemented in the different bases according to Decree 144/2022.

³⁰ Cartocor is not included

³¹ Cartocor is not included



Community and Value Chain Development

We believe that companies can encourage the creation of economic, social and environmental value throughout their entire value chain and in the communities in which they are present.

We are committed to promoting the comprehensive development of our communities, generating spaces for collaboration, promoting the entrepreneurial spirit and favoring local roots. Likewise, we are committed to ensuring a responsible value chain, sponsoring quality work, continuous improvement and compliance with environmental, social and health standards.

Through these commitments, we raise the prospects for progress and standards of living for everyone with whom we interact.

Goals

- 100,000 people reached by development and socioeconomic inclusion initiatives by 2030.
- Train 200,000 people by 2030 to contribute to equal educational opportunities for children in Latin America.
- 100% of distributors audited for their social and environmental performance
- 100% of transport providers evaluated under sustainability criteria
- 100% of new suppliers signing the Letter of Adherence
- 100% of third-party distributors audited for their social and environmental performance

Results:

30,514
people
have participated in initiatives for socioeconomic development and inclusion by 2023.

40,777
people
have been trained to promote equal opportunities in children.

94%
of third-party distributors suppliers audited by 2023.

100%
distributors
evaluados por su desempeño social y ambiental.

9,907
of our active suppliers are signatories of the Letter of Adherence to the Fundamental Principles for Responsible Management.

100%
transportation providers evaluated in 2023 with sustainability criteria.



Community Impact Management Strategy

We manage relationships with the communities of which we are part through a gradual, comprehensive and strategic process.

We understand that all industrial activity has impacts, which is why we develop different types of initiatives, programs and projects to manage these impacts and take advantage of the opportunities of the company-community relationship. These initiatives involve the participation of several areas of the company, according to the topics covered, contributing comprehensively to the three dimensions of business and territorial sustainability: economic, social and environmental.

We have a Community Impact Management Strategy to identify and manage the impacts of our operations on the community. We seek to manage actions and relationships in the territory in a timely and efficient manner, recognizing ourselves as a co-responsible actor in the comprehensive development of the communities in which we operate.

15 years of Community Relations: Let's leave our #PositiveFootprint in each community

We are convinced that companies prosper in societies that grow. With this conviction, since our beginnings we have worked to be a social, relevant and responsible player in each of the places where we are present.

For 15 years we have had a Community Relations area, which establishes the strategies and methodologies to manage the relationship with our neighbors and organizations in the locations where we have operations.

Currently, we have 30 Community Relations Committees distributed throughout Argentina, Chile, Brazil and Mexico, which implement Arcor Group's community relations strategy. Through open and permanent listening, each Committee carries out a diagnosis of the community context, to analyze the intervention strategy and design projects and initiatives taking into account the needs of each territory.

By carrying out these initiatives and processes, we position ourselves as a genuine player, committed to the development of the communities in which we operate, and promoting people's prosperity.

Spaces for Dialogue and Broadcasting

To influence the strengthening of bonds with different actors in the communities of which we are a part, we participate in different spaces for coordination, considering them key to the role of the company as a social and economic actor.

- During 2023 we have strengthened the alliance with the Argentine Business Association (Asociación Empresaria Argentina), with which we implemented the "Mentoring" Project for young high school students from public and private schools in the Province of San Luis, San Juan and Luján.
- In the Cuyo Region, we continued with our participation in spaces convened by the Provincial Commissions for the Prevention and Eradication of Child Labor (COPRETI, as per its initials in Spanish), mainly in the province of San Juan.
- We continue to be part of the Network of Companies against Child Labor.
- Together with CODE (a social company that seeks to create employment by bringing together small producers and consumers) we carried out training in different territories for companies seeking to expand their knowledge and diversify their value chain. We also carried out training and visits to productive units to identify possible CIR suppliers (Responsible Inclusive Purchasing program).
- We generated spaces for dialogue to present the results of the Perception Studies with the actors who participated in four communities to share conclusions about how the community and the territory are perceived, what problems they identify, how they perceive the company and their relationship with the territory.

- At the La Providencia Mill and at the Misky Complex, a Social Organizations Strengthening Program was carried out with the purpose of providing them with tools to enhance their development, action, management, articulation, project design and impact management of their actions. In this edition, 25 social organizations participated, 45 people representing these entities belonging to 12 areas.

At the local level, participation in different instances of collaborative management and in discussions on issues linked to community impacts are essential to consolidate the role of the company in the communities and regions in which we are present.

Perception Studies

In the ongoing search to integrate the perspective of the communities into our joint work with them, dialogue spaces were held for the presentation of the results of the Perception Studies with the actors who participated.

Through a qualitative approach, Perception Studies recover the perceptions of different territorial actors regarding the company-community relationship and its social, environmental and economic impacts. In 2022, we developed Perception Studies in 14 communities located in the Argentine provinces of Córdoba, Catamarca, Tucumán, San Juan, Misiones, San Luis and Buenos Aires.

During 2023, we coordinated dialogue spaces to share the results with community actors. This initiative was carried out at

six operational bases, in the communities of Rawson (San Juan), San Pedro, Baradero, Chacabuco (Buenos Aires) and Recreo (Catamarca). A total of 95 people attended, as representatives of 15 territorial organizations (civil associations, educational institutions, hospitals, local public organizations, local producers).

In these meetings, the conclusions of the aspects evaluated were shared:

- How the community and the territory are perceived.
- What problems are identified.
- How the company is perceived and its relationship with the territory.

These meetings foster the link between the company and community organizations, while strengthening the links between the same organizations in the territory on central issues for local development.

Local Community Relations Committees

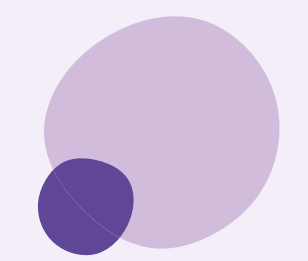
We understand that our relations with the community are key to the company's responsible management aimed at sustainability. We integrate this approach through a gradual, comprehensive and strategic process related to business management. Management is in charge of a Corporate Community Relations Management and Local Community Relations Committees have been formed in the company's plants and industrial complexes which are responsible for implementing the community relations strategy at the local level.

This strategy includes 3 axes:

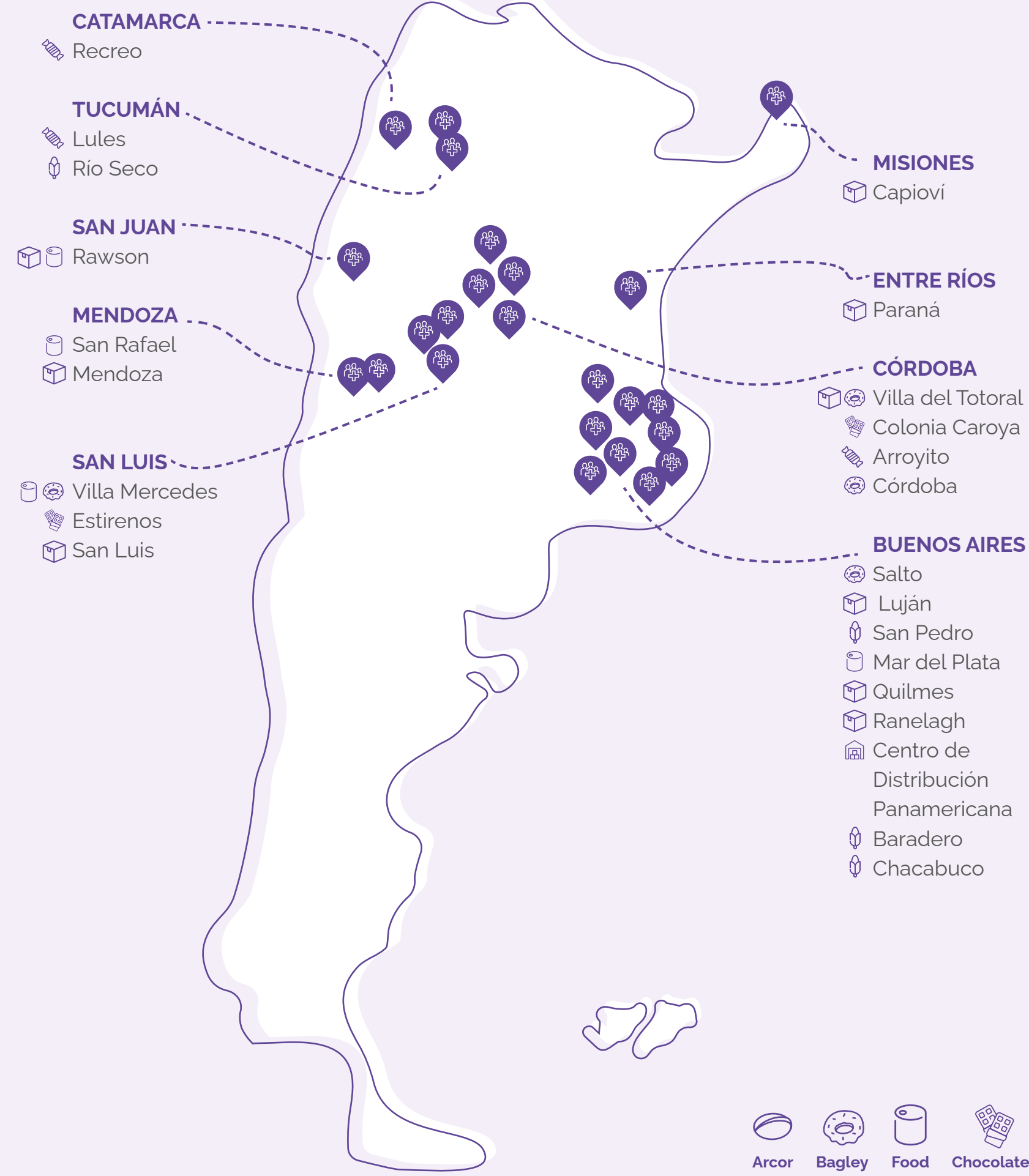
- Recognize the impacts of the company-community relationship by carrying out diagnoses.
- Strategically manage risks and opportunities.
- Promote and manage comprehensive community development actions.

The Local Community Relations Committees are made up of the areas of Industry (Plant Management), Human Resources, MAHPI (Environment, Hygiene and Industrial Protection) and Community Relations. In those bases in which the impacts of operations or the supply of raw materials require it, representatives from the directly linked areas (Agriculture, Forestry, Purchasing and Logistics) join the Committee. The Annual Operational Plans for Community Relations are prepared by the Committees and are integrated into the company's strategic and investment plans.

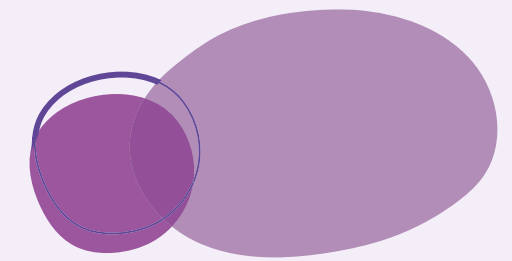
In 2023, a plan was promoted to consolidate the Group's community impact management model in the plants in Brazil. To this end, it was decided to advance in the consolidation of the Committee at the Rio das Pedras plant, due to the conditions of the territory and the impact of the plant on the community.



At the end of 2023 we have 30 Local Community Relations Committees in 4 countries:



We have 30 Local Community Relations Committees formed in Argentina, Chile, Brazil and Mexico.





Dialogue with Communities and Claims Management

The Committees are responsible for managing the different complaints from the communities, which reach the industrial bases due to negative external factors such as vibrations, odors, noise, transportation, or effluents.

To address each of these claims, each plant has a specific procedure that establishes the mechanisms to carry out an initial diagnosis of the situation. Then, we contact the claimant and finally manage the claims within the framework of the company's comprehensive management system.

Training and Strengthening of Community Relations Committees

We continue promoting the training program "Introduction to the Community Relations Area" with the objective of providing information and knowledge about the management of community impacts and the company-community relationship. Through this training participants can acquire the methodology, and know the corporate tools and programs of the area for the development of their role as Committee members. In 2023, the course was made available to all Arcor Group employees, and it included the participation of members of all the Local Community Relations Committees.

Besides, during 2023 a meeting was held with 35 managers of Plants and Industrial Complexes who participated as leaders of the Community Relations Committees. This training day was organized in conjunction with the General Management of Operations and Supply Chain to strengthen their role and enrich the exchange of experiences with the entire Community Relations team.

Finally, it is worth noting that the Local Community Relations Committees continued with their participation and joint work in more than 20 articulation spaces with different institutions at the local and provincial level, favoring the continuity of programs and projects that adapted to different contexts.

Corporate Donations Program

Through product donations, we strive to strengthen the work done by local organizations and institutions primarily dedicated to children and teenagers.

At Arcor Group we donate different types of products that are outside the commercial circuit and those semi-finished products or raw materials that are generated in the production process and that can be used or reworked in some part of the process. Out of our total donations, 85% were channeled through Food Banks, 8% through Caritas diocesan offices, and the rest to several educational institutions and community organizations of the communities we are part of in Argentina, Brazil, Ecuador, Chile, Paraguay, Uruguay, Bolivia and Mexico.



In 2023 we donated 1,017,111 kilos of product in Argentina and 110,626 kilos in other countries. This allowed community organizations ease children and adolescents' access to food.

The "Special New Year's Eve Action" initiative was also carried out to accompany organizations that provide direct food assistance to urban sectors in vulnerable situations. During December, non-perishable and Christmas products were donated to cover 60 thousand portions of lunches/dinners and snacks that were delivered to the Food Bank of Córdoba and Buenos Aires, who channeled the deliveries to the corresponding institutions.

The work of more than 800 local organizations was supported, in addition to continuing working at corporate level with a Network of Food Banks and several Diocesan Caritas Institutions.

Visit to Industrial Plants

Every year, the group's industrial bases open their doors to the community within the framework of dialogue strategies with different stakeholders, receiving visits from primary, secondary, technical schools, universities, productive and academic fields, as well as raw material suppliers and people interested in knowing the production processes and aspects related to quality, environmental, technological and logistics management. This initiative contributes to strengthening the bond with the neighbors while constituting an educational tool for visitors.

In 2023, more than 16,260 people visited different Arcor Group plants.

Being Part ("Ser Parte") Program

We continued implementing the Being Part Environmental Training Program, with the purpose of raising awareness of the environmental management and protection practices that we carry out in our industrial operations, involving nearby communities.

The Program is implemented through 3 lines of action:

- Training boys and girls as promoters of environmental care. Giving fun workshops with topics related to water care, energy, and waste treatment.
- Broadcasting of the environmental management of the company's industrial plants. It is carried out through visits to the plants of the Program participants.
- Preparation and support for projects developed by schools to care for the environment in the neighborhood and/or community.

During 2023, the program was developed in 9 communities where agreements were made with 24 schools near the industrial plants. Within this framework, environmental training workshops were held for 2,471 boys and girls attending primary school in Argentina and Chile, with the participation of 70 company employees as environmental trainers and promoters.





Linkage Program with Technical Education

With the aim of contributing to the training processes and the educational quality of the areas where we operate, and promoting the availability of qualified technical resources, we developed the Linkage Program with Technical Schools. We participated in different areas for public-private articulation to contribute to the improvement of educational content and methodologies.

For more than 16 years, we have provided opportunities for young people to enter the world of work and we have promoted linking actions with technical training institutions. During

2023, secondary internships were reactivated at 15 plants. 300 students from 35 schools in Argentina participated in this experience, training and educating 19 teachers and involving 88 collaborators in a direct way.

During 2023 we have strengthened the alliance with the Argentine Business Association, with whom we implemented the "Mentoring" Project for 257 young secondary students from public and private schools in the Provinces of San Luis, San Juan, and the city of Luján.



Job Training in Recreo

In Recreo, Catamarca, through the industrial work group made up of local companies and the municipality, the need to work on improving the local educational offer was identified. Based on this need, Mobile Classrooms were installed for training in occupations linked to the industry for young people and adults in the Community. In 2023, 60 people attended the Basic Welding course.



Arroyito Higher Education Center

At Arcor Group, we renew our commitment to the development of the community through the signing of an agreement with the National University of Córdoba (UNC) and the Municipality of Arroyito to create the first Arroyito Higher Education Center (Centro de Estudios Superiores Arroyito, CESA), a proposal that fosters access to higher university education to young secondary school graduates and adults who are interested in training and growing professionally.

In this center, during 2023, courses were offered that enabled its students to have diplomas related to food industrialization, the management of agricultural and livestock companies, and organizational transformation.

This cooperation agreement is another example of public-private coordination, which shows us that it is not only possible, but also essential to work together in favor of economic, productive and social development.

During December 2023, the first delivery of 96 degrees to the students who graduated from the Diplomas of the Arroyito Higher Education Center was carried out.

Promoting the Development of Indigenous Communities

Within the framework of the Protected Productive Landscape Project, which we developed together with the ProYungas organization and our commitment to the development of the communities, in 2023 we began a sustained work process with the three Mbya Guaraní communities that live on the property of the Papel Misionero Natural and Cultural Reserve in the province of Misiones, and together with the educational institutions that are within the Reserve and in surrounding areas.

We work in alliance with different organizations to have diagnoses on the social, housing, health, economic, and educational situation of the communities that live in the Reserve and we design actions and projects that will be implemented in 2024 with the aim of promoting the comprehensive development of these communities.

Participatory Diagnosis with Educational Institutions

Within the Papel Misionero Natural and Cultural Reserve there is the Intercultural School No. 836, which offers early years, primary, secondary education, and also a class called Aula Satélite (Satellite Classroom) intended for those who want to finish, complete or go back to school. In total, 180 children and adolescents from the Reserve and other surrounding communities attend this institution.

In 2023, a participatory educational diagnosis was carried out in alliance with the Network of Rural Communities and, together with the directors/principals and teachers of these institutions and the participation of the children and adolescents who attend.

From this first approach, the main challenges and problems faced were detected, among which the following stand out:

- Learning problems that lead to school dropout
- Absence to school as a determining factor of educational quality
- Poor internet connectivity
- Teaching resources (books and materials)
- Poor teacher training in the Mbyá Language.
- Poor nutrition
- Motivation of children and adolescents to remain and participate in school activities

Then, the causes and consequences of these problems were delved into and a work plan was designed that includes initiatives with the schools of the Reserve and the surrounding area, as well as a work proposal at the Provincial level for teacher training in bilingual education. This will be promoted through Arcor Foundation given the track record and experience of more than 20 years working with teacher training in partnership with universities, the National Scientific and Technical Research Council (CONICET), and Provincial Ministries of Education.

In addition, on the diagnosis day, recreational activities were carried out with the children and computer equipment, books, and teaching materials were donated to be used in the classrooms.

Participatory Diagnosis with the Communities

In the Papel Misionero Natural and Cultural Reserve, 3 communities of the Mbyá Guaraní ethnic group live in the space provided by the company, made up of 270 people (children, young adults, adults and the elderly), who are grouped into 64 families.

During 2023, a participatory diagnosis was carried out through workshops together with the Marangatú Foundation, in which residents of the 3 communities joined. This process allowed us to strengthen ties and generate new opportunities of dialogue and joint work.

In the workshops, it was possible to deepen the analysis of the sociodemographic, housing, health, economic, educational, cultural and religious situation of these families. From this analysis, proposals for action emerged in various aspects such as infrastructure, education, food and health, among others.

With the information obtained, in 2024 a gradual plan will be put into action to address the most relevant and urgent aspects to promote improvement in the living conditions and development of these families.



Social Investment in Childhood

The Social Investment Strategy involves making voluntary, planned, and monitored investments of private resources in social projects of public interest which are channeled and oriented towards contributing to childhood.

In this sense, our aim is to contribute to equal educational opportunities for children in Latin America through the mobilization of social actors, the development of skills in educators, caregivers, and those responsible for boys and girls, and the support for projects of territorial scope, oriented to children from a rights perspective.

To carry out the Social Investment Strategy, Arcor Foundation in Argentina (1991), Arcor Institute in Brazil (2004), Arcor Foundation in Chile (2015) were established and Latin American initiatives are developed to guide social contribution based on specialized knowledge, which has been consolidated during more than thirty years of work.

The mission of Arcor Foundation (Argentina and Chile) and Arcor Institute (Brazil) is to contribute to making education a tool for equal opportunities for children in Latin America.

During 2023, we supported and carried out 156 initiatives in Argentina, Brazil, Chile and other countries in the Region, through which 356,517 boys and girls were reached and 40,777 people linked to childhood issues were trained. Meanwhile, 426,587 people participated digitally and 3,250,826 people from the mass public were reached.

Our Social Investment Strategy develops initiatives and projects in favor of the rights of children, together with different actors in society, and under common guidelines for all countries in the region, with a presence throughout Latin America. The actions are structured in the following areas:

Childhood and Healthy Living.

We contribute to the construction of healthy living habits in childhood, through support for educational projects, training, and knowledge generation and dissemination of the subject matter.

 [For further information, see Section 3.1](#)





Childhood and Comprehensive Development in the Early Years

We collaborate with the strengthening of Early Childhood care and education services and environments through the training and qualification of adult references and support for the material conditions of institutions that work with children.

Mi Patio es el Mundo (My Yard is the World) Award (Latin America)

It is a joint initiative between the Latin American Vice Presidency of the OMEP (World Organization for Preschool Education), the Comprehensive Association for Children (AINI Network) of Bolivia, and the Arcor Foundations of Argentina and Chile, the Arcor Institute in Brazil, and the Arcor Group institutions in Bolivia, Paraguay, Peru and Uruguay. This contest has been taking place uninterrupted since 2018 and its objective is to recognize good practices in Education for Sustainable Development (ESD) carried out by institutions dedicated to early childhood care and education (AEPI).

In 2023, a total of 177 experiences were received and 12 projects were selected, including winners and special mentions. The participants, in turn, took part in virtual exchange and orientation processes with expert tutors from the OMEP of each country.

Close Childhood Program (Argentina)

To enhance the work that municipalities carry out on early childhood, we continue implementing training through a set of training modules and provide equipment to promote physical activity in boys and girls. We work under virtual and blended mode to maintain links with municipal teams and local leaders. On the other hand, we held two discussion boards to generate spaces for exchange and learning between municipal leaders who participate in the program: "Challenges and urgencies of local work with early childhood" and "Dialogue: childhood and local spaces."

To support municipalities in their work with Early Childhood through Kindergartens, Child Development Centers or others, during 2023, we carried out a set of training modules on various topics linked to childhood in early years. We worked under virtual and blended mode to maintain links with municipal teams and local leaders.

2023 RESULTS

- Training in 5 Modules

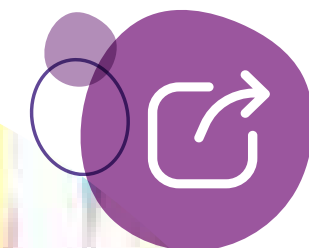
- Body practices and movement in early childhood
- Art, words and play in early childhood
- Healthy eating and commensality in early childhood
- Kindergarten Manager Role diploma
- Play and language in Child Care Centers, Nursery Schools and Kindergartens

- Participation of 10 municipalities

- 247 Kindergartens and/or early childhood spaces

- 636 participating and trained adults

- 6,850 boys and girls reached



Meet the award winners of "Mi Patio es el Mundo"



Novo Olhar para a Infância Program (Brazil)

Through this initiative, we seek to enhance child development, strengthening sensitivity and awakening the intentionality of school teams, so that they could build democratic educational projects, resulting in meaningful and contextualized learning, autonomous boys and girls, with rich repertoire of life and reading of the world, and with new and wide horizons to discover. The program has been developed in the city of Campinas since 2020, where 33 organizations are assisted. This program is carried out in association with the FEAC Foundation and with technical assistance from NEPP – Center for Studies and Public Policies of Unicamp.

In 2023, these organizations received training on how to improve the school environment and they were provided with new furniture, toys and materials appropriate to each age group to contribute to the child development of 1,667 children.

Baby Week (Brazil)

In association with the FEAC Foundation, Baby Week was developed in two territories of Campinas, between October 16 and 21, 2023, as a result of collective building aimed at guaranteeing the rights of early childhood. The event was organized as a pilot plan in Jardim São Marcos and Nova Aparecida, both neighborhoods in a situation of greater social vulnerability in the northern region of this municipality. A working group was formed with representatives of the Secretariats of Health, Education and Social Care through the Health Centers, Social Care Reference Centers, Civil Society Organizations, the private sector and local social facilities.

New Perspectives on School Spaces

During March 2023, we launched the call "New Perspectives on School Spaces" with the aim of encouraging the development of projects that rethink school spaces, expand contact with nature, play, undergo new pedagogical experiences from the lessons learned through the continuous training offered by the Arcor Institute. Early education schools and daycare centers in the cities of Bragança Paulista, Contagem and Rio das Pedras that carried out training with the Arcor Institute were invited to participate in this call.

13 projects were started and they received financial and technical support from the Arcor Institute in Brazil. The changes in the external areas of the schools were the great differential: orchards, sand play areas, toys, spaces for reading and doing art, flowers and aromatic herbs, a doll's house. These areas, together with the devotion from directors/principals and teachers benefited 1,883 children. The projects ended with a publication that reported on the experience of the 13 initiatives.



Caminhos do Brincar (Brasil)

This initiative, in alliance with the FEAC Foundation, seeks to contribute to the construction of safe and friendly spaces for the children of Campinas, especially in the most vulnerable areas through participatory interventions.

“Protagonist Childhood” Program (Chile)

This program was carried out in alliance with the Gras Foundation to support projects of those organizations that promote the leading participation of boys and girls between 4 and 8 years old. For this edition, we have the support and sponsorship of the Ombudsman for Children, the Pacto Niñez (Childhood Covenant) initiative and the Network of Universities for Children (RUPI). During 2023, 4 projects were supported in the Metropolitan Region, where boys and girls participated in the communes of Ñuñoa, Pudahuel, Puente Alto and Maipú. Through this program the lives of 747 boys and girls are improved.



Course on the Rights of Boys and Girls and Guarantor Institutions

Through the signing of a Cooperation Agreement, Arcor Foundation in Chile and the Ombudsman for Children agreed to develop actions aimed at promoting and disseminating the rights of children and adolescents, providing knowledge for the respect of rights and protection to parents, caregivers, the educational community, professionals who work on the subject and the society in general.

This course seeks to increase knowledge about the human rights of children and adolescents and the institutions that guarantee them in Chile. It is aimed at professionals who work with children and adolescents in the public and private spheres, as well as university students interested in these topics.

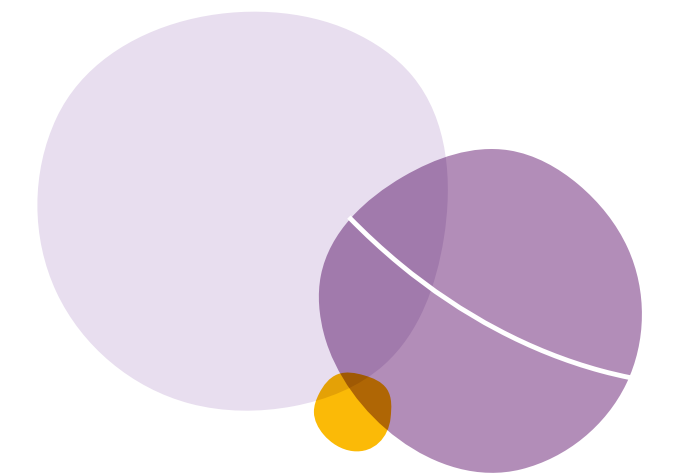
Alliance with the Municipality of Córdoba (Argentina).

Within the framework of the articulation agreement with the Municipal Education Secretariat, work was carried out on a project that combined educational robotics with the promotion of healthy living habits. The project “Educational Robotics Applied to the Promotion of Healthy Living Habits” was developed in alliance with the Technology with Purpose Foundation and the company Santex S.A. The project consisted of weekly meetings with Educational Robotics professionals, in which both dimensions of the project were addressed simultaneously: robotics and the promotion of healthy habits.

Hybrid Courses (Chile)

We carry out a series of tutored courses with the certification of the Silva Henríquez Catholic University of Chile. After participating and certifying these training events, we select and support projects presented by their participants.

- “Early Childhood Participation” course. 234 people from 121 educational institutions were trained in alliance with JUNJI, Integra Foundation, Corporación Infancia Santiago, CODEDUC Maipú (in the Metropolitan, Maule and Biobío regions). In addition, 3 projects from 3 Maipú and Tomé kindergartens were supported, impacting the lives 70 boys and girls.
- “Bonding in the Early Years” course. 89 people from 48 educational institutions were trained in alliance with Integra Foundation and the Gabriela Mistral Local Public Education Service (in the Maule and Metropolitan Regions respectively). In addition, 7 kindergarten projects in the Maule Region were supported, which impacted 837 boys and girls.
- “Sustainable Education for Early Childhood Education” in-person course. 44 educators from 22 kindergartens of the Integra Foundation (Metropolitan Region) were trained, in alliance with the Silva Henríquez Catholic University.





Childhood in the Public Agenda

We promote reflection and visibility of childhood-related issues in the region through different initiatives.

Alliance with Equity for Children

Equity for Children is a study center that promotes a social justice agenda for children and the safeguarding of their rights recognized in the Convention on the Rights of the Child (1989). During 2023, we carried out the Good Practices project on public spaces and early childhood in Latin America, through which we conducted a survey of the practices of organizations that work with childhood and public spaces. The survey yielded 44 experiences distributed in Argentina, Colombia, Mexico, Chile and Uruguay.

Alliance with OMEP Argentina

This year, the 16th International Early Childhood Education Meeting "Citizenship of Children, their Education and Wellbeing" was held on October 6 and 7, celebrating the 75th anniversary of the creation of OMEP in the world and the 40 years of the recovery of democracy in our country. In turn, Arcor Foundation participated and supported its 2023 annual agenda with activities throughout the territory of Argentina.

Educational Portal

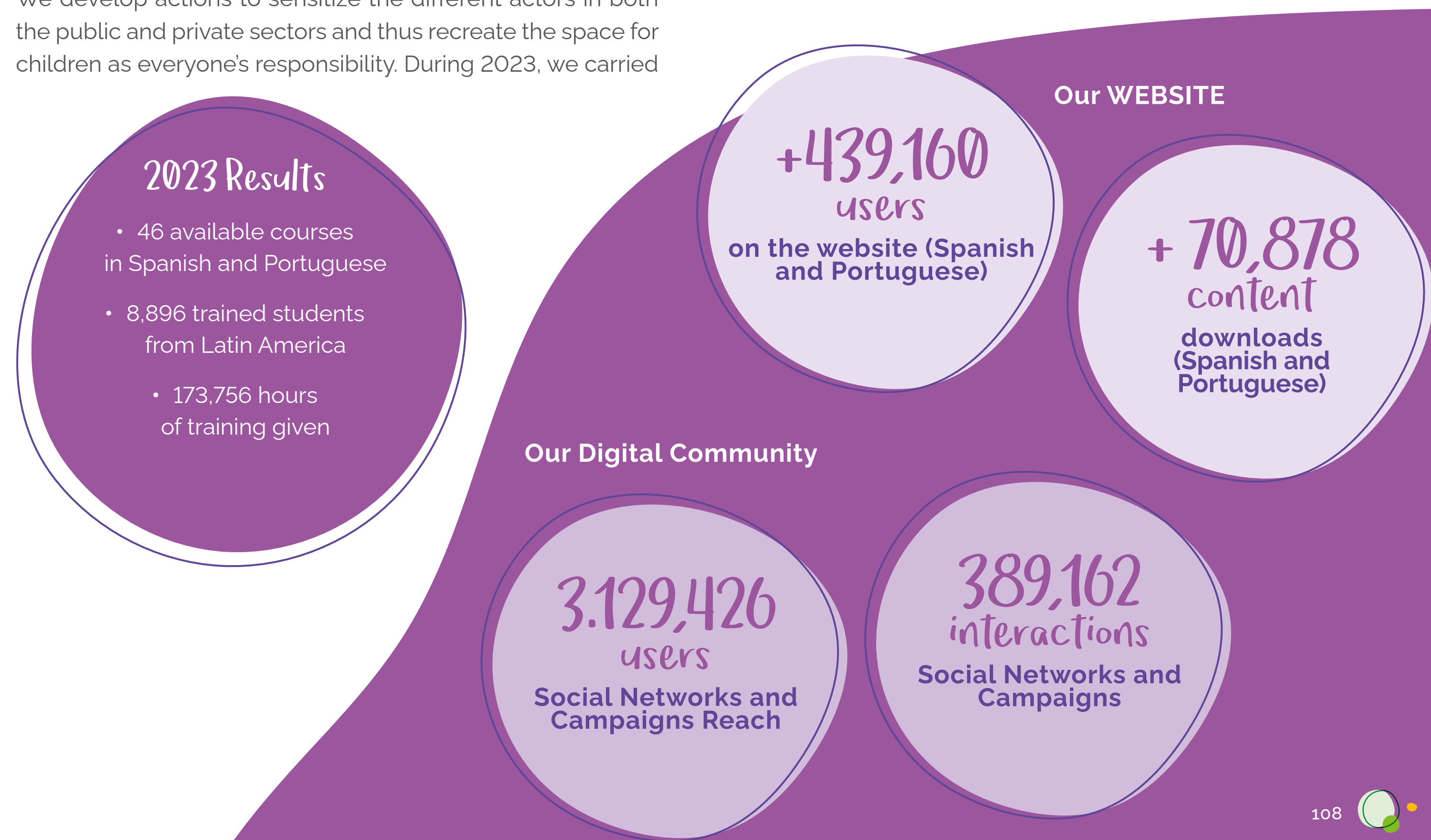
On our Educational Portals www.portaleducativo.fundacionarcor.org and www.portaleducacionalbrasil.fundacionarcor.org/ we

offer different training proposals around childhood, healthy living, and educational opportunities. In 2023, we put special emphasis on expanding our course offering and we offered degrees and courses with university certification. These proposals were added to our offer of free self-managed courses for anyone interested in childhood issues.

Mobilization and Dissemination

We develop actions to sensitize the different actors in both the public and private sectors and thus recreate the space for children as everyone's responsibility. During 2023, we carried

out a mobilization, communication and dissemination strategy in all the countries where we develop social investment initiatives, with different audiences, with an eye toward returning to normalcy after the pandemic.



Children at Stake Podcast (La niñez en juego). Education for Sustainable Development in Early Childhood

Arcor Foundation, in collaboration with the Latin American Vice Presidency of the World Organization for Preschool Education (OMEPE), launched new chapters of the podcast "Children at Stake", which seeks to explore the importance of Education for Sustainable Development (ESD) in early childhood. This is a series of eight podcasts, each of which presents in-depth conversations where internationally renowned experts come together to discuss the foundations of a sustainable future from the first years of life. These podcasts, hosted by journalist Silvia Bacher, can be listened for free on <https://open.spotify.com/show/1ieQhN6y6XjF1K4RqbcLYr>

Network Participation

We participate in different networks, with the aim of achieving a greater impact at the regional level. This year, we advanced in the participation in RedEAmérica, Group of Foundations and Companies (GDFE), United for Early Childhood (UPPI), Initial Education 2030, Pacto Niñez (Childhood Covenant), National Early Childhood Network and Group of Fundações e Empresas Institutes (GIFE).

Value Chain

We understand sustainability as a business approach that seeks to generate economic, social, and environmental value in the long term, by managing impacts transversally to the entire company, its value chain, and its stakeholders. We map the processes and actors involved throughout our entire value chain to identify and manage impacts and promote innovative sustainable value creation practices in each of the links that comprise it: supply, processing, marketing and distribution, consumption and end of useful life.



Sustainable Supply Strategy

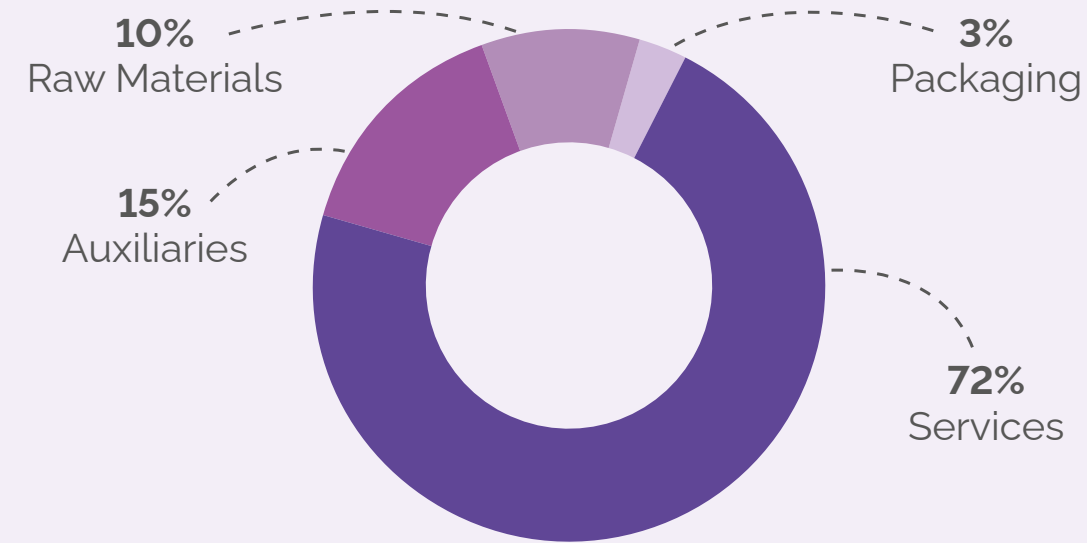
Through the Sustainable Supply Strategy, we seek to achieve traceability in the supply of products and services, managing the impacts derived from commercial relationship with our 13,000 suppliers.

To do this, we foster initiatives, projects and programs aimed at promoting continuous improvement in the management of our suppliers, as well as the sustainable management of their operations. Starting from a general framework, initiatives are developed and designed based on the needs, challenges and opportunities that each kind of supplier presents in relation to sustainability.

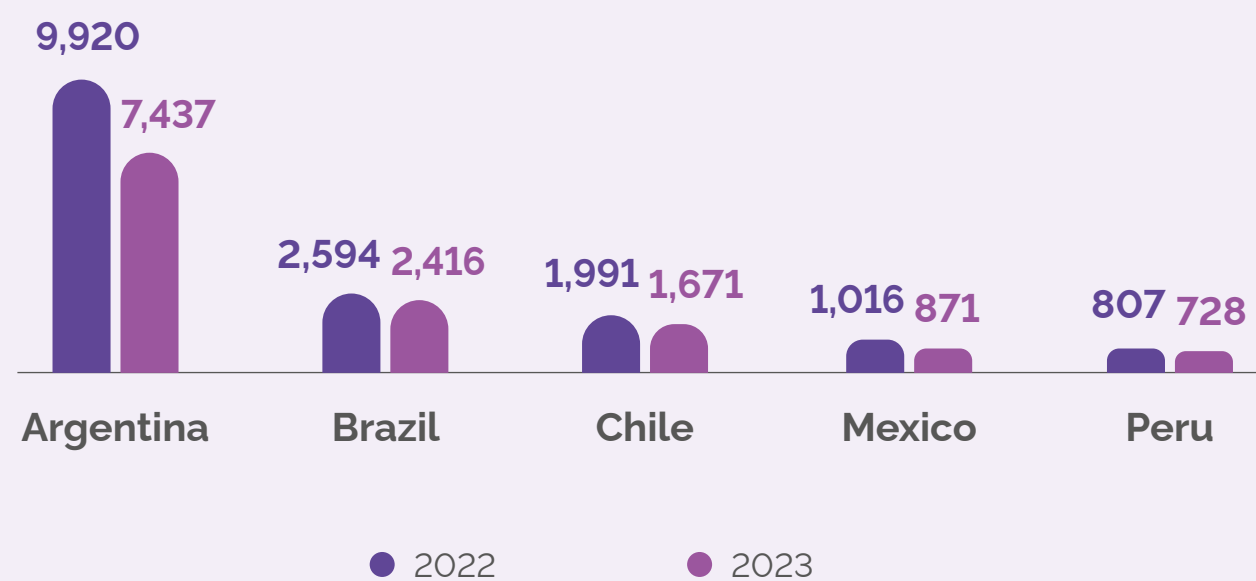
13,123 active suppliers during 2023.

Suppliers

Distribution of Suppliers by Kind of Product or Service Hired



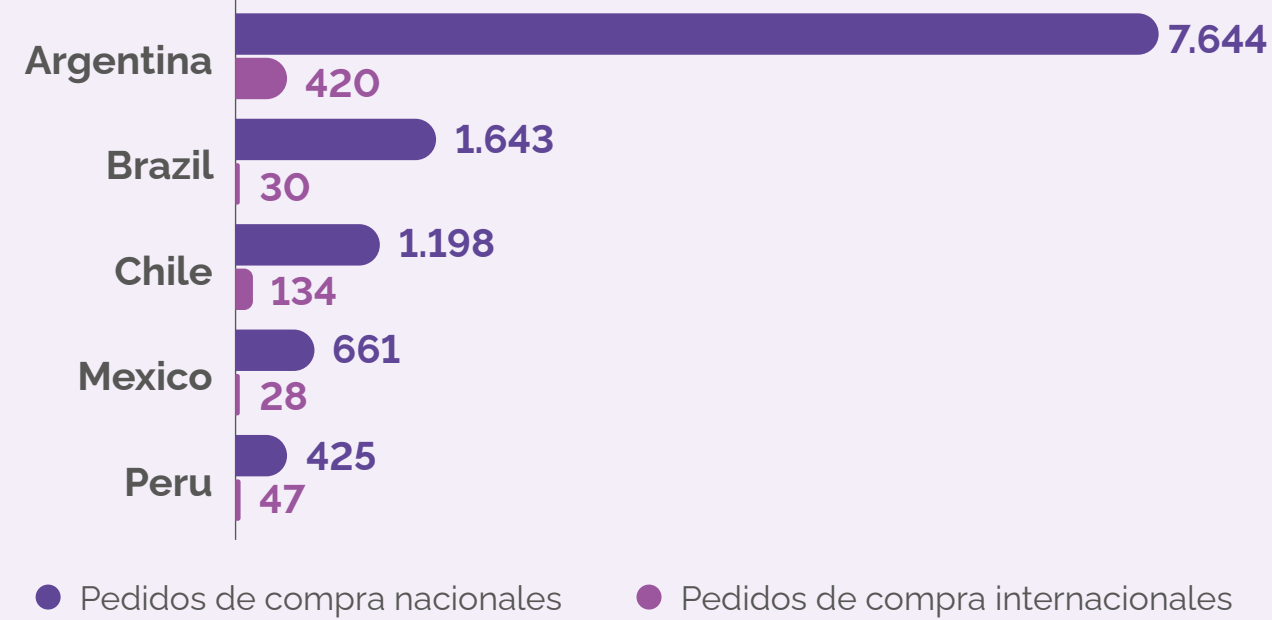
Evolution of Active Suppliers by Country



We source most of our purchases from local suppliers in each country where we operate.³²

³² Local suppliers are those suppliers per country that have a national purchase order. It does not include DO-type (OD) purchase orders.

Purchases from local suppliers



Knowing to Transform

We begin by raising awareness and training our suppliers, which represents the beginning of a conversation that allows us to clearly establish and communicate our expectations. In this way, we create a favorable environment to then integrate sustainability aspects into our business relationship by using a variety of tools: We include messages linked to our sustainability commitments in the purchase orders we generate.

- We share our Code of Ethics and Conduct and make our Ethics Line available to suppliers.
- We provide information about our sustainable management in ArcorBuy, the digital communication channel we have specifically for current and potential suppliers. We promote education and training activities on several topics related to sustainability, which are adapted to the specific needs of each group of suppliers, and in the context of each project.

Promoting to Engage

In this line, we include actions aimed at integrating sustainability into the commercial relationship with suppliers. This relationship begins by requesting a formal commitment to sustainable management. We do this by signing a Letter of Adherence to Fundamental Principles for Responsible Management, a decalogue of values linked to the ten principles of the United Nations Global Compact, labor standards defined by the International Labor Organization (ILO) and best business practices.

Fundamental Principles for Responsible Management

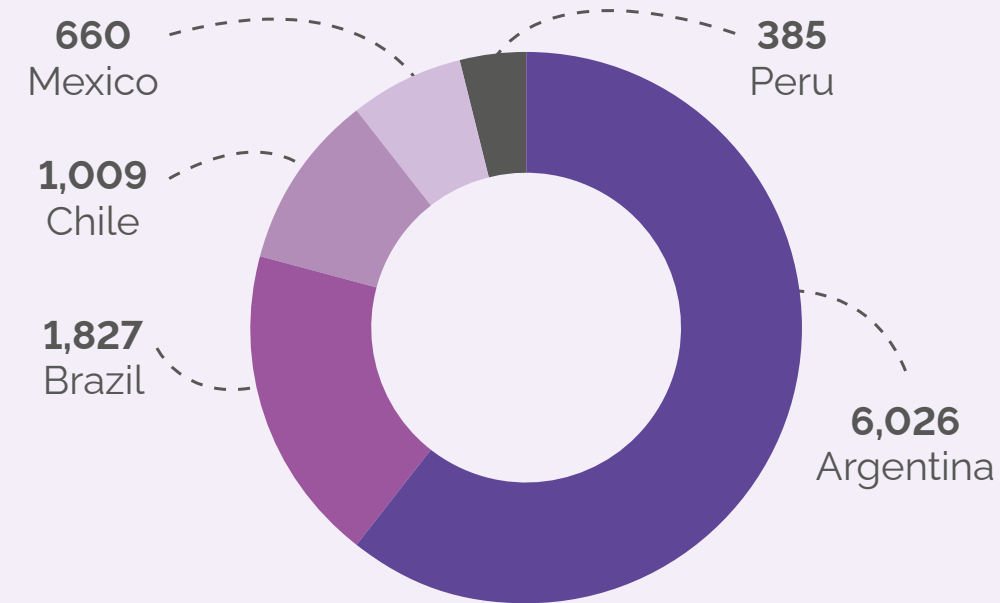
We promote the “**Fundamental Principles for Responsible Management**” to our suppliers so that they are transformed, through a progressive, comprehensive and strategic process, into key components for a sustainable business management that contributes to the development of the entire society:

1. Respect for and protection of Human Rights
4. Ensuring decent working conditions
5. Respecting trade union freedom
6. Contribution to the elimination of all forms of forced labor
7. Contribution to the elimination of any form of child labor
8. Contribution to the elimination of discrimination in employment and occupation.
9. Environment preservation
10. Working against all forms of corruption
11. Ensuring responsible and transparent conduct
12. Establishing sustainable business relationships

Since 2015, all suppliers in each of the countries where we operate must sign the aforementioned Letter as a requirement to begin the commercial relationship.

9,907 of our active suppliers are signatories of the Charter of Fundamental Principles for Responsible Management.

Geographic Distribution of active suppliers that are signatories of the Letter of Adherence



Measuring to Improve

We monitor and evaluate our suppliers in sustainability aspects, with the aim of promoting continuous improvement in their management, contributing to the sustainability of their business.

Geographic Distribution of Active Suppliers that Subscribe the Letter of Adherence

During 2023, in line with our commitment to sustainable supply, we moved forward with the inclusion of the “Annex for Agricultural Producers” in our Letter of Adherence to the Principles for Responsible Management. This Annex was designed to specifically address the challenges related to sustainable agricultural production, promoting collaboration with the producers from whom we source directly.

The “Principles for Sustainable and Regenerative Agricultural Production” included in the Annex are based on the main sustainable production standards and the regulatory requirements that are promoted in different regions linked to agricultural production.

These principles seek to promote sustainable production models and they refer to:

- 1. Quality, food safety and traceability:** We seek to produce quality products that guarantee food safety at all stages of production and ensure their traceability.
- 2. Human rights:** We respect human rights, promote social equality, and eliminate child and forced labor in agricultural operations.
- 3. Workplace well-being:** We comply with applicable laws and regulations, provide fair wages, encourage employee professional development, and promote an appropriate work-life balance.
- 4. Comprehensive community development:** We promote the progress of communities close to agricultural operations, generating spaces for collaboration and ensuring a responsible value chain.

- 5. Efficient use of resources:** We responsibly and efficiently manage resources, such as water, land, energy, minimizing waste and negative impacts on the environment.
- 6. Soil conservation:** We use productive practices that preserve and regenerate the soil and reduce the risk of erosion by applying practices such as minimum or zero tillage, crop rotation and cover crops, and promote the adoption of nature-based solutions that increase the fixation of carbon, water and nutrients.
- 7. Zero deforestation:** We avoid deforestation and expansion in areas of forests and ecosystems of high conservation value, comply with all forest protection laws, use lands already cleared and manage them sustainably by ensuring that productions do not cause deforestation or forest degradation.
- 8. Biodiversity protection:** We protect and preserve biological diversity, promoting the preservation of ecosystems and natural habitats, avoiding the loss of species and encouraging the adoption of sustainable practices that promote biodiversity.
- 9. Climate change mitigation:** We adopt practices that contribute to reducing the carbon footprint of products.
- 10. Animal welfare:** We guarantee the well-being of animals, through practices that ensure adequate health, comfort, feeding, and conditions that allow them to express their natural behavior, preventing them from suffering pain, fear, or stress.



Evaluation Procedure for Outsourced Suppliers

We have an evaluation procedure for our outsourced suppliers, which includes quality, economic, and social and environmental aspects.

For more than 10 years we have developed a scheme of recognized audits and certifications that allows us to evaluate our suppliers in these aspects: GFSI "Global Food Safety Initiative" (quality), SA8000 (contracting conditions), ISO14001 (environmental management), ISO45001 (occupational health and safety), WCA "Workplace Condition Assessment" (working conditions), BSCI "Business Social Compliance Initiative" (compliance) and SMETA "Sedex Members Ethical Trade Audit" (ethical trade). The Outsourcing Corporate Committee is in charge of supervising the implementation of these procedures.

By 2023, 94% of Arcor Group's Outsourced Suppliers were audited for their economic, social, environmental and quality performance

REconocer Program

We continued implementing the REconocer Program (Recognize Program) with the objective of evaluating and managing the risks and opportunities derived from economic, social, and environmental management in our supply chain. This evaluation offers us a general and specific vision of our suppliers through a rating system that considers two aspects: commercial quality and sustainability.

1. Evaluation of Suppliers with Commercial Quality and Sustainability Criteria

We implemented a self-assessment process in suppliers with the aim of obtaining a Commercial Quality & Sustainability Index. The self-assessment covers different topics:

- Business history
- After-sales service
- Commercial capacity
- General financial data and in relation to Arcor Group
- Business integrity and management system
- Human and worker's rights
- Risk and emergency management in operations
- Safety and hygiene legislations
- Environmental legislations
- Environmental management

143 new suppliers completed the self-assessment during 2023, bringing the total to 1,334 suppliers evaluated since the beginning of the initiative in 2017.

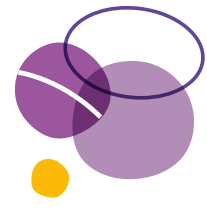
2. Integration in Commercial Management

The Commercial Quality and Sustainability Index is considered by the Purchasing area to promote continuous improvement actions in suppliers and to make better purchasing decisions. We have updated and detailed information on the sustainable management of suppliers and their evolution over time, and this information is considered when making purchasing decisions.

During 2023, 50% of the volume of purchases made by Arcor Group corresponded to suppliers that were evaluated through our REconocer Program.

Partnerships to Grow - Specific Initiatives

This line of action considers all initiatives aimed at promoting improvement in the management of aspects related to sustainability and the development of capabilities in specific groups of suppliers that, due to their complexity, need specific approaches.



Responsible Inclusive Purchasing Program (CIR)

For the last 17 years, we have been committed to the inclusion and development of suppliers whose processes are carried out in vulnerable conditions, and who often face difficulties in having access to the market and participating in the value chains of the productive sector. To address this challenge, we promote the Responsible Inclusive Purchasing Program (CIR, as per its initials in Spanish), which is based on two key principles: Provide technical support for the development of suppliers by strengthening their capabilities, and make purchases of ancillary materials, work clothing, gifts and raw materials to effectively integrate them into our supply chain.

During the last year, the CIR continued expanding its coverage through the incorporation of new suppliers and new purchases made at a corporate level and in the different bases of operation.

More than 167 million Argentine pesos were invested in purchases from 20 social economy suppliers, which generates job opportunities mainly for women and people with disabilities.

Promoting the Inclusion of Small Honey Producers

For three years, Arcor Group has been working together with the Federation of Young Agrarian Cooperatives and Associations of the Provinces of Córdoba and Santa Fe with the aim of generating opportunities for small producers to market their products. With more than 70 years of experience, the Federation has its production center in Marull, in the province of Córdoba. It offers honey producers the possibility of extraction and scale commercialization, while helping them with knowledge and training.

In 2023, we completed the purchase of 15,500 jars of honey made by the Federation to include jars of fractionated honey in the gift box that is delivered to the company's collaborators.

With this initiative, we continued promoting the prosperity of people, favoring the inclusion of productive groups and reinforcing the progress of the communities we are part of.



Strengthening Ties with Inclusive Suppliers

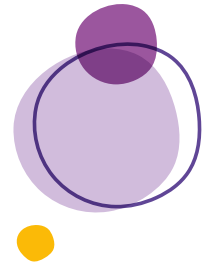
La Rañatela is an association that, through the Protected Production Workshop, creates job opportunities for people with disabilities who dream of having a job and actively participating in society.

Through the Responsible Inclusive Purchasing Program (CIR), Arcor Group acquired 45,000 products from this association: 15,000 aprons, 15,000 towels and 15,000 potholders to assemble kitchen kits that were included in the gift box that we gave to our collaborators.

The production of these kits involved 120 hours of work, which generated employment opportunities for 144 people: 95 people with disabilities, 19 supervisors and 30 independent women seamstresses who produce from their own homes.

Arcor Group's relationship with La Rañatela has been going on for more than 10 years and today we continue together, committed to strengthening ties with the communities we are part of!





Supplier Development Program: ADN PyME

In 2023, we implemented the ADN PyME (DNA SME) Program, with the objective of providing support to small and micro enterprises (SMEs) that are suppliers of goods and services within our Group. The main purpose of the program is to establish a favorable space for the development of suppliers, characterized by closeness and commitment to sustainable growth.

The program was developed in two major stages. In the initial phase, a diagnosis was carried out through visits to 15 suppliers who were selected considering the different geographical regions and taking into account both our commercial demands and those of our clients. We focused on small and micro businesses that provide service to Arcor Group and that show good performance and growth potential.

Based on this field study, the program's eight management pillars were designed:



1. Strategic Management

Strategic planning of the organization, decision making, and communication.



2. People Management

Performance, roles, and organization of the SME work team.



3. Commercial and Marketing Management

Marketing, market, competitor and customer studies.



4. Operations Management

Production, maintenance, sales, and organization of the products and services offered.



5. Economic - Financial Management

Planning and administration of economic and financial resources.



6. Innovation Management/R&D

Research and technological development applied to products, services, and internal processes of the company.



7. Supply Chain Management

Transportation and storage of products, services, and information from suppliers and customers.



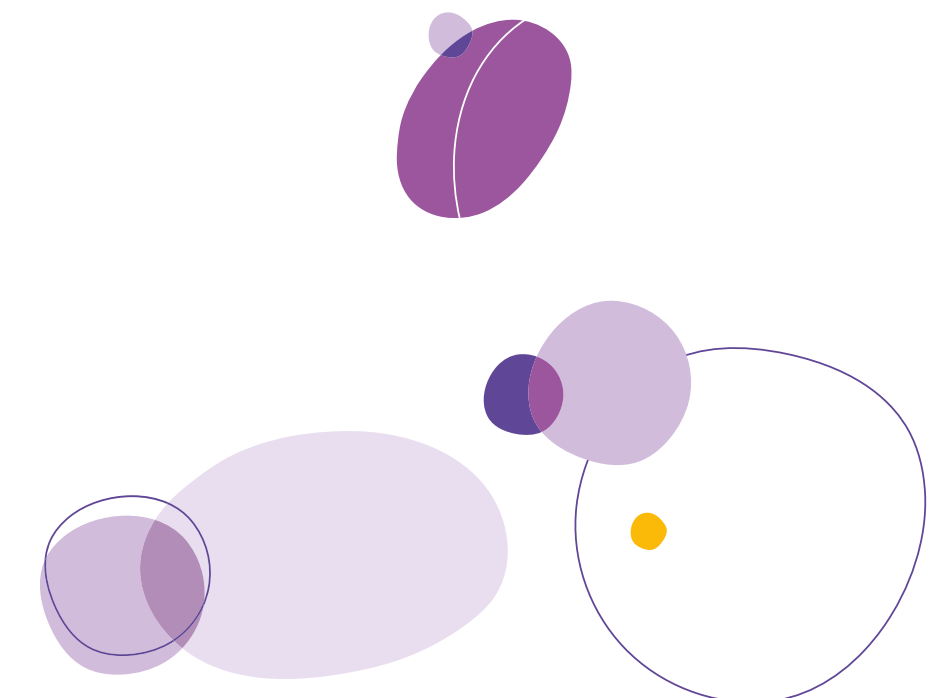
8. Sustainability Management

Responsible use of natural resources and quality certifications.

In the second phase, after designing the program's structure and considering the strengths and opportunities identified in our suppliers, we began to implement a first action linked to a more generalized need for training.

Within this framework, the Cost Workshop "Determination and Projection of Costs in Small and Medium-Sized Suppliers in a Volatile Economy like Argentina" was developed and taught by economists from the Mediterránea Foundation. 20 people from 12 companies from different regions of the country took part in this activity, such as Recreo (Catamarca), San Juan, Villa Mercedes (San Luis), Arroyito (Córdoba), Córdoba City, Chacabuco and Baradero (Buenos Aires).

During the training event, an objective and updated perspective on the country's macroeconomic situation was offered. In addition, practical tools for determining costs in an economic environment as volatile as ours were presented.





Sustainable Logistics

Logistics plays a fundamental role in the value chain, both in the supply to our plants and the distribution of our products. In line with the commitments of our Sustainability Strategy, each year we promote a Sustainable Logistics Plan with the aim of improving the levels of productivity, efficiency and quality of service in our processes, adopting a sustainable, respectful and people-centered approach.

During 2023, the following lines of work continued to be promoted:

Optimization of truckload

We focused on maximizing the use of available space in trucks in search of achieving greater efficiency and minimizing our environmental impact for each ton transported. To achieve the greatest use of the cubic meters available in the truck, we promoted joint work in the areas of Load Planning, Load Assembly and Transportation, with the aim of optimizing trips and designing the truckload in a certain way so that it goes as fast as possible and as complete as possible. This initiative is implemented both for mass consumption loads and for all movements of raw materials and supplies. As a complement to the improvement of this indicator, the GRU Project continues to be promoted, which seeks to optimize the cubic meters per pallet of finished product, with the aim of further maximizing the level of truckload utilization. During 2023 we achieved the goal we set for ourselves, reaching 63.97% truckload in the transport units.

Scaling

Since 2018, we have promoted this modality through strategic alliances with transportation providers. The purpose is to maximize the tons transported, both in the transportation of finished products and raw materials. Scalable trucks have one more axle and can transport loads of up to 35 tons, which implies an optimization of the load per trip of 20%.

Direct Deliveries of Products (Base - Point of Sale)

Direct delivery involves carrying out a single trip for the transportation of goods to avoid transfer movement from the production plant to the Distribution Centers and from Distribution Centers to customers. We promote this initiative with the aim of reducing our logistics footprint, since in a single trip and using the same transport, goods are delivered directly from the primary warehouse to the client. In 2023, we maintained direct delivery levels similar to 2022, making 42.86% of deliveries under this modality.

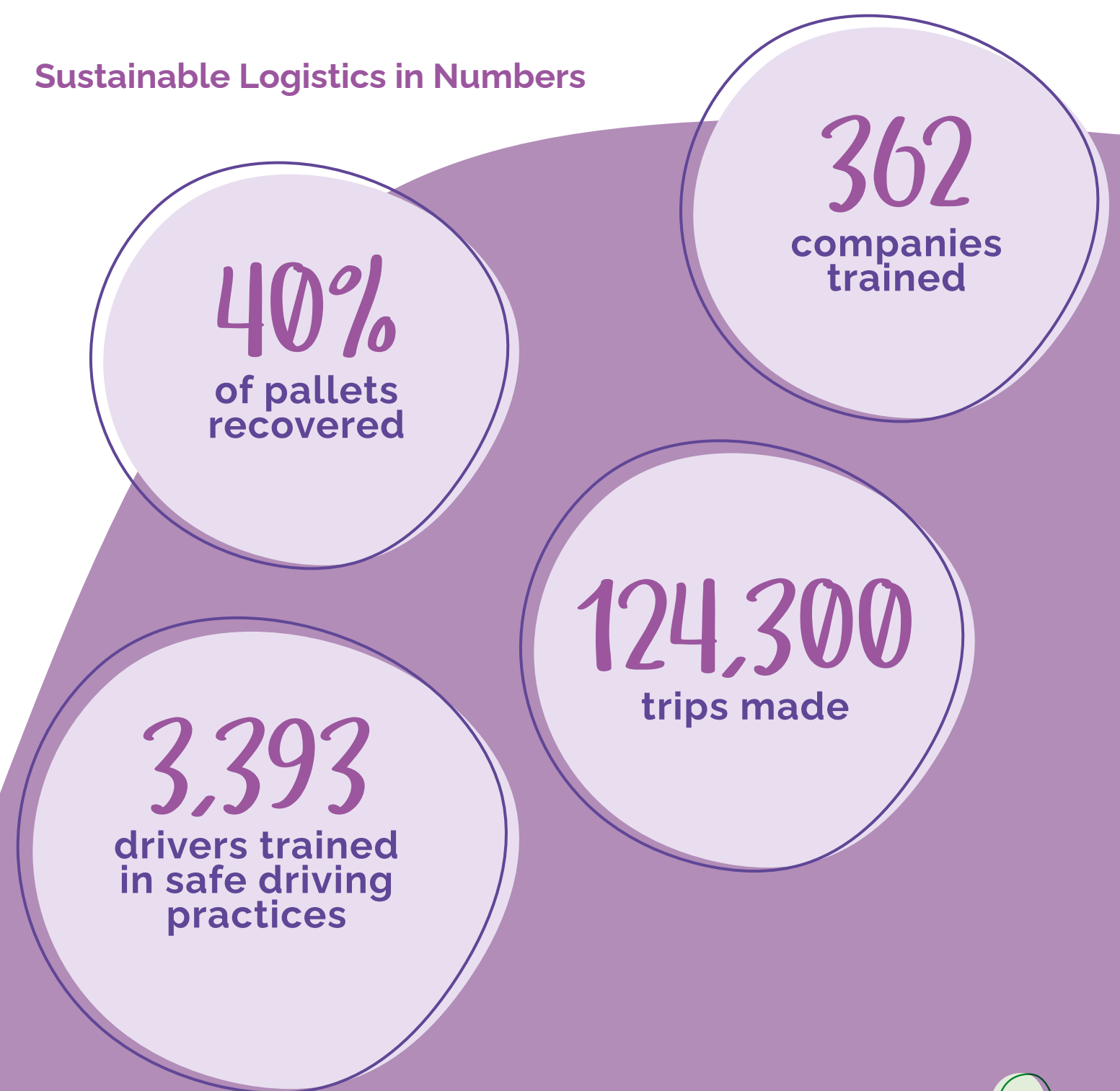
Use of Vehicles that Work Using Alternative Fuels in Strategic Corridors

The initiative aimed at promoting the use of CNG-powered vehicles among our transportation providers continued to expand. This type of fuel contributes to reducing greenhouse gas emissions compared to conventional gasoline. In 2023, the total number of CNG units in our suppliers' fleet reached a total of 33 units.

Evaluation of Transport Providers

We evaluate our transportation providers in key aspects that impact the company's logistics: characteristics of the units, punctuality, contracting conditions, work environment conditions, accidents and quality of service, among other aspects. As a result of this evaluation, 13% of suppliers reached the "Optimal" category, 80% obtained a result within the "Compliant" category, and 7% presented opportunities for improvement. Based on these results, we continued working to promote improvement in management.

Sustainable Logistics in Numbers





Our Strategic Partners: Clients

Arcor Group clients (2023 vs. 2022)³³

| Year | Distributors | Wholesalers | Supermarkets | Sellers | New businesses | Points of Sale Visited |
|-------------|--------------|-------------|--------------|--------------|----------------|------------------------|
| 2022 | 335 | 927 | 62 | 10,389 | 36 | 797,918 |
| 2023 | 348 | 879 | 55 | 9,519 | 205 | 686,612 |

Arcor Group Clients (channel by country) 2023

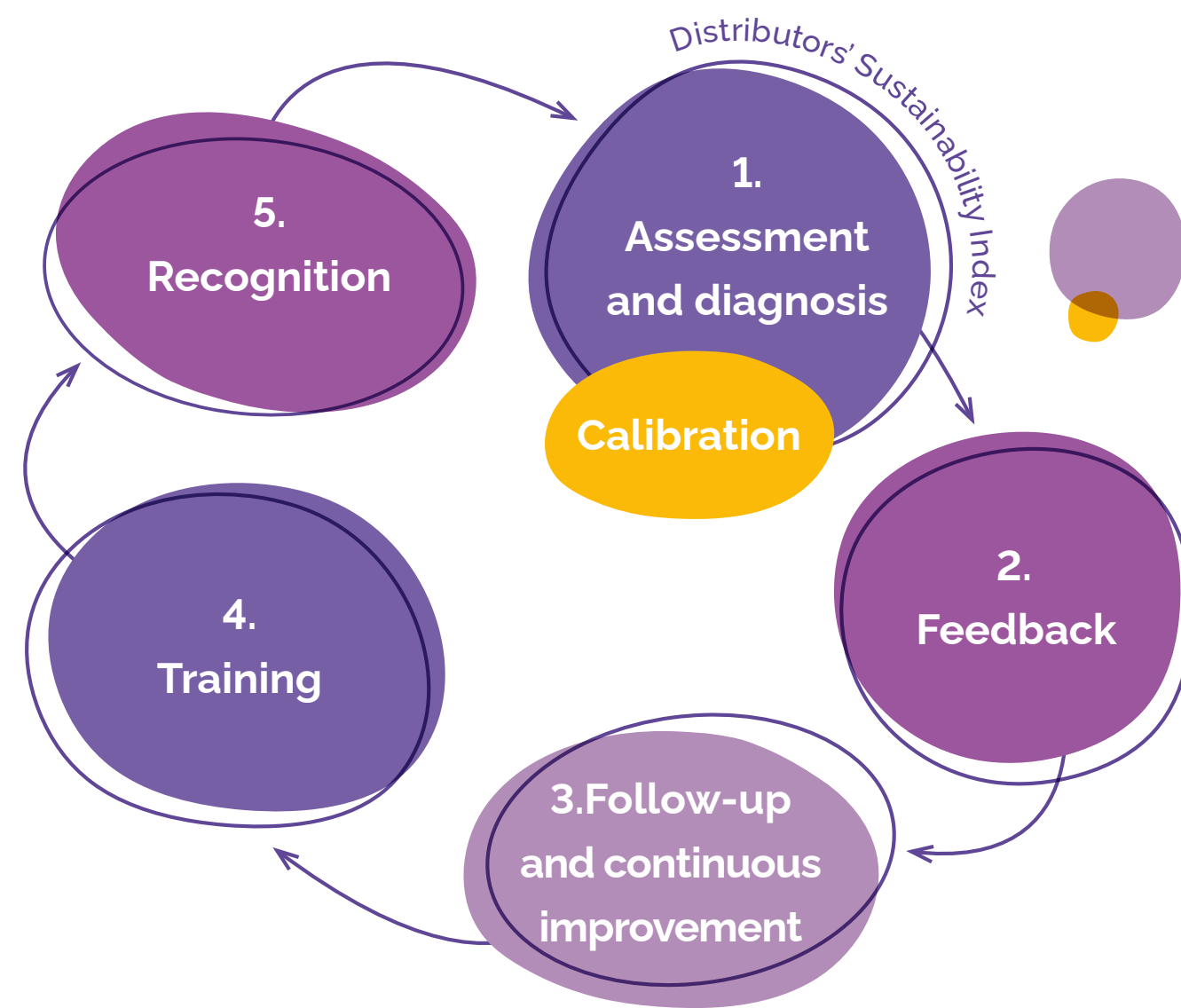
| Country | Distributors | Wholesalers | Supermarkets | Sellers | New businesses | Points of Sale Visited |
|--------------|--------------|-------------|--------------|--------------|----------------|------------------------|
| Argentina | 162 | 264 | 27 | 2,259 | 39 | 245,717 |
| Brazil | 130 | 304 | 4 | 2,571 | 157 | 326,195 |
| Chile | 30 | 133 | 6 | 360 | - | 55,600 |
| Mexico | 6 | 105 | 21 | 4,065 | 1 | 169,758 |
| Peru | 20 | 73 | 3 | 264 | 8 | 59,100 |
| TOTAL | 348 | 879 | 55 | 9,519 | 205 | 686,612 |

³⁴ This value is calculated considering the % coverage that existed at the end of December 2023.



Distributors' Sustainability

Since 2019, we have had a strategy to promote sustainable management in our Distributors, through an evaluation process that allows us to promote continuous improvement in management.



During 2023, we integrated the evaluation process for Distributors on sustainability aspects (which was previously carried out through the Guide to Good Sustainability Practices for Distributors) to the audit of the Red Activa Program. In this way, to the new version of Red Activa audits we added 63 components linked to the following topics:

- Human and labor rights
- Ethics and culture
- Workplace well-being
- Health, safety and quality of life
- Inclusion and diversity
- Donations
- Relations with the community
- Energy efficiency
- Effluents
- GHG emissions
- Waste management

Red Activa Program

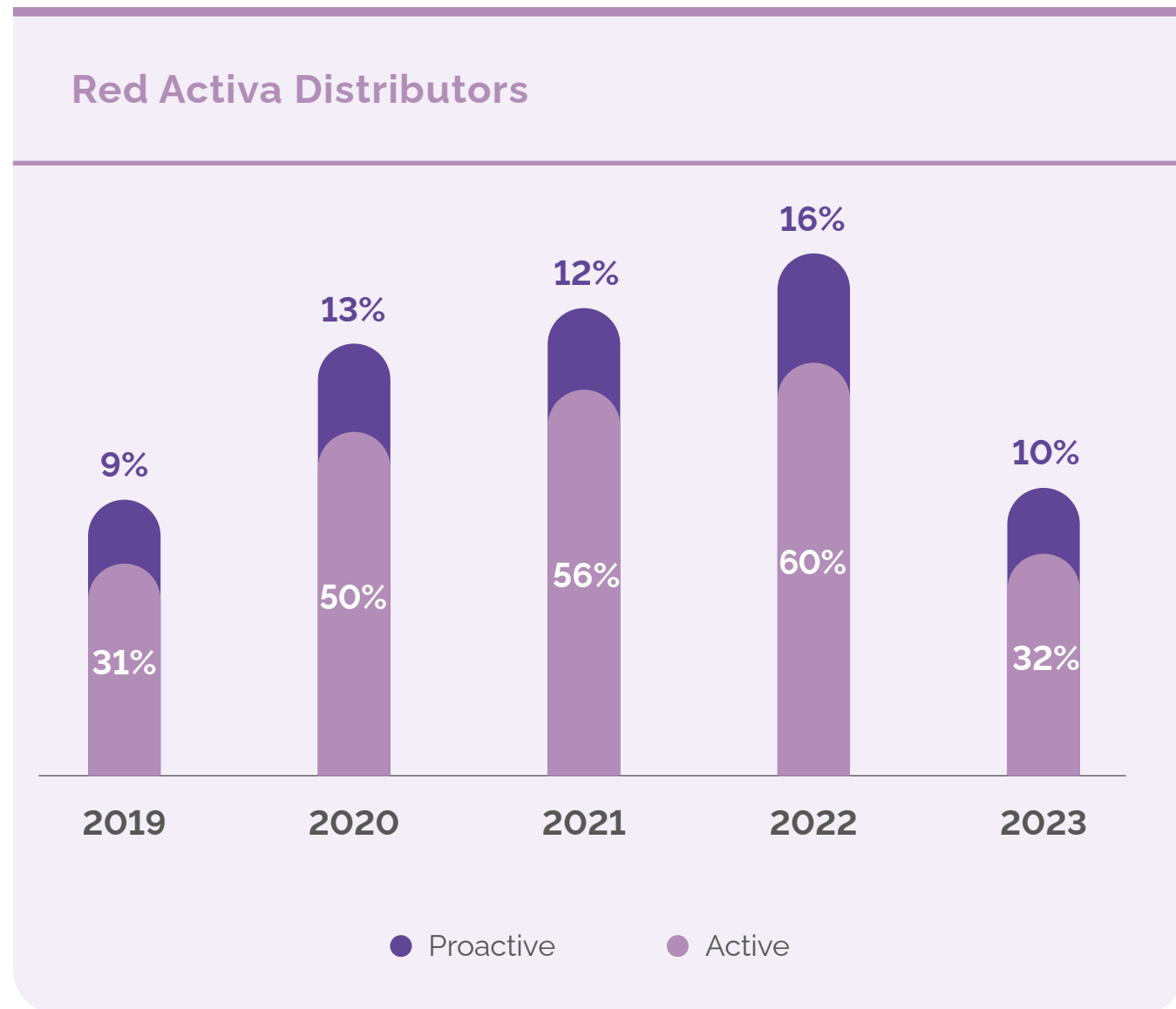
Since 2014 we have carried out this program with the objective of comprehensively strengthening our Distributors' Network, promoting good practices in four specific areas of interest, which determine the standard model that our distributors must comply with:

- Infrastructure
- Logistics processes
- Management
- Product Integrity

In 2023, a new version of the program was promoted, in which performance standards were incorporated in the following management areas:

- Sustainability
- Environment
- Occupational Health and Safety
- Quality

The program is implemented through audits to our Distributors that consider aspects related to the aforementioned management areas. Based on these audits, continuous improvement in management is promoted.



In its launch year, the Red Activa 5.0 Program achieved the following results:

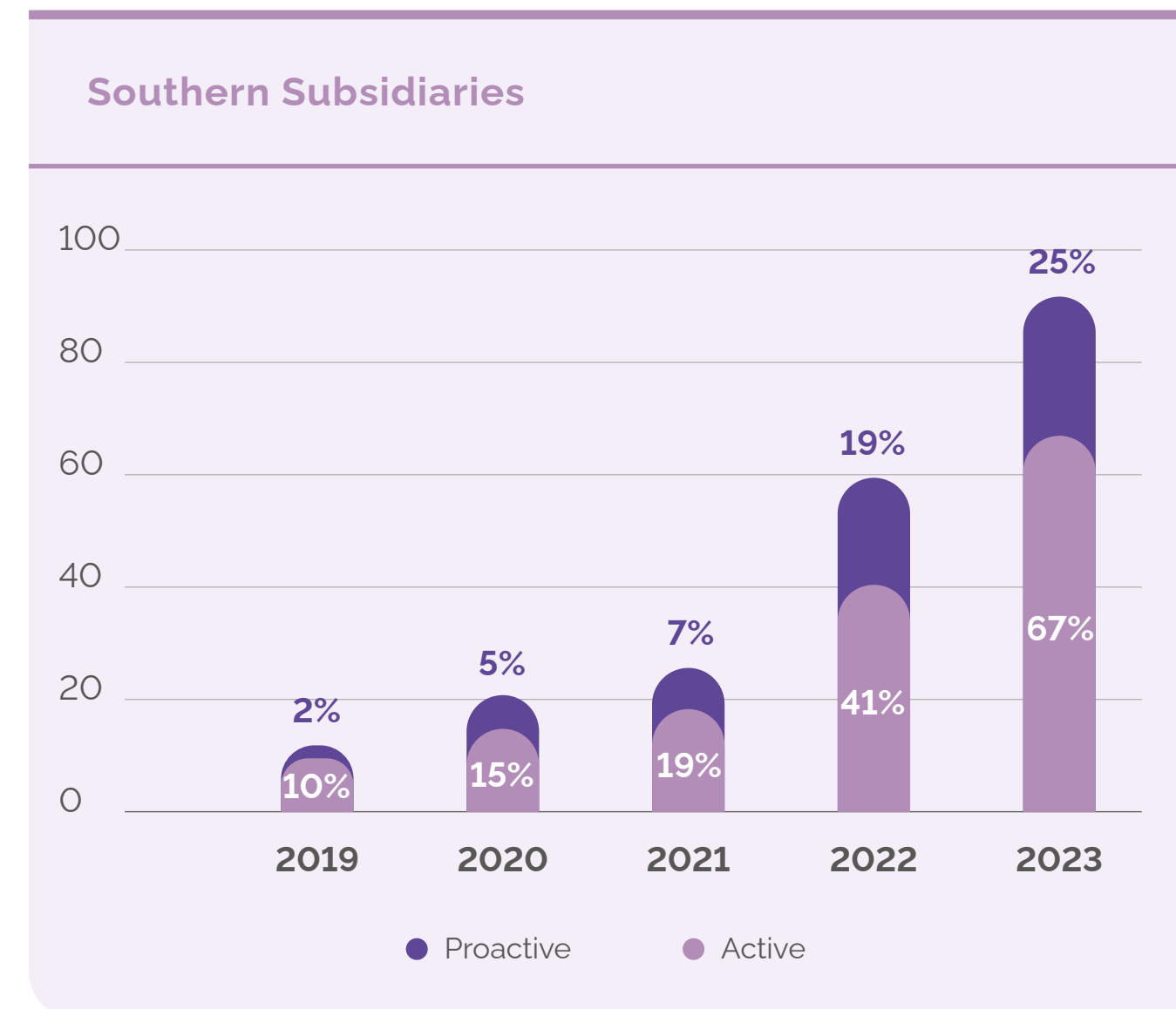
- 181 self-evaluations were carried out on Distributors in Argentina, 19 evaluations in Paraguay, 11 in Uruguay and 21 in Bolivia.
- 36 training days were organized with more than 1,800 participants for the launch of the Red Activa 5.0 Program.

On the other hand, we continued promoting improvement in the sustainable management of our Distributors through virtual training related to sustainability issues. These trainings are available on Arcor Net, the Distributors' product ordering platform, and cover the following topics:

- Company and Human Rights
- Relations with the Community
- Responsible Waste Management

Finally, for the third consecutive year, we distinguished those Distributors who stood out for their sustainable management, through the delivery of the "Sustainability" award, within the framework of the recognition that is carried out annually at the ArcorTour.

During the ArcorTour 2023, 11 distributors were recognized for their good performance in sustainability: CUNEO, FARJAT, ABARCA, AGUIAR RESISTENCIA, VC, BASTARI, FLOVA, TL, Distri-Oran, MAGAZ and NEVADA.



*Southern subsidiaries: Paraguay, Uruguay, Bolivia and Chile.



- 120 Water Care
- 129 Climate and Biodiversity Action
- 141 Circular Material Flow

Preserve the Planet's Sustainability

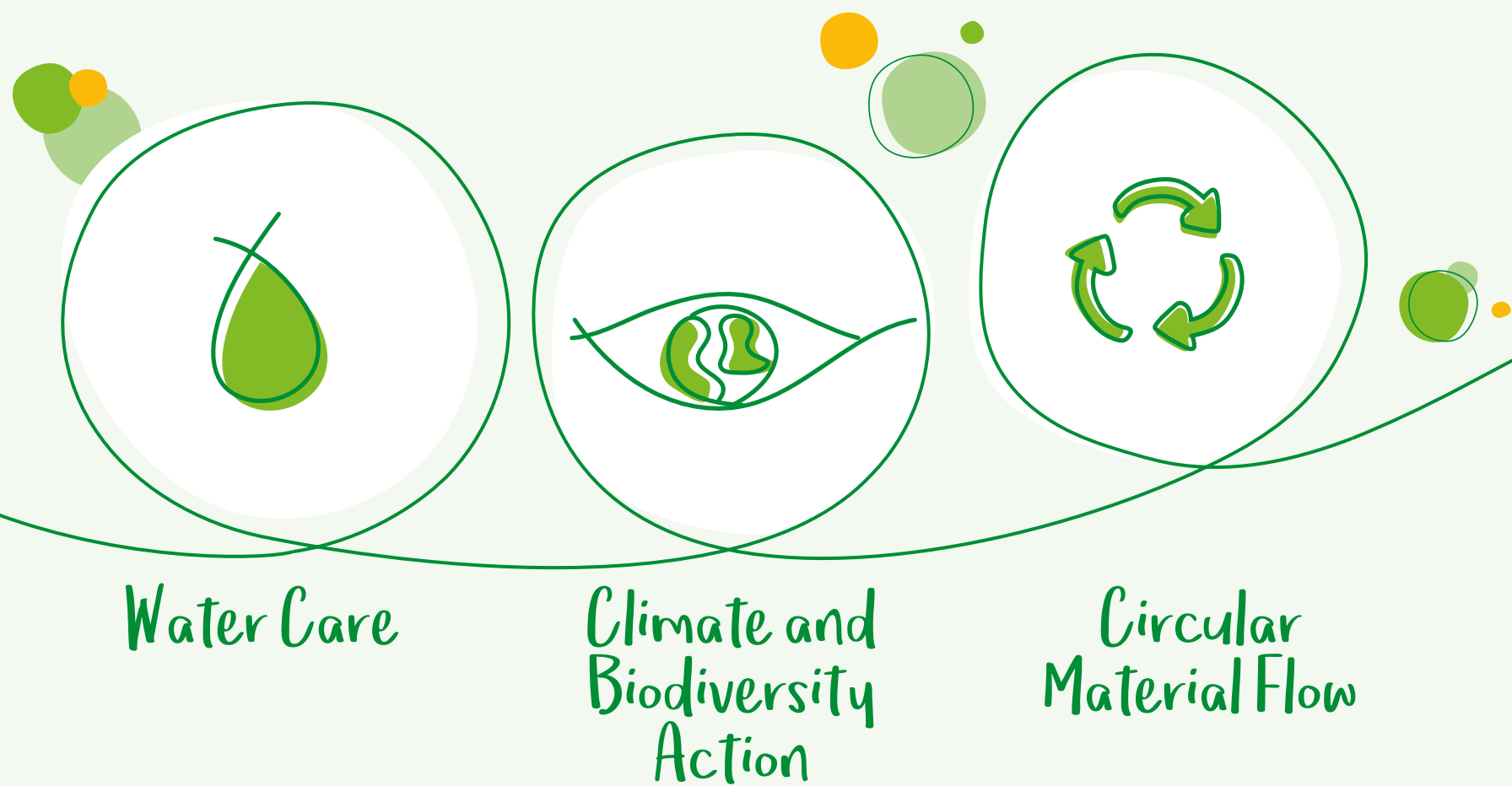
5



Preserve the Planet's Sustainability

We preserve the planet by taking care of water, taking actions that benefit the climate and biodiversity, and encouraging a circular business model of supplies and waste to help enhance ecosystems.

Our Sustainability Policy establishes the following commitments:



Water Care

We believe that clean water availability is one of the main environmental challenges of our times, since water is vital for all forms of life.

We are committed to increasingly more efficient water consumption, returning water to the environment in a safe manner, and preserving our water sources across the entire value chain.

Through this commitment, we help spread environmentally friendly production practices.

Goal

- Achieve a reduction in specific water consumption (m³/ton) of 25% by 2025 and 30% by 2030, compared to consumption in 2020.

Results:

Reduction in consumption of
4.8%
compared to 2020.



Water Strategy

We believe that clean water availability is one of the main environmental challenges of our times since water is vital for all forms of life. In our pursuit of responsible business growth, we understand that efficiently managing water resources is essential for the long-term sustainability of the Arcor Group. The geographical uniqueness of our plants and their impact on the environment drives us to strategically approach the management of surface and groundwater.

With the firm intention of thoroughly understanding the quantity and quality of our water sources, we have specific Water Committees for each Business within the Group, prioritizing those operations with the greatest demand for this resource. We focus on carrying out water balances and consumption analysis as key measures to accurately manage the availability of the resource, especially in a current context marked by challenges of water scarcity in the different geographies in which our plants are located.

We continue implementing our Water Strategy focused on the 17 industrial plants identified as critical, given that they represent 98.7% of Arcor Group's total consumption, in addition to the plants located in areas of water risk or potential shortage.

The Water Strategy is developed in three axes, each one with specific objectives:

1. Reducing water consumption through rational and appropriate use

- a. Continue promoting the increasingly efficient use of water in operations through the implementation of technologies and practices that minimize consumption without compromising the quality and safety of the products.
- b. Identify and prioritize plants with the highest risk of water availability and consumption to focus efforts on improving their water efficiency.
- c. Promote awareness and training of staff in the responsible use of water and promote a culture of conservation throughout the organization that can transcend to other companies.

2. Ensuring availability

- a. Carry out exhaustive studies to identify and evaluate new water sources, considering alternatives such as rainwater harvesting, groundwater and desalination.
- b. Promote the reuse of effluents through the technological modernization of the process, ensuring that the treated effluents meet sufficient quality standards for their reuse in other processes (irrigation, sanitary services, internal processes).
- c. Evaluate the possibility of implementing water replacement projects to restore the resource in those areas where it has been depleted or degraded.

3. Ensuring and optimizing the treatment of industrial effluents

- a. Implement advanced treatment technologies to ensure absolute compliance with environmental and health standards.
- b. Continuously improve production processes to minimize effluent generation and promote cleaner and more sustainable production practices.
- c. Conduct regular monitoring of effluent discharges to ensure compliance with standards.



Within the framework of this Strategy, we carry out different studies to know the static and dynamic levels of our drilling in order to understand the state of the basins from which we source in each location. Understanding the status of our water sources is highly important for the continuity of our operations, as it allows us to develop future plans.

Finally, based on the progress made from 2016 to 2020, we established new goals for reducing water consumption by 2030: Reduce specific consumption (m³/Tn) by 25% by 2025 and by 30% by 2030, considering the 2020 consumption as the baseline.

EVOLUTION OF CONSUMPTION AND GOALS

| Year | 2020 | 2021 | 2022 ³⁵ | 2023 | 2025 | 2030 |
|--|------------|------------|--------------------|------------|-------------------|-------------------|
| Net Consumption (m ³ /year) | 32,322,186 | 32,592,705 | 29,819,525 | 32,191,497 | 24,241,640 | 22,625,530 |
| Specific (m ³ /Tn) | 8.08 | 7.63 | 7.33 | 7.69 | 6.05 | 5.65 |
| Specific % (relative to the 2020 baseline) | - | -5.6% | -9.3% | -4.8% | -25% | -30% |

Both the goals and the consumption presented do not include the Baradero and Chacabuco plants as they have been recently added to the Group. In the future, we are planning to incorporate these operations, while we advance in the registration and consolidation of information regarding its behavior in this area.

³⁵ Restatement of information due to rectifications in the scope.



Water Use in Fruit Production

In 2023, we will begin to measure and monitor water consumption on our own fruit production farms in order to understand their behavior and establish a future strategy for these sites.

The Arcor Group Food Business has four farms in the province of Mendoza (Argentina) for the production of fruits that are used in the production of pulps and jams, such as peach, apricot, quince and plum: El Desafío, El Porvenir, El Paraíso and Nueva Aurora.

Although we have been working for more than a decade to make the use of water more efficient in these productions, through the incorporation of drip irrigation and micro-sprinkler systems, we still did not have annual records of water consumption in these processes, which would allow us carry out systematic monitoring and design new strategies to make consumption even more efficient.

Considering that the farms are located in a region of high-water stress, in 2023 we began the measurement, recording a total consumption of 2,050,812 m³.



Consumption Reduction

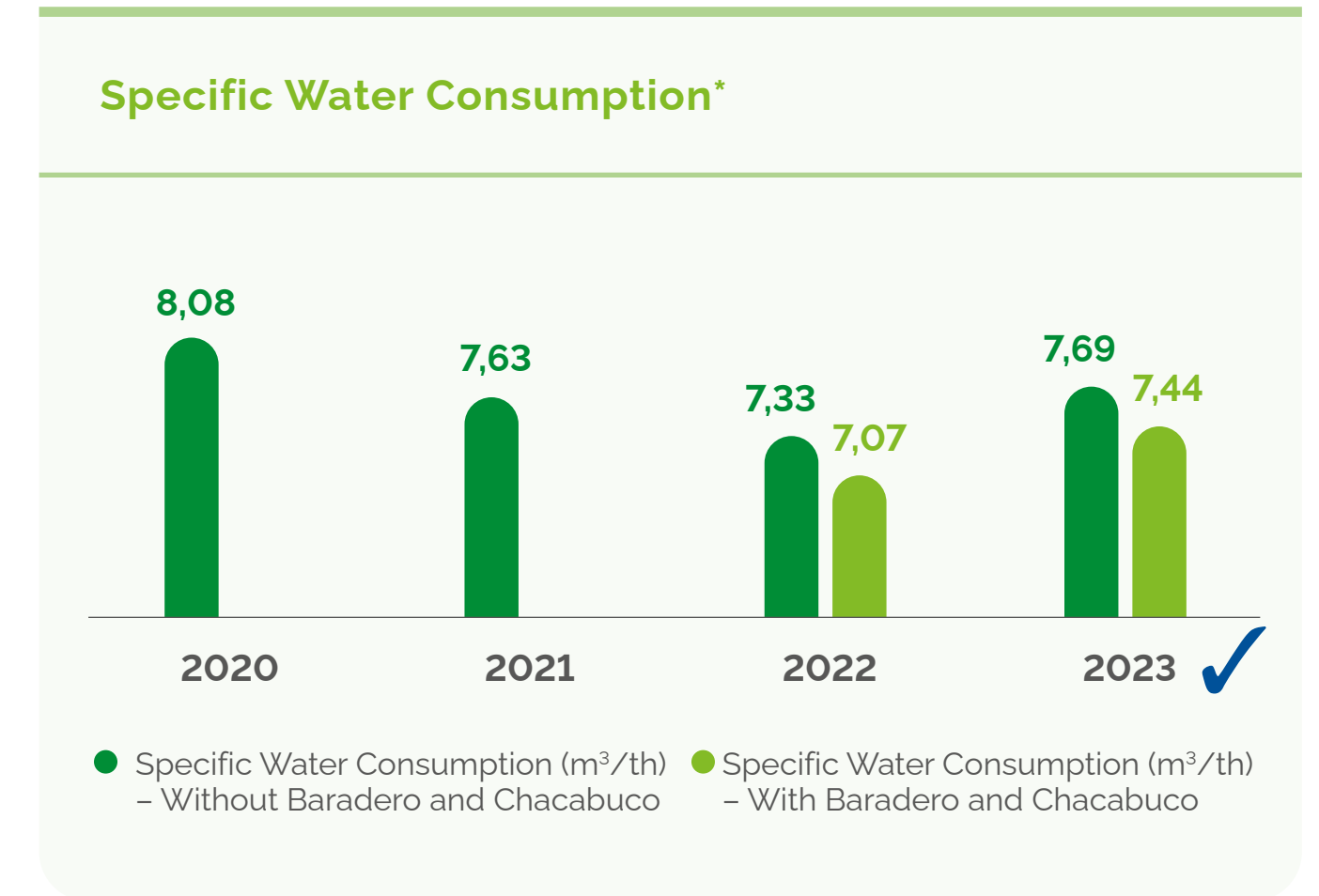
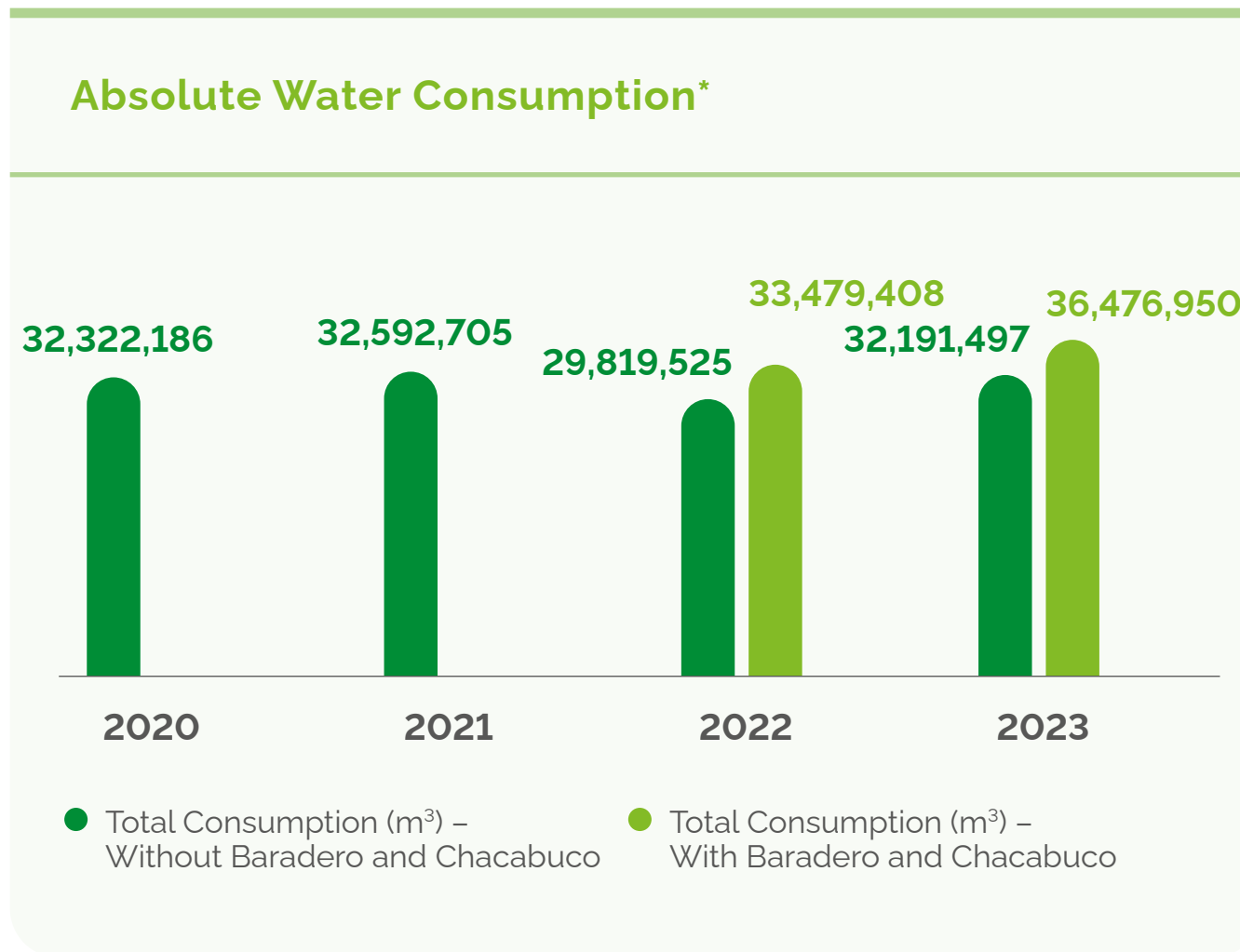
During 2023, we worked with the 17 most critical plants because they represent 98.7% of the Group's total consumption in terms of availability, scarcity and quality. We worked on minimizing the impact of consumption delving into "the responsible use of water", surveying and implementing improvements that help us be increasingly efficient in the use of this resource.

Compared to the 2020 baseline, we achieved a 4.8% reduction in specific water consumption, reflecting our continued commitment to efficiency in the use of resources, seeking to optimize our production with lower consumption.

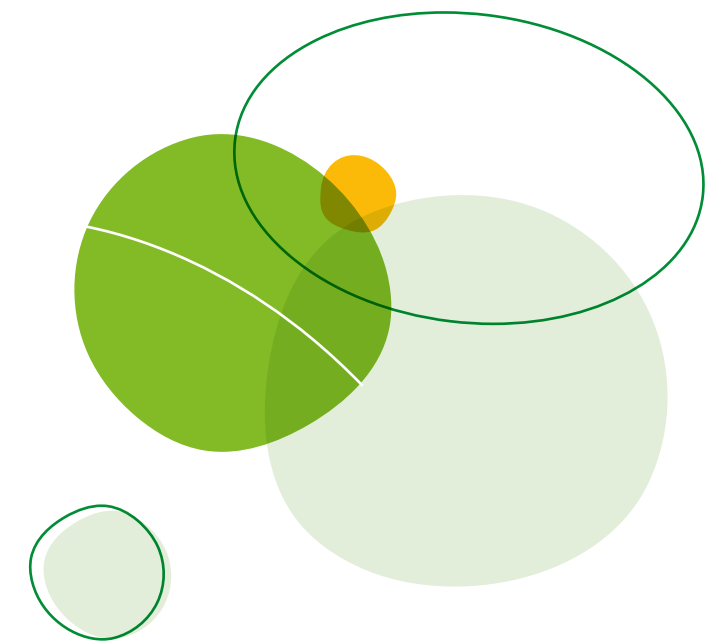
A deviation was identified in the absolute consumption values in relation to 2022. This is mainly attributed to an anomalous behavior in the operation of the La Providencia Sugar Mill due to the extension of the sugar harvest for an additional period of 30 days. This was due to a reduced supply of sugar cane by producers, directly affecting the mill's performance and operation. This behavior, in turn, resulted in a decrease in the grinding rate and an increase in water consumption.

Despite the challenges experienced by some plants in maintaining their absolute consumption, we managed to maintain efficiency in terms of specific consumption. This highlights our focus on sustainability, where we prioritize efficiency without compromising productivity.

The analysis highlights the complexity of water management in our operation, where factors such as the duration of production processes and specific operational challenges influence consumption patterns.



* Restatement of 2022 value due to a rectification in the tons produced.



PMH₂ Water consumption reduction

The Wet Corn Milling Plant No. 2 in Tucumán is among the plants that consumes the greatest amount of water (16.4 m³/tn in 2021). Therefore, it was decided to carry out work with the Water Committee of the Plant to reduce consumption year after year.

The plant's greatest water consumption comes from the plant's cooling equipment, which works in an open water circuit and involves constant and significant use of water. For this reason, an investment in new closed-circuit cooling towers was proposed. This change not only drastically reduces water consumption, but also improves the operational efficiency of the equipment, generating long-term environmental and economic benefits.

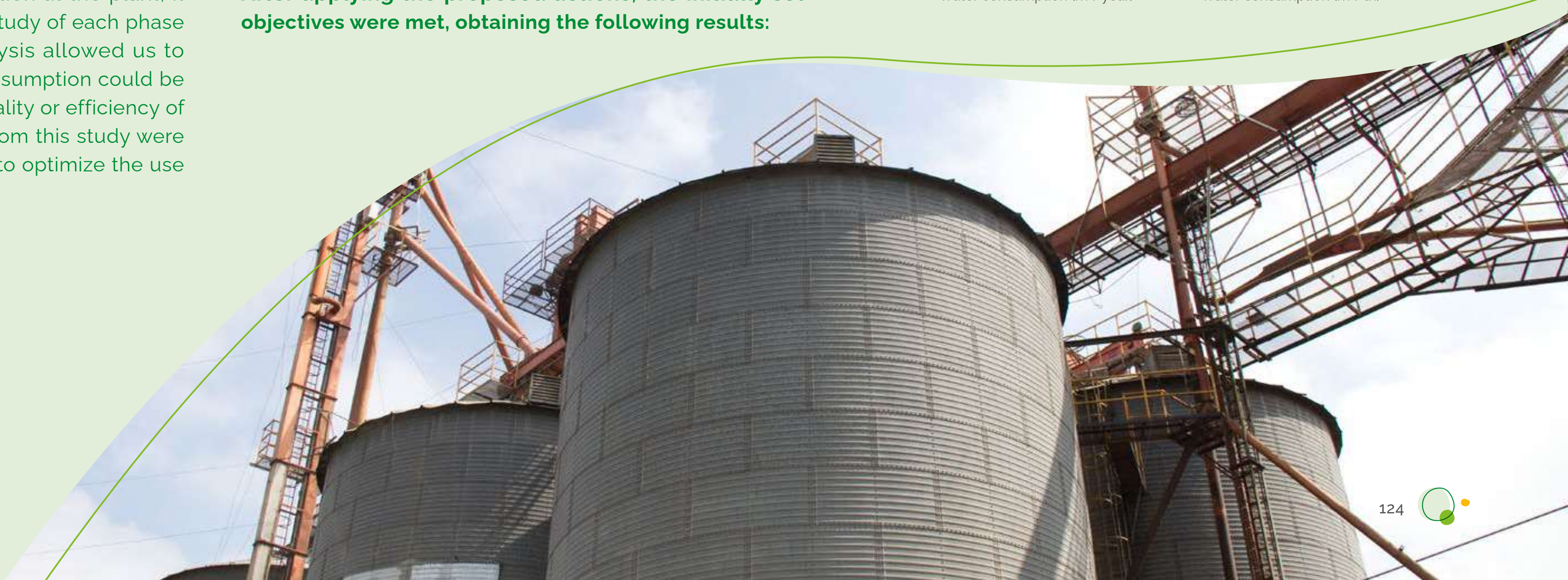
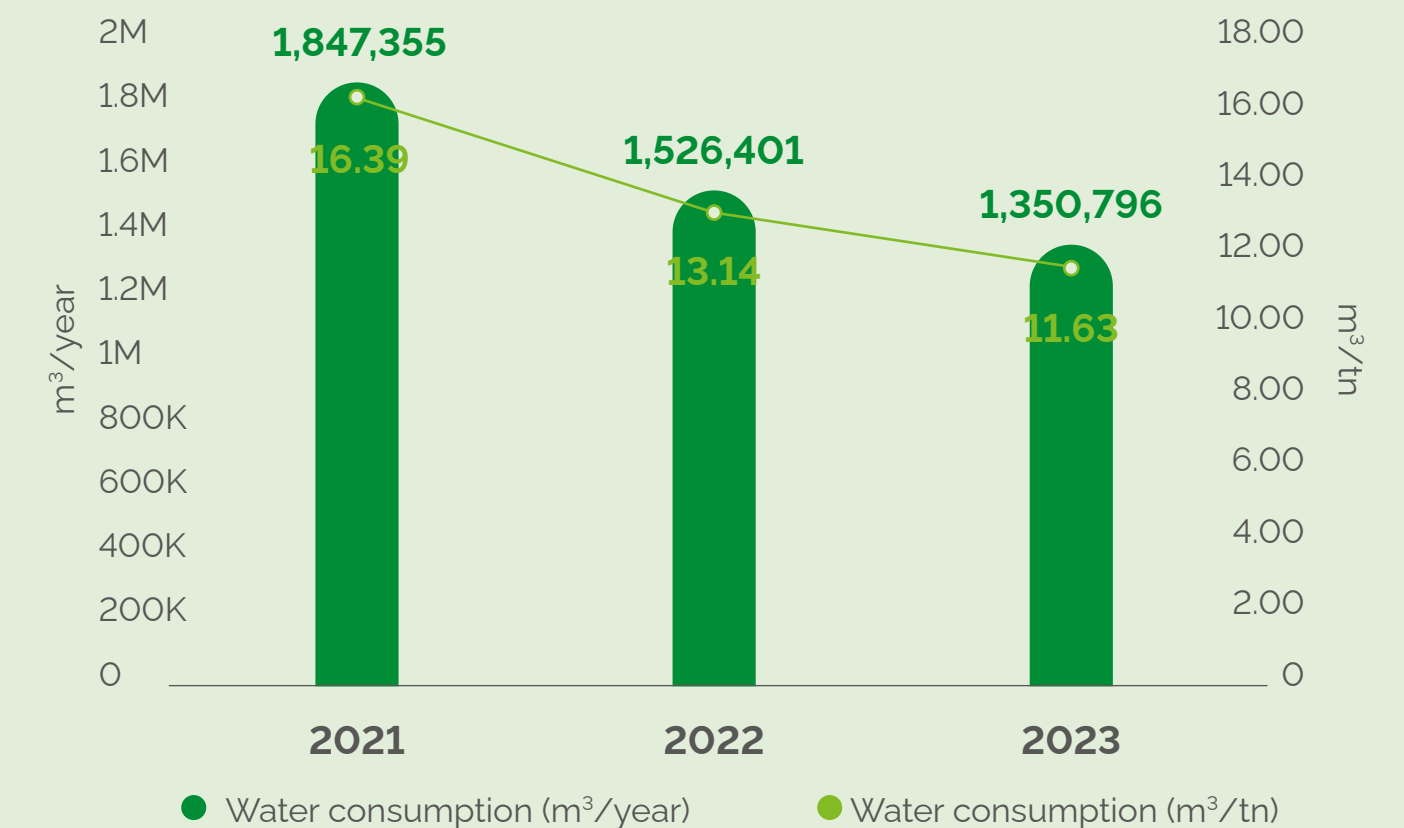
To address additional water consumption at the plant, it was proposed to carry out a detailed study of each phase of the production process. This analysis allowed us to identify specific areas where water consumption could be reduced without compromising the quality or efficiency of the process. The proposals resulting from this study were integrated into an action plan seeking to optimize the use of water in all stages of production.

An exhaustive evaluation of the infrastructure and the water distribution system at the plant was carried out with the purpose of identifying and correcting possible leaks, inefficiencies or losses in the distribution network. Optimizing infrastructure and repairing leaks will help minimize losses and ensure more efficient use of water resources in all areas of the plant.

Finally, awareness and training programs were implemented for all staff, seeking to promote responsibility and sustainable use of water among employees. The training addressed daily practices that may affect water consumption, promoting an organizational culture committed to the responsible management of the resource.

After applying the proposed actions, the initially set objectives were met, obtaining the following results:

Water Consumption Evolution



Water Availability Assurance

At Arcor Group, we fully understand the importance of managing water in a sustainable and proactive way, especially in areas identified as having high water risk. Our commitment translates into concrete actions to take care of consumption and guarantee supply in vulnerable places.

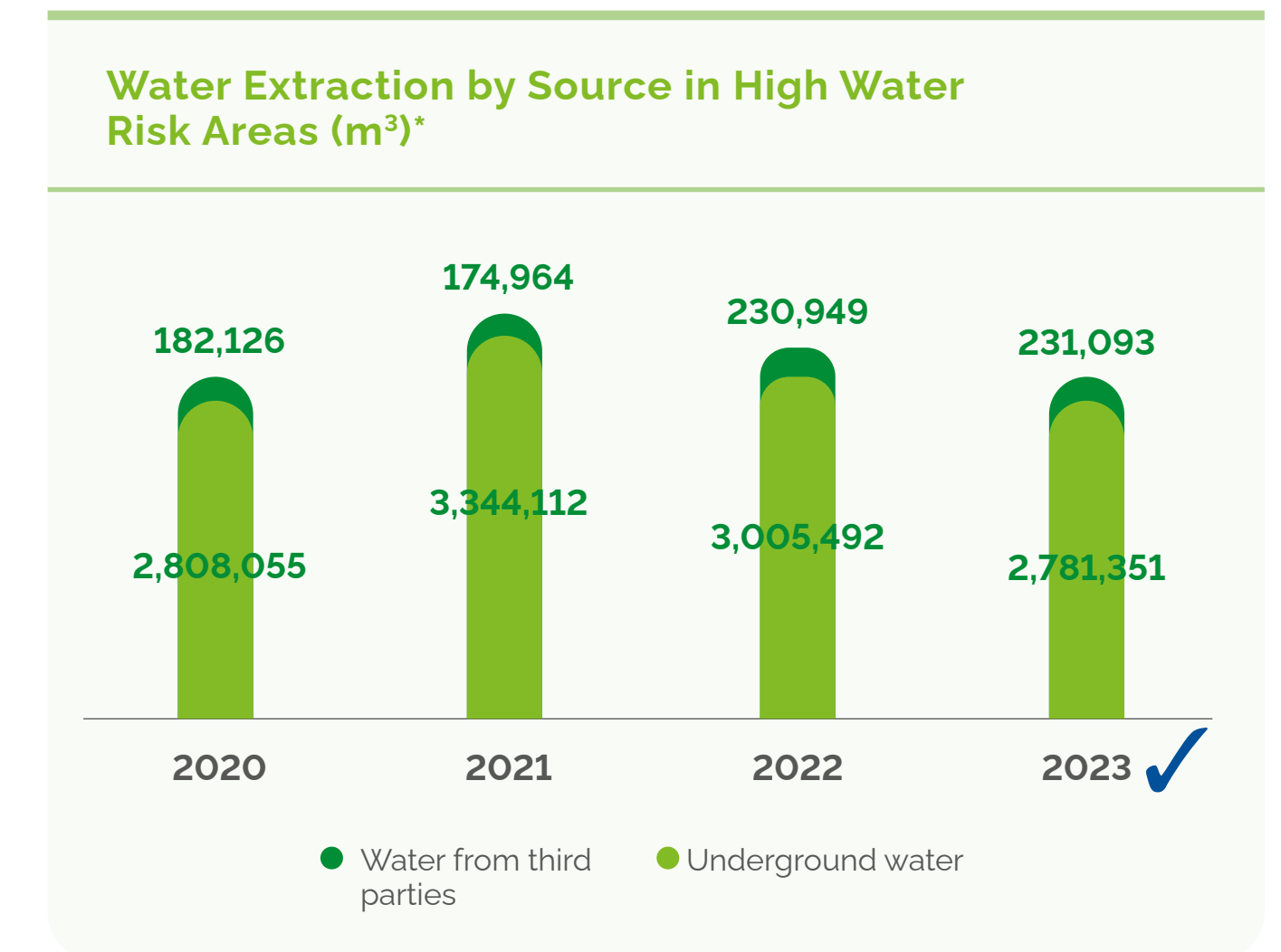
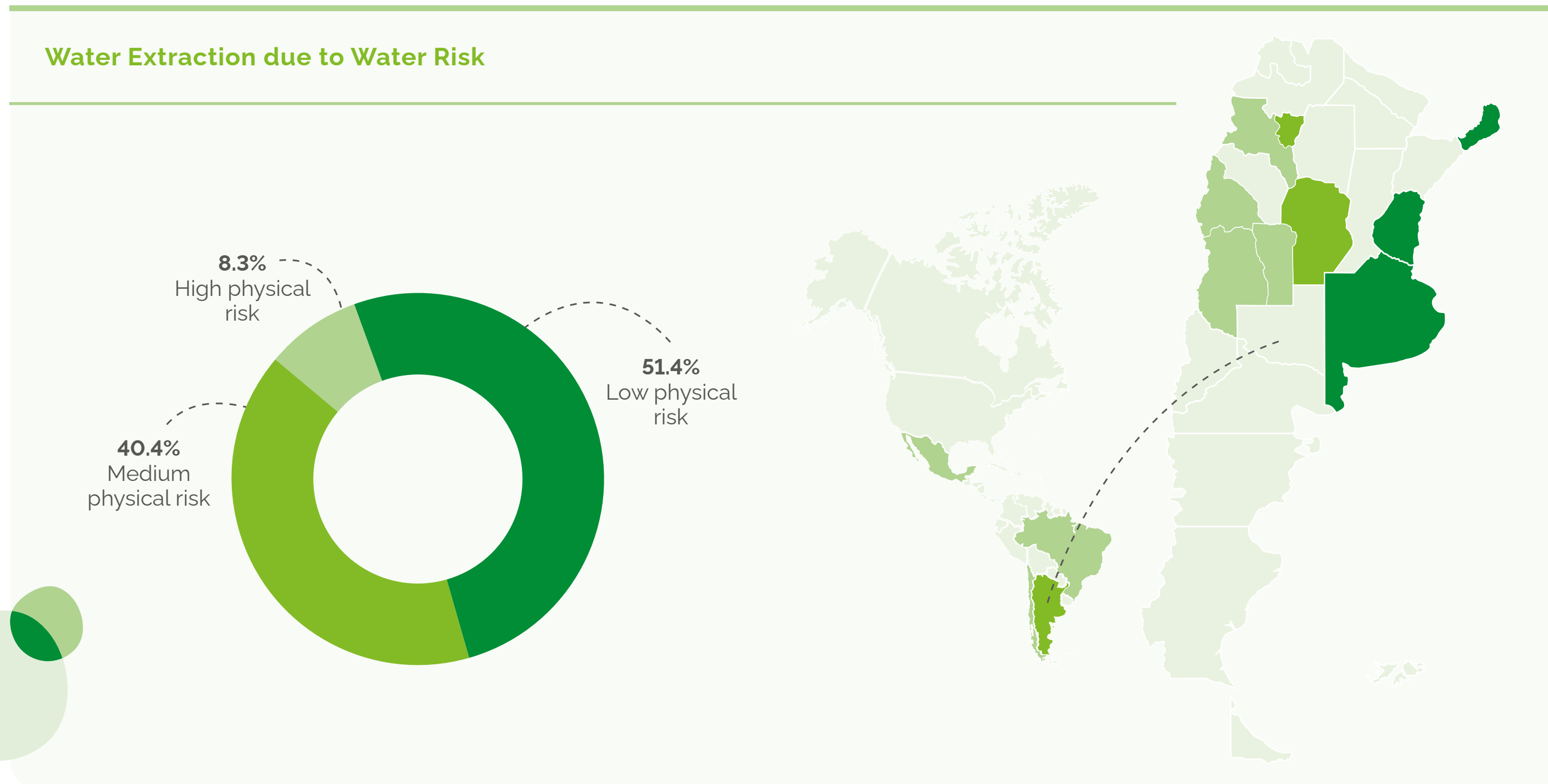
Within the framework of the Strategy, we carried out an analysis with the Water Risk Filter tool and were able to classify the

different sites where we extract water based on their water risk. Within the global risk, we focus on taking care of consumption and implementing actions to guarantee supply in those places with high water risk.

Based on the analysis carried out, we created our Water Risk map, where we classified the sites where we operate and this allowed us to quantify our consumption by area:

8.3% of the total water used by Arcor Group comes from areas identified as having a high risk or water stress.

In our detailed assessment of water consumption according to water risk, we observe that levels remain in line with historical values. This consistency is due to the fact that consumption surpluses in 2023 were recorded in plants with a low physical risk.



* It considers the plants located in the provinces of Mendoza, San Juan, San Luis and Catamarca (Argentina), Chile, Mexico and in the state of Rio Das Pedras (Brazil). Luis y Catamarca (Argentina); Chile; México y en el estado de Río Das Pedras (Brasil).

The 6.9% decrease in consumption at plants classified as High Physical Risk compared to 2022 is particularly significant. This decrease is largely due to the reduction in consumption in specific plants, such as Cartocor Mendoza and the Arcor San Juan Plant.

We implement specific measures to address physical risks and reduce consumption in critical areas. In the future, we will continue focusing on progressive strategies to optimize our water resources and maintain our commitment to sustainable business practices across our operations.

One of our main strategies to guarantee supply in high-risk areas is the implementation of our own collection mechanisms. This translates into operations dedicated to the monitoring and preservation of water sources ensuring both the quantity and quality of the resource. This approach allows us to maintain direct control over our sources, strengthening our ability to meet challenges in critical areas.

Through studies that monitor the static and dynamic levels of our drilling, we seek to locally understand the state of the basins from which we source. This detailed approach not only improves our response capacity, but also contributes to more informed and sustainable water management.

Rigorous monitoring of our own groundwater extraction capacity is an integral part of our actions. In addition, we have carried out deep hydrogeological studies to evaluate the viability of having our own resources. This initiative not only reinforces our autonomy in water management, but also positions us to make decisions based on the preservation and efficient use of this vital resource.

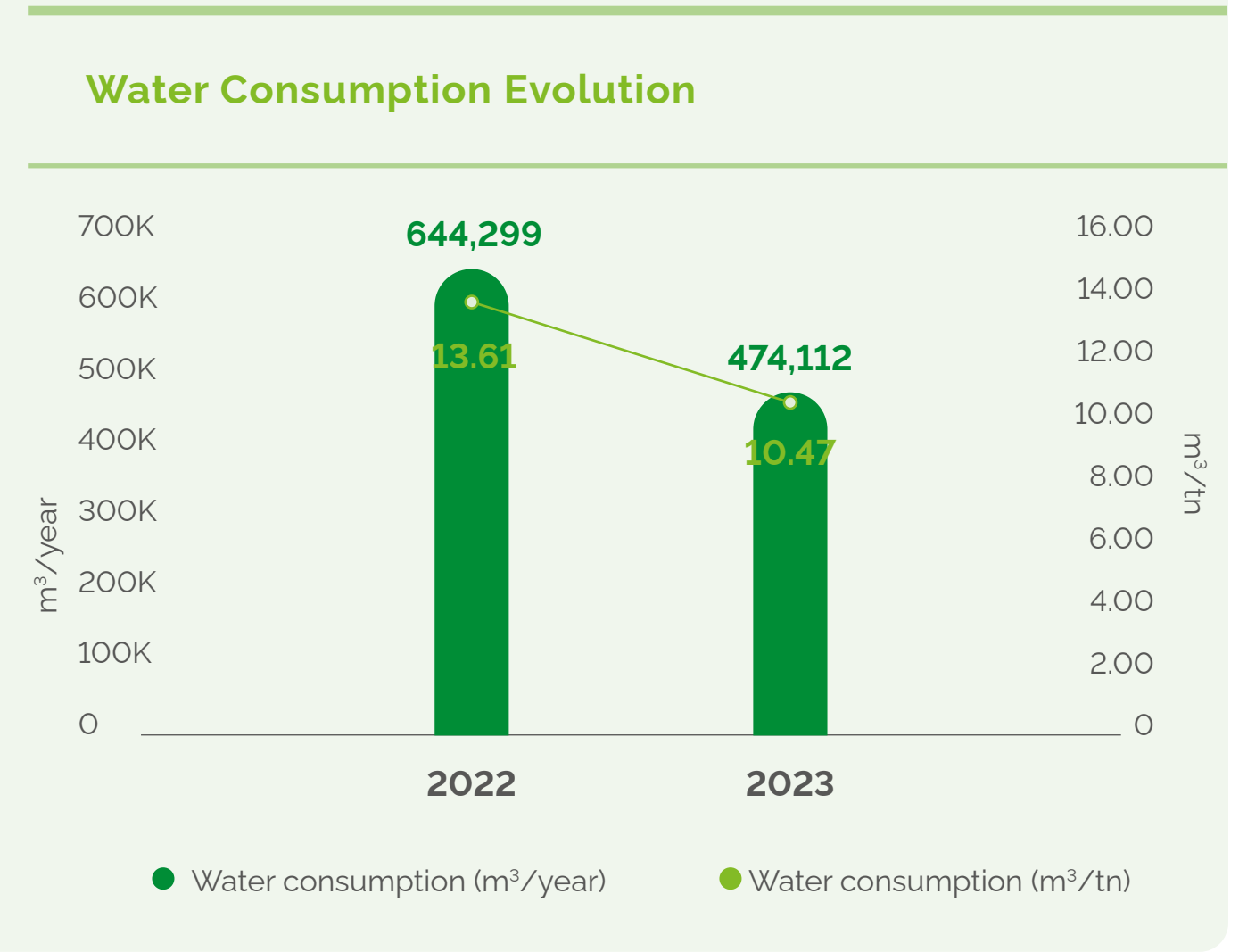
Our comprehensive strategy ranges from own collection to detailed studies, ensuring proactive water management in high-risk areas. We are committed to strengthening our resilience and sustainability, thus contributing to the well-being of the communities in which we operate.

Optimization of Water use in Zucamor Mendoza

In the last year, we have channeled efforts to maximize the use of reused water at several key points in our production process at the Zucamor Mendoza plant. These initiatives included the following actions:

1. **Cleaning of Bins and Effluents:** We implemented improved systems for cleaning bins and handling effluents, using recovered water efficiently.
2. **Cleaners 2nd and 3rd Stage Cleaning:** We optimized the cleaning process in the cleaners stages, partially replacing fresh water with reused water.
3. **Bale Yard Irrigation:** An irrigation system was established that uses reused water, reducing dependence on external sources.
4. **Drainage Water for Chemical Products (Coagulant):** We implemented the use of reused water as a carrier agent for chemical products, prioritizing consumption efficiency.
5. **Sealing Water in Vacuum Pumps:** We introduced the use of reused water as sealing water in vacuum pumps, optimizing their operation.

Through these actions, we have not only reduced our water impact, but we have also strengthened our position as a company committed to sustainability. We will continue innovating and seeking new opportunities to optimize water use in all our operations, thus contributing to a more sustainable future.



Ensuring and Optimizing the Treatment of Industrial Effluents

Regarding effluent treatment, we seek to guarantee compliance with the regulations corresponding to each site in which we operate, as well as continue with the approach of modernizing processes to achieve greater efficiencies and opportunities for water reuse. During 2023, no incidents of non-compliance with discharge limits were recorded in any of our industrial operations.

Effluent Discharge by Destination (without Baradero and Chacabuco)

| Destination | Volume 2020(m ³) | Volume 2021(m ³) | Volume 2022(m ³) | Volume 2023(m ³) |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Surface water ³⁶ | 18,840,556 | 21,227,034 | 20,468,954 | 21,394,072 |
| Irrigation ³⁷ | 443,535 | 548,702 | 69,036 | 59,107 |
| Water from third-parties ³⁸ | 526,117 | 506,134 | 539,002 | 527,607 |
| Total | 19,810,208 | 22,281,870 | 21,076,992 | 21,980,786 |

³⁶ Enabled sources such as rivers, streams and stormwater channels.

³⁷ Irrigation on own land.

³⁸ Sewage collectors, industrial park collectors and removals in atmospheric trucks.

Effluent Discharge by Destination (with Baradero and Chacabuco)

| Destination | Volume 2020(m ³) | Volume 2021(m ³) | Volume 2022(m ³) | Volume 2023(m ³) |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Surface water ³⁹ | 18,840,556 | 21,227,034 | 22,078,609 | 23,454,666 |
| Irrigation ⁴⁰ | 443,535 | 548,702 | 69,036 | 59,107 |
| Water from third-parties ⁴¹ | 526,117 | 506,134 | 539,002 | 527,607 |
| Total | 19,810,208 | 22,281,870 | 22,686,647 | 24,041,380 |

³⁹ Enabled sources such as rivers, streams and stormwater channels.

⁴⁰ Irrigation on own land.

⁴¹ Sewage collectors, industrial park collectors and removals in atmospheric trucks.

Treatment and Reuse of Dairy Effluents

Biodigesters for dairy manure is an efficient and sustainable way to manage organic waste, produce renewable energy, and obtain a valuable by-product that benefits agriculture. Its use contributes to the reduction of environmental pollution and the generation of useful resources from organic waste.

Using anaerobic digestion technology, a treatment system was proposed that allows the valuation of the byproducts obtained through the generation of electricity and biofertilizers. The work methodology included the analysis of preliminary data of anaerobic digestion of cattle manure, characterization of the waste generated, design of the treatment system and the

technical and economic analysis. This project shows the feasibility of achieving dairy sanitation with energy benefits, developing sustainable management of resources and the environment.

The selection of the reactor was made based on the economic conditions of the dairy sector, the market, and other examples developed in Latin America.

The investment cost of the biogas plant amounts to a total of US\$ 52,000. The construction time for the biodigester was 6 months plus other 6 months for its start-up.



Optimization in the Treatment of Effluents at the Cartocor Mendoza Plant

In 2023 we began the construction of the effluent treatment plant (ETP) at the Zucamor recycled paper plant in the province of Mendoza, Argentina, with the objective of improving efficiency in water use and increasing the percentage of fiber recovery in the recycled paper production process.

The works are expected to be completed in July 2024. However, to date, civil, electrical, and thermomechanical works have been carried out, as well as the placement of equipment. For the design of this project, both the current production scenario (3,600 tn/month) and a future scenario with a higher production (6,000 tn/month) were considered, thus being able to treat up to 250 m³/h (4,800 m³/day) with peaks of 300 m³/h.

Sand Dewatering System

Krofta system

Vortex System Installation



Climate and Biodiversity Action

We believe that efforts to mitigate climate change and reverse the loss of biodiversity are necessary and urgent since food production depends on nature and the environmental services offered by ecosystems.


We are committed to acting in favor of the climate, promoting a positive carbon balance in our activities. Likewise, we are committed to the preservation of biodiversity, promoting a beneficial interaction between production areas and natural ecosystems. Through these commitments, we protect and regenerate the productive landscapes in which we are immersed.

Climate Change Strategy

Since 2021, we have promoted our Climate Change Strategy with the aim of reducing our impact on global climate change by promoting initiatives that help us to decarbonize our processes throughout the value chain. Within the framework of this strategy, we defined a plan to reduce our greenhouse gas emissions by 30% (compared to the base year 2017) by working on the main emission sources.

Based on our Greenhouse Gas Emissions Inventory, since 2017 we have quantified scope 1, 2 and 3 emissions, identifying the main emission sources and reduction opportunities, and monitoring their evolution.

Considering the results of the 2017-2022 GHG Inventory, the following action guidelines for the Climate Change Strategy were defined:

- 
- ✓ Reduce the intensity of energy use and deepen the transition towards renewable energy sources.
 - ✓ Move towards more efficient and less carbon-intensive transportation.
 - ✓ Develop and intensify regenerative agricultural practices that reduce emissions and maximize soil carbon sequestration.
 - ✓ Explore compensation mechanisms for carbon sequestration.



Based on these guidelines, we define specific goals to make improvements on the reduction of emissions in those activities that represent the company's main emission sources:

- Reduce electricity and gas consumption by 15% compared to 2017.
- Ensure that 80% of our purchased electrical energy comes from renewable sources.
- Reduce global transportation emissions by 20% compared to 2017.
- Seek carbon neutrality in our own agricultural activities and reduce emissions from the corn and wheat used by 50%.
- Reduce fugitive emissions produced by refrigerant gases by 50%.
- Reduce emissions from waste burial to zero.
- Reduce emissions by 30% from marketing to distributors and cold chain products.

In 2023, we began a comprehensive review project of the Climate Change Strategy with the aim of adapting it to the best practices and the highest global standards on this matter, such as those proposed by the Science Based Targets initiative⁴² promoted by CDP, the United Nations Global Compact, the World Resources Institute and the World Wildlife Fund. In line with this goal, in 2023 we took the first step by conducting a comprehensive review of our Greenhouse Gas Emissions Inventory, focusing on gaining a more detailed understanding of Scope 3 emissions. The new version of the inventory will allow us, in the future, to raise our ambition in terms of climate action and review our goals to align them with science.

Greenhouse Gas (GHG) Emissions Inventory

Since 2017, at Arcor Group we have calculated GHG emissions in accordance with the methodology established in the Corporate Standard of the Greenhouse Gas Protocol (GHG Protocol). Also, since 2022 we report annually in the Carbon Disclosure Project (CDP).

With the aim of going ahead with this challenge ourselves, during 2023 we promoted a review of the Climate Change Strategy that began with an examination of the GHG Inventory and a screening of scope 3 emissions. Until 2022, the emissions accounted for in Scope 3 of Arcor Group's inventory included only those derived from transportation, the sale of ice-cream, and the burial of waste, and represented 39% of total emissions, while in companies with comparable activities Scope 3 emissions represent more than 90% of corporate inventory. The purpose of this work was to obtain a better understanding of our global inventory, considering that the first step to define a science-based goal is to have a complete emissions inventory in all three scopes. In this work, emissions were calculated in accordance with the methodology established in the Greenhouse Gas Value Chain Accounting and Corporate Reporting Standard (Scope 3) of the Greenhouse Gas Protocol (GHG Protocol).

The new scope of the GHG Inventory includes the operations of Arcor Group in Argentina, Brazil, Chile, Peru and Mexico for the year 2023. The Scope 3 categories that were added to the inventory are: category 1 "Purchase of goods and services" (Cat1 SC3), category 3 "Activities related to energy and fuels" (Cat3 SC3), category 4 and 9 "Transportation and distribution upstream and downstream" (Cat4 and 9 SC3), and category 10: "Processing of sold products" (Cat10 SC3). Except in category

3, in the other categories, a prioritization of the activity data was carried out considering those raw materials, third-party deposits and intermediate products that represent 80% of Arcor Group's activity.

The calculation of category 1 emissions also considered the Land Sector Guide of the GHG Protocol (currently under development). The raw materials selected for the calculation of Category 1 of Scope 3 represented 83.5% of the tons processed by the Arcor Group.

⁴² <https://sciencebasedtargets.org/>



| Year | 2020 | 2021 | 2022 | 2023 |
|--|----------------|----------------|----------------|------------------|
| SCOPE 1 (Tn CO₂) | | | | |
| Gas Oil GHG | 4,226 | 4,393 | 3,735 | 4,242 |
| Natural Gas GHG | 248,009 | 225,150 | 202,369 | 194,182 |
| Fuel Oil GHG | 14,512 | 12,642 | 11,259 | 12,653 |
| LPG GHG | 1,822 | 1,938 | 2,052 | 1,935 |
| Fugitive emissions | 10,420 | 15,594 | 15,502 | 16,309 |
| Emissions outside the Kyoto Protocol | 4,654 | 6,082 | 4,538 | 3,685 |
| Effluent treatment | 491 | 130 | 308 | 209 |
| Emissions from primary corn production | | | | 1,946 |
| Emissions associated with our own production of sugar cane | | | | 8,965 |
| Emissions associated with the own production of fluid milk | | | | 15,461 |
| Emissions associated with own wood production | | | | 283 |
| TOTAL SCOPE 1 | 284,134 | 265,929 | 239,764 | 259,870 |
| SCOPE 2 (Tn CO₂) | | | | |
| Electrical Energy GHG | 195,646 | 232,543 | 232,802 | 219,524 |
| TOTAL SCOPE 2 | 195,646 | 232,543 | 232,802 | 219,524 |
| SCOPE 3 (Tn CO₂) | | | | |
| Transport | 324,564 | 316,957 | 313,889 | 286,986 |
| Ice-cream marketing | 11,379 | 10,600 | 10,558 | 10,558 |
| Waste | 16,071 | 13,351 | 11,420 | 9,421 |
| Goods and services | | | | 482,029 |
| Activities related to energy and fuel | | | | 171,013 |
| Ups/Downs | | | | 545 |
| Processing of sold products | | | | 377,575 |
| TOTAL SCOPE 3 | 352,014 | 340,908 | 335,867 | 1,338,127 |

Scope 3 emissions totaled 1,338,127 tons of CO₂eq in 2023, which represents an increase of 204% compared to the emissions included for this scope in the 2022 inventory. Considering the results of this new inventory, Scope 3 emissions represent 71.95% of Arcor Group's inventory.



| Total Emissions (tn CO ₂) | | | | |
|---------------------------------------|----------------|----------------|----------------|------------------|
| | 2020 | 2021 | 2022 | 2023 |
| Total Emissions⁴³ | 831,794 | 839,380 | 808,433 | 1,817,521 |

| Tn CO ₂ /Tn produced | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|
| | 2020 | 2021 | 2022 | 2023 |
| Total specific⁴⁴ | 0.398 | 0.381 | 0.360 | 0.798 |

⁴³ It does not consider the Baradero and Chacabuco plants.

⁴⁴ It does not consider the Baradero and Chacabuco plants.

Despite the increase in the total amount of greenhouse gas emissions, as a result of the expansion of the scope of our inventory, if we had maintained the 2022 GHG Inventory methodology, Arcor Group would have recorded a 7% reduction in tons of CO₂eq emitted with respect to tons produced in 2023.

These reductions were possible thanks to:

1. Reduction of electrical energy consumption through process optimization and technological replacement as key aspects of the Energy Performance Program.
2. Optimization of the logistics chain, scalability and warehouse occupancy, together with an increase in direct delivery in land transportation, for Consumer Food Products and Packaging.
3. Reduction of emissions in the disposal of industrial solid waste on the way to meeting our 2025 goal of the Zero Waste program.

Emissions Reduction Certification in the Packaging Division

Papel Misionero, at the forefront of renewable energy production, has a biomass boiler to replace the use of fossil fuels, such as fuel oil, with energy derived from wood waste generated both in its production process and in nearby sawmills. This equipment makes it possible to reduce open burning and the decomposition of this waste, avoiding the emission of methane, a powerful greenhouse gas.

During 2023, we achieved the issuance of 352,000 CERs (emission reduction certificates or carbon credits), which account for the emissions avoided through the installation of this equipment in the period 2016 – 2020, under the Clean Development Mechanism (CDM) scheme of the United Nations. Each bonus represents the reduction of one ton of CO₂ emissions into the atmosphere.

The United Nations Clean Development Mechanism (CDM) is a financial mechanism created by the United Nations so that developed countries that have set carbon emissions reduction goals can achieve them by offsetting their new emissions by “purchasing” reductions made by projects implemented in developing countries. In this way, a company that reduces its CO₂ emissions can voluntarily sell this reduction by obtaining financing for the development and application of clean technologies that maintain environmental balance.



Papel Misionero: A Carbon Positive Company

Papel Misionero brings together two aspects that are key to mitigate our contribution to global warming: it has large areas of native forest and its paper production operations are developed based on renewable energy.

Considering these factors, during 2023 we carried out the company's carbon balance considering its entire value chain

from cradle-to-gate. Therefore, we followed the ISO 14,064 standard scheme and obtained carbon neutrality certification from DNV GL Argentina. The result of this balance was a net capture of 10,161 tons of CO₂e for the year 2022, from the emission of 35,432 tons of CO₂e and the removal -by forests- of 45,593 tons of CO₂eq.

Energy Performance

Energy performance is of utmost importance to our company. We seek to keep a balance between long-term energy sustainability and the different environmental scenarios. This involves ensuring an energy supply at efficient costs with high availability and quality of service, as well as reducing our consumption to optimal levels in all our operations. All of this is done within a corporate culture that promotes good energy practices and a commitment to caring for natural resources to promote the sustainability of the planet. Since 2017, we have promoted a Performance Strategy, based on three work axes:

- **Energy intensity**, with long, medium and short-term actions that guarantee the normal development of the energy strategy based on an in-depth analysis of the context (market, political, legal, regulatory and the insertion of new technologies), ensuring supply (price – cost – availability), the management control of energy information, and the definition of corporate operating standards.
- **Energy Efficiency**, with long, medium, and short-term actions focused on reducing the specific consumption of processes through changes or updating of technology, identifying and prioritizing the uses of energy in all its forms.
- **Energy saving** through medium and short-term actions that seek to reduce absolute energy consumption through awareness and training of our collaborators to promote a culture based on good maintenance and operation practices in terms of energy savings and conservation.

In turn, we have three areas of analysis that help us define activities for continuous improvement in the specific and absolute energy consumption of our processes:

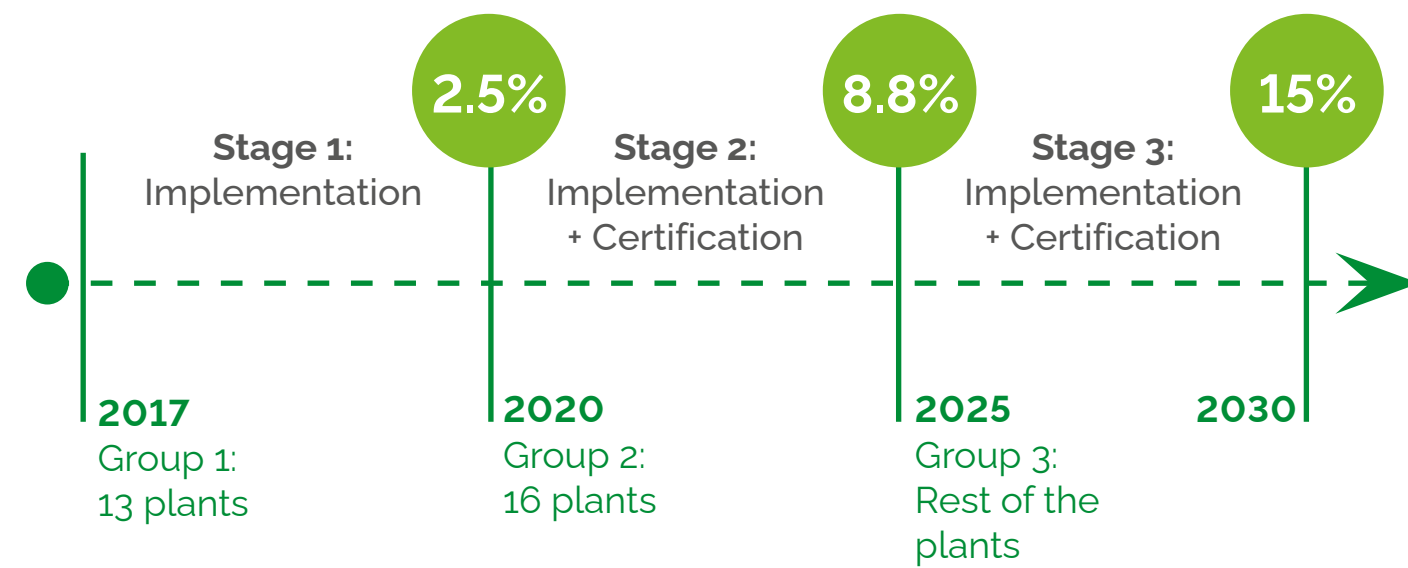
- **Energy consumption in different forms** (we measure the amount of energy used).
- **Energy usages** (we identify the ways in which energy is applied in our operations).
- **Relationship between energy consumption and production** (or other variables).

To make progress on the work axes described, we promote an Energy Performance Program, with the following objectives:

- Care for the environment and reduction of greenhouse gases (GHG).
- Improvement in the profitability of operations.
- Compliance with current legal regulations.
- Definition of the energy matrix and the best supply strategies.
- Search for energy efficiency in equipment and the optimization of energy intensity in our operations.
- Proposal of concrete measures for the reduction and savings in energy consumption.
- Employee training and awareness raising.
- Exploration of new business alternatives and environmentally friendly technologies.



Through the Energy Performance Program, we defined activities to make progress on specific and absolute energy consumption in processes. Since 2017, we have specific goals for reducing energy consumption and an action plan to implement the Energy Management System (EMS) methodology in all Arcor Group industrial plants in three stages:



| Stage 1: 2017 | Stage 2: 2021 | Stage 3: 2025 |
|--|-----------------------------|-------------------------------|
| ✓ Arcor Golosinas Arroyito | ✓ Arcor Misky PMH2 | ✗ Arcor San Rafael |
| ✓ Arcor San Pedro | ✓ Arcor Misky Golosinas | ✗ Arcor Mar del Plata |
| ✓ Arcor Arroyito PMH1 | ✓ Arcor Estirenos | ✓ Arcor Recife (Br) |
| ✓ Arcor Golosinas Arroyito Arcor Arroyito PMH2 | ✓ Arcor Recreo | ✗ Arcor Chancay (Pe) |
| ✓ Arcor Arroyito PMH3 | ✓ Arcor Rio Das Pedras (Br) | ✓ Bagley Campinas (Br) |
| ✓ Arcor La Providencia | ✓ Arcor Bragança (Br) | ✓ Bagley Contagem (Br) |
| ✓ Arcor Villa Mercedes | ✓ Arcor Santiago (Ch) | ✓ Bagley Santiago (Ch) |
| ✓ Arcor San Juan | ✓ Cartocor Luján | ✓ Cartocor San Francisco (Ch) |
| ✓ Arcor Caroya | ✓ Cartocor Quilmes | ✗ Cartocor San Juan |
| ✓ Arcor Arroyito CT Mario Seveso | ✓ Cartocor Ranelagh | ✗ PM San Luis |
| ✓ Bagley Salto | ✓ Cartocor Mendoza | ✗ PM Misiones |
| ✓ Cartocor Arroyito Papel | ✓ Bagley Villa Mercedes | |
| ✓ Cartocor Arroyito Cartón | ✓ Bagley Totoral | |
| ✓ Cartocor Totoral | ✓ Bagley Córdoba | |
| | ✗ Mundo Dulce (Mx) | |

Stage 1 and 2 plants represent 88% of the Arcor Group's energy consumption, so we aim to achieve a reduction in specific energy consumption (MJ per ton) of 8.8% in 2025.

Stage 1 plants have completed 100% implementation of the SGE methodology, and at the end of 2020, they exceeded the established goal, achieving a 6.45% reduction in specific energy consumption.

During Stage 2, which began in 2021, we achieved the deployment of the Program in 93.75% of the defined plants, even adding some plants planned in Stage 3 (2026-2030). At the end of 2023, 88.60% of Arcor Group's operating bases applied the Energy Performance Program methodology.

In 2023, the reduction in specific energy consumption for the entire Arcor Group reached a value of 8.06% with respect to the line and base year defined for each industrial plant.

| Reduction in Specific Energy Consumption | | | | |
|--|--------|--------|--------|-------------|
| 2020 | 2021 | 2022 | 2023 | Meta 2025 |
| -6.4% | -6.58% | -7.94% | -8.06% | 8.8% |

In 2023, all Arcor Group's businesses achieved positive efficiency indicators, with reductions in energy consumption in their processes. Among them, the reductions in consumption achieved by Agribusiness (11%⁴⁵), Food (6.9%⁴⁵), Chocolates (5.8%⁴⁵), Energy and Services (7.6%⁴⁵), Confectionery (2.9%⁴⁵), cookies and Crackers (9.1%⁴⁵) and Packaging (4.1%⁴⁵).

The activities that were executed to achieve the aforementioned reductions were related to technological process updates, replacement of higher efficiency equipment such as motors, variable speed drives, among others, optimization of pumping and air conditioning systems, efficiency in main equipment such as ovens, and standardization and monitoring of basic equipment maintenance conditions activities.

Regarding the relative consumption of electrical energy, the trend towards reduction can be observed in line with the aforementioned improvements.

⁴⁵ This result was compared to the line and base year defined for each industrial plant of the Business and in accordance with the corresponding implementation stage.

With respect to fuels, an increase in specific consumption was verified with respect to the previous year, mainly in primary transformation plants⁴⁶, due to greater production that led to greater use of fuels, specifically biomass.

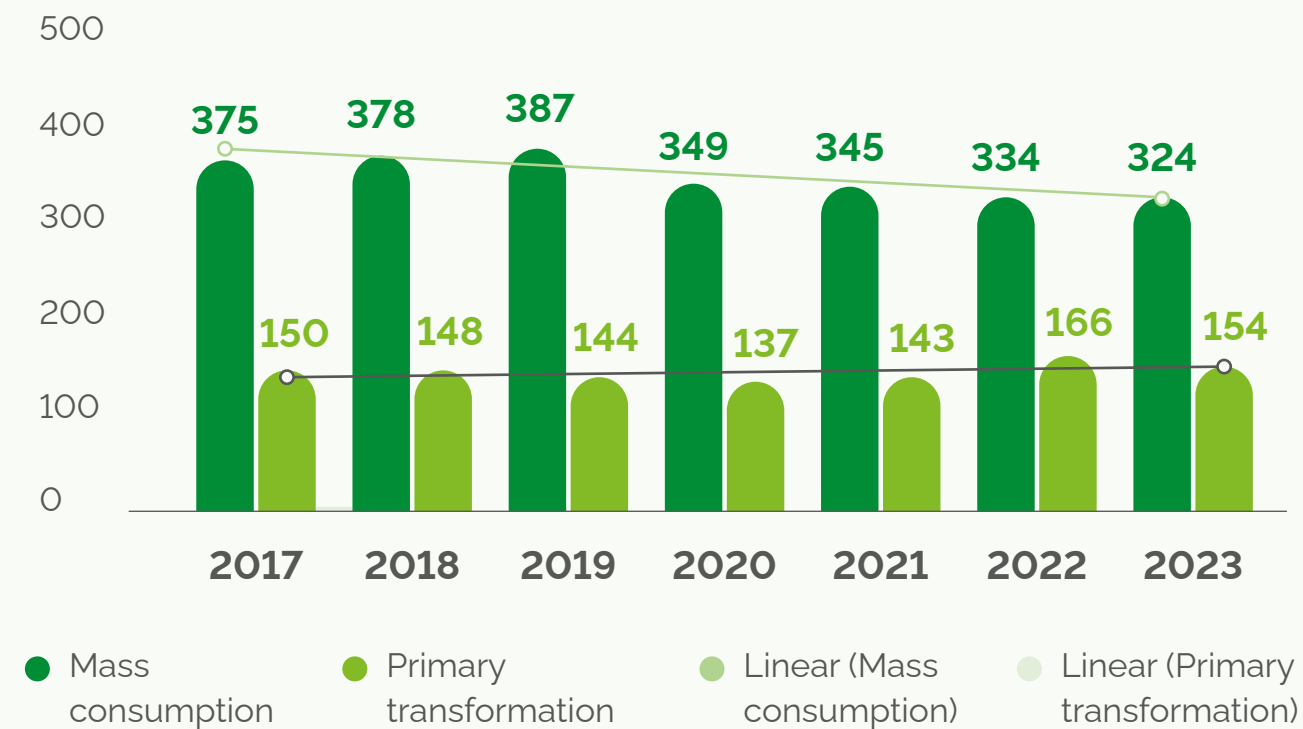
Regarding absolute energy values, with the increase in production, we continued working on improving energy efficiency and reducing the energy intensity in our operations.

⁴⁶ Primary transformation plants: raw material processing operations that did not undergo previous industrial processes (e.g. sugar cane, wood, corn, etc.). Mass consumption plants: operations for the production of high-demand products (e.g. cookies, candy, food, etc.)

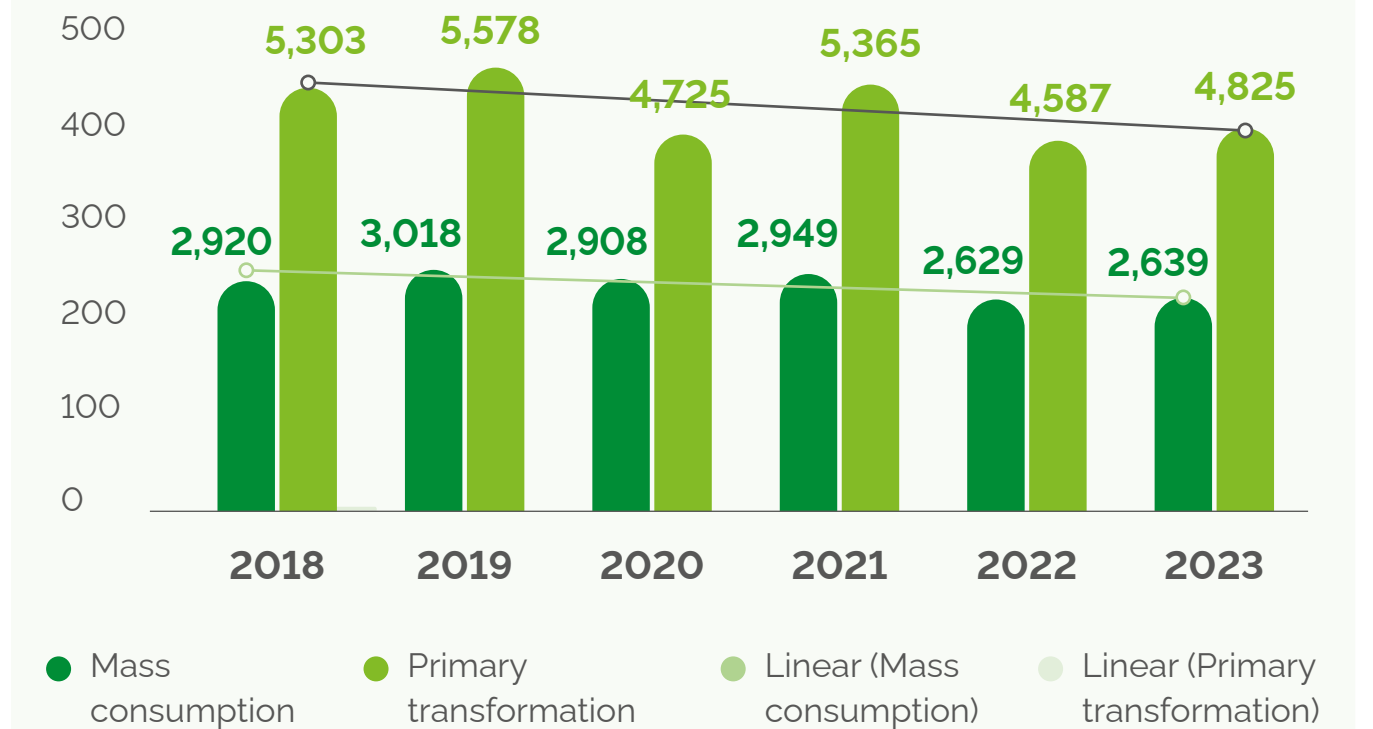
⁴⁷ Rectification of 2021 Fuel Oil consumption compared to previous Reports.

⁴⁸ Restatement of information due to formula adjustment.

Electric energy consumption (kW/tn)

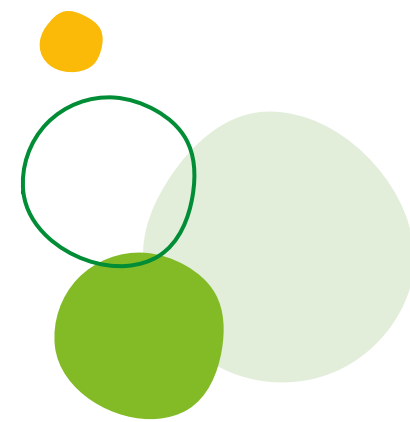


Fuel consumption (MJ/tn)



Total Energy Consumption | Arcor Group (GJ)

| Energy | Type | 2020 Consumption (GJ) | 2021 Consumption (GJ) | 2022 Consumption (GJ) | 2023 Consumption (GJ) |
|--|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Non-renewable fuels | Natural gas | 7,487,995.4 | 7,928,450.4 | 7,917,810.1 | 6,603,598.7 |
| | Fuel oil | 122,352.1 | 181,017.0 | 176,251.7 | 184,993.3 |
| | Gasoil | 54,652.6 | 49,975.2 | 47,273.0 | 56,555.4 |
| | LPG | 28,175.2 | 30,806.5 | 33,503.3 | 30,828.0 |
| | TOTAL | 7,695,195.3 | 8,192,270.1 | 8,176,860.1 | 6,875,975.5 |
| Renewable fuels | Biomass - Wood Chips | 6,649,388.0 | 5,991,642.0 | 6,336,555.2 | 7,261,596.0 |
| | Biomass - Sugarcane bagasse | 3,134,234.4 | 3,358,814.4 | 2,483,855.0 | 3,645,590.7 |
| | Biomass - Black liquor | 1,067,024.2 | 1,262,448.0 | 1,033,606.8 | 1,071,494.8 |
| | TOTAL | 10,850,646.6 | 10,612,904.4 | 9,854,017.0 | 11,978,681.5 |
| Electrical energy purchased | Renewable | 254,564.3 | 444,509.9 | 382,571.8 | 554,099.4 |
| | Non-renewable | 64,640.1 | 420,979.9 | 393,982.6 | 423,074.6 |
| | TOTAL | 319,204.4 | 865,489.8 | 776,554.4 | 977,174.0 |
| Electrical energy sold | Renewable | -4,186.4 | -2,205.0 | -4,455.4 | -2,362.0 |
| | Non-renewable | -30,986.3 | -24,824.2 | -15,631.6 | -19,050.1 |
| | TOTAL | -35,172.7 | -27,029.2 | -20,086.9 | -21,412.1 |
| Total Energy Consumption Within the Organization⁴⁸ | | 18,829,873.5 | 19,643,635.2 | 18,787,344.5 | 19,810,419.0 |



Energy from Renewable Sources

At Arcor Group, we are moving towards an energy matrix in which renewable energy sources have a greater participation, replacing fossil fuels, both for the production of electrical energy and for its use in thermal processes. This commitment is evidenced in our goal that 80% of the electrical energy acquired by the Group comes from renewable sources by 2030.

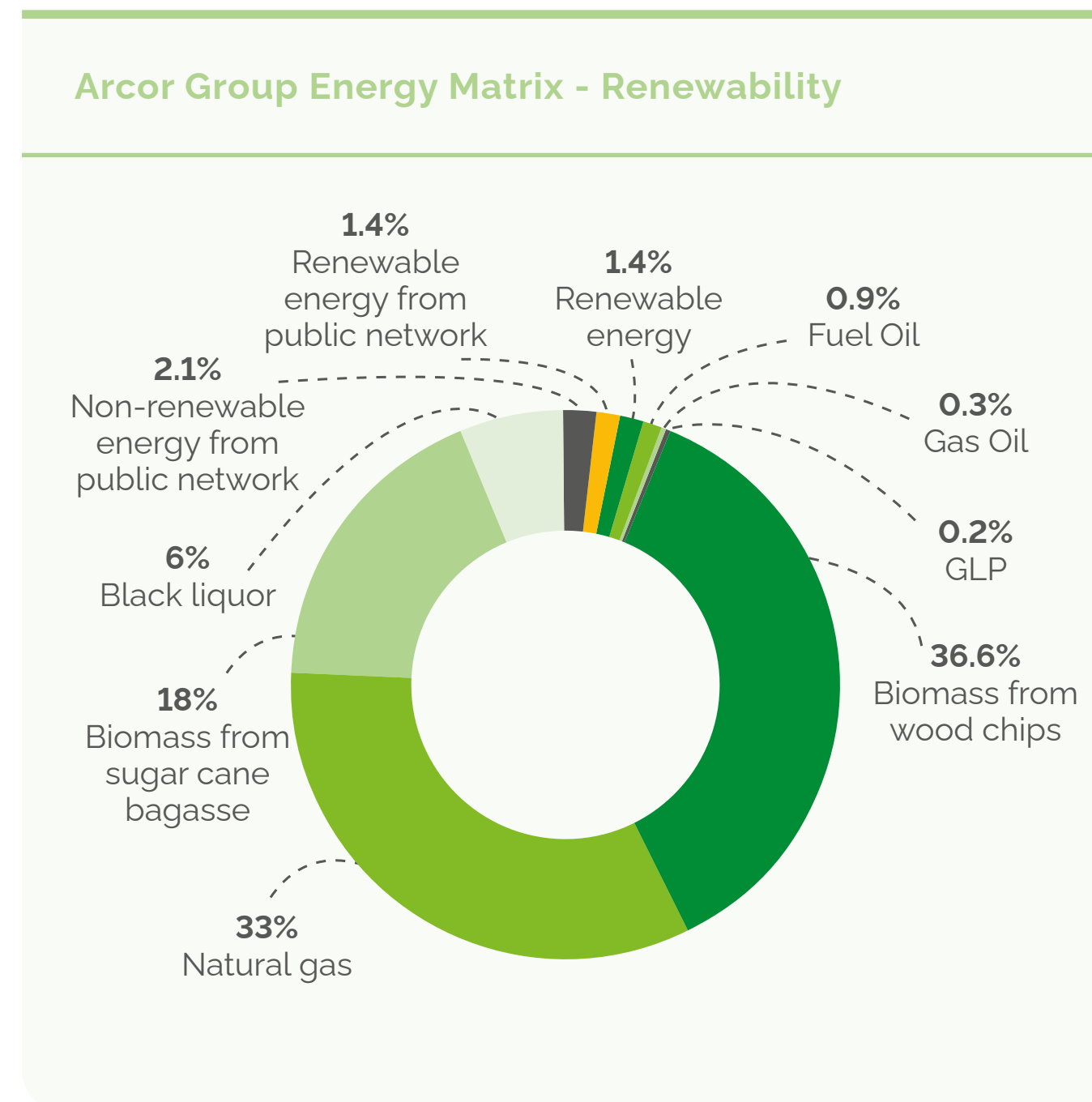
In Argentina, we have three plants for the generation of electrical energy: Mario Seveso Thermolectric Plant, a conventional plant with a high-efficiency combined cycle-type scheme and powered by natural gas; and two plants that use biomass as a primary source: Ingeniero José Alberto Giaí Thermolectric Plant, which produces energy from sugarcane bagasse, and the Paper Misionero Plant, which produces energy from wood chips and black liquor.

63% of the energy used comes from renewable sources⁴⁹.

⁴⁹ Total energy consumption for 2020, 2021, and 2022 were restated considering the electrical energy sold.

⁵⁰ Of the total energy (fuels and purchased electrical energy) without considering the Baradero and Chacabuco plants.

In addition to generating energy, we purchase a significant fraction of the energy used from third parties. Arcor Group supplies certified renewable energy in Brazil and Mexico, which represents 28% of the energy purchased from third parties.



Transport Emissions

The logistics for the supply of our raw materials and distribution of our finished products is responsible for more than 21% of the company's greenhouse gas emissions.

During 2023, within the framework of our Sustainable Logistics Plan, we continued promoting actions that help us reduce our emissions for each ton of transported product.

 **(For further information, see Section 4.3)**

Based on the activities implemented, in 2023 we achieved a 9% reduction in our emissions associated with transportation.

| Country | Transport Emissions (Tn CO ₂) | | | |
|-----------|---|---------|---------|---------|
| | 2020 | 2021 | 2022 | 2023 |
| Argentina | 279,597 | 263,737 | 268,972 | 252,469 |
| Brazil | 21,623 | 22,298 | 15,299 | 16,518 |
| Chile | 21,246 | 23,493 | 20,643 | 9,541 |
| Mexico | 2,098 | 7,429 | 8,975 | 8,458 |

| Means of transport | km travelled | | | |
|--------------------|--------------|-------------|-------------|-------------|
| | 2020 | 2021 | 2022 | 2023 |
| SEA | 25,776,166 | 25,545,258 | 30,935,585 | 40,038,172 |
| LAND | 101,575,587 | 102,550,499 | 107,632,147 | 164,533,583 |

⁵¹ Restatement of information due to formula adjustment.



Biodiversity Strategy

In 2023, we continued implementing our Biodiversity Strategy with the aim of contributing to the preservation of biodiversity and the regeneration of ecosystems.

The preservation of natural areas is essential to protect biological and cultural diversity, and provide benefits for society and the environment. These areas offer essential ecosystem services for food production, contribute to climate regulation, promote the preservation of water courses and ensure the sustainable provision of resources and education in sustainable development.

At Arcor Group we preserve biodiversity at a landscape scale, promoting a positive interaction between productive areas and natural areas that are part of the company's operational sites. In Argentina, we have 12 operational sites that are either protected areas or production areas located near areas of High Conservation Value.

The natural areas under conservation cover nearly 20,000 hectares and are located in two of the most important ecoregions of the Argentine North: the Atlantic Forest (or Selva Misionera), in the province of Misiones, and the Yunga (or Selva Tucumano-Boliviana), in the province of Tucumán.

These areas are part of the Papel Misionero and La Providencia sugar mill properties.

| | Type of surface | | Number of sites |
|-------------------------------------|--------------------------------|-----------------------------------|-----------------|
| | Natural Environment (hectares) | Productive Environment (hectares) | |
| La Providencia Sugar Mill (Tucumán) | 3,879 | 2,359 | 1 |
| Papel Misionero (Misiones) | 16,078 | 6,529 | 11 |
| TOTAL | 19,957 | 8,888 | 12 |

La Providencia Sugar Mill:

Arcor Group's sugar mill is located in the department of Monteros, Tucumán, Argentina. It has an area of 6,238 hectares, of which 75% correspond to natural environments, represented mainly by Yungas of the Sierras del Aconquija and, in the highest parts of the property, by High Andean soils. The remaining 25% corresponds to transformed surface, mainly destined to the cultivation of sugar cane, and to a lesser extent, to the production of citrus and forestry.

Papel Misionero:

In the Province of Misiones, the company's properties occupy a total area of 22,607 hectares distributed across 11 properties. They are located in 8 municipalities within 3 departments (San Ignacio, Libertador General San Martín and Guaraní) in the central area of the Province of Misiones. We preserve a total of 16,078 hectares (almost 72% of the total surface) of native forests and associated biodiversity, while productive environments, along with roads and buildings, occupy an area of 6,529 hectares (28%). The productive areas correspond to forest plantations.





Papel Misionero Natural and Cultural Reserve

Among the properties mentioned is the Papel Misionero Natural and Cultural Reserve, a 10,436-hectare property located within the Yabotí Biosphere Reserve, in Aristóbulo del Valle Colony, which belongs to the municipality of El Soberbio, in the Guaraní department, Province of Misiones, Argentina.

This property was declared a Natural and Cultural Reserve since it protects one of the best-preserved remnants of the entire Atlantic Forest. It has high levels of biodiversity, with numerous endangered species and the presence of rare ecosystems such as palm trees (*Euterpe Edulis*) in its southernmost distribution, laurel layana forests (*Ocotea Pulchella*) and important formations of two species of tree ferns such as chachi bravo (*Alsophila Setosa*) and chachi manso (*Dicksonia Sellowiana*).

Due to the presence of certain species, it has been considered one of the Important Areas for Bird Conservation "MI15 AR126 Yabotí Biosphere Reserve" and recently as a KBA (Key Biodiversity Area).

This area protects populations of 17 species of threatened birds, of which some such as the Yacutinga, the Chestnut Dancer, the Cinnamon-Faced Woodpecker, the Black-Breasted Batará, along with historical records of the Harpy Eagle can be considered threatened species.

Finally, within the property and surrounding areas there are Guaraní communities such as Jejy, Jejy miní, Mandarina, Pindó Poty, Yryapy, Itá Pirú, Pora, Chachi that use the resources of the jungle.

Throughout 2023, we continued promoting environmental conservation and regeneration in these areas, in alliance with the ProYungas Foundation, advancing the lines of work of the Protected Productive Landscape Program (PPP). The program establishes a land management model at a landscape scale, which allows integrating production with the conservation of biodiversity and associated ecosystem services, in a context of social promotion. The Program is implemented through 5 lines of action:

- 1. Land planning:** Analysis of the environmental and social context of the entire surface covered by the PPP.
- 2. Continuous improvement in socio-environmental performance:** Identification of critical phases or stages from an environmental and social perspective, which allows improvements to be incorporated into the company's performance.
- 3. Environmental and social monitoring and evaluation:** Definition of the variables that will be measured and will allow the real impacts of the project or activity to be compared with the strategic plans and agreed actions.
- 4. Internal and external communication:** Planning of the company's communication actions in relation to the implementation of the PPP program, allowing the visualization of the objectives that have been established and the actions developed to achieve them.
- 5. Strategic alliances with territorial actors:** Planning of institutional linkage activities and alliances with the different social actors that make up the company's environment, integrating the different interests and visions of the territory around common objectives.

Wildlife Monitoring in the Province of Misiones

Within the framework of the environmental conservation and regeneration activities that we carry out in the properties located in the province of Misiones, during 2023, we monitored the fauna in collaboration with the Institute of Subtropical Biology (National Scientific and Technical Research Council (CONICET) - National University of Misiones (UNaM)). The objective of the study was to understand the biological diversity in natural areas and areas destined for forestry production to evaluate the level of conservation and environmental health of these properties. This information will be essential to establish threat control measures in the future, as well as to propose management strategies that contribute to improving the properties' biodiversity.

- Between June and September 2023, 58 sampling stations with camera traps were installed in 3 of the properties that we manage in the province of Misiones, in Argentina: Papel Misionero Natural and Cultural Reserve (RNCPM), with 10,370 hectares of native forest.
- El Alcázar with 3,188 hectares, of which 57% are native forest areas and the rest pine plantations for paper production.
- Santo Pipó with 3,398 hectares, of which 48% is native forest and the rest are production areas.

These camera traps have passive infrared sensors that detect the movement of warm-blooded animals and capture images and videos, without any type of bait to attract the animals.

The results obtained showed a significant number of mammal species, several of them threatened and others in danger of extinction. Some of the most relevant results were the following:

- A total of 29 species of mammals were recorded in the 3 properties. The total number of species recorded represents 75% of the community of medium and large mammals expected for the province of Misiones.
- In the Papel Misionero Natural and Cultural Reserve, 23 species of mammals were recorded. The mammal community in this conservation landscape presents species that were not recorded in the productive landscapes (El Alcázar or Santo Pipó), such as the tapir, the lipped peccary, and the red corzuela. The reserve also has the largest number of species of high conservation value (threatened or nearly threatened, nationally and globally). In addition, we recorded a high relative abundance of macuco (*Tinamus Solitarius*), a threatened and scarce ground bird in the province of Misiones. The mammal community of the Papel Misionero reserve stands out for its good state of conservation, with all species of ungulates and a very diverse community of carnivores. Its state of conservation is comparable to the best protected parks and reserves in the province of Misiones.
- Estimated species richness did not differ between landscapes, but their composition and abundances did. In productive landscapes, a high richness of species tolerant to modified environments stands out.



| Area | Total species | Threatened species |
|--|---------------|--------------------|
| Papel Misionero Natural and Cultural Reserve | 23 | 9 |
| El Alcázar | 19 | 5 |
| Santo Pipó | 19 | 3 |

Based on the findings of this evaluation, we continued with those activities aimed at improving the level of conservation of the Papel Misionero Natural and Cultural Reserve. This included implementing measures such as deploying a fire brigade one week a month to supervise campsites, maintain trails, and monitor ongoing activities. In addition, agreements were established with the Guaraní communities to supervise and control certain practices that could cause degradation in the forest, such as wood or honeydew extraction. All activities on the property are supervised by a park ranger who is in charge of monitoring the area and responding to any incident that may arise.

Regarding production areas, based on the results of the survey, we continued promoting forest production practices that favor the development of biodiversity, such as:

- Maintenance of post-harvest dead wood to provide habitat, protection, and breeding area for multiple species. This, in turn, allows water and carbon to be preserved in the soil, preventing harvesters from eroding the banks.
- Protection of high value areas and preservation of species in the harvest.
- Maintenance of corridors and corridors connecting native forest areas.
- Recovery of degraded native forest areas with improvement and replanting.



Tapir



Circular Material Flow

We believe that the current linear consumption models, based on extraction, production and disposal, are no longer sustainable.

We are committed to promoting a circular model for the inputs we use throughout our entire value chain, rethinking their life cycle.

Through this commitment, we propose the circular economy as the best business model to achieve economic development within planetary limits.

Goals:

- 100% of the plants with zero waste sent to landfills by 2025.
- 10% reduction in waste generated in our operations by 2030, compared to 2016.
 - 100% recyclable, reusable, compostable or biodegradable packaging by 2030.
- 100% certified or recycled paper in packaging by 2030.
- Zero PVC in the packaging of our products by 2025.
 - Support recovery and recycling projects for the packaging materials that we place on the market

Results:

16 plants

with zero waste sent to burial

24% reduction

in waste generated per ton produced compared to 2016

Project to recover

long-life containers (CEMPRE, Mastellone, Tetrapak, Cartacor) and post-consumer polyethylene recycling

Zero Waste Program

We are committed to reducing the amount of waste that we send to landfill through the implementation of recovery processes, in the search of finding the most appropriate alternatives for its final disposal. Our goal for 2025 is to completely eliminate sending waste to landfill in all our industrial operations.

To achieve this goal, we have a corporate Waste Management program that establishes guidelines for the comprehensive management of waste in our industrial operations. This program allows us to establish objectives for the entire Arcor Group and annually evaluate our progress towards their fulfillment.

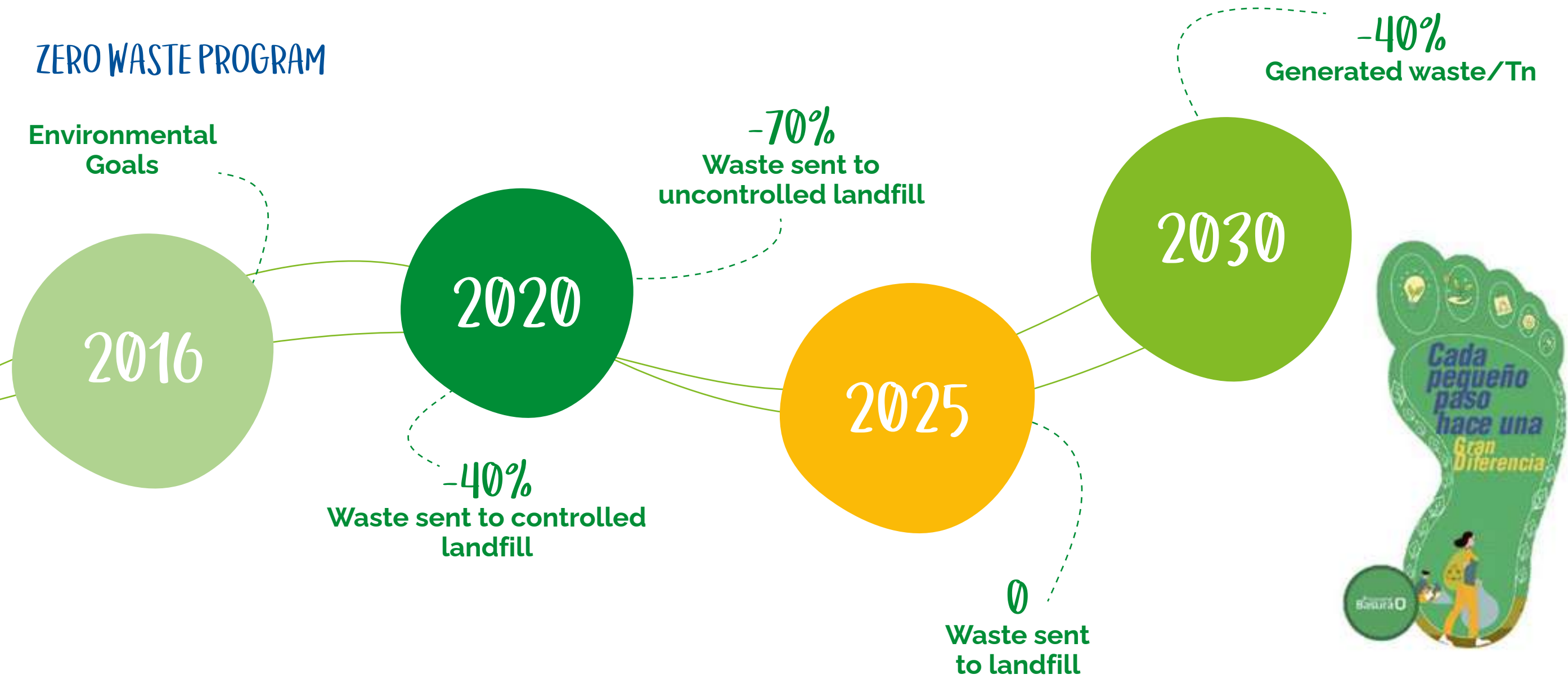
The program began in 2017 and it is implemented in three stages associated with the goal. The first stage ended in 2020, with the fulfillment of two goals: reducing the amount of waste sent to controlled burial sites by 40% and reducing the amount of waste sent to uncontrolled burial sites by 70%. The second stage -valid until 2025- has as its goal the total elimination of sending waste to landfill. Finally, the third and final phase, scheduled to be achieved in 2030, aims to reduce the amount of waste generated in the Group's operations by 40%.

At the end of 2023, 16 plants reached the goal of zero waste sent to landfill with zero waste sent to burial

| Argentina | Brazil |
|---|----------------------|
| Zucamor Quilmes (Buenos Aires) | Campinas Plant |
| Ranelagh Complex, 2 plants (Zucamor Paper and Zucamor Cardboard – Buenos Aires) | Bragança Plant |
| Bagley Plant (Córdoba) | Rio Das Pedras Plant |
| Bagley Plant (Córdoba) | |
| Lujan Complex - 3 plants (Buenos Aires) | |
| Recreo Complex - 3 plants (Catamarca) | |
| Totoral Complex - 2 plants (Córdoba) | |

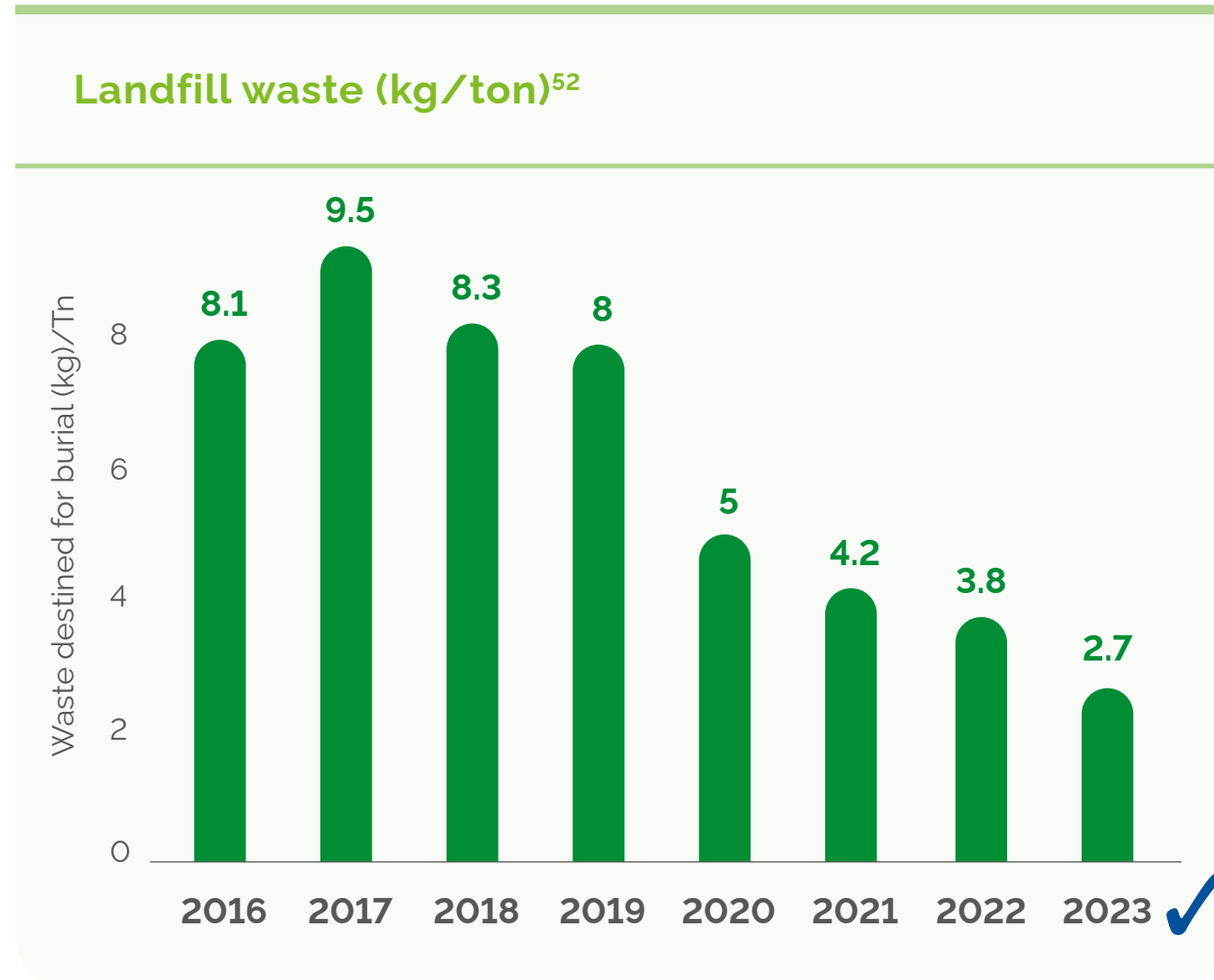
ZERO WASTE PROGRAM

Environmental Goals



Achieving the goal of completely eliminating sending waste to landfills helps us avoid the impact on landfills in the communities where our industrial plants are located, especially in those small cities where the infrastructure is more vulnerable.

In 2023, 13,482 tons of waste were sent to burial, achieving a reduction of 24% compared to 2022.



During 2023, we continued collaborating with the multidisciplinary team established in 2022 to develop an action plan that helps us achieve the environmental goals defined in the Zero Waste Plan. Throughout the year, we made progress in the implementation of composting alternatives for the treatment of organic waste, recycling of plastics and incorporation of technologies for energy use of waste to sustain the trend of reducing waste sent to landfill.



Zero waste program

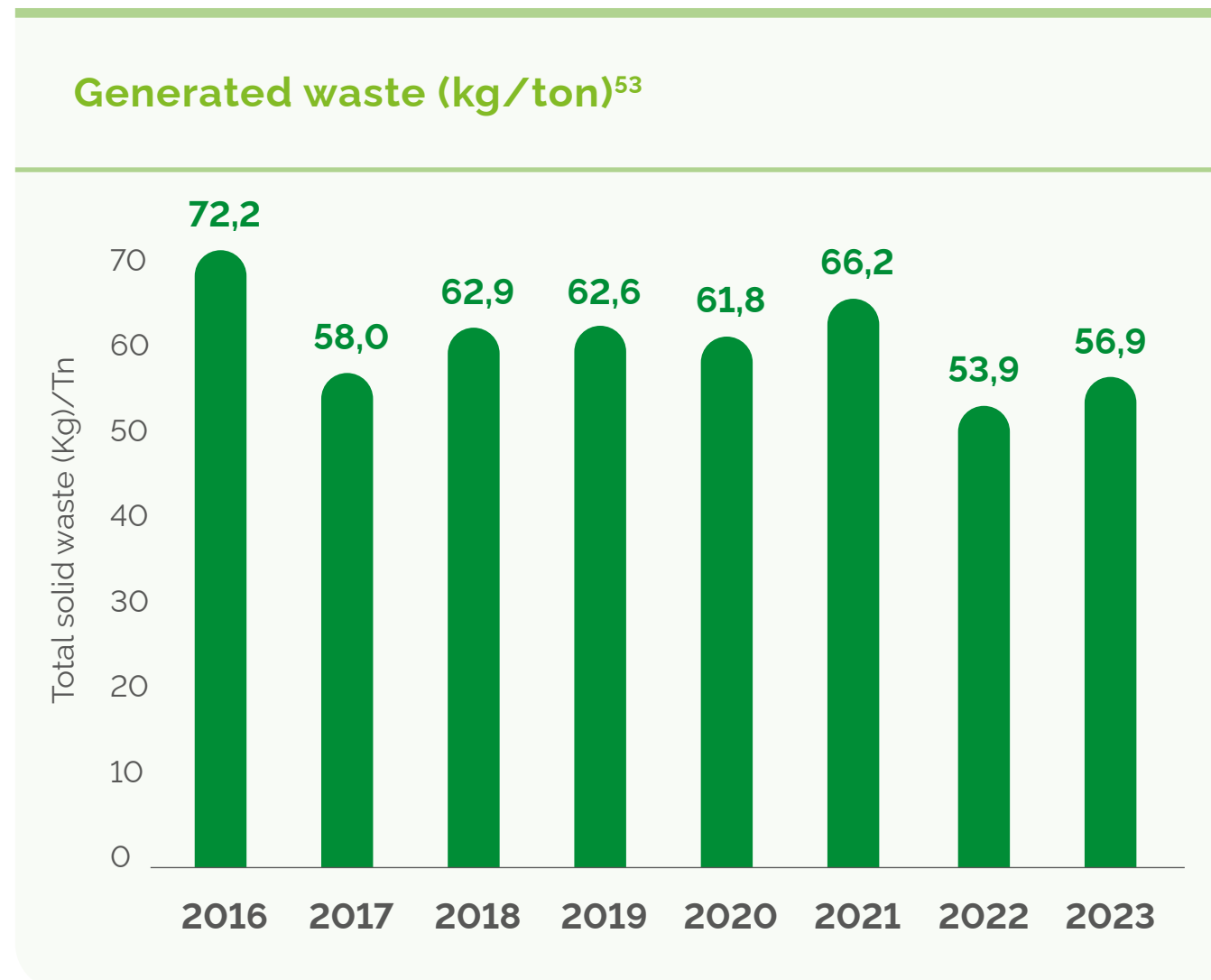
- 6 key aspects to be developed
- Definition of lines of work.
- Definition of deadlines and people in charge of it.



Waste Generated and Disposal

We are committed to reducing the waste generated by our operations to achieve the goal established for 2030 of reducing the amount of waste for each ton produced by 40% (compared to 2016).

In 2023, we achieved a 24% decrease in the amount of waste generated per ton produced compared to the base year, which places us in a favorable position with respect to the established objective.



⁵³ Restatement of values due to rectifications in the amount of waste generated.

Destination by Type of Waste ✓

| Type of destination | Hazardous Waste (REPEL) - kg | Similar Household Waste (RESDO) - kg | Industrial Waste (RESRR) - kg | Total waste 2023- kg |
|--------------------------------------|------------------------------|--------------------------------------|-------------------------------|----------------------|
| Alternative fuel | 611,017 | 5,855,353 | 24,116,004 | 30,582,374 |
| Animal Food | - | - | 33,076,410 | 33,076,410 |
| Composting | - | - | 133,360,965 | 133,360,965 |
| Recycling | 44,615 | - | 50,283,892 | 50,328,507 |
| Reuse | 17,240 | - | 17,824,290 | 17,841,530 |
| Other uses | - | - | 1,131,796 | 1,131,796 |
| Destruction without use /Confinement | 868,227 | - | 33,760 | 901,987 |
| Burial | - | 4201,965 | 9,109,590 | 13,311,555 |
| Total waste | 1,541,099 | 10,057,318 | 268,936,707 | 280,535,124 |

A New Life for Sifter Waste from Corn Mills

During 2023 we carried out the characterization of waste generated by seizures in two of the Agribusiness Corn Wet Milling plants located in Arroyito, Córdoba. The seizure comes from sifting remains (Zaranda) of silos 140, located in Complex 1, and the sifting remains (Zaranda) of the aspiration system of silos 920, located in Complex 2.

From this characterization, we were able to identify waste that could be used as soil fill material, as well as as material for composting mixture.

By identifying this potential use, we were able to find a new destination for this waste, which were previously sent to burial.

| Type of waste | Plant | 2022 | | 2023 | | Reduction percentage |
|-------------------------------|-------|-------------------------|------------------|-------------------------|------------------|----------------------|
| | | Quantity available (kg) | Final disposal | Quantity available (kg) | Final disposal | |
| Cyclone remains, confiscation | PMH1 | 489,006 | Municipal burial | 150,280 | Municipal burial | 30.7 |
| | PMH3 | 765,680 | | 271,460 | | 35.5 |

Conditioning of Pulper Waste: The Path to No Burial

One of the main challenges to achieve the goal of zero landfill waste is to find solutions for the waste generated by the Hidrapulper during the recycled paper manufacturing process in our plant located in the Arroyito Industrial Complex. This waste consists of a mixture of remains of paper pulp in the form of lumps, small metals, expanded polystyrene, and different types of plastics, among others. Due to the amount of this waste and the lack of reuse options, it represented almost 60% of the total waste sent to landfills from the Arroyito Complex.

To address this problem and find an alternative for this waste, the Arroyito Paper Plant began a project to install a press that will reduce the amount of waste sent to landfills by 20%, removing moisture and preparing this waste for use as alternative fuel. In September 2023, the waste press installation was completed and began operating at the end of that month.

During 2023, we managed to reduce the amount of waste sent to landfills by 13% compared to the previous year. During the last three months of the year, with the press operating at full capacity, we achieved an average reduction of 53%.

By 2024, we plan to use 100% of this waste as alternative fuel.

Circular Flow in Dairy Farms

We apply organic waste resulting from maintenance activities on dairy cow pens to agricultural production pastures. With this activity we promote fertile soils and strengthen our commitment to circular flow.

This year, we also integrated 9,135 tons of stabilized sludge from the Effluent Treatment Plant and 2,275 tons of Filtering Earth and Activated Carbon from the Wet Grinding Plants 2 and 3 into the production system. This practice not only favors the return of nutrients to the soil, but it is also aligned with our goal of zero landfill waste, avoiding the problems associated with complex final disposal waste.



Promoting Circular Flow in Packaging

Since we market consumer food products, we use a large amount of packaging material. Packaging plays a key role in reducing food loss, ensuring products are preserved throughout the supply chain to maintain quality, and providing essential information to consumers.

Additionally, through our Packaging Division, we stand out as one of the main providers of packaging solutions in the Southern Cone, supplying packaging to numerous companies in the region. We produce corrugated cardboard packaging, cardboard packaging, paper bags, flexible packaging using different printing technologies, recycled papers, Kraft Liner Board and Kraft Sack, extrusion of plastics and bioplastics.

In 2023, we used 91,401,865 Kg of materials in the containers and packaging of our products:

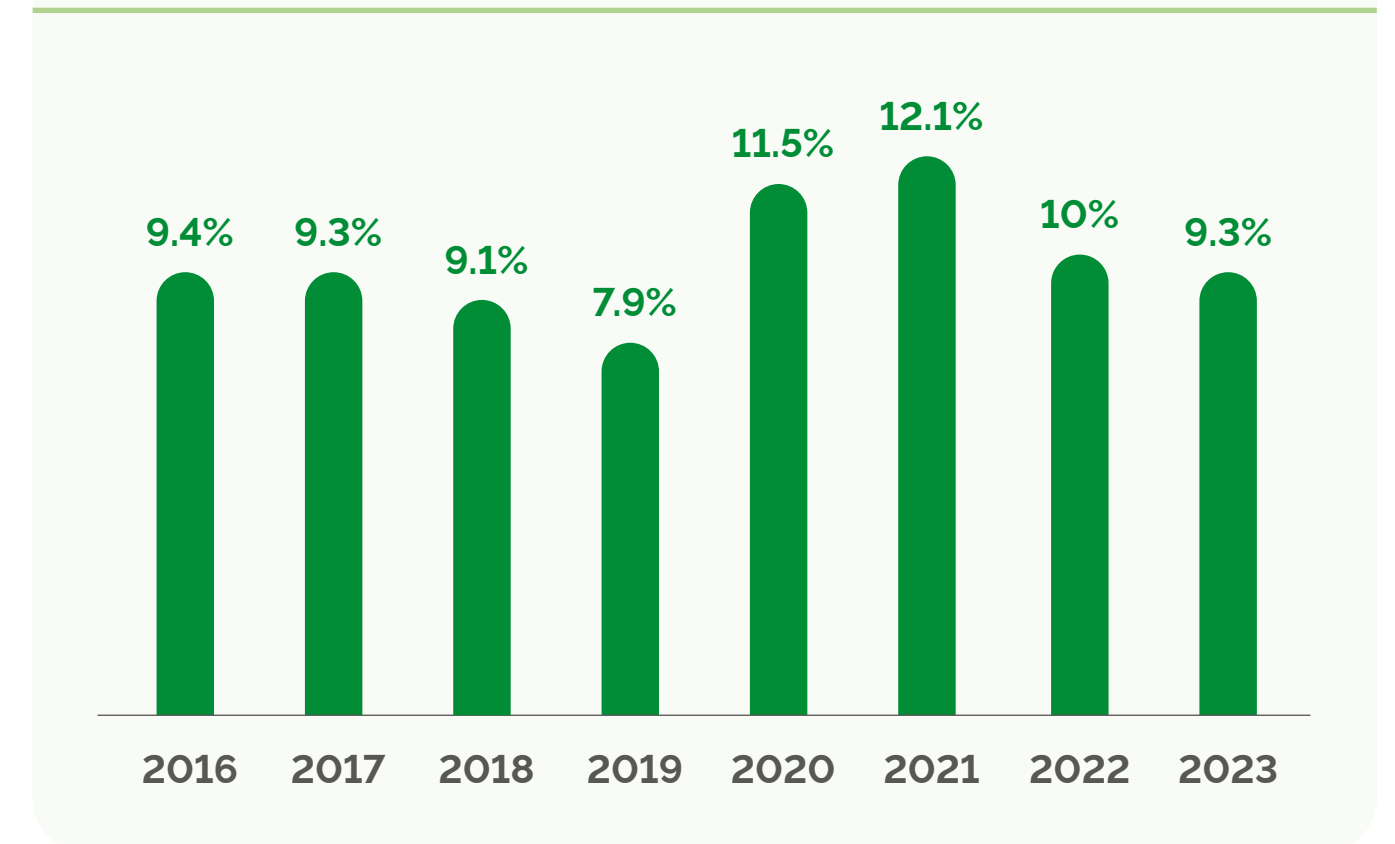
| Packaging materials | 2020 (kg) | 2021 (kg) | 2022 (kg) | 2023 (kg) |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| Paper, cardboard and wood | 46,050,915 | 47,106,282 | 53,900,923 | 52,057,829 |
| Plastic | 17,395,134 | 20,256,973 | 22,799,672 | 21,023,575 |
| Glass | 13,070,474 | 11,798,769 | 11,638,966 | 10,605,838 |
| Metal | 6,120,058 | 6,087,125 | 5,602,305 | 5,368,532 |
| Paper and plastic laminates | 1,961,370 | 2,195,380 | 2,463,923 | 2,346,091 |
| TOTAL | 84,597,951 | 87,444,529 | 96,405,789 | 91,401,865 |

Reduction in Use

In line with our commitment to the circularity of materials, we promote initiatives to reduce the use of packaging materials, mainly in consumer food products. Through our Corporate Packaging Index, which considers the percentage of the product's weight that corresponds to packaging material, we monitor our performance in terms of reducing the use of packaging materials.

In 2023, we achieved a Corporate Packaging Index of 9.3%

Corporate Packaging Index



Paper and Cardboard

Sustainable Paper Supply

We have a Sustainable Paper Supply Policy that establishes that the cellulosic fiber-based material that we use in our packaging must come from a duly certified virgin source, or from recycled fiber-based material.

We engage exclusively with suppliers that have a recognized chain of custody certification: FSC (Forest Stewardship Council) and PEFC (Program for the Endorsement of Forest Certification Systems). We seek to guarantee the traceability of raw materials, properly managed forests, controlled resources, or recycled material. In addition, we have defined suppliers who obtain their inputs from certified paper suppliers, so that we receive products from sustainable sources.

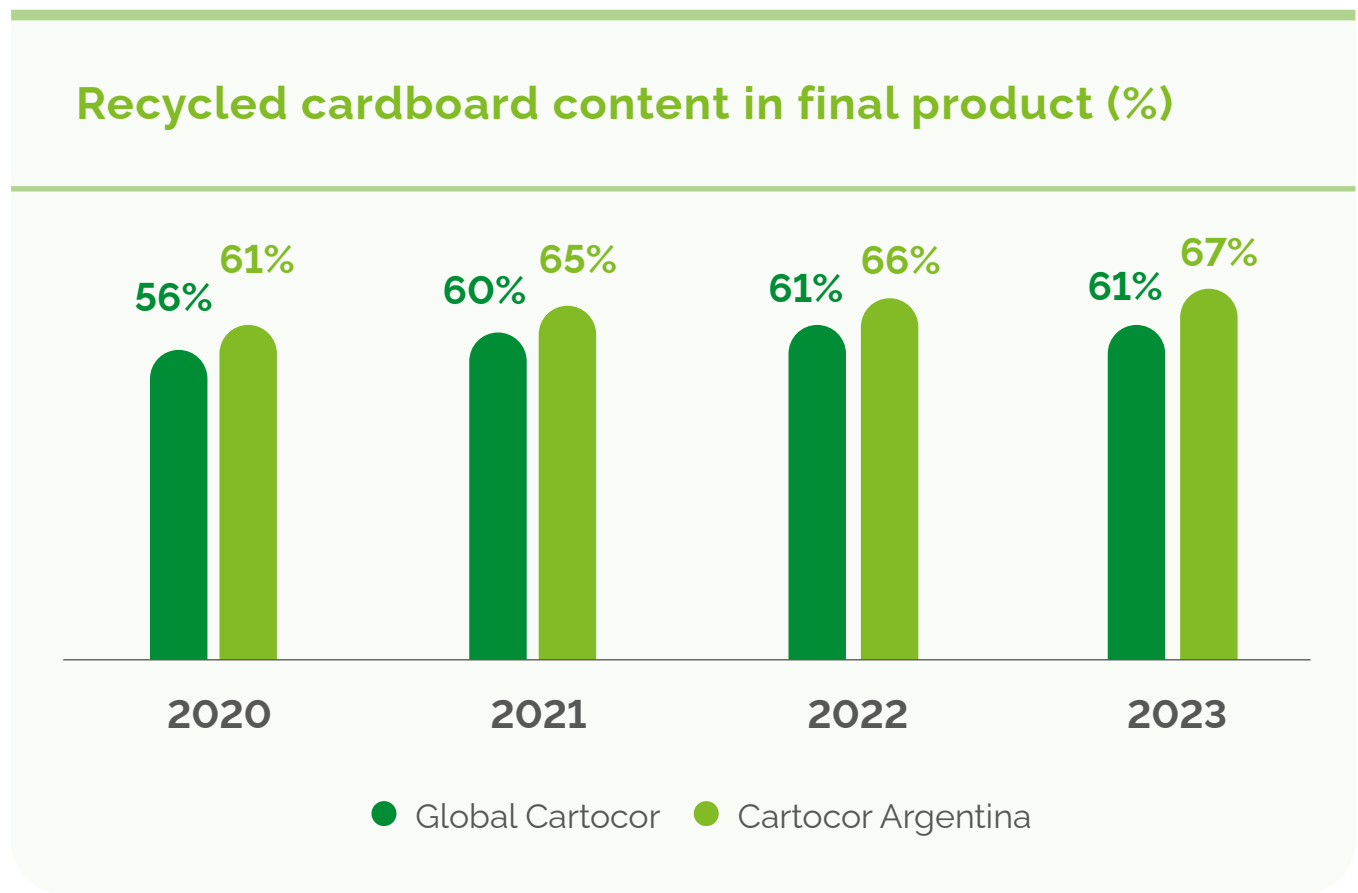
Within the framework of this policy, since 2022, 100% of the paper and cardboard we use is sustainable, either because it is of recycled origin, or because it is made from virgin fiber with recognized certification.

In 2023, 100% of the paper and cardboard used was of sustainable origin.

Production of Recycled Paper and Packaging

From our Packaging Division, we produce virgin fiber paper in the province of Misiones, and we have three recycled paper production plants in Argentina, in the towns of Arroyito (Córdoba), Mendoza (Mendoza), and Ranelagh (Buenos Aires).

During 2023, more than 160,000 tons of recycled paper were manufactured in the three recycled paper plants that were used in the production of boxes. This volume was complemented by 112,855 tons of recycled paper supplied by third parties. With a total volume of 272,630 tons of recycled paper used, the content of recycled material in the paper and cardboard containers and packaging produced by our Packaging Division reached an average of 61%, thus maintaining constant growth in this aspect.



Plastics

During 2023 we continued implementing our Plastic Packaging Policy which, since 2020, establishes the guidelines to make progress on the development of increasingly sustainable solutions for our packaging.

Likewise, we have a Guide for Sustainable Design, which establishes definitions and technical guidelines on the design conditions that favor circularity and optimization in the use of materials. This Guide was developed from the concepts and definitions of the Ellen McArthur Foundation that seeks to accelerate the transition towards a circular economy.

Based on the guidelines established by this Policy, in 2023 we continued fostering projects to replace and reduce packaging materials throughout our portfolio. These projects involve the exploration of new materials that allow less use, favoring recyclability while guaranteeing the preservation of the products.

Plastic Packaging Policy

Conscious Consumption Optimize use while preserving the product.

- Reduce thicknesses, sizes, and weights, without compromising the preservation of the product or its competitive positioning.
- Advance in technologies that allow the use of lighter and tighter materials.
- Explore new materials.
- Develop special presentations for some channels that handle bulk display.
- New products that maintain the average plastic content of the product family to which they are incorporated.

Circular Flow Design

Improve recyclability, promote reuse, and reduce impact throughout the life cycle of materials

- Migrate towards biodegradable or compostable materials, including bioplastics.
- Evolve towards recyclable materials, considering the simplification of structures towards simple materials, reducing metals and other additives that hinder recyclability.
- Incorporate recycled material.
- Effective communication towards the consumer.
- Interaction with the links in the recycling chain.

Less Impact, Same Flavor

In 2023, in Brazil, we worked on optimizing the primary packaging material of two cookie presentations: Triunfo Tortini 90 grams and Triunfo Recheados de 85 grams.

The optimization was achieved through a reduction in the weight of the packaging, which allows the properties of the product to be preserved using less material.

As of this improvement, we will stop placing more than 30,000 kg of polypropylene on the market.

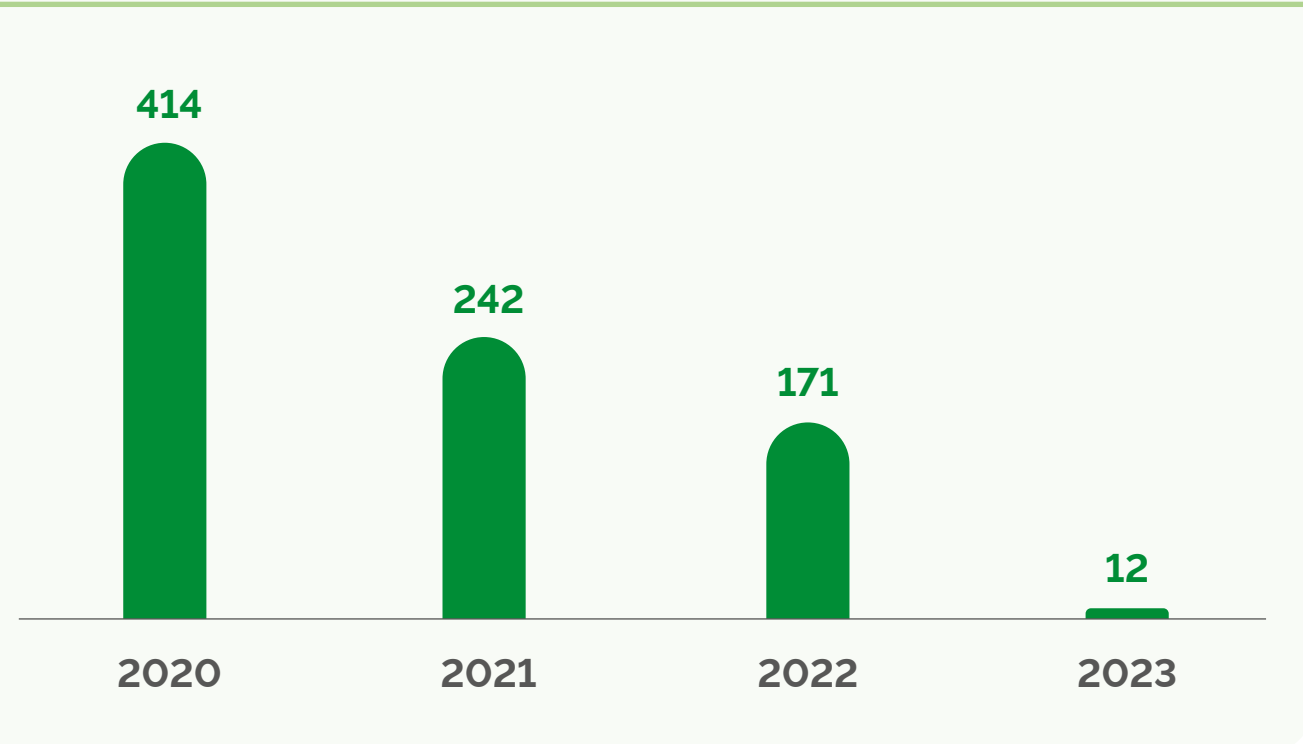


Controversial Plastics

Since 2011, we have promoted the replacement of PVC as a packaging material for our products through our PVC Elimination Policy.

We currently do not use PVC in our packaging materials in Brazil, Chile, Mexico and Peru. This material is used exclusively in a line of chewing gum in Argentina, since we are still working on the search for a viable technical alternative to replace it. During 2023, only 12 tons of this material were used, representing a 92% reduction compared to the volume used in Argentina the previous year.

Evolution of the amount of PVC used as packaging material in Argentina (tons)



Recovery and Recycling Projects

As a complement to the initiatives aimed at reducing the use of packaging materials and improving the recyclability of the materials that we place on the market with our products, during 2023, we began to work on the development of pilot projects aimed at promoting the collection and recycling of these materials in the post-consumer stage.

Post-Consumer Polyethylene Recycling

In 2023, from the Packaging Division, we made progress with the initiative promoted in 2021 with the aim of integrating recycled post-consumer polyethylenes (PCR) in the formulation of new materials that do not have direct contact with food. This initiative implies a significant step towards the circularity of plastics, one of the greatest challenges due to the diversity and complexity of recycling this material. This process has involved establishing reverse logistics to recover the material from several generation points to the processing plant. In this place, the material is subjected to a washing process to guarantee its quality and it is subsequently transformed into a new material, maintaining its original quality and thus reducing the loss of value in recycling.

In 2023, we installed 44 compactors in Arcor Group's Distributors in Argentina to increase the amount of post-consumer recovered and recycled polyethylene. Throughout the year, 80 tons of recovered stretch film were obtained from Distributors, Arcor Group plants, supermarkets, recyclers and the Municipality of Córdoba. From the recovered material, 100 tons of flexible material containing 20% recycled material were produced at Converflex (Packaging Division of Arcor Group).

Recovery and Recycling of Aseptic Containers: "Long Live Packaging"

In 2023, we advanced in the implementation of an Aseptic Container Recovery Project (extended shelf-life packaging), together with CEMPRE, Tetra Pak, and Mastellone. The objective of this project was to develop a circular economy for the extended shelf-life packaging that we place on the market, increasing the recovery of these materials at the end of their useful life and favoring their recycling.

The goals and scope established for the pilot test were the following:

- Increase the circular flow (recovery, value, and effective recycling) of post-consumer Extended Shelf Life (ESL), recycled at Cartocor Ranelagh plant of Arcor Group.
- Promote the habit of separating this material at source and encourage its recovery, especially in large consumers, through different types of actions.

Promote the circular economy through strategies in each community, supporting micro developments of entrepreneurs. Through CEMPRE, we established an alliance with the Municipality of Córdoba and developed a communication campaign aimed at increasing the amount of material recovered in the different eco-points of the COyS (the city's works and services).

Within the framework of this project, 72 tons of extended shelf-life packaging were recovered, which were recycled at Arcor Group's paper recycling plant in the town of Ranelagh (Buenos Aires, Argentina). With the material from the recycling process (polyaluminum), 100 plates of recycled material were manufactured at COyS.

About this Report

6

- 151 Analysis of Materiality and Material Issues
- 152 Content Index
- 162 Annexes
- 168 External Evaluation Report
- 169 Other Information



About this Report

This Sustainability Report accounts for our sustainable management for the period between January 1 and December 31, 2023, in line with the commitments that Arcor Group assumes through its 2030 Sustainability Strategy “A Better Life”. The document offers transparent and systematized information, with comparative indicators and cases of good practices that refer to our economic, social, and environmental performance to all our stakeholders.

We prepared this report in accordance with the GRI 2021 Standards (Global Reporting Initiative) and taking as reference the SASB Standards for Agricultural Products, Processed Food, and Containers Packaging. In addition, the document presents our contribution to the Sustainable Development Goals and is complementary to the Communication on Progress to the United Nations Global Compact.

Analysis of Materiality and Material Issues

We defined the contents to be included in this Report considering the inclusion of the expectations of our stakeholders and the sustainability context of Arcor Group.

Between 2020 and 2021, within the framework of the design of our 2030 Sustainability Strategy “A Better Life”, we carried out an analysis of the sector’s trends in sustainability, the global and local agenda, and the main international standards and guidelines regarding reporting. This analysis was complemented with a process of deep consultation with our stakeholders through surveys, in-depth interviews, and market studies of opinion leaders, leaders from peer companies, collaborators at all levels and in all geographies, leaders from the communities in which we operate, and consumers. Based on these surveys, we identified, evaluated and prioritized the economic, environmental and social impacts associated with our businesses.

We systematically and permanently update materiality by identifying and evaluating our impacts through a dialogue processes that we maintain with all our stakeholders

 [Ver sección Gestión Sustentable, para más información](#)

We prioritize the most significant impacts, both to integrate management and to present information, based on the methodology defined in our Risk and Opportunity Matrix Procedure for Sustainability

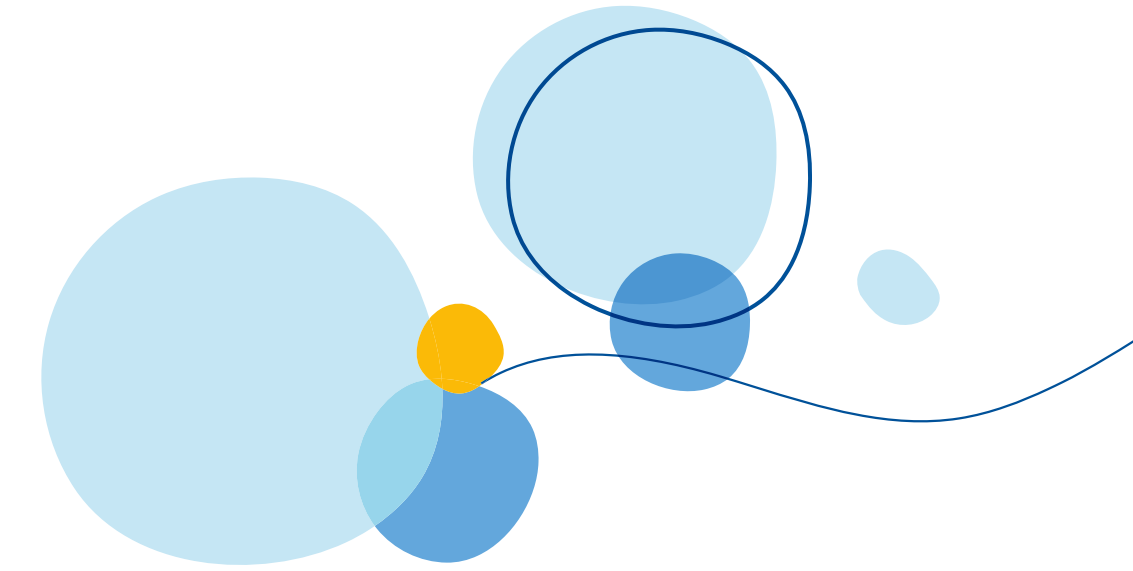
 [Ver sección Gestión Sustentable, para más información](#)

Below, we detail the selected material themes, from which sub themes and indicators are developed, structured in four main axes:





GRI Content Index



| | |
|--|--|
| Declaration of Use | Arcor Group has prepared the report in accordance with the GRI (Global Reporting Initiative) Standards for the period between January 1 and December 31, 2023. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standards | - |

| GRI Standard | Content | Chapter and/or Answer | Omission | External Verification | SDG |
|--|--|---|----------|-----------------------|-----|
| General Contents | | | | | |
| | The Organization and its reporting practices | | | | |
| | 2-1 Organizational details | Arcor Group is a Public Limited Company that does not make a public offering of its shares and whose headquarters is located in Arroyito, province of Córdoba, Argentina. Section 1.1 Arcor Group in the world | | | |
| | 2-2 Entities included in the organization's sustainability reporting | The Sustainability Report has the same scope and includes all subsidiaries described in the Consolidated Financial Statements as of December 31, 2023, available at www.arcor.com . | | | |
| GRI 2: 2021 General Disclosures | 2-3 Reporting period, frequency and contact point | The Sustainability Report is prepared annually. This document responds to the period between January 1 and December 31, 2023 and was presented to the Board of Directors on 03/08/2024. For questions regarding the information presented, contact sustainability@arcor.com | | | |
| | 2-4 Restatements of information | Specific restatement cases are explicitly referenced throughout this document. | | | |
| | 2-5 External assurance | Section 6.5 External evaluation report | | | |
| | Activities and Employees | | | | |
| | 2-6 Activities, value chain and business relationships | Sections 1.1 We Are Arcor Group and 4.3 Community and Value Chain Development | | | |
| | 2 -7 Employees | Section 1.1 We Are Arcor Group | | | |
| | 2 - 8 Workers who are not employees | Total number of workers who are not employees: 504 (Agency: 324 and Interns: 180). Most common types of jobs: Agency prospects and interns. | | | |

| GRI Standard | Content | Chapter and/or Answer | Omission | External Verification | SDG |
|--|--|---|----------|-----------------------|-----|
| General Contents | | | | | |
| | Governance | | | | |
| | 2-9 Governance structure and composition | According to the Argentine legislation, the governing body is the Shareholders' Assembly and the administrative body is the Board of Directors. In this document, we understand that every time they talk about the governing body, they mean to refer to the Board of Directors. <u>Section 1.1 We Are Arcor Group</u> | | | |
| | 2-10 Nomination and selection of the highest governance body | <u>Section 1.1 We Are Arcor Group</u> | | | |
| | 2-11 Chair of the highest governance body | <u>Section 1.1 We Are Arcor Group</u> | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | <u>Section 1.1 We Are Arcor Group</u> | | | |
| | 2-13 Delegation of responsibility for managing impacts | <u>Section 1.1 We Are Arcor Group</u> | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | Arcor Group's Board of Directors reviews and approves the Sustainability Report at its first meeting of the year. In the case of the 2023 Sustainability Report, it was approved at the meeting on 03/08/2024. | | | |
| GRI 2: 2021 General Disclosures | 2-15 Conflicts of interest | If there is an interest of the director that is contrary to that of the Company, he/she must inform the Board of Directors and the Supervisory Commission and refrain from intervening in the deliberation of that specific issue, as established in Article 272 of Law 19,550. Likewise, there is a Code of Ethics and Conduct, an Administration Procedure for the Code of Ethics and Conduct and a Conflict of Interest Procedure, which apply and are communicated to both the members of the Board of Directors and all personnel in relation to of direct dependence on Arcor Group, and to which the members of the Supervisory Commission have joined. At Arcor Group, employees must disclose and communicate to their direct superior, or if this is impossible to the Ethics and Conduct Committee, any possible situation (including those involving their family members) that may create a potential conflict of interest with the company to determine the resolution of the conflict. During 2023, the Ethics and Conduct Committee analyzed 40 conflict of interest declarations. | | | |
| | 2-16 Communication of critical concerns | <u>Section 2.4 Code of Ethics and Conduct</u> | | | |
| | 2-17 Collective knowledge of the highest governance body | Within the functions of the Sustainability Committee, it is responsible for advising Management on all aspects related to sustainability, supporting the identification and treatment of critical issues that may offer risks and opportunities of relevant impact. | | | |
| | 2-18 Evaluation of the performance of the highest governance body | The evaluation of the management of the Board of Directors is a power of the Shareholders' Assembly, which is responsible for its consideration annually. | | | |
| | 2-19 Remuneration policies | <u>Note 2</u> | | | |

| GRI Standard | Content | Chapter and/or Answer | Omission | External Verification | SDG |
|--|--|---|--------------------------------------|-----------------------|-----|
| General Contents | | | | | |
| GRI 2: 2021 General Disclosures | 2-20 Process to determine remuneration | Section 4.2 Workplace Well-Being | | | |
| | 2-21 Annual total compensation ratio | - | Information of a confidential nature | | |
| | Strategy, Policies and Practices | | | | |
| | 2-22 Statement on sustainable development strategy | Message from our president and Message from our Corporate Sustainability Manager | | | |
| | 2-23 Policy commitments | Section 2. Human Rights and Integrity | | | |
| | 2-24 Embedding policy commitments | Section 1.4 Sustainable Management | | | |
| | 2-25 Processes to remediate negative impacts | Section 4.3.1 Community Impact Management Strategy | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Section 2.4 Code of Ethics and Conduct | | | |
| | 2-27 Compliance with laws and regulations | No significant cases of non-compliance were recorded during the reporting period. | | | |
| | 2-28 Membership associations | Section 3.1 Healthy and Affordable Food | | | |
| | Stakeholder Engagement | | | | |
| | 2-29 Approach to stakeholder engagement | Section 1.4 Sustainable Management | | | |
| 2-30 Collective bargaining agreements | Section 4.2 Workplace Well-Being | | | | |
| Material Topics | | | | | |
| Economic Topics | | | | | |
| GRI 3: 2021 Material Topics | 3-3 Management of material topics | Sección Grupo Arcor | | | |
| GRI 201: Economic Performance | 201-1 Direct economic value generated and distributed | Section 1.1 We Are Arcor Group | | √ | 9.4 |
| | 201-4 Financial assistance received from government | We did not receive financial assistance from the government during the reporting period. | | | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Section 4.3.3 Value Chain | | | |
| GRI 205: Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | Section 2.4 Code of Ethics and Conduct | | | |
| | 205-3 Confirmed incidents of corruption and actions taken | During the reported period, a case of corruption was confirmed, classified as "Financial Fraud", and concluded with the collaborator's dismissal with just cause. | | √ | |

| GRI Standard | Content | Chapter and/or Answer | Omission | External Verification | SDG |
|--|---|---|----------|-----------------------|-----------|
| Environmental Topics | | | | | |
| GRI 3: 2021 Material Topics | 3-3 Management of material topics | Section 5. Preserve the Planet's Sustainability | | | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | Section 5.3 Circular Flow of Materials | | | |
| | 301-2 Recycled input materials used | Section 5.3 Circular Flow of Materials | | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Section 5.2.1 Climate Change Strategy | | | 7.4, 12.2 |
| | 302-3 Energy intensity | Section 5.2.1 Climate Change Strategy | | | |
| | 302-4 Reduction of energy consumption | Section 5.2.1 Climate Change Strategy | | | |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | Section 5.1 Water Care | | | |
| | 303-2 Management of water discharge-related impacts | Section 5.1 Water Care | | | |
| | 303-3 Water withdrawal | Note 9 Section 5.1 Water Care | | √ | 6.4 |
| | 303-4 Water discharge | Section 5.1 Water Care | | | |
| | 303-5 Water consumption | At Arcor Group, we consider that all withdrawn water is consumed. | | | |
| Own indicator | Specific water consumption | Section 5.1 Water Care | | √ | |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Section 5.2.2 Biodiversity Strategy | | | |
| | 304-3 Habitats protected or restored | Section 5.2.2 Biodiversity Strategy | | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Section 5.2.1 Climate Change Strategy | | √ | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Section 5.2.1 Climate Change Strategy | | √ | |
| | 305-3 Other indirect (Scope 3) GHG emissions | Section 5.2.1 Climate Change Strategy | | √ | 15.2 |
| | 305-4 GHG emissions intensity | Section 5.2.1 Climate Change Strategy | | √ | |
| | 305-5 Reduction of GHG emissions | Section 5.2.1 Climate Change Strategy | | | |
| GRI 306: Waste 2020 | 306-3 Waste generated | Section 5.3 Circular Flow of Materials | | √ | 6.3, 12.5 |
| | 306-4 Waste diverted from disposal | Section 5.3 Circular Flow of Materials | | √ | |
| | 306-5 Waste directed to disposal | Section 5.3 Circular Flow of Materials | | √ | 6.3, 14.1 |
| Own indicator | Waste generated sent to burial | Section 5.3 Circular Flow of Materials | | √ | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | Section 4.3.3 Value Chain | | | |

| GRI Standard | Content | Chapter and/or Answer | Omission | External Verification | SDG |
|---|---|--|------------------------|-----------------------|---------------------|
| Social Topics | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Section 4. Promoting People's Prosperity | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Note 3 | | √ | 5.1, 8.5, 8.6, 10.3 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Section 4.2 Workplace Well-Being | | | |
| | 401-3 Parental leave | Note 4 | | | 5.1, 8.5 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Section 4.2 Workplace Well-Being | | | 8.8 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Section 4.2 Workplace Well-Being | | | |
| | 403-3 Occupational health services | Note 7 | | | |
| | 403-5 Worker training on occupational health and safety | Section 4.2 Workplace Well-Being | | | |
| | 403-6 Promotion of worker health | Section 3.1 Healthy and Affordable Food | | | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Section 4.2 Workplace Well-Being | | | |
| | 403-8 Occupational health and safety management Coverage system | Section 4.2 Workplace Well-Being | | | |
| | 403-9 Work-related injuries | Note 8 | | √ | |
| | 403-10 Work-related ill health | Section 4.2 Workplace Well-Being | | | |
| | GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Note 5 | | √ |
| 404-2 Programs for upgrading employee skills and transition assistance programs | | Note 5 | | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Section 4.1 Inclusion, Diversity, and Equality | | √ | |

| GRI Standard | Content | Chapter and/or Answer | Omission | External Verification | SDG |
|---|--|---|----------|-----------------------|-----------|
| Social Topics | | | | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | During the reported period, one case of discrimination was detected. The Ethics and Conduct Committee analyzed the case and concluded that there was a breach of the Code of Ethics and Conduct. Based on this, it was decided to agree with the action plan proposed by the areas involved, which consisted of the separation of 2 collaborators and coaching programs, training, feedback meetings, awareness raising and communication actions. Subsequently, the Committee followed up to ensure that the resolution was implemented. | | √ | 5.1, 8.8 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Section 2.2 Human Rights Due Diligence Note 6 | | | 8.8 |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Sections 2.2 Human Rights Due Diligence and 3.3.1 Sustainable Agricultural Production | | | 8.7, 16.2 |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced | Section 2.2 Human Rights Due Diligence | | | 8.7 |
| GRI 410: Security Practices 2016 | or compulsory labor | Section 2.2 Human Rights Due Diligence | | | |
| GRI 413: Local Communities 2016 | 410-1 Security personnel trained in human rights policies or procedures | 100% of our industrial operations are covered by Community Relations initiatives, programs or actions. | | √ | |
| GRI 414: Supplier Social Assessment 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Section 4.3.3 Value Chain | | | 5.2, 8.8 |
| GRI 416: Customer Health and Safety 2016 | 414-1 New suppliers that were screened using social criteria | Section 3.1 Healthy and Affordable Food | | | |
| GRI 417: Marketing and Labeling 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Section 3.1 Healthy and Affordable Food | | | 12.8 |
| | 417-1 Requirements for product and service information and labeling | | | | |



SASB Table of Contents

PROCESSED FOOD 2018

Table 1. Sustainability Disclosure Topics & Accounting Parameters

| Topic | Parameter | Code | Chapter/Answer |
|--------------------------------|---|--------------|---|
| Energy Management | Total energy consumed | | |
| | Percentage of grid electricity | FB-PF-130a.1 | 5.2 Action for the Climate and Biodiversity |
| | Percentage of renewable energy | | |
| Water management | Total withdrawn water | | |
| | Percentage of water withdrawn in each region with high or extremely high-water stress | FB-PF-140a.1 | Section 5.1 Water Care |
| | Total water consumed | | |
| | Percentage of water consumed in each region with high or extremely high-water stress | | |
| | Number of incidents of non-conformity related to water quantity and/or quality permits, standards, and regulations | FB-PF-140a.2 | Section 5.1 Water Care |
| | Description of water management risks and analysis of strategies and practices to mitigate them | FB-PF-140a.3 | |
| Food Safety | Global Food Safety Initiative (GFSI) audit: Non-conformity rate and associated corrective actions rate for major and minor non-conformities | FB-PF-250a.1 | 3.2 Quality at Every Step |
| | Percentage of ingredients coming from Level 1 suppliers facilities certified under a food safety certification program recognized by the Global Food Safety Initiative (GFSI) | FB-PF-250a.2 | |
| | Total number of notifications of food safety violation received, and corrected percentage | FB-PF-250a.3 | Information not available |
| | Number of recalls issued and total quantity of recalled food products | FB-PF-250a.4 | Information not available |
| Health and Nutrition | Entry of products with a labeling and/or marketing that promotes health and nutrition attributes | FB-PF-260a.1 | |
| | Analysis of the process to identify and manage products and ingredients related to nutritional and health concerns of consumers | FB-PF-260a.2 | Section 3.1 Healthy and Affordable Food |
| Product Labeling and Marketing | Percentage of advertisement intended to children and made to promote products that meet dietary guidelines | FB-PF-270a.1 | Section 3.1 Healthy and Affordable Food |
| | Entry of products labeled as containing genetically modified organisms (GMOs) and non-GMO | FB-PF-270a.2 | Information not available |
| | Number of incidents of non-conformities with labeling and/or marketing codes regulatory or belonging to this sector | FB-PF-270a.3 | Information not available |
| | Total number of monetary losses as a result of legal proceedings related to labeling or marketing | FB-PF-270a.4 | Information not available |

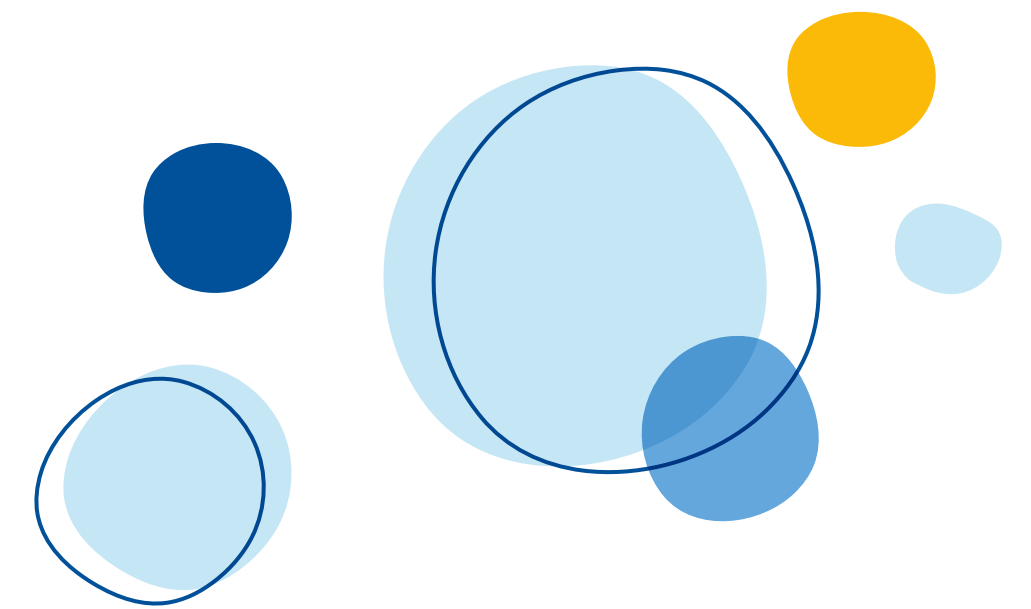
PROCESSED FOOD 2018

Table 1. Sustainability Disclosure Topics & Accounting Parameters

| Topic | Parameter | Code | Chapter/Answer |
|--|---|--------------|--|
| Packaging life cycle management | Total weight of containers | FB-PF-410a.1 | <u>Section 5.3 Circular Flow of Materials</u> |
| | Percentage made from recycled or renewable materials | FB-PF-410a.1 | |
| | Percentage that is recyclable, reusable or compostable | FB-PF-410a.1 | |
| | Analysis of strategies to reduce the environmental effect of packaging throughout its life cycle | FB-PF-410a.2 | |
| Environmental and social impacts of the ingredient supply chain | Percentage of food purchased that is certified to third-party environmental or social standards | FB-PF-430a.1 | <u>4.3 Community and Value Chain Development (Partial information)</u> |
| | Supplier social and environmental responsibility audit: non-conformity rate and corresponding corrective action rate for major and minor non-conformities | FB-PF-430a.2 | |
| Ingredient supply | Percentage of food ingredients from regions with high or extremely high initial water stress | FB-PF-440a.1 | Information not available |
| | List of priority food ingredients and analysis of sourcing risks due to environmental and social considerations | FB-PF-440a.2 | |

Table 2. Activity Parameters

| Activity Parameters | Code | Page/Answer |
|---------------------------------|-------------|---------------------------------------|
| Number of production facilities | FB-PF-000.B | <u>Section 1.1 We Are Arcor Group</u> |



AGRICULTURAL PRODUCTS 2018

Table 1. Sustainability Disclosure Topics & Accounting Parameters

| Topic | Parameter | Code | Page/Answer |
|---|--|--------------|---|
| Greenhouse gas emissions | Scope 1 gross global emissions | FB-AG-110a.1 | |
| | Analysis of the long and short-term strategy or plan to manage Scope 1 emissions, emissions reduction objectives and analysis of the results in relation to those objectives | FB-AG-110a.2 | 5.2 Action for the Climate and Biodiversity |
| | Fleet fuel consumed, and renewable percentage | FB-AG-110a.3 | |
| Energy management | Operating energy consumed, percentage of grid electricity, percentage of renewable energy | FB-AG-130a.1 | 5.2 Action for the Climate and Biodiversity |
| Water management | Total water withdrawn, total water consumed, percentage of each in regions with high or extremely high initial water stress | FB-AG-140a.1 | |
| | Description of water management risks and analysis of strategies and practices to mitigate them | FB-AG-140a.2 | Section 5.1 Water Care |
| | Number of incidents of non-conformity related to water quantity and/or quality permits, standards, and regulations | FB-AG-140a.3 | |
| Food Safety | Global Food Safety Initiative (GFSI) audit: Non-conformity rate and associated corrective actions rate for major and minor non-conformities | FB-AG-250a.1 | 3.2 Quality at Every Step |
| | Percentage of agricultural products from suppliers certified by a food safety certification program recognized by the Global Food Safety Initiative (GFSI) | FB-AG-250a.2 | |
| | Number of recalls issued and total quantity of recalled food products | FB-AG-250a.3 | Information not available |
| Workforce health and safety | Total Recordable Incident Rate (TRIR), Fatality Rate, and Near Miss Frequency Rate (NMFR) for direct employees and temporary and migrant employees | FB-AG-320a.1 | Section 4.2 Workplace Well-Being |
| Environmental and social impacts of the ingredient supply chain | Percentage of agricultural products obtained that are certified according to a third-party environmental or social standard, and percentages by standard | FB-AG-430a.1 | |
| | Supplier social and environmental responsibility audit: non-conformity rate and corresponding corrective action rate for major and minor non-conformities | FB-AG-430a.2 | 3.3 Regenerative Agriculture |
| | Analysis of the strategy to manage environmental and social risks resulting from contract cultivation and the supply of basic products. | FB-AG-430a.3 | |
| GMO Management | Analysis of strategies to manage the use of genetically modified organisms (GMOs) | FB-AG-430b.1 | Information not available |
| Ingredient supply | Identification of the main crops and description of the risks and opportunities presented by climate change | FB-AG-440a.1 | 3.3 Regenerative Agriculture |
| | Percentage of agricultural products from regions with high or extremely high initial water stress | FB-AG-440a.2 | Information not available |

Table 2. Activity Parameters

| Activity Parameters | Code | Page/Answer |
|---------------------------------|-------------|--|
| Number of processing facilities | FB-AG-000.B | Section 1.1 We Are Arcor Group |

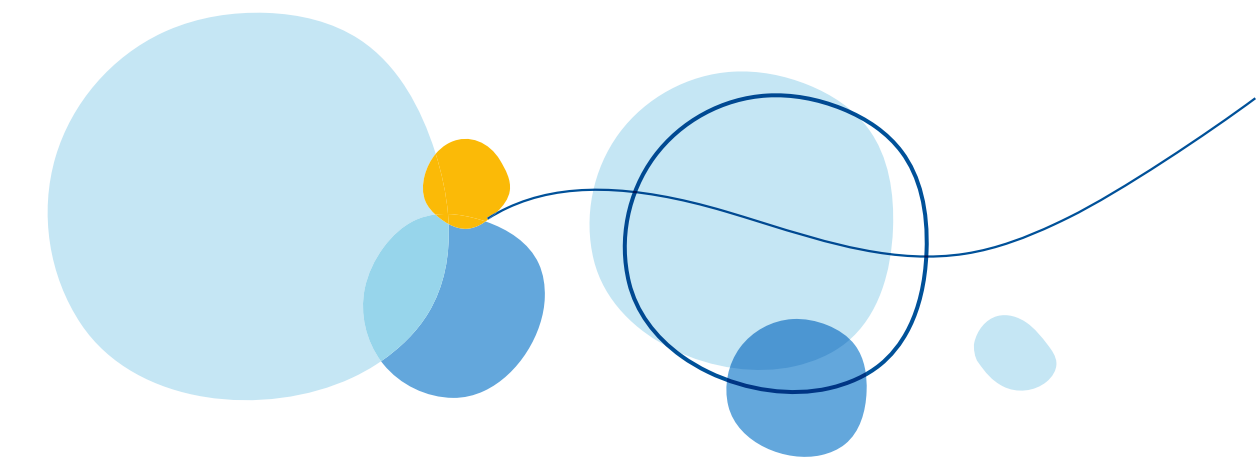
CONTAINERS AND PACKAGING 2018

Table 1. Sustainability Disclosure Topics & Accounting Parameters

| Topic | Parameter | Code | Page/Answer |
|--------------------------------------|--|--------------|---|
| Greenhouse gas emissions | Scope 1 gross global emissions, percentage covered by emissions limitation regulations | RT-CP-110a.1 | 5.2 Action for the Climate and Biodiversity |
| | Analysis of the long and short-term strategy or plan to manage Scope 1 emissions, emissions reduction objectives and analysis of the results in relation to those objectives | RT-CP-110a.2 | |
| Air quality | Atmospheric emissions of the following pollutants: (1) NOx (excluding N2O), (2) Sox, (3) volatile organic compounds (VOCs), (4) particulate matter (PM). | RT-CP-120a.1 | Information not available |
| Energy management | Total energy consumed, percentage of grid electricity, percentage of renewables, total self-generated energy | RT-CP-130a.1 | 5.2 Action for the Climate and Biodiversity |
| Water management | Total water withdrawn, total water consumed, percentage of each in regions with high or extremely high initial water stress | RT-CP-140a.1 | Section 5.1 Water Care |
| | Description of water management risks and analysis of strategies and practices to mitigate them | RT-CP-140a.2 | |
| | Number of non-conformity incidents related to permits, standards and water quality regulations | RT-CP-140a.3 | |
| Waste management | Amount of hazardous waste generated, and percentage recycled | RT-CP-150a.1 | Section 5.3 Circular Flow of Materials |
| Product safety | Number of withdrawals issued and total units withdrawn | RT-CP-250a.1 | Information not available |
| | Analysis of the identification and management process of new materials and chemical substances of interest | RT-CP-250a.2 | |
| Product Life Cycle Management | Percentage of raw materials from: recycled content, renewable resources and renewable and recycled content | RT-CP-410a.1 | Section 5.3 Circular Flow of Materials |
| | Income from products that are reusable, recyclable or compostable | RT-CP-410a.2 | Information not available |
| | Analysis of strategies to reduce the environmental effect of packaging throughout its life cycle | RT-CP-410a.3 | Section 5.3 Circular Flow of Materials |
| Supply chain management | Total wood fiber obtained, percentage from certified sources | RT-CP-430a.1 | Section 5.3 Circular Flow of Materials |
| | Total aluminum purchased, percentage of certified sources | RT-CP-430a.2 | Information not available |

Table 2. Activity Parameters

| Activity Parameters | Code | Page/Answer |
|--|-------------|--|
| Production quantity, per substrate | RT-CP-000.A | Section 5.3 Circular Flow of Materials |
| Percentage of production as: paper/wood, glass, metal, and plastic | RT-CP-000.B | |
| Number of employees | RT-CP-000.C | Section 1.1 We Are Arcor Group |



Note 1: Certifications

| Company | Locations | Plant | Certifications/Awards | | Food Safety Standards | Forest management certifications | TPM Award | Others |
|---------|---------------------------------|--|-----------------------|----------|-----------------------|--|-----------|------------------------------|
| | | | ISO 45001 | ISO 9001 | | | | |
| Arcor | Recreo Complex, Catamarca | Manufacture of gummy candies, powder for desserts and juices and baked goods | X | X | X | BRC/HACCP/GMP/ Voluntary Module Preventive Controls FSMA and FSVP of BRC | | |
| | | Manufacturing of hard caramel candies, chewing gum, and wafers | X | X | X | BRC/HACCP/GMP/ Voluntary Module Preventive Controls FSMA and FSVP of BRC | (1)(2) | |
| | Arroyito Complex, Córdoba | Manufacturing of milk candies | X | X | X | BRC/HACCP/GMP/ Voluntary Module Preventive Controls FSMA and FSVP of BRC | | Rainforest Alliance and RSPO |
| | | Wet Milling Plant 1 | X | X | X | HACCP | (1) | |
| | | Wet Milling Plant 3 | X | X | X | BRC/HACCP/BPM | | |
| | | Thermoelectric Power Plant | X | X | X | | | |
| | | Distribution Center | X | X | X | | | |
| | Arroyito, Córdoba | Dairy Farm 1 | X | X | | | | |
| | Arroyito, Córdoba | Dairy Farm 2 | X | X | | | | |
| | Arroyito, Córdoba | Dairy Farm 6 | X | X | | | | |
| | Lules Complex, Tucumán | Candies | X | X | X | BRC/HACCP/BPM | (1)(2) | |
| | | Wet Milling | X | X | X | HACCP | (1) | |
| | | Corn Dry Milling | X | X | X | HACCP | (1) | |
| | San Pedro Complex, Buenos Aires | Grain Storage | X | X | X | | | |
| | | Extruded | X | X | X | HACCP/BPM | | |
| | | Oil | X | X | X | BRC/HACCP/BPM | | |
| | Rio Seco, Tucumán | Alcohol | X | X | X | BRC/HACCP/BPM | | |
| | | La Providencia Sugar Mill | X | | X | FSSC 22000/HACCP/BPM/Global GAP (3) | | BONSUCRO / Orgánica |
| | | Thermoelectric Power Plant | X | | X | | | |

| Company | Locations | Plant | Certifications/Awards | | Food Safety Standards | Forest management certifications | TPM Award | Others |
|------------------|--------------------------------------|---|-----------------------|----------|-----------------------|----------------------------------|-----------|---------------------|
| | | | ISO 45001 | ISO 9001 | | | | |
| Arcor | Colonia Caroya, Córdoba | Chocolates | X | X | X | BRC/HACCP/BPM | 1.2. | Rainforest Alliance |
| | San Luis, San Luis | Chocolates | X | X | X | BRC/HACCP/BPM | (1) | |
| | Talar de Pacheco, Buenos Aires | Distribution Center | X | X | X | | | |
| | San Rafael, Mendoza | Fruit Pulp | | | X | BRC/HACCP/BPM | | |
| | Mar del Plata, Buenos Aires | Canned Fish | X | X | X | BRC/HACCP/BPM | | |
| | Villa Mercedes Complex, San Luis | Sweets and marmalades | X | X | X | BRC/HACCP/BPM | (1) | |
| | Villa Mercedes Complex, San Luis | Canned Grains | X | X | X | BRC/HACCP/BPM | | |
| | Rawson, San Juan | Canned tomatoes | X | X | X | BRC/HACCP/BPM | | |
| | Junín, Mendoza | Nueva Aurora Farm | | | | Global GAP | | |
| | Villa Seca, Mendoza | El Desafío Farm | | | | Global GAP | | |
| | Villa Seca, Mendoza | El Porvenir Farm | | | | Global GAP | | |
| | San Martín, Mendoza | El Paraíso Farm | | | | Global GAP | | |
| Arcor Brazil | Rio das Pedras, San Pablo, Brasil | Candies and chewing gums | X | X | X | BRC/HACCP/BPM | (1) | |
| | Bragança Paulista, San Pablo, Brasil | Chocolates y candies | X | X | X | BRC/HACCP/BPM | (1) | |
| Arcor Chile | Santiago, Chile | Bicentennial Plant | X | X | X | BRC/HACCP/BPM | | |
| Arcor Peru | Chancay, Peru | Candies and chewing gums | | | | HACCP (Digesa) | | |
| Mundo Dulce | Toluca, México | Chocolates, candies and chewing gums | X | X | X | BRC/HACCP/BPM | | |
| Bagley Argentina | Córdoba, Córdoba | Cookies and Crackers | X | X | X | BRC/HACCP/BPM | | |
| | Salto, Buenos Aires | Cookies and Crackers | X | X | X | BRC/HACCP/BPM | (1) | |
| | Villa del Totoral Complex, Córdoba | Cookies and Crackers | X | X | X | BRC/HACCP/BPM | (1) | |
| | Villa Mercedes, San Luis | Cookies and Crackers | X | X | X | BRC/HACCP/BPM | | |
| Bagley Brazil | Campinas, San Pablo, Brasil | Cookies and Crackers | X | X | X | BRC/HACCP/BPM | (1) | |
| | Contagem, Mina Gerais, Brasil | Cookies and Crackers | X | X | X | BRC/HACCP/BPM | (1) | |
| Bagley Chile | Santiago, Chile | Cookies and Crackers | X | X | X | BRC/HACCP/BPM | (1) | |
| Cartocor | | Manufacturing of recycled paper | X | X | X | | FSC | (1)(2)(3) |
| | Arroyito Complex, Córdoba | Manufacturing of corrugated cardboard boxes | X | X | X | | FSC/ PEFC | (1)(2)(3) |
| | | Manufacturing of corrugated cardboard | X | X | X | | FSC/ PEFC | (1) |
| | Lujan Complex, Buenos Aires | Manufacturing of POP material | X | X | X | | PEFC | |
| | | Film printing | X | X | X | FSSC 22000 | | (1) |
| | Paraná, Entre Ríos | Manufacturing of corrugated cardboard | X | X | X | | FSC/ PEFC | (1)(2)(3) |

| Company | Locations | Plant | Certifications/Awards | | | Food Safety Standards | Forest management certifications | TPM Award | Others |
|------------------------------------|------------------------------------|---|-----------------------|----------|---|-----------------------|----------------------------------|-----------|--------|
| | | | ISO 45001 | ISO 9001 | | | | | |
| | Rancagua, Chile | Manufacturing of corrugated cardboard | X | X | X | FSSC 22000 | PEFC | | |
| | Villa del Totoral Complex, Córdoba | Film printing and manufacturing of printing cylinders | X | X | X | FSSC 22000 | | 12. | |
| Cartocor (formerly Zucamor) | Ranelagh, Buenos Aires | Recycled paper and corrugated cardboard | X | X | X | | FSC/ PEFC | | |
| | Quilmes, Buenos Aires | Corrugated cardboard | X | X | X | | FSC/ PEFC | | |
| | Misiones | Virgin paper | X | | X | | PEFC | | |
| | | Paper bags | X | | X | | | | |
| | San Luis, San Luis | Paper bags | X | X | X | FSSC 22000 | FSC/ PEFC | | |
| | Mendoza, Mendoza | Recycled paper and corrugated cardboard | X | | X | | FSC | | |
| | San Juan, San Juan | Corrugated cardboard | X | X | X | FSSC 22000 | PEFC | | |
| Cartocor Peru | Lima, Peru | Corrugated cardboard | | | X | | PEFC | | |
| Ingrear | Baradero, Buenos Aires | Wet Milling | X | X | X | FSSC 22000 | | | |
| | Chacabuco, Buenos Aires | Wet Milling | X | X | X | FSSC 22000 | | | |

Notes

MANAGEMENT SYSTEMS

ISO 14001: Environmental Management System

ISO 45001: Occupational Health and Safety Management System

ISO 9001: Quality Management System

FOOD SAFETY STANDARDS:

HACCP: Risks Analysis and Critical Control Points

BRC: British Retail Consortium Global Standard - Food

GMP/BPM: Good Manufacturing Practices

FSSC 22000: Food Safety System Certification

IFS: International Featured Standards

BRC's FSMA Preventive Controls Voluntary Module (FSMA: Food Safety Modernization Act of the USA / FSVP: Foreign Supplier Verification Program of the USA).

FOREST MANAGEMENT CERTIFICATIONS

FSC: Forest Stewardship Council

PEFC: Program for the Endorsement of Forest Certification

JIPM TPM AWARDS

TPM: Total Productive Maintenance

JIPM: Japan Institute of Plant Maintenance

(1) Award for excellence in TPM implementation (1st Level)

(2) Award for excellence in consistent commitment to the TPM (2nd Level)

(3) TPM Special Award (3rd Level)

OTHER CERTIFICATIONS

RSPO: Round Table on Sustainable Palm Oil

Rainforest Alliance (former UTZ): Sustainable Agriculture Program (for cocoa, coffee, tea, etc.)

Global GAP Good Agricultural Practices

31) Global GAP certification corresponds to our own sugar cane and orange crops

BONSUCRO: International Certification of sustainable management of sugar production

Orgánica: Organic Operation Certification for sugar cane.

Note 2: Remuneration Policies

The remuneration policy for management teams is based on a remuneration scheme composed of a fixed part and a variable part. The fixed remuneration is related to the level of responsibility required for the position and its competitiveness with respect to the market. Variable remuneration is associated with the objectives set at the beginning of the year and the degree of compliance with these through their management throughout the financial year. Besides, variable remuneration is affected by at least 10% by the achievement of Sustainability objectives, which are linked to the medium and long term since they are aligned with the Sustainability Policy and the group's strategies. Additionally, it is periodically reviewed whether the position held by each manager has an annual compensation (remuneration and benefits) in accordance with what the local market is setting. This comparison is made based on the HAY Grade (parameter used in salary and structure administration that arises from the HAY job evaluation method implemented for the entire company) of each position, supported by job files and descriptions created with the HAY salaries at a global level. In addition, the Company has created a special Retirement Plan for Directors (who work under an employment contract with the Company) and another one for General Managers of the Company based in Argentina. Besides, a pension plan (benefits) has been established and communicated, which includes, among others, management teams.

The Board of Directors informs the shareholders of the topics discussed in this recommendation, through the information that it makes available to them in the Annual Report, the Sustainability Report and in the annual financial statements.

The members of the Board of Directors are available to shareholders at the Assemblies to resolve any questions that may arise regarding the Company's policies.

Regarding the remuneration of the members of the Board of Directors, it is defined by the Shareholders' Assembly considering the responsibilities of the directors, the time dedicated to their duties, their professional competence and reputation and the value of their services in the market.

Note 3: New Employee Hires and Employee Turnover [√]

New Employee Hires⁵⁴

| | Number | Rate |
|-------------------------|--------|------|
| By Gender | | |
| Women | 2,098 | 44% |
| Men | 2,710 | 56% |
| By Age | | |
| Under 30 years | 3,209 | 67% |
| Between 30 and 50 years | 1,521 | 32% |
| More than 50 years | 78 | 2% |
| By region | | |
| Argentina | 3,236 | 67% |
| Brazil | 492 | 10% |
| Chile | 216 | 4% |
| Peru | 165 | 3% |
| Mexico | 620 | 13% |
| Spain | 5 | 0% |
| Rest of the world | 74 | 2% |

⁵⁴ It considers permanent and temporary personnel.

Employee Turnover⁵⁵

| | Number | Rate |
|-------------------------|--------|------|
| By Gender | | |
| Women | 2,098 | 40% |
| Men | 3,195 | 60% |
| By Age | | |
| Under 30 years | 3,052 | 58% |
| Between 30 and 50 years | 1,891 | 36% |
| More than 50 years | 350 | 7% |
| By region | | |
| Argentina | 3,319 | 63% |
| Brazil | 964 | 18% |
| Chile | 228 | 4% |
| Peru | 181 | 3% |
| Mexico | 554 | 10% |
| Spain | 5 | 0% |
| Rest of the world | 42 | 1% |

⁵⁵ It considers permanent and temporary personnel.



Note 4: Maternity/Paternity Leave

| Indicator | Women | Men | TOTAL |
|---|-------|-----|-------|
| Employees who have been entitled to maternity/paternity leave during 2023 | 91 | 235 | 326 |
| Employees who have taken maternity/paternity leave during 2023 | 91 | 235 | 326 |
| Employees who have returned to work in 2023 after ending leave ⁵⁶ | 87 | 214 | 301 |
| Employees who have returned to work after ending leave and who were still employees 12 months later ⁵⁷ | 149 | 433 | 582 |
| Return to work rate of employees who took leave ⁵⁸ | 96% | 91% | 92% |
| Retention rate of employees who took the leave ⁵⁹ | 89% | 89% | 89% |

⁵⁶ Scope: Only those collaborators who took the leave during 2023 are considered

⁵⁷ Scope: those collaborators who took the leave during 2022 and 2023 are considered

⁵⁸ Scope: Only those collaborators who took the leave during 2023 are considered

⁵⁹ Scope: those collaborators who took the leave during 2022 and 2023 are considered

Note 5: Average Hours of Training per Year per Employee √

| | Total training hours | Average training hours |
|------------------------|----------------------|------------------------|
| By gender | | |
| Women | 77,948.3 | 13.7 |
| Men | 126,018.6 | 8.2 |
| By job category | | |
| Director | 0.0 | 0.0 |
| Manager | 648 | 1.5 |
| Chief | 4,740.6 | 5 |
| Analyst/Supervisor | 22,397.3 | 6.8 |
| Assistant/Operator | 176,181 | 10.8 |

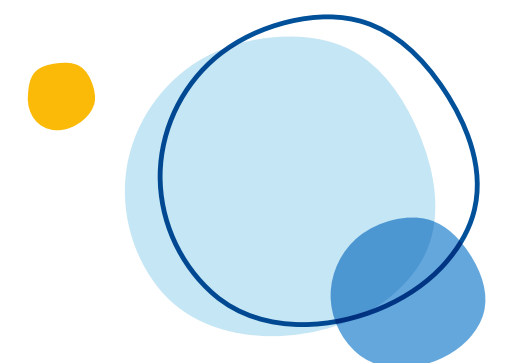
Note 6: Collective Labor Agreement

In Argentina, 77% of the workforce falls within a Collective Labor Agreement according to the corresponding activity. The main collective labor agreements that apply within the Arcor Group are those of: Food Union, Sugar Workers Union, Paper and Cardboard Union, Fisheries Union and Plastics Union, SOERM, AGREMMIA, which freely negotiate their working conditions and salaries on an annual basis, under the supervision of the Ministry of Labor, Employment and Social Security of the Nation. Regarding outsourced operations that are part of the Arcor Group's usual commercial relationships, they are required to comply with standards comparable to those of our company in terms of labor legislation and social responsibility. This is verified through regular audits, with the aim of eliminating any possibility of forced or unregistered labor.

Note 7: Occupational Health Services

In relation to the Health and Safety of our collaborators, health legislation in Argentina establishes that all personnel within the Collective Agreement receive medical benefits through health insurance companies, which are in charge of the Unions of each activity and they are financed by the contributions of the workers and the contribution of the companies, whose choice is free and voluntary on the part of each worker.

The coverage provided by the aforementioned health insurance companies covers 100% of blameless diseases, which is guaranteed by Law through the Mandatory Medical Plan. The personnel outside the Collective Agreement have coverage and are financed in the same way as the personnel within the Agreement, with the difference that the benefits are granted through health insurance companies for the person outside the Agreement, who does not have any participation of the Unions, as regulated in the Health Insurance Law. Illnesses and accidents due to and on the occasion of work, within the company, are covered by the Work Risk Insurers, which are contracted and financed by the contributions of the companies, including in said coverage both the personnel within as outside of collective labor agreements.



Note 8: Work-Related Injuries [√]

| | Employees | | Workers who are not employees | |
|---|---------------------------------|-------|-------------------------------|-------|
| | N° | Rate* | N° | Rate* |
| Deaths resulting from a work-related injury | 0 | 0 | 0 | 0 |
| Number of injuries due to work accidents with major consequences (not including deaths) | 69 | 1.66 | 0 | 0 |
| Number of recordable workplace accident injuries | 284 | 6.85 | 22 | ** |
| Main types of injuries due to work accidents | Contusions, injuries and trauma | | *** | |
| Number of hours worked | 41,451,364.4 | | ** | |

* Rates are calculated per 1,000,000 hours worked.

** At Arcor Group, we do not keep a record of hours worked for third parties that would allow us to calculate the injury rate due to recordable work accidents for this category.

*** At Arcor Group, we do not keep a record of the main types of injuries due to work accidents for workers who are not employees of the company.

Note 9: Water Withdrawal [√]

Total Water Withdrawal

| Source of water withdrawal | Withdrawn volume 2020 (m ³) | Withdrawn volume 2021 (m ³) | Withdrawn volume 2022 (m ³) | Withdrawn volume 2023 (m ³) |
|----------------------------|---|---|---|---|
| Surface water | 10,284,927 | 9,276,468 | 7,597,722 | 9,286,452 |
| Groundwater | 11,249,278 | 11,856,327 | 11,525,847 | 11,381,417 |
| Water from third-parties | 10,787,981 | 11,459,910 | 10,695,956 | 11,523,628 |
| TOTAL | 32,322,186 | 32,592,705 | 29,819,525 | 32,191,497 |

Scope: It does not consider the Baradero and Chacabuco plants, as well as farms.



External Evaluation Report



INFORME DE ASEGURAMIENTO LIMITADO DE CONTADORES PUBLICOS INDEPENDIENTES (sobre Reporte de Sustentabilidad)

Informe de Evaluación externo, Al Directorio de Grupo Arcor¹.

1. Identificación de la información objeto de encargo:

Hemos sido contratados para emitir un informe de aseguramiento limitado sobre la información contenida en la Memoria de Sostenibilidad 2023, correspondiente al período 1 de Enero de 2023 a 31 de Diciembre de 2023, y a la auto declaración realizada por Grupo Arcor acerca de que han cumplido con los contenidos básicos recomendados por los estándares para la elaboración de Memorias de Sostenibilidad del Global Reporting Initiative (estándares GRI)

2. Responsabilidad del Grupo Arcor en la relación con la información objeto del encargo

La Dirección del Grupo Arcor es responsable de:

- El contenido del Reporte de Sustentabilidad adjunto, lo que implica determinar cuales es la cobertura y los indicadores de desempeño a ser incluidos, y de relevancia para los grupos de interés a los cuales está dirigido;
- La definición de los criterios aplicables en la elaboración del reporte, siendo el criterio adoptado por la Sociedad los definidos en los estándares GRI.
- El mantenimiento de registros apropiados para soportar el proceso de gestión de la información relevante a los efectos aquí enunciados y de la ejecución de la medición del desempeño basada en los criterios establecidos;
- La preparación y presentación de la Memoria de Sustentabilidad adjunta.

3. Responsabilidad de los contadores públicos

Nuestra responsabilidad ha sido reportar de manera independiente sobre la base de nuestros procedimientos de análisis de la información. Para ello utilizamos los procedimientos establecidos en la resolución técnica (RT.37) de la IAPCE que da marco a las tareas de evaluación a efectuarse sobre otros encargos de aseguramiento como sería este tipo de informes. Hemos definido nuestro alcance como encargo de aseguramiento limitado.

Dichas normas exigen que cumplamos los requerimientos de ética, así como que planifiquemos y ejecutemos el encargo con el fin de emitir un informe de seguridad limitada e independiente sobre el Reporte con el alcance detallado en el presente informe.

Monasterio & Asociados S.R.L. - Crowe
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INFORME DE ASEGURAMIENTO LIMITADO DE CONTADORES PUBLICOS INDEPENDIENTES (sobre Reporte de Sustentabilidad)

La verificación externa la planteamos como una Revisión Limitada, basada en la International Standard on Assurance Engagement 3000 (ISAE -3000) de la International Auditing and Assurance Standard Board (IAASB), la cual establece una serie de procedimientos para emitir su opinión sobre aspectos distintos de la información financiera, conjuntamente con la Norma Accountability 1000 Assurance Standard (AA1000AS)

En un encargo de aseguramiento limitado se obtiene evidencia, en función de pruebas sobre bases selectivas, relacionada con la información de sustentabilidad alcanzada por nuestro informe. También se incluye una evaluación de las estimaciones e indagaciones a las personas responsables de la preparación de la información presentada, y a otros procedimientos similares, que tiene un alcance menor en comparación con una auditoría y, por consiguiente, no permite obtener seguridad de que hemos tomado conocimiento de todos los temas significativos que podrían identificarse en un trabajo de auditoría o de seguridad razonable.

Para obtener aseguramiento limitado sobre la información (identificada con una X en la columna Verificación Externa de la sección "Índice de contenidos GRI"), nuestra tarea consistió:

- Entrevistar a la dirección y al personal de la entidad responsable de la recopilación de la información y de la elaboración de los indicadores de desempeño seleccionados con el propósito de obtener una comprensión de las políticas de la entidad en materia de sustentabilidad, las actividades implementadas y los sistemas de recopilación de información utilizados y de evaluar la aplicación de los lineamientos de los Estándares GRI.
- Realizar pruebas, sobre bases selectivas, para verificar la exactitud de la información presentada en lo que se refiere a los indicadores seleccionados.
- Analizar, en su caso, los sistemas de información y metodología utilizada para la compilación de datos cuantitativos correspondientes a los indicadores de desempeño de la entidad.
- Inspeccionar, sobre bases selectivas, la documentación existente para corroborar las manifestaciones de la Gerencia en nuestras entrevistas.

Consideramos que la evidencia y los elementos de juicio que hemos obtenido proporcionan una base suficiente y adecuada para nuestra conclusión de seguridad limitada. La información no financiera está sujeta a limitaciones propias, dada su naturaleza y los métodos utilizados para calcular, hacer muestreos o estimar valores, los cuales están sujetos a suposiciones y criterios individuales. No hemos realizado ningún trabajo fuera del alcance acordado y por consiguiente, nuestra conclusión se limita solamente a la información de sustentabilidad seleccionada y revisada. Un encargo de aseguramiento limitado brinda una menor seguridad que un encargo de aseguramiento razonable, dado que los procedimientos para obtener elementos de juicio son más limitados.

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4. Conclusión

Sobre la base del trabajo descrito en el presente informe, nada llamó nuestra atención que nos hiciera pensar que la Memoria de Sustentabilidad del Grupo Arcor correspondiente al período 1 de Enero de 2023 al 31 de Diciembre de 2023 no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los lineamientos de los estándares GRI, ni que la información e indicadores de desempeño incluidos en dicho documento contenga elementos incorrectos significativos con los registros y archivos que sirvieron de base para su preparación.

Rosario, 4 de Marzo de 2024

Dr Esteban Pinera
 Socio

¹Grupo Arcor es una organización multinacional. En este reporte se habla genéricamente del Grupo Arcor para representar todas sus actividades comerciales tanto en la Argentina como a nivel mundial.

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Other Information

Arcor Group's 2023 Sustainability Report is available on our corporate website: www.arcor.com.

For any questions or suggestions, you can email us at sustentabilidad@arcor.com.

General Coordination:

Corporate Sustainability Management

Participation:

Consumer Service Coordination, General Management of Mexico, Arcor Foundation Argentina, Arcor Foundation Chile and Arcor Institute in Brazil, La Providencia Sugar Mill Agricultural Management; Sustainability Management of the Packaging division; Corporate Administration Management; Corporate Management of Public Affairs and Media; Corporate Management of Internal Audit; Corporate Compensation Management; Corporate Management of Institutional Communications and Marketing Services; Corporate Management of Labor Relations Management; Corporate Human Resources Planning Management; Corporate Asset Security Management; Corporate Purchasing Management; Corporate Quality Management and MAHPI; Consolidation and Subsidiary Administration Management; Corporate Management of Energy and Services; Industrial Food Legislation Management; Argentine Logistics Management; Community Relations Management; Food Safety Management; Real Estate and Agricultural Management; Sustainability Management; Peru Subsidiary Management; Arcor Brazil National Sales Management; Arcor Chile National Sales Management; Distributor Business Management and General Agribusiness Management.

Technical Assistance and Preparation of the Report:

Crowe Argentina

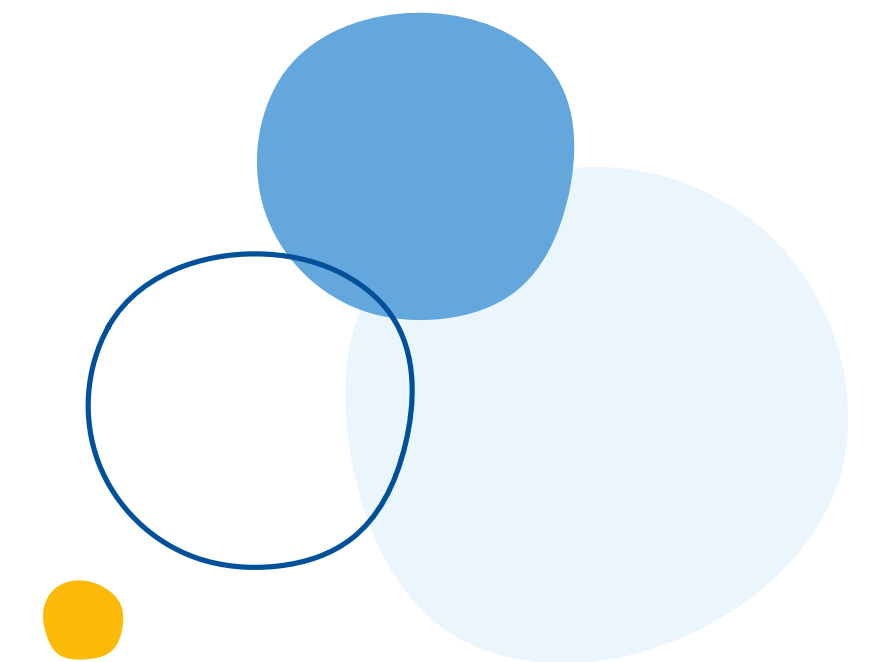
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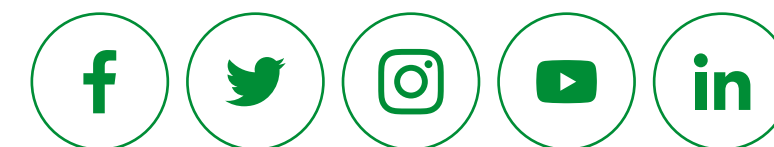
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Mr. Alfredo Gustavo Pagani

Chairman





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