

NOURISHING BONDS FOR DEVELOPMENT

SUSTAINABILITY
REPORT
2020



70 Years Looking to the Future

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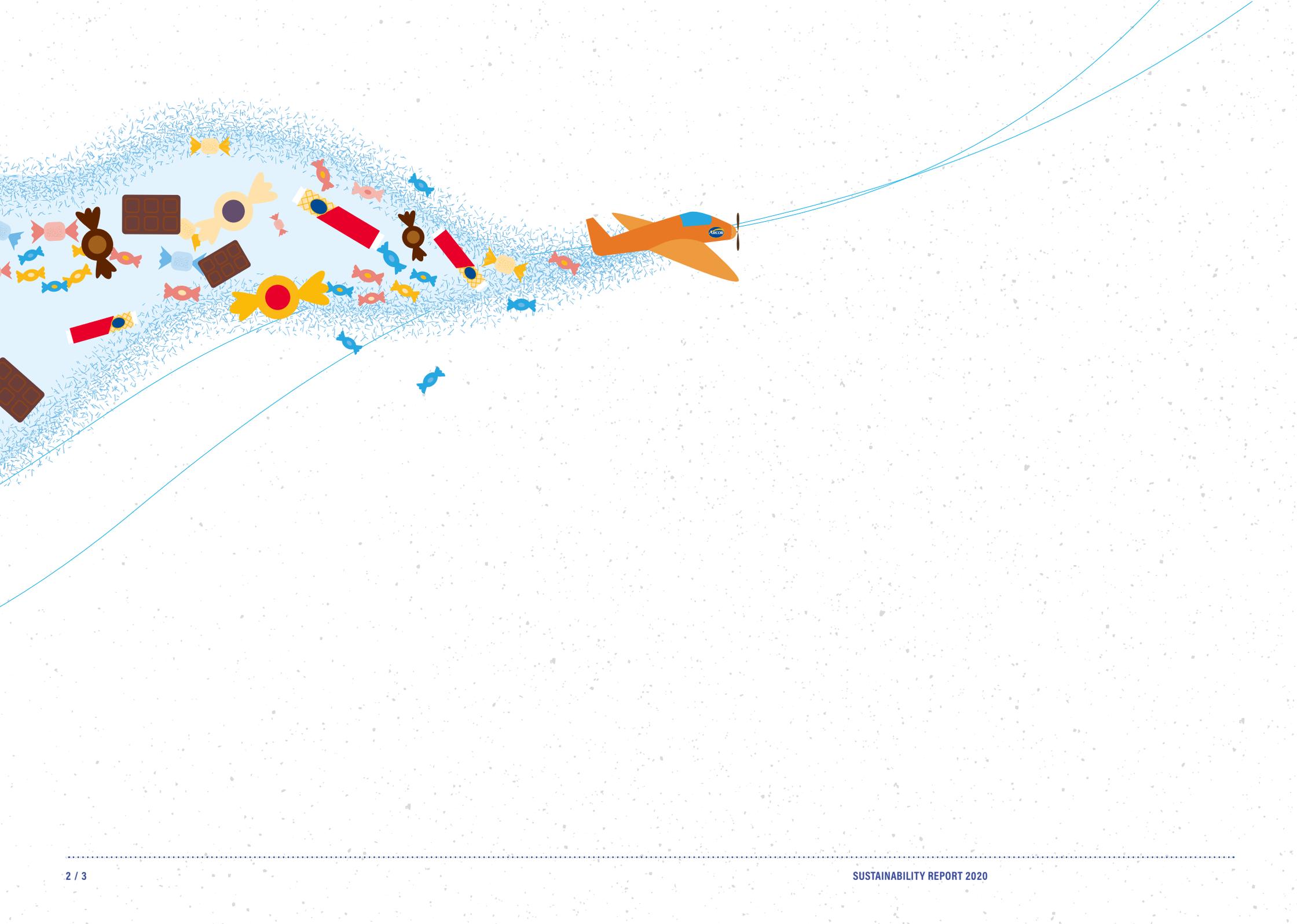
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MESSAGE FROM OUR PRESIDENT



I present to you Arcor Group's Sustainability Report 2020, in which we take stock of the challenges we faced in such a particular year and the achievements attained, which reaffirm our commitment to a management that considers economic, social and environmental impacts as equally relevant.

The year 2020 was marked by the COVID-19 pandemic, which created a unique and very complex situation that impacted all our operations worldwide.

As a consumer food products company and a key supplier to other essential industries, we face the challenge of guaranteeing the continuity of our operations to ensure that food reaches, through our distribution chain, the tables of all the consumers who choose us every day around the world. We are also committed to continue supplying other industries with our production of alcohol, cardboard, flexible, paper, industrial bags and animal nutrition.

In this context, the professionalism, effort and dedication of our team of collaborators were key to continue with our daily work.

In order to be close to our consumers and attentive to their expectations and needs, we promote new ways of marketing our products, accelerating digital transformation and generating business opportunities. We launched *Arcor en Casa* (Arcor at Home) e-commerce, which allows consumers to buy and receive our products in their homes throughout Argentina.

In addition, through initiatives such as *Salvemos el Kiosko* (Let's Save the Kiosk) and *Ayudando a un Kiosko tu Plata Vale Doble* (By Helping a Kiosk your Money is Worth Twice as Much) we support our customers, contributing to the recovery of those whose businesses were seriously affected by the pandemic.

In keeping with the values that characterize us, we were also able to look at our surroundings and be close to the community at such a sensitive time. We donated more than one million kilograms of food to people in vulnerable situations, and health protection supplies and materials to different hospitals, centers and civil society organizations.

True to our entrepreneurial spirit, despite the adverse context, we were able to take on new challenges that allowed us to grow and generate value. In order to continue growing, we inaugurated the new Cartocor Industrial Plant in Peru. We hope that this milestone will allow us to continue developing our leadership as a packaging company in the region.

This 16th report was prepared based on the highest sustainability standards, which allow us greater transparency and systematization when reporting our annual performance, nurturing dialogue and links with our stakeholders. In addition, through this Report, we present our Communication on Progress (COP) to the United Nations Global Compact, showing the company's contribution to the goals of the 2030 Agenda in relation to human, labor, environmental and anti-corruption rights.

I invite you to browse through the pages of the Sustainability Report to learn more about all the initiatives, actions and projects for the year 2020, which reflect our commitment to generate a positive impact on the world.

Thank you very much!

A handwritten signature in blue ink, appearing to be 'L. Pagani', written in a cursive style.

Luis A. Pagani
President of Arcor Group

MESSAGE FROM THE CORPORATE MANAGER OF SUSTAINABILITY



Once again, we present Arcor Group's Sustainability Report, which reflects our commitment to share with all our stakeholder's information about Arcor's sustainable management and how it is carried out in the company's strategies and initiatives, and in the joint work with all the actors of the value chain.

2020 was a difficult and challenging year. Affected by the context of the COVID-19 pandemic, we join our strengths to continue with our operations and be able to remain close to our stakeholders through different initiatives and contributions in the face of a very complex situation. Our priority was to preserve the health of our collaborators, guaranteeing the production and distribution of food to our consumers around the world. We also seek to accompany and support those most affected by the effects of the pandemic. We have donated more than 1.3 million kg of product through our Corporate Donations Program, reaching 380 local organizations, in addition to continuing to work at the corporate level with the *Red Banco de Alimentos* (Food Bank Network) and *Cáritas*. We also joined the *Seamos Uno* (Let's Be One) initiative, donating more than 600,000 boxes for the delivery of food products to people in vulnerable situations. We donated more than 16,000 liters of alcohol for the production of alcohol gel and sanitary material to support the work of various health institutions.

2020 was also a year of commemoration. With the completion of the 10th birthday of Arcor's Sustainability Policy, we decided to review and present the achievements reached throughout this period for each of the commitments that compose it.

During this decade, we promoted more than 880 initiatives to protect water and invested USD 24 million in technology to reduce consumption, promote reuse and treat effluents, achieving a 21.25% reduction in the use of this resource per ton of product produced. We also implemented 1,300 initiatives to promote energy efficiency and invested USD 12.2 million in technologies to improve the energy performance of

our operations and increase the use of renewable energies. These efforts are in addition to the 1,000 initiatives promoted to reduce the amount of packaging we use and to replace it with lower-impact packaging. These actions allowed us to reduce the use of plastic materials by 11%, significantly reduce the use of PVC in plastic packaging and increase to 96% the use of paper and cardboard of sustainable origin through our Sustainable Paper Sourcing Policy.

Moreover, as part of our commitment to the protection of human and labor rights, since 2010 we have achieved a 60% reduction in accidents and a 49% reduction in the IFI (Incapacitating Frequency Index). Committed to inclusion and diversity, we increased the number of women in leadership positions by 76% and effectively incorporated 255 people with disabilities into our work teams.

Likewise, through our commitment to promote an active life and healthy nutrition, we ensured that more than 55% of our portfolio complies with the parameters established in Arcor's Nutritional Profiles System: we achieved sodium reductions in 278 product presentations, saturated fat reductions in 272 products, sugar modifications in 274 products and 424 gluten-free presentations. In addition, we promoted 175 projects to promote healthy lifestyles among children and reached more than 5,320 teachers and more than 65,267 children within the framework of the *Aprendiendo a Disfrutar* (Learning to Enjoy) Program.

Finally, together with our value chain, we promote a Sustainable Sourcing Strategy that, through various initiatives, reaches our

more than 12,000 suppliers. We implemented the Sustainable Agriculture Program is made up of multiple initiatives to guarantee the sustainable supply of inputs of great relevance to Arcor Group, such as sugar, corn and wheat, fruits and vegetables, cocoa and palm, among others. In addition to these achievements, we have developed the Sustainability Strategy for Distributors, which reaches 160 exclusive distributors, and the Sustainable Logistics Plan, which includes various initiatives. Finally, through our 28 local Community Relations Committees, we promote an impact management strategy in the territory with an industrial presence in Argentina, Chile, Mexico and Brazil.

Despite the adverse context, in 2020 we continued to promote all initiatives and programs that allow us to promote sustainable management. Throughout the year, 774 initiatives were promoted through 14 Sustainability Operating Plans developed by our businesses and corporate areas, as well as different programs promoted by our Corporate Sustainability Committee; a total of 3,235 collaborators had divisional sustainability objectives, demonstrating that sustainable values continue to be promoted throughout the company. In addition, we have assigned close to USD 4 million to investments related to the promotion of sustainable management in our operations.

Finally, it is worth mentioning that, from Arcor Foundation Argentina, Arcor Institute Brazil and Arcor Foundation Chile, in order to contribute to the generation of equal educational opportunities for children in Latin America, different initiatives were carried out in which 299,245 children participated and 4,873,940 adults were reached, with a total mobilization of \$57,702,702 (between own- and third-party funds).

We thank the entire Arcor Group's team of collaborators for their commitment in the development of each of the initiatives implemented and their contribution to the development of this document.

Thank you very much!



Claudio Giomi

Corporate Sustainability Manager
Arcor Group



CHAPTER 1

We are Arcor, a sustainable company



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ARCOR GROUP

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**ARCOR'S POLICY OF
SUSTAINABILITY:
10 YEARS BUILDING
A BETTER FUTURE**

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**IN ARCOR WE CHOOSE TO BE
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: 1.1 ARCOR GROUP

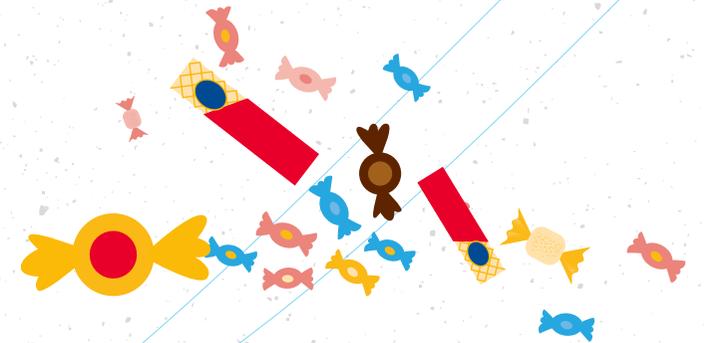


Sixty-nine years ago, in the city of Arroyito in the province of Córdoba, a group of young entrepreneurs dreamed of making candies that could reach consumers all over the world. This is how, on July 5, 1951, Arcor Group was born.



Thanks to the constant work and effort of all these years, we consolidated our position as a leading multinational industrial group, integrated by 3 business units: Consumer food products, Agribusiness and Packaging.

Today, through sustainable management, transversal to all areas of the company and to our supply chain, we have become the Argentine company with the largest number of open markets in the world: our brands are present in over 120 countries in five continents.





AT ARCOR GROUP WE ARE:



The leading food company in Argentina.



The world's leading producer of hard candy.



Argentina's leading producer of corn flour.



One of the largest milk producers in Argentina.



One of the largest sugar producers in Argentina.



A leading company in the production of cookies, *alfajores* and cereals in the region.



The Argentine leader in the production of corrugated cardboard.



The largest paper producer in Argentina and an important reference in South America.



WE WERE BORN IN ARGENTINA, GREW IN LATIN AMERICA, AND THE WORLD IS OUR MARKET

BUSINESS OFFICES IN AMERICA, EUROPE AND ASIA:

-  Asunción, **Paraguay**
-  Barcelona, **Spain**
-  Bogotá, **Colombia**
-  Buenos Aires, **Argentina***
-  Córdoba, **Argentina***
-  DF, **Mexico**
-  Guayaquil, **Ecuador**
-  Miami, **United States**
-  Montevideo, **Uruguay**
-  Santa Cruz de la Sierra, **Bolivia**
-  Shanghái, **China**

*Arcor Group's headquarters.



More than 40 industrial facilities.



Inauguration of Cartocor's facility in Peru SA, reaffirming our leadership as the region's packaging company.



We were recognized by the Prensa Económica Magazine's Export Awards as the food industry company that exported the most in 2020: USD 218.3 million in exports.

ARCOR GROUP IN THE WORLD



STRATEGIC ALLIANCES

We have grown and expanded by investing in industrial, technological, commercial and community development; by creating a vertical integration model that allows us to source key raw materials and successfully distribute our products; and by expanding our brand equity year after year.

In recent years, in order to further promote the company's continuous growth, we have forged strategic alliances that allow us to mutually empower each other.



DANONE

2005: thanks to the joint venture we formed with Grupo Danone called Bagley Latinoamérica S.A., we were able to strengthen our cookies, *alfajores* and cereal businesses.



2006: together with the multinational Bimbo in Mundo Dulce, we began to develop business in Mexico.



2010: we entered into an alliance with Coca-Cola to develop a series of new products with original combinations, which are offered in several Latin American countries.



2015: we partnered with Mastellone Hnos., sealing a historic agreement between leading companies in the food market.

2020: we had a 48.68% share.



2018: we created an alliance with Laboratorios Bagó to boost innovation and face new challenges that contribute to improving people's quality of life.



2019: in alliance with Coca Cola and together with Overboost, we launched the first Argentine corporate fund of open capital, to promote innovation in solutions that contribute to the digitalization of the stages of the production process and transform people's lives.



CORPORATE PHILOSOPHY

MISSION

Our mission is to provide people all over the world with the opportunity to enjoy quality, delicious and healthy food and confectionery products that will turn their everyday life into magical moments of gatherings and celebrations.

VISION

We have the vision of being a leading food and confectionery company in Latin America, as well as in the international market, and be recognized for our sustainable practices and our ability to venture into new businesses.

In addition, we are characterized by undertaking our business guided by our corporate values:

- DIVERSITY
- INTEGRITY
- ENTREPRENEURIAL SPIRIT
- PERFORMANCE
- PROXIMITY TO THE CONSUMER AND COMMITMENT TO THE VALUE CHAIN
- QUALITY
- INNOVATION
- ORIENTATION
- HUMAN BONDS

OUR BUSINESSES

CONSUMER FOOD PRODUCTS

We specialize in the production of consumer food products. Through the different businesses we seek to provide an exclusive offer with constant innovation and a broad portfolio of brands. Today, we offer more than 1,200 quality, delicious and healthy products to accompany people around the world in their everyday life.

Sweets

It is the business that originated us. We are the world's leading producer of hard candies and the most important company in the region in terms of production capacity, production volume, sales and brand development. We produce filled, hard, sour, strained, soft, milk and gummy candies; lollipops; sugar and sugar-free chewing gums; bubble gums; nougats; compressed tablets; jellies; and marshmallows. Among the main brands there are: Topline, Bigtime, ¡Poosh!, Menthoplus, Mr. Pop's, Mogul, Butter Toffees, Alka y Big Big.

Chocolates

Since 1970 we have been part of this segment, producing chocolate as a finished product, as well as supplying raw material to pastry shops, bakeries, chocolate shops, ice cream parlors, factories producing *alfajores*, cakes, *pan dulce* and cookies. We manufacture a wide variety of chocolates such as confections and snacks, bars, candied chocolates, hot chocolate, and pastry products, children's chocolates, coated wafers, chocolate bars and seasonal products for important dates such as Easter, Halloween and Christmas. We have a portfolio of major brands, including Águila, bon o bon, Cabsha, Chokko Snack, Cofler, Hamlet, Nikolo, Rocklets, Sapito, Tofi and Tortuguita.

Food

We participate in the categories of jams, solid jams, sauces, tomatoes, canned vegetables, fruit and fish, desserts, beverages, powdered juices, premixes, polenta, dressings, *dulce de leche* (caramel spread), oils, and herb and spice mixes, among others. Our offer of high-quality products is marketed with Arcor's endorsement.

Cookies, Snacks and Cereals

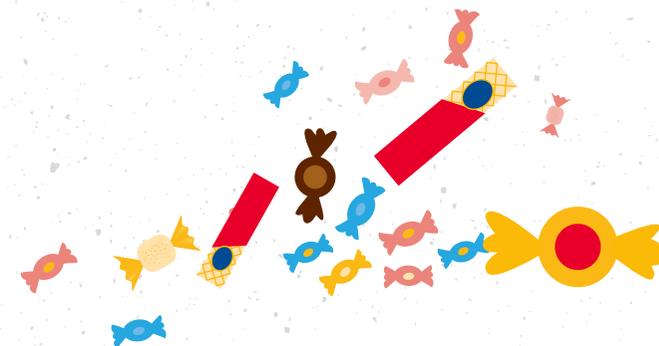
We manufacture a wide variety of products, such as cereals, snacks, crackers, cereal, mixed, filled and dry cookies, Christmas products, wafers, *alfajores* and cereal bars. This business includes brands such as Bagley, Maná, Saladix, Rumba, Formis, Aymoré, Triunfo, Selz, Opera, Chocolinas, Cereal Mix, Tentaciones, Danix, Criollitas and Sonrisas.

Ice Creams

Since 2005, our presence in the impulse ice cream market has represented a strategic commitment that has been consolidated through our brands of chocolates and sweets preferred by consumers. We produce water sticks, cups, cones, chocolate covered creams, bonbons and frozen desserts. Among the main brands marketed are Tofi, bon o bon, Cofler, Slice, Águila and Rocklets.

Functional Businesses

Its objective is to develop product profiles that adapt to the different needs of our consumers. Today, it offers nutraceuticals (nutrition + pharmaceuticals) to drive options to easily incorporate the nutrients the body needs to be well, physically and mentally. It is responsible for the Simple brand.





NOW ARCOR BRINGS MAGICAL MOMENTS DIRECTLY TO YOUR HOME!

The isolation caused by the COVID-19 pandemic led many people to look for new options when it came to stocking up on food, including online shopping with home delivery.

In order to reach those consumers who today choose to make online purchases through digital platforms, in June we launched the e-commerce Arcor at Home.

Thanks to the hard work of our team, the platform has 90% of the catalog active, allowing consumers to choose from more than 650 product options available, organized in different categories and subcategories: chocolates, sweets, cookies, jams, juices, canned food, polenta, nutritional supplements, TACC-free products and many more!

In addition, Arcor at Home led the "At Home" category of Google's "Year in Search" ranking, which includes a summary of the topics that aroused the greatest interest throughout the year.

We are pleased with these achievements, which demonstrate that we have been able to answer to the needs of consumers in a complex context.

AGRIBUSINESS

We aim to add value to agro-industrial processes to provide new and better solutions to different industries that assume the commitment of quality in all their products. We produce sugar, fructose, maltose, glucose, cornstarch, semolina and corn oil, also generating a significant amount of by-products that are used for animal feed. We are the leading corn flour producer, one of the world's leading producers of ethyl alcohol from cereals, and one of Argentina's leading milk producers.





EU-ARG CERTIFIED ORGANIC SUGAR

Organic agriculture is a production system free of pesticides and chemical fertilizers; it promotes the sustainability of systems and the preservation of natural resources.

Since 2017, the sugar mill La Providencia has had NOP¹ organic certification for the production of sugar destined for the USA and Canada. During 2020, work was done to achieve organic sugar certification to be able to trade in the markets of Europe and Argentina.

In order to achieve the European and Argentinean certification, we worked intensively, both from the agricultural area of the sugar mill and from the production and support areas, to ensure that the sugarcane fields comply with the highest international standards, which implied a strict monitoring for 3 years, during which we received audits from the certifier y SENASA². Finally, during 2020, certification was achieved through an audit by the *Organización Internacional Agropecuaria*, OIA (International Agricultural Organization).

With the EU³ organic sugar certification, a new market was opened for sugar mill La Providencia, which has already made its first exports of this product to the Netherlands and France

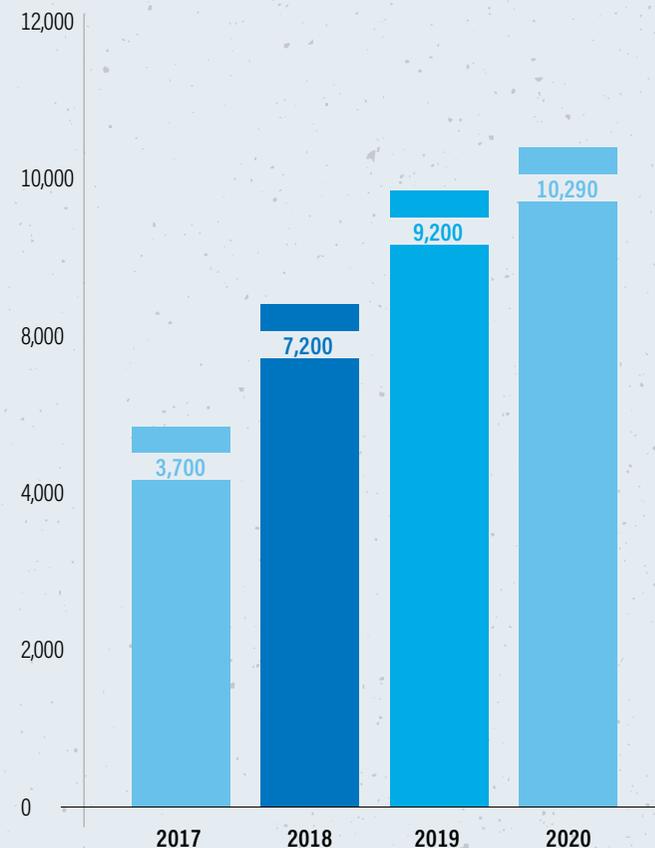
¹ National Organic Program.

² National Service of Agri-food Health and Quality.

³ European Union.

SUGAR MILL LA PROVIDENCIA ORGANIC SUGAR PRODUCTION

Evolution of production volume in tons



PACKAGING

The packaging division of Arcor Group leads the cardboard, paper and flexible market in Argentina and has a strong presence in the region, being the most important packaging solutions company in the Southern Cone. Through the brands Cartocor, Converflex, Zucamor, Puntapel and Papel Misionero, it offers to customers innovative and sustainable packaging proposals, at the forefront of world market trends. It stands out for its special emphasis on customer service, permanent innovation, productivity and environmental preservation.





WE INAUGURATED A NEW INDUSTRIAL PLANT IN PERU

In December, the Peru SA Cartocor plant, located in Lurín, was inaugurated.

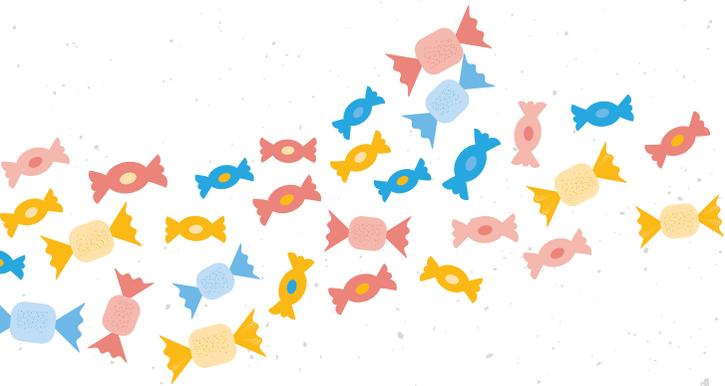
After a lot of work, effort and collaboration by different teams of the company, the production process began in the industrial plant. The plant has a production capacity of 15,000 tons per year, thanks to the equipment with machinery that can serve the fruit, industrial and special products market. In addition, it has an optimal surface to store and commercialize other packaging products imported from our plants in Argentina and Chile.

In a challenging context, we are proud to have completed this project, which reaffirms the Arcor Group's leadership as a packaging company in the region.



OUR COLLABORATORS

The context generated by the COVID-19 pandemic showed us once again that sustainability and the achievements of our businesses are reached thanks to the effort of all collaborators who are part of the company.



MAIN ECONOMIC DATA

	2020 ⁴						2019 ⁵
	MEN		WOMEN		TOTAL		TOTAL
	EFFECTIVE	TEMPORARY	EFFECTIVE	TEMPORARY	EFFECTIVE	TEMPORARY	EFFECTIVE AND TEMPORARY
PER COUNTRY							
Argentina	9,719	1,004	2,091	311	11,810	1,315	12,271
Brazil	2,111	138	1,392	250	3,503	388	3,967
Chile	1,303	21	182	10	1,485	31	1,737
Peru	165	71	16	35	181	106	314
Mexico	608	5	444	5	1,052	10	1,036
Spain	4	1	5	0	9	1	9
Rest of the World	158	12	126	8	284	20	366
TOTAL	14,068	1,252	4,256	619	18,324	1,871	19,700 (*)
PER EMPLOYMENT CATEGORY							
Director	7	0	0	0	7	0	9
Manager	331	0	46	0	377	0	385
Chief	617	6	199	3	816	9	791
Supervisor/Analyst	1,863	29	908	37	2,771	66	3,007
Operator/Assistant	11,250	1,217	3,103	579	14,353	1,796	15,507
TOTAL	14,068	1,252	4,256	619	18,324	1,871	19,700 (*)
BY AGE RANGE							
Less than 30 years old	1,961	785	710	361	2,671	1,146	3,586
Between 30 and 50 years old	8,832	450	2,815	252	11,647	702	12,661
More than 50 years old	3,275	17	731	6	4,006	23	3,499
TOTAL	14,068	1,252	4,246	619	18,324	1,871	19,746 (**)
UNDER COLLECTIVE LABOR AGREEMENT (%)							
Out of agreement		18.6%		24.5%		20%	22.40%
Part of the agreement		81.4%		75.5%		80%	77.60%

⁴ People Soft Data Base.

⁵ (*) Base: Arcor BI/(**) People Soft Base.

MAIN FINANCIAL- ECONOMIC INDICATORS (1)	2020 (MILLIONS OF PESOS)	2019 (MILLIONS OF PESOS)
Net Sales	177,011.5	183,395.2
Marketing and administrative expenses	35,474.1	39,607.4
Salaries, wages and social security contributions	40,431.9	43,708.1
Investment in property, plant and equipment and other assets	2,730.9	3,829.6
EBITDA	22,449.5	14,451.0
TOTAL TAXES (2)	9,372.3	8,546.1
Direct Taxes	2,824.0	2,767.3
Export Rights	491.6	803.2
Taxes, Fees and Contributions	691.6	760.3
Income tax (3)	5,365.1	4,215.3
NET PROFIT/(LOSS) FOR THE YEAR (5)	4,163.6	-2,000.0
PAYMENT TO CAPITAL SUPPLIERS	10,873.8	14,709.7
TOTAL CAPITALIZATION (4)	91,729.6	99,924.9
Equity (5)	27,976.3	26,031.0
Non-current Loans (6)	47,787.3	51,479.7
Current Loans (6)	15,966.0	22,414.2

For more information, see Arcor Group's Annual Report and Balance Sheet 2020, available at www.arcor.com.

(1) All figures are expressed in Argentine pesos, except where otherwise indicated.

(2) Tax breakdown by country (in millions of pesos) in 2020: Argentina 8,870.2 - Bolivia 87.2 - Brazil 158.5 - Chile (97.2) - China 0.6 - Ecuador 6.4 - Spain 115.9 - United States 8.2 - Mexico 66.7 - Paraguay 34.1 - Peru 15.8 - Switzerland 37.5 - Uruguay 64.0.

(3) Including deferred taxes.

(4) Including Shareholders' Equity and the Group's total Financial Loans (including "Lease liabilities").

(5) Income and Shareholders' Equity attributable to the Company's Shareholders.

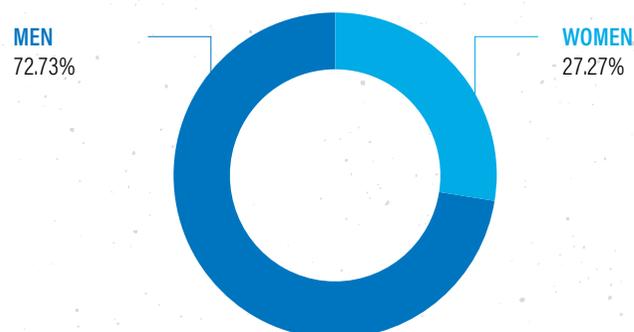
(6) Including the caption "Lease liabilities".

SYSTEM OF GOVERNMENT

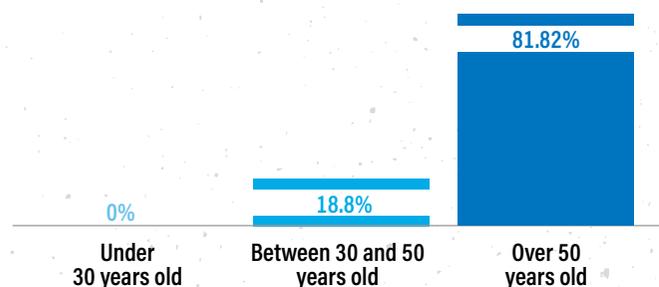
Our highest governing body under Argentine law is the Shareholders' Meeting and our administrative body is the Board of Directors.

During 2020, there were no changes in the composition of the Board of Directors. At the Shareholders' Meeting held on April 25, 2020, these positions were renewed, granting them a new term until 12/31/2022.

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER



COMPOSITION OF THE BOARD OF DIRECTORS BY AGE RANGE



THE MEMBERS OF ARCOR GROUP'S BOARD OF DIRECTORS ARE:

NAME	POSITION	EXECUTIVE/ NON EXECUTIVE	INDEPENDENCE	SENIORITY IN THE POSITION	SEX
Luis Alejandro Pagani	Principal Director (President)	Executive	No	39 years	Male
Alfredo Gustavo Pagani	Principal Director (Vice President)	Executive	No	16 years	Male
José Enrique Martín	Principal Director	Executive	No	30 years	Male
Víctor Daniel Martín	Principal Director	Executive	No	15 years	Male
Alejandro Fabián Fernández	Principal Director	Executive	No	12 years	Male
Guillermo Ortiz de Rozas	Principal Director	Non Executive	No	4 years	Male
Alfredo Miguel Irigoín	Principal Director	Non Executive	Yes	3 years	Male
Fernán Osvaldo Martínez	Principal Director	Non Executive	Yes	3 years	Male
Karina Ana Mercedes Pagani	Alternate Director	Non Executive	No	5 years	Female
Lilia María Pagani	Alternate Director	Non Executive	No	3 years	Female
Marcela Carolina Giai	Alternate Director	Non Executive	No	3 years	Female

In order to ensure compliance with the company's strategy and plan, analyze risks and opportunities and promote best business practices, we have different committees established by the Board of Directors and composed in an interdisciplinary manner by representatives of the highest levels of management.

- Finance, Investment and Strategy Committees.
- Audit Committee.
- Ethics and Conduct Committee (see separate box).
- Human Resources Committee.
- Purchase Committee.
- Corporate Sustainability Committee (see separate box).

SUSTAINABILITY GOVERNANCE SYSTEM

We have a sustainability organizational structure to integrate social and environmental values into the company's management at two levels: political-strategic and strategic-operational.

POLITICAL-STRATEGIC

In 2009, the Corporate Sustainability Committee was created, the main decision-making body in this area, led by our President and made up by the heads of the areas and businesses.

Among its functions are:

- Advise management on all aspects related to sustainability, supporting the identification and treatment of critical issues that may offer risks and opportunities of relevant impact;
- Establish priorities and implement corporate policies, strategies and actions related to business sustainability;
- Evaluate the company's performance with respect to the sustainability of its business, and monitor and minimize the environmental and social impacts arising from its operations;
- Evaluate and make recommendations on sustainability with respect to the relationship strategy with the different audiences;

- To follow up and evaluate the correct implementation of Arcor's Sustainability Plan (corporate initiatives led by Arcor's Sustainability Committee, initiatives of the operating plans of the businesses and corporate areas, and initiatives, projects and programs promoted by the Sustainability Management), review it, reorder it and annually prioritize the corporate initiatives that comprise it; and
- Ensure that adequate and effective communication policies are in place to build and protect Arcor's reputation as a sustainable company.

In addition, local sustainability committees have been in place in Chile and Brazil since 2014, comprised of the General Managers of each country and their first line of reporting, whose roles and responsibilities are the local implementation of corporate guidelines, defining priorities, and following up and monitoring the local Sustainability Plan.

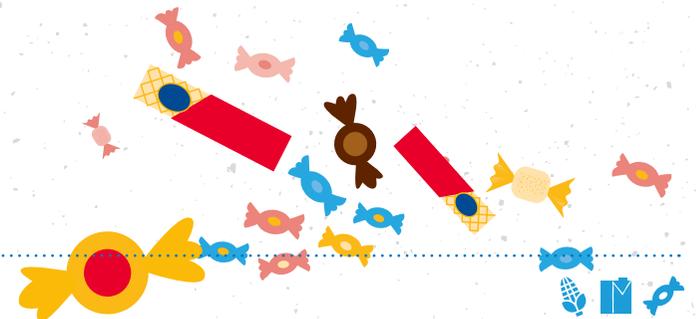
STRATEGIC-OPERATIONAL

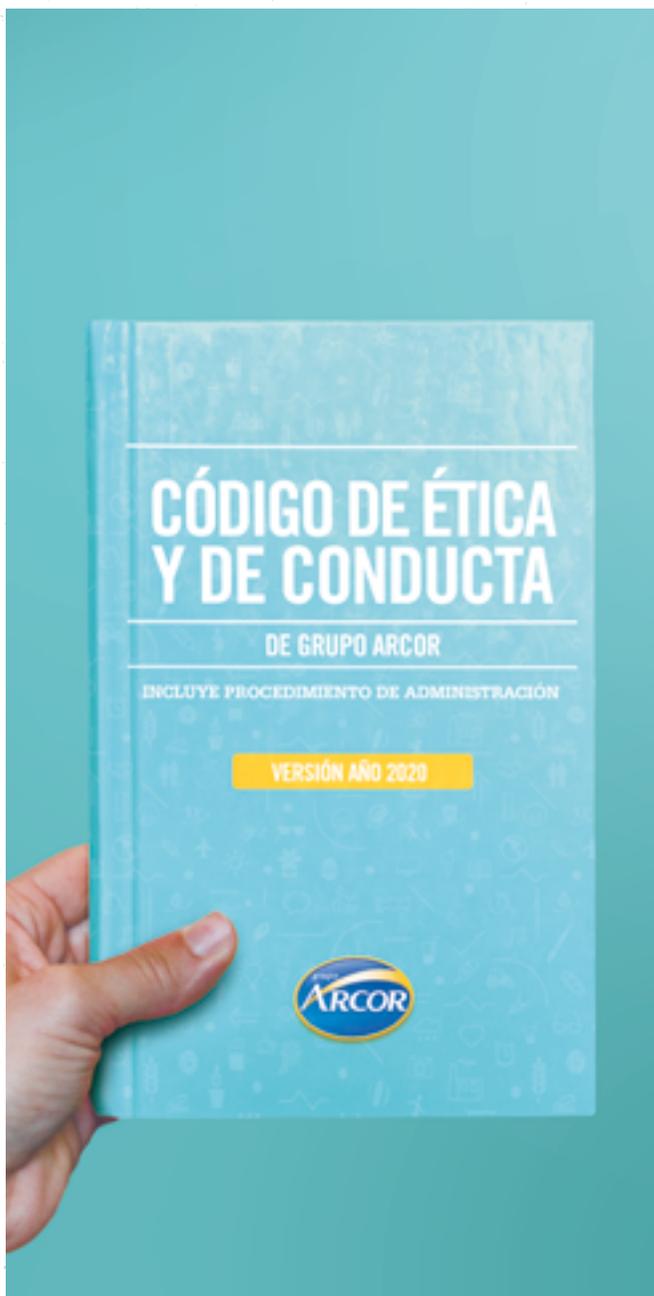
Since 2010 we have had the Corporate Sustainability Management, which in turn is made up of three Management Departments: Regional Social Investment Management (in charge of Arcor Foundation Argentina and Chile, and Arcor Institute Brazil), Community Relations Management (in charge of managing the company's community impacts) and Sustainability Strategy Management.

The Sustainability Strategy Management is in charge of acting as a source of information and impulse for innovation in sustainability best practices, facilitating and providing technical advice to the different areas of the company.

Among its responsibilities are:

- Planning, coordination and follow-up of plans and projects;
- Monitor the implementation of programs, strategy and compliance with the Sustainability Policy and Sustainability Scorecard indicators;
- Promote the annual planning process of the Sustainability Operating Plans;
- Provide twice a year monitoring and feedback to the businesses and corporate areas regarding the preparation and progress of the implementation of their Sustainability Plan;
- To be a link with internal and external stakeholders; and
- Participate in the development of the inter-area Working Groups, formed to define sustainability approaches and corporate policies for specific topics defined by Arcor's Sustainability Committee, among which are: Gender and Inclusion, Sustainable Sourcing, Water, Climate Change Strategy, Plastics Strategy, Waste and Sustainable Agriculture.





NEW CODE OF ETHICS AND CONDUCT & ETHICS COMMITTEE

At Arcor Group we are guided and inspired by our Corporate Philosophy, always faithful to our mission, vision and values. Each of the tasks we carry out is developed in a context that requires us to permanently review our actions as a company, both internally and towards the market. Therefore, in 2020 we developed a new version of the Code of Ethics and Conduct.

The main updates respond to the following considerations:

- New legal frameworks for companies on Integrity, such as Law 27,401 in Argentina.
- Growth of issues such as diversity, discrimination and harassment on the agendas of companies and civil society.
- New communication platforms and social networks.
- Ethics Committee work experience and benchmarking with other companies.

- The new Code of Ethics and Conduct was distributed digitally to all the people who are part of Arcor Group and is available in our corporate website. Its provisions apply both to the members of the Board of Directors and to all Arcor Group's personnel, being all of them responsible for ensuring its compliance in their different functions and instances.

In addition to the Code, its Management Procedure was updated:

Consultation and reporting of non-compliance with the Code

They are carried out through an anonymous and confidential Ethics Line, a tool that the company makes available to all collaborators to facilitate the reporting of facts and/or acts that could indicate a breach of the Code, through the following communication channels: e-mail and web form.

Case intake and registration & Case research, analysis and preparation

The Internal Audit Management receives and registers queries and complaints related to the Code, and is responsible for investigating, analyzing and preparing each case for presentation to the Ethics Committee (the governing body in charge of this process).

Case resolution

The Ethics Committee, appointed by the Board of Directors, chaired by one of its members and made up of representatives from various areas designated by the Board, is responsible for evaluating and resolving any disputes that may arise in relation to compliance with the contents of the Code, as well as contributing to the continuous improvement of the company's ethical climate, meeting whenever necessary. This Committee meets periodically to analyze and make decisions related to non-compliance with the Code, and the corrective actions it considers; supervised by the Company's Management.

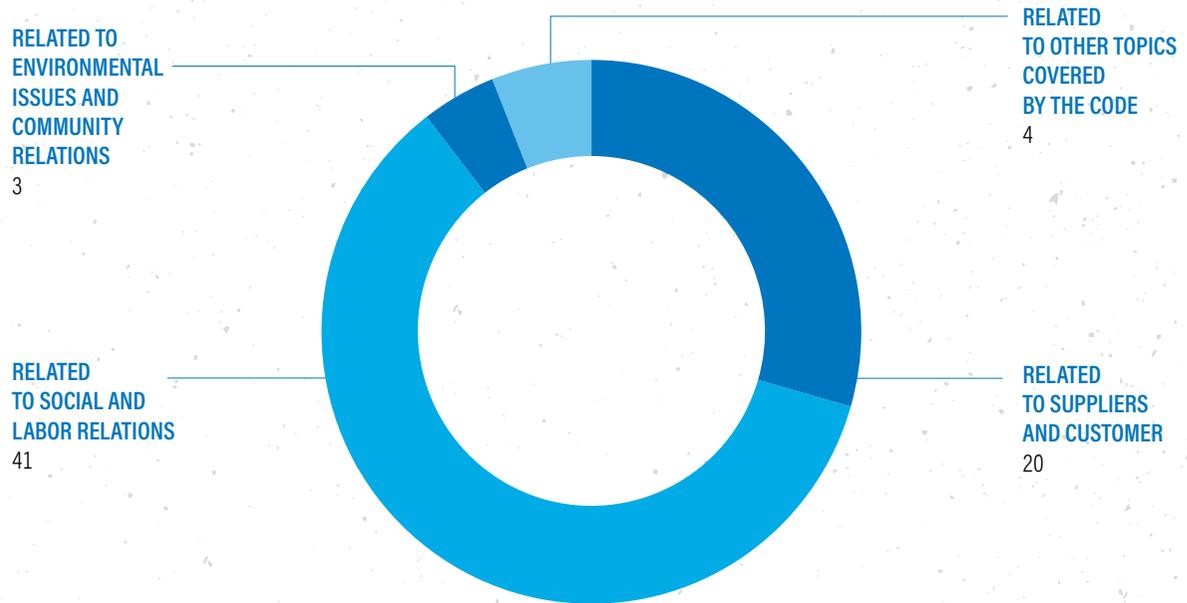
Solutions registration and follow-up

Once the cases have been resolved, the Committee formally communicates the resolution to the head of the area in question so that he/she may enforce the resolution, ensure compliance and follow up on the measure, notifying the person or sector involved in writing, with a copy to the Internal Audit Management.

In 2020, 14 queries (6 related to suppliers and customers, 7 regarding social and labor relations and 1 related to other issues covered by the Code) and 54 complaints (14 related to suppliers and customers, 34 related to social and labor relations, 3 related to environmental issues and community relations, and another 3 related to other issues covered by the Code) through the Ethics Line, all of which were resolved.

The Ethics and Conduct Committee met in person 12 times during the year and then, due to the context of isolation by COVID-19, met on several occasions, but virtually, to resolve cases.

TYPES OF CASES RECEIVED⁶



⁶ No complaints or incidents related to Children's Rights were received.

1.2 ARCOR'S SUSTAINABILITY POLICY: 10 YEARS BUILDING A BETTER FUTURE

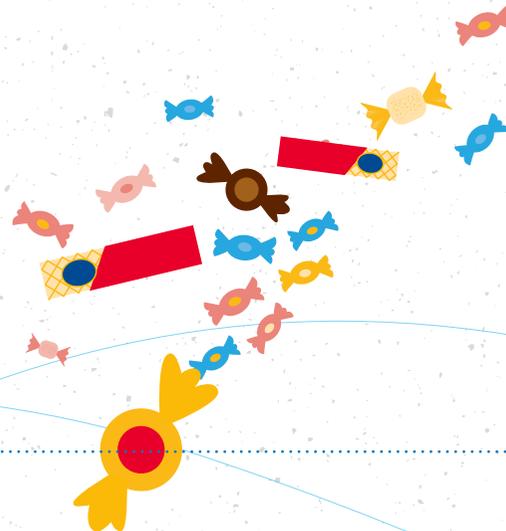


We move about our history understanding the important role we play in society as a company that produces food and supplies. From the very beginning, we have the firm conviction that Arcor's economic development must be in harmony with social welfare and inclusion and with the appraisal, conservation and defense of the environment.

Imparting an integral vision in line with these values, in a group composed of different companies, geographically distributed in different countries and with their own cultures and idiosyncrasies, is a real challenge.

Thus, in 2004, Arcor began working to develop a shared vision of Corporate Social Responsibility (CSR), seeking to align and integrate existing practices, promote the co-responsibility of the actors involved and establish a corporate management system.

Five years later, in 2009, we took on the challenge of beginning to identify the main risks and opportunities for the company's long-term sustainability, and to develop strategies to manage them, seeking to generate a favorable context for business growth in general. With this objective, we advanced in the development of a Sustainability Strategy and Plan, which resulted in the design and launching of Arcor's Sustainability Policy in 2010.



ARCOR'S SUSTAINABILITY POLICY

We assume a general commitment and five specific commitments to sustainable development for the most relevant and priority issues of our business and our stakeholders:



General commitment to sustainable development
(see Chapter 2).



Rational use of packaging materials
(see Chapter 5).



Rational use of water
(see Chapter 3).



Respect and protection of human labor rights
(see Chapter 6).



Energy efficiency and minimization of impacts contributing to global climate change
(see Chapter 4).



Promoting active living and healthy nutrition
(see Chapter 7).

Since the launching, Arcor Group has made significant progress in the approach and management of each one of the commitments assumed from the implementation of Sustainability Strategies, which allowed accompanying the maturation of the issues and their approaches within the company.

EVOLUTION OF THE SUSTAINABILITY STRATEGY

: 2010-2012

Goal

Strengthen the sustainability advantage for the business and consolidate its transversal management.

Strategic Cornerstones

1. Sustainability in the business strategy,

to integrate environmentally and socially responsible performance throughout the value chain, acting in an innovative and proactive manner.

2. Sustainability in people's performance,

to promote, support, monitor and evaluate the performance of the company's collaborators from a sustainability perspective.

3. Sustainability in the management system,

to establish a Sustainability Management System transversal to all areas of the company.

: 2013-2015

Goal

Contribute to the competitiveness of the business through the development of strategic opportunities in the value chain and consolidate governance and internal sustainability management processes.

Strategic Cornerstones

1. Sustainability in the business strategy,

to integrate environmentally and socially responsible performance throughout the value chain, acting in an innovative and proactive manner.

2. Sustainability in people's performance,

to promote, support, monitor and evaluate the performance of the company's collaborators from a sustainability perspective.

3. Sustainability in the management system,

to establish a Sustainability Management System transversal to all areas of the company.

: 2016-2020

Goal

To increase Arcor Group's corporate value through the sustainable management and governance of our businesses.

Strategic Cornerstones

1. Sustainable Identity,

to strengthen the company's identity, basing it on our values and culture as differentiating elements.

2. Business Continuity,

to ensure the continuous improvement of our operations by promoting sustainable management in all our processes.

3. Growth in demand,

to promote business models and strategies, products and brands that generate sustainable linkages.

**WE DREAM BIG,
WE BUILD THE WORLD WE WANT**

**In 2020 we commemorate
a decade since the launch
of our sustainability Policy.**

During this period, important achievements have been made to demonstrate Arcor's commitment to sustainable development and to the most relevant and priority environmental and social issues for the business and its stakeholders



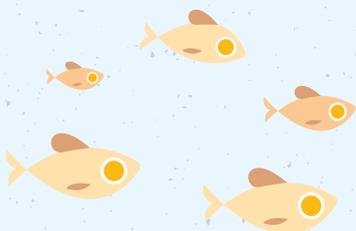
RATIONAL USE OF WATER

✓ +880 water care initiatives promoted.

✓ +USD 24 million invested in technology to reduce use, promote reuse, and treat effluents: installation of flow meters, installation of closed circuits, improvements in cooling systems, installation of effluent water recovery pumps, recovery of wash water, condensation systems, optimization of washing methods.

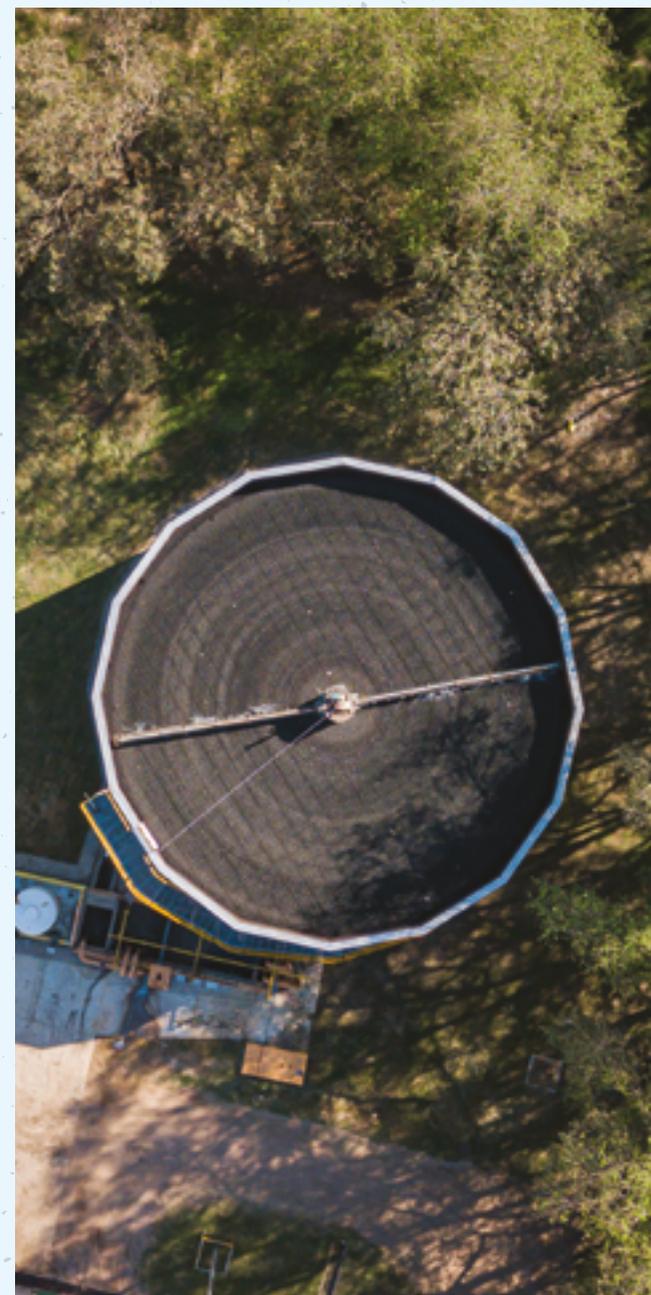
✓ 21:25% reduction in water consumption per processed ton of product.

✓ 2030 Goal: 30% reduction in water use per ton processed (2016 baseline).



- 2010
 - Mundo Dulce Effluent Treatment Plant.
 - Adequacy of the liquid effluent treatment plant of the Arroyito Complex to include treatment of liquid effluent generated in the Municipality.
- 2011
 - Frutos de Cuyo biological treatment plant.
- 2012
 - Start-up of the Effluent Treatment Plant in San Pedro.
- 2013
 - Effluent Treatment Plant in Dulciora and Chancay.
 - Pre-treatment of oil refinery effluent at the San Pedro Complex.
- 2014
 - New steam recovery circuit in Arroyito.
 - Expansion of the Effluent Treatment Plan in Arroyito.
 - First stage of the treatment plant in San Luis.
 - Capacity expansion of Bragança Paulista treatment plant (Brazil).
- 2016
 - 35% of the sewage effluent from the City of Arroyito is treated in Arcor Group's treatment plant.
- 2017
 - Effluent treatment plant at Planta Bicentenario (Chile).
- 2018
 - Expansion of the Effluent Treatment Plant in Caroya.
- 2019
 - Start-up of the UASB⁷ reactor to reuse treated water in the San Pedro Complex's own production processes.

⁷ Upflow Anaerobic Sludge Blanket.



ENERGY EFFICIENCY AND CLIMATE CHANGE

✓ **+1,300 initiatives launched** to promote energy efficiency, reduce consumption and increase the amount of renewable energy we use.

✓ **USD 12.2 million invested in technologies to improve the energy performance of our operations and increase the use of renewable energies:** improvements in refrigeration equipment, improvements in insulation and consumption efficiency in furnaces, change to high-efficiency motors, optimization of steam circuits, changes to low-consumption lighting, installation of motion sensors, automation of plant start-ups and shutdowns, digitalization of processes.

✓ **59% of the energy matrix is made up of renewable energies.**

✓ **13% increase in the use of electricity from renewable sources** (2013: 47% vs. 2019: 52.9%).

✓ **100% of operational bases with GHG Inventory** (2010: 6 bases vs. 2019: 46 bases).

✓ **29.5% increase in the corporate recyclability rate:** 92% of waste is recycled.

✓ **2025 Goal:** Zero waste to landfill in all Arcor Group's plants.

✓ **2030 Goal:** reduce energy intensity by 15% compared to the 2017 consumption base (energy used per ton of product produced).

2010 • GHG emissions inventory of the Sweets Business.

2011 • Extension of the GHG emissions inventory to the Agribusiness and Packaging businesses.
• Launch of the Corporate Energy Efficiency Program with the objective of reducing the use of fuels.

2013 • 100% of the energy purchased for the Brazilian plants is hydroelectric and a proportion of the energy used in Mundo Dulce (Mexico) is wind energy.

2014 • Inauguration of the José A. Gaii Thermoelectric Power Plant at La Providencia sugar mill (Tucumán), for self-supply of renewable energy from sugar cane biomass: 30,000 Mwh/year capacity.
• Sustainable Logistics: increase in the occupation of truck warehouses, reduction of kilometers traveled.

2017 • Self-supply of electricity in Papel Misionero, generated from biomass from wood chips: 120,000 MWh/year capacity.
• Increased recycled paper production capacity (to more than 160,000 tons per year) through the incorporation of recycling plants in Mendoza and Buenos Aires.

• Creation of the Energy Committee and the Energy Performance Program to deepen the rational use of energy and expand the generation and use of renewable energies in all the Group's plants.
• Partnership with the "Antônio da Costa Santos" Cooperative in Brazil for waste recycling and job generation.

2018 • GHG inventory for 100% of Arcor Group's direct operations (47 bases).

• **Lixo Zero:** Zero waste sent to landfill in industrial and logistics operations in Brazil.

2019 • **Kamay Ventures:** investment in the Argentine start-up Arqlite, which offers innovative solutions for recycling complex plastic waste.



RATIONAL USE OF PACKAGING MATERIALS



+1,000 initiatives to reduce the amount of packaging we use by optimizing and reducing our packaging and replacing its materials with others that have a lower environmental and social impact during manufacture or use.



-13% of packaging materials used per ton produced (2011 vs. 2019).



-11% in the use of plastic materials in our products in the last 7 years.



54% reduction in the use of PVC⁸ in plastic packaging (2013 vs. 2019).



96% of the paper and cardboard used is of sustainable origin (Sustainable Paper Sourcing Policy).

2010

- Corporate Packaging Indicator.
- First reduction and replacement initiatives: elimination of aluminum in primary packaging, reduction of packaging and wrapping size, replacement of materials, optimization of sales unit assembly.

2012

- Incorporation of the COMPASS tool for the evaluation of the environmental performance of packaging throughout the product life cycle.
- Bioplastics: development of a material with 52% PLA (polylactic acid) of renewable origin.
- Replacement of PVC with other materials.

2013

- Sustainable Paper Sourcing Policy.
- Sustainable Inverse Design to minimize cost and negative environmental impact from development to logistics.
- bon o bon without PVC.

2014

- 4 Cartocor plants in Argentina obtained FSC Chain of Custody certification.

2015

- 0 PVC policy.

2017

- 100% of the paper used as raw material in Cartocor's mills is FSC or PEFC certified.

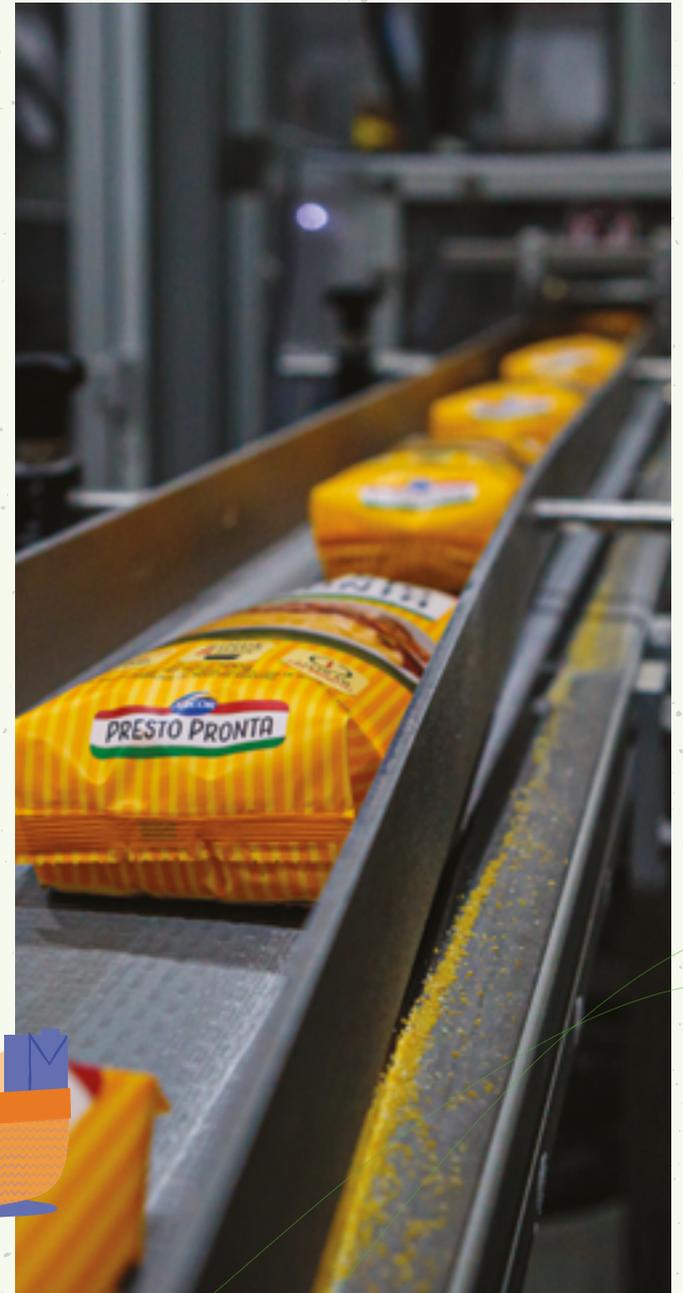
2018

- Innovation and development of packaging with bioplastics: Butter Toffees with 60% compostable packaging (Politwist).
- Reduction by more than half of PVC consumption (-6% of total plastics used).

2019

- Launch of Sustainability Policy Packaging Division.
- Plastics Strategy: guidelines to deepen the reduction and replacement of plastic packaging.

⁸ Polyvinyl chloride.



HUMAN AND LABOR RIGHTS

- ✓ **60% reduction in accidents** since 2014.
- ✓ **49% reduction in IFI (Disabling Frequency Index)** since 2010.
- ✓ **+76% increase in the number of women in leadership positions.**
- ✓ **+24.2% increase in the percentage of women joining the company** since 2015.
- ✓ **Incorporation of 255 people with disabilities to our work teams.**

Working Environment and Hiring Conditions

- 2010** • Creation of the Pregnant Workers Care Program in Argentina.
- 2011** • Commitment Program, to reduce accidents and occupational diseases.
- 2013** • Launching of the Ergonomics Program.
- 2014** • Development of the Occupational Risk Management Program.
• Certification of the OHSAS 18001 Standard in different plants of the group.

- 2015** • Development of the "Change for Growth" program in the Packaging business.
- 2017** • Labor committee at 5 of the group's plants in Brazil.
- 2018** • Advances in the automation of manual processes and adaptation of equipment.
• Creation of Joint Safety and Health Committees in Argentina.
- 2019** • Incorporation of new technologies applied to security: augmented reality and virtual reality. Transportation safety in Argentina: awareness campaigns for carriers, development of technologies applied to road safety, guidelines for rest and definition of an Accident Frequency Index (IFS) to monitor the occurrence rate based on the number of kilometers traveled.

Inclusion and Diversity

- 2010** • Pilot projects for labor inclusion of people with disabilities in different places: Salto, Argentina, Brazil and Chile.
- 2012** • Development of the Gender Equity Program
• Launching of the Corporate Project for Labor Inclusion of People with Disabilities.
- 2013** • Launching of the Reduced Working hours for Maternity

- 2015** • Implementation of the 1st breastfeeding center in the offices of Buenos Aires.
• Mexico's incorporation into the Inclusion Program for people with disabilities.
- 2016** • *Arcor Inclusiva* Program in Brazil.
- 2017** • Adherence to UN Women's Women Empowerment Principles (WEP).
- 2019** • Design of the 2nd Stage of the Gender Equity Program, focusing on the company's management levels.



Company and Childhood

- 2013 • Cooperation Agreement with UNICEF for the joint support of strategic initiatives for the promotion and protection of children's rights.
- 2014 • Self-diagnosis of the company's relationship with children.
- 2015 • Commitment to Children's Rights Policy, being the first company in Argentina and the region to incorporate the perspective of children's rights in its Sustainability Strategy.
 - Formalization of the *Empresa-Infancia* (Company and Childhood) initiative.
- 2016 • Arcor's University Course - *Arcor y los Derechos del Niño* (Arcor and Children's Rights).
 - Cooperation Agreement with UNICEF for the joint support of strategic initiatives for the promotion and protection of children's rights.
 - Implementation of a mechanism in SAC⁹ for the registration, analysis and resolution of complaints and suggestions related to children.
 - Launch of the initiative in Brazil and Chile.
- 2017 • Development of Arcor Group's Childhood Information System that consolidates information about collaborators' children.
 - Development of the Children's Advertising Self-Regulation Policy.

⁹ Consumer/Customer Service.



ACTIVE LIFE AND HEALTHY NUTRITION

✓ 20% of the portfolio with sodium reduction since 2014.

✓ 24% of the portfolio with reduced saturated fat.

✓ 100% compliance with the Trans Fat Policy.

✓ 274 product presentations with sugar modification.

✓ 424 gluten-free presentations.

✓ 74.1% of the products with GDA¹⁰ Schemes.

✓ 31.8% of turnover from foods with special attributes.

✓ 175 projects to promote healthy lifestyles among children under the School in Motion Program and 193 projects under the Learning to Enjoy Program.

2010 • Commitment to food quality and safety "From Farm to Fork".

2011 • Healthy Nutrition Program in plant canteens.
 • Incorporation of GDA scheme into container labeling.
 • Adhesion to the first Voluntary Sodium Reduction Agreement with the National Ministry of Health "Less Salt, More Life" for Farinaceous Foods.

2013 • Nutritional Platform Working Group.
 • Sodium Content Policy.
 • Trans Fat Reduction Policy.

• Launching of the School in Motion Program, through Arcor Foundation.
 • Adherence to the Second Voluntary Sodium Reduction Agreement for Farinaceous Foods.

2014 • Definition of "Functional food under ARCOR vision" and its criteria and levels of application.
 • Guidelines for the use of natural colorants.
 • Healthy Lifestyle Habits Working Group.
 • Public lectures with a focus on childhood, play and movement.
 • Adhesion to the Voluntary Agreement for Sodium Reduction in Canned Vegetables.

2015 • Constitution of the Nutrition and Healthy Lifestyle Committee.

2016 • Launching of the Healthy Nutrition and Lifestyle Strategy.
 • Launch of Natural Break, which strengthens the company's presence in the "healthy" segment.
 • Development of new initiatives to promote active living among children.

2017 • Development of Arcor's Nutritional Profiling System (SPNA), a tool for improving the nutritional profile of products.
 • Launching of the Social Investment Program Learning to Enjoy.

2018 • New functional businesses: Launching of Simple.
 • Launching of the Right Portion Size Program.

2019 • Creation of Arcor Innovación Alimentaria: a space for interaction with nutrition professionals.
 • Development of work plan for Health Avenues and adjustments to the SNPA (positive additions).

¹⁰ Guideline Daily Amounts.



VALUE CHAIN Sustainable Supply

- 2010**
 - Evaluation procedure for fazon suppliers in terms of quality and socioeconomic-environmental aspects.
 - Institutionalization and consolidation of the Growing Up Playing: For a Childhood Without Child Labor project in Food Business.
 - Sustainable Management Program with Suppliers.
- 2011**
 - Sustainability training for 175 security guards.
 - Rural Employment Project.
- 2012**
 - Sustainable Agriculture Program.
 - Regionalization of the supplier evaluation procedure (Chile).
- 2014**
 - Sustainable Sugar Production Project.
- 2015**
 - Letter of Adhesion to Fundamental Principles for Responsible Management as a requirement for supplier registration in Arcor.
 - Adherence to UTZ¹¹ certification for sustainable cocoa production.
- 2016**
 - Launching of the REconocer Program. Commercial Quality and Sustainability Index, aimed at identifying and promoting best practices in social and environmental responsibility among suppliers.
 - Development of Fruit and Vegetable Producers 2016-2020.
 - BONSUCRO certification for sugar production
 - Adherence to the Roundtable on Sustainable Palm Oil (RSPO).

- 2017**
 - Systematization of the Responsible Inclusive Purchasing Program.
 - USDA-NOP¹² certified organic sugar production.
 - Cobra Project: mechanization of small sugar cane producers.
 - 1st Diploma in Sustainable Fruit and Vegetable Management for tomato, peach and corn producers.
- 2018**
 - Cage-free egg supply.
- 2019**
 - Development of sustainable corn producers.

¹¹ Means good coffee in the Mayan language, Quiché - <https://utz.org/>.

¹² National Organic Program - www.usda.gov.



Community impact management

- ✓ 28 Community Relations Committees formed in Arcor Group's industrial operations.
- ✓ Action plans and community support in 100% of the territory with industrial presence in Argentina, Brazil, Chile and Mexico.
- ✓ 19 perception studies conducted.
- ✓ 22 Community Impact Matrixes have been completed.
- ✓ More than 10 million kilograms of product donated since 2015 under the Corporate Food Donation Program.

- 2010 • Consolidation of the Community Relations Program.
- 2014 • Strategy redefinition: launching of the Community Impact Management Program.
• Launching of the Be a Part Environmental Training Program in Argentina and Chile.
- 2017 • Integration of community impact management into the company's Industrial Management System (IMS).
- 2018 • Strengthening of the Donations Program through information recording systems, internal product recovery processes and improved links with recipient entities.
• Special Non-Perishable Food Donation Project.

- 2019 • New management model of the company-community relationship applied to each industrial plant.

Sustainable logistics and distribution

- 2010 • Promotion of a Sustainable Logistics Strategy.
• Training for Distributors on Corporate Social Responsibility (CSR).
• First CSR steps with distributors with a "sustainability module" in "Best Logistics Practices" training.
• Tamar Project.
- 2011 • Earth Letter to Distributors.
• Ethical line for Distributors.
• Sustainability awareness-raising for transportation companies.
- 2012 • Sustainability training program for transportation companies.
• Regionalization of the Good Logistics Practices Program.
• Sustainability training for wholesale channel customers.
- 2013 • Start-up of the My Grocery Store Project, an inclusive business project in Argentina.
• First Steps Guide to Sustainable Wholesaler Management.

- 2014 • Diagnosis and commercial improvement plan for customers in Chile.
• Launching of the RedActiva Program.
- 2015 • Entrepreneur's Club Program in Chile (inclusive business).
- 2016 • Guide for the Development of Sustainability Plans in Arcor's Distributors.
- 2018 • Guide of Good Practices in Sustainability in Arcor's Distributors 2.0.
- 2019 • Launching of the Sustainability Strategy of Arcor's Distributors.



POST-2020 SUSTAINABILITY STRATEGY

During 2020, we also made progress in several initiatives aimed at designing the company's new Sustainability Strategy for the coming years, with the purpose of continuing to integrate sustainability as an essential component of Arcor Group's business model.

In order to advance with this plan, a Management Report was carried out, which systematizes the milestones, achievements and challenges in sustainability matters of Arcor Group, considering the 2010-2020 period, from the launching of the Sustainability Policy and Strategy in 2010 to the present. Based on the results obtained, the challenges for the development of the new Arcor Group's Sustainability Strategy were identified, which are focused on updating the sustainability agenda, integrating and considering the new challenges posed by the global agenda towards the future, also considering the implications of the new global scenario caused by the COVID-19 crisis; the development of business strategies that integrate sustainability as a factor of innovation and value creation; and the development of structures, processes and relationships that make sustainability an essential component in the company's decision making and operations.

In order to advance in the updating of the company's sustainability agenda, a Materiality Analysis of Arcor Group was developed to identify, refine and evaluate the environmental, social and governance issues that could potentially affect the business and/or its stakeholders in the coming years. The analysis included 4 surveys: in-depth interviews to company collaborators at management levels, in-depth interviews to external referents specialized in different topics of the sustainability agenda

and close to Arcor Group, an internal & external survey to representatives of different stakeholders and a consumer study.

Based on the results, progress will be made in updating Arcor's Sustainability Policy and defining a new work agenda for the coming years, in line with the company's strategy.

SUSTAINABILITY OPERATING PLANS 2020

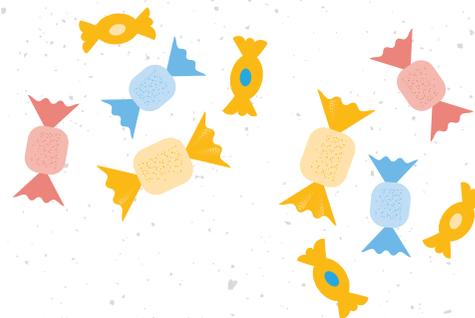
774 initiatives were promoted through 14 Sustainability Operating Plans for the different business units and countries where Arcor Group is present.

COMMITMENT	NUMBER OF INITIATIVES 2020*	PERCENTAGE OF INITIATIVES 2020*
General Commitment to Sustainable Development	81	12%
Rational use of water	72	11%
Energy efficiency and minimization of impacts contributing to global climate change	121	18%
Rational use of packaging materials	102	15%
Respect and protection of human and labor rights	184	28%
Promoting active living and healthy nutrition	104	16%

* Includes initiatives planned by Arcor Group's businesses except for the Packaging Division (see separate box).

SUSTAINABILITY IN THE PERFORMANCE MANAGEMENT SYSTEM

A total of 3,235 collaborators were covered by divisional sustainability objectives and 1,010 collaborators at management levels established specific sustainability objectives. The achievement of these objectives has an impact on the variable remuneration of the collaborators achieved.





SUSTAINABILITY POLICY PACKAGING DIVISION

Since 2019, the Packaging Division has its own Sustainability Policy composed of five commitments, as its own conceptual framework to guide the sustainable management of the business:



Sustainable sourcing, to promote the traceability and sustainable management of our supply, promote the care of forest resources and areas of high conservation value, and encourage the use of raw materials and inputs of renewable, recycled or reused origin.



Care for the environment and resources, to promote a rational use of water, good energy performance, generation and use of renewable energies, pollution prevention and reduction, reuse and recycling of materials in our operations.



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



Innovation and sustainable solutions, to encourage innovation in the technological development of solutions, guarantee the safety, innocuousness and adequate preservation of products and offer packaging that generates less environmental impact.



Circular economy, to promote circularity from the design of our products, and to encourage the creation and operation of circuits to recover discarded materials and keep them within the production system.

In 2020, the business carried out a total of 110 initiatives aligned with the new Packaging Sustainability Policy.

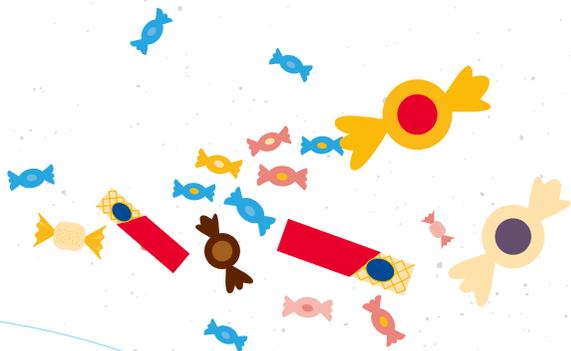
COMMITMENT	NUMBER OF INITIATIVES 2020	PERCENTAGE OF INITIATIVES 2020
Sustainable supply	0	0%
Care of the environment and resources	38	35%
Human development	56	51%
Sustainable innovation and solutions	10	9%
Circular economy	6	5%

COMMITMENT TO THE SUSTAINABILITY AGENDA

We adhere to the concept of sustainability as the company's ethical and honest relationship with all stakeholders with whom we are linked.

We incorporate in our management guidelines business objectives that are compatible with the sustainable development of society, preserving natural and cultural resources for future generations, respecting diversity and promoting the reduction of social inequalities. Since 2004, we have adhered to the United Nations Global Compact.

At Arcor Group, our management is aligned with the 17 United Nations Sustainable Development Goals and we contribute to 46 of the 169 targets established.



General Commitment to Sustainable Development



Rational Use of Packaging Materials



Rational use of water



Respect and protection of Human and Labor Rights



Energy efficiency and minimization of impacts contributing to global climate change



Promoting active living and healthy nutrition





In 2020, we presented two cases on the platform “Connecting Businesses to the Sustainable Development Goals (SDGs)” of the Argentine Business Council for Sustainable Development:



WASTE MANAGEMENT GOALS ADDRESSED BY THE INITIATIVE:
12.2 - 12.5

We are aware that, as a major consumer of raw materials and packaging materials, responsible and efficient management of our waste is essential.

Under this premise, we promoted several diagnostic studies in relation to the environmental and social impacts generated by urban solid waste. From these studies, we were able to identify the most relevant impacts and wastes associated with our activity.

(See chapter Energy and Climate Change)



RESPECT AND PROTECTION OF HUMAN AND LABOR RIGHTS GOALS ADDRESSED BY THE INITIATIVE:
8.5 - 8.6 - 8.7 - 8.8

In our Code of Ethics and Conduct and Sustainability Policy, we make an explicit commitment to respect and protect Human and Labor Rights.

We have developed a due diligence process that includes a risk and opportunity matrix and grievance mechanisms, integrating this commitment into business planning, collaborator performance evaluation, and the monitoring and control system.

(See chapter Human and Labor Rights)



AWARDS AND RECOGNITIONS 2020

Corporate prestige, which refers to the valuation of the company's stakeholders (consumers, executives, collaborators, shareholders, community, etc.) by the company, is considered a stable, intangible and vital asset, which today is under extreme pressure due to the volatility of the present. The 2020 awards and prizes reflect the impact of the current situation.

ARCOR GROUP

- **“Global Top 100” ranking, Candy Industry Magazine:** Arcor Group was ranked 20th among confectionery producers in the world.
- **Ranking “The 100 Best in Image”, Apertura Magazine (SEL Consultants Ranking):** Arcor Group obtained the 2nd place in the Ranking. In the attributes, Arcor retained the first place in “reliability of its products and/or services”, “ethics and transparency in its business” and “trajectory and permanence in the country”. On the other hand, the company was at the top of the Mass Consumption sector list.

- **Ranking of Business Prestige, Prensa Económica Magazine:** 1st place as the most prestigious company. In addition, our president, Luis Pagani, was once again elected as the most prestigious businessman in Argentina.
- **Ranking Top Brands, Apertura Magazine:** we obtained the 1st place of the Top Brands in Argentina.
- **Merco Ranking, Clarín Newspaper “The 100 companies with the best reputation in the country”:** Arcor ranked 2nd in this ranking that evaluates the image of companies in relation to their role in the community, their ethical behavior and transparency in executive management. In addition, Luis Pagani ranked 2nd in the ranking of the most outstanding local business leaders.
- **CFO of the year, Apertura Magazine:** Gustavo Macchi, Chief Financial Officer, was ranked 2nd among the three most outstanding finance executives of the year, chosen by the Directors and CFOs of Argentina's leading companies.
- **Ranking Merco Talento, La Nación Newspaper:** We are the 7th most attractive company in Argentina to work for.
- **CEADS Recognition:** The Argentine Business Council for Sustainable Development once again recognized Arcor for being a company that systematically contributes to the achievement of the goals proposed in the 2030 Agenda for Sustainable Development.

ARCOR ARGENTINA FOUNDATION, ARCOR BRAZIL INSTITUTE AND ARCOR CHILE FOUNDATION

For the Educational Portal initiative:

- **Health and Food Professionals Association (APSAL) Award:** In the Education Category.
- **Eikon Award Córdoba edition:** Eikon Gold in the Sustainability in Education Category.
- **Eikon Award International edition:** Eikon Silver in the Sustainability in Education Category.

For the Reading in Motion initiative, carried out jointly with the Organization of Iberoamerican States, the Ministry of Education of the Province of Córdoba and the Municipality of Córdoba:

- **Eikon Award Córdoba edition:** Eikon Blue in the Sustainability in Education Category.
- **Eikon Award National edition:** Eikon Silver in the Cultural Sustainability Category.

ARCOR AND INNOVATION

During 2020, the Innovation Committee was established, with the participation of the highest authorities of each Business Unit.

The Committee held its first virtual meeting in July, where the main working guidelines, strategic corridors, clusters and vectors related to innovation were defined.

Within this framework, the team carries out the task of prioritizing ongoing innovation initiatives, allowing to focus and optimize the resources allocated to the Company's innovation projects.

The creation of the Committee has marked a milestone in innovation management within Arcor Group, allowing, on the one hand, to consolidate and integrate innovation actions, and on the other hand, to reaffirm our commitment to learning and growth in an extraordinary year marked by paradigm changes.



ARCOR INNOVATION AWARD

During 2020, the monitoring of the winning Project "Arcor Innovation Award 2019" was maintained: "Fiber-rich candy for diabetic individuals, based on cereal and a low-cost by-product of the brewing industry".

All the members of the project were selected to work in the Food Safety Network of CONICET, in order to deepen the physicochemical and microbiological characterization of brewers' bagasse, and to incorporate it into the Argentine Food Code.

As part of Arcor Group's follow-up of the winning project, a link was established with the National Food Commission

(CONAL), which requested advice from RSA on the subject under investigation. For this reason, the project team is actively participating in research groups throughout the country.

It is contemplated that the 2021 Edition of Arcor Innovation Award will be held together with the National Ministry of Science, Technology and Innovation (MinCyT), and together with Arcor Foundation Special Mention Award. It is expected to receive numerous proposals for improvement as we will be celebrating the Company's 70th Anniversary.

1.3 DIALOGUE WITH OUR STAKEHOLDERS



We are a company open to the different audiences with which we relate, and we understand that only through a fluid, continuous and responsible relationship we can strengthen and meet their expectations.



Government and Society

- Participation in more than 80 regional business organizations.
- Collaboration with government agencies to improve competitiveness.
- Participation in networks in favor of children.



Media and opinion leaders

- More than 10 awards and recognitions for our 2020 management.
- Leadership in regional rankings.
- 26 notes and interviews related to sustainability.



Shareholders

- Shareholders' Meeting.
- Report on the degree of compliance with the Corporate Governance Code.
- Annual Report, Accounting Statements, Financial Statements and Sustainability Report.



Collaborators

- Inclusion of 255 people with disabilities in the labor market.
- Gender targets on the amount of total revenue for all contract types.
- Reduction of the accident rate in our logistics operations by 41% compared to 2019 according to the IFI.



Suppliers and Customers

- Relationship with more than 12,000 suppliers in Argentina, Brazil, Chile, Mexico and Peru.
- 53.5% of the suppliers of mass consumption plants have some form of GFSI certification.
- Sustainability Strategy in Arcor's Distributors.



Community

- 28 Community Relations Committees in Argentina, Brazil, Chile and Mexico.
- More than 22 work articulation spaces with different local and/or provincial institutions.
- Donation of more than 1.3 million kg of food products among all countries.



Consumers

- More than 148,000 contacts handled throughout the region through our Customer Care Service.
- More than 55% of our portfolio (in kg) is within the parameters established in Arcor Nutritional Profiling System.
- We have 424 gluten-free products.



End of useful life

- 57% reduction in the amount of waste sent to landfill per ton produced compared to 2016.
- Recyclability rate of 92% in our operating bases.
- 14% reduction in waste generated per ton compared to 2016.



WE LAUNCHED THE REDCOM APP

In 2019 we launched Redcom, a 360° internal communication model, based on the incorporation of a network of seven channels, created to reach each of our collaborators in a fluid, clear and direct way. The new model involved decentralized management that combines local internal communication from each base/plant/office with internal corporate communication, improving management and diversity.

In April 2020, came the launch of the Network's mobile application. In just three months of campaign and in the midst of the pandemic, Redcom App surpassed 8,600 active users, who voluntarily downloaded it to their personal cell phones.

Today, our new channel network allows us to stay connected between more than 40 industrial plants and more than 10 sales offices located in 13 different countries.

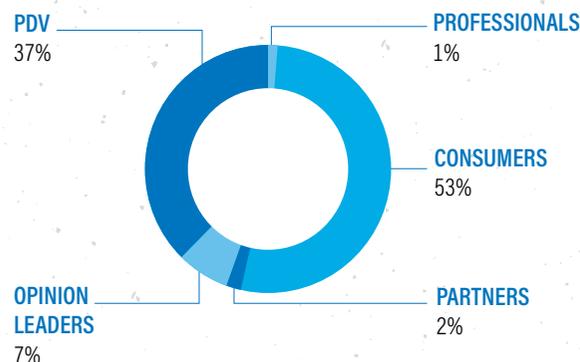
With Redcom we inaugurated a new stage in the organizational culture: spaces for interaction and active participation were opened, new roles were established for the management and creation of contents, channels and responsibilities, and areas of support and training for leaders were developed.

WE ARE ARCOR, A SUSTAINABLE COMPANY

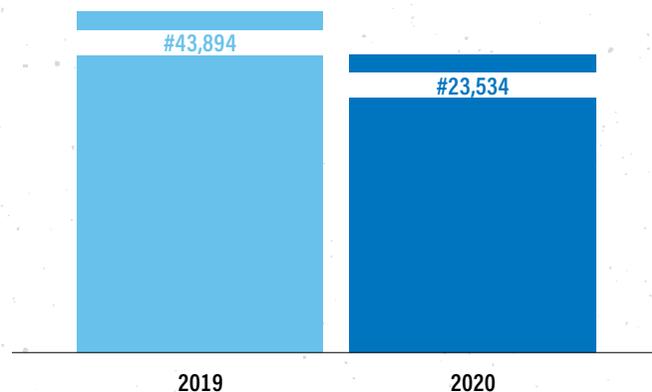
We believe that diversity enriches us and that is why we listen to multiple voices, understanding the importance of getting in touch with each one of them.

During 2020, we continued to listen to the different audiences with whom we interact through more than 40 studies conducted in Argentina and the Latin American region.

TOTAL LISTENED BY AUDIENCE



TOTAL LISTENED ARCOR GROUP



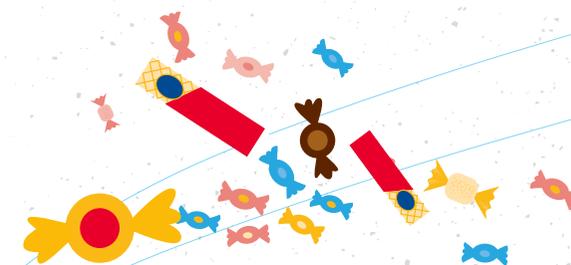
RESEARCH CHANNELS AND METHODOLOGIES

We strengthened the methodologies initiated in 2019:

- In-company studies, in order to listen to our collaborators in their role as consumers.
- Survey addressed to the group of health professionals that make up the "Food Innovation" base.
- Studies conducted with our consumer panel *Alimentando Ideas* (www.alimentandoideas.com.ar).
- In Brazil, we conduct web-based studies for consumers who follow us on our networks.

In addition, in 2020 we continued to open "research" channels with new work methodologies and inaugurated two new research methods:

- Surveys to our Point of Sale-customers via TOKIN App: stores, kiosks and self-service stores.
- Studies to buyers-consumers of the new digital sales channel Arcor at Home.



1.4 AT ARCOR WE CHOOSE TO BE WHERE WE HAVE TO BE



The COVID-19 pandemic created a challenging context for the company, its strategy and daily operations. As the region's leading food company, we know that we played a key role during the COVID-19 crisis in all the countries where we operate.

Because they carry out essential activities, our plants, fields, dairy farms and sugar mills must continue to produce in order to ensure the supply of food and supplies to the entire population. We also have the great responsibility of continuing to produce alcohol, cardboard, flexible, paper, industrial bags and animal nutrition as inputs for other industries.

For this reason, during 2020 we promoted a series of initiatives aimed to support our stakeholders so that they can face this adverse context in the best possible way.

CLIENTS AND CONSUMERS

- Creation of the e-commerce platform www.arcorencasa.com, through which consumers can access our products online and receive them at their homes.
- We promoted the Let's Save the Kiosk initiative and contributed with more than 140 million pesos to support the reopening of more than 10,000 kiosks throughout Argentina.
- We launched the initiative Helping a Kiosk, Your Money is Worth Twice as Much so that our consumers can purchase cash vouchers on the Future Purchase platform and redeem them at nearby kiosks for double their value.



TWO ACTIONS TO SUPPORT KIOSKS

Kiosks are part of Argentina's cultural identity and are a central link in our distribution chain, for which we seek to accompany them and express our gratitude for their longstanding commitment.

We launched two programs to contribute to the recovery of kiosks, which were severely affected by the pandemic:

Through the Let's Save the Kiosk initiative we contributed 140 million pesos to support the reopening of more than 10,000 kiosks throughout Argentina.

The stores participating in the program were selected in conjunction with the network of 150 distributors throughout the country, starting with those located in small towns in the inside of the country.



The financing was requested by the kiosks through the "Token" app and consisted of a mix of the channel's most demanded products, so that they could fill their trays and it could be paid in up to 5 weekly installments.

In addition, in May, we launched the initiative *Ayudando a un Kiosco tu Plata Vale Doble* (Helping a Kiosk, Your Money is Worth Twice as Much) through which consumers could purchase cash vouchers on the "Compra Futura" platform and redeem them at nearby kiosks for double their value. In this way, the aim was to continue to encourage and reactivate consumption at the kiosks.



EASTER AT HOME

Easter is a much awaited moment for all Argentines and given the importance that this date represents for Arcor, each Easter event is planned a year in advance. The objective is to ensure that each March the merchandise is distributed throughout the country.

For 2020, the main novelty was the launch of a line of children's products with its own license and a SpongeBob SquarePants license, in addition to other attractive proposals under the Águila, bon o bon and Rocklets brands.

However, the emergence of COVID-19 and the implementation of Preventive and Mandatory Social Isolation presented to the company the challenge of reinventing Easter in a totally different way to reach consumers.

For the first time, we put our Official Distributors in contact with consumers, through the development of a WhatsApp bot, which enabled direct sales and delivery of products on this date, door to door.

Thus, "Arcor Easter" became "Easter at Home", with a network of more than 180 distributors that took Easter to the whole country.

44,000 contacts were registered through the bot in less than a week. Thanks to this tool, consumers gained access to Easter products in an unprecedented situation for traditional sales channels.

Through the development of a new sales space together with the activation of a communication device to make it known, we managed to maintain the spirit of Easter in a renewed way and adapted to a totally unknown social situation.

With the spirit of innovation and evolution that characterizes the company, what at first was an unexpected turn, became an opportunity that opened up a new way of reaching consumers to continue nurturing bonds and fulfilling the mission of sharing magical moments.



COMMUNITY

Corporate Food Donation Program

- Since the beginning of the emergency, adding the contributions made in all countries, Arcor Group donated 1,337,021 kilograms of products.
- Donations were made during Easter, Sweetness Week (first week of July) and, in addition, the donations we made during the month of August for the Month of the Child in Argentina were sustained, reaching 121,000 children.
- Special Food Aid Program: together with Arcor Foundation, 200,000 plates of food and 65,000 snacks were donated to organizations that provide direct food assistance to the most vulnerable sectors in the city of Córdoba and the Metropolitan Area of Buenos Aires.

Donation of sanitary protection materials and supplies

- Donation of 16,000 liters of alcohol, produced by the Agribusiness, to the National Ministry of Defense in Argentina, municipalities and local hospitals, which were used for the prevention of Coronavirus, as well as for the campaign against Dengue, Zika and Chikungunya.
- The Local Community Relations Committees remained attentive to the requirements and needs of each territory, contributing with health protection materials and clothing, supplies and equipment.
- Manufacture of alcohol gel and safety masks in partnership with local technical schools and universities.
- Donation in Argentina of more than 628,000 boxes and cardboard sheets that were distributed through different initiatives and organizations: Let's Be One Initiative for food; Other Cold Campaign for homeless people; joint action with other companies for the delivery of alcohol gel by the Argentine Red Cross; to the Food Bank of Córdoba for products; as well as to local and/or regional public agencies.



LET'S BE ONE INITIATIVE

Due to the emergency situation generated by the pandemic, different entities from the private, public and civil society sectors, volunteers and individual donors joined forces to deliver food and basic hygiene products to one million vulnerable households.

From Arcor Group, we joined the initiative by donating 609,280 corrugated cardboard boxes, which covered a great part of those necessary to carry out the action.

On September 30, thanks to all the participants, the goal was achieved with the delivery of the 1,000,000th box.

Inclusive Responsible Purchasing Program

Purchase of 360,000 face masks for the social organizations "El Arca" and "La Rañatela", which were used as essential work material by collaborators.

Social Investment

From Arcor Foundation Argentina, Arcor Institute Brazil and Arcor Foundation Chile, and in alliance with other organizations, we carry out several activities to provide tools so that those responsible for children can help them go through this context:

- Educational portal in Spanish and Portuguese with 234 courses for people who work with children.
- Webinars for discussion and reflection in partnership with *Equidad para la Infancia*, The New School, RedEAmérica, OMEP, the *Red de Empresas Unidad por la Infancia* (UPPI, Unicef Chile and Chile Crece Contigo) and with the Universities of San Sebastián and Universidad Mayor.
- Educational microsite by quarantine: courses, materials, activities, videos and reference sites for families and teachers.
- Production of a series of videos with "Tips for a healthy quarantine": how to approach the subject with children, healthy bonds and management of routines, proposals for active life and movement at home, and activities from the different languages of art.

COLLABORATORS

From the very beginning, we carried out all the established hygiene measures, designed work protocols and changed routines in our daily operations in order to ensure the continuity of our operation.

In March, a Coronavirus Committee was formed to deal with the specific issue, made up of an interdisciplinary team of collaborators belonging to the areas of Corporate Human Resources, Corporate Medical Management, Quality, MAHPI¹³, Institutional Relations, Internal Communications and Legal. The Businesses are also part of this Committee, represented by their Human Resources managers, and representatives from Brazil and the Andean Region attended certain meetings to share practices and address specific issues.

Throughout 2020, the Committee met a total of 94 times. The Committee's initiatives include:

- The development of an Action Protocol that was applied to the Operations of the entire company.
- The analysis of the Legislation corresponding to the COVID-19 pandemic and its updating throughout the year, in order to fully comply with it and to be able to continue our work as a company declared essential for society.
- Isolation of persons classified as Risk Group, who were exempted from providing services.

- The articulation and joint action with Business Chambers.
- Ongoing follow-up of COVID-19 positive cases.

In addition, we encouraged our collaborators to follow new work protocols, zero close contact, hygiene and the use of masks as essential measures in the face of the pandemic, through various actions:

- We reconditioned the spaces of our offices and industrial plants with sanitary safety measures and hygiene protocols.
- Information was provided to promote health protection to prevent the virus at home, from the entrance to homes, disinfection of cars, various care tips for family hygiene, home production of face masks, food sanitization, hygiene in different types of packaging and recommendations for hand washing, among others.
- We delivered 12,860 "Home Care" kits with cleaning and hygiene products such as alcohol gel, disposable face shields, disinfectant, detergent, sponge, toilet soap, bleach, multipurpose cleaner, gel cleaner with bleach, disinfectant cleaner, multipurpose cloths, floor cloth and steel wool.
- Flu vaccination campaign in all our bases in Argentina.

- For collaborators who work in home offices, materials were developed with recommendations for physical exercise at home, active breaks with stretching and ergonomic tips.

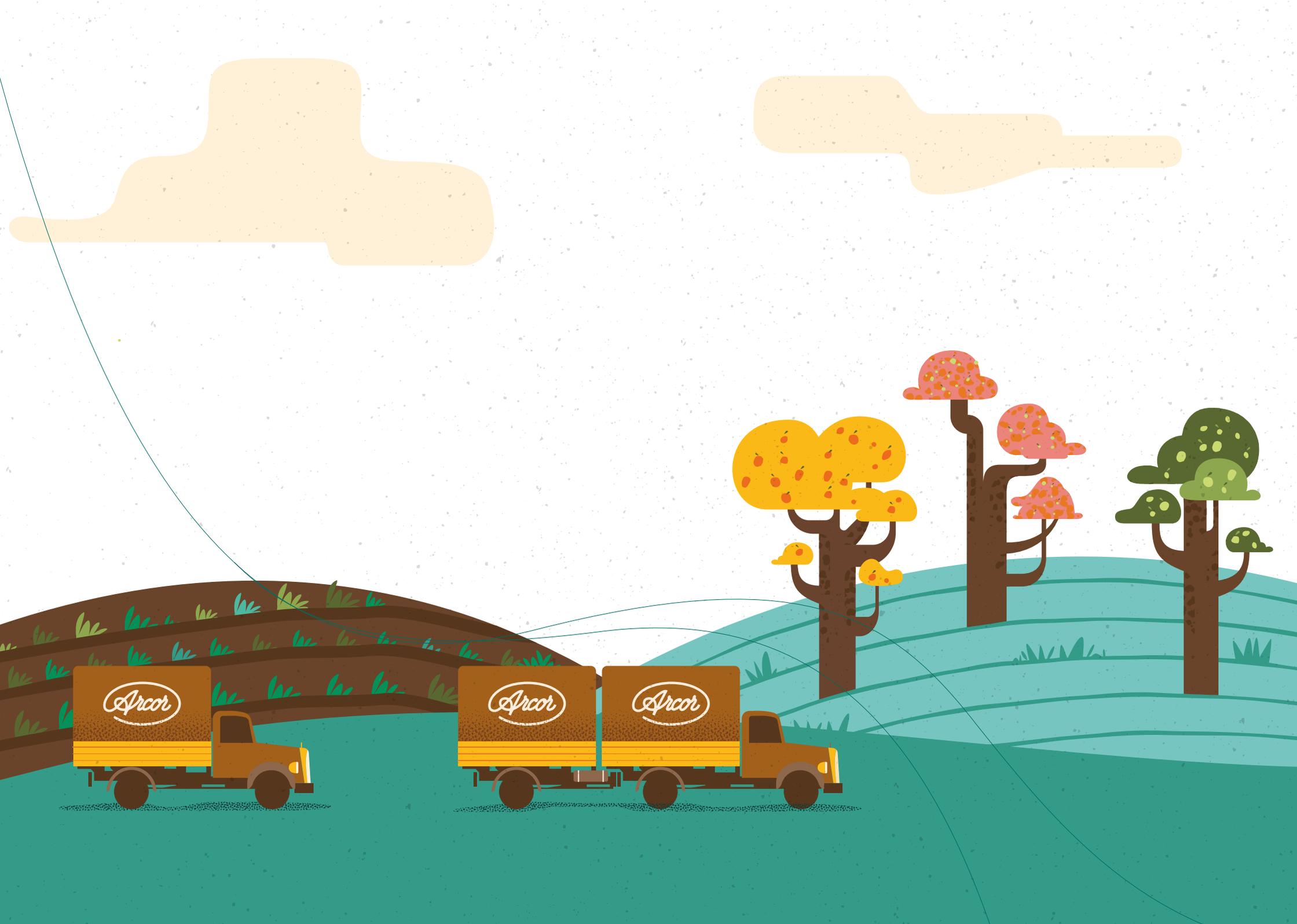
- Delivery of 6 massive Webinars for the support of teleworking collaborators (How to manage my emotions in our reality; Mothers and fathers facing the challenge of new forms of coexistence at home; Self-regulation and stress management: letting neuroscience explain it to me; The transforming power of crises: changes require us to modify our usual ways of working, leading and relating; How to achieve a healthy work, family and personal coexistence in times of uncertainty; Leading our teams in the virtual world) and 21 workshops for teams.

- In a joint work with Arcor Foundation, we promote several educational activities to do with children at home, focusing on prevention in the context of pandemics, development of emotions and physical activity.

- We added benefits for the purchase of products, delivery of kits during Easter and the Sweetness Month, raffles and delivery of vouchers redeemable on our platform www.arcorencasa.com with free home delivery anywhere in the country.

¹³ Environment, Hygiene and Industrial Protection.





CHAPTER 2

General Commitment to Sustainable Development



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OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

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⋮ **INITIATIVES IN THIS CHAPTER CONTRIBUTE TO THE FOLLOWING SUSTAINABLE DEVELOPMENT OBJECTIVES:**



2.1 OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT



At Arcor Group, we believe that economic development must be in harmony with people’s wellbeing, social inclusion and the valuation and care of the environment and our surroundings.

THIS IS WHY, THROUGH OUR OVERALL COMMITMENT TO SUSTAINABLE DEVELOPMENT, WE INTEND TO:

Establish a sustainable management of processes, based on a balance between economic, social and environmental dimensions.	Promote the integral development of the communities in which we operate and contribute to the sustainable development of those regions.
Support and respect the protection of human rights within our sphere of influence, ensuring that we are not complicit in human rights abuses.	Facilitating and sponsoring actions and projects for the promotion of sustainability and human development.
Apply the best environmental conservations practices, minimizing and compensating the impacts of our operations.	Promote awareness and training programs seeking to raise the awareness of each member of the company and the entire value chain as active agents in the construction of a corporate culture committed to sustainability.

2.2 OUR VALUE CHAIN

Sustainable management along the entire value chain is a key axis in our Sustainability Strategy and Policy, as it allows us to identify impacts in a broad sense, mapping all processes and actors involved, and developed innovative practices to create value, manage risks and maximize economic opportunities, social and environmental issues throughout each of the links that make up the company:



2.3 STRATEGY OF SUSTAINABLE SUPPLY



The Sustainable Sourcing Strategy seeks to contribute to the economic, social and environmental development of Arcor Group and its entire value chain.

The objective of the Sourcing Strategy is to achieve traceability in the supply of inputs, to manage the risks and maximize the opportunities that arise from the commercial relationship with our more than 12,000 suppliers, and in this way, to ensure the sustainable supply of all the products and services we use.

The Strategy generates the framework for the development of initiatives, projects and programs aimed at promoting continuous improvement in the management of our suppliers. Based on a general framework, initiatives are developed and designed according to the needs, challenges and opportunities that each type of supplier presents in terms of sustainability.

OUR PROVIDERS¹⁴:

TOTAL OF ARCOR GROUP SUPPLIERS (2020 VS. 2019)

COUNTRY	2020	2019
Argentina	6,901	7,655
Brazil	2,334	2,569
Chile	1,466	1,610
Mexico	875	886
Peru	655	641
TOTAL	12,231	13,361

TOTAL NUMBER OF SUPPLIERS BY PRODUCT/SERVICE PROVIDED (2020 VS. 2019)

PRODUCT/SERVICE	2020	2019
Raw Material	1,356	1,163
Assistants	1,960	1,121
Packaging	339	226
Services	8,576	10,851
TOTAL	12,231	13,361

¹⁴ Active suppliers: all suppliers that provided inputs/services 2020. No specific information was generated during this period to identify local suppliers. No specific information was generated during this period to identify suppliers located in water-stressed regions.

KNOW IN ORDER TO TRANSFORM: AWARENESS AND TRAINING

In all initiatives, our starting point is awareness raising and training. It means the beginning of a dialogue that allows us to establish and clearly communicate our expectations. In this way, we generate a fertile ground to later incorporate sustainability aspects in our commercial relationship.

To do so, we use different instruments:



We include more than 90 different sustainability messages linked to our 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, potential and interested suppliers.



We promote training and education on various topics related to sustainability according to the specific needs of each group and within the framework of each project.

PROMOTE TO ENGAGE: PROGRESSIVE ALIGNMENT

In this line, we include those actions aimed at integrating sustainability in the commercial relationship with suppliers. This relationship begins by requesting a formal commitment to sustainable management.

We do so by signing our Charter 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.

Since 2015, adherence to the Charter is a requirement to be registered as an Arcor's supplier. At the moment, 9,333¹⁵ suppliers are signatories.

MEASURE FOR IMPROVEMENT: MONITORING AND EVALUATION

This dimension includes those initiatives aimed at evaluating our suppliers in sustainability aspects with the objective of promoting continuous improvement in their management, in various aspects that contribute to the sustainability of their business.

FOOD SAFETY AND QUALITY ASSURANCE

We have a detailed selection, evaluation, follow-up and improvement process to ensure that all suppliers of productive materials meet the standards required to produce quality, authentic, safe and legally compliant products. standards required to produce quality, authentic, safe and legally compliant products.

Based on quality audits, we obtain a Supplier Potential Index (SPI) for each supplier to evaluate its reliability. We consider approved suppliers to be those that exceed a defined minimum score¹⁶ and those that are certified to one of the standards recognized by GFSI¹⁷ (e.g. BRC¹⁸). In cases where the minimum score is not reached, suppliers are accompanied in the development of improvement plans so that they can meet the required standards in the future. This initiative undoubtedly contributed to many of our suppliers deciding to move forward with certification to a recognized GFSI food safety standard.

The COVID-19 pandemic generated a new challenge in supplier management: to be able to sustain the processes of evaluation, follow-up and development of suppliers, preserving the achievements and standards of quality and safety reached, ensuring the continuity of the supply chain, the level of interaction and communication with suppliers and implementing new activities associated with the defined objectives and goals.

All this was possible thanks to the commitment and predisposition of our collaborators, a fluid interaction with stakeholders and the use of new technologies (tools for remote-virtual activities and audits). We also provided the necessary support to some suppliers who requested support in matters related to the implementation of protocols and preventive measures to minimize the possibility of contagion among their collaborators and ensure the continuity of the operation in a safe manner.

In addition, in this challenging year we were able to continue with the development and evaluation of agricultural producers associated with the Food and Agribusiness Businesses, implementing specific strategies and questionnaires for them.

We continue to work on the implementation of a Certified Quality program with some strategic suppliers (internal and external), based on the consensus of requirements and the reliability of their operations and of the raw materials and packaging materials delivered.

In recent years, a great deal of work has been done to identify the suppliers of origin, i.e. the processors of raw materials and packaging materials marketed by a representative, importer or distributor. This allowed us to deepen the scope of our evaluation, follow-up and improvement process for the different participants in the supply chain, detect opportunities for improvement and define associated action plans.

¹⁵ Argentina: 5,767; Brazil: 1,817; Chile: 893; Mexico: 606; Peru: 250.

¹⁶ 70 points.

¹⁷ Global Food Safety Initiative.

¹⁸ British Retail Consortium - <https://www.brcgs.com/>

This interaction with suppliers has helped many of them decide to move forward with certification to a recognized GFSI¹⁹ food safety standard. At the beginning of 2020, 53.5% of suppliers (of raw materials and direct contact packaging materials) of the Group's FMCG plants had a recognized GFSI certification (such as BRC²⁰, IFS²¹, FSSC 22000, Global GAP). This same indicator, at the end of 2015 presented a value of 21.1%.

The work with suppliers, over the years, allowed us to increase the percentage of suppliers approved by the methodologies detailed above, from 82.3% in 2015 to 90.3% at the beginning of 2020.

During 2020, we began working with Zucamor plants to implement the corporate methodologies and criteria defined for supplier management. This implementation will be completed during the course of 2021.

During 2020, 819 quality and food safety activities were carried out at suppliers (including agricultural and packaging suppliers).

Ninety-six percent of the suppliers obtained an IPP²² equal to or greater than 70.

97.2% of suppliers and primary producers were qualified.

EVALUATION PROCEDURE FOR FAZON SUPPLIERS

For more than 10 years we have been evaluating our fazon suppliers in terms of both quality and socio-economic-environmental aspects. For the qualification, contracting, follow-up and control of these suppliers, we have an audit scheme developed by Arcor Group and an equivalence procedure with certain recognized certifications: GFSI (for quality aspects), SA8000²³ (for contracting conditions aspects), ISO14001 (for environmental management aspects), OHSAS18001 (for occupational health and safety aspects), WCA²⁴, BSCI²⁵ and SMETA²⁶.

The Corporate Risk Committee, in charge of overseeing the implementation of these procedures, met 9 times during 2020 and issued 39 risk reports. Currently, 100% of the fazon suppliers have signed contracts that include as a requirement the approval of quality and socio-economic-environmental audits.

¹⁹ Food Safety Standards: Chancay Perú is HACCP certified by the Health Authority DIGESA. It is added, even though it is not a third party certification (certifier), because it is considered as an official certification in the country (by the current law).

²⁰ Standards established by the British Retail Consortium.

²¹ International Featured Standards - <https://www.ifs-certification.com/>

²² Potential Supplier Index.

²³ Social Accountability - <http://www.sa-intl.org/>

²⁴ Workplace Conditions Assessment.

²⁵ Business Social Compliance Initiative - <https://www.bsci-intl.org/>

²⁶ Sedex Members Ethical Trade Audit - <https://www.sedexglobal.com/smeta-audit>

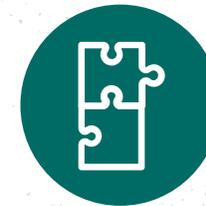


RECONOCER PROGRAM

During 2020, progress was made with the implementation of Arcor Group's *REconocer* Program, aimed at managing commercial quality and sustainability risk in the company's supply chain.

The Program is based on a self-evaluation of suppliers in aspects of commercial quality and sustainability, which results in a Commercial Quality & Sustainability Index, which is considered by Arcor Group's purchasing areas for the promotion of continuous improvement actions in suppliers and for making better purchasing decisions.

PROGRESSIVE
IMPLEMENTATION



PERFORMANCE
SELF-EVALUATION



COMMERCIAL QUALITY
AND SUSTAINABILITY
INDEX



CONTINUOUS
IMPROVEMENT



PURCHASING
DECISIONS

The 2020 Work Plan was structured along two main lines: on the one hand, the implementation of the self-assessment of the *REconocer* Program for a new group of suppliers, and on the other, the development of courses of action based on the Commercial Quality & Sustainability Index obtained by the participants, within the framework of the Continuous Improvement Strategy for Suppliers.

In 2020, 186 new suppliers completed the Program's self-assessment. Since 2017, 1,070 suppliers have been evaluated and managed under this initiative.

Based on the results of the evaluation, progress was made with the implementation of various activities within the framework of the Supplier Continuous Improvement Strategy. Driven since 2019, this Strategy defines work guidelines in line with the improvement opportunities detected in participating suppliers in previous editions of the Program (2017, 2018, 2019).

Within the framework of the "Awareness & Communication" guideline, a communication campaign was carried out to provide participating suppliers of the 2020 Edition with more information about the objectives of the *REconocer* Program, its relevance for Arcor Group and the opportunities it offers to participating suppliers to improve their management.

In the "Training" line, the 1st Arcor Group's Supplier Training Days were implemented. Eight Webinars were coordinated for suppliers that addressed various topics related to commercial quality and sustainability management. The training topics

were defined based on the main improvement opportunities presented by the suppliers that participated in the 2017, 2018 and 2019 editions of the Program.

▪ **Sustainability Management and Corporate Social Responsibility: Differentiation and Competitiveness Factor.**

Taught by IARSE on November 17 and 18 to suppliers from Brazil and Argentina, respectively, and on December 1 to suppliers from Chile, Mexico, Peru and Uruguay. Fifty-two suppliers participated in the event.

▪ **Environmental Management as a Challenge to Contribute to Sustainable Development: Opportunities and Risks.**

Given by IARSE on November 18 for suppliers from Argentina, Mexico and Chile, and on November 19 for suppliers from Brazil. Eighty-one suppliers participated in the event.

▪ **Health, Safety and Quality of Life: Good Sustainability Practices from Human Capital Management.**

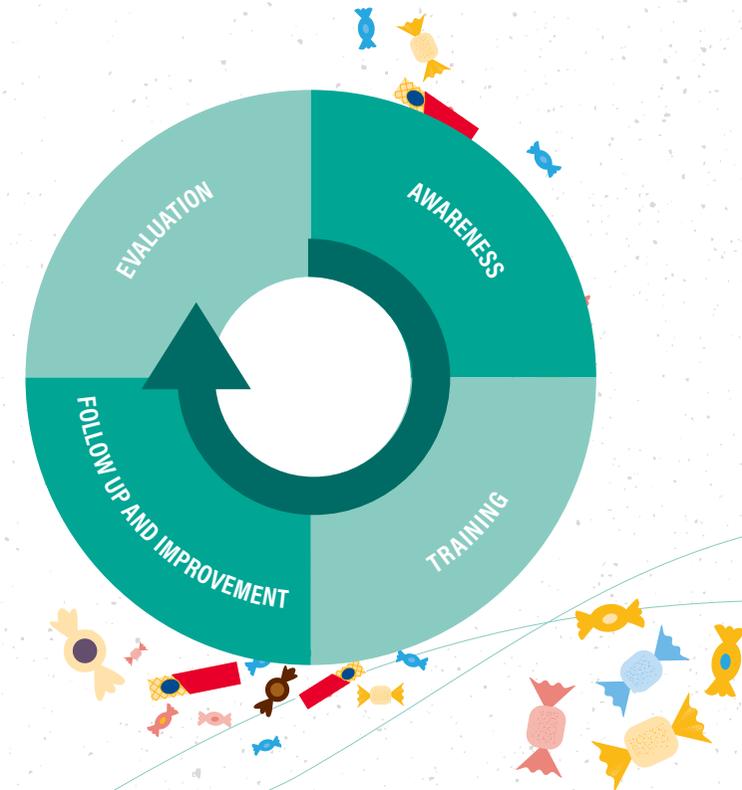
Given by IARSE on December 2 to suppliers from Argentina, Chile, Mexico and Brazil. Seven suppliers participated in the event.

▪ **After-sales service.**

Delivered by Enriqueta & Asociados on November 20 for suppliers from Argentina, Mexico, Chile and Brazil. Thirty suppliers participated in the event.

In addition, within the framework of the "Follow-up and Improvement" guideline, aimed at engaging suppliers in the "Improvement Zone" with the development of specific action plans to address identified improvement opportunities, during 2020, we worked together with 34 suppliers from all areas and countries.

Finally, throughout the year, we continued to make progress in deepening the integration of the program's results into the company's commercial management. During 2020, progress was made in the development of online reports on results, which allow the company's purchasing areas to have updated and detailed information on the sustainable management of suppliers and its evolution over time, and to link it with other variables considered for purchasing decisions.



PARTNERING FOR GROWTH: SPECIFIC INITIATIVES

This line of work includes all those initiatives developed with the objective of promoting the improvement in the management of sustainability aspects and the creation of capacities in specific supplier groups that, given their complexity, require particular approaches.

RESPONSIBLE INCLUSIVE PURCHASING PROGRAM (CIR)

For more than 10 years, the company has been implementing an inclusive sourcing policy that, in essence, aims to diversify its sources of supply by including suppliers who develop their production processes in vulnerable conditions and who, in general, have fewer market opportunities and fewer opportunities to be included in private sector value chains.

During 2020, adding the purchases at corporate level, those made by the industrial plants to local suppliers in Argentina, Chile and Brazil, plus those made by Arcor Foundation, responsible inclusive purchases were made for a total amount of \$45,994,850 to 31 suppliers of the social economy, which generate job opportunities for more than 1,000 people, mainly women and people with disabilities.



INCLUSIVE FACE MASKS IN ALLIANCE WITH ARCA AND LA RAÑATELA

The need for face masks as an essential work material in the context of the current pandemic was an opportunity to sustain the commercial relationship with suppliers of the social economy.

We discovered a new work opportunity for the textile entrepreneurs of the El Arca organization, with whom we have been working for more than 10 years, as well as the opportunity to sustain the link with the La Rañatela organization. In both cases, the organizations were faced with the great challenge of meeting deadlines and the expected quality in times of social distancing.

El Arca is a social organization from Mendoza that seeks to develop job opportunities for people in vulnerable situations. El Arca's Textile Production area is in charge of the production of the masks. This part of the organization is made up of more than 60 women, most of whom are heads of household with sewing experience, from the departments of Godoy Cruz, Guaymallén, Capital and Las Heras.

They are also the producers of overalls, shirts, pants, jackets and other work clothes that are regularly used in our plants.

In order to carry out the project, a structure of 4 producers was made available for the cutting area and 51 producers for the garment-making area. Each one produced approximately 200 face masks per day, with a dedication of six days a week to deliver.

La Rañatela integrates 90 people with disabilities and more than 100 textile producers in vulnerable situations. It has an important human capital for the development of services and a technical team prepared to innovate in new projects. In addition to the textile area, they have a space designed to provide co-packing services and recently incorporated industrial laundry services.

In total, the company, from its different businesses, acquired more than 360,000 goggles, in addition to continuing with the purchase of work clothes from these suppliers.

SUSTAINABLE AGRICULTURE PROGRAM

Our Sustainable Agriculture Program, launched in 2012, seeks to ensure the quantity, quality, safety and environmental and social responsibility of the main raw materials we produce and purchase. The intervention strategy for each of the inputs depends on the traceability of each chain (direct sourcing from producers, sourcing from suppliers, sourcing from traders and brokers) and the risks and opportunities that each presents from a sustainability perspective.

In order to give continuity to the approaches defined for each of the inputs participating in the Program, the following projects were implemented during 2020:



Sustainable Sugar Production

During the month of January 2020, Arcor Group's La Providencia sugar mill achieved the recertification of the BONSUCRO standard, the highest sustainability standard in sugar production at a global level.

In November, we also recertified the Global G.A.P. standard for our own sugarcane fields and the Local G.A.P. standard, which ensures "no burning" of sugarcane.

Organic Sugar

We continued to expand organic sugar production: the USDA-NOP audit was carried out on 1,600 hectares of our own fields and 950 hectares of 8 producers' fields, which allowed us to produce 10,290 tons of organic sugar. In addition, part of the company's own fields were certified under the EU-Arg standard, which allows the commercialization of organic sugar in Europe.

Development of Small Sugarcane Producers

Progress was also made in the implementation of the "Cobra Project", which aims to systematically replace manual harvesting with mechanized harvesting in small producers (less than 20 ha) that supply the sugar mill.

In addition to preventing the burning of sugarcane (as a method used by small producers to clean the harvest stubble) and promoting more environmentally sustainable production, mechanized harvesting generates economic benefits for producers, since it allows them to shorten the harvest from 100 to 3 days, offering them the possibility of diversifying their income by dedicating the time available to other productive activities.

During 2020, the scope was extended to a total of 33 small producers, who supplied 29,743 tons of sugarcane to the sugar mill.

Forestry

We continue with our Forestry Plan, which consists of enriching conservation areas with native species and using areas unsuitable for sugarcane cultivation (riverbanks, sloping lots, etc.) with forest species potentially suitable for timber or energy purposes, for future use.

During 2020, 3,500 specimens were planted. Since the beginning of this initiative, more than 50,000 trees have been planted.

Production of organic compost from production residues

Based on the pilot test carried out in 2019, and with the objective of managing all the organic waste generated at the sugar mill (*cachaza*, bagasse, sludge and ash), during 2020 progress was made in the composting of this waste through an optimized process with biotechnological development, which allowed obtaining an organic biofertilizer with nutrient values suitable for application in soils with organic matter and nutrient deficiencies. From this, 10,000 tons of organic compost were produced and used for the production of organic sugarcane in the company's own fields, in order to improve the soil's physicochemical properties.



Fruits and vegetables

Having met the horizon established for the work strategy defined in 2015 for the Sustainable Agriculture in the Food Business Program (Producer Strategy 2016-2020), during 2020 progress was made in systematizing the achievements in each of the strategic pillars defined for tomato, peach and corn producers.

Based on this review, it was decided to advance during 2020 in the design and planning of a new stage in the Producer Development Strategy (2021-2025), which considers the changes in the strategy of the Business and redefines the scope of the inputs that will be strategic based on the priorities of the Business.

The Strategy designed in 2020 will extend the scope of the initiative to producers of tomatoes, corn, strawberries, peaches, plums, apricots, blueberries, quince, apples, oranges, pears, carrots, potatoes and spices (onions, oregano, paprika and garlic), with whom we will work on initiatives of:



Training in integrated management (management, productive innovation, community impact management, sustainability).



Accompaniment (technical assistance) during the crop cycle.



Management Systems.

Program “Growing up playing, for a childhood without child labor”

As part of our sustainable sourcing strategy, we continue to develop the Program for the Prevention and Eradication of Child Labor with our tomato and peach suppliers, particularly in the provinces of Mendoza and San Juan.

During 2020, we worked directly with 36 producers through 270 farm visits; we supported and strengthened 32 Child Development Centers (CDI) for the care of 280 children. We also continue to work with the municipal governments and participate in joint actions with the COPRETI (Provincial Commission for the Prevention and Eradication of IT) in the context of a pandemic, achieving the opening of the CDIs at the beginning of the 2020-2021 harvest season.



COMMUNITY IMPACT MANAGEMENT TRAINING

During 2020, progress was made on a Community Impact Management training initiative for San Juan tomato growers who are increasingly affected by the advance of urbanization.

During the month of October, the training “Impact Management Perspective - Tomato Growers”, was organized in virtual mode and was attended by 7 tomato growers from the town of Pocito.

Throughout the day, the producers received information on how Arcor Group views community relations, impact management from the producer’s point of view, and on the variables to be considered or tools to be considered or tools to be taken into account in order to successfully manage the economic, environmental and social impacts of their productive activity.



Development of sustainable corn producers

We continue with the “Certified Sustainable Sourcing” initiative, which seeks to promote the incorporation of sustainable practices in corn producers that supply Arcor Group.

SAI-FSA CERTIFICATION

During February 2020, the SAI-FSA standard certification audit was carried out on our corn producers.

As a result of the audit, conducted by Control Union, SAI-FSA certification was achieved at the SILVER level for 100% of the Producer Group that is part of the initiative: Arcor S.A.I.C., Cono S.A., Compañía Anglo, Tecnocampo S.A., El Labracero, Viluco, Cusillos and Garmat.

Together, the Group's growers manage 136,000 ha.

During 2020, 78,653 tons of corn from certified producers were processed. Obtaining certification implies that all products obtained through the processing of certified corn are sustainable.



Cage-free egg supply

Committed to animal welfare, since 2018 we have been promoting the Cage-Free Egg Supply project, which seeks to ensure that the egg products used by Arcor Group come from suppliers that use hen breeding and management systems that allow these animals to develop their natural behaviors.

During 2020, despite the difficulties brought about by the COVID-19 crisis, at Arcor Group we sustained our efforts to move forward with the progressive transformation of our supply, achieving the transformation of the main lines of alfajores. Throughout the year, 21,500 kg of certified cage-free egg derivatives were used to supply these lines and the wafer lines, which as of 2019 use only egg products with this certification.



MINITORTA AND BLANCO & NEGRO ALFAJORES 100% CAGE-FREE

We succeeded in making the Villa Mercedes "Minitorta" and "Blanco & Negro" alfajores production line, which annually uses 16,000 kg of whole egg powder, 100% cage-free.

As of 2020, 100% of the whole egg powder used by these lines is certified "Certified Humane", which guarantees that the egg comes from "cage-free" hens: a husbandry and management system based on the animal welfare

standards of the Certified Humane Raised & Handled Certification Program, including nutritious diets, shelters and resting areas so that the animals have enough space to perform their natural behaviors.

In December 2020, the first purchase of "cage-free whole egg powder" for these lines became effective.



Sustainable palm supply

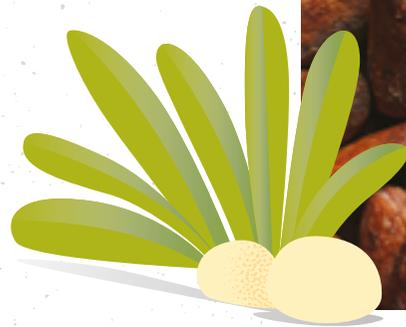
During 2020, the Annual Communication of Progress (ACOP) was presented to RSPO²⁷, in which the volume of palm and derivatives used by Arcor during the year was reported, as well as the certified volume purchased. In addition, the progress of the plan to achieve 100% supply from certified palm oil was reported.

Sustainable cocoa supply

In 2020, the purchase of UTZ-certified cocoa continued and work was carried out with the objective of deepening the analysis and discussion of strategies for sustainable cocoa supply.

For this purpose, an analysis of the initiatives promoted by suppliers of derivatives of the input, which promote sustainable practices in the region, was followed up.

²⁷ Roundtable on Sustainable Palm Oil.



Sustainability in milk production

During 2020, progress was made in the development of a 2021-2023 approach and Work Plan for the sustainability of milk production in Arcor's own dairy farms that allows addressing the main environmental and social aspects of this production.

For this purpose, a working group was created comprising the areas of Agriculture, Human Resources, MAHPI, Community Relations, Agribusiness, R&D and Sustainability, and the pillars of work and key issues to be addressed through this plan were defined:

- People.
- Environment: best practices, greenhouse gas emissions and animal welfare.
- Community.



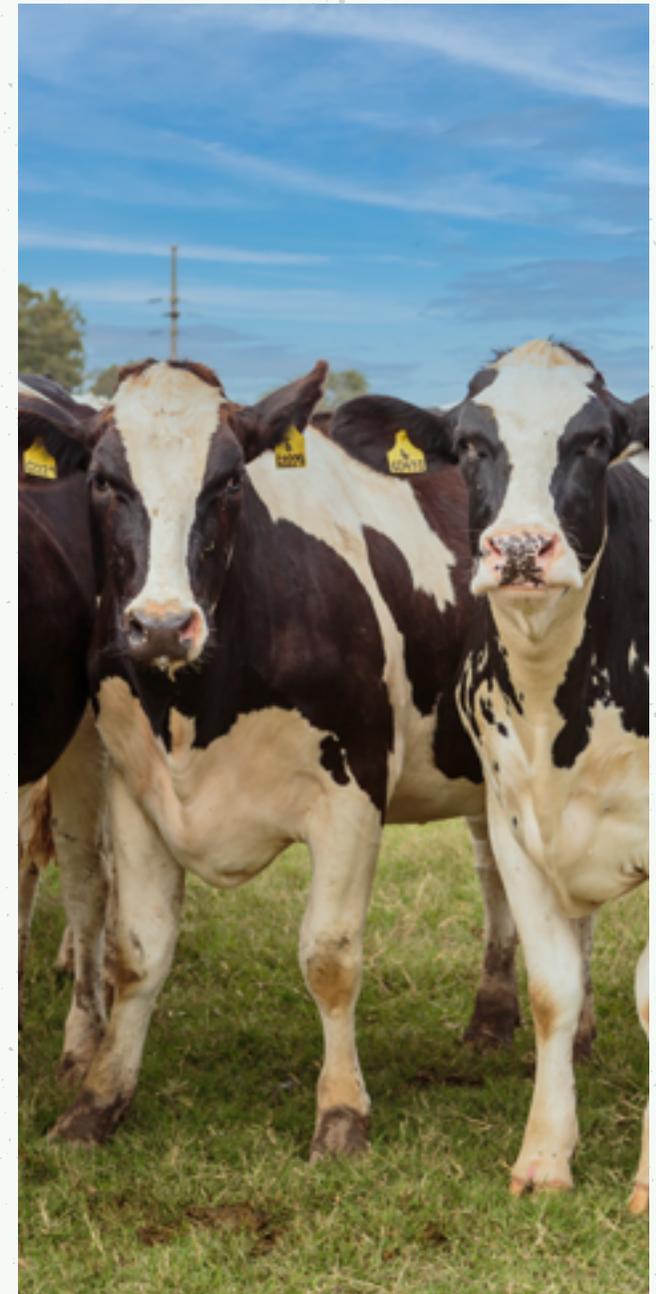
ANIMAL WELFARE IN DAIRY PRODUCTION

Based on the work pillars defined, in 2020 progress was made in the development of a diagnosis of animal welfare practices in the company's own dairy farms.

The diagnosis was carried out considering the conceptual framework of the "5 freedoms", universally known and accepted to define the animal rights that it is the responsibility of man to guarantee:

- **Free from hunger, thirst and malnutrition**
- **Free from fear and anguish**
- **Free of physical and thermal discomfort**
- **Free from pain, injury and illness**
- **Free to manifest natural behavior**

The diagnosis carried out in the dairy farms included a survey of the production practices associated with each of the freedoms, according to the production system in force: food, lodging and facilities, health, among others. The results obtained will be integrated into the 2021-2023 Work Plan to be addressed.



BIODIVERSITY

During 2020, with the support of Vida Silvestre Foundation, progress we made in an initiative to characterize and diagnose the protected natural areas with High Conservation Value (HCV) and cultural diversity that are part of Arcor Group, with the aim of developing a line of work that integrates all the biodiversity preservation and environmental regeneration initiatives that the company promotes in the habitats and spaces near its operations.

Nature reserves allow for the conservation of biodiversity and culture, socio-cultural and environmentally sustainable economic development, and research, monitoring, education and training underpinning that development.

The two areas of High Conservation Value that Arcor Group has are the Papel Misionero Cultural Nature Reserve and a protected area within the productive areas of the La Providencia sugar mill located in Río Seco, Province of Tucumán.



PAPEL MISIONERO CULTURAL NATURAL RESERVE

The Papel Misionero Cultural Natural Reserve (RNCPM) has a total area of 10,397 hectares and it is located in Colonia Aristóbulo del Valle, Province of Misiones.

Argentinean portion), which is one of the most threatened environments on the planet due to its high degree of fragmentation.

The Papel Misionero Cultural Natural Reserve is part of the Alto Paraná Atlantic Forest (known as Selva Misionera in its

This ecoregion contains about half of the country's mammals and birds and 3,000 plant species (30% of the country's total amount).

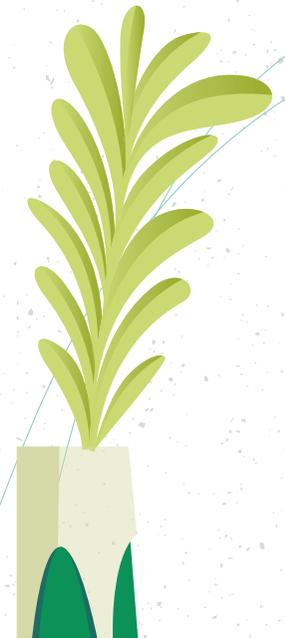


 **LA PROVIDENCIA SUGAR MILL**

La Providencia sugar mill has a total area of 6,347 hectares. It is located in Río Seco, Department of Monteros, Province of Tucumán. Within the productive areas, the sugar mill contains 1,094 hectares of native forest under the declared reserve category. This area is bordered to the north by La Florida Provincial Reserve and to the west by the native forest of Aconquija National Park.

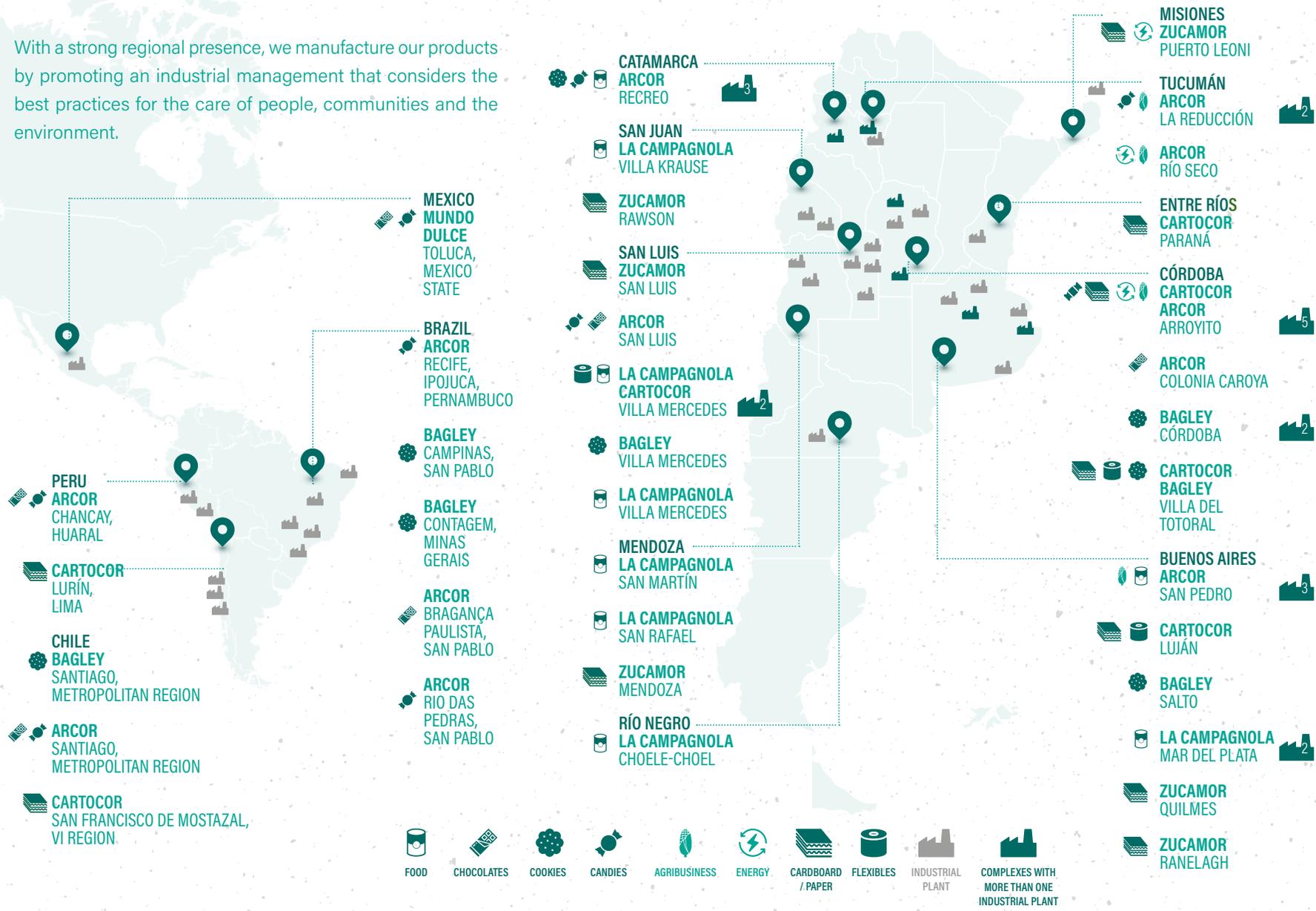
La Providencia sugar mill is part of the Yungas ecoregion, also known as mountain forests. Its area corresponds to the Selva Pedemontana de las Yungas. The Yungas are a critical ecosystem in northwestern Argentina, representing less than 2% of the country's continental area, but containing up to 50% of its biodiversity. La Florida Provincial Reserve is the first reserve created in the country. It is a protected natural area with the category of strict natural reserve.

The characterization made it possible to identify opportunities to deepen and enhance the value of the conservation work that Arcor Group carries out in these areas. Based on the opportunities for improvement and recommendations made, the Arcor Group's Sustainability Committee decided to move forward with the development of a Biodiversity Strategy, which will begin to be implemented in 2021.



2.4 SUSTAINABLE MANAGEMENT OF OPERATIONS

With a strong regional presence, we manufacture our products by promoting an industrial management that considers the best practices for the care of people, communities and the environment.




We invest close to USD 4,000,000 in the sustainable management of our operating bases.

CERTIFIED INDUSTRIAL PROCESS

During 2020 we continued with the implementation of the certification plan of the management systems of the different plants that make up Arcor Group.

The COVID-19 pandemic presented the challenge of maintaining our activities in force, preserving the achievements and standards of quality and safety reached over the years, the level of interaction and communication with internal and external stakeholders, and implementing new activities associated with the defined objectives and goals.

The continuity of the plan was possible thanks to the commitment and predisposition of the collaborators, a fluid interaction with stakeholders and the use of new technologies. The COVID-19 Crisis Committee defined different protocols and preventive measures to minimize the possibility of contagion of our collaborators and ensure the continuity of the operation in a safe manner.

Although the FDA²⁸ had scheduled inspections at several plants in accordance with the requirements of the new FSMA (Food Safety Modernization Act) in the United States, they were not carried out due to COVID-19 restrictions. The plants that export products to this country have developed and implemented the associated food safety plans, in accordance with the requirements of the FSMA.

On the other hand, our U.S. headquarters received a virtual-remote inspection by the FDA to verify compliance with the requirements of the FSVP (Foreign Supplier Verification Program) regulation applicable to food importers, successfully passing this activity.

- 82% sites certified under ISO 9001:2015
- Maintained UTZ and RSPO certifications (sustainable chain of custody-mass balance for cocoa and sustainable supply chain-mass balance for palm oil),
- three new food safety certifications (HACCP in Wet Milling Plant 1 Arroyito and in Dry Milling Plant San Pedro and FSSC 22000 in Cartocor Chile). 98% of the sites have some type of Food Safety certification.
- The BRC, HACCP, GMP, Global GAP, IFS and FSSC 22000 certifications obtained at the different sites in previous years were maintained.

We continue working for the integration of the Mastellone Hnos and Zucamor plants to the Company's Integrated Management System (SGI), standardizing indicators, certifications, criteria, policies and Quality Management and Control systems in the processes.

During 2020, 5 notifications were received from the different control agencies regarding deviations, referring to effluent discharge, sugarcane burning situations, and administrative issues related to documentation. All deviations were managed and none of them resulted in a fine for Arcor Group.

²⁸ United States Health Authority.



QUALITY, VALUE AT EVERY STEP

During 2020, we worked on the implementation of quality processes along the entire value chain through different initiatives.

In October, in order to establish the theme and achieve a commitment to quality on the part of all the organization's collaborators, different activities were carried out in the Group's plants (games, trivia, training) and an internal communication campaign was launched, which included the dissemination of graphic materials, podcasts and videos on the theme.

We also developed materials for consumer education, associated with good purchasing, handling and conservation practices for our products, in order to avoid spoilage or contamination.

For the future, we will continue working on the establishment of a Quality Culture throughout Arcor Group and its value chain.

COMMUNITY DEVELOPMENT

At Arcor, we promote the integral development of the communities in which we operate. We work in three dimensions of development, in order to contribute to the expansion of the productive, environmental, human and social capital of the communities of which we are a part:

Recognize the impacts of the business-community relationship based on diagnostics.

Strategically manage risks and opportunities.

Promote and manage actions for integral community development.

For the implementation of the community relations strategy at the local level, Local Community Relations Committees are formed, led by Plant Management and made up of the heads of the main areas related to the industrial operation. The functions of these Committees are: to prepare and update a diagnosis on the impacts of the Company-Community relationship, prepare and implement the Local Operating Plan, disseminate the projects and actions being implemented, and represent the company at the local level in activities related to the projects being implemented.

During 2020, committees were formed at the San Juan and San Luis bases of the Packaging Business in Argentina, and committees in the communities of Rio Das Pedras and Campinas in Brazil, for a total of 28 committees in Argentina, Chile, Mexico and Brazil.



ALLIANCES AND WORKSPACES

Participation in various local management forums and in issues related to community impacts are key to the company's role as a social and economic actor in the communities and regions of which it is a part.

During 2020, participation and joint work was sustained in more than 22 work articulation spaces with different local and/or provincial institutions, favoring the continuity of programs and projects that were adapted to the context.

Likewise, in the face of the pandemic and the health emergency, the company was a relevant actor through its active participation in the local Emergency Committees of those territories with high economic and social incidence, particularly in the communities of Recreo and Arroyito in Argentina.

In the case of Recreo, the Recreo Emergency Operations Committee for COVID-19 and Dengue Prevention is made up of the local Municipality (Mayor and City Council), Hospital, Police, businesses and companies of the territory. As Arcor was the main employer in the private sector, it played a fundamental role in this institutional political space of great relevance for the decision making on action measures to face the different situations presented by the pandemic in all its dimensions: economic, social and sanitary. In this case, we also support the



Hospital, Municipality and Police with the donation of health care equipment and supplies.

In the city of Arroyito, the company was also an integral part of the Arroyito Emergency Committee, as part of the Development Agency, together with other institutions, to define and produce guidelines, procedures, communications and manage the health emergency jointly.



CORPORATE DONATION PROGRAM

As a leading company in the region, during the crisis generated by the COVID-19 pandemic, we sustained our commitment to the most economically and socially vulnerable sectors by channeling various contributions at the corporate and local levels, for the implementation of different initiatives promoted by public agencies and civil society organizations.

During 2020, we supported the work of more than 380 local organizations in countries with industrial and commercial presence, in addition to continuing to work at the corporate level with the Food Bank Network and Cáritas.

In addition, the Local Community Relations Committees remained attentive to the requirements and needs of each territory and strengthened their ties by providing health protection materials and clothing, supplies and equipment.



MAIN ACTIONS CARRIED OUT:



Donation of Food Products: since the beginning of the emergency, adding the contributions made in all countries, Arcor Group donated 1,337,021 kg of products.



Donation of Alcohol: 16,000 liters of alcohol, produced by the Agribusiness, were donated to the National Ministry of Defense in Argentina, municipalities and local hospitals, which were used for the prevention of Coronavirus, as well as for the campaign against Dengue, Zika and Chikungunya.



Donation of boxes: through the Let's Be One Initiative, promoted by a group of different social organizations, and initiatives coordinated with other companies, 609,280 boxes produced by the Packaging Business in Argentina were delivered.



Donations were made during Easter, Sweetness Week (first week of July) and, in addition, the donations we made during the month of August for the **Month of the Child in Argentina** were sustained, reaching 121,000 children.



FOOD EMERGENCY ASSISTANCE PROGRAM

The context of the pandemic and the quarantine measures had an impact on the work of entities dedicated to the distribution of food to families in the poorest sectors, as well as on the increased demand for food from the most disadvantaged sectors due to the health and social emergency.

In this context, from Arcor Group and Arcor Argentina Foundation we decided to support organizations that provide direct food assistance to the most vulnerable sectors, through the donation of non-perishable products to cover main course and snacks.

In total, 200,000 plates of food and more than 65,000 snacks were donated in the city of Córdoba and the Metropolitan Area of Buenos Aires.



BE A PART PROGRAM

For yet another year, we implemented the Be a Part Environmental Training Program, with the objective of disseminating the company's environmental policy and management, highlighting good practices in water care, energy use and waste management, and to extend our commitment to promote environmental care and involve the communities near our plants.

During 2019, an evaluation of the Program's methodology had been carried out and the implementation of the new methodological version for 2020 had been defined. Due to the Mandatory Preventive Social Isolation established within the framework of the COVID-19 pandemic, this plan had to be postponed, since the focus of actions was centered on adapting the Program's own initiatives to the context and sustaining its continuity.

Within this framework, 4 videos were made and disseminated directly related to the contents addressed by the program: environmental footprint, energy, water and waste, accompanied by flyers with proposals for children to play with their families. The materials elaborated develop fundamental concepts of environmental care, as well as good practices carried out at the Group's different bases. From June to November 2020, 38 schools from 13 communities in Argentina joined the Program.

Progress was also made with the design of the virtual course for teachers of the schools participating in the Program, which is expected to be implemented in 2021.

2.5 SOCIAL INVESTMENT IN CHILDHOOD



Arcor Foundation Argentina (1991), Instituto Arcor Brazil (2004) and Arcor Foundation Chile (2015) carry out the company's Social Investment strategy. It is aligned with Arcor's Sustainability Policy and promotes the investment of resources in social projects of public interest, in order to contribute to the respect and promotion of children's rights.

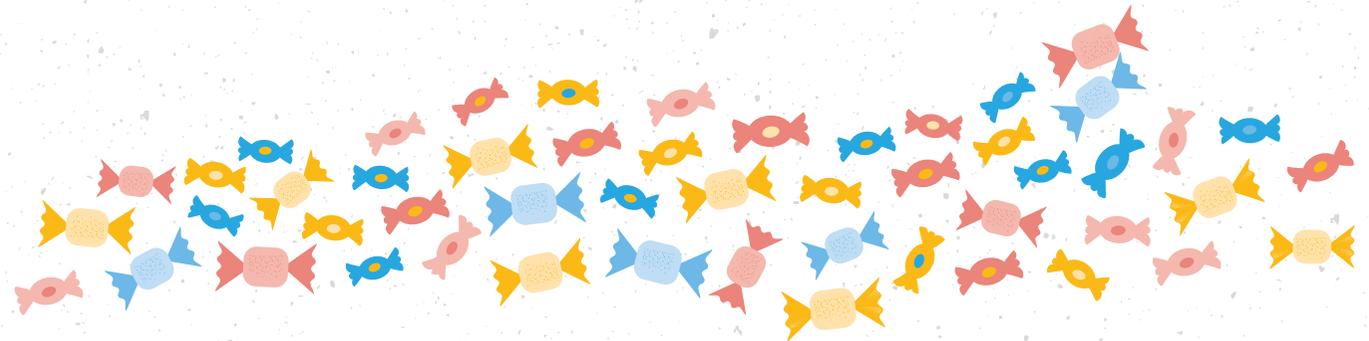
From the Social Investment area, we contribute to the generation of equal educational opportunities for children in Latin America by mobilizing social actors, developing the capacities of educators, caregivers and those responsible for children, and supporting projects of territorial scope related to the subject.

During 2020, initiatives were supported and carried out in Argentina, Brazil, Chile and regional actions, in which 4,873,940 adults participated (315,081 adults trained; 635,862 digital participants; 3,922,997 people from the mass public), 299,245 children were reached, and a total of \$57,702,702 was mobilized (between own and third-party funds).

The actions are structured in three axes:

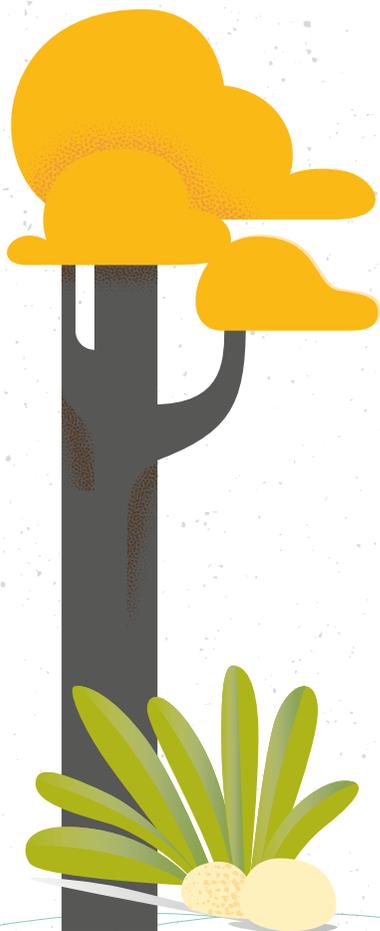
- Childhood and Integral Development in the Early Years.
- Childhood and Healthy Living (see Chapter 7).
- Childhood on the public agenda.

Given the context generated by the COVID-19 pandemic, all actions were adapted, prioritizing links with organizations, schools and kindergartens; strengthening the exchange between the actors involved; optimizing and expanding the use of digital media and carrying out concrete actions in response to the health and social crisis.



CHILDHOOD AND INTEGRAL DEVELOPMENT IN THE EARLY YEARS

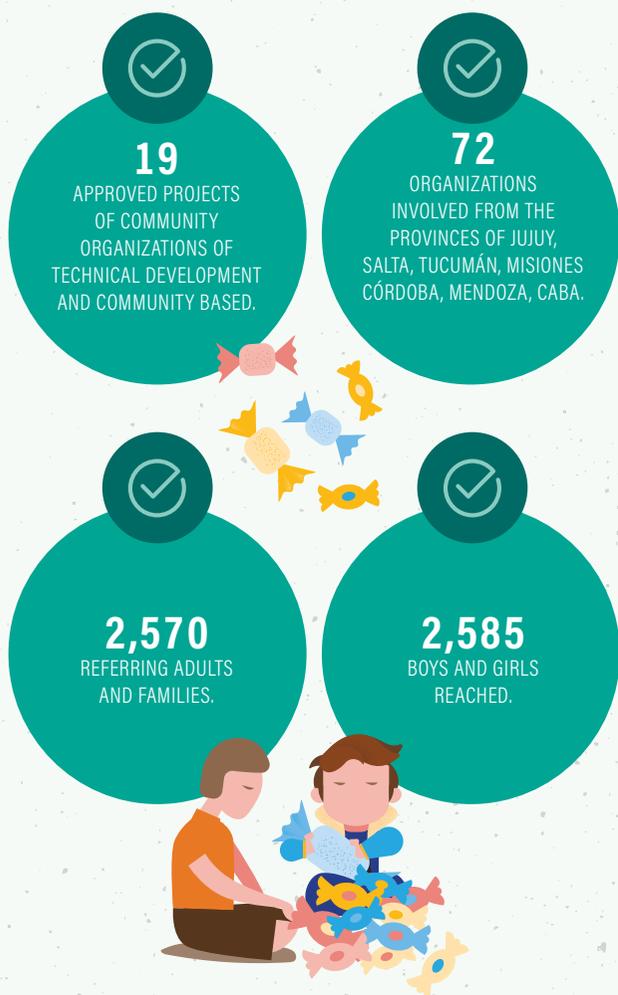
We collaborated with the strengthening of early childhood care and education services and environments through the education and training of referring adults and support for the material conditions of the institutions that work with children.



INITIATIVE	DESCRIPTION	RESULTS
"My Backyard is the World" Award	It is an initiative promoted by OMEP (World Organization for Early Childhood Education), Arcor Group in Uruguay and Paraguay, Arcor Foundation Argentina, Arcor Institute Brazil and Arcor Foundation Chile, which aims to recognize innovative projects for Education for Sustainable Development designed in institutions dedicated to early childhood care and education.	In the 2020 edition of the award, 11 projects were selected, including winners and special mentions. The projects were presented through original articles describing successful practices with children as protagonists in educational processes for sustainable development.
<i>Niñez Cercana</i> (Close Childhood) Program (Argentina)	The program, through content organized in training modules, provides training on different topics related to early childhood work.	During 2020, given the context of COVID-19, we worked in virtual mode, focusing on sustaining the links between the Foundation, municipal teams and local representatives, situational dialogues and training spaces.
Training course on children's participation in early childhood (Chile)	Aimed at educators of kindergartens that have been supported by Chile's <i>La Infancia Primero</i> (Childhood First) Program.	Thirty-three educators and preschool education technicians from different kindergartens in the city of Santiago participated.
Training courses for early childhood active life promoters (Chile)	Aimed at kindergartens.	134 educators trained in the Santiago Metropolitan Region. Nine projects from different gardens were awarded.
<i>Nueva Mirada</i> (New Perspective) Program for Child Development (Brazil)	The Program was carried out in Brazil, in partnership with the FEAC Foundation, with the objective of ensuring the adequate development of children from 0 to 5 years old, respecting their ages and particularities, through the accompaniment of child development.	During 2020, we reached 5 organizations in highly vulnerable areas and 1,623 children in the city of Campinas, São Paulo.
Partnership with OMEP Argentina Transforming cultural	Arcor Foundation participated in the 13th International Early Childhood Education Meeting: "Playing, singing, dancing, painting, reading, watching experiences" organized by OMEP Argentina in September 2020.	More than 2,000 live participants from 14 different countries. We participated in 2 conferences and 8 laboratories, where more than 40 early childhood education experiences were presented.

PROGRAM SINCE THE BEGINNING

We support projects of community organizations in Argentina for the continuity of interventions with children in times of pandemic and social isolation, promoting play, access to diverse cultural practices and the accompaniment of educational trajectories.



CHILDHOOD IN THE PUBLIC AGENDA

We seek to promote reflection, visibility and improvement of the situation of children in Latin America through different initiatives:

- Webinars and virtual conferences, which were attended by more than 4,500 people from the Americas and Europe.
- Educational Portal of Arcor Foundation Argentina, Arcor Institute Brazil and Arcor Foundation Chile where you can find different training proposals about childhood, active life and educational opportunities, approached from the perspective of children's rights. In 2020 we have 23 courses, 10,499 students from different countries and 101,485 hours of study.
- Mobilization and dissemination through the regional website and the social networks of the Foundations and Arcor Institute, especially the YouTube channel.

SPACES FOR ARTICULATION AND PARTICIPATION

Arcor Foundation Argentina and Chile and Arcor Institute Brazil continue working in alliance with institutions that promote social investment, with the objective of promoting a greater impact throughout the region:



RedEAmérica (Regional): The space was created in 2002 and is supported by the Inter-American Foundation (IAF). It currently brings together more than 70 organizations and promotes private social investment actions in 11 Latin American countries to articulate practices aimed at making communities sustainable. Within this network, Arcor Foundation Argentina and Arcor Institute Brazil participate in the Early Childhood Affinity Group, the Education Affinity Group and the Brazil Node, respectively.



Red Nuestra Córdoba (Argentina): since its creation, Arcor Foundation participates in this space together with more than 200 members of 60 social organizations, universities, companies, research centers, professional associations and citizens of Córdoba that adhere to the Charter of Principles and Purposes. The network monitors the city's situation and follows up on the municipal government's Goal Plan.



GDFE, Group of Foundations and Companies (Argentina): is a non-profit civil association formed by donor foundations and companies to promote the implementation of Private Social Investment initiatives aimed at public good purposes, and to encourage the exercise of Social Responsibility in the communities.



UPPI, United Business for Children Network (Chile): was created in 2012 with the mission of establishing in the business sector, with the support of different social actors, the importance of children. To this end, it generates opportunities for dialogue, knowledge sharing, dissemination and impact on public policies in that country. UPPI is led by companies, whose focus of action is linked to the respect, protection and promotion of the rights of children and adolescents. During 2020, 8 webinars were held, two of which were sponsored by Arcor Foundation Chile.



GIFE, Group of Institutes, Foundations and Companies (Brazil): is a network created in 1995 in Brazil with the objective of building knowledge on social investment. It has 157 members.



National Early Childhood Network (Brazil): is made up of Brazilian civil society organizations, representatives of the government, the private sector and multilateral entities that work to promote children's rights, specifically to foster the integration of policies aimed at children between 0 to 6 years old. It promotes validation, monitoring and evaluation actions, as well as the dissemination of information on early childhood. Currently, it involves more than 200 organizations from different regions of the country.



2.6 DISTRIBUTION AND MARKETING



SUSTAINABLE LOGISTICS

Logistics practices are fundamental within the value chain, since they ensure that our products reach their destination on time and in the right way, meeting our customers' expectations.

Every year we strive to optimize the productivity levels of our operations and the quality of our service, from a sustainable approach.

This is why we have defined a Sustainable Logistics Plan that contemplates all the processes involved in this link of the value chain.

This year, the pandemic context put our management system, adaptability and logistical flexibility to the test, so we had to increase our efforts to adapt to the changes in sanitary requirements and to be able to continue our work as an essential company.

The particular situation caused a wide range of sanitary restrictions in the different regions, which prevented the normal circulation of trucks, drivers' breaks, plant supplies and deliveries of products to customers.

At the international level, the pandemic affected both the countries where we export and the countries from which some of our imported raw materials arrive, so we had to review and adapt our processes and times to the context of each country, also considering the movement of goods at a global level due to the closing of borders.

The actions taken allowed us to ensure the normal supply of all inputs to our plants, without affecting production, as well as to ensure that all our exports reach their destination in due time and form.

Among them we can highlight:

- Reorganization of tasks based on excepted personnel, both operational and managerial.
- Building improvements at distribution centers to preserve the health of collaborators and comply with health requirements.
- Implementation of protocols and drills for action in the event of suspected or positive COVID-19 cases.
- Permanent coordination with transportation companies to comply with deliveries.

The Sustainability Plan for 2020 includes 110 initiatives developed in the 4 logistics pillars: Transportation, Logistics Operations, Customer Relations and Logistics Planning, which, in turn, are supported by processes from Human Resources, MAHPI, SGI and Management Control. The actions planned for 2020 led to the following achievements:

- Optimization of the occupancy of the transport units' warehouses: The target of 61.45% was achieved, ending the year with an average of 61.61%.
- Container synergy between the different businesses and operating bases of Arcor Group, with our customers or with other companies. This action is associated, on the one hand, with savings in foreign trade transportation and, on the other hand, with the reduction of GHG emissions.

- Scalability: during 2020, work continued on this issue, with emphasis on foodstuffs such as mass consumption, tanks and sugar. Work will continue in 2021.
- Direct product deliveries (base-point of sale). A 25% improvement over the previous year was achieved, reaching 39.6% in 2020. The improvement was leveraged by cluster changes and delivery commitments made at the end of 2019, combined inter-plant load assembly work, consolidation of exports into primaries and delivery coordination with customers. In this way, with direct delivery, the transfer movement from the plant to the Distribution Center and then from there to the customer is avoided; instead, in a single movement and using the same transport, it is delivered directly from the primary warehouse to the customer.
- Gap reduction. This guideline ceased to be the focus because of the context. Due to the pandemic-related traffic restrictions, there was a need for empty units to return to the loading points. Some regional economies also declined, which prevented synergies in some regions and the use of empty units.
- Use of units that run on alternative fuels in strategic corridors. In 2020, 100% CNG units began to be offered in the market, which allowed testing in specific corridors (Arroyito - Salto - Panamericana).
- Integration of emissions generated from logistics activities into the company's GHG inventory (see Chapter 4).

- Development and implementation of a transportation claims indicator (see Chapter 6).
- Training to promote good safety practices and safe handling (see Chapter 6).



EVALUATION MATRIX FOR TRANSPORTATION PROVIDERS

This tool measures the level of service provided by our transportation providers in the mass consumer business.

During 2020 this evaluation was consolidated as a systematic process in the transportation area, adding value to the development of suppliers in key aspects that impact logistics, such as: invoicing, subcontracting, financial situation, dependence on Arcor, compliance in the presentation of legally required documentation (GCG index), punctuality, sustainability, number of units, age of units, safety and hygiene, claims, and product shortages.



MUCH MORE THAN JUST CUSTOMERS: OUR STRATEGIC PARTNERS

ARCOR GROUP'S CLIENTS (2020 VS. 2019)²⁹

YEAR	DISTRIBUTORS	WHOLESALERS	SUPERMARKETS	SELLERS	NEW BUSINESSES	VISITED POINTS OF SALE
2020	322	952	58	8,519	39 ³⁰	875,979
2019	337	1,017	54	8,108	32	920,142

ARCOR GROUP'S CUSTOMERS (CHANNEL BY COUNTRY)

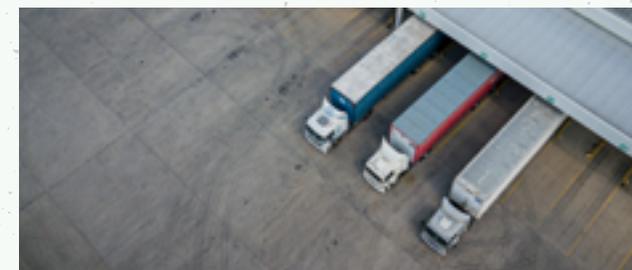
COUNTRY	DISTRIBUTORS	WHOLESALERS	SUPERMARKETS	SELLERS	NEW BUSINESSES	VISITED POINTS OF SALE
Argentina	162	312	27	2,881	39	255,957
Brazil	106	350	5 ³¹	2,593	-	234,162
Chile	29 ³²	156	6	327	-	53,230
Mexico	3	92	17	2,588	-	250,000
Peru	22	42	3	130	-	82,630
TOTAL	322	952	58	8,519	39	875,979

²⁹ The data correspond only to the distribution network in the countries where we have an industrial presence.

³⁰ Included in Wholesalers.

³¹ National chains (does not include smaller supermarkets).

³² Official Distributors.



RED ACTIVA PROGRAM

Since 2014, we have been promoting *Red Activa*, a program that seeks to comprehensively strengthen the competitive advantage of our Distributors Network, promoting good logistics practices through three stages:

1. Survey and diagnosis.
2. Training.
3. Communication and dissemination of best practices.

As 2020 results:

- A total of 177 surveys were carried out in Argentina, 18 in Bolivia and 15 in Paraguay, reaching 76% of Assets/ Pro Assets in Argentina and 62% in total (Argentina + Subsidiaries).
- Twenty-three training sessions were held, with 94% attendance.
- 53 Distributors were included in the Management System.
- Information was collected from 64% of the distributor network in order to measure the GHG inventory and add it to the company's inventory.

SUSTAINABILITY STRATEGY FOR DISTRIBUTORS

In 2019 we launched our Sustainability Strategy in Distributors, with the aim of driving continuous improvement in their performance and the level of integration of sustainability in the management of their businesses.

During 2020, based on the self-assessments of the Sustainability Best Practices Guide carried out by our distributors in 2018 and 2019, we achieved that 95% of them have an updated Sustainability Performance Index. This means that it is possible to analyze their contributions to sustainable development commitments in greater depth.

On the other hand, we worked on the development of e-learning training material for the topics of Corporate & Human Rights, Community Relations and Waste Management, which will be available to our network in 2021.

In addition, in order to continue integrating sustainability in the daily management of distributors, for the first time in Arcor Group, outstanding distributors were awarded in the "Sustainability" category during Arcor Tour 2020 event.



SUPPORT FOR SALES OUTLETS THROUGH TOKIN

The TOKIN mobile application was launched in 2019 with the essential objective of generating a digital commercial communication between Arcor, the Distributor and the retail point of sale.

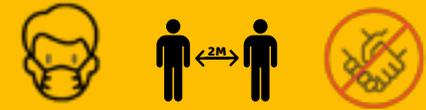
Due to the pandemic, the application to which users were already accustomed, became a tool to support points of sale in adapting to the situations and demands of the context.

Through publications in the APP, since July, didactic communications were generated and useful poster material was disseminated so that the 50,000 points of sale that use TOKIN could go through the context generated by the COVID-19 health emergency, rebuild their business model and generate a competitive differential in the face of the new scenario.

Among the contents that were developed were: tools for the use of social networks; recommendations for good sanitary practices; business strategies; administrative and financial concepts for management; customer service protocols, needs assessment and preparation of promotions; tools for leadership and networking; and marketing and NLP contents to achieve an optimal shopping experience.

COMERCIO RESPONSABLE

Desde Arcor te contamos sobre como ser atractivo en la emergencia sanitaria.



#SeamosResponsables,
La salud de todos está en nuestras manos.

LIDERAZGO EN MI NEGOCIO

Te dejamos algunos tips de cómo liderar en tu negocio para obtener mejores resultados

Accedé haciendo clic en el link de la publicación



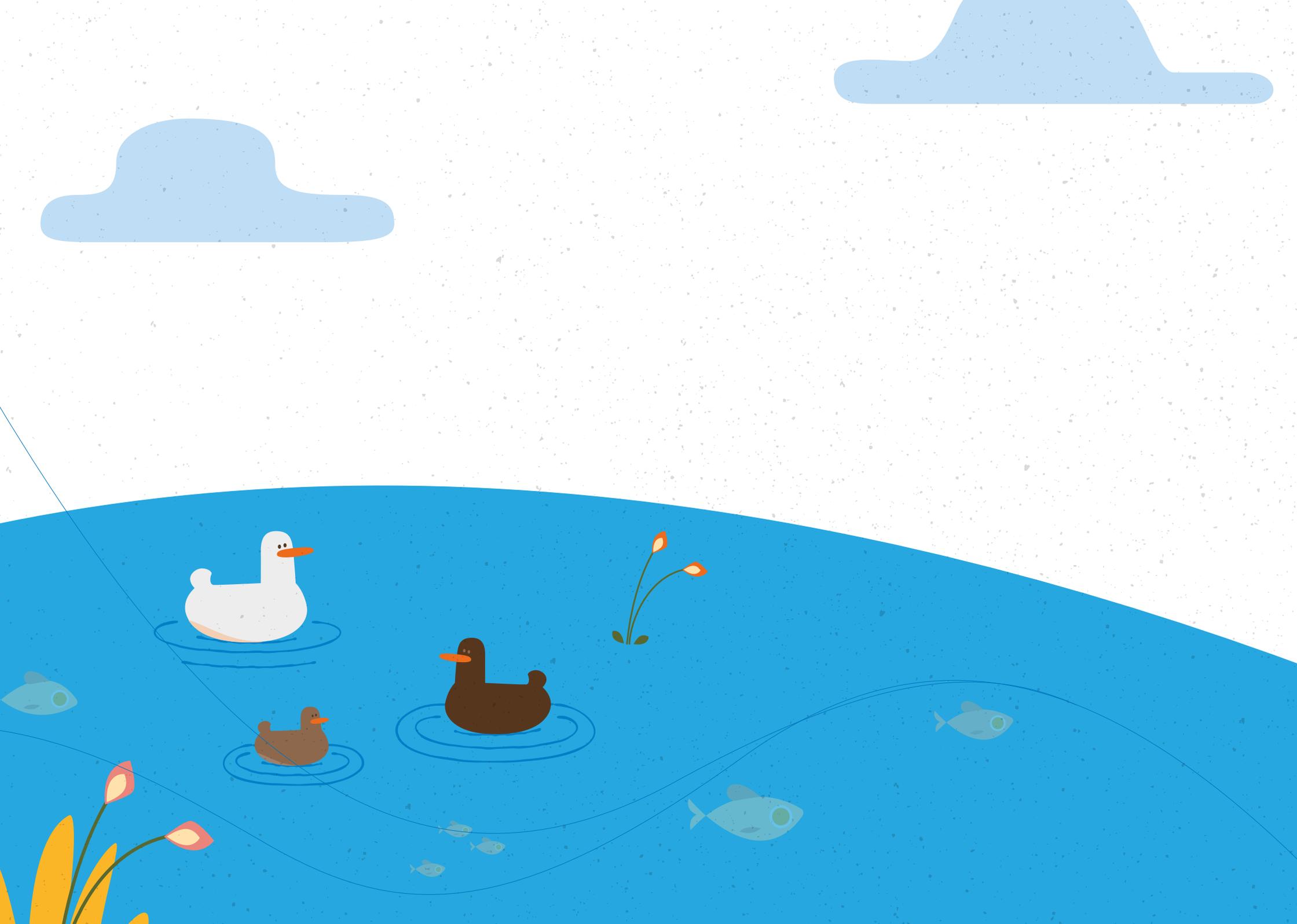
Negocio



Proceso



Meta



CHAPTER 3

Water



⋮ **3.1**
RATIONAL USE
OF WATER

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⋮ **3.2**
HOW WE USE WATER
AT ARCOR GROUP

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⋮ **3.3**
CONSUMPTION
REDUCTION

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⋮ **3.4**
POLLUTION CONTROL
AT SOURCE

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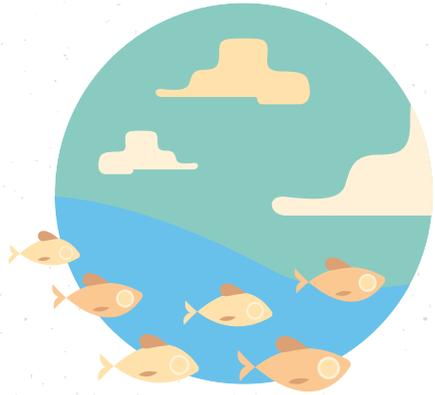
⋮ **3.5**
EFFLUENT
CONTROL

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⋮ **THE INITIATIVES IN THIS CHAPTER CONTRIBUTE TO**
⋮ **THE FOLLOWING SUSTAINABLE DEVELOPMENT OBJECTIVES:**



3.1 RATIONAL USE OF WATER



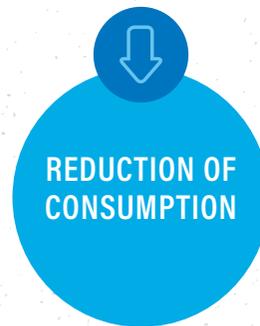
Water is an essential natural resource for life on the planet, for human survival and for food production. For this reason, we believe that responsible water resource management and conservation efforts are absolutely necessary.

THROUGH OUR SUSTAINABILITY POLICY WE ARE COMMITTED TO:

Promote efficient water management, reducing consumption, recycling and replenishment in accordance with existing technical conditions.

Involve the value chain in the implementation of good water use practices, promoting the reduction, reuse and recycling of water consumption.

DAILY, AT THE OPERATIONAL BASES, WORK IS CARRIED OUT CONSIDERING 4 PRIORITY LINES OF ACTION:



3.2 HOW WE USE WATER AT ARCOR GROUP



Understanding the importance of water in our operations, mainly in the production of products derived from agricultural raw materials and in the processing of recycled paper, we have made progress in broadening our view of water to a broader risk approach.

For this purpose, we use some tools to clarify this analysis, such as Aqeduct or WRF (Water Risk Management), classifying the global water risk into three types of risk: Physical Risk, Regulatory Risk and Reputational Risk. This allowed us to better understand the priorities regarding water management in Arcor Group's plants.

Based on this analysis, three lines of work were established for the next 10 years:

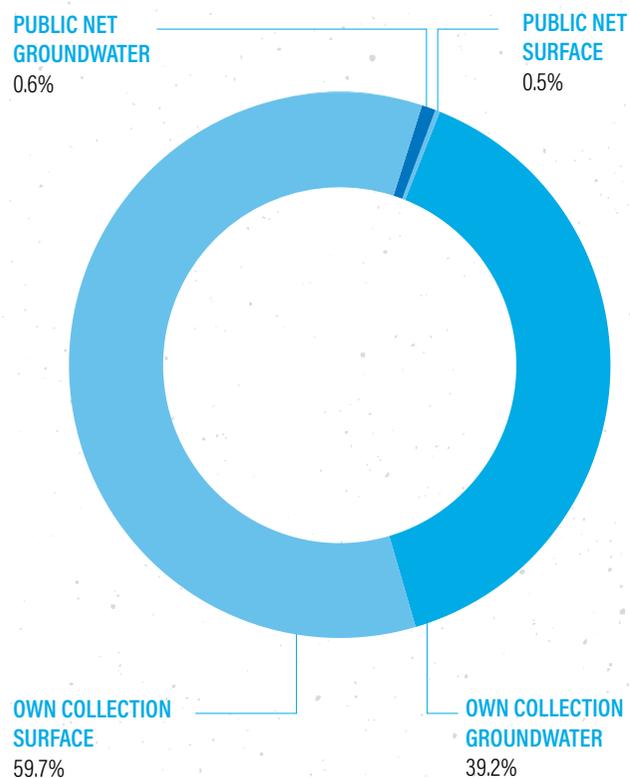
- **Reduction of consumption through rational and adequate use.** Continue to promote increasingly efficient use, focusing on plants with higher availability risk and higher consumption, helping to preserve these sources and minimizing impacts due to competition for the resource with other stakeholders.
- **Ensure availability.** Explore new sustainable and lasting sources that contribute to self-sufficiency with a focus on sites where the source is most at risk, promote the reuse of effluent water through technological modernization of treatment, and evaluate, where possible, the potential replenishment of the resource.
- **Minimize or neutralize the impact produced by effluent discharges.** Work on the reduction at source of both flow rates and pollutant load, and optimize treatment technologies to ensure legal compliance, focusing on the sites with the highest reputational risk.

99% of the water used by Arcor Group comes from its own water collection mechanisms, both from surface water courses (61%) and groundwater sources (38%). This allows greater control of the sources, but at the same time generates a great responsibility for the care and preservation of their sustainability, especially in high-risk areas. The sources in areas of high physical risk (water stress areas) provide 8.6% of the water used by Arcor Group.



ORIGIN/SOURCE AND CONSUMPTION OF WATER IN ARCOR GROUP

ORIGIN OF WATER CONSUMED ARCOR GROUP 2020



WATER CONSUMPTION BY COUNTRY AND COMPANY (M³)³³

COUNTRY	COMPANY	2016	2017	2018	2019	2020
Argentina		23,918,057	22,540,235	22,665,876	32,942,054	31,904,285
	ARCOR S.A.I.C.	18,589,586	17,574,595	17,303,979	17,545,488	19,407,552
	CARTOCOR S.A.	649,336	633,207	692,717	711,540	1,537,141
	BAGLEY ARGENTINA S.A.	274,153	294,108	300,563	277,648	281,413
	LA CAMPAGNOLA S.A.C.I.	4,404,982	4,024,805	4,356,788	3,145,838	0
	ZUCAMOR S.A.		0	0	472,685	253,744
	ZUCAMOR CUYO S.A.		13,521	11,829	586,852	0
	PAPEL MISIONES S.A.I.F.C.		0	0	10,202,004	10,424,435
Brazil		307,511	280,418	260,813	253,785	224,241
	ARCOR DO BRASIL LTDA	226,699	200,801	177,521	173,098	148,950
	BAGLEY DO BRASIL ALIMENTOS LTD	80,812	79,617	83,293	80,687	75,291
Chile		72,783	90,588	61,257	100,882	93,003
	I.A.D.E.U. S.A.	57,114	80,432	53,249	68,827	76,163
	GALLETITAS JV S.A.-CHILE PROV.	11,097	10,156	8,008	15,806	15,007
	CARTOCOR CHILE S.A.	4,572	0	0	16,249	1,833
Mexico		87,432	96,017	82,015	68,366	73,439
	MUNDO DULCE S.A. DE C.V.	87,432	96,017	82,015	68,366	73,439
Peru			0	28,444	24,026	16,106
	ARCOR DE PERÚ S.A.		0	28,444	24,026	16,106
TOTAL		24,385,782	23,007,258	23,098,406	33,389,113	32,311,074

³³ Includes Zucamor plant data for 2019 and 2020.
The Zucamor plants and related companies were incorporated into Cartocor SA in 2020.
La Campagnola SACI was incorporated to Arcor SAIC in 2020.

3.3 REDUCTION IN CONSUMPTION



In recent years, we have managed to reduce the water consumption required to manufacture one ton of product in all our global operations.

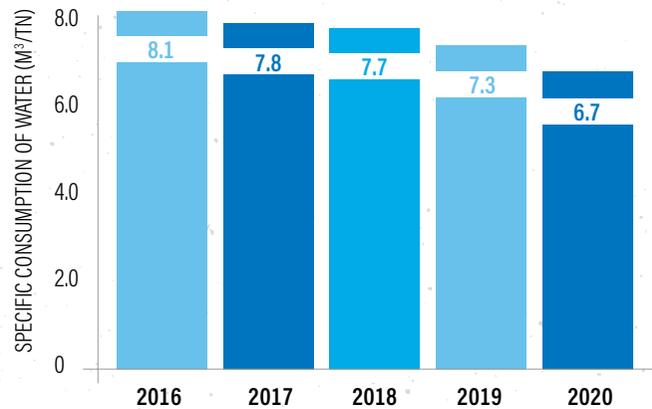
These results correspond to a focused management since the goals were defined. The reorganization of the Food Business during 2019 and 2020 has allowed us to be very efficient in the use of this resource, to produce more with less water consumption.

TOTAL WATER CONSUMPTION (M³)³⁴

ARCOR GROUP TOTAL	2016	2017	2018	2019	2020
Total water consumption (m ³)	23,959,324	22,280,774	22,379,104	21,516,132	20,185,011

WATER CONSUMPTION PER TON PRODUCED (M³/TN)³⁵

WATER CONSUMPTION (M³/TN) - MASS CONSUMPTION AND PRIMARY PROCESSING



Beyond this approach, and even in a challenging context caused by the COVID-19 pandemic, which hindered the execution of many planned works, Arcor Group was able to advance in the sustained reduction of water consumption in our operations, surpassing the goal we had set in 2016, to be met in 2020.

Although the Zucamor plants had not been incorporated when this goal was defined, these plants will be included in the definition of the next goals.

TOTAL WATER CONSUMPTION (M³)³⁶

ARCOR GROUP ARCOR (WITH ZUCAMOR)	2019	2020
Water consumption (m ³)	33,389,113	32,311,074

WATER CONSUMPTION PER TON PRODUCED (M³/TN)³⁷

ARCOR GROUP ARCOR (WITH ZUCAMOR)	2019	2020
Water consumption (m ³ /tn)	10.1	9.5

The focus of the reduction in consumption is centered on those plants with the highest water demand and those where there is a greater risk in terms of water availability.

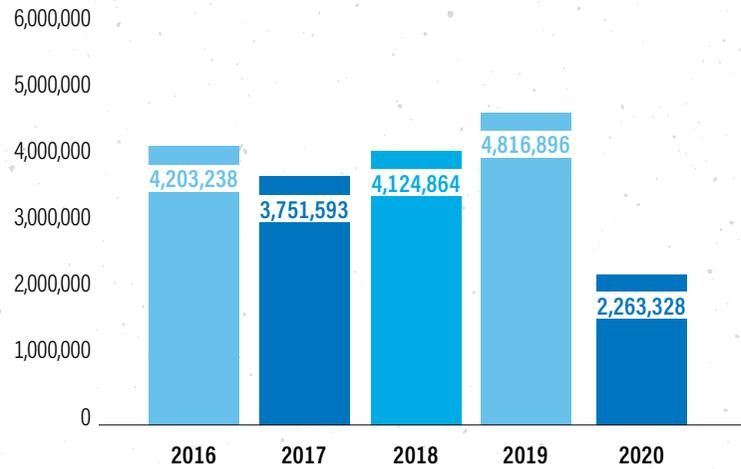
³⁴ and ³⁵ Data for agricultural activities are not included.

³⁶ and ³⁷ We incorporate the data of the Zucamor Plants.

Data on agricultural activities are not included because they are incomplete.

We drastically reduced water extraction at the sites with the highest water risk. Thus the proportion of the water we consume that comes from high water risk sites was reduced from 14% in 2019 to 8.6% in 2020.

WATER CONSUMED IN HIGH WATER RISK SITES (M³)



**WATER REUSE
IN VILLA MERCEDES PLANT**

The installation of the new grain line at Villa Mercedes plant in 2020 created the challenge of having to optimize the reuse of process water so as not to significantly increase the plant's consumption with the new production.

For this reason, water from cooling tunnels and hydraulic conveyors was reused, which, together with the reduction of losses, contributed to lowering the plant's water consumption per ton by 20 m³/hour.



 **MORE TOMATO WITH LESS WATER**

The plant that produces canned tomatoes in San Juan generated a 24% reduction in water consumption for the production of one ton of tomatoes, compared to 2019.

This achievement was reached thanks to the installation of water reuse systems in the tomato unloading transports and the installation of a level control system in the pool for the water softening systems.

Although production increased by 9% in 2020, adding this initiative to the rest of the projects, an annual decrease of 17% in net water consumption was achieved.

Compared to 2016, today, the plant is producing 52% more canned tomatoes with 4% less water.

PRODUCTION OF CANNED TOMATO AND WATER CONSUMPTION SAN JUAN PLANT
(Base 2016=100)



— Water consumption (m³)
— Production

3.4. POLLUTION CONTROL AT SOURCE



We seek to reduce material losses and optimize the operation of effluent treatment systems in all our production processes.



AFFLUENT TREATMENT AT OUR PAPEL MISIONERO PLANT

The Papel Misionero plant, located in the province of Misiones, manufactures Kraft paper for the production of paper bags and corrugated cardboard boxes. This chemical process generates effluents with paper fiber residues, which are separated and treated before being discharged into the Paraná River.

The treatment plant includes a physicochemical process for separating solids and a biological process for degrading and oxidizing soluble components to ensure that the quality of the water discharged complies with the parameters required by law and, therefore, does not impact the environment.

As a result of the production increases and the changes made in the plant, resulting from its incorporation to Arcor Group and its synergy with the Cartocor Business plants, it was necessary to make some improvements to ensure that these changes did not affect the effluent treatment performance.

Thus, between 2019 and 2020, improvements were made in:

- **Automation of the acid addition system for pH control.** This guarantees the optimization of the physicochemical and biological processes, which is key to the final result of the treatment.
- **Upgrade of the cooling tower system with improvements in piping and control logic.** Temperature control is essential for the life and development of the bacteria involved in the degradation processes.
- **Replacement of the effluent inlet pipes to the treatment plant,** allowing for improved operation of the effluent plant.
- **Replacement of the treatment plant inlet grates** to reduce the amount of solids entering the treatment plant.
- **Renewal of the diffusers in the biological reactor** to ensure adequate oxygen levels for the oxidation of the organic load.

3.5 EFFLUENT TREATMENT



We invest in technology for the treatment of our liquid effluents, with the objective of adequately restoring water to the environment, in accordance with existing technical conditions.



NEW SECONDARY EFFLUENT TREATMENT PLANT AT RANELAGH COMPLEX

In 2020, the project to expand the effluent treatment system at the Ranelagh recycled paper mill in the Province of Buenos Aires began.

This will ensure that the plant has a secondary water treatment that will optimize the recovery of the paper fiber

and a better recovery of the water resource, ensuring a discharge in accordance with the external and, above all, internal requirements of Arcor Group.

The project has an estimated investment of USD 2,500,000 and is scheduled to be completed by December 2021.

During 2020 there were no relevant spills to the environment, that could have generated any negative environmental impact.



CHAPTER 4

Climate Change and Energy



4.1 ENERGY EFFICIENCY AND MINIMIZATION OF IMPACTS CONTRIBUTING TO GLOBAL CLIMATE CHANGE

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4.2 GHG EMISSIONS

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4.3 ENERGY PERFORMANCE

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4.4 ENERGY FROM RENEWABLE SOURCES

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4.5 EMISSIONS IN TRANSPORTATION

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4.6 EMISSIONS FROM LAND USE

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4.7 TOWARDS A CIRCULAR MODEL

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THE INITIATIVES IN THIS CHAPTER CONTRIBUTE TO THE FOLLOWING SUSTAINABLE DEVELOPMENT OBJECTIVES:



4.1 ENERGY EFFICIENCY AND MINIMIZATION OF IMPACTS THAT CONTRIBUTING TO CLIMATE GLOBAL CHANGE



Minimizing the impacts that contribute to climate change is essential for life on the planet, for human survival and for food production. That is why we understand that it is necessary to efficiently manage our impact on this phenomenon.

As we approach the year 2030, the challenge of solving the problem of climate change becomes ever more urgent.

In 2020, at Arcor we continue working to reduce and minimize our impact, seeking an efficient use of fuels and energy, and at the same time migrating towards increasingly sustainable and less carbon-intensive sources.

Within this framework, we are committed to:

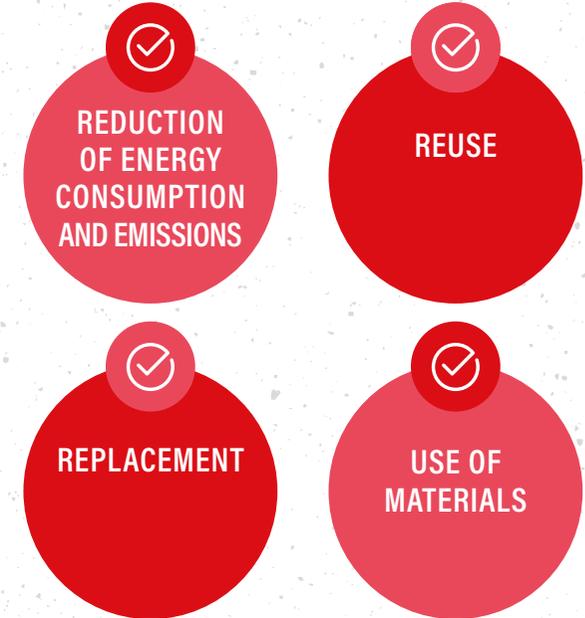
Adopt, promote and stimulate initiatives for the rational use of energy through efficient consumption to contribute to the conservation of natural resources.

Assume a proactive and preventive approach to environmental challenges through the adoption of clean and low-carbon processes and technologies.

Prevent pollution and encourage the practice of reduction, reuse and recycling of materials in the product development and manufacturing processes.

Reduce the volume of waste sent to landfill.

WITHIN THIS COMMITMENT, WE PROMOTE 4 LINES OF ACTION THAT STRUCTURE THE INITIATIVES, PROJECTS AND PROGRAMS PROMOTED ANNUALLY BY THE COMPANY'S BUSINESSES AND CORPORATE AREAS IN THEIR SUSTAINABILITY OPERATING PLANS:



4.2 GHG EMISSIONS



As part of the process of quantifying the impact of our activities on climate change, since 2017 we consolidated the carbon balance of the entire Arcor Group, including production and transportation activities, both of raw materials and finished products, reaching operations in Argentina, Brazil, Peru, Mexico and Chile.

In 2019 we will add the emissions produced for the commercialization of our products that require cold chain (ice cream and juices) and in 2020 the emissions produced by the activities of our exclusive distributors.

While we are aware of the determining impact of land use on emissions, we understand that good management of this resource can generate a positive impact through soil carbon sequestration. To this end, we are moving forward in the process of establishing the carbon balance of activities under our own operation (such as our own sugar cane and cereal crops and our own milk production). We are also making progress in quantifying the carbon balance produced by the forestation projects that have been carried out since 2017 in the Province of Tucumán, together with the preservation of native forests and protected areas within our properties.

This carbon balance will allow us to determine lines of action to reduce emissions and improve carbon sequestration, and by the year 2021 will allow us to set a goal as a company, based on science, that will help us to intensify the focus of our actions in this direction.

In 2020, the Group's operating and transportation activities generated 836,753 tons of CO₂ equivalent, 14,861 tons less than in 2019. Although this was an impact observed worldwide, due to the effects of the global COVID-19 pandemic, some fundamental actions such as the operational reorganization of the Food Business plants, which generated more production with lower energy demand, as well as the synergy generated for the production of paper in our own plants and for the distribution of corrugated cardboard, generated between 2019 and 2020 a significant reduction in transportation emissions.

The decrease in the volume of waste sent to landfill also led to a significant decrease in the emissions produced by these activities.

GLOBAL CONSOLIDATED EMISSIONS (TONS OF CO₂EQ) ARCOR GROUP³⁸

SOURCES	2017	2018	2019	2020
SCOPE 1 - DIRECT EMISSIONS	297,910	305,261	292,042	292,519
Natural gas	262,002	272,283	256,153	259,247
Gas Oil	5,912	4,184	5,005	4,263
Liquefied Gas (LPG)	487	672	399	904
Fuel Oil	13,460	12,625	16,434	13,782
Fugitive emissions	6,404	8,753	8,674	10,113
Fugitive emissions outside Kyoto Protocol	9,209	6,099	4,672	3,719
Effluent Treatment	436	646	706	491
SCOPE 2 - INDIRECT EMISSIONS	261,765	258,414	245,794	223,065
Electric power	261,765	258,414	245,794	223,065
SCOPE 3 - OTHER EMISSIONS	334,758	346,404	313,778	321,168
Transport	307,699	310,123	284,989	296,006
Waste burial	27,060	23,648	17,462	13,783
Freezers for commercialization		12,633	11,327	11,379
TOTAL INVENTORY	894,434	910,078	851,614	836,753

³⁸ Includes the Zucamor Group plants. Data from 2017 to 2019 were adjusted with the incorporation of new information.

4.3 ENERGY PERFORMANCE



Energy is present uninterruptedly throughout the entire value chain of a product, so all our daily activities require some type of energy to develop, whether in the production process, in transportation or in the support processes.

Proper energy management is essential to achieve maximum operational efficiency and care for the environment, as well as for the normal development of all associated processes.

Since 2017, we have had an Energy Committee and we have promoted an Energy Performance Program that aims to care for the environment and reduce GHG emissions; improve the profitability of operations; comply with current legal regulations; define the energy matrix and the best supply strategies; seek energy efficiency in equipment and reduce energy intensity in our operations; reduce and save energy consumption; train and raise awareness among collaborators; and develop new business alternatives and environmentally friendly technologies.

The Program defines 3 areas of analysis:

- Energy consumption in its different forms: amount of energy used.
- Uses of energies: forms of energy application.
- Relation between energy consumption and production (or other variables).

The analysis of these areas made it possible to define activities to improve the specific and absolute energy consumption of the processes.

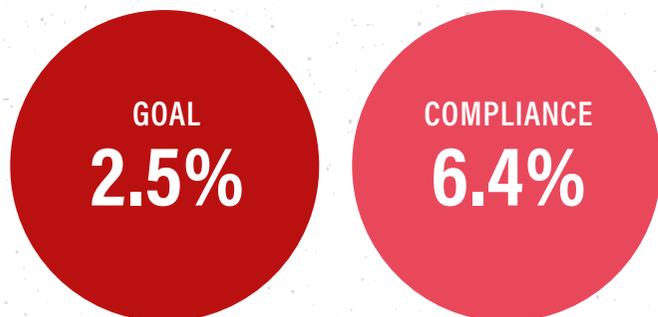
The Energy Performance Program includes the development of goals to reduce Arcor Group's energy intensity by 2.5% by 2020, 8.8% by 2025 and 15% by 2030.



STAGE 1

During the first stage, the program worked with 13 plants in Argentina, selected for their consumption of electricity and natural gas; in addition, at least one plant per business was expected to participate. This group represents approximately 62.5% of Arcor Group's total energy consumption.

As a result, at the end of this first 2020 stage, an improvement in energy performance of 6.4% was achieved for the entire Arcor Group.



STAGE 2

Continuing with the implementation of the energy management system in Arcor Group 16 more plants will be incorporated to the program during 2021, including plants located in Brazil, Chile and Mexico.

With the implementation of the program in these plants, which added to the 16 plants of Stage 1 represent 88% of Arcor Group's energy consumption, it is expected to achieve a reduction in specific energy consumption of 8.8% by the end of the second stage, in 2025.

ENERGY EFFICIENCY MANUAL

In order to reach all our plants through the Energy Performance Program, in 2020 we started to develop, together with the National Technological University, an Arcor Group Energy Efficiency Manual.

This document will include guidelines and best practices that will allow the different operations to carry out activities related to energy efficiency and savings on the equipment that represents the highest consumption in our plants, according to the survey carried out with the Energy Performance Program.

To ensure that the Manual is a practical and concrete tool, University professionals and engineering referents participate jointly in the preparation of chapters, contributing their experience and knowledge in the preparation of the manual.

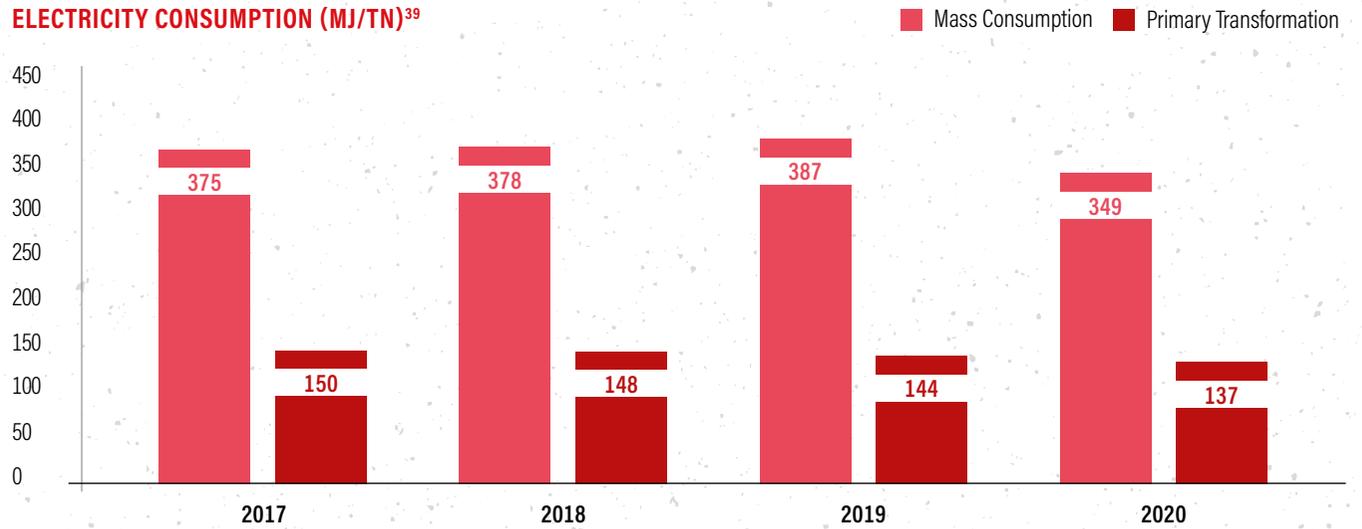
The topics covered by the manual are: Boilers, Steam Systems, Condensate Recovery, Evaporators and Cookers, Cooking Ovens, Pumping Systems, Motors and Lighting, Cooling Towers and Chillers, Air Compressors and Dryers, Compressed Air Systems, Low Voltage Electrical Distribution Systems, Fans and Exhaust Fans.



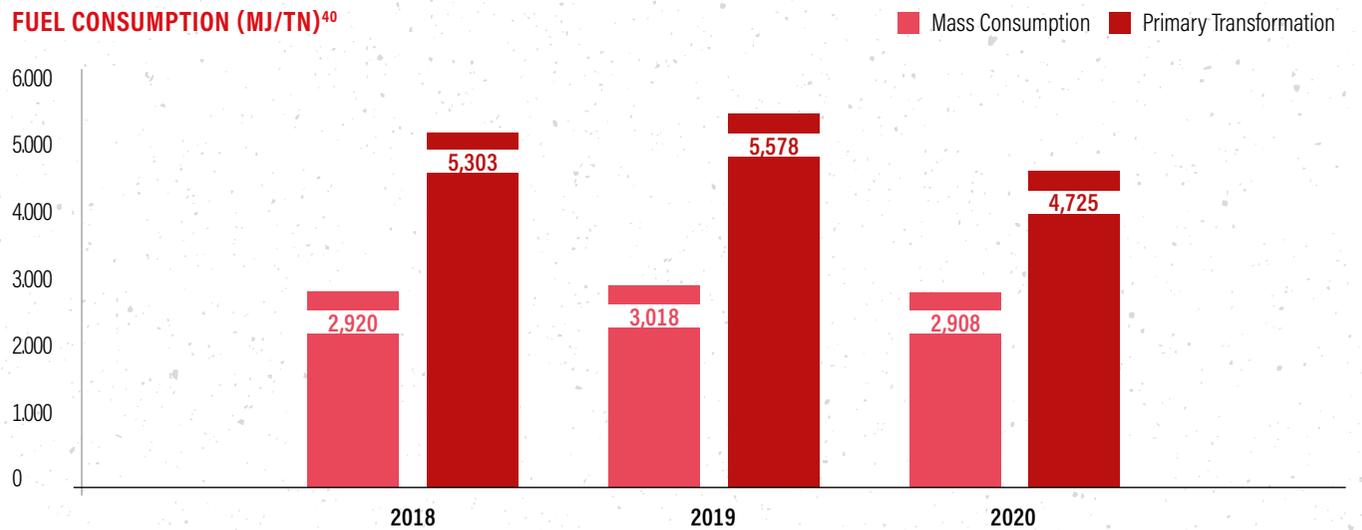
During 2020, the reorganization of the Food Business allowed us to make energy consumption more efficient with the consolidation of some production lines. This work had a major impact on specific energy consumption (measured in kW per ton produced).

With this, Arcor Group achieved an overall reduction of more than 5% in electric energy consumption per ton, with respect to 2017, thus enabling it to meet the reduction target set in that year for 2020 of a 2.5% reduction with respect to the 2017 value (excluding Zucamor).

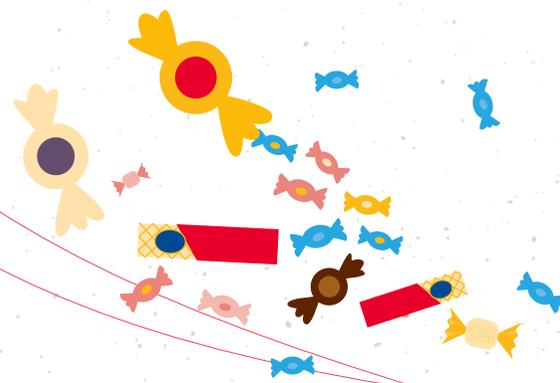
ELECTRICITY CONSUMPTION (MJ/TN)³⁹



FUEL CONSUMPTION (MJ/TN)⁴⁰



³⁹ and ⁴⁰ Data from Zucamor Group units are included, whose information began to be systematically surveyed in 2018.





ENERGY EFFICIENCY IN CORN SYRUP PRODUCTION

During 2020, through the work of an improvement team within the framework of the SGI's Focused Improvement Pillar, a very important improvement was developed aimed at making steam consumption more efficient for the production of syrups at the new wet milling plant in Arroyito.

Syrup manufacturing processes require intensive use of steam, with a very significant impact on gas consumption and production costs.

Focusing on the corn maceration process, through the process conditions, mainly the concentration of sulfur dioxide, it was possible to reduce the amount of water

added, recirculating a greater amount of maceration water, and thus significantly reducing the energy demand to evaporate the excess water.

This resulted in a 35% reduction in the plant's steam consumption, eliminating the need to generate more than 38,000 tons of steam per year. In addition, it represented an additional 28% savings in water consumption, equivalent to more than 130,000 m³.

In addition to the environmental improvement, the process improvements contributed to making the syrup production process more efficient, reducing losses.

CORPORATE GUIDELINES

As a complement to the Energy Performance Program, the Energy Committee defined a series of Corporate Guidelines that apply to all plants. These guidelines were approved by the Sustainability Committee in December 2019 and became effective as of 2020.



LED LIGHTING SYSTEMS

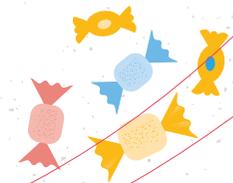
This guideline establishes the goal of achieving 100% of industrial lighting with LED technology by the end of the third stage of the Energy Performance Program, in 2030.

The measures adopted made it possible to achieve, by December 2020, a coverage of approximately 75% LED lighting at the end of the first stage, so it expects to reach the target ahead of schedule.



HIGH EFFICIENCY MOTORS

Motors in industry account for between 60% and 70% of electrical energy consumption. The established guideline defines the provision of high efficiency IE3 motors in the cases in which those that present flaws must be replaced or those that are acquired for new projects.



ELECTRICITY CONSUMPTION BY COUNTRY AND COMPANY (KWH)

COUNTRY	COMPANY	2017	2018	2019	2020
Argentina		551,886,388	555,020,585	546,697,466	513,283,093
	ARCOR S.A.I.C.	232,692,841	234,618,129	225,529,617	214,541,492
	CARTOCOR S.A.	47,870,207	47,478,056	47,078,439	102,198,389
	BAGLEY ARGENTINA S.A.	59,265,920	58,542,586	55,930,822	54,449,461
	LA CAMPAGNOLA S.A.C.I.	21,017,928	22,232,422	16,975,564	0
	ZUCAMOR S.A.	48,032,072	48,071,064	46,124,695	0
	ZUCAMOR CUYO S.A.	18,571,700	20,577,568	21,522,572	8,764,483
	PAPEL MISIONES S.A.I.F.C.	124,435,720	123,500,760	133,535,757	133,329,268
Brazil		61,581,639	59,060,625	56,283,707	50,312,058
	ARCOR DO BRASIL LTDA	44,799,972	42,691,039	38,957,447	32,034,220
	BAGLEY DO BRASIL ALIMENTOS LTD	16,781,667	16,369,586	17,326,260	18,277,838
Chile		23,237,263	25,591,995	25,453,732	25,067,713
	I.A.D.E.U. S.A.	12,399,394	14,249,508	14,804,746	13,164,174
	GALLETITAS JV S.A.-CHILE PROV.	4,876,965	5,381,582	4,688,081	5,076,746
	CARTOCOR CHILE S.A.	5,960,904	5,960,905	5,960,905	6,826,793
Mexico		16,618,100	18,079,840	15,531,581	17,905,088
	MUNDO DULCE S.A. DE C.V.	16,618,100	18,079,840	15,531,581	17,905,088
Peru		2,884,134	3,183,510	3,266,183	2,756,792
	ARCOR DE PERÚ S.A.	2,884,134	3,183,510	3,266,183	2,756,792
TOTAL		656,207,523	660,936,555	647,232,669	609,324,744

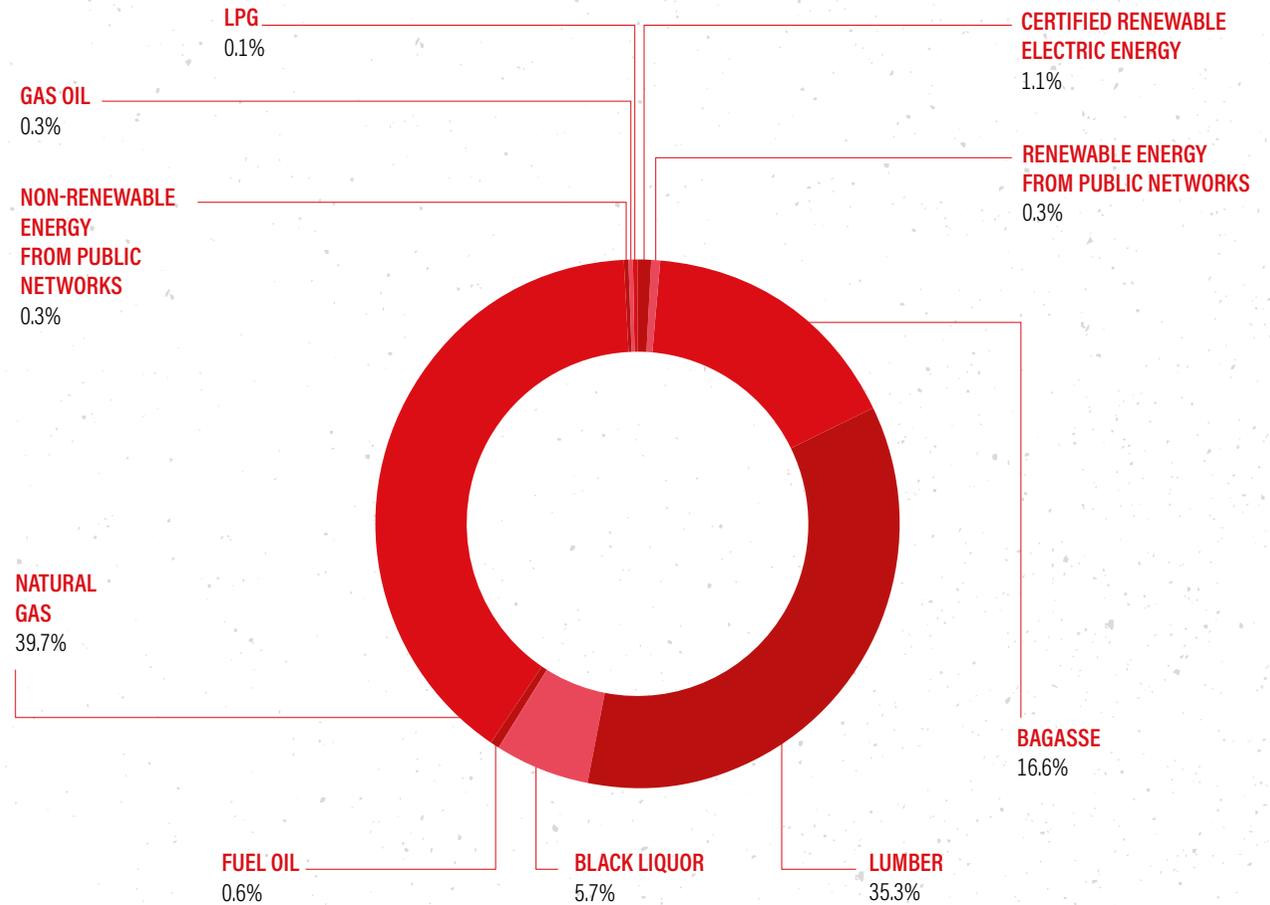
4.4. ENERGY FROM RENEWABLE SOURCES



Arcor Group's energy matrix continues to evolve towards renewable fuels as substitutes for fossil fuels, both for the generation of electric energy and for its use as thermal energy, as well as in the incorporation of electric energy of renewable origin in Brazil and Mexico.

Thus, 59% of Arcor Group's global energy matrix in 2020 was composed of energy from renewable sources.

ARCOR GROUP 2020 ENERGY MATRIX (MJ)



4.5 EMISSIONS IN TRANSPORTATION



The logistics of supply and distribution of our products represents one of the most important fractions of Arcor Group's operations emissions.

Since 2017, we have been reducing these emissions through better logistical and operational planning, optimizing transport occupancy, reducing stock transfers between distribution centers.

This was very significant in the paper and corrugated cardboard business, with the incorporation of the Zucamor Group's plants to Cartocor's activities, which, due to their geographic distribution, made it possible to reconfigure logistics and production schemes to reduce delivery logistics. In addition, the incorporation of the Papel Misionero plant reduced paper imports from Brazil and, therefore, the supply logistics.

In 2020, in Argentina, we will start using 100% CNG units. These allowed a pilot test to be carried out in specific corridors such as Arroyito - Salto - Panamericana. We believe that this test was successful, providing viability from an economic point of view and also from the point of view of emissions reduction.

Due to the context generated by the COVID-19 pandemic, however, in Argentina the amount of goods transported increased and at the same time difficulties were generated to manage the reduction of voids. Both factors led to an increase in total transportation emissions in this country.

TRANSPORT EMISSIONS (TONS OF CO₂EQ)

COUNTRY	2017	2018	2019	2020
ARGENTINA	265,160	263,752	242,100	262,311
BRAZIL	32,093	32,157	30,374	26,828
CHILE	9,108	11,587	9,398	4,769
MEXICO	4,166	5,455	5,945	2,098



4.6 LAND USE EMISSIONS



Aware of the importance of activities involving the use of land for the impacts on the carbon balance of the planet, both positive and negative, we made progress during 2020 in:

Knowing the best agricultural practices that contribute to reducing CO₂ accumulation.

To advance with forestation programs in the Province of Tucumán.

To quantify the emissions produced by sugar cane cultivation activities, livestock farming activities in the province of Córdoba and bovine milk production.

Emissions from the aforementioned agricultural activities began to be quantified for 2019 and as of 2021 will be incorporated into Arcor Group's global inventory.



4.7 TOWARDS A CIRCULAR MODEL



USE OF RESOURCES

We use a variety of raw materials for the production and packaging of our products.

During 2020 the materials used were distributed as follows:

MAIN MATERIALS USED (TN) TOTAL ARCOR GROUP'S MASS CONSUMPTION 2020

CHOCOLATE AND DIPS
7,919

CHEMICAL PRODUCTS
9,398

GLASS
13,070

COCOA AND DERIVATIVES
17,149

PLASTIC
18,769

DAIRY PRODUCTS
23,044

FATS AND OILS
63,101

PAPER, BOARD AND WOOD
71,425

OTHER MATERIALS
83,425

FRUITS, VEGETABLES AND DERIVATIVES
140,701

FISH AND SEAFOOD
2,615

NUTS AND DERIVATIVES
6,812

METALS
6,120

LEUDANTS
3,433

PLASTIC AND PAPER LAMINATES
2,134

EMULS. AND CHURNING AGENTS
1,969

GELIFIERS
1,636

AROMATIZERS
1,544

BASE RUBBER
1,491

COLORANTS
816

THICKENERS, STABILIZERS AND TEXTURIZERS
640

EGG AND DERIVATIVES
346

FUNCTIONAL ADDITIVES
309

GLAZERE
133

ENZYMES
47

CEREALS AND DERIVATIVES
267,044

SWEETENERS
189,712

WASTE MANAGEMENT

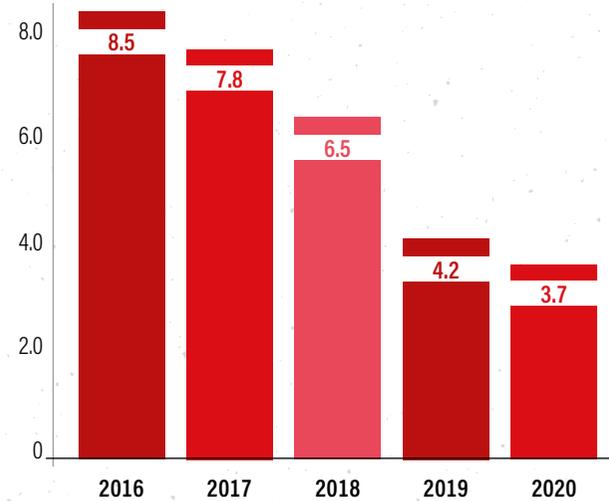
Waste represents an important part of greenhouse gas emissions, mainly those that are buried.

At Arcor Group we are committed to reducing this impact, working on the valorization of such waste in order to find the best possible final destination alternatives that will allow us to reach the ambitious goal of zero burial of waste from our operations by 2025.

To achieve this goal, in 2016 we had set ourselves the target of reducing the amount of waste we sent to landfill by 40% by 2020. The work carried out for the development of suppliers and final disposal alternatives allowed us to surpass this goal by far. By the end of 2020, we have achieved a 57% reduction in the amount of waste sent to landfill for each ton produced. This meant no longer burying 16,000 tons of waste in 2020.



WASTE SENT TO LANDFILL (KG/TN) WITHOUT ZUCAMOR

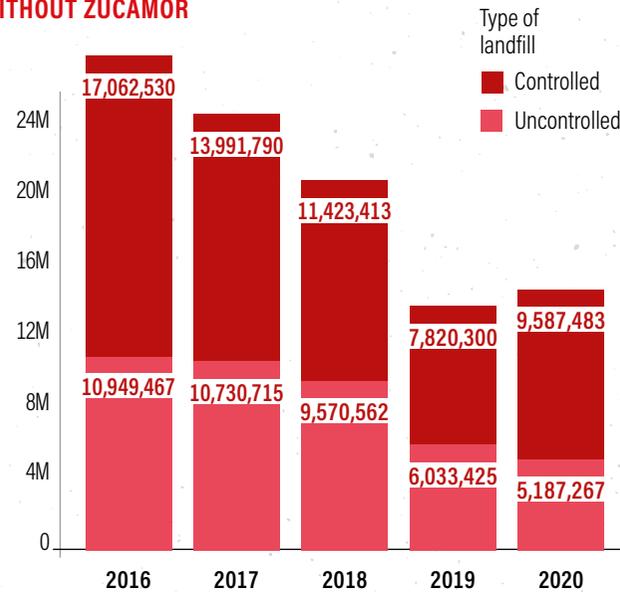


Since its incorporation to Arcor Group, the Zucamor Group plants have also taken up this challenge and are working on the project, incorporating the indicators since 2020.

WASTE SENT TO LANDFILL (KG)

	2016	2017	2018	2019	2020
Arcor Group without Zucamor	28,011,997	24,722,505	20,993,975	13,853,725	12,281,386
Zucamor	0	10,169,050	9,582,893	8,692,934	5,054,989

WASTE SENT TO LANDFILL (KG) WITHOUT ZUCAMOR



Since 2020, all initiatives aimed at improving the recyclability of our waste to reduce burial have incorporated the circular economy vision, seeking, in addition to the solution to final disposal, the possibility that the recycling process can generate value for Arcor Group. Thus, the main actions to improve recyclability were focused on:

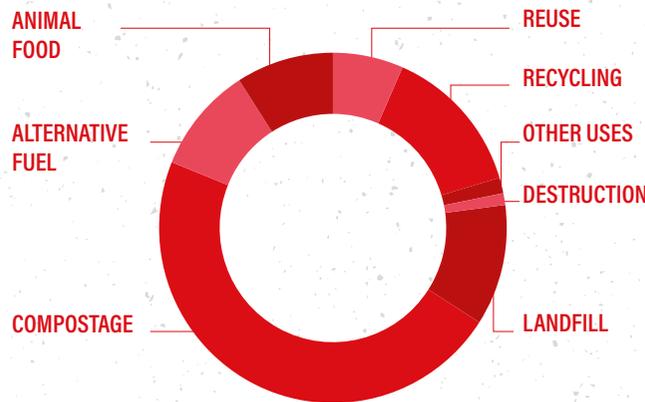
- Improve the recyclability of plastics:** We know that they are one of the most difficult materials to recycle due to their diversity. Even so, we have made progress in finding solutions for multilaminated plastics, through joint work with Neoscrap in Córdoba and Arqlite in Buenos Aires. In the latter case, we are using the materials produced from recycling for the construction of the new effluent treatment plant in Ranelagh.
- Advance in the development of industrial composting projects.** Organic waste is our main waste stream and, in addition to reusing it as animal feed, we have advanced in composting projects with the dual purpose of recycling materials and replacing the use of artificial fertilizers with natural ones. The most relevant case of this work has been developed at La Providencia sugar mill.
- Use of waste as alternative fuels:** Through an agreement with the Geocycle company, we are using part of the waste that is not recyclable in cement production kilns, thus replacing the use of fossil fuels.

As part of this circular economy vision, we are developing other integrated composting to produce our natural fertilizers, we are making progress in the use of our own plastic waste for the construction of point-of-sale displays and, through

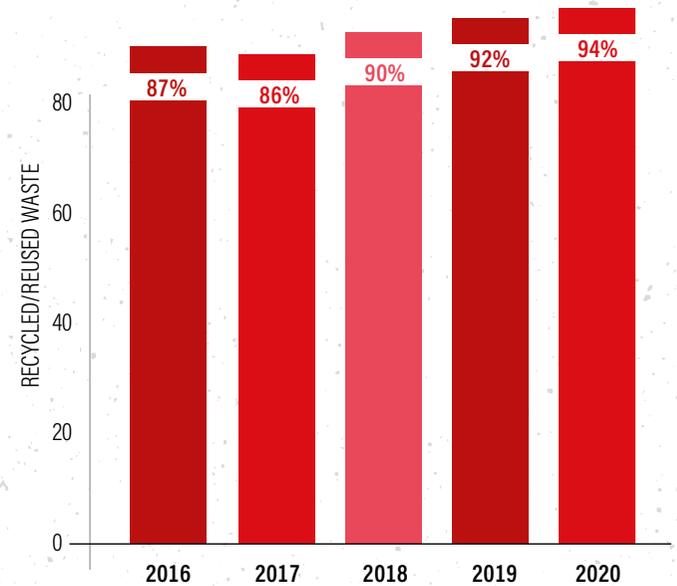
a fairly advanced technology, we are conducting trials to produce liquid fuels from non-recyclable plastics from the manufacture of recycled paper.

All these actions have enabled us to achieve a 94% recycling rate for our waste, excluding the Zucamor plants. Including these plants, the recycling rate is 92%.

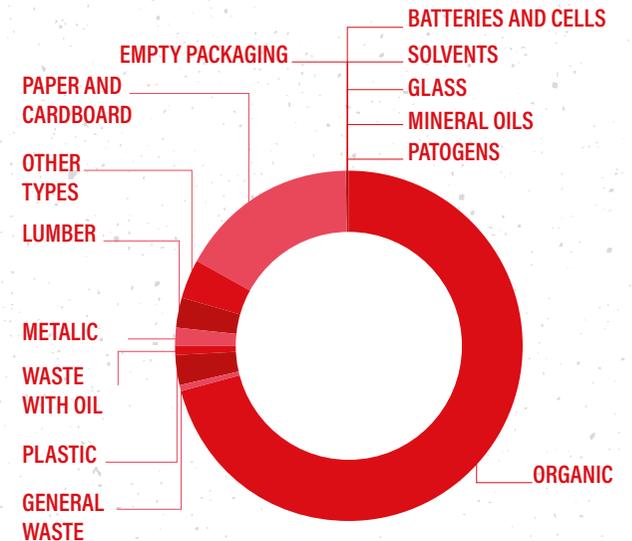
**WASTE BY DESTINATION
TOTAL ARCOR GROUP 2020**



RECYCLED WASTE (%)



**WASTE BY TYPE
TOTAL ARCOR GROUP 2020**





ORGANIC SUGAR WITH NATURAL FERTILIZERS

As one of the most paradigmatic cases of circular economy, within Arcor Group, since 2019 we have been developing a composting project for the organic industrial waste of La Providencia sugar mill, in conjunction with the company Chiarello. The residues from the sugar production process were used to improve the soils of our fields for sugar cane cultivation, with a low efficiency of nutrient incorporation into the soil. In 2019, a pilot was carried out with 1,000 tons of waste that underwent industrial tons of waste that were subjected

to an industrial composting process. This fertilizer was used in experimental trials in organic sugarcane production lots, obtaining good results with respect to crop and sugar yields.

Thus, in addition to reducing the use of urea, with the consequent impact of greenhouse gas emissions, the use of these fertilizers allows us to produce organic sugarcane for European markets, with yields very similar to those produced with urea fertilization.

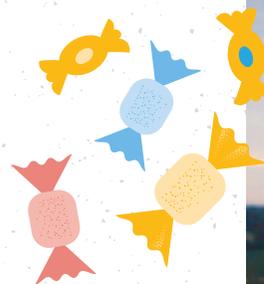
In 2020 we took on the challenge of producing on a larger scale, generating some 10,000 tons of fertilizer from compost, which were applied in a timely manner by specialized machinery for this type of fertilizer.

WASTE FROM OPERATIONS BY TYPE AND DESTINATION

TOTAL WASTE GENERATED

Arcor Group is committed to reducing the waste generated by our operations, establishing a goal for 2030 of a 40% reduction of waste generated for each ton produced, with respect to 2016 values.

Thus, by 2020 we have achieved a reduction of 14% with respect to the waste generated per ton in 2016, which puts us on track to meet the established target.



	2016	2017	2018	2019	2020
Total Solid Waste (Kg)	241,675,126	204,052,515	226,565,053	221,149,960	229,037,477
TOTAL SOLID WASTE (KG/TN)	73.41	58.76	64.21	61.97	63.12

HAZARDOUS WASTE GENERATED

	2016	2017	2018	2019	2020
Hazardous Waste (Kg)	2,395,509	2,199,446	1,258,454	2,290,758	1,778,522
Hazardous Waste (Kg/TN)	0.7	0.6	0.4	0.6	0.5
HAZARDOUS WASTE (%)	0.99%	1.08%	0.56%	1.04%	0.78%



WASTE SENT TO LANDFILL BY COUNTRY AND COMPANY (KG)

COUNTRY	COMPANY	2016	2017	2018	2019	2020
Argentina		24,218,064	33,289,398	28,963,725	21,178,978	15,849,364
	ARCOR S.A.I.C.	11,221,651	10,791,850	9,922,563	6,180,496	6,618,085
	CARTOCOR S.A.	5,144,040	4,501,715	4,524,525	3,450,101	5,557,955
	BAGLEY ARGENTINA S.A.	3,471,033	3,131,663	2,597,266	1,659,907	1,111,699
	LA CAMPAGNOLA S.A.C.I.	4,381,340	4,695,120	2,336,478	1,195,540	0
	ZUCAMOR S.A.		5,010,960	4,793,333	4,473,254	
	ZUCAMOR CUYO S.A.		5,023,090	4,656,060	4,049,090	2,316,515
	PAPEL MISIONES S.A.I.F.C.		135,000	133,500	170,590	245,110
Brazil		2,092,844	704,927	459,330	123,167	225,100
	ARCOR DO BRASIL LTDA	1,784,064	495,077	321,700	111,117	220,330
	BAGLEY DO BRASIL ALIMENTOS LTD	308,780	209,850	137,630	12,050	4,770
Chile		600,785	489,390	640,090	477,530	665,800
	I.A.D.E.U. S.A.	325,310	329,580	468,280	302,960	221,800
	GALLETITAS JV S.A.-CHILE PROV.	133,925	159,810	171,810	149,070	110,990
	CARTOCOR CHILE S.A.	141,550	0		25,500	333,010
Mexico		1,100,304	407,840	420,073	684,724	563,668
	MUNDO DULCE S.A. DE C.V.	1,100,304	407,840	420,073	684,724	563,668
Peru		0	0	93,650	82,260	42,095
	ARCOR DE PERÚ S.A.	0	0	93,650	82,260	42,095
TOTAL		28,011,997	34,891,555	30,576,868	22,546,659	17,346,027

HAZARDOUS WASTE GENERATED BY COUNTRY AND COMPANY (KG)

COUNTRY	COMPANY	2016	2017	2018	2019	2020
Argentina		2,343,910	1,795,791	1,220,726	2,250,767	1,729,653
	ARCOR S.A.I.C.	172,678	144,423	109,367	97,829	89,766
	CARTOCOR S.A.	2,023,135	1,575,019	885,900	982,602	1,487,075
	BAGLEY ARGENTINA S.A.	112,511	58,739	78,945	62,897	70,454
	LA CAMPAGNOLA S.A.C.I.	35,587	17,611	32,780	17,099	0
	ZUCAMOR S.A.		0	113,733	370,820	
	ZUCAMOR CUYO S.A.		0	0	1,240	29,804
	PAPEL MISIONES S.A.I.F.C.		0	0	718,280	52,554
Brazil		43,289	30,774	26,312	26,901	40,126
	ARCOR DO BRASIL LTDA	38,581	28,962	22,580	22,247	20,641
	BAGLEY DO BRASIL ALIMENTOS LTD	4,708	1,812	3,732	4,654	19,485
Chile		6,844	9,672	5,339	9,380	6,743
	I.A.D.E.U. S.A.	3,039	6,283	2,448	3,815	2,185
	GALLETITAS JV S.A.-CHILE PROV.	3,805	3,389	2,891	3,375	4,558
	CARTOCOR CHILE S.A.	0	0		2,190	0
Mexico		1,466	363,208	3,137	0	0
	MUNDO DULCE S.A. DE C.V.	1,466	363,208	3,137	0	0
Peru		0	0	2,940	3,710	2,000
	ARCOR DE PERÚ S.A.	0	0	2,940	3,710	2,000
TOTAL		2,395,509	2,199,446	1,258,454	2,290,758	1,778,522



CHAPTER 5

Packaging materials



⋮ **5.1**
**RATIONAL USE OF
PACKAGING MATERIALS**

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**PACKAGING MATERIALS
AT ARCOR GROUP**

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USE REDUCTION

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⋮ **5.5**
PLASTIC

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⋮ **THE INITIATIVES IN THIS CHAPTER CONTRIBUTE TO**
⋮ **THE FOLLOWING SUSTAINABLE DEVELOPMENT OBJECTIVES:**



5.1 RATIONAL USE OF PACKAGING MATERIALS



The rational use of packaging materials is one of the greatest challenges facing companies that market packaged products. Packaging design and management impact product protection, logistics, sales and final disposal.

As a consumer food producer, we are a major user of packaging material. Packaging plays a fundamental role in the preservation of products, ensuring that they reach our customers and consumers with their quality intact. This is especially important in a world where food loss due to conservation problems is one of the main reasons affecting food safety.

In addition, through our Packaging Division, we are producers of different types of packaging: flexible, POP, paper bags, corrugated cardboard, recycled paper, virgin paper and cardboard, and we have the mission to provide our customers with innovative and sustainable solutions in packaging materials.

THEREFORE, WITHIN THE FRAMEWORK OF ARCOR GROUP'S SUSTAINABILITY POLICY, WE SET OUT TO:

Optimize the use of packaging materials in all our processes.

Support research and technological development projects that contribute to minimize the environmental impacts caused by the packaging material of our products.

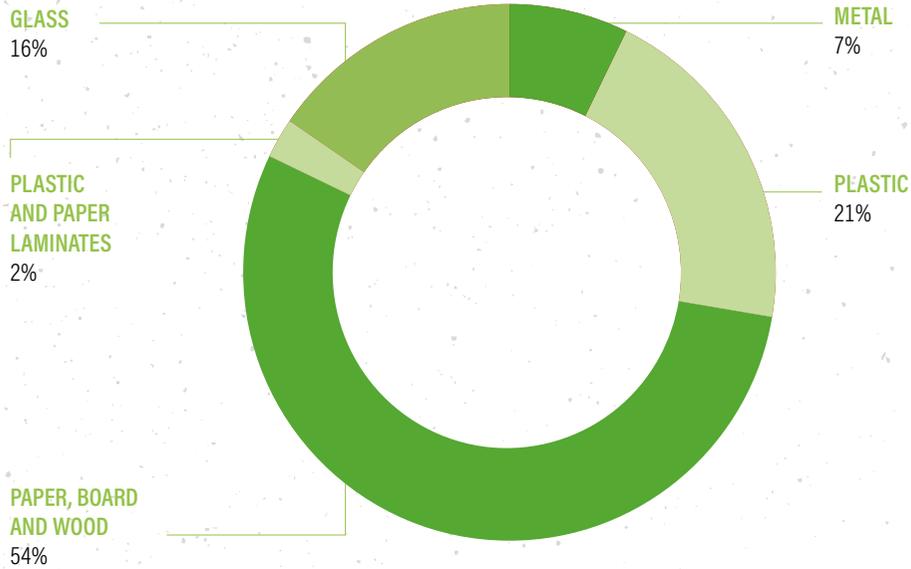
Raise awareness and promote best practices for waste management and final disposal of packaging material in our value chain.

THIS COMMITMENT, IN TURN, INCLUDES 3 PRIORITY LINES OF ACTION



5.2 PACKAGING MATERIALS AT ARCOR GROUP

TYPES OF MATERIALS USED IN PACKAGING TOTAL ARCOR GROUP 2020



PACKAGING MATERIALS USED IN 2020 (KG)



5.3 USE REDUCTION

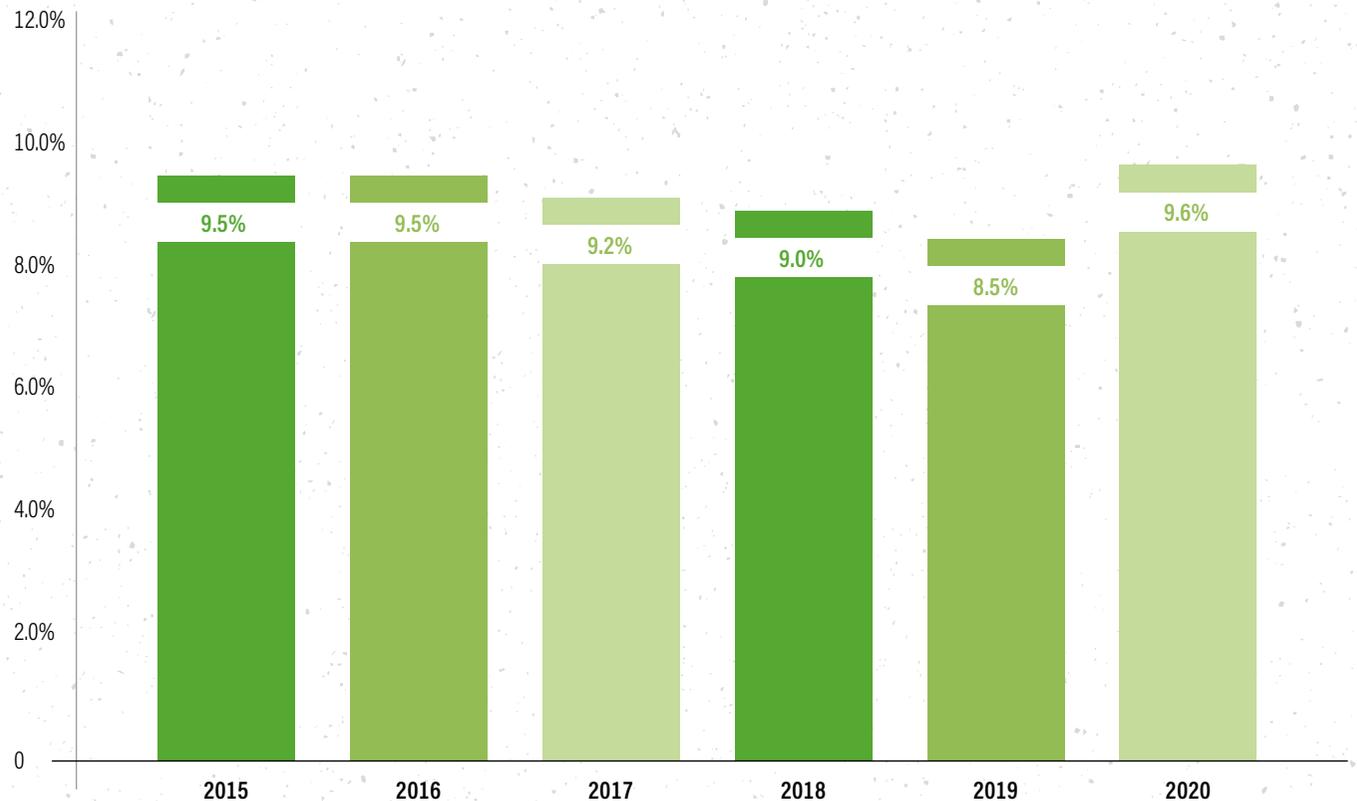


We have developed a Corporate Packaging Index that allows us to track the impact of packaging material reduction initiatives driven by all of the company's businesses. The index considers the percentage of the product weight that corresponds to the packaging material.

In 2020, considering the total number of products produced, 9.6% of the product weight corresponded to packaging. This increase over last year is related to changes in the product sales mix resulting from changes in consumer habits as a consequence of the COVID-19 pandemic.

With the Mandatory Preventive Social Isolation, the trend of "cooking at home" grew and, with it, the demand for products from the Food Business increased. This increase led to a significant growth in the use of tinplate (+52%) and glass (+25%) packaging materials throughout Arcor Group. As they are higher density materials, the increase in their use produced an increase in the Packaging Index of the whole group.

ARCOR GROUP'S PACKAGING MATERIAL CONSUMPTION INDICATOR $TNME/(TNME+TNMP)$



5.4 PAPER AND CARDBOARD



SUSTAINABLE AND RECYCLED PAPER SOURCING

Corrugated cardboard is Arcor Group's main packaging material. It represents more than 50% of the tons of packaging material used.

In addition, in 2013, the Group defined a paper sourcing policy, which established a goal that by 2022, 100% of the virgin paper used should come from sustainable sources with recognized certification (FSC, PEFC or IFS).



During 2020, we are close to achieving this goal by reaching 100% certified paper in Argentina, Brazil and Chile, which, together with the level reached in Mexico, means that 96% of the virgin material used by Arcor Group is from sustainable sources. Based on this progress, it was decided to bring forward the goal of supplying 100% certified paper by December 31, 2021.

RECYCLED PAPER AND PACKAGING PRODUCTION

In addition to producing virgin paper in Misiones, through its Packaging Division, Arcor Group has three recycled paper production plants in Argentina, in Arroyito (Córdoba), Mendoza and Ranelagh (Buenos Aires), which together generate more than 160,000 tons of recycled paper per year, representing more than a quarter of the total volume of this material recycled in Argentina.

As a result, the paper and cardboard used by the Packaging Division to manufacture packaging contains an average of 70% recycled material in its composition.

The different technological developments in the production of recycled paper carried out in the Group have made it possible to substitute the use of virgin material with recycled material in uses that previously did not allow it.



DEVELOPMENT OF ULTRA-POROUS PAPER FOR CEMENT BAGS

Our brand Papel Misionero produces paper in weights ranging from 75 to 100 gr/m², for the manufacture of bags at the Puntapel plant.

Historically, 2 sheets of 90 gr/m² were used for the production of cement bags. As a result, the bags had a Gurley porosity of 12 seconds, so they had to be perforated to ensure air evacuation and maintain product conditions.

In order to streamline the industrial process, keep up with the most demanding markets and create businesses with a positive impact on the environment, in 2020 the Packaging Division launched an initiative to create a new type of paper for these bags.

Thanks to the work of the entire Papel Misionero team and Puntapel's Product Development area, we were able to produce a paper that is 50% more porous. That is, with a Gurley porosity of 5 seconds and a grammage of 80 per m² for the production of cement bags. Bags made from this paper do not require extra perforations due to their ultra-porosity.

The focus for the development of the product was put on a strong work on the raw material, the development of chemical additives and radical changes in the production operation.

Considering the 9,000 tons of cement bags produced by Puntapel each year, we would achieve an annual savings of 1,160 tons of paper through ultra-porous paper.



PAPER RECYCLED FROM POST-CONSUMER TETRAPACK

As part of its commitment to the circular economy, in 2020 Arcor Group's Packaging Division promoted a project at its paper recycling plant in Ranelagh aimed at recycling long-life packages (TetraPack), 70% of which are made of paper fiber and 30% of plastics and aluminum.

By processing these containers in the plant's Drum Pulper, we are able to separate 65% of the paper fiber from the layers of polyaluminum (plastics and aluminum) and use it entirely for the manufacture of recycled paper. The polyaluminum is delivered for secondary treatment by other recyclers; it can be used, for example, as an alternative fuel.

The initiative is novel, since these containers are very difficult to recycle in conventional pulpers, which usually grind the Polyaluminum, making it difficult to separate the materials in their entirety.

With this process, we avoid burying 100% of the long-life packaging that arrives at the plant, and we use the fiber to produce 100% recycled paper.

In the future, the areas of Supply Chain, Human Resources, Process Engineering, Expedition of the Packaging Division, together with members of the TetraPack Argentina, Brazil and USA team involved in the initiative, are seeking to increase the daily treatment volume to 25 tons and to be able to advance in the recovery of 70% of the material's fiber.



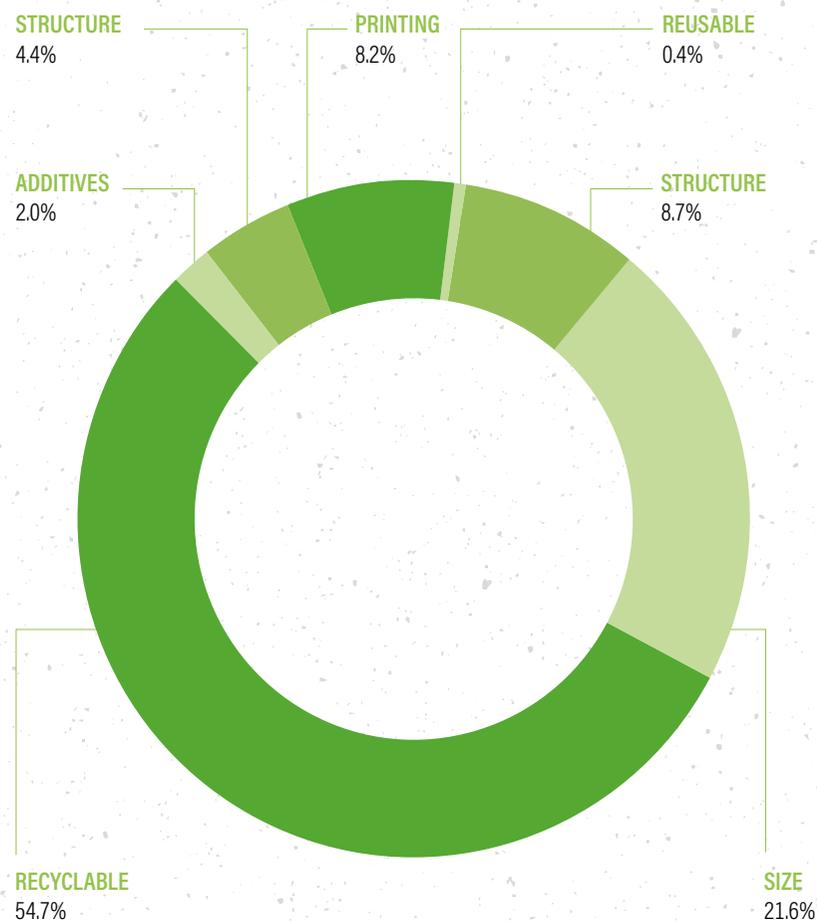
To provide guidance to the different areas, a *Guide for Sustainable Design* was also prepared, which establishes definitions and technical guidelines on design conditions that favor recyclability and optimize the use of materials. For its development, the concepts and definitions established by the Ellen McArthur Foundation, an organization created in 2010 with the objective of accelerating the transition to a circular economy, were considered.

Based on the definitions and guidelines established in the Guide, an analysis of the profile of the plastic packaging materials used by Arcor Group was carried out, according to their recyclability. Currently, the materials used contain 69.7% recyclable or reusable material and 30.3% non-recyclable material.

Of the non-recyclable material, 70% corresponds to containers that are not considered recyclable due to their size (e.g., candy wrappers), since it is very difficult to physically separate them in the manual separation processes available in the region. In the case of these materials, the Plastic Packaging Policy establishes that efforts should be aimed at transforming these materials into biodegradable ones. The 30% of this non-recyclable fraction, on the other hand, is made up of complex materials, generally combinations of very different plastics, which make it impossible to recycle. In the case of these materials, efforts will be aimed at replacing them with more sustainable materials, seeking simpler packaging solutions that maintain the product's functionality and protective properties, or working with the recycling chain to promote recycling.

Within the recyclable materials we recognize that there is a fraction that, although it can be recycled, these possibilities are reduced due to the incorporation of some additives, the combination of two materials or the characteristics of the printing. In these cases, we will focus on solving these limitations through a more sustainable design.

RECYCLABILITY OF PLASTIC MATERIALS ARCOR GROUP 2020

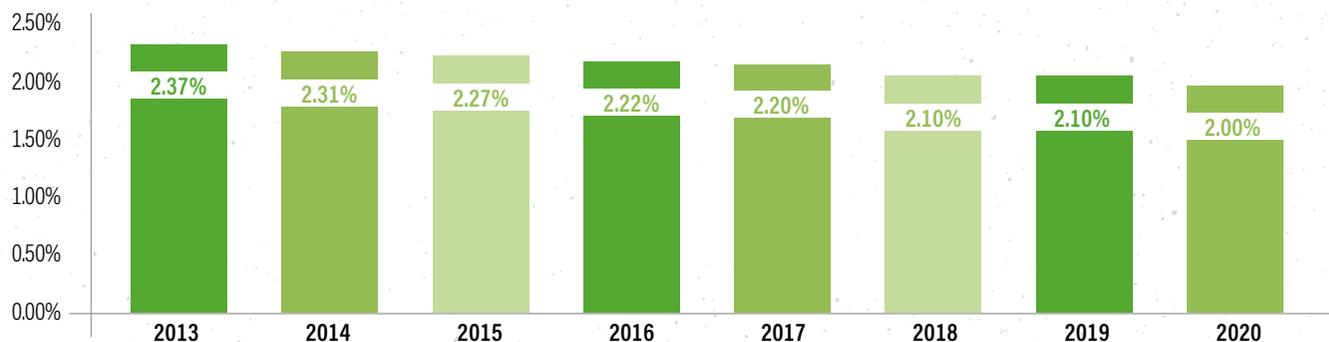


REDUCTION

In 2020, 78 initiatives were implemented focused on optimizing the plastic packaging of products, reducing sizes, weights and thicknesses.

To monitor progress on this guideline, the Flexible Packaging Index (plastic) was established, which determines the percentage of plastic material that makes up the total weight of the products. Since its measurement began, this index has reflected a constant advance in the reduction of the use of plastic materials.

ARCOR GROUP'S PLASTICS CONSUMPTION INDICATOR TN PLASTICS/(TN+TNMP)



COFLER CHOCOLATE BARS WITH LESS PLASTIC!

In August 2018, the project to reduce the use of plastics in the packaging material of our Cofler tablets solid and aerated format began.

The project consisted of a change in the structure of the material used: migrating from Bopp Cristal 20 + Bopp Perlado 60 with cold seal. grammage 69.70g/m² to a grammage 53.20g/m².

The change in the structure of the material was carried out in three stages. First, a sample of the new material was requested to verify its performance in the packaging machinery. Then, the sample of the material was requested on an industrial scale to obtain a parameter of the operation of the equipment with longer production hours. Finally, the sample of the new material

was evaluated with the marketing team, and it was finally decided to move forward with the project.

In November 2019 we launched our first Cofler Tablet with less plastic, and, by April 2020, we culminated the project, implementing the change across the entire line (27 products in total).

Thanks to the change implemented, significant savings were generated in the amount of flexible packaging material used for production.

We stopped using and sending to the environment 12 tons of plastic material per year!

REPLACEMENT

We work intensively in the search for materials with less environmental impact for our packaging, prioritizing those with higher recyclability rates or opting for biodegradable or compostable options. In addition, we encourage the use of recycled materials.



TOPLINE: - ALUMINUM + PAPER

In 2019, Arcor Group began work on the development of an alternative material to replace aluminum in the Topline Regular product line.

The Confectionery Business Development Area, together with other areas, began to conduct some tests on a new and ambitious alternative: using only paper.

After several months of wrapping tests, fine-tuning and calibrations, we were able to validate the *bioxide paper* material (Biox. Paper 40 g/m² + WAX 7 g/m²) for use in this line.

Finally, in June 2020, thanks to the efforts of several work teams (R&D, Purchasing, Production, Quality, Maintenance

and PCP/Supply), it was possible to implement the change in the entire Regular Topline.

The change made it possible to replace more than 26,000 kg per year of non-recyclable material (paper and aluminum) with a recyclable material (paper) that has a lower environmental impact in its manufacture (no longer being used and sent to the environment).

In addition, the change from paper and aluminum to paper only, resulted in a 3.73% saving in packaging material consumption due to a reduction in grammage, which meant not sending nearly 1,000 kilos of packaging material to the market for the same volume of product.



MORE SUSTAINABLE ÁGUILA CHOCOLATE

In 2020, we began the project to eliminate aluminum and replace the plastic material in the packaging of our Águila chocolate bars.

Initially, the packaging structure of the chocolates comprised a trilaminate of BOPP-Aluminum and BOPP-cold seal. Aluminum foil has the highest levels of greenhouse gas emissions and non-renewable energy use for its production per unit volume. Plastic, on the other hand, generates a high environmental impact due to its low recycling rate. For this reason, thanks to the innovative work of the Packaging Division, it was possible to replace this trilaminate structure with the use of PaperPack (BOPP + Paper).

As a first step, printing tests were performed on the new material and the development of in-house expertise on the unconventional substrate to maximize information transfer. Then, industrial trials began on the packaging machine.

As a result, the initial structure was replaced by a packaging composed of 66% of material from renewable sources (paper), which also allowed a reduction of 12 tons per year in the use of plastic and a 12% saving in packaging material due to a reduction in the grammage of the structure. The replacement also implies a 66.3% reduction of greenhouse gases per kilogram of product produced (equivalent to 63 tons of CO₂eq per year); and a 59% reduction of non-renewable energy for the production of each item (equivalent to 1,627 gigajoules per year).



SUSTAINABLE POP MATERIALS

During 2020, we moved forward with an initiative to replace materials in our product displays located in different points of sale, in order to find more environmentally friendly solutions.

Within this framework, we began to make the first samples for the Flour, Confectionery, Chocolate and Food businesses with high impact polystyrene (PAI) 80% recycled and 20% virgin, combined with different materials aimed at the same goal, such as recycled wood.

Due to the positive results, in October 2020 it was decided to change all the POP material in PAI requiring 4/0 printing and with a thickness greater than 1 mm, to 80% recycled and 20% virgin material.

In 2021, we will continue to work on this project, estimating that we will be able to replace close to 180,000 units with this new material.

CONTROVERSIAL PLASTICS

In line with global trends in the mass consumption industry, for several years we have been promoting the replacement of PVC used as packaging material for our products in order to reduce the environmental impact generated by this material in uncontrolled landfills and to avoid the impacts generated by the burning of this waste in inadequate treatment systems.

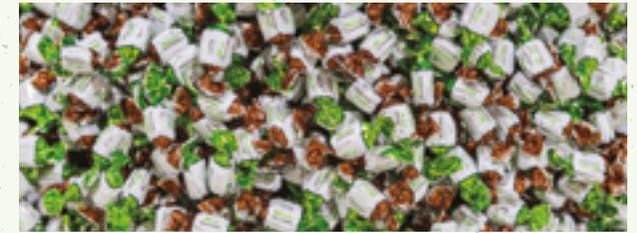
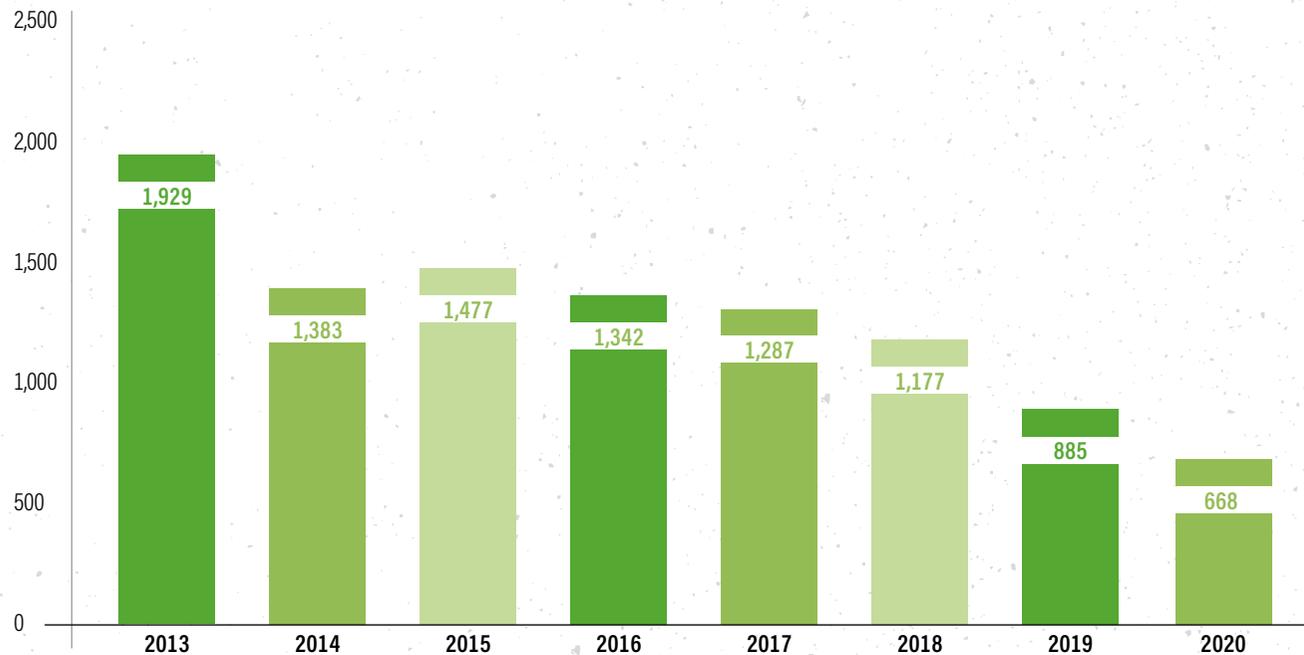
Although we had set a target of 0% PVC in our packaging by the end of 2020, the goal had to be extended due to the lack of available alternatives in some product lines. During 2021, progress will be made in the search for alternatives that will make it possible to establish a new horizon for meeting this objective.

In recent years we have made significant progress in the replacement of this material, contributing to the elimination of 65% with the development of new packaging materials and technologies.



USE OF PVC IN PRODUCT PACKAGING (TN)

TOTAL ARCOR GROUP ARCOR



REPLACEMENT OF PVC FILM ON CANDIES

In Arcor Group, PVC has been used throughout history as a packaging material for single and double twist candies (knot packaging), given its mechanical properties and its accessible price.

In line with Arcor's Sustainability Policy, Converflex (Packaging Division) worked on the development of alternatives to replace this material with another more environmentally friendly one.

The challenge of this project was to find a material that could be adapted to the operation of the packaging machine, where packaging speeds often exceed 1,000 candies/minute, and also meet the expected quality standards.

After several trials, successful progress was made in using 18 micron PET Twist and BOPP cold twist in most of the candy lines.

As a result of this initiative, because the new structures are lighter in weight, there was also a 7% reduction in packaging consumption, equivalent to 43,000 kg of plastic saved annually.



BC AND LA CAMPAGNOLA JAMS ARE 0% PVC

In 2018, we started a project to change the sleeves of our BC and La Campagnola jams in order to find alternative materials to PVC that would be more environmentally friendly.

After evaluating various options, it was decided to move forward with the replacement of this material with PET G, considering the company's guidelines regarding the use of plastics and also the possibilities offered by the material for the desired application.

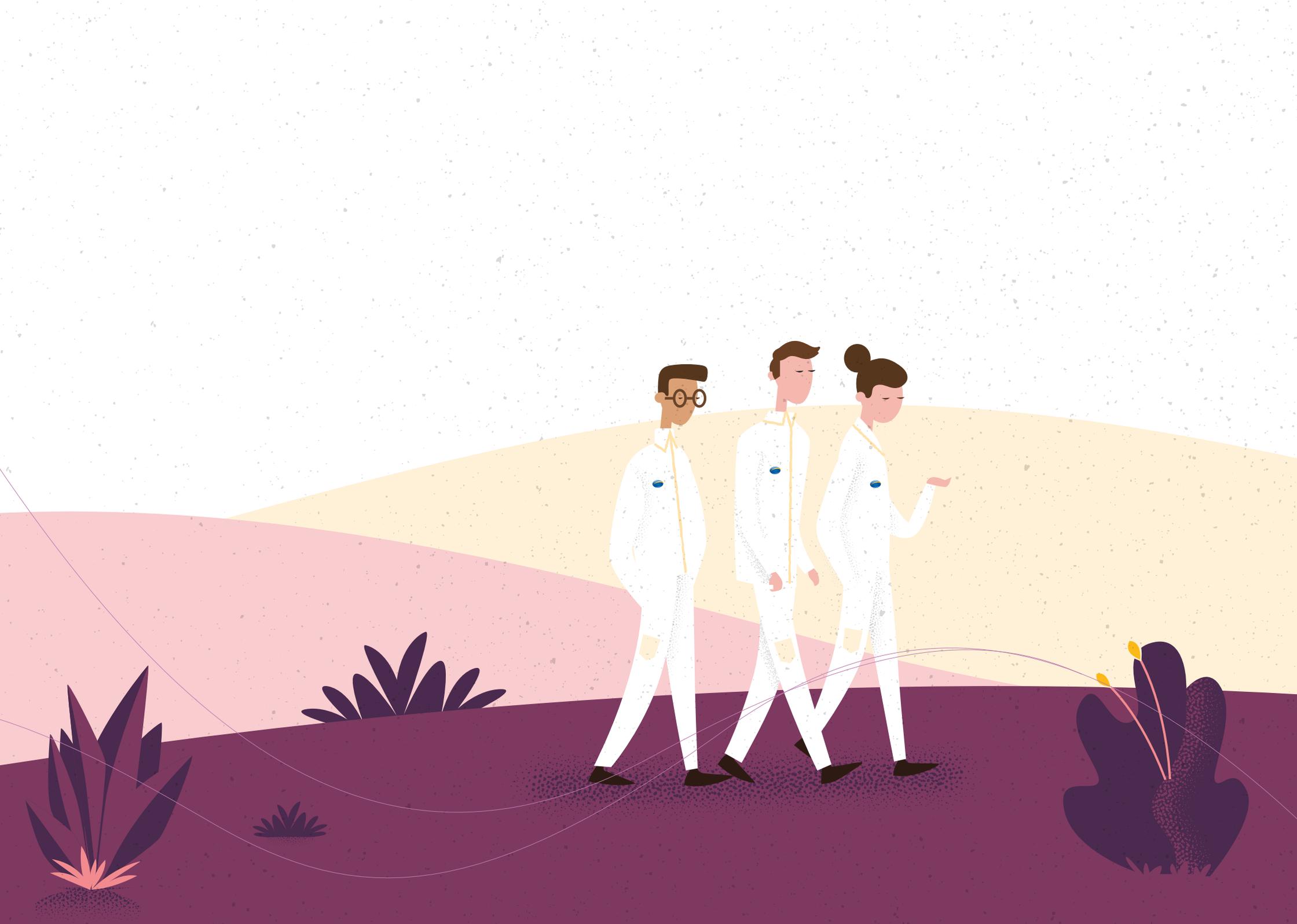
PET G is a modified version of PET (Polyethylene Terephthalate). The letter G means that the modification is achieved with the use of glycol, which is added to the material composition during polymerization. It is classified as a highly recyclable material since it enters the PET recycling circuit, the polymer with the highest recyclability rates worldwide.

Due to the rigidity of the new material, progress was made in adapting the blades of the machinery used for cutting and die-cutting the sleeves, and industrial tests began to adapt the micron and grammage required, ensuring food safety.

In August 2020, thanks to the joint work of the R&D, Purchasing, Quality, Procurement, Maintenance and Production areas, the change was implemented in all the lines of both brands of jams.

As a result of the project, it was possible to avoid sending more than 45,000 kg of PVC into the environment by replacing it with a more sustainable material. Savings were also achieved in the tons of material used, since the PET G grammage is less than the grammage of the PVC that was used.





CHAPTER 6

Human and Labor Rights



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RESPECT AND PROTECTION
OF HUMAN AND LABOR
RIGHTS**

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⋮ **THE INITIATIVES IN THIS CHAPTER CONTRIBUTE TO
THE FOLLOWING SUSTAINABLE DEVELOPMENT OBJECTIVES:**



6.1 RESPECT AND PROTECTION OF HUMAN AND LABOR RIGHTS



We work daily to ensure that, both in our workplaces and in those of our value chain, we respect human rights and promote best practices related to their promotion.

OUR SUSTAINABILITY POLICY INCLUDES A COMMITMENT TO RESPECT AND PROMOTE HUMAN AND LABOR RIGHTS:

Comply with current legislation, ensuring decent working conditions, labor development, knowledge improvement and equal opportunities, involving our value chain in this commitment.

Respect voluntary union association and recognize the right to collective bargaining.

Contribute to the elimination of all forms of forced labor and child labor.

Promote practices that contribute to inclusion and diversity in the company's sphere of action.

Facilitate and support actions and projects that contribute to the generation of equal opportunities for children.

OUR PILLARS TO ADDRESS THIS ISSUE ARE:



COMMITTED TO A FULFILLING CHILDHOOD

From the beginning, we have worked to respect, protect and promote children's rights through actions that promote respect and protection of children's rights, through initiatives for the cross-cutting integration of these issues in all our businesses, value chain and society in general, and we actively participate in spaces for dialogue and exchange to influence public policies.

In 2015, Arcor Group's Commitment to Children's Rights Policy was developed and published, making us the first company in the region to incorporate this perspective in its Sustainability Strategy. The policy is framed within our corporate philosophy, the company's Code of Ethics and Conduct and Arcor's Sustainability Policy.

In order to put this policy into practice, every year we develop the *Empresa-Infancia* initiative, which allows us to continuously and comprehensively monitor compliance with children's rights throughout the company.

Along these lines, in 2020, several projects were promoted in coordination with different areas of the company:

- Review of Arcor Group's Child Advertising Self-Regulation Policy.
- Virtual celebration of "Children's Day" for company collaborators and external audiences.
- Design and development of the Webinar "Mothers and fathers facing the challenge of new forms of coexistence at home", organized by Universidad Arcor together with Arcor Foundation for the company's collaborators.
- Development of contents to accompany the 2021 school kit that is given to the children of the company's collaborators.



WE HAVE MANY REASONS

Within the framework of the anniversary of the Convention on the Rights of the Child (1989), in partnership between the Institutional Communications area and the Social Investment area, the communication campaign "We have many reasons" was carried out.

The objective of the campaign was to show, through different testimonies, the great work, the multiple challenges and all the achievements that families, students and teachers have reached during this special year.

Based on this, Arcor Group, Arcor Foundation in Argentina and Chile, and Arcor Institute Brazil emphasize that there are many reasons to continue learning, innovating and, especially, to duplicate efforts that contribute to the generation of new educational opportunities for children.

The campaign was carried out through Arcor Foundation and Institute's website, as well as in the company's internal communication tools and through different social networks of Arcor and *Inversión Social*.

6.2 HUMAN RIGHTS DUE DILIGENCE



At Arcor Group we develop a human rights due diligence process that allows us to identify, prevent and be accountable for the real or potential impacts that we may generate, contribute or be related to.

As a company we developed some initiatives to address what was detected in the due diligence process:



- **Ethics Hotline** for confidential and anonymous reporting, both for our collaborators and for suppliers and customers. It can be accessed at www.arcor.com/ar/contacto-codigo-etica.



- **Consumer Services** available for the attention of queries and claims from all over the world, by accessing www.arcor.com/ar/contact-products.



- **Charter of Adherence to the Fundamental Principles for Responsible Management** (See Chapter 2), through which we seek to commit our suppliers to compliance with human and labor rights.



- **We conducted sustainability training** for the company's property security guards, addressing four main topics: care for the environment, active life and healthy nutrition, human rights and children's rights. During 2020, 95% of the security guards at all plants in Argentina, Brazil and Chile received training on these issues.



- **Identification of economic, social and environmental impacts** in order to recognize the impacts of the company-community relationship and strategically manage risks and opportunities, as part of our integral process of respect and protection of human rights in all the locations where we operate.

6.3 DIVERSITY AND EQUAL OPPORTUNITIES



Through different initiatives and projects, we seek to value diversity based on three main areas of work: gender equity, labor inclusion of people with disabilities, and employment opportunities for young people.

GENDER EQUITY PROGRAM

The Program focuses on three main lines of action: income flow, to increase the number of women who join the company, particularly at the professional levels; communication and awareness, by carrying out actions and campaigns that promote a culture of gender equity; and conciliation of personal and family life with work, based on specific programs and benefits to protect maternity.

In 2017, in order to deepen our commitment to gender equity, we adhered to Women's Empowerment Principles (WEP).

In 2020, Arcor Group's Gender Committee was formed, its members were appointed and an action plan for the coming years is being outlined.

In December, during the Committee's last meeting of the year, an awareness-rising workshop was held, guided by an external consultant, which covered the topic of gender perspectives and the role of women in companies.

In addition, an action protocol on gender violence is being developed.



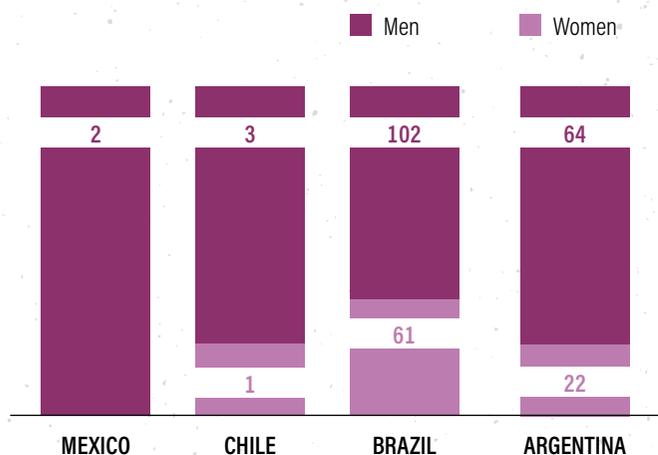
LABOR INCLUSION PROGRAM

Since 2012, we have been promoting the Labor Inclusion Program for people with disabilities and we have a goal to maintain or increase the number of people with disabilities in the company.

Over the years, we have surveyed positions and job accessibility conditions at all our sites and developed various local recruitment sources.

During the early 2020s, we conducted a proactive mapping of profiles of people with disabilities with a professional profile, in order to continue to drive the program forward. Unfortunately, due to the isolation measures put in place to deal with COVID-19, it was not possible to make progress on new additions during 2020.

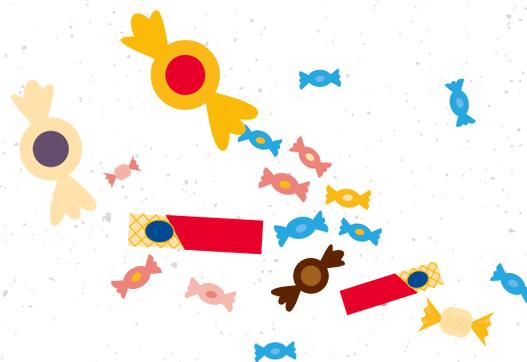
NUMBER OF PEOPLE WITH DISABILITIES ARCOR GROUP (NUMBER PER COUNTRY/PER GENDER)



EMPLOYMENT OPPORTUNITIES FOR YOUNG PEOPLE

In Arcor Group we understand that young people are the future and that is why in recent years we have promoted the Program for linking with Technical Schools, with the purpose of contributing to the training processes, we developed the University Internship Programs to provide young people with the possibility of accessing their first work experience and, finally, we implemented the Young Entrepreneurs Program with the purpose of incorporating young people with development potential to our work team.

During the last year, due to the context generated by the COVID-19 pandemic and the provisions established by the authorities, it was not possible to advance in the incorporation of collaborators within the framework of the University Internship Programs and the Young Entrepreneurs Program.



Linkage Program with Technical Schools

Within the framework of the Community Relations strategy, Arcor Group seeks to promote linkage actions with technical training institutions. Within this framework, for the last 15 years we have been implementing several initiatives aimed at promoting the articulation and cooperation between both sectors: vocational orientation workshops, training, participation in academic meetings, guided visits, internships at secondary, tertiary and university levels, provision of materials and equipment to educational establishments, incorporation of young professionals into the labor market.

These instances are highly valued by schools and communities for their contribution to the formative processes of young people and for their contribution to the quality of education. In 2020, in a scenario crossed by the COVID-19 pandemic, the activities were adapted to a virtual modality with great receptivity and level of participation.

During the second semester, 25 collaborators from Arcor Luján and San Pedro (Buenos Aires); Arroyito and Villa del Totoral (Córdoba); Villa Mercedes (San Luis); and in the city of San Juan, jointly with the teaching teams of 23 secondary schools, developed a series of virtual training courses with tools for insertion in the labor market and vocational orientation. A total of 692 students participated, who were able to reflect on and analyze situations typical of the industrial sector, and to complement what they had learned with the curricular contents and the productive labor world.



TRAINING FOR TECHNICAL SCHOOLS OF THE PROVINCE OF SAN LUIS

During 2020, our collaborators from Arcor and Bagley Villa Mercedes Plants, together with advisors from the Management Technology Network (INTI) of San Luis and teachers, carried out a cycle of virtual trainings for 4 secondary schools in Villa Mercedes.

During the conference, work on the Kaizen methodology "continuous improvement" was carried out with 150 students in the last years of secondary school at School No. 15 "*Ingeniero A. Mercau*", School No. 17 "*V Brigada Aérea*", School No. 19 "*Bernardino Rivadavia*" and School No. 11 "*Benito Juárez*".

The educational proposal focused on the "*Kanban Portezuelo*" game, developed by INTI San Luis, which simulates a production process in a toy factory. Due to the context of the COVID-19 pandemic, it was adapted to a virtual modality, from which students were invited to reflect and analyze situations typical of the industrial sector, allowing them to complement curricular contents and relate them to the productive labor world.

Participants showed great interest and appreciated the opportunity to network with professionals from the industrial sector and specialized technical organizations.



6.4 CONDITIONS OF EMPLOYMENT AND WORKING ENVIRONMENT



At Arcor Group we are committed to the safety and health of our workers.

The health emergency caused by the COVID-19 pandemic presented us with an unprecedented challenge: to ensure continuity of operations while preserving the health of all our collaborators.

In this context, we formed a Coronavirus Committee to manage and monitor the evolution of this new context, made up of an interdisciplinary team of collaborators belonging to the areas of Corporate Human Resources, Corporate Medical Management, Quality, MAHPI, Institutional Relations, Internal Communications and Legal.

Among the prevention measures implemented to confront the pandemic are the early isolation of personnel at risk, the provision of remote work for many of the collaborators, the reorganization of the work routine in the production areas to minimize the possibility of contagion and the security measures implemented in the plants and in the logistics service.

1,416 COLLABORATORS FROM AT-RISK GROUPS WERE ISOLATED EARLY.⁴¹

TO DECEMBER 10: 1,745 COLLABORATORS CONTRACTED THE VIRUS, OF WHOM 1,666 RECOVERED, 72 CASES REMAINED ACTIVE AND 7 PASSED AWAY.⁴²

In addition, collaborators were provided with the necessary protection and health care items, and constant communication was maintained within the company, which was essential to ensure the continuity of food production and essential inputs for society in the new context.

Prevention measures were complemented by a variety of initiatives aimed at helping our collaborators and their families to get through the adverse context in the best possible way (see Chapter 1).

WE OFFER SAFE AND HEALTHY WORKING CONDITIONS

The safety of our collaborators and of all the people who work in our plants, processes and services is a fundamental principle for Arcor Group.

In this year of so many changes, the implementation and monitoring of protocol measures required more attention from managers, so the planning of other security-related activities suffered some delays in their progress.

	2016	2017	2018	2019	2020*
Accidents with lost days	365	251	260	217	272
Disabling Frequency Index	10.5	7.3	7.5	6.6	8.4

*In 2020, data from the Zucamor Plants were added.

However, we have begun the transition of OHSAS 18001 certified plants to the new ISO 45001 Occupational Health and Safety standard. The advancement of certification with this new standard implies a broader view of occupational health, incorporating aspects related to psychosocial factors that affect workers' health, including new factors such as harassment and bullying, and facilitating the early identification of risks to prevent them.

⁴¹ Argentina: 1,257; Brazil: 128; Chile: 6; Peru: 11; Mexico: 14.

⁴² Argentina: 5; Chile: 2.

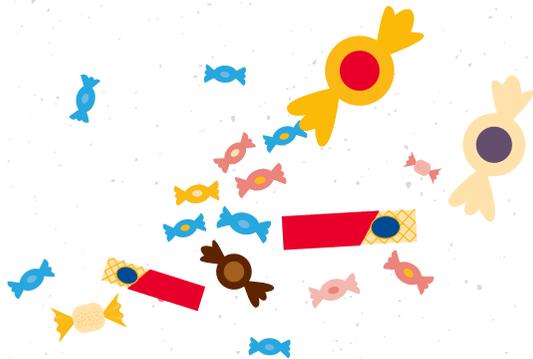
In addition, as part of the ISO 45001 certification, we promote the direct participation of workers, allowing them to identify, define priorities and contribute to the improvement in the implementation of health and safety measures.

20 of the 34 plants that had achieved OHSAS 18001 certification migrated to the ISO 45001 standard (*).

3 new plants achieved certification: Wet Mill 3 of Arroyito, Cartocor Chile and Zucamor Quilmes.

39 are the plants with Occupational Health and Safety certification.

(*) The migration of the rest of the plants is scheduled for 2021.



REDUCTION OF ACCIDENTS AT OUR DISTRIBUTION CENTERS

Understanding that having safe working conditions in our operations is a commitment of our company, during 2020 we carried out actions focused on the adequacy of the workplaces of the Logistics Distribution Centers in order to reduce and eliminate risks, together with behavioral change actions, according to corporate procedures and requirements of the new ISO 45001 standard.

According to this goal, the following lines of action are proposed:

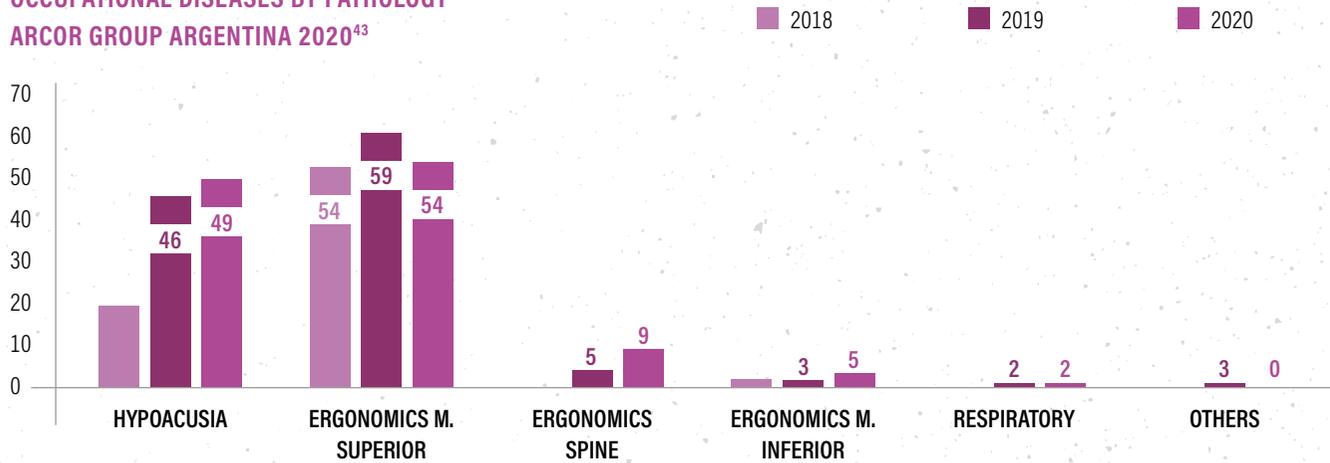
- **Job analysis**
- **Commitment Program**
- **Behavioral change**
- **Adaptation to new ISO 45001 requirements**

These lines of work have enabled us to reduce the accident rate in our logistics operations by 41% compared to 2019 according to the IFI Indicator.

INDUSTRIAL OCCUPATIONAL HEALTH AND SAFETY INDICATORS

OCCUPATIONAL DISEASES BY PATHOLOGY

ARCOR GROUP ARGENTINA 2020⁴³

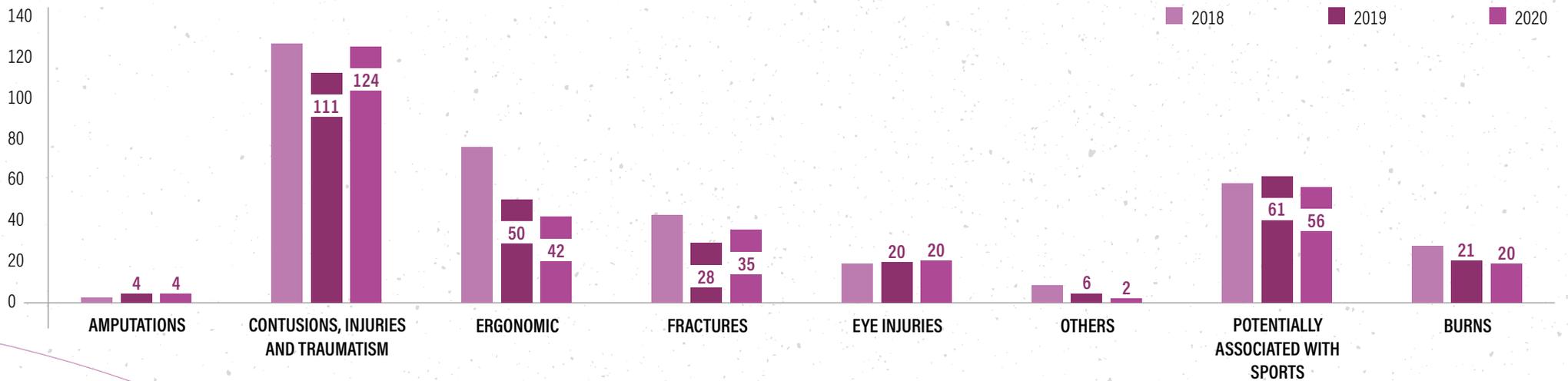


The main pathologies associated with industrial work focus on ergonomic issues and noise-induced hearing loss. These two factors are systematically addressed through the Ergonomics Program launched in 2014. Depending on the characteristics of these pathologies, the results need to be verified over a long period of time.

⁴³ They do not include reported cases of COVID-19 in 2020.

ACCIDENTS BY TYPE - WITH AND WITHOUT LOST DAYS

ARCOR GROUP ARGENTINA 2020



HEALTH AND SAFETY INDICATORS OCCUPATIONAL LOGISTICS

As part of our actions throughout the year, in March 2020 we launched an e-learning training program for transport drivers aimed at training them in good driving practices, procedures and general requirements. It reached 1,800 drivers of all services.

In addition, in November we continued with a second training program called "Zero Accident", which specifically covered aspects of driving safety. The training included video testimonials from drivers recounting their experiences in accidents, in order to be useful to other drivers.

Both training processes are active for new drivers and are a mandatory requirement to be able to start loading.

Finally, this year we incorporated the Wirtrack tool, which allows online monitoring of all driver safety variables such as unit speed, rest times, driving profiles, sudden braking and abrupt acceleration, and to verify parameters related to the merchandise, such as the programming of temperature sensors in the case of products that must be refrigerated.

However, we went through a complex year due to the COVID-19 context, which brought about several traffic restrictions that impacted on drivers' stress and fatigue levels. These complex conditions had a negative impact on the number of transportation claims.

TRANSPORT LOSSES ARGENTINE LOGISTICS

	2018	2019	2020
Accidents	22	5	14
Casualties	4	0	2



6.5 DEVELOPMENT AND PROFESSIONAL TRAINING



Our collaborators are the fundamental foundation for the growth and operation of our company, which is why we constantly seek to enhance their capabilities and provide them with development and training opportunities.

Arcor's Internal Search Program (BIA)

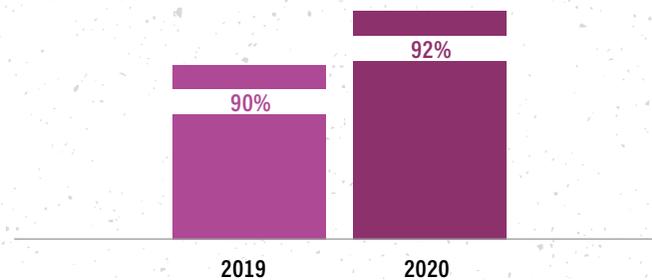
We strive to offer our collaborators opportunities for growth within the company. Those collaborators who wish to forge new challenges within the company can access the program by applying through the portal to active searches.

COUNTRY	PUBLIC SEARCHES	RECEIVED APPLICATIONS	VACANCIES COVERED
Argentina	84	232	48%
Brazil	89	159	31%

Strategic Resource Planning (PRE)

The Program allows for a better identification of the organization's potential future leaders through tools that validate their development potential. During 2020, we launched the 8th cycle, which allowed us to map on Round Tables for all the Group's businesses. All stages were 100% virtual due to the context.

92% of 2020 management promotions were planned in PRE.





Linkage Plan with Universities of Interest

This year, the company's engagement actions migrated entirely to the online format, allowing for greater participation in different events:

Job Fairs of Universities of Interest in Argentina: we participated in a total of 15 strategic trade fairs for the company.

Events of interest:

we participated in a greater number of events related to the university linkage plan, since distance was not a determining factor this year.

Emerging Leadership Program

The Program is developed with the purpose of deepening the emergence of leadership within the company. Participants selected for the program attend workshops and coaching sessions over several months of work. In 2020, the first and second editions of the program are still active, with a total of 42 participants. The participants of the first edition are in the final stages, going through the feedback interviews, while those of the second edition are in the middle of the program, with an estimated completion date of April 2021.

E-learning training courses and virtual platforms

Due to the pandemic context, through Universidad Arcor, six Webinars were dictated with the purpose of containing the collaborators in teleworking situation and offering them tools so that they can go through the context in the best possible way,

both professionally and personally. There were more than 1,200 participants from 9 different countries (60 different locations) in training sessions on the following topics:

- How do I manage my emotions in our reality?
- Mothers and fathers facing the challenge of new forms of coexistence in the home;
- Self-regulation and stress management: letting neuroscience explain it to me;
- The transforming power of crises: changes require us to modify our usual ways of working, leading and relating;
- How to achieve a healthy work, family and personal coexistence in times of uncertainty?
- Leading our teams virtually.

DURING 2020, 1,061 COLLABORATORS PARTICIPATED IN TRAINING INSTANCES THROUGH ARCOR UNIVERSITY.



6.6 BENEFITS AND COMPENSATION



The commitment and effort of our collaborators is fundamental to be able to offer quality products to our customers. This is why we have developed a series of policies and actions that allow us to offer them a balance between their professional and personal lives, strengthening collaborator-employer bonds.

Among our benefits can be named:



MEDICAL ASSISTANCE



GYM DISCOUNT



DELIVERY OF COMPANY PRODUCTS



WEDDING GIFTS



LIFE INSURANCE ADDITIONAL OPTIONAL



FOOD VOUCHERS AND LUNCH VOUCHERS



PENSION PLAN FOR HIERARCHICAL LEVELS

Among our benefits associated with childhood are:



MONTHLY FINANCIAL ASSISTANCE PER CHILD UP TO THE AGE OF 6 TO THE WORKING MOTHER



CLOTHING AND SCHOOL SUPPLIES KITS FOR COLLABORATORS' CHILDREN



REDUCED WORKING HOURS FOR MATERNITY



MATERNITY LEAVE AND ADOPTIVE PARENTHOOD



BIRTH GIFTS



SECONDARY SCHOLARSHIPS

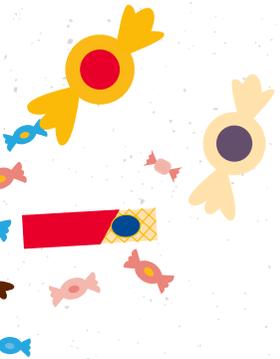


SUMMER SCHOOL AND NURSING HOMES IN INDUSTRIAL PLANTS



As part of our commitment to the United Nations Global Compact, and in accordance with our Sustainability Policy and Code of Ethics and Conduct, we respect freedom of association and the effective recognition of the right to free collective bargaining. As a company, we promote voluntary union association, with 70% of our staff being part of a Collective Bargaining Agreement, according to the corresponding activity.

In Arcor Group, we do not make any kind of discrimination in remunerations in relation to the collaborator's gender. Through a Compensation System based on the HAY methodology, we monitor the salaries of non-bargaining agreement personnel to achieve greater internal equity, guarantee gender equality and be competitive in the market.





CHAPTER 7

Active Life and Healthy Nutrition



⋮ **7.1
PROMOTING ACTIVE
LIVING AND HEALTHY
NUTRITION**

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⋮ **7.2
STRATEGY FOR
HEALTHY NUTRITION AND
HEALTHY LIFESTYLE**

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⋮ **7.3
PORTFOLIO**

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ALLIANCES
AND KNOWLEDGE**

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⋮ **7.5
COMMUNICATION
AND PROMOTION**

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⋮ **THE INITIATIVES IN THIS CHAPTER CONTRIBUTE TO
THE FOLLOWING SUSTAINABLE DEVELOPMENT OBJECTIVES:**



7.1 PROMOTION OF ACTIVE LIVING AND HEALTHY NUTRITION

As a producer and marketer of food, supplies and ingredients for the food and beverage industry, the promotion of activities to encourage an active lifestyle and healthy nutrition is essential to prevent malnutrition in all its forms, as well as chronic non-communicable diseases associated with poor diet, sedentary lifestyles and lack of healthy living habits.

AT ARCOR GROUP, WE ARE COMMITTED TO THE PROMOTION OF AN ACTIVE LIFE AND HEALTHY NUTRITION, BY WHICH WE SEEK:

- Promote healthy lifestyle habits, in particular healthy nutrition, physical activity and the abandonment of addictions.
- Contribute to the scientific evaluation of the nutritional properties and health effects of the substances that make up food.
- To produce food that contributes to nourish with pleasure, meeting the needs of all its consumers.
- Research and develop product lines in accordance with the recommendations of the World Health Organization and national health plans, considering the acceptability of available products and technologies.
- Use only ingredients considered safe according to World Health Organization criteria in the preparation of products.
- Adopt responsible advertising and promotion practices aimed at disseminating healthy lifestyles.

TO MAKE THIS COMMITMENT A REALITY, WE ARE WORKING ON FIVE COMPREHENSIVE LINES OF ACTION:



7.2 HEALTHY NUTRITION AND LIFESTYLE STRATEGY



Since 2016, we have had an organizational structure and a Food & Healthy Lifestyle & Strategy (EA&HVS) aimed at promoting healthy nutrition and lifestyle habits to generate positive impacts on society.

ORGANIZATIONAL STRUCTURE FOR THE DEVELOPMENT OF THE EA&HVS

Nutrition Committee

Governing Body

Goal: Define and monitor Arcor Group's Nutrition and Healthy Lifestyle Strategy.

National Platform Group

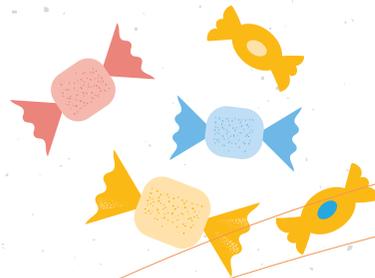
Operative Group

Goal: To ensure that Arcor Group's portfolio is increasingly better in relation to nutritional and compositional aspects within the framework of the company's profitability and sustainability objectives.

Area of Corporate Nutrition

Specific Area

Goal: Coordinate, provide specific support and operational follow-up of the actions derived from the implementation of the EA&HVS.



The EA&HVS is composed of three pillars:

PILLAR ALLIANCES AND KNOWLEDGE:

To promote Arcor Group's relationship and joint actions with the scientific-technological ecosystem in order to support its initiatives through the generation of and access to knowledge and alliances.

PORTFOLIO PILLAR:

Intervene the portfolio with the objective of improving the nutritional profile (reduction of sensitive nutrients and increase of nutrients and positive components), entering new categories and expanding the offer of products packaged in individual portions.

COMMUNICATION AND PROMOTION PILLAR:

Communicate responsibly.

Each pillar articulates specific actions through programs, initiatives and agreements, always within the framework of the current trends and regulatory framework.

The year 2020 marked the fourth anniversary of the launch of our EA&HVS, so we closed the first management cycle with great achievements and we are planning new goals for the coming years.

PORTFOLIO

- **More than 55% of our portfolio** (in kg) complies with the parameters established in the SPNA.
- **11% of our total SKUs** globally correspond to alternative products (free or reduced in sensitive nutrients such as sugars, trans fats and sodium).
- **6.7% (274 SKUs)** correspond to products with modified sugar content (no sugars, reduced sugars and/or no added sugars).
- **99.5% of our products** comply with the Sodium Content Policy.
- **272 SKUs** had cumulative saturated fat reductions through 2020.
- **31.8% of our turnover** in 2020 corresponds to foods with outstanding nutritional benefits (modified sugar content, gluten-free, source of vitamins and minerals, reduced saturated fat, omega-9 or fiber).

ALLIANCES AND KNOWLEDGE

- **Arcor Food Innovation.**
- **Corporate Basic Nutrition Training Program.**

COMMUNICATION AND PROMOTION

- **Since 2017 we have had our own Self-Regulatory Policy for Children's Advertising.**
- **More than 5,320 teachers trained and more than 65,267 children benefited through the Learning to Enjoy Program since 2018.**



7.3 PORTFOLIO



In this axis of the Strategy, we are committed to working on improving the nutritional profiles of our products so that they have a better nutritional profile, promoting the entry into new categories and increasingly offering more products with special attributes or that contribute to the inclusion of people with specific nutritional needs.

The portfolio approach is made tangible through 7 intervention vectors:

- **Work on sensitive nutrients in our recipes:** reduction or "free-from" alternatives.
- **Positive additives:** fruits, vegetables, nuts and legumes; whole grains and fiber; micronutrients; protein.
- **Products with specific and inclusive functionalities** for vulnerable groups.
- **Portioning and work on the reduction of energy intake.**
- **Gratification and bonding:** indulgent products to consciously enjoy and to be able to enjoy moments with others.
- **Quality assurance:** safe products and controlled processes.
- **Sustainable management:** inputs and responsible manufacturing processes.



NUTRITIONAL PROFILES

In this first cycle of the EA&HVS, which covers the last four years, Arcor's Nutritional Profiling System (SPNA) represented a very helpful tool to guide improvements and new developments. The SPNA is a proprietary nutritional standard that sets maximum limits for sensitive nutrients (sugars, saturated fat and sodium) and also for energy by product category.

Based on the use of this tool, improvements were driven and the development of new launches was guided during this four-year cycle, proposing specific goals for each of our businesses and keeping indicators that allow us to measure the evolution of the improvements and the achievements attained.

In these years we have achieved that more than 55% of our portfolio (in kg) complies with the parameters established in the SPNA. To achieve this, we improved the composition of 34% of the kilograms we sell globally in all our businesses. In the case of farinaceous products specifically, 64.6% of the kg sold by Bagley Argentina were improved, 70.4% of the kg sold by Bagley Brazil and 19.1% of the kg sold by Bagley Chile. In categories belonging to the Food Business, 16.1% of the kilograms marketed improved.

We are also working on offering alternative products with modified (no or reduced) sugar, sodium and/or saturated fat content, achieving that 11% of our total SKUs globally correspond to alternative products. Specifically, the following are highlighted: 12.2% Golosinas Argentina SKUs, 24% Golosinas Chile SKUs, 32% Alimentos Argentina SKUs, 32.4% Bagley Chile SKUs, 16.8% Bagley Argentina SKUs.

MANAGEMENT OF THE NUTRIENTS THAT MAKE UP OUR PRODUCTS

Committed to the improvement of our products and aligned with the recommendations of the World Health Organization, we work hard on the reduction of sensitive nutrients. The following are our main developments:

SUGARS

We stipulate maximum reference limits by product category included in our SPNA.

- 6.7% (274 SKUs) correspond to products with modified sugar content (no sugars, reduced sugars and/or no added sugars).
- Since the entry into force of the mandatory nutritional table for products manufactured in Mercosur countries, approximately 15 years ago, we have voluntarily reported the total sugar content on the labels of our products.
- We implemented a sugar reduction plan, accumulating so far reductions in 95 SKUs, which implied no longer delivering 1,389,343 kg of sugars per year to the market in 2020.



CHILDREN'S COOKIES WITH LESS SUGAR

In Chile, we have been working hard for the past four years to incorporate various nutritional improvements to all our brands of sweet and savory cookies. Within this framework, we began a process of modifying the recipe of two lines of cookies in the children's segment, Dos en Uno Mini Lemon and Dos en Uno Mini Chocolate, in order to reduce the percentage of sugars and achieve a product with a better nutritional profile.

During 11 months we worked on the reformulation of ingredients, industrial investments, cost calculations, machinery tests and validations by the different teams until we reached the desired product, finally achieving a 40% reduction in sugar for the chocolate flavor presentation and a 35% reduction in sugar for the lemon flavor presentation.

Thanks to these reductions, considering the volume produced in 2020 in both lines, we stopped sending 7,998 kilograms of sugar to the market.



SODIUM

- Since 2013 we have had a Sodium Content Policy that establishes maximum limits per product category. In 2018, we revised this policy by setting more stringent limits for some categories.
- 99.5% of our products comply with the Sodium Content Policy.
- 100% of the products manufactured in Argentina comply with local legislation that establishes limits on sodium content in products.
- We executed a sodium reduction plan, accumulating so far improvements in 278 SKUs, which implied no longer delivering 129,053 kg of sodium per year to the market in 2020. This improvement plan was articulated with initiatives of the governments of Argentina and Brazil, such as participation in the Argentine program "Menos Sal más Vida" (Less Salt, More Life).
- Within the framework of Copal, since 2011 Arcor Group has participated in the Sodium Reduction Round Table, convened by the National Ministry of Health. In 2020, meetings were held for the snacks category and work is scheduled to continue throughout 2021.



LESS SODIUM IN OUR SELZ LIGHT BRAN COOKIES

As part of the nutritional improvements that we have been promoting since 2016 in Chile for all our lines of sweet and savory crackers, we began a process of modifying the recipe of our Selz Salvado Light crackers in order to reduce their sodium percentage and achieve a product with a better nutritional profile.

To this end, work was carried out over a period of eight months on the reformulation of the product's ingredients,

tests on industrial machinery based on an initial monetary investment and validations by the different teams to achieve a total sodium reduction of 36.5% while maintaining the product's original sensory properties.

As a result of this change, we were able to stop sending 8,210 kilograms of sodium to the market, considering the total produced in the line during 2020.



SATURATED FATS

- We established maximum reference limits by product category included in the SPNA.
- We promote actions to reduce the amount of saturated fatty acids in our products, mainly by replacing them with high oleic sunflower oil.
- We invested in equipment to adapt to the use of liquid oils.
- We have innovation lines of work with the objective of incorporating a greater proportion of liquid oils and substitute fats with a lower content of saturated fatty acids.
- We implemented a saturated fat reduction plan, accumulating reductions in 272 SKUs so far, which implied not delivering 2,730,990 kg of saturated fats per year to the market in 2020.



SALADIX BAKED SNACKS WITH LESS SATURATED FAT

Within the framework of the Active Living and Healthy Nutrition Commitment and our Healthy Nutrition and Lifestyle Strategy, and with the intention of complying with the recommendations of several international organizations and Arcor's Nutritional Profiling System, Bagley is committed to reducing the content of saturated fatty acids.

To this end, we defined some product lines to work on, among which are Saladix Baked Snacks.

The project was carried out over a period of two years, during which work was done to replace all of the refined beef fat in the snack dough with high oleic sunflower oil. The change required recipe adjustments, pilot and industrial tests, follow-up shelf-life studies and the

corresponding sensory validations to maintain the original flavor of the product.

Even in a complex context generated by the pandemic, we maintained our commitment so that the project could be completed by the end of 2020, achieving a product with an average saturated fat reduction of 72% for the duo ham and cheese, ham, calabrese and parmesan tastes.

In March 2021, the pizza flavor line will be launched with these modifications.

Taking into account the nutritional improvement implied by these changes in the products and their acceptance in the market, we are committed to continue deepening this line of work during the coming years.



TRANS FATS

In relation to the reduction of trans fatty acids (TFA), we are proactively committed to their reduction:

2008 Arcor Group adheres to the Rio de Janeiro Declaration: "Trans Fat Free America" together with public health authorities, representatives of the food industry and oil companies, convened by the Pan American Health Organization.

2011 We published the Trans Fatty Acids Policy where a maximum limit of 5% TFA/fatty matter is voluntarily established for products and a deadline for compliance is given.

2014 We modified the AGT policy, adopting a more demanding limit than the previous one: 2% TFA/fat. This limit is lower than that established in several Latin American legislations.

2019 With a lot of effort and a transversal project that involved the R&D managers of the businesses in Argentina, Chile, Brazil, Mexico and Peru, and the Purchasing, Innovation and Nutrition areas, we achieved the goal of 100% compliance with the TFA policy in all the countries where we manufacture products.

**2019
2020** Through COPAL and CIPA, and together with the Ministry of Health, we participated in improvements in the drafting of the trans fat content limit article of the Argentine Food Code.

2020 We were able to sustain our achievements and continue with the development of open lines of research: development of products free of partially hydrogenated fatty acids.

The work on trans fatty acid substitution involved:

- Substitute solid fats for liquid oils (mainly high oleic sunflower oil) in fillings and doughs, adjusting sensory, processing and shelf-life profiles.
- To develop substitute solid fats with a crystallization profile in accordance with available technologies.
- Introduce major changes in the supply of raw materials, some of which are not manufactured locally, which adds a logistical and cost challenge to the technological challenge of the change itself.
- Adapt manufacturing processes with investment in more appropriate equipment, in some cases taking care of efficiency and productivity standards.

The approach continues proactively through innovation lines:

- To develop products free of partially hydrogenated oils, necessary to comply with new legislation that is being implemented worldwide (USA, Canada, Thailand, Taiwan and Saudi Arabia). We have been able to export products from our Mexican plant thanks to these new developments.

- Evaluate new suppliers and solutions to help us improve our competitiveness and obtain substitute fats from local inputs.



FOOD WITH SPECIAL ATTRIBUTES

We offer products that have outstanding nutritional benefits relative to the standard of the category in which they fall. Within this type of products we can mention those reduced or free of sugars and sodium, fortified in vitamins and minerals, rich in fiber, low in saturated fats. We also work on the development of products that contribute to the inclusion of people with specific nutritional needs, such as gluten-free or lactose-reduced products. In addition, the company also produces organic sugar and muscovado sugar.

We also have products that provide wellness, such as balsamic and inhalant products and oriented to cultural groups with special dietary criteria.

In 2015, 24.3% of our turnover corresponded to foods with outstanding nutritional benefits (modified sugar content, gluten-free, source of vitamins and minerals, reduced in saturated fats, with omega 9 or fiber), a proportion that increased, reaching 31.8% of turnover in 2020.

Similarly, in 2015 the percentage of our turnover corresponding to foods that provide wellness (inhalant foods and kosher products) was 2.4% achieving in 2020 to increase to 7.5% of turnover.



LACTOSE-FREE CHOCOLATE IN BRAZIL

Between January and February 2020, we launched our Arcor lactose-free chocolate and Easter egg bars for our lactose-intolerant Brazilian consumers who want to enjoy a quality product.

The project took about 15 months to develop, during which time we worked on aspects of market research with the Marketing area; the understanding of legislation on the subject, development of formulation and validation of the line through the R&D area; food safety through the Quality area; efficiency and optimization of the process through the Engineering, Maintenance, Production and MAHPI areas; and the development of suppliers of the new raw material through the Purchasing area.

The initiative required investments for the acquisition of analysis equipment to guarantee the quality of the final product, as well as training for the entire team that participated in the development of the project, since it is necessary to know the particularities of the product and the care and control that it requires throughout the production chain (from the supply of raw materials to the production of the finished product).

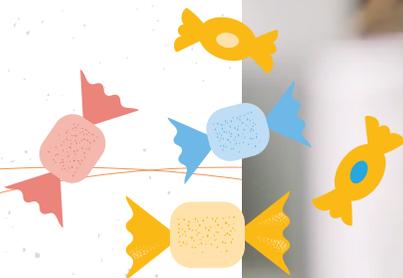
Aligned with the Healthy Nutrition and Lifestyle Habits Strategy, which encourages the continuous improvement of each person's diet according to their needs and activities, and considering the increase in people with food allergies or intolerances, a total of 101,998 kg of lactose-free chocolate was produced throughout 2020.



DIETARY SUPPLEMENTS

Adopting a proactive look in relation to healthcare, and in a process that took more than 3 years, Arcor decided to enter the dietary supplement market in 2018 in conjunction with Laboratorios Bagó, with the objective of offering easy and practical solutions to complement with specific nutrients the daily diet, according to the needs of each person. The product offer consists of gum tablets that provide vitamins and minerals, calcium and vitamin D and fiber and protein bars.

In 2020, we worked with the prospect of expanding the SIMPLE line of Dietary Supplements, which under the limitations brought about by the pandemic, represented numerous challenges in various dimensions.



GLUTEN-FREE FOOD

With a criterion of inclusion that commits us to offer products for all our consumers, we maintain our commitment to people with celiac disease by expanding the offer of gluten-free products in Argentina, with the premise of making them accessible to the greatest number of consumers.

We have been working steadily for more than 6 years, which is reflected in the total achievements of each of our businesses.



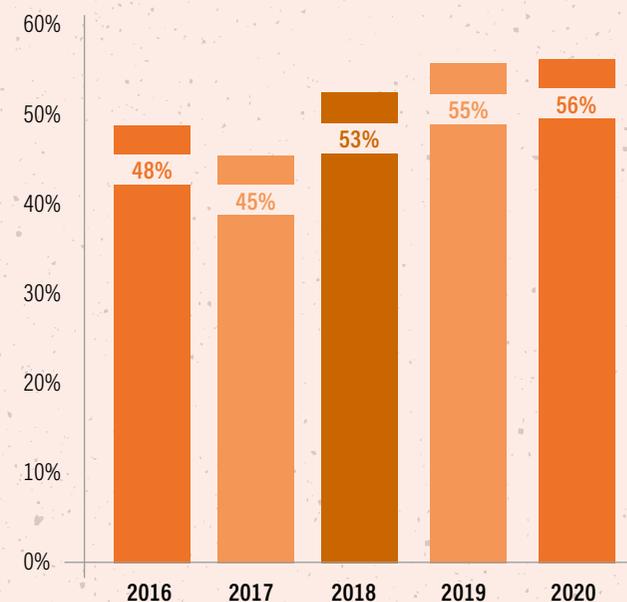
TACC-FREE CANDIES OVER THE YEARS

One of the main problems faced by people with celiac disease is that TACC-free foods are often more expensive than traditional foods.

At Arcor, we intend to offer the same products sold in all mass channels, with the same quality and price, but now certified gluten-free.

Within this framework, the Confectionery Business has, since 2016, almost half of the portfolio certified TACC-free.

Thanks to the launching of new gluten-free products and the progress in the certification of other existing products, in 2020 we achieved that gluten-free products cover 56% of the total candies marketed by Arcor Argentina and subsidiaries.



To the already existing product categories, belonging to all Arcor Group's businesses (hard and gummy candies, chocolates, lollipops, nougats and Christmas caramels, preserves, jams, polenta, juices and beverages, mixed nuts, dietary supplements, chocolates and premixes), in 2020, we added rice toast, continuing

to expand our portfolio to include farinaceous-based foods and TACC-free ice cream.

In total we have 424 gluten-free products marketed in 2020.



OUR SAN LUIS PLANT IS CERTIFIED FOR THE PRODUCTION OF TACC-FREE PRODUCTS

Thanks to the work of different areas of the company throughout 9 months, and to the disposition of the Sanitary Authority of the province of San Luis, we achieved in record time, the authorization of our candy and chocolate plant as a gluten-free food production facility.

The project arose due to the high demand for gluten-free products at affordable prices from the community, as well as an opportunity to achieve productivity efficiencies at the San Luis plant.

Ten days after the achievement, we were able to start the production of the first gluten-free product: Aguila Chocolate for cups, foreseeing for the rest of the year the incorporation of the TACC-free seal in products such as Sapito, Hamlet and Easter eggs.

In the course of a major global crisis, we can be proud to be a food producer able to provide consumers with a broad portfolio of mass consumption foods with a gluten-free attribute, which can be purchased by those who wish to do so due to their accessibility.



LAUNCHING OF GLUTEN FREE CRIOLLITAS TOASTS

Over the course of 12 months, different areas of the Agribusiness and Bagley Businesses, with the support of the Corporate Food Legislation Area, worked on the development of a new product within the Criollitas Toast line, in order to offer an option of our classic toast to people intolerant to gluten.

As a result of the extension of the scope for the “Gluten Free” production to the Plant located in San Pedro, province of Buenos Aires (specialist in the elaboration of Food and Agro-industrial Products), the possibility of elaborating the new TACC-free toasts arose.

In this way, the different stages of the project began: thorough cleaning of infrastructure and plant equipment; selection and development of gluten-free raw materials; validation of the production process and formulas; design of the new product; and validation of the results obtained in external laboratories.

Despite The pandemic context, in July we were able to launch our gluten-free Criollitas Rice Toasts.





GLUTEN-FREE ICE CREAMS TO ENJOY IN SUMMER

After two and a half years of joint work between different areas of Arcor Group and the Ice Cream *fasón* (outsourced manufacturing) plant, the sanitary authorization to manufacture Gluten Free products was obtained, which allows that more than 60% of our Arcor Ice Cream portfolio is now TACC free.

In October 2020, we will enter the market with a wide mix of flavors, presentations, formats and even some gluten-

free launches, so that more and more consumers can enjoy our products.

Currently, for the *Impulso* segment we have the *Kopa*, *Slice*, *Barrita Águila*, *Infantiles* and *Paletas Arcor* lines, while for the *Hogar* segment we have the *Desserts*, *Agrupados*, *Potes* and *Citos* lines.

In addition, we provide information to celiac consumers through the SAC, through direct interactions on social networks, on-site at specific supermarket shelves, and through the publication of the list of products registered with the health authority as "Gluten Free" on our corporate website.

This year, challenged by the pandemic, we undertook a series of virtual actions for Celiac Day (May 5), in which we developed recipes with Arcor brand products together with specialized chefs, actors and influencers through our social networks.



“RIGHT PORTION SIZE” PROGRAM

Within the framework of the promotion of a balanced and equilibrated diet, which includes all food groups, and to help our consumers manage proportions and quantities in relation to foods consumed as snacks, at Arcor we created the program Right Portion Size, which aims to provide consumers with alternatives of products packaged in individual portions with an established weight and calorie limit, thus facilitating self-regulation so that they can adopt a varied and equilibrated diet.

It also aims to educate consumers by providing them with information on the suggested serving size of foods offered in multi-serving packages. The products that are part of the program are identified by a green logo on single-serving packages.

During 2020, we continued to expand the range of products included in the program to 85 single-serve, and 82 in multi-portion presentations.

In addition, we have an initiative to help consumers know their portion in Chile under the name “Suggested Portion”, which covers more than 70% of the products.



7.4 ALLIANCES AND KNOWLEDGE



Our objective within this pillar is to generate key links with our stakeholders by promoting responsible dialogues and enriching conversations, seeking to generate substantial contributions to respond to the current demands and needs of our society. In addition, these relationships are essential as a contribution to research for the development of our products.

LINKAGE AND RELATIONSHIP STRATEGY

During 2020, in the context of the pandemic, all sectors of society, both public and private, prioritized the search for solutions to avoid food shortages for the population.

Thus, numerous challenges have arisen in order to guarantee the food supply by involving all the links in the food system, including the health authorities responsible for authorizing food establishments and products. In this sense, the companies represented by their sectorial chambers worked hard with government authorities to promote new mechanisms to overcome the obstacles and restrictions caused by the pandemic, and to be able to continue supplying products.

Although the context of COVID-19 posed a number of challenges, the continuity of the articulated work between the public and private sectors on technical and health issues was essential. Arcor increased its active participation in work spaces and instances of exchange.

BASIC TRAINING IN NUTRITION AND HEALTHY NUTRITION

Within the framework of Internal Knowledge Management on Food and Nutrition, the first part of the Corporate Basic Nutrition Training Program was carried out for collaborators of our Marketing, Research and Development teams and other related areas, organized jointly by the Corporate Nutrition Area and Human Resources through Universidad Arcor.

The program has a regional scope and involves a total of more than 80 collaborators from Argentina, Brazil, Chile, Mexico and Peru.

With a duration of one and a half years, to be delivered between 2020 and 2021, the program's agenda was structured to deepen and strengthen nutrition and health concepts, provide impact assessment tools and also an effective implementation, with the aim of contributing to the promotion and feasibility of projects with the inclusion of the health dimension.

The first part of the program was delivered by renowned specialists in each of the topics addressed, contributing to strengthening the network with the scientific-technical system. Among them were researchers from CONICET who accompanied us through the High Level Technological Services (STAN) modality.



ARCOR'S FOOD INNOVATION

At Arcor we believe that health professionals have a fundamental role in the development of healthy life habits and the improvement of people's quality of life. That is why we believe it is very important to work together with them.

During 2020, we will consolidate the space created in 2019, generating a section on our website aimed especially at healthcare professionals where they can access specific content about our products, the EA&HVS and specific programs. Any professional who wishes to participate has the possibility to leave us their data to be part of Arcor Group's Network of Health and Food Professionals.

Within the framework of this space, the following activities were also highlighted during 2020:

- **Survey:** "Nutrition habits during the COVID-19 crisis".
- **Sending nutritional information on new products.**
- **Access to research and studies** in the field of food.
- **Organization and ordering of the database,** which currently has more than 1,600 records.
- **Consultations on actions and product launches.**



7.5 COMMUNICATION AND PROMOTION



To contribute to the third pillar of our Healthy Nutrition & Lifestyle Strategy, we carry out actions and different initiatives related to communication and promotion.

WE COMMUNICATE RESPONSIBLY

Communicating transparently and through responsible advertising is essential to establish trusting and lasting relationships with our stakeholders throughout the value chain.

Proud and confident in the ingredients we use, we include GDA labels on the packaging of 74.1% of our product portfolio so that consumers know that when they choose an Arcor product, they are choosing quality and can more easily recognize the nutritional information.

In order to promote and share this practice in the industry, the scientific community and the media, we participate in various forums, including the Argentine Advertising Council (CPA), the Argentine Chamber of Advertisers (CAA), the Association of Communication Managers (DIRCOM), the Argentine Public Relations Professional Council (CPRRPP); the Brazilian Association of Advertisers, the National Council of Advertising Self-Regulation in Brazil; and the National Association of Advertisers and the Council of Advertising Self-Regulation and Ethics in Chile.

In this sense, and because of the essential role we understand we must play when it comes to disseminating messages that promote improved nutrition and living habits, mainly for the youngest, since 2017 we have had our own Self-Regulation Policy for Children's Advertising.

It defines that Arcor may only make communications to audiences composed (at least 50%) of children under 12 years old, for those products that comply with our SPNA. It is applicable in all markets and countries where our products are present, unless there is a more demanding guideline, which will then be applied.

We also adhere to COPAL's Advertising Self-Regulation Policy for Argentina.

COMMUNICATION ACTIONS IN SOCIAL NETWORKS

Nutritionist's Day (August 11):

- Live Instagram about Healthy Nutrition - V. Busnelli (Endocrinologist) - Romina Pereyro (Nutritionist).
- Web note: Testimony of two nutritionist friends - S.Sartor- L. Paduano (AADYND) - G. Saad.

Celiac Day (May 5):

- Live Instagram A. Temporini (specialist chef) - M. Vazquez (Influencer) - Recipe development with ARCOR products
- Vivo Instagram - P. Gabriel (specialist chef) - D. Ramos (actor) - Recipe development with ARCOR products.

World Food Day (October 16):

- Under the slogan proposed by FAO⁴⁴ for this date "Food Heroes", we developed content for Arcor's website and communication in social networks.

World Chocolate Day (September 13):

- Web note: Nutritional benefits of cocoa.
- Social media posts.
- Communication to nutritionists by mailing.

⁴⁴ Food and Agriculture Organization.



LEARNING TO ENJOY PROGRAM

"Learning to Enjoy" (*Programa Aprendiendo a Disfrutar*, PAD) is a corporate social investment program of Arcor Group managed by Arcor Foundation in Argentina and Chile and by Instituto Arcor in Brazil. It is part of the Company's commitment to promote healthy lifestyles as defined in its Sustainability Policy.

The program's objective is to contribute to the promotion of healthy lifestyles in children, through:

- **Support for school initiatives.**
- **Training and knowledge generation.**
- **Positioning and dissemination of the subject matter.**

In response to the context generated by the COVID-19 pandemic and the Mandatory Preventive Social Isolation, in 2020, management and teaching teams were accompanied virtually in Argentina, Brazil and Chile. The methodology implemented for the Program was 100% digital, in group and individual form, through groups and meetings on digital platforms; video calls and telephone.

Resources were made available and shared, such as invitations to participate in spaces for debate and reflection; virtual courses on the Educational Portal and different virtual teaching materials: videos, downloadable resources.

In 2020 we achieved the following:



TRAINING AND KNOWLEDGE GENERATION



Argentina

We worked with 103 schools participating in the different editions of the PAD, providing them with guidance to work on the topic of healthy lifestyles in the COVID-19 context and following up on their particular situations.

Actions carried out:

- Exchanges of teaching resources and the possibility of participating in different courses.
- Development of press releases, with the objective of disseminating the work and experiences carried out by the schools.
- Virtual discussions were held, generating spaces for exchange and reflection on the effects of the pandemic and isolation context on school proposals and, in particular, on the healthy habits of boys and girls in primary schools participating in the PAD.
- Workshops on cooking and recreational tools were held, in which 239 teachers from 13 localities participated.
- The play *Cocinando con Arte* (Cooking with Art) was performed virtually, exclusively for the educational communities of the PAD schools in the towns of: Villa Mercedes, Totoral, San Pedro, San Luis, Salto, Recreo, Pozo del Tigre/Colonia Caroya, Paraná, Monteros, Lules, Luján, Arroyito.

- Launching of *La Escuela en Casa* (School at Home) - Bank of experiences, which has the function of compiling work experiences of schools participating in the PAD, their teachers, families and children. It is a virtual space to share the strategies implemented by schools in 2020, highlighting the innovative and sustained work of the educational community.

- Webinars and virtual conferences on children's issues.



Brazil

Work was carried out in the monitoring of 19 projects of the 2019 edition of the PAD in 6 locations in 3 Brazilian states, with digital and virtual methodology.

Actions carried out:

- Different virtual trainings were provided to strengthen the bond between children and their families, such as the importance of access to healthy food, learning how to grow vegetable gardens at home, among others.
- Each project was included in the school's pedagogical plan.
- Schools were accompanied in adapting their facilities to the pandemic context.

- Practical activities were carried out in the homes, with the participation of the families.

- A meeting was held to socialize the projects in digital format.

- In turn, eight new 2020/2021 edition projects were approved for public schools and civil society organizations in the cities of Rio das Pedras, Campinas and Bragança Paulista, which began to be implemented in September 2020 with the participation of 2,062 children and 1,816 adults.

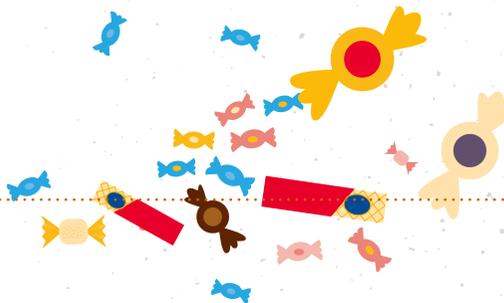


Chile

Seven projects of the 2019 edition of the Aprendiendo a Disfrutar (Learning to Enjoy) program were supported, with the participation of 1,088 children and 1,076 adults.

Actions carried out:

- Active Living Strategies Workshop for Educators.
- Dance, movement and active play workshop for educators.
- Dissemination of active play videos via WhatsApp and social networks for 14 kindergartens with projects under development.





CHAPTER 8

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8.2 MATERIALITY ANALYSIS



The material topics included in this Report were defined taking into account the expectations of the different stakeholders and the context of the Arcor Group. This process includes the following stages:



Identification

Based on the topics covered by the Sustainability Policy and Strategy, the Sustainability Risks and Opportunities Matrix and the Operational Plans by business, we analyzed the thematic Standards and defined those materials to be included in the content of the Report. In addition, we took as input the opportunities for improvement and opinions resulting from the last reporting process.



Prioritization

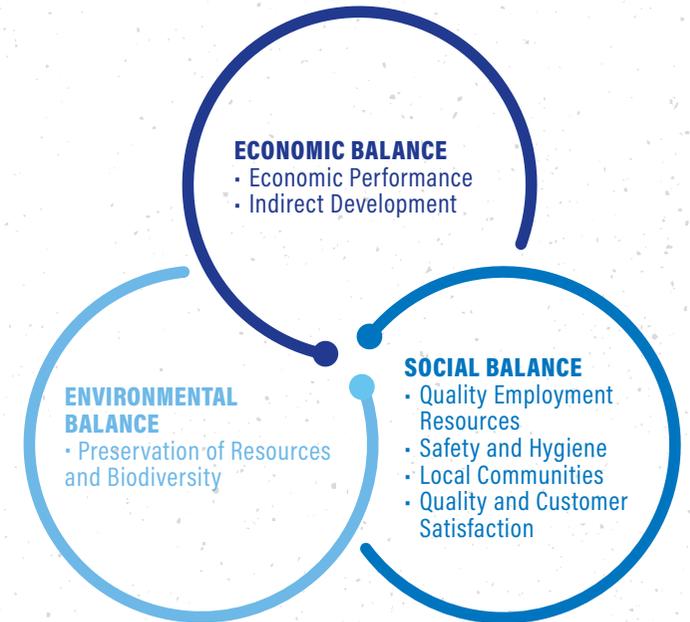
In meetings with key stakeholders, we reviewed the progress of the year and the tenth anniversary of the Group's Sustainability Policy, considering its impact inside and outside the organization, the requirements of the international standards used, and the expectations that arose in the consultation spaces with the different audiences.



Review and validation

The content is reviewed and validated internally by all areas and referents involved in its development.

Our materiality is structured in three main axes that make up the baseline to address sustainability issues and, for each of them, sub-themes and indicators are developed:



8.3 CONTENT INDEX

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
GENERAL CONTENT				
GRI 101: Fundamentals 2016	ORGANIZATION PROFILE			
	102-1 Organization Name	Arcor Group		
	102-2 Activities, Brands, Products and Services	14 to 19		
	102-3 Location of Headquarters	10 and 11		
	102-4 Location of Operations	10		
	102-5 Ownership and Legal Form	The Sustainability Report has the same scope and coverage as the Financial Statements and includes all subsidiaries described in the Consolidated Financial Statements as of December 31, 2020, available at www.arcor.com .		
	102-6 Markets Served	11		
	102-7 Organization Size	20 and 21		
	102-8 Information on Collaborators and Other Workers	21		8.5, 10.3
	102-9 Supply Chain	55		
	102-10 Significant changes in the organization and its supply chain	There were no significant changes		
	102-11 Precautionary Principle or Approach	23 to 25		
	102-12 External initiatives	40, 41 and 166		
	102-13 Membership in associations	CPA CAA DIRCOM CPRRPP Network of companies for diversity.		
GRI 102: General Disclosures 2016	STRATEGY			
	102-14 Statement from senior executives responsible for decision making	3 to 5		
	102-15 Main impacts, risks and opportunities	26 to 39		

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
	ETHICS AND INTEGRITY			
	102-16 Values, Principles, Standards and Norms of Conduct	13		
	102-17 Advisory Mechanisms and Ethical Concerns	24		
	GOVERNANCE			
	102-18 Governance structure	22		
	102-19 Delegation of Authority	22 and 23		
	102-20 Executive-Level Responsibility for Economic, Environmental and Social Issues	22 and 23		
	102-21 Stakeholder Consultation on Economic, Environmental and Social Issues	44 and 45		
	102-22 Composition of the Highest Governance Body and its Committees	22 and 23		
	102-23 President of the Highest Governing Body	The President of the Board of Directors is the CEO of the Company.		
GRI 102: General Disclosures 2016	102-24 Nomination and Selection of the Highest Governance Body	<p>The Board of Directors of the Company at its meeting held on April 13 2020, approved the following criteria for the selection and nomination of Directors:</p> <p>“Criteria for the Selection and Nomination of Directors of Arcor S.A.I.C.: In order to propose a candidate to become a member of the Board of Directors of Arcor S.A.I.C., the following must be evaluated: (a) Possesses: (i) An adequate understanding of the company’s business and its markets. (ii) Experience at strategic levels within organizations with relevant international operations. (iii) Special skills, experiences or environments that complement those of the other directors. (iv) The ability to integrate a challenging team, maintaining a constructive, diverse and trusting environment. and (b) Has built a reputation that demonstrates: (i) The vision and knowledge necessary to build the strategies that provide a competitive and sustainable differential to Arcor Group. (ii) The ability to make the Company’s corporate interest and the common interest of all its partners prevail over any other interest. (iii) Its commitment to the highest integrity standards.</p> <p>It should be noted that these criteria are not binding for the Shareholders’ Meeting, which will receive a proposal prepared by the Board of Directors based on the above, but its subsequent decision will determine how the Board of Directors will be formed.</p>		

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
	102-25 Conflicts of interest	<p>In the event that the Director's interest is contrary to that of the Company, they must inform the Board of Directors and the Supervisory Committee and refrain from intervening in the deliberation of that specific matter, as provided in Article 272 of Law 19,550.</p> <p>Likewise, there is a Code of Ethics and Conduct and a Conflict of Interest Procedure to which all the members of the Board of Directors, the Supervisory Committee and all Arcor Group's collaborators have adhered.</p>		
	102-26 Role of the highest governance body in selection of purpose, values and strategy	22 and 23		
	102-27 Collective wisdom of the highest governance body	22 and 23		4.7
	102-28 Performance evaluation of the highest governance body	The evaluation of the Board of Director's performance is the responsibility of the Shareholder's Meeting, which is responsible for its consideration on an annual basis.		
GRI 102: General Disclosures 2016	102-29 Identification and management of economic, environmental and social impacts	<p>The Board of Directors approves Arcor Group's Mission, Vision and Values. It has been established as a general strategy has been to focus on core businesses: Consumer food products (Sweets, Chocolates, Ice Cream, Biscuits, Food and Functional Products), Packaging and Agribusiness, and the development of strategic partnership projects in the markets in which it participates, prioritizing liquidity and a healthy financing structure in order to ensure compliance with its obligations and commitments, as well as the management of working capital and the containment of its fixed expenses, in order to obtain the funds required to carry out its operations and investment projects.</p> <p>The Board of Directors approved the Sustainability Strategy 2016-2020, which aims to increase the Company's corporate value through sustainable business management and governance, and is comprised of three pillars of action: (i) Sustainable identity, to strengthen the company's identity based on our values and and culture as differentiating elements; (ii) Operational continuity, to guarantee the continuous improvement of our operations by promoting sustainable management in all our processes; and (iii)</p> <p>Growth in demand, to promote business models the directors of ARCOR S.A.I.C. approved the Sustainability Policy, which is made up of a general commitment and five specific commitments, with the most relevant and priority issues for the business from a sustainability perspective.</p>		

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
	102-30 Effectiveness of risk management processes	23		
	102-31 Evaluation of economic, environmental and social issues	23		
	102-32 Highest governance body's role in sustainability reporting	22 and 23		
	102-33 Communication of critical concerns	38		
	102-37 Stakeholder engagement in remuneration	MEF2020: Appendix I - Corporate Governance Code Report		
	STAKEHOLDER ENGAGEMENT			
	102-40 List of stakeholders	44		
	102-41 Collective bargaining agreements	21		8.8
	102-42 Identification and selection of stakeholders	44		
	102-43 Stakeholder engagement approach	44 and 45		
	102-44 Key issues and concerns mentioned	167		
	REPORTING PRACTICES			
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	The Sustainability Report has the same scope and coverage as the Financial Statements and includes all subsidiaries described as of December 31, 2020, available at www.arcor.com .		
	102-46 Definition of report content and subject matter coverage	167		
	102-47 List of material items	167 + Table of Contents		
	102-48 Restatement of information	There were no restatements of information		
	102-49 Reporting changes	No change		
	102-50 Reporting period	166		
	102-51 Date of last report	April 20		
	102-52 Annual reporting	cycle		
	102-53 Contact point for questions about the report	192		
	102-54 Statement of preparation of the report in accordance with the GRI Standards	166		
	102-55 GRI Content Index	168 to 179		
	102-56 External Verification	190 and 191		

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
MATERIAL ISSUES				
ECONOMIC ISSUES				
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	21		
	103-2 The management approach and its components	21		
	103-3 Evaluation of Management Approach	21		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	21		9.4
	201-4 Financial assistance received from the government	In 2020, Arcor Group did not receive any financial aid from governments, except for the forestry promotion enjoyed by the Zucamor Group, acquired by the company in July 2017.		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	26 to 28		
	103-2 The management approach and its components	26 to 28		
	103-3 Evaluation of Management Approach	26 to 28		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	29 to 36 - 76 to 79		9.4
	203-2 Significant indirect economic impacts	29 to 36 - 76 to 79		1.2, 2.3, 8.5
ENVIRONMENTAL ISSUES				
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	114		
	103-2 The management approach and its components	114		
	103-3 Evaluation of Management Approach	114		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	115,116, 121 and 124		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	96		
	103-2 The management approach and its components	96		
	103-3 Evaluation of Management Approach	96		

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	100 and 102		7.4, 12.2
	302-4 Reduction of energy consumption	98 to 101 - 103		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	86		
	103-2 The management approach and its components	86		
	103-3 Evaluation of Management Approach	86		
GRI 303: Water and Effluents 2018	303-1 Interaction with water as a shared resource	86		
	303-2 Management of impacts related to water discharge	The quality of the effluents discharged is guided by the parameters established by the applicable legislation.		
	303-3 Water withdrawal	88		6.4
GRI 103: Management approach 2016	303-5 Water consumption	88		
	103-1 Explanation of the material subject and its coverages	68 and 69		
	103-2 The management approach and its components	68 and 69		
GRI 103: Management approach 2016	103-3 Evaluation of Management Approach	68 and 69		
	304-1 Operations centers owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas	68 and 69		
	304-3 Protected or restored habitats	68 and 69		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	96		
	103-2 The management approach and its components	96		
	103-3 Evaluation of Management Approach	96		
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	97		
	305-2 Indirect GHG emissions from energy generation (Scope 2)	97		
	305-3 Other indirect GHG emissions (Scope 3)	97		15.2
	305-5 Reduction of GHG emissions	103 and 105		
	305-6 Emissions of ozone-depleting substances	97		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	106 and 107		
	103-2 The management approach and its components	106 and 107		
	103-3 Evaluation of Management Approach	106 and 107		

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
GRI 306: Effluents and waste 2016	306-2 Wastes by type and disposal method	107, 108, 110 and 111		6.3, 12.5
	306-3 Significant spills	93		6.3, 14.1
	SOCIAL ISSUES			
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	128		
	103-2 The management approach and its components	128		
	103-3 Evaluation of Management Approach	128		
GRI 401: Employment 2016	401-1 New collaborator hires and collaborator turnover	Note 1		5.1, 8.5, 8.6, 10.3
	401-2 Benefits for full-time collaborators that are not provided to part-time or temporary collaborators	There are no differences between the benefits granted to part-time and temporary collaborators.		
	401-3 Parental Leave	Note 2		5.1, 8.5
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	134 and 135		
	103-2 The management approach and its components	134 and 135		
	103-3 Evaluation of Management Approach	134 and 135		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	134 and 135		8.8
	403-2 Hazard identification, risk assessment and incident investigation	134 to 137		
	403-3 Occupational health services	134 and 135		
	403-5 Occupational health and safety training for workers	137		
	403-6 Workers' health promotion	134 to 137		
	403-8 Coverage of occupational safety and health management system	135		
	403-9 Work-related injuries	134, 136 and 137		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	138 and 139		
	103-2 The management approach and its components	138 and 139		
	103-3 Evaluation of Management Approach	138 and 139		
GRI 404: Training and education 2016	404-1 Average number of training hours per year per collaborator	138 and 139		

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
GRI 404: Training and education 2016	404-2 Programs to improve collaborator skills and transition assistance programs	138 and 139		
	103-1 Explanation of the material subject and its coverages	131 to 133		
GRI 103: Management approach 2016	103-2 The management approach and its components	131 to 133		
	103-3 Evaluation of Management Approach	131 to 133		
	405-1 Diversity in governing bodies and collaborators	Note 3		
GRI 405: Diversity and equality of opportunities 2016	405-2 Ratio of base salary and remuneration of women in comparison to men	141		5.1, 5.5, 8.1
	103-1 Explanation of the material subject and its coverages	130		
GRI 103: Management approach 2016	103-2 The management approach and its components	130		
	103-3 Evaluation of Management Approach	130		
	406-1 Cases of discrimination and corrective actions taken	In 2020, there were no cases or complaints of discrimination.		5.1, 8.8
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	55		
	103-2 The management approach and its components	55		
	103-3 Evaluation of Management Approach	55		
GRI 407: Freedom of association and collective bargaining 2016	407-1: Operations and suppliers whose right to freedom of association and collective bargaining may be at risk	57		8.8
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	55		
	103-2 The management approach and its components	55		
	103-3 Evaluation of Management Approach	55		
GRI 408: Child Labor 2016	408-1 Operations and suppliers with significant risk of child labor cases	57		8.7, 16.2
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	130		
	103-2 The management approach and its components	130		
	103-3 Evaluation of Management Approach	130		

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers with significant risk of cases of forced or compulsory labor	As part of its commitment to the United Nations Global Compact and as stated in Arcor's Sustainability Policy and Code of Ethics and Conduct, the group is committed to the elimination of all forms of forced or compulsory labor, including those affecting children. In 2020 there were no 8.7 incidents at the company's main sites and suppliers that put these rights at risk. In the case of outsourced operations and suppliers with a significant risk of being the source of forced and/or unregistered labor, measures were adopted to prevent its occurrence.	8.7	
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	130		
	103-2 The management approach and its components	130		
	103-3 Evaluation of Management Approach	130		
GRI 410: Security Practices 2016	410-1 Security staff trained in human rights policies or procedures	130		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	130		
	103-2 The management approach and its components	130		
	103-3 Evaluation of Management Approach	130		
GRI 412: Human Rights Assessment 2016	412-1 Operations subject to human rights impact assessment or review	130		
	412-2 Training of collaborators in human rights policies or procedures	130		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	54		
	103-2 The management approach and its components	54		
	103-3 Evaluation of Management Approach	54		
GRI 413: Local communities 2016	413-1 Operations with local community participation, impact evaluations and development programs	48 and 49 - 72 to 79		
	413-2 Operations with significant negative impacts -actual or potential- on local communities	48 and 49 - 72 to 79	1.2, 2.3	

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	54 and 55		
	103-2 The management approach and its components	54 and 55		
	103-3 Evaluation of Management Approach	54 and 55		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that have passed screening filters according to social criteria	57		5,2, 8,8
	414-2 Negative social impacts on supply chain and actions taken	57		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	144 and 145		
	103-2 The management approach and its components	144 and 145		
	103-3 Evaluation of Management Approach	144 and 145		
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product or service categories	147 to 158		
	416-2 Non-compliance cases related to health and safety impacts of categories of products and services	In 2020 there were no cases involving non-compliances associated with health and safety of product categories.		
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	144 and 145		
	103-2 The management approach and its components	144 and 145		
	103-3 Evaluation of Management Approach	144 and 145		
GRI 417: Marketing and Labeling 2016	417-1 Product and service information and labeling requirements	147 to 158		12,8
	417-2 Cases of non-compliance related to information and labeling of products and services	In 2020, there were no non-compliances with regulations and voluntary codes relating to product and service information and labeling.		
	417-3 Cases of non-compliance related to marketing communications	In 2020, there were no breaches of regulations or voluntary codes related to marketing communications, such as advertising, promotion and sponsorship, or related to marketing and advertising to children.		

STANDARD GRI	CONTENT	PAGE AND/OR ANSWER	OMISSION	SUSTAINABLE DEVELOPMENT GOALS (ODS)
GRI 103: Management approach 2016	103-1 Explanation of the material subject and its coverages	24		
	103-2 The management approach and its components	24		
	103-3 Evaluation of the Management Approach	24		
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with social and environmental laws and regulations laws and regulations	In 2020, there were no significant incidents resulting from non-compliance with laws and regulations in the social and economic areas.		

References:

Indicators that meet the Advanced COP criteria of the United Nations Global Compact Principles.

MEF2020:

Information reported in Arcor Group's Annual Report and Financial Statements 2020 available at www.arcor.com.

All notes included in the table are at the end of the table.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

PROCESSED FOODS

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	ACCOUNTING METRIC	CODE	CHAPTER/SECTION
Energy Management	Total energy consumed		Chapter 4
	Percentage grid electricity	FB-PF-130a.1	Chapter 4
	Percentage renewable		Chapter 4
Water Management	Total water withdrawn,	FB-PF-140a.1	Chapter 3
	Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress		Chapter 3
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	FB-PF-140a.2	Chapter 3
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-PF-140a.3	Chapter 3
Food Safety	Global Food Safety Initiative (GFSI) audit non-conformance rate and associated corrective action rate for major and minor non-conformances	FB-PF-250a.1	Chapter 2, 7 & 8
	Percentage of ingredients sourced from supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	FB-PF-250a.2	Chapter 7
	Total number of notices of food safety violation received, and percentage corrected	FB-PF-250a.3	Chapter 7
Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	FB-PF-260a.1	Chapter 7
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-PF-260a.2	Chapter 7
Product Labeling & Marketing	Percentage of advertising impressions made on children and made on children promoting products that meet dietary guidelines	FB-PF-270a.1	Chapter 7
	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	FB-PF-270a.3	Chapter 7
Packaging Lifecycle Management	Total weight of packaging		Chapter 5
	Percentage made from recycled and/or renewable materials	FB-PF-410a.1	Chapter 5
	Percentage that is recyclable, reusable, and/or compostable		Chapter 5
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-PF-410a.2	Chapter 5
Environmental & Social Impacts of Ingredient Supply Chain	Suppliers' social and environmental responsibility audit. Non-conformance rate and associated corrective action rate for major and minor non-conformances	FB-PF-430a.2	Chapter 2
Ingredient Sourcing	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-PF-440a.1	Chapter 7

TABLE 2. ACTIVITY METRICS

ACTIVITY METRIC	CODE	CHAPTER/SECTION
Number of production facilities	FB-PF-000.B	Chapter 1

AGRICULTURAL PRODUCTS

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	ACCOUNTING METRIC	CODE	CHAPTER/SECTION
Greenhouse Gas Emissions	Gross global Scope 1 emissions	FB-AG-110a.1	Chapter 4
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	FB-AG-110a.2	Chapter 4
Energy Management	Fleet fuel consumed, percentage renewable	FB-AG-110a.3	Chapter 4
	Operational energy consumed, percentage grid electricity and percentage renewable	FB-AG-130a.1	Chapter 4
Water Management	Total water withdrawn, total water consumed and percentage of each in regions with High or Extremely High Baseline Water Stress	FB-AG-140a.1	Chapter 3
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-AG-140a.2	Chapter 3
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	FB-AG-140a.3	Chapter 3
Food Safety	Global Food Safety Initiative (GFSI) audit, non-conformance rate and associated corrective action rate for major and minor non-conformances	FB-AG-250a.1	Chapter 2, 7 & 8
	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	FB-AG-250a.2	Chapter 7
Workforce Health & Safety	Total recordable incident rate, fatality rate, and near miss frequency rate for direct employees and seasonal and migrant employees	FB-AG-320a.1	Chapter 6
Environmental & Social Impacts of Ingredient Supply Chain	Suppliers' social and environmental responsibility audit. Non-conformance rate and associated corrective action rate for major and minor non-conformances	FB-AG-430a.2	Chapter 2, 7 & 8
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	FB-AG-430a.3	Chapter 6
GMO Management	Identification of principal crops and description of risks and opportunities presented by climate change	FB-AG-440a.1	Chapter 2
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	FB-AG-440a.2	Chapter 2
Ingredient Sourcing	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	FB-AG-440a.2	Chapter 3

TABLE 2. ACTIVITY METRICS

ACTIVITY METRIC	CODE	CHAPTER/SECTION
Number of processing facilities	FB-AG-000.B	Chapter 1 & 2
Total land area under active production	FB-AG-000.C	Chapter 1 & 2

CONTAINERS & PACKAGING

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	ACCOUNTING METRIC	CODE	CHAPTER/SECTION
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CP-110a.1	Chapter 4
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CP-110a.2	Chapter 4
Air Quality	Air emissions of the following pollutants: NOx (excluding N2O), SOx, volatile organic compounds (VOCs), and particulate matter (PM)	RT-CP-120a.1	Chapter 4
Energy Management	Total energy consumed, percentage grid electricity, percentage renewable, total self-generated energy	RT-CP-130a.1	Chapter 4
Water Management	Total water withdrawn, total water consumed and percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CP-140a.1	Chapter 3
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CP-140a.2	Chapter 3
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CP-140a.3	Chapter 3
Waste Management	Amount of hazardous waste generated and percentage recycled	RT-CP-150a.1	Chapter 4
Product Lifecycle Management	Percentage of raw materials from: recycled content, renewable resources, and renewable and recycled content	RT-CP-410a.1	Chapter 5
	Revenue from products that are reusable, recyclable, and/or compostable	RT-CP-410a.2	Chapter 5
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	RT-CP-410a.3	Chapter 5
Supply Chain Management	Total wood fiber procured, percentage from certified sources	RT-CP-430a.1	Chapter 5

TABLE 2. ACTIVITY METRICS

ACTIVITY METRIC	CODE	CHAPTER/SECTION
Percentage of production as: paper/wood, glass, metal, and plastic	RT-CP-000.B	Chapter 5
Number of employees	RT-CP-000.C	Chapter 1

NOTE 1

NEW COLLABORATORS HIRES

	MEN	WOMEN	TOTAL 2020	TOTAL 2019
Under 30 years old	1,495	674	2,169	1,668
Argentina	1,073	344	1,417	688
Brazil	216	219	435	448
Chile	15	7	22	75
Peru	25	11	36	109
Mexico	160	88	248	321
Spain	1	0	1	/
Rest of the world	5	5	10	27
	MEN	WOMEN	TOTAL 2020	TOTAL 2019
Between 30 and 50 years old	796	488	1.284	1.087
Argentina	510	157	667	312
Brazil	179	240	419	425
Chile	20	11	31	115
Peru	24	21	45	98
Mexico	56	52	108	115
Spain	0	0	0	/
Rest of the world	7	7	14	22
	MEN	WOMEN	TOTAL 2020	TOTAL 2019
More than 50 years old	28	8	36	59
Argentina	14	1	15	7
Brazil	10	6	16	20
Chile	2	0	2	20
Peru	0	1	1	3
Mexico	1	0	1	9
Spain	0	0	0	/
Rest of the world	1	0	1	0

RATE OF NEW COLLABORATORS HIRES

	MEN	WOMEN	TOTAL 2020	TOTAL 2019
Under 30 years old	50.6%	56.4%	52%	46.51%
Argentina	69.4%	74.9%	70.7%	43.13%
Brazil	29.1%	58.7%	39%	37.65%
Chile	10.6%	15.2%	11.7%	30.99%
Peru	59.5%	100%	67.9%	119.78%
Mexico	18.7%	11.8%	16.1%	84.92%
Rest of the world	19.2%	16.7%	17.9%	30.00%
	MEN	WOMEN	TOTAL 2020	TOTAL 2019
Between 30 and 50 years old	8.2%	14.7%	9.8%	8.00%
Argentina	7.5%	10.4%	8%	3.72%
Brazil	14.9%	23.4%	18.8%	18.59%
Chile	3%	9.2%	3.9%	12.50%
Peru	14.6%	58.3%	22.5%	49.49%
Mexico	6.7%	5.8%	6.3%	19.13%
Rest of the world	5.2%	7.2%	6.1%	8.30%
	MEN	WOMEN	TOTAL 2020	TOTAL 2019
More than 50 years old	0.8%	1.1%	0.9%	1.69%
Argentina	0.6%	0.2%	0.5%	0.30%
Brazil	3.3%	2.4%	2.9%	4.22%
Chile	0.4%	0%	0.4%	3.47%
Peru	0%	25%	2.9%	12.00%
Mexico	0%	0%	0%	16.07%
Rest of the world	10%	0%	5.9%	0.00%

% COLLABORATOR TURNOVER (EFFECTIVES ONLY)

	MEN	WOMEN	TOTAL 2020	TOTAL 2019
Under 30 years old	14.8%	21.8%	16.7%	23.88%
Argentina	3.2%	10.5%	4.8%	8.64%
Brazil	18.7%	33.22%	22.7%	29.03%
Chile	17.9%	11.9%	16.7%	13.36%
Peru	6.3%	0%	5.9%	11.43%
Mexico	38.7%	22.1%	32.4%	72.63%
Rest of the world	30%	20.6%	25%	10.94%
	MEN	WOMEN	TOTAL 2020	TOTAL 2019
Between 30 and 50 years old	5.5%	9.5%	6.5%	9.66%
Argentina	2.3%	3.7%	2.6%	6.68%
Brazil	14.5%	15.4%	14.9%	17.45%
Chile	9.7%	16.4%	10.7%	7.65%
Peru	3.3%	14.3%	4.4%	13.95%
Mexico	20.1%	16.8%	18.6%	23.75%
Rest of the world	16.3%	7.5%	12.9%	6.03%
	MEN	WOMEN	TOTAL 2020	TOTAL 2019
More than 50 years old	7.8%	9%	8%	14.04%
Argentina	4.9%	7.1%	5.3%	16.67%
Brazil	11.4%	11.8%	11.6%	10.52%
Chile	18%	16.1%	17.9%	7.64%
Peru	3.6%	25	6.3%	8.70%
Mexico	0%	4.3	2%	12.50%
Rest of the world	11.1%	0	6.3%	0.00%

NOTE 2

COLLABORATORS WHO REQUESTED MATERNITY OR PATERNITY LEAVE IN ARGENTINA

	MEN	WOMEN	TOTAL 2020	TOTAL 2019
Adoption leave	0	0	0	0
Maternity/Paternity leave	265	96	361	480
Extended maternity leave	0	19	19	181
Reduction of working hours due to maternity	0	84	84	/
Total	265	115	380	661
% return to work of collaborators on maternity or paternity leave	100%	99%	99.70%	99.59%

COLLABORATORS WHO REMAINED IN EMPLOYMENT AFTER THE 12-MONTH PERIOD

	MEN	WOMEN	TOTAL 2020	TOTAL 2019
Adoptive Maternity/Paternity leave	0	0	0	0
Maternity/Paternity leave	262	93	355	462
Extended maternity leave	0	19	19	14
Reduction of working hours due to maternity	0	84	84	188
Total	262	177	439	664
	MEN	WOMEN	TOTAL 2020	TOTAL 2019
Retention rate of collaborators on maternity or paternity leave	99%	97.90%	98.60%	87.6%

NOTE 3

% COLLABORATORS BY AGE, POSITION AND TYPE OF CONTRACT

Under 30 years old	EFFECTIVE	TEMPORARY	TOTAL 2020
Director	0.0%	0.0%	0.0%
Manager	0.0%	0.0%	0.0%
Chief	0.2%	0.0%	0.2%
Analyst/Supervisor	2.6%	0.2%	2.7%
Assistant/Operator	10.5%	5.5%	16.0%
Between 30 and 50 years old	EFFECTIVE	TEMPORARY	TOTAL 2020
Director	0.0%	0.0%	0.0%
Manager	1.3%	0.0%	1.3%
Chief	3.2%	0.0%	3.2%
Analyst/Supervisor	9.4%	0.2%	9.5%
Assistant/Operator	43.8%	3.3%	47.1%
More than 50 years old	EFFECTIVE	TEMPORARY	TOTAL 2020
Director	0.03%	0.0%	0.0%
Manager	0.6%	0.0%	0.6%
Chief	0.7%	0.0%	0.7%
Analyst/Supervisor	1.8%	0.0%	1.8%
Assistant/Operator	16.8%	0.1%	16.9%

8.4 TABLE OF CERTIFICATIONS AND AWARDS ON AN OPERATIONAL BASIS

COMPANY	LOCATION	PLANT	CERTIFICATIONS / AWARDS ⁽¹⁾⁽²⁾				FORESTRY MANAGEMENT CERTIFICATION	AWARD TPM	OTHERS
			ISO 14001	OHSAS 18001 (X) ISO 45001 (N)	ISO 9001	FOOD SAFETY STANDARDS			
Arcor	Recreo Complex, Catamarca	Production of gummy sweets, dessert and juice powder and bakery products	X	X	X	BRC/HACCP/BPM			
		Manufacture of hard candies, chewing gum and wafers	X	n	X	BRC/HACCP/BPM	1 2		
	Arroyito Complex, Córdoba	Milk candy manufacturing	X	n	X	BRC/IFS/HACCP/BPM		UTZ and RSPO	
		Wet milling, Plant 1	X	n	X	HACCP	1		
		Wet milling, Plant 3	X		X	BRC/HACCP/BPM			
		Thermoelectric Power Plant	X	n	X				
		Distribution center	X	n	X				
	Arroyito, Córdoba	Milking parlor 1	X	n					
		Milking parlor 2	X	n					
		Milking parlor 6	X	n					
	Lules Complex, Tucumán	Candies	X	X	X	BRC/FSMA/HACCP/BPM	1 2		
		Wet milling	X	X	X	HACCP	1		
	San Pedro Complex, Buenos Aires	Dry corn milling and cereal stockpiling	X	n	X	HACCP			
		Oil	X	n	X	BRC	1		
		Alcohol	X	n	X	BRC/HACCP/BPM			
	Río Seco, Tucumán	La Providencia sugar mill	X		X	FSSC 22.000/BPM/Global G.A.P.		BONSUCRO	
		Thermoelectric Power Plant	X						

COMPANY	LOCATION	PLANT	CERTIFICATIONS / AWARDS ⁽¹⁾⁽²⁾				FORESTRY MANAGEMENT CERTIFICATION	AWARD TPM	OTHERS
			ISO 14001	OHSAS 18001 (X) ISO 45001 (N)	ISO 9001	FOOD SAFETY STANDARDS			
Arcor	Colonia Caroya, Córdoba	Chocolates	X	n	X	BRC/HACCP/BPM		1 2	UTZ
	San Luis, San Luis	Chocolates, candies and gum	X	X	X	BRC/HACCP/BPM		1	
	Talar de Pacheco, Buenos Aires	Distribution center	X	n	X				
	San Rafael, Mendoza	Fruit pulp			X	BRC/HACCP/BPM			
	Mar del Plata, Buenos Aires	Canned Fish	X	n	X	BRC/HACCP/BPM			
	Villa Mercedes Complex, San Luis	Jams and jellies	X	X	X	BRC/HACCP/BPM		1	
	Villa Mercedes Complex, San Luis	Canned grains							
	Rawson, San Juan	Canned tomato	X	X	X	BRC/HACCP/BPM			
	Junín, Mendoza	Nueva Aurora farm				Global G.A.P.			
	Villa Seca, Mendoza	El Desafío farm				Global G.A.P.			
	Villa Seca, Mendoza	El Porvenir farm				Global G.A.P.			
San Martín, Mendoza	El Paraíso farm				Global G.A.P.				
Brazil Arcor	Rio das Pedras, San Pablo, Brazil	Candies and gum	X	X	X	BRC/HACCP/BPM		1	
	Braganca Paulista, San Pablo, Brazil	Chocolates and candies	X	X	X	BRC/HACCP/BPM		1	
Chile Arcor	Santiago, Chile	Bicentenario plant	X	n	X	BRC/BPM			
Peru Arcor	Chancay, Peru	Candies and gum				HACCP (Digesa)			

COMPANY	LOCATION	PLANT	CERTIFICATIONS / AWARDS ⁽¹⁾⁽²⁾				FORESTRY MANAGEMENT CERTIFICATION	AWARD TPM	OTHERS
			ISO 14001	OHSAS 18001 (X) ISO 45001 (N)	ISO 9001	FOOD SAFETY STANDARDS			
Bagley Argentina	Córdoba, Córdoba	Cookies	X	X	X	BRC/HACCP/BPM			
	Salto, Buenos Aires	Cookies	X	X	X	BRC/HACCP/BPM	1		
	Villa del Totoral complex, Córdoba	Cookies	X	X	X	BRC/HACCP/BPM	1		
	Villa Mercedes, San Luis	Cookies	X	X	X	BRC/HACCP/BPM			
Brazil Bagley	Campinas, San Pablo, Brazil	Cookies	X	n	X	BRC/HACCP/BPM	1		
	Contagem, Mina Gerais, Brazil	Cookies	X	X	X	BRC/HACCP/BPM	1		
Chile Bagley	Santiago, Chile	Cookies	X	n	X	BRC/HACCP/BPM	1		
Cartocor	Complex Arroyito, Córdoba	Manufacture of recycled paper and corrugated cardboard boxes	X	X	X		FSC/ PEFC	1 2 3	
	Luján complex, Buenos Aires	Corrugated Cardboard Manufacturing	X	n	X		FSC/ PEFC	1	
		POP material manufacturing			X				
		Film printing	X		X	FSSC 22.000		1	
	Paraná, Entre Ríos	Corrugated Cardboard Manufacturing	X	n	X		FSC/ PEFC	1 2 3	
Rancagua, Chile	Corrugated Cardboard Manufacturing	X	n	X	FSSC 22.000	PEFC			
	Villa del Totoral complex, Córdoba	Film printing and printing cylinder manufacturing	X	n	X	FSSC 22.000			
Mundo Dulce	Toluca, Mexico	Chocolates, candies and gum	X		X	BRC/HACCP/BPM			
Zucamor	Ranelagh, Buenos Aires	Recycled paper and corrugated cardboard			X		FSC/ PEFC		
	Quilmes, Buenos Aires	Corrugated cardboard	X	n	X		FSC/ PEFC		
	Misiones	Virgin paper	X		X		FSC/ PEFC		
	San Luis, San Luis	Paper bags	X	n	X		FSC/ PEFC		
	Mendoza, Mendoza	Recycled paper and corrugated cardboard			X		FSC		
	San Juan, San Juan	Corrugated cardboard	X	n	X		FSC/ PEFC		

Table notes:

Management Systems

ISO 14001: Environmental Management System.

OHSAS 18001: Occupational Health and Safety Management System.

ISO 9001: Quality Management System.

Food Safety Standards:

HACCP: Hazard Analysis and Critical Control Points.

HACCP: Hazard 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.

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 TPM (2nd Level).

3 TPM Special Award (3rd Level).

Other Certifications

RSPO: Roundtable on Sustainable Palm Oil.

UTZ: Coffee, cocoa and tea sustainability program.

Global GAP: Good Agricultural Practices.

(1) Global GAP certification corresponds to the company's own sugar cane crops.

BONSUCRO: International certification for sustainable management of sugar production.

FOOD SAFETY

From COPAL, the institution in charge of coordinating all the food chambers in Argentina, contact was established with numerous national and provincial authorities, as well as with other key government agencies, in order to find solutions to the challenges posed by the context and thus be able to continue with the supply of food products.

One of the first actions took place in the main Industrial Complex of Arcor Group, located in the city of Arroyito. This facility was inspected remotely, by means of what was the first "remote audit for the food industry". It was carried out in the Province of Córdoba by the Food Industry Control Directorate, the highest food sanitary authority in the province. This was a very important event that was highlighted by the authorities of the Ministry of Industry, Commerce and Mining, the Secretariat of Industry and ANMAT, who gave special recognition for what was done.

The milestone was a challenge, not only for the authorities but also for the Arroyito Complex team, since it demanded willingness, coordination and openness to the new modality.

The experience was successful and was the beginning of a modality that had never been used before.

8.5 EXTERNAL EVALUATION REPORT



LIMITED ASSURANCE REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS (ON SUSTAINABILITY REPORTING)

External Evaluation Report, To the Board of Directors of Arcor Group¹.

1. Identification of the information that is the subject of the order:

We have been hired to issue a limited assurance report on the information contained in the Sustainability Report 2020, corresponding to the period January 1, 2020 to December 31, 2020, and to the self-declaration made by Arcor Group that they have complied with the basic contents recommended by the standards for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI standards).

2. Arcor Group's responsibility in relation to the information that is the object of the engagement

Arcor Group's Management is responsible for:

- The content of the attached Sustainability Report, which implies determining the coverage and performance indicators to be included, and of relevance to the stakeholders to whom it is addressed;

- The definition of the criteria applicable in the preparation of the report, the criteria adopted by the Company being those defined in the GRI standards.
- The maintenance of appropriate records to support the process of managing the relevant information for the purposes stated herein and the execution of performance measurement based on the established criteria;
- The preparation and presentation of the attached Sustainability Report.

3. Responsibility of public accountants

Our responsibility has been to report independently based on our information analysis procedures. For this purpose, we use the procedures established in the technical resolution (RT37) of the FAPCE, which provides a framework for the evaluation tasks to be carried out on other assurance assignments such as this type of report. We have defined our scope as a limited assurance engagement.

These standards require us to comply with ethical requirements and to plan and execute the engagement in order to issue an independent limited assurance report on the Report with the scope detailed in this report.

The external verification is proposed as a Limited Review, based on the International Standard on Assurance Engagement 3000 (ISAE-3000) of the International Auditing and Assurance Standard Board (IAASB), which establishes a series of procedures for issuing its opinion on aspects other than financial information, together with the Accountability 1000 Assurance Standard (AA1000AS).

In a limited assurance engagement, evidence is obtained, on a test basis on a selective basis, related to the sustainability information covered by our report. It also includes an evaluation of estimates and inquiries of persons responsible for the preparation of the information presented, and other similar procedures, which is less in scope than an audit and, consequently, does not provide assurance that we have become aware of all significant matters that might be identified in an audit or reasonable assurance engagement.

To obtain limited assurance our task consisted of:

- Interview the entity's management and staff responsible for collecting the information and developing the selected performance indicators in order to obtain an understanding of the entity's policies on sustainability, the activities implemented and the information collection systems used, and to assess the application of the GRI Standards guidelines,
- Conduct tests, on a selective basis, to verify the accuracy of the information submitted for the selected indicators,
- Analyze, if applicable, the information systems and methodology used to compile quantitative data corresponding to the entity's performance indicators.
- Inspect, on a selective basis, existing documentation to corroborate the statements made by management in our interviews.

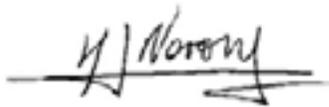
¹ Arcor Group is a multinational organization. This report refers generically to Arcor Group to represent all its business activities both in Argentina and worldwide.

We believe that the evidence and judgmental elements we have obtained provide a sufficient and adequate basis for our limited assurance conclusion. Non-financial information is subject to its own limitations, given its nature and the methods used to calculate, sample or estimate values, which are subject to individual assumptions and criteria. We have not performed any work outside the agreed scope and therefore, our conclusion is limited only to the sustainability information selected and reviewed.

4. Conclusion

Based on the work described in this report, nothing has come to our attention that would lead us to believe that Arcor Group's Sustainability Report for the period from January 1, 2020 to December 31, 2020 has not been prepared, in all its significant aspects, in accordance with the guidelines of the GRI standards, nor that the information and performance indicators included in said document contain significant incorrect elements with the records that served as the basis for its preparation.

Rosario, March 5, 2021



CP Marcelo Navone
Partner

Arcor Group's Sustainability Report 201 is available on our corporate website: www.arcor.com.

For any questions or suggestions, please contact us at the following e-mail address: sustentabilidad@arcor.com

GENERAL COORDINATION

Corporate Sustainability Management.

PARTICIPATION

Coordination of Consumer Services Argentina; Coordination of Consumer Services Arcor Brazil; Coordination of Marketing Services Arcor Brazil; General Management of Mexico; Arcor Foundation Argentina, Arcor Foundation Chile and Arcor Institute Brazil; Agricultural Management La Providencia Sugar Mill; Corporate Management of Human Resources Administration; Corporate Management of Administration; Corporate Management of Public Affairs and Press Relations; Corporate Internal Audit Management; Corporate Compensation Management; Corporate Institutional Communications and Marketing Services Management; Corporate Management of Management Control and Investments; Corporate Management of Labor Relations Management; Corporate Management of Human Resources Planning; Corporate Management of Labor Relations; Corporate Management of Property Security; Corporate Medical Service Management; Corporate Purchasing Management; MAHPI Corporate and Property Security Management; Argentina Compensation Management; Subsidiary Consolidation and Administration Management; MAHPI Management Control Management; Energy Management; Industrial Food Legislation Management; Argentina Logistics Management; Andean Region Marketing Management; Community Relations Management; Food Safety Management; Corporate Management; Sustainability Management; Transformation Management; Peru Subsidiary Management; Arcor Brazil National Sales Management; Arcor Chile National Sales Management; Distributor Business Management; MAHPI Regional Management; Head of Agribusiness Development; Head of Human Resources Development; Head of Nutritional Development; and SGI Head of Argentine Logistics Management.

CREATIVITY, DESIGN, CONTENT AND PRODUCTION

Corporate Management of Institutional Communications.

Tholön Kunst, visual communication.

TECHNICAL ASSISTANCE

Crowe Argentina - HL Consulting S.A.

EXTERNAL VERIFICATION

Crowe Argentina - Monasterio & Asociados S.R.L.

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