

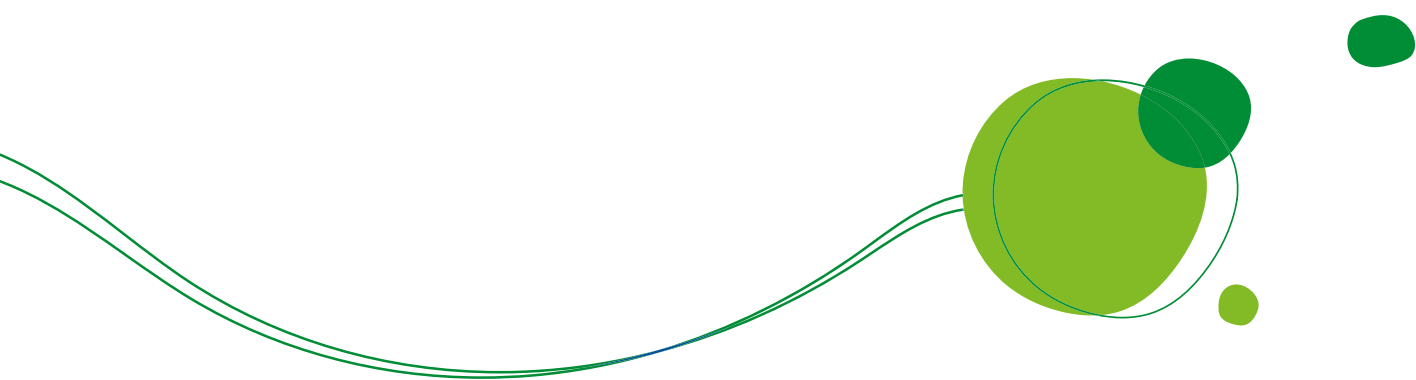
# 2022 Sustainability Report

Interesting facts

A BETTER  
*Life*



More than 14  
thousand hectares  
protected by  
Arcor Group in  
Misiones and  
Tucumán provinces






# 2030 Sustainability Strategy


In 2022, we presented A Better Life, Arcor Group's Sustainability Strategy for 2030. This strategy establishes the commitments that we have adopted with the goal of producing sustainable food, promoting people prosperity and preserving the planet so that everyone can have a better life.

This new agenda seeks to raise our ambition in terms of sustainable management, assuming nine commitments aligned with the great global challenges. These commitments are based on Integrity, Respect for Human Rights and Innovation as the basis for all the actions we carry out, and they are organized into three pillars:

## Producing sustainable food

We make 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.


 **Healthy and Affordable Food**

 **Quality at Every Step**

 **Regenerative Agriculture**

## Fostering People Prosperity

We foster people prosperity, based on inclusion, diversity and equality to establish bonds of trust, ensuring our employees' 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.


 **Inclusion, diversity and Equality**


 **Workplace Well-being**


 **Community and Value Chain Development**

## Preserving the planet

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.

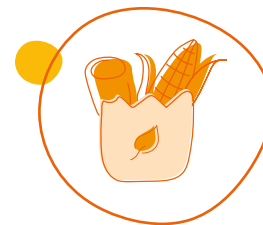
 **Water Care**

 **Climate and Biodiversity Action**

 **Circular Material Flow**



# Healthy and Affordable Food



32.3% of our turnover derives from nutrient-rich products: reduced in or free from sugar, sodium and/or saturated fats; containing positive ingredients: enriched with vitamins and minerals, fibers, proteins, fruits, and nuts, legumes and vegetables.

542 SKUs with one or more nutritional improvements: 157 products were reduced in sugar, 301 products were reduced in sodium, and 274 were reduced in saturated fats.

400 tons of ingredients developed to produce food based on legumes (flours, isolated, concentrated, textured).

62.2% of our snacks sold in individual packages complied with the Arcor Portioning Guidelines.

504 products without TACC, which makes us the Argentine company with the broadest portfolio for people with celiac disease.

2,466 children took part in the Program "Learning to Enjoy" that promotes healthy life habits in childhood, building and generating knowledge.



## Food for A Better Life

In line with our continuous evolution, we define the new Healthy Eating and Habits Strategy for the period 2021-2025. This strategy, named "*Food for A Better Life*", was approved in March 2022 and focuses on 4 pillars for constant improvement:

- **Alliances and knowledge to innovate:** we believe in collaborative work, so, based on shared knowledge with the scientific-technological community, specialized organizations and health experts, each decision we make is supported by scientific evidence and data, respecting the current regulatory framework, the demands and needs of our consumers and the best international management practices.
- **Products that evolve to offer the best options:** 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 aiming to enhance nutritional value, while 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 the promotion of healthier life habits for our employees and the communities we are part of, based on information provided by experts.
- **Communication:** the initiatives developed within the framework of this strategy are accompanied by responsible, transparent and accessible communication to different audiences.

# Quality at Every Step



41 plants with food safety standards certifications.

58.9% of the suppliers of the Group's consumer food plants have a recognized GFSI certification.

We carry out the Month for Quality event with collaborators from every business unit to deepen our commitment to this value.

51 manufacturing sites certified under ISO 9001 on Quality Management.

100% of our outsourced suppliers for elaborated and semi-elaborated products are assessed through quality and socio-economic environmental audits.



## The value of quality

### Quality, value at every step

We launched the *Strategy Quality, Value at Every Step*, aligned with our Sustainability Policy and our Comprehensive Management Policy. This strategy is based on 4 main axis:

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

### Certificated Industrial Process

As part of the "ADDING value to our operations" Initiative, during 2022 we continued with the implementation of the certification plan for the management systems of our plants, through the DNV certification entity. We also incorporated integrated audits to the Cartocor plants (ex Zucamor).

In order to continue guaranteeing Food Safety, we incorporated three new certifications: IFS in the Butter Toffees line of the Soft Candies plant of the Arroyito Complex; and HACCP and BPM in the Extruded products plant of the San Pedro Complex. In the same sense, we maintained the BRC, HACCP, BPM, Global GAP and FSSC 22000 certifications obtained in previous years.

Regarding quality management systems, we maintained the ISO 9001:2015 Quality Management Standard certifications obtained in previous years. Furthermore, progress was made in the management of HACCP, HARPC (Preventive Controls), Food Fraud, Food Defense and Allergen Management, developing new analyses that allowed us to improve our manufacturing standards.

# Regenerative Agriculture



We promote the sustainable production of our main raw materials, aligned with the highest standards: BONSUCRO, GAP Global, SAI-FSA, Rainforest Alliance, RSPO, FSC and PEFC.

8,900 tons of organic sugar produced for Arcor Group customers in the United States, Canada, Europe and Argentina.

9,000 tons of organic compost made to improve the physic-chemical properties of the soil and for the production of organic cane in our own fields.

22,500 ha of sustainably managed forests in Misiones, including +7,000 ha of plantations and soil that can be reforested and +15,000 ha of native forest.

27 small sugarcane producers involved in integral development projects.

+130,000 ha of corn from suppliers certified under the SAI-FSA standard.



## Agro+30 (Agriculture +30)

Following our commitment to regenerative agriculture, in 2022, we promoted the Agro+30 (Agriculture +30) Program with the aim of guaranteeing the sustainable supply of the main agricultural raw materials that the company processes in its three business units (Agribusiness, Consumer Food Products & Packaging). The program promotes regenerative production models that ensure the resilience of ecosystems and climate stability, the development of producer communities, and a positive interaction between production systems and natural environments.

The Agro+30 (Agriculture +30) Program complements the initiatives that the company has implemented since 2012 within the framework of its Sustainable Agriculture Program, created with the aim of ensuring the sustainable production of the main raw materials that Arcor Group produces and purchases: corn, sugar, fruits and vegetables, eggs, cocoa and palm oil.

With the purpose of strengthening the transformation in Arcor's agricultural supply chains, in which we develop sustainable production initiatives, through Agro+30 (Agriculture +30) we will adopt even more regenerative practices through three lines of work:

- **Carbon balance.** Foster production practices that contribute to balance the carbon of the system, based on the analysis and management of the challenges and opportunities of the main agricultural productions
- **Bio-solutions.** Promote the adoption of bio-solutions (bio-controllers, bio-stimulants, bio-fertilizers), a tool to avoid environmental degradation and loss of biodiversity.
- **Digital agriculture.** Maximize productivity and resource efficiency through digital agriculture (precision technologies, Big Data, IoT and software) and promote its adoption in the main agricultural production chains in which we participate.

# Inclusion, diversity and Equality



Strategic Plan for Diversity and Inclusion focused on 5 axes: women participation, inclusion of people with disabilities, sexual diversity, generations, races and ethnic groups.

264 people with disabilities work at Arcor Group.

Agreement with UTN to promote the "Women in the Industry" training course, in which 35 women take part.

43 people participated in 5 workshops for mentees and 3 workshops for mentors of the "+ Women Leaders" Mentoring Program.

Internship Program in which students received 100% scholarships at Coderhouse School to develop courses of their interest.

135 students and 19 teachers from 26 schools participated in the *Relationship with Technical Schools Program*, which also had 104 collaborators directly involved.



## " + Women Leaders" Mentoring Program.

We know that diversity enriches our view of the world, our teams and the organization as a whole. For this reason, since 2021 we have promoted our Strategic Plan for Diversity and Inclusion (PEDI, for its initials in Spanish). One of its focuses is "Gender Equity". It helps to recognize and accompany the development of women, including their active participation at the heart of the business and generating spaces for its full performance, visibility and action throughout the community.

During 2022, the 2nd edition of the Mentoring Program "+ women leaders" was carried out. This program was especially created for Arcor Group women collaborators, with the aim of accompanying them to enhance their development, to have more visibility in the organization, create a job network and provide them with tools to maximize their professional purpose. The challenge of this program is to promote career development practices with a gender perspective, linking together Arcor

Group leaders and collaborators. This action is part of a broader perspective included in the Gender Equity Program, in which 3 pillars of action were established:

- Work on our organizational culture, so that those people in leadership roles are protagonists of change.
- Provide women with tools to boost their careers.
- Increase maternity benefits (adapted to each country and the characteristics of their positions) and reinforce these benefits for leaders to support and accompany such measures.

Through this initiative, we continue getting closer to our goal of having 50% of women among the people who will become part of the company by 2023, and to achieve that 50% of managerial vacancies will be occupied by women in 2025.

# Workplace Well-being



46 operative bases follow ISO 45001 on Occupational Health and Safety.

51% of vacant positions in Argentina were filled by Arcor Group's employees.

2,816 drivers received training on safe driving practices through the Sustainable Logistic Plan.



4,595 employees participated in different training instances, reaching a total of 7,948 hours on the Arcor University e-learning platform, which included 22 new courses.

4,536 employees participated in the Performance Management System (SGD, as per its initials in Spanish).

## Cultural Evolution Program

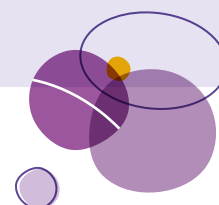
Culture shapes the way people perform within the organization, especially in situations in which there are no clearly defined rules and procedures. Culture influences the way people interpret directives and initiatives and how they interact. For this reason, the organization has been working on different models of cultural evolution programs with excellent results and achievements. As an example we can mention the cases of "Learn to Grow" in the Cartocor Business and the "Commitment Program" in the other plants of consumer food products.

During 2022, we incorporated a new pilot program at Ingenio La Providencia: "Taking care to grow." Throughout the year, 12 workshops were held for managers, bosses, and supervisors, focusing on concepts and tools that highlight not only the leadership on safety, roles, and responsibilities, but also the effectiveness to promote safe behaviours. 10 group activities were also carried out to reinforce

the perception of risks and the common causes of accidents at operational levels.

Work was carried out in different aspects:

- Strengthening the role of security professionals within the management scheme proposed by the systems and programs already used in the company.
- Professional coaching sessions for positions that are established as priorities in more than 15 middle management people.
- Analysis and proposals to make current preventive management tools more efficient, or complement them.
- Design of announcements and, involvement and participation activities at all levels.





# Community and Value Chain Development



16,328 suppliers involved in the *Sustainable Supply Strategy*.

166 drivers involved in the Sustainable Logistics Plan.

+1,600,000 kilos of product in Argentina and 156,513 kilos in other countries were donated, allowing community organizations to facilitate access to food.

14 *Perception Studies* carried out together with specialists from Universities of each region, as a permanent means of integrating the perspective of the communities into our joint work.

+136 million Argentine pesos were invested in purchases from 20 suppliers from social economy, as part of our *Responsible Inclusive Purchases Program*.

9,366 suppliers signed the Letter of Adhesion to Fundamental Principles for Responsible Management.

944 local organizations received donated products.

1,191 suppliers assessed through REconocer Program.

## Arcor Foundation 30th Anniversary

During 2022, Arcor Foundation commemorated its 30 years of action in Argentina, and social investment in Latin America with a series of special initiatives.

In these 30 years of action, around 4,000 projects were supported, involving 6.7 million boys and girls and 1.5 million people who work in favour of children. Such actions were carried out in alliance with more than 2,000 Latin American institutions.

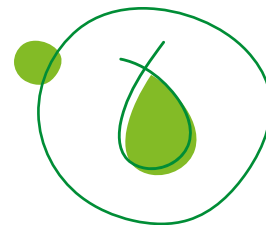
In order to celebrate the 30th anniversary, we promoted actions following Arcor Foundation mission of contributing to create equal educational opportunities for children in Latin America:

- **Interventions in public areas:** Fostering access to public spaces and the right to play, more than 3,000 m<sup>2</sup> were created for recreational activities. 12 playgrounds for early childhood were developed together with the municipalities of Arroyito (Córdoba); Pocito (San Juan); San Rafael (Mendoza); Marqués Anexo

(Córdoba); Lujan (Buenos Aires); Hills of Zamora (AMBA); Capiovi (Missions); Humahuaca (Jujuy); Recreation (Catamarca); Lules (Tucumán), in Argentina; and in Rio das Pedras (São Paulo) and Cerrillos (Metropolitan Region) in Brazil and Chile respectively. At the same time, through the initiative "Returning to being together: painting to play", games painted on the floor were created in order to carry out recreational activities in the open air, in 28 educational institutions from different localities in 11 Argentine provinces.

- **International Seminar: "Equality in education: gaps, debates and opportunities":** It was attended by more than 500 educators and teachers of all educational levels, professionals and people who work in institutions related to children.
- **"Living Dictionary of Childhood":** development of a digital publication, with a special printed edition, which has a selection of 30 concepts that put childhood at the center of the scene.

# Water Care



85% of the water used comes from areas without water risk, according to the *Water Risk Filter* international tool, which we use to classify the different places where we extract water according to the water risk.

+1.5 million m<sup>3</sup> of water reduced at La Providencia Sugar Mill.

16.57% reduction in specific water consumption (m<sup>3</sup>/TN produced).

98.8% of the water we use comes from our own intake mechanisms.

## Water recovery in Tucumán:

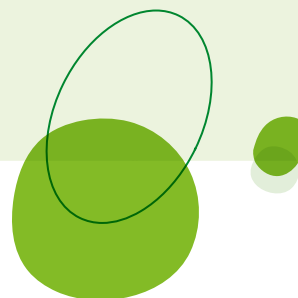
At the Wet Milling plant located in Lules, Province of Tucumán, we carry out several activities related to water consumption, emphasizing its recovery and reuse in other stages of the process.

Among the modifications implemented, the most important ones are:

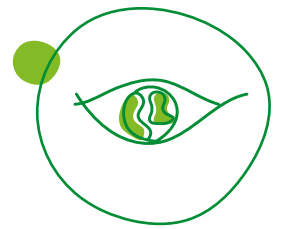
1. Reuse of condensate from the syrup evaporator for candle filter washing.
2. Closed circuit generation for the cooling water in the condenser of the maceration water evaporator equipment.

3. Reuse of hot water from the converter coolers and filtered for washing ion exchange columns.

As a result, the reduction in total consumption was 320,954m<sup>3</sup>/year, this represents -19.8% of total consumption, while the reduction in specific consumption was -17.4%.



# Climate and Biodiversity Action



12,187 tons of CO<sub>2</sub>eq reduced in one year.

55% of the energy that the Group consumes comes from renewable sources.

4.78% reduction in greenhouse gas emissions since 2017.

5,061 absolute tons of CO<sub>2</sub> less in logistic emissions compared to 2021.

2 protected natural areas of high conservation value: Native forest in La Providencia Sugar Mill and Papel Misionero Cultural Natural Reserve.

7.94% reduction in energy consumption.



## Papel Misionero Cultural and Natural Reserve | Conservation Plan

In the framework of the Biodiversity Strategy, progress was made in the implementation of the Conservation Plan for the Papel Misionero Natural and Cultural Reserve. This reserve includes 10,397 hectares of Atlantic forest that are a refuge for emblematic animal species such as the Helmeted Woodpecker, Brown-breasted bamboo tyrant, Black-fronted piping guan (Pipile jacuting), Neotropical River Otter, Giant River Otter, Ocelot, Jaguar, Tapir, Howler Monkey, and Anteater. It is also home to critically endangered species such as the Ocellated poorwill and Black-capped piprites. It is a continuous block of Paraná jungle located in the sector of the provincial green corridor, representing an important area to protect biodiversity in its ecosystem. In the reserve, there are three aboriginal communities (Jeju, Jeju mini and Mandarinina), who use their resources and carry out fruit gathering, hunting and fishing activities.

During 2022, the following activities were developed:

- **Environmental Education Program:** Recreational and didactic activities were carried out in schools in that area, so that students understand the importance of natural resources and the significance of maintaining a healthy environment.
- **Survey of Neighbours:** It was carried out in order to update map databases, maintain the communication process with neighbours, get to know if they are familiar with the company, assess the impacts of forestry activity, and identify the existence of Priority Sites for Conservation.
- **Survey of Communities:** 14 communities located within the reserve and neighbouring areas were surveyed.

The conservation activities carried out allowed Papel Misionero Natural and Cultural Reserve to maintain a very good state of conservation, which is reflected in density indicators, basal area and biodiversity richness, with the presence of 243 species of birds and 37 species of mammals.

# Circular Material Flow



29% less waste generated per ton produced.

100% compliance with our Sustainable Paper Supply Policy.

87.9% less PVC consumption compared to 2011.

3 plants of the Group produced more than 190,000 tons of recycled paper, which was used to make boxes.

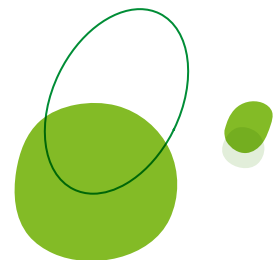
18 projects to reduce the use of plastics in packaging materials and replace them with more sustainable ones.

## Recycled plastics

Since 2021 we began the development process to incorporate Post-Consumer Recycled (PCR) Polyethylenes in the creation of new materials that are not in direct contact with food. This is a significant step in the circularity of plastics which, due to their diversity and complexity, present important difficulties for recycling.

This work included reverse logistics, that allowed recovering the material from 72 generation points and taking it to the processing plant. There, the material is washed to ensure quality, and then, it is transformed into a new material, preserving the original quality and minimizing the loss of value in recycling.

During 2022, 35 tons of materials were recycled and we expect to continue growing in 2023.





# Integrity, Human Rights and Innovation are the basis of our actions

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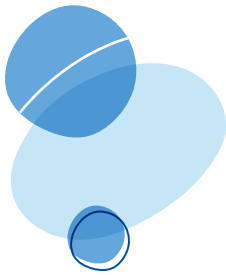
Integrity is the value that guides all our decisions. We endeavour to do always the right thing and encourage responsible, consistent and transparent business conduct. We also expect all people we work with to display conducts based on corporate ethics.



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.



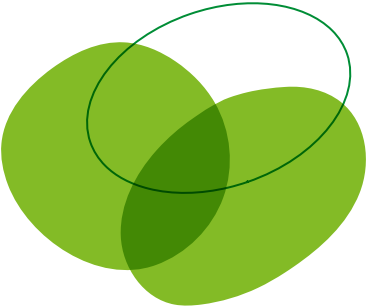
Innovation in our products, services and processes is the key to looking to the future, as it will allow us to work on creative solutions and find new opportunities to respond to the great challenges that lie ahead.



Sustainability is  
our way of being, doing  
and growing.

We leave our positive  
footprint at every step  
so that everyone can  
live a better life.







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