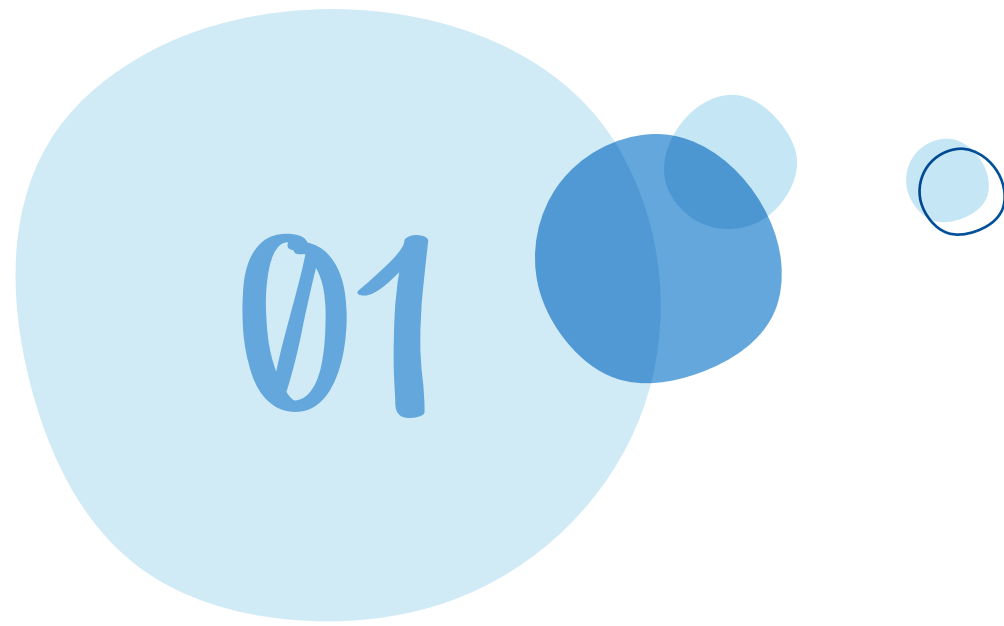


2022 Sustainability Report

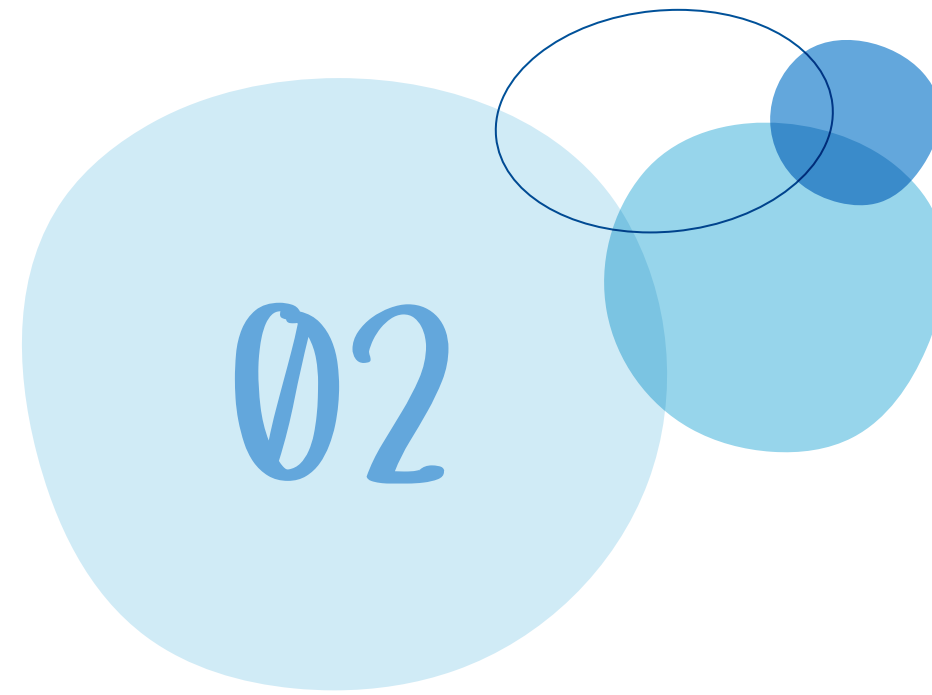
A BETTER
Life





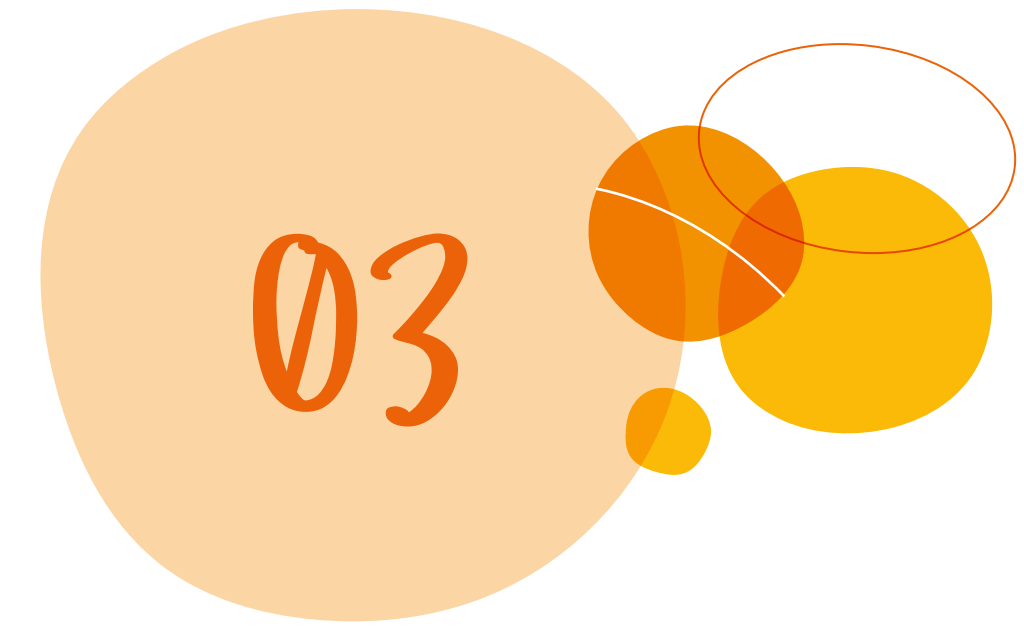
Arcor Group

- We are Arcor Group
- Innovation Management
- Sustainable Management



Human Rights and Integrity

- Commitment to Human Rights
- Human Rights Due Diligence Process
- Code of Ethics and Conduct
- Information Safety and Data Protection



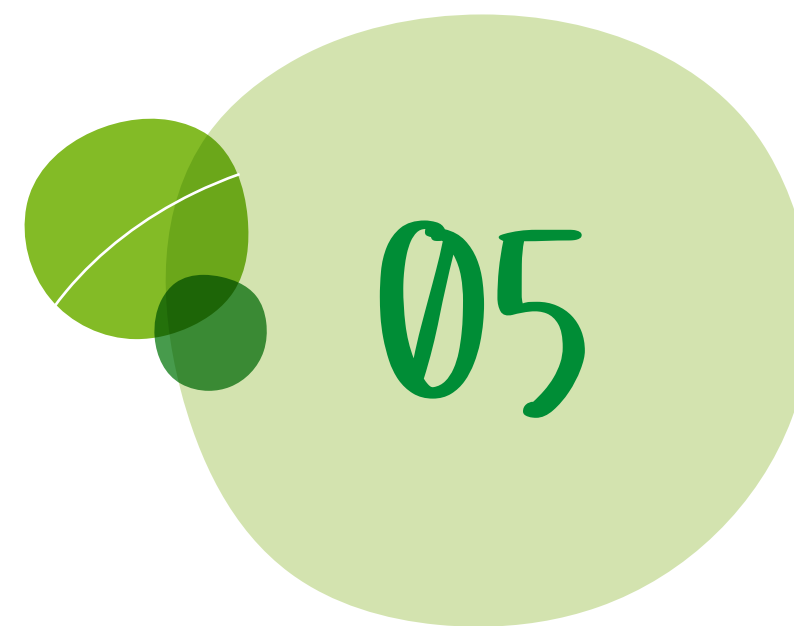
Producing Sustainable Food

- Healthy and Affordable Food
- Quality at Every Step
- Regenerative Agriculture



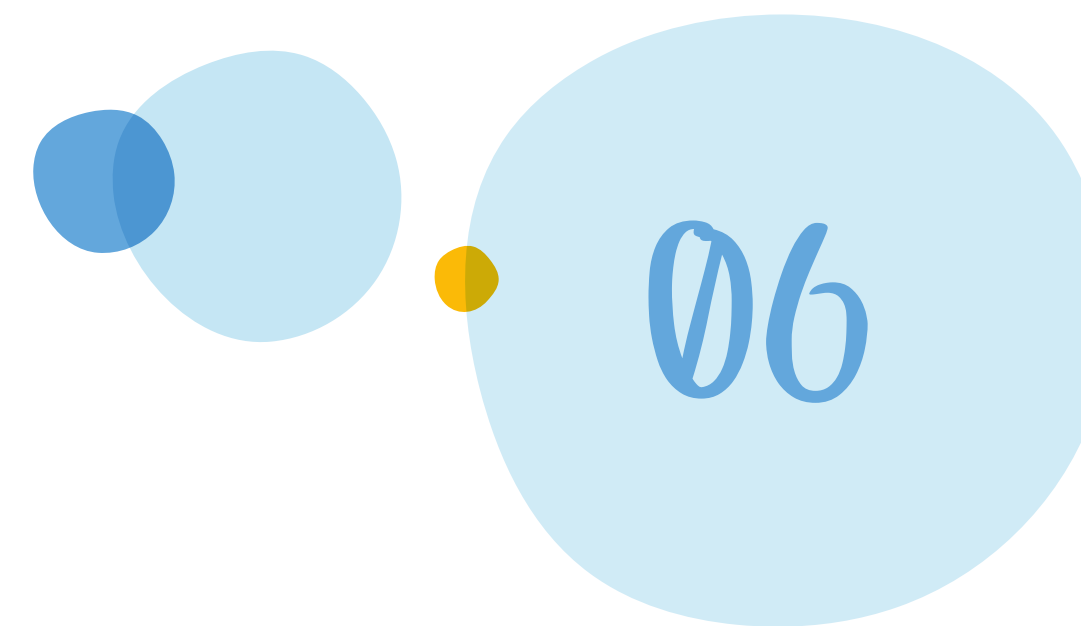
Promoting People Prosperity

- Inclusion, Diversity and Equality
- Workplace Well-being
- Community and Value Chain Development



Preserving the Planet Sustainability

- Water Care
- Climate and Biodiversity Action
- Circular Material Flow



About this Report

- Materiality Process from the Perspective of Our New Sustainability Strategy
- Materiality Matrix
- Index of Contents
- Annexes
- External Assessment Report
- Further Information

Message from our President

I am pleased to introduce Arcor Group's 2022 Sustainability Report, which once again reflects our commitment to creating economic, social and environmental value for all our stakeholders.

In 2022, once more, we could see that there are no unachievable goals. Focused on crossing borders, with the commitment to bring our products closer to consumers around the world, we inaugurated a production plant in Angola, the first one outside Latin America and a great milestone for Arcor Group within the African continent. With an investment of 45 million dollars, a 12,000 m² industrial plant was built being Dulcería Nacional the largest factory of chocolates, candies and cookies in that country. Like the rest of the Group's operations, the new plant has the most advanced technological equipment and follows world-class standards.

In 2022 we also took on new challenges. Our Agribusiness division continued to advance in the process of consolidating the alliance with the multinational company Ingredion boosting the production of essential inputs for the beverage, pharmaceutical and food industries. In addition, we strengthened our Packaging business through bag plant start-up in the Papel Misionero Industrial Complex which also allowed us to increase the presence of women in the production areas due to technological improvement.

The growth of our businesses was complemented by the expansion of our perspective on sustainability and the adoption of a new agenda, aiming to increase our contribution to sustainable development. As part of the path we have been following, during 2022 we publicly presented our 2030 Sustainability Strategy and the new "A Better Life" Sustainability Policy. Considering the new global challenges of our time, we defined new and ambitious commitments to produce sustainable food, promoting the people prosperity and preserving the sustainability of the planet, so that all people can live a better life.

2022 was also a year for celebration. Arcor Foundation in Argentina celebrated its 30th anniversary, an anniversary that makes us immensely proud of the constant commitment to equal educational opportunities for children in Latin America. The close relationship with the communities that characterizes us since our beginnings has been strengthened thanks to Arcor Foundation through various initiatives in the educational field. Personally, I consider that education is the most important way we have to make equal opportunities a reality from childhood.

The same as in the previous 71 years, we have accomplished a lot together in 2022. Therefore, I want to take this opportunity to highlight the importance of fulfilling our dreams. I am convinced that, with an entrepreneurial spirit, commitment, teamwork and passion, we can achieve what we set out to. That is the perspective that guides us at Arcor Group.



This report reflects our commitment to the 2030 Agenda and the United Nations Global Compact, presenting our progress in complying with the principles of human rights, labor rights, the environment, and anti-corruption. As every year, it has been prepared based on the highest non-financial information disclosure standards, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

I invite you to continue reading the different chapters, which will show our commitment to building a world where companies act responsibly and have a leading role on sustainable development.

Thanks a lot!

Luis A. Pagani
Arcor Group President

Message from our Corporate Sustainability Manager

I'm pleased to introduce you our 2022 Sustainability Report, in which we share outstanding information with all our stakeholders about the Arcor Group's commitment and contribution to sustainable development, which we promote through the sustainable management of our business and joint work with all the actors in our value chain.

In 2022, we presented A Better Life, Arcor Group's Sustainability Strategy for 2030. This strategy establishes the commitments that we have adopted with the goal of producing sustainable food, promoting people prosperity and preserving the planet so that everyone can live a better life. This new agenda seeks to raise our ambition in terms of sustainable management, assuming new commitments aligned with the great global challenges.

In order to advance in the implementation of A Better Life in every company business, during the year we advanced in the development of a process aimed at designing the Risk and Opportunity Matrices for the Sustainability of each of the Group's Businesses and defining the Strategic Sustainability Guidelines for the coming years. 165 leaders from all the Businesses and from the different corporate Areas of the Company participated in this process.

During 2022, we also continued promoting various initiatives and programs in all Arcor Group Businesses and corporate areas, which in turn fostered 816 initiatives through their Sustainability Operational Plans. In addition, a total of 3,386 employees were reached by divisional sustainability objectives and 979 management level employees defined specific objectives. Aligning the goals of our collaborators with the commitments assumed was a key factor in boosting the performance of the company as a whole.

Through the nine commitments included in our new Sustainability Policy, we continue promoting the company's business strategy.

Within the framework of our commitment to Healthy and Affordable Food, we launched the new Healthy Eating & Habits Strategy: Food for a Better Life, focused on 3 pillars: Products that evolve to offer the best options; Actions to promote healthy life habits; and Alliances and knowledge to innovate. As a result of this strategy, in 2022, 32.3% of our turnover corresponded to products with outstanding nutritional benefits, sugar reductions were achieved in 157 presentations, sodium in 301 products and saturated fats in 274.



We also renewed our commitment to Quality at Every Step launching a new Quality Strategy: Value at Every Step, which seeks to promote 360° quality management in all our processes, focusing on 4 major aspects: Growing at every step with our suppliers, Adding value to our operations, Reaching to our customers and consumers in what they expect through the Marketing Chain, and Ensuring our customers and consumers' Loyalty.

Based on our commitment to Regenerative Agriculture, we also continue working to guarantee the sustainable supply of our main agricultural raw materials, and we advanced in the promotion of regenerative production models launching Agro +30 Program. The program establishes a framework that will allow us to deepen the development of regenerative production models for corn, wheat, sugar, fruits and vegetables, and the wood we use to make our products, addressing three axes: Carbon Balance, Bio-solutions & Diversity, and digital agriculture

Within the Diversity Committee, and within the framework of our commitment to Inclusion, Diversity and Equality, we continue deepening our work on gender equality and the inclusion of people with disabilities. In addition, we added 3 new lines of work aiming to make progress in building a more diverse company: Inclusion of generations; Sexual diversity; and Races and Ethnicities

Based on the commitment to Workplace Well-being, we continue implementing initiatives that make our industrial operations safe work environments that ensure the health and well-being of our collaborators. In the same vein, we carried out the Workplace Well-being Survey for 19,799 people throughout the organization, resulting in a response rate of 78% and an average commitment level of all staff of 82%.

Regarding our commitment to Community and Value Chain Development; we advanced in our Community Impact Management Strategy, aiming to strengthen the relationship with the communities we are part of. During 2022, we carried out 14 perception studies in territories where we have industrial plants. It was done with the collaboration of specialists from universities of each region. This effort is part of our permanent pursuit to integrate the perspective of the communities in our joint work. In addition, we made progress in the formation of the Local Community Relations Committees at our plants in Baradero and Chacabuco (Buenos Aires, Argentina). Through them, we were able to consolidate the operation of 30 Community Relations Committees in our industrial plants to implement the community relations strategy at the local level in Argentina, Chile, Mexico and Brazil

In terms of social investment, in 2022 we celebrated 30 years of Arcor's commitment to children in Latin America, commemorating the anniversary of the Arcor Foundation in Argentina. It was created in 1991 with the purpose of promoting equal educational opportunities for children. During these three decades of history, the Foundation carried out around 4,000 projects in which 6.7 million girls and boys and 1.5 million people who work with children participated, in alliance with more than 2,000 Latin American institutions.

Together with our value chain we advanced in the development of our Sustainable Supply Strategy reaching 16,328 suppliers with whom we have been associated in the last year, and we made progress in the implementation of the REconocer Program, which allows us to evaluate 69 new suppliers with regard to commercial quality and sustainability. We also continue promoting our Sustainable Logistics Plan, which allowed training 2,816 drivers in safe driving practices. Finally, we continued with the implementation of our Distributor Sustainability Strategy, through which we evaluated 156 distributors in Argentina through the Sustainability Good Practices Guide.

Regarding the preservation of the planet, and reaffirming our commitment to Water Care, in 2022 we continued working to make an increasingly efficient use of this resource. In addition to defining new goals within the framework of our Water Strategy, we achieved a reduction in specific water consumption of 8.51% compared to 2021.

Regarding the commitment we assumed for the Climate and Biodiversity Action, we continued making progress in the implementation of our Climate Change Strategy and in the reduction of our greenhouse gas emissions, in line with the commitments we assumed for our 2030 goals. In addition, we launched our new Biodiversity Strategy with the aim of

conserving biodiversity in the three most important forests of Norte Grande Argentino (a region in the North of Argentina): Selva Misionera; Tucumano-Bolivian Jungle (Yunga) and Chaco Seco.

Finally, with regard to our commitment to the Circular Material Flow, we continued advancing towards our goal of zero waste sent to landfill by 2025 and we have already achieved this goal in 2022 in three of the plants in Argentina (Zucamor Quilmes, Zucamor Cartón Ranelagh and Bagley Córdoba).

Within the framework of our Sustainable Paper Supply Policy, we also managed to use 100% of the paper and cardboard from sustainable origin. In addition, with regards to our Plastics Strategy, we implemented 18 new projects to reduce the use of packaging materials and replace them with more sustainable ones. Through these initiatives we obtained a Packaging Index of 9%, improving the indicator in comparison to the previous year.

I want to thank the entire team that participated in the preparation of this report, and each one of the people who offered their commitment to each of the programs and initiatives implemented. I invite you to continue reading the main results of our advances in the path of integrating sustainability as a way of being, doing and growing in our company.

Thanks a lot!



Bárbara Bradford
Corporate Sustainability Manager



Arcor Group

- We are Arcor Group
- Innovation Management
- Sustainable Management

01

We are Arcor Group



We work with the aim of making food trends affordable so that every person can live a better life. For that reason, we are constantly innovating in our 3 business units: Consumer food products, Agribusiness and Packaging through a sustainable management as our way of being, doing and growing.

In every decision we make, we are committed to quality, and in that way, to reach people in more than 100 countries through leading brands. We have more than 45 industrial plants in Latin America, an industrial plant in Africa, and commercial offices in four continents. We are more than 20,000 people working at Arcor Group, and we are convinced that integrating different cultures enriches our world view.

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

More than 45 industrial plants in the world

One of the main milk producers in Argentina

Main food company in Argentina

World-Class Retail distribution model

One of the main sugar producers in Argentina

1st world producer of hard caramel candies

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

Main manufacturer of Kraft packaging paper in Argentina

Present in more than 100 countries

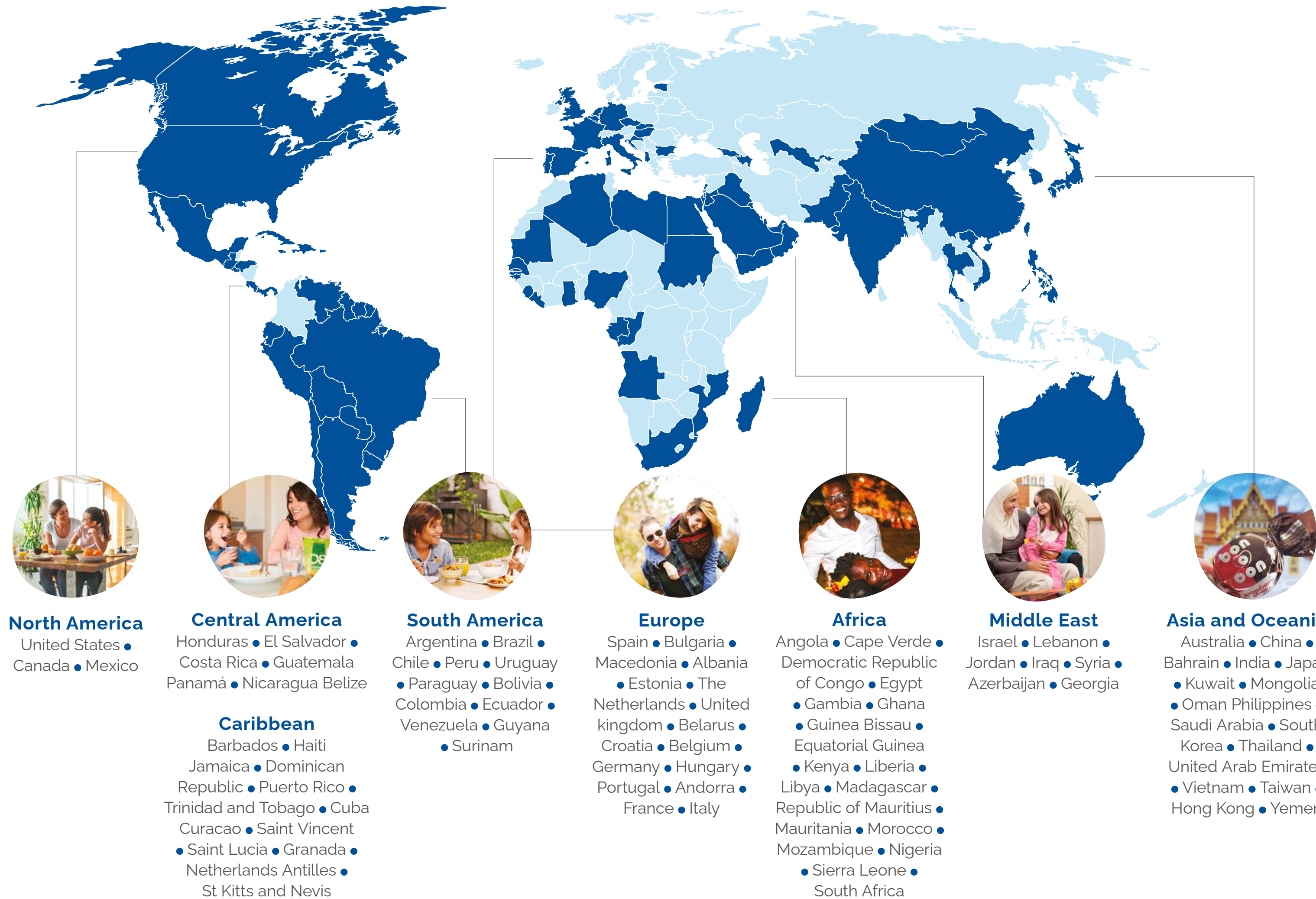
Key player in the circular economy through recovering and recycling plastic and cardboard materials

Argentine leader in the production of corrugated cardboard

1st maize flour producer in Argentina

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

Arcor Group in the world



Commercial Offices

- **Argentina**
(Buenos Aires and Córdoba)*
- **Brasil** (San Pablo, Mina Gerais and Pernambuco)
- **Chile** (Santiago and San Francisco de Mostazal)
- **Ecuador** (Guayaquil)
- **Bolivia** (Santa Cruz de la Sierra and La Paz)
- **Paraguay** (Asunción)
- **Perú** (Lima)
- **Uruguay** (Montevideo)
- **Mexico** (Mexico D.F.)
- **U.S.A.** (Miami)
- **Spain** (Barcelona)
- **Angola** (Luanda)
- **China** (Shanghái)

*Arcor Group Headquarters Location



Operations Sustainable Management

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

During 2022, we invested USD 7,258,161.80 on sustainable management in our operational plants.

51 operational bases under ISO 9001 on Quality Management

41 plants with certifications on food safety standards

52 operational bases under ISO 14001 on Environmental Management

14 operational bases with forestry management certifications

46 operational bases under ISO 45001 on Occupational Health and Safety

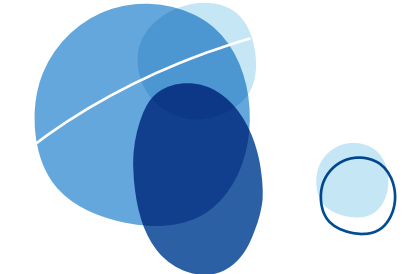
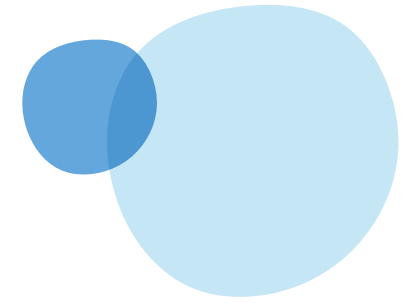
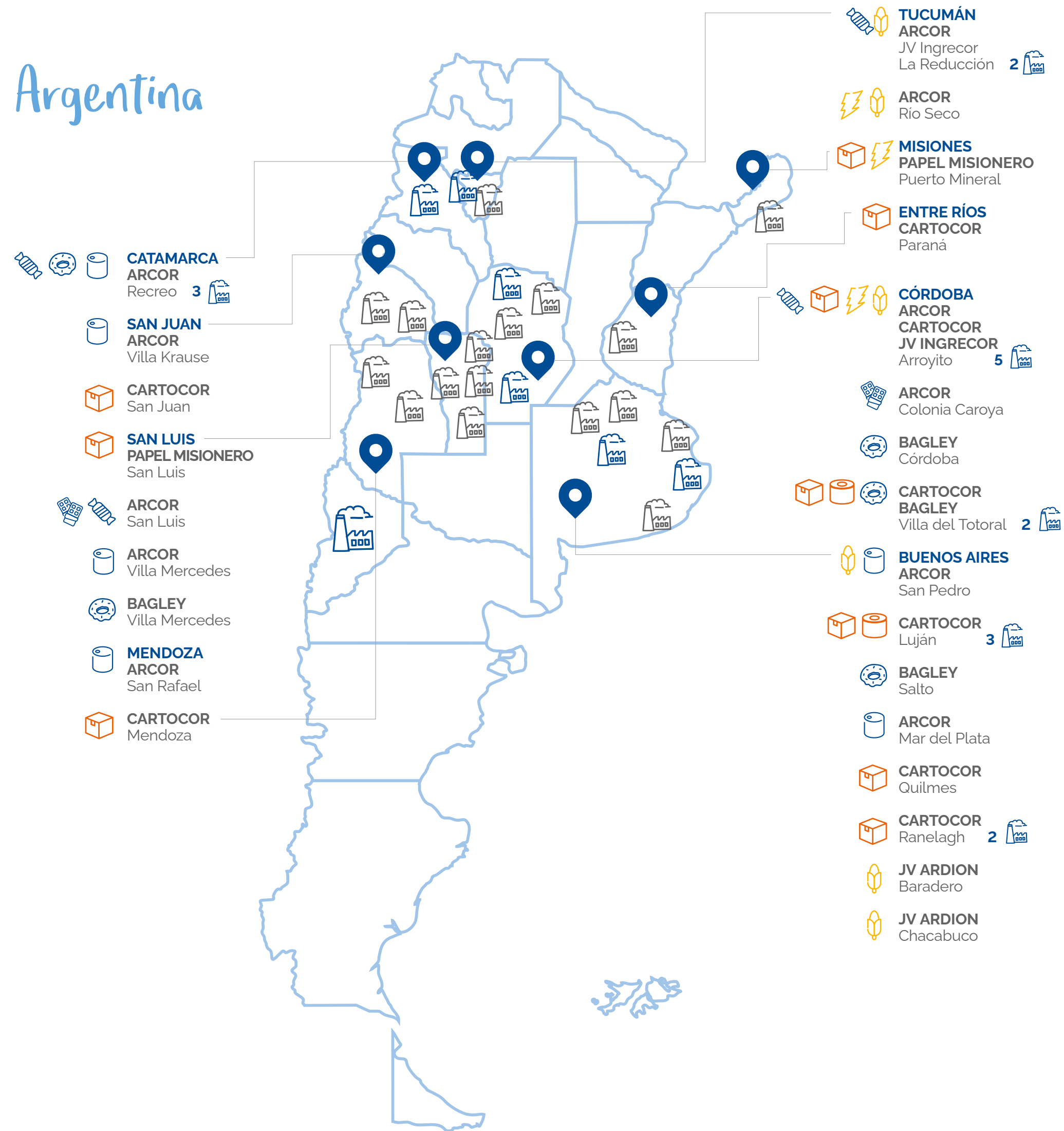
Latin America



Africa



Argentina



Our Strategic Alliances

In our efforts to pursue ongoing growth, we foster the creation of strategic alliances that allow us to strengthen mutually.



DANONE
2005

We formed a joint venture with Danone Group to create Bagley Latin America S.A., the leading company of cookies, alfajores and cereals in Latin America.



2006

Together with Bimbo Group we created Mundo Dulce, one of the most important industrial plants in Mexico devoted to the manufacturing of confectionery and chocolates.



2010

We created an alliance with Coca-Cola to develop products that mix their successful beverages brands with our products, creating original combinations that reach different countries in Latin America.



2015

We partnered with Mastellone Hnos, celebrating a milestone agreement between leading companies in the food market.



2017

We acquired the Zucamor company, thus becoming one of the largest producers of recycled paper in South America. In addition, we reinforced our position as leaders in the manufacture of corrugated cardboard boxes, production of virgin fiber paper, bag paper and paper bags for industrial segments.



2018

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



2019

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



Ingredion

2021

We carried out a joint venture with Ingredion, which integrates and strengthens the joint operations of production, commercialization and sale of ingredients for industries in Argentina, Chile, Uruguay and other Latin American countries. The objective is to develop innovative solutions for the production of food, beverages, corrugated paper, personal care products, for home, and animal nutrition.



Our Businesses

We strengthened our position as a leading multinational group comprising 3 business units:

-  **Consumer Food Products.**
-  **Agribusiness.**
-  **Packaging.**



Consumer food products

We believe that food is a decisive factor in people's quality of life and well-being. Food implies much more than eating. Food is nourishing, enjoying and creating bonds.

We believe that a healthy diet must be varied, balanced and inclusive and that it should be affordable for every person. As market leaders, we are strongly committed to allow each person afford and enjoy quality food.



Food

Main food company in Argentina, with a meticulous selection of raw materials and advanced technological processes, which ensure the high quality of our products from the field to the table.

2022 Highlights: La Campagnola Red Fruits marmalade, La Campagnola Rosemary spice, Águila cookies premix and Arcor gluten-free Brownies premix.



Chocolates

Argentine leading company in the market, present in all categories with well-known brands appreciated by consumers.

2022 Highlights: Release of White Cofler Block and Blockazo Argentina.



Ice creams

Our company is one of the leaders in this category, with varied, high-quality and affordable proposals. The portfolio has the endorsement of the brands of chocolates, candies and cookies preferred by consumers, which constitutes a great added value.

2022 Highlights: Gelato and Bomboncos products, Release of Arcor Milk popsicles.



Cookies, snacks and cereals

Bagley, the company created with Danone Group, leads the region with its wide variety of brands and its specialization in the production of cookies, alfajores, cereals and snacks. It currently reaches the market with more than 200 products manufactured in its 4 industrial plants.

2022 Highlights: Releases: Aguila Simple Mini cake, Aguila Dark Mini cake and Rice Sweet Cookies.



Confectionery

First candy exporter of Argentina, Chile and Peru and, the most important of the region in production capacity, sales and brand development.

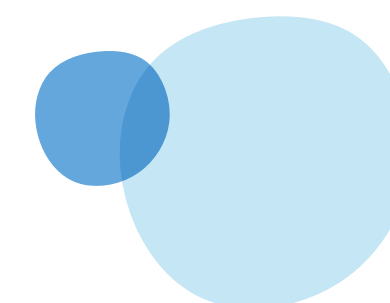
2022 Highlights: Release of Topline Turbo, inclusion of the brand Arcor Milk in this category through the Arcor Milk Candy, which has 35% of milk. Inclusion of the brand Mogul to the category chewy candies with Mogul Extreme Palotes (tubes) Sandia, Blueberry and Tutti Frutti flavors, and the release of Mogul Extreme Rocks.



Functional businesses

In 2018, Arcor and Laboratorios Bagó partnered to develop the line "Simple" for the dietary supplements market. It has products that contribute to health care and can be easily incorporated into daily life.

2022 Highlights: Release of Simple Satiety Plus in shakes and bars that contribute to the development of healthy eating habits.





Our Factory in Angola was inaugurated. A further step towards the future.

As a result of the entrepreneurial spirit that characterizes us, in June 2022 we inaugurated "Dulceria Nacional", the largest chocolate, candy and cookie factory in Luanda, Angola. This milestone was achieved through the association with Webcor Group, an agro-industrial company with a strong presence and knowledge of the Angolan market.

We invested 45 million dollars to build an industrial plant of more than 12,000 m², which has the most advanced technological equipment, and meets the best world-class practices and Arcor Group's own quality standards. This new plant employs 150 collaborators from Argentina, Brazil, Italy and Angola

The main products manufactured there are bon o bon, Sambapito lollipops, Arcor candies and Merci, Serranitas, Triunfo and Maná cookies, which, in some cases, were adapted to the characteristics and preferences of Angolan consumers.

Production capacity of 3,700 annual tons of bon o bon, 7,000 annual tons of sweet and salty cookies, and 5,000 annual tons of candies.

Main food company in Argentina.

Leading chocolate company in the Argentine market, present in all categories with well-known brands appreciated by consumers.

First candy exporter of Argentina, Chile and Peru and, the most important of the region in production capacity, sales and brand development.

More than 200 Bagley products in the market, manufactured in 4 industrial plants.



Agribusiness

Arcor Group Agribusiness Division seeks to add value to the agribusiness processes in different industries that comply with the commitment to quality in all of their products. We provide solutions in ingredients for industries such as: food, beverages, paper, corrugated cardboard, personal and home care, and animal nutrition.

In 2021 we formed a strategic Alliance with Ingredion*, world leading company in ingredients since 1906. The aim of this alliance is to develop innovative solutions for ingredients production and agribusiness in Argentina, Chile and Uruguay.

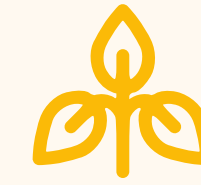
We have seven producing units and seven industrial dairy farms. La Providencia sugar mill has a manufacturing capacity of 150,000 TN of sugar, and we produce 11 MW of renewable energy due to sugar cane bagasse. Moreover, it was the first sugar mill in Argentina that achieved Bonsucro certification, a world platform that promotes economic, social and environmental sustainability in the sugar cane sector.

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

1,300,000 TN of corn milled every year

25,000,000 liters of alcohol produced every year

45,000 liters of milk produced every day



Organic alcohol production

The organic cereal alcohol project started from a joint work between Arcor and Natura&Co cosmetics company

The project began in August 2020 exchanging specifications and samples of common and extra-neutral alcohol. Then, profiles were refined based on the feedback provided by the Natura Development Departments in Argentina and Brazil. The project refined the tests until the Natura Olfactory Center in Cajamar defined that the best alcohol for the required profile was our most refined alcohol. The processes continued with the purchase of a batch of organic corn and the subsequent distillation and refining of its alcohol with OIA certification. Later, samples were separated, and evaluated in different applications in the Argentina Natura lab.

The Development, Quality, Production, Commercial and Purchasing areas of both Companies participated in this project, with the collaboration of the International Agricultural Organization (OIA) in order to carry out the certification processes of raw materials and production processes, under the current organic standards.

The first results of this process have been relevant qualitative and quantitative indicators, although there are still no final results since the project is in the product adjustment stage and it has not begun to be marketed yet. However, having certified the plant and having already carried out organic production, we are in a position to offer this same type of product to other potential interested parties.

Once these batches of organic alcohol have been validated by the Olfactory Nucleus of Brazil, we will be able to move forward with a new production for final approval.

Packaging

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

We make special emphasis on customer service, ongoing innovation, productivity, quality, and environment conservation.

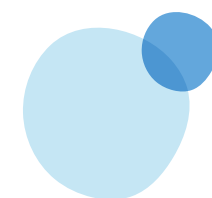
270 thousand tons
of paper per year

230 million of units
of industrial bags
per year

900 million of M²
of corrugated
cardboard per year

23 thousand own hect-
ares for forestry
development

12 thousand tons
of flexible material
per year



Packaging business. A circular flow business

For 40 years, we have been manufacturing packages and packaging material, originally for our own supply, but shortly after starting we established ourselves as leaders in the production of cardboard and paper packages in Argentina, and a major player in the production of flexible packages. This growth included the expansion throughout the southern cone region, with a production presence in Chile and, as from 2022, also in Peru.

In order to ensure productivity in the market, we have added the production of Kraft paper from our own pine tree plantations, and recycled paper.

Nowadays, we are the main recycled paper and cardboard producer in Argentina. In 2022 we produced more than 190,000 TN of recycled paper in our three recycling paper plants in Arroyito, Mendoza and Ranelagh.

During 2022, we made progress in the start-up of the new box production plant in Peru, which allows us to grow in that market by replacing non-recyclable containers with corrugated cardboard packages. In addition, we started up the new bag production plant in Papel Misionero Industrial Complex, in the province of Misiones, which allowed us to incorporate the best technology to produce this type of product and, undoubtedly, promote the incorporation of female personnel in production areas, growing significantly in this direction.



World-class Innovative Development

For almost two years, 2021 and 2022, an interdisciplinary team from Papel Misionero plant worked on the development of a new world-class paper: it is a variety of ultra-porous paper for the production of bags that has unique characteristics, since it must combine different properties: on the one hand, the mechanical resistance required by the industry with its high-speed packaging processes, and on the other hand, the porosity necessary to rapidly evacuate air when packing.

This highly complex work carried out by Papel Misionero team managed to place a competitive paper on the market under the best global standards. It also makes the use of paper with the lowest grammage on the market more efficient.

Our corporate philosophy

Mission

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

Vision

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

Goal

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



Our values

Diversity

We are convinced that diversity enriches our understanding of the world. That is why we promote a diverse internal culture in which the fusion of different views is an opportunity to grow.

Entrepreneurial Spirit

Our pioneers' entrepreneurship, passion and commitment continue being our inspiration source. For that reason, we foster an internal culture that encourages continuous growth.

Closeness to consumers and commitment to the value chain

We are a company closely committed to suppliers, employees and shareholders as well as customers, consumers and the general community. We are convinced that sustainable growth includes the entire value chain.

Integrity

We obtain results through transparent, coherent and responsible behavior.

Human Relation

We believe that growth is only possible through confidence bonds. That is why we promote a collaborative environment of fraternity in the company as well as in the community where we develop our daily life.



Quality

We take on the commitment of producing top quality products, listening to our clients and consumers in each stage of the value chain in order to achieve offering them the products that they wish.

Results-oriented Actions

Our actions are oriented to achieve results that ensure sustainable growth of the business.

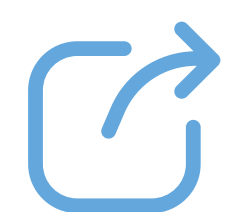
Innovation

We integrate science, research and creativity to continuously innovate in our products and services.

Our employees

Our collaborators are the pillar that allows us to be close to all our consumers.

	2022							2021
	Men		Women		Total		Total	Total
	Full-time	Temporary	Full-time	Temporary	Full-time	Temporary	Full-time and Temporary	Full-time and Temporary
By country								
Argentina	10,353	821	2,359	431	12,712	1,252	13,964	13,152
Brazil	2,105	228	1,537	353	3,642	581	4,223	4,102
Chile	1,293	42	294	33	1,587	75	1,662	1,594
Peru	150	109	12	90	162	199	361	330
Mexico	576	2	485	1	1,061	3	1,064	1,408
Spain	5	1	6	0	11	1	12	13
Rest of the world	179	16	129	19	308	35	343	126
Total	14,661	1,219	4,822	927	19,483	2,146	21,629	20,925
By occupational category								
Director	6	0	0	0	6	0	6	7
Manager	353	0	65	0	418	0	418	406
Chief	632	11	253	8	885	19	904	891
Supervisor/Analyst	1,949	52	1,111	62	3,060	114	3,174	3,106
Operator/ Assistant	11,721	1,156	3,393	857	15,114	2,013	17,127	16,515
Total	14,661	1,219	4,822	927	19,483	2,146	21,629	20,925



For more information, please refer to the Arcor Group 2022 Annual Report and Financial Statement, available at www.arcor.com.

Our main economic data

Main Economic and Financial Indicators ⁽¹⁾	2022 (millions in pesos)	2021 (millions in pesos)
Net sales	625,082.1	586,689.9
Marketing and Administrative Expenses	121,801.9	113,762.5
Salaries, Wages and Social Security Contributions	135,082.5	128,764.0
Investment in Fixed Assets and Other Assets	10,777.7	10,410.5
EBITDA	58,310.6	58,751.3
Total taxes ⁽²⁾	35,971.0	41,782.8
Direct taxes	10,792.1	9,623.2
Export rights	2,126.2	1,865.0
Taxes, Rates and Contributions	1,921.8	2,143.6
Income tax ⁽³⁾	21,130.9	28,151.0
Net Income / (Loss) for the Fiscal Year ⁽⁵⁾	32,039.2	35,368.4
Payment to capital providers	38,052.8	37,163.4
Total Capitalization ⁽⁴⁾	225,380.2	249,600.9
Shareholders' Equity ⁽⁵⁾	96,776.0	83,341.2
Non-current Loans ⁽⁶⁾	60,585.5	115,666.2
Current Loans ⁽⁶⁾	68,018.6	50,593.5

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

(2) Tax breakdown by country (in millions of pesos) in 2022: Argentina 32,655.06 - Bolivia 246.61 - Brazil 639.84 - Chile 580.90 - China 2.20 - Ecuador 29.97 - Spain 893.85 - United States (17.78) - Mexico 381.74 - Paraguay 111.01 - Peru 126.45 - Uruguay 321.19

(3) It includes deferred taxes.

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

(5) Result and Equity attributable to the Shareholders of the Company.

(6) It includes the heading "Lease liabilities".

Arcor Group Board of Directors

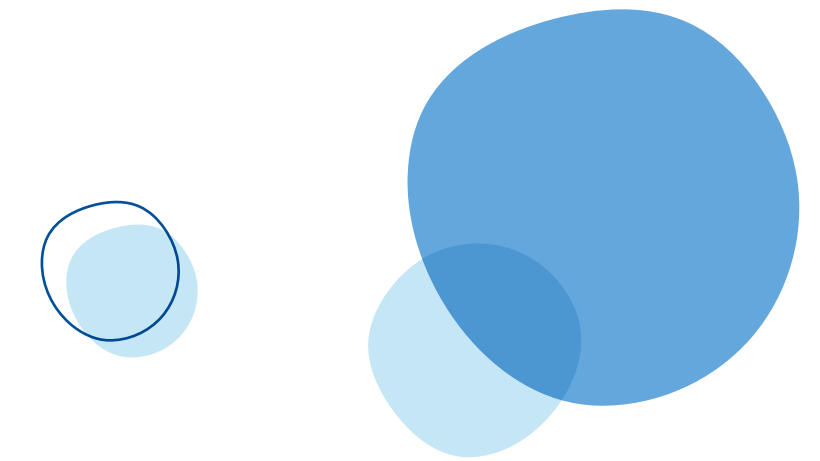
Our governance body comprises the Shareholders' Meeting and the Board of Director. Mr. Luis Alejandro Pagani is the Chairman of the Board of Directors, and the Group's CEO.

Based on the criteria defined for the selection of the Administrative Body, the Human

Resources Committee makes proposals for members that are submitted to the Shareholders' Meeting for its consideration. The appointment of the people that form the Board of Directors is an exclusive power of the Shareholders' Meeting, so the proposal made by the Board of Directors will always maintain the non-binding nature.

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

During the last period there was a change in the composition of the Administrative Body, with the incorporation of Mario Enrique Pagani as Regular Director from April 29, 2022.

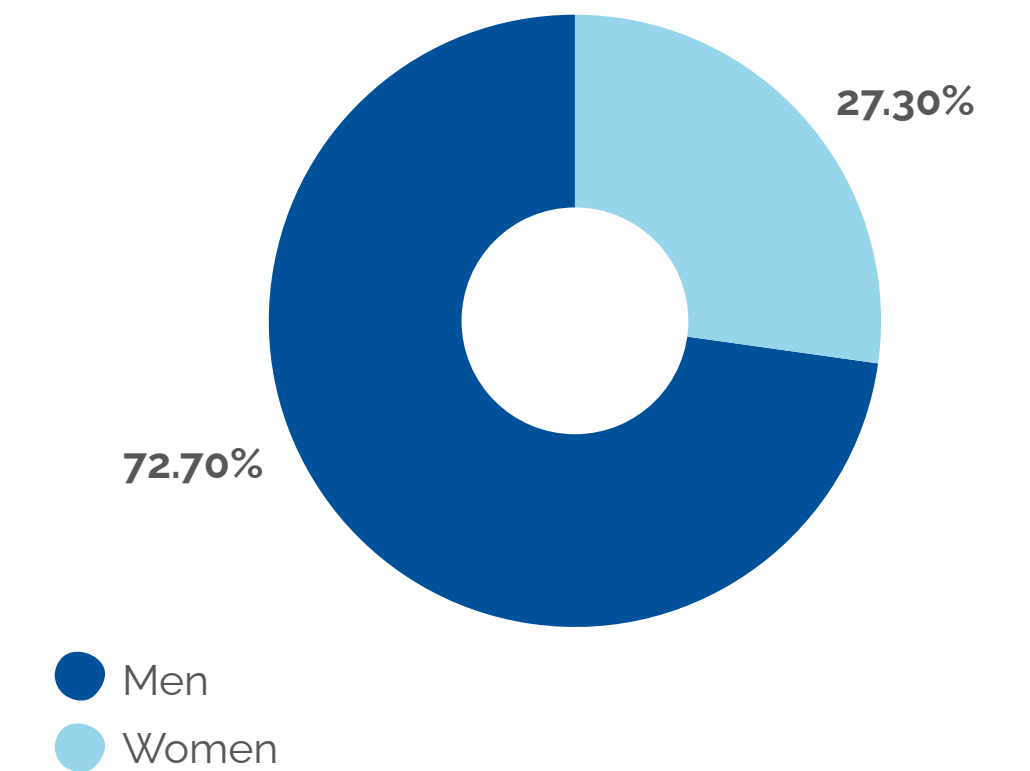


Age Range of the Board of Directors (Regular and Alternate positions)



- Under 30 years old
- 30-50 years old
- More than 50 years old

Composition of the Board of Directors (Regular and alternate positions)



Name	Position	Executive / Non-Executive	Independence	Number of Years Serving at the Board [*]	Gender
Luis Alejandro Pagani	Chairman	Executive	Non Independent	41 years	Male
Alfredo Gustavo Pagani	Vice-chairman	Executive	Non Independent	18 years	Male
José Enrique Martín	Regular Director	Executive	Non Independent	32 years	Male
Alejandro Fabián Fernández	Regular Director	Non-Executive	Non Independent	14 years	Male
Víctor Daniel Martín	Regular Director	Executive	Non Independent	17 years	Male
Fernán Osvaldo Martínez	Regular Director	Non-Executive	Independent	5 years	Male
Alejandro Asrín	Regular Director	Non-Executive	Independent	1 year	Male
Mario Enrique Pagani	Regular Director	Executive	Non Independent	> 1 year	Male
Lilia María Pagani	Alternate Director	Non-Executive	Non Independent	5 years	Female
Karina Ana Mercedes Pagani	Alternate Director	Non-Executive	Non Independent	7 years	Female
Marcela Carolina Giai	Alternate Director	Non-Executive	Non Independent	5 years	Female

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

The Board of Directors is responsible for approving Arcor Group Sustainability Report as well as the Mission, Vision, Purpose and Values of the company.

In addition to our governance body, we have several committees created by the Board of Directors to foster joint work and reach the goals established by the company¹:

- **Ethics and Conduct Committee:** It was formed in 2009 and its main function is to ensure compliance with the Code of Ethics and Conduct. It also contributes to the permanent improvement of the company's ethical atmosphere, promoting training, communication and awareness for all the staff, as well as specific stakeholders in the value chain.
- **Audit Committee:** The Audit Committee was created in 2010. Some of its functions consist on supervising the operation of the internal control systems and the accounting administrative system, supervising the implementation of the policies regarding information on the Company's risk management, reviewing the plans of the internal and external auditors and assess their performance, considering the internal and external audit budget, and evaluating the quality and independence of the different services provided by external auditors according to the provisions of auditing regulations in force. This Committee does not apply the rules established by the National Securities Commission, since the Company is not obliged to set it up in said terms.
- **Finance, Investments and Strategies Committee:** Since 2010 some of its functions are: the review of the annual budget, the

evaluation of alternative sources of financing, investment plans, and new businesses

- **Human Resources Committee:** was established in 2015 in order to monitor that the remuneration structure of the Board of Directors and key personnel is in line with their performance, the risks assumed and long-term performance; and proposing selection criteria, as well as the implementation of training, retention and succession policies for members of the Board of Directors and senior management.
- **Purchase Committee:** It was established in 2015 by the Board of Directors. Its main function is to evaluate, manage and mitigate the risks related to Arcor Group supply chain of goods as well as services.
- **Sustainability Committee:** Established in 2015, the Sustainability Committee is responsible for advising the Board on all aspects related to sustainability, supporting the identification and treatment of critical issues that can present risks and impact opportunities relevant to the group, among other functions.

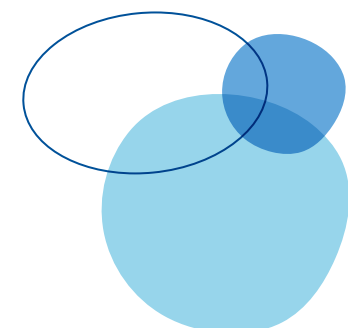
¹ The functions of each committee can be seen in Practice 4 of the Corporate Governance Code, published on the CNV website.

Innovation Management

With our eyes on the future, at Arcor Group we work on the innovation of our products, processes and services, to develop creative solutions that add value to our consumers. During 2022, the Innovation Committee prioritized initiatives and work cells were launched to promote transversal innovation projects in the medium and long term.

We work on innovation across the entire Group, with representatives from all areas and with external partners from scientific-technological and productive sectors, fostering the adaptation, transformation and evolution of products, processes and services to promote the continuous growth of the business, the preservation of natural resources and the satisfaction of customers and consumers.

In addition, we regularly hold innovation sessions within our business units so that adding different visions and knowledge we can generate insights, concepts and prototypes that may inspire the search for innovation in our brands.



Some of the most outstanding initiatives in 2022 include:

3D

An event sponsored by Arcor Brazil's Research & Development, intended to boost the Innovation Network, encouraging participation across all levels and areas and connecting people in favor of a collaborative work model, looking for business sustainability from a creative approach.

Trenz INSPIRATION + CO-CREATION

Workshop carried out in alliance with a flavors supplier to brainstorm new products ideas for the *core* categories of the confectionery and chocolates businesses. 39 people from the Marketing, I+D and Industrial areas participated in this initiative presenting 85 ideas, which translated into 5 prioritized and prototyped.

Innovation Day for Bagley, Confectionery and Chocolates

Session carried out in collaboration of an ingredients supplier in order to work on market trends, ingredients innovation platforms and new products formulations for the different categories. The goal of this session was improving nutritional aspects or adding differentiation to the product. As a result, 19 concepts were tested. 30 people from the Marketing, I+D and Industrial areas participated in this meeting.

Sessions with packaging materials suppliers

In order to review trends and new technologies



Kamay Ventures

Since 2019, in Alliance with Coca-Cola, we work to speed up innovation in our business ventures that add value to the company, prioritizing the following goals:

1. Contribute to the entrepreneurship ecosystem.
2. Help to transform the internal culture towards more innovation opportunities associated with technology.
3. Attract and retain innovative talent.
4. Contribute to the company's digital transformation.

Bearing in mind these premises, during 2022 Kamay invested in:

- **Zippin:** a logistics solutions orchestrator, connecting multiple operators and types of logistic services in one place.
- **Aerialoop:** a drone airline for the delivery segment, which allows the construction of automated air bridges between fixed points to ease logistics.

- **BACU:** a comprehensive solution for restaurants that facilitates to discover and operate products.
- **Kilimo:** a digital platform that powers irrigation practices through Artificial Intelligence, helping companies to achieve their neutral water goals.
- **Ruedata:** a digital platform that optimizes tire consumption and reduces the carbon footprint through data analytics.
- **Webee:** an asset intelligence platform designed to reduce costs and GHG emissions, increase performance and eliminate unplanned downtime in industrial manufacturing and agriculture.



Innovation Week

For the first time we carried out the Innovation Week to promote innovation in all areas of the company. Under the slogan *#TodosPodemosInnovar* (everybody can innovate), we held a series of virtual meetings with specialists in the subject, in which more than 2,000 employees from 17 countries participated.

The first referent was Martina Rua, a journalist from La Nación newspaper who specializes in innovation and productivity. Her talk was called "Innovative

attitude: 10 innovative ideas for a new job." Then, Virginia Borrajo, a Licentiate in Psychology and specialist in Education in Virtual Environments and Learnability, lectured on "Agility for innovation." On the third day of the week, Alejandra Marcote, a Coach specializing in learning from mistakes and failures, gave a lecture called "Learning from mistakes to transform ourselves." Finally, Mariano Wechsler, Co-Founder of Teamcubation and Digital House was the speaker of the talk "New technologies".



Sustainable Management

We understand sustainability as a comprehensive approach that allows managing risks and maximizing opportunities arising from our business activity and from the relationship with our stakeholders, seeking to create economic, social and environmental value in the long term.

2030 Sustainability Strategy

In 2022 we developed "A Better Life" Arcor Group's 2030 Sustainability Strategy with the aim of "producing sustainable food, fostering people prosperity, and preserving the planet so that everyone can have a better life".



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

Producing Sustainable Food

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




In order to achieve this, we are committed to:

-  **Healthy and Affordable Food:** Offering the best alternatives for those who wish to have a balanced and healthy diet, suitable to their needs, preferences and culture. Through this commitment, we seek to provide options that address the emerging consumption trends, and the need for a pleasant nutrition, while also inspiring healthier habits.
-  **Quality at Every Step:** We are committed to guaranteeing top quality across our entire product offering, considering consumers' expectations and ensuring a reliable supply chain, certified production processes, and an efficient marketing network. Through this commitment, we seek to deliver the experience our customers and consumers expect at all our points of contact.
-  **Regenerative Agriculture:** We are committed to implementing conservationist models for the production of our raw materials that contribute to regenerate ecosystems, strengthening the best agricultural practices embracing precision technologies. Through this commitment, we contribute to the ecosystems' resilience and climate stability, enabling a positive interaction among production systems and natural environments.

Promoting People Prosperity

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

In order to achieve this, we are committed to:

-  **Inclusion, Diversity and Equality:** Fostering a respectful and tolerant workplace, building a culture in which everyone is valued as an individual. Through this commitment, we ensure equal opportunities for everyone, without discrimination.
-  **Workplace Well-being:** Maintaining safe and healthy workplaces that ensure the well-being of each company member, encouraging creativity, initiative and development, as well as an appropriate work life balance. Through this commitment, we foster the creation of suitable, flexible and modern work environments for our employees, in alignment with the future challenges of employment.
-  **Community and Value Chain Development:** Fostering the comprehensive development of our communities, creating spaces for collaboration, fostering the entrepreneurial spirit, and favoring local roots. Similarly, we commit to ensuring a responsible value chain, championing for quality work, ongoing improvement, and compliance with applicable environmental, social and health standards. Through these commitments, we raise the progress prospects and the living standards for every person with whom we interact.

Preserving the Planet Sustainability

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

In order to achieve this, we are committed to:

-  **Water Care:** Fostering increasingly more efficient water consumption, returning water to the environment in a safe manner, and preserving our water sources across the entire value chain. Through this commitment, we help spread environmentally friendly production practices.
-  **Climate and Biodiversity Action:** Taking action in favor of the climate, seeking to achieve a positive carbon balance in our activities. Similarly, we commit to preserving biodiversity, enabling a beneficial interaction among production areas and natural ecosystems. Through these commitments, we protect and regenerate the production landscapes in which we are immersed.
-  **Circular Material Flow:** We are committed to fostering a circular model for the supplies that we use across the entire value chain, rethinking their life cycle. Through this commitment, we propose circular economy as the best business model to achieve economic development within the planetary boundaries.

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



Sustainability governance system

In order to incorporate sustainability as a transversal axis of our company, for more than a decade we have had an organizational structure of sustainability on two levels:

Political-strategic

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

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

- Following and assessing the implementation of the Group's sustainability plan.
- Ensuring that there are appropriate and effective communication policies to build and protect the company's reputation as a sustainable business.

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

Strategic-operational

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

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

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

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



Sustainability Operational Plans

In order to embed sustainability transversely across the organization, each business annually develops a Sustainability Operational Plan (POS, by its initials in Spanish). POS are developed based on the commitments set forth in Arcor's Sustainability Policy, the risks and opportunities matrix specific to each business, the corporate goals established for each commitment, and the corporate initiatives fostered by the Sustainability Committee.

In 2022, we developed 14 Sustainability Operational Plans for all the business units and Arcor Group corporate areas. As a whole, they promoted 816 initiatives for the different business units. From the total, 11% were related to the rational use of water, 23% to energy efficiency and climate change, 14% to rational use of packaging materials, 29% to respect for and protection of Human and labor rights, 11% to active life and healthy eating, and the remaining 12% to our general commitment to sustainable development.

Sustainability in our Management Performance System

A total of 3,037 employees were set sustainability division goals, whilst 967 employees at management levels established sustainability specific performance goals. The accomplishment of these goals will have an impact on employees' variable compensation.



Packaging Business' Sustainability Policy

Since 2018 our Packaging business has its own Sustainability Policy in line with The Group Sustainability Strategy and formed by five commitments.



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



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



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



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












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

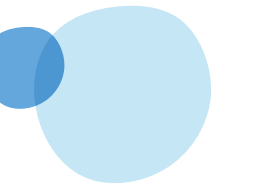
Packaging Business' Sustainability Policy Commitment	Initiatives by Commitment
Sustainable Supply	6%
Environmental Protection and Resource Conservation	25%
Human Development	22%
Innovation and Sustainable Solutions	39%
Circular Economy	8%

Commitment to the SDGs

At Arcor Group, our management actions are aligned with the United Nations' 17 Development Goals and 169 targets established, through initiatives driven in accordance with the commitments assumed under our Sustainability Policy.

Since 2016, we have put forward initiatives that help make progress against the SDGs on the platform "Connecting Businesses to the Sustainable Development Goals (SDGs)" maintained by the Consejo Empresario Argentino para el Desarrollo Sostenible (CEADS) (Argentine Business Council for Sustainable Development).

Manufacturing Sustainable Food	Promoting People Prosperity	Preserving the Planet Sustainability
<p>We make sustainable and responsibly manufactured products, without waste, offering our customers quality, affordable and safe options.</p>	<p>We foster people prosperity, based on inclusion, diversity and equality, ensuring our employees' well-being at the workplace, and strengthening the progress of the communities we are part of, together with our broad value chain.</p>	<p>We preserve the planet by taking care of water, taking actions that benefit the climate and biodiversity, and encouraging a circular business model of supplies and waste.</p>
<p>Healthy and Sustainable Food</p>  <p>SDG 2: Zero Hunger</p> <p>SDG 3: Good Health and Well-being</p> <p>SDG 12: Responsible Consumption and Production</p> <p>SDG 17: Partnerships for the Goals</p>	<p>Inclusion, Diversity and Equality</p>  <p>SDG 3: Good Health and Well-being</p> <p>SDG 4: Quality Education</p> <p>SDG 5: Gender Equality</p> <p>SDG 8: Decent Work and Economic Growth</p> <p>SDG 10: Reduced Inequalities</p> <p>SDG 17: Partnerships for the Goals</p>	<p>Water Care</p>  <p>SDG 6: Clean Water and Sanitation</p> <p>SDG 9: Industrialization, Innovation and Infrastructure</p> <p>SDG 12: Responsible Consumption and Production</p> <p>SDG 14: Life Below Water</p>
<p>Quality at Every Step</p>  <p>SDG 3: Good Health and Well-being</p> <p>SDG 12: Responsible Consumption and Production</p>	<p>Workplace Well-being</p>  <p>SDG 3: Good Health and Well-being</p> <p>SDG 4: Quality Education</p> <p>SDG 5: Gender Equality</p> <p>SDG 8: Decent Work and Economic Growth</p> <p>SDG 17: Partnerships for the Goals</p>	<p>Climate and Biodiversity Action</p>  <p>SDG 7: Affordable and clean energy</p> <p>SDG 9: Industrialization, Innovation and Infrastructure</p> <p>SDG 12: Responsible Consumption and Production</p> <p>SDG 13: Climate Action</p> <p>SDG 15: Life on Land</p>
<p>Regenerative Agriculture</p>  <p>SDG 1: No Poverty</p> <p>SDG 2: Zero Hunger</p> <p>SDG 3: Good Health and Well-being</p> <p>SDG 8: Decent Work and Economic Growth</p> <p>SDG 11: Sustainable Cities and Communities</p> <p>SDG 12: Responsible Consumption and Production</p> <p>SDG 17: Partnerships for the Goals</p>	<p>Community and Value Chain Development</p>  <p>SDG 1: No Poverty</p> <p>SDG 2: Zero Hunger</p> <p>SDG 3: Good Health and Well-being</p> <p>SDG 4: Quality Education</p> <p>SDG 5: Gender Equality</p> <p>SDG 8: Decent Work and Economic Growth</p> <p>SDG 10: Reduced Inequalities</p> <p>SDG 11: Sustainable Cities and Communities</p> <p>SDG 12: Responsible Consumption and Production</p> <p>SDG 16: Peace, Justice and Strong Institutions</p> <p>SDG 17: Partnerships for the Goals</p>	<p>Circular Material Flow</p>  <p>SDG 9: Industrialization, Innovation and Infrastructure</p> <p>SDG 12: Responsible Consumption and Production</p> <p>SDG 15: Life on Land</p>



In 2022 we presented four action cases:



SDG 12 - Responsible Production and Consumption

Targets addressed: 12.2, 12.5, 12.6 and 12.8.

A Better Life: 2030 Sustainability Strategy

In 2022, Arcor Group developed A Better Life, its 2030 Sustainability Strategy. It establishes the commitments that Arcor has set in order to produce sustainable food, promoting people prosperity and preserving the planet.

Through nine priority commitments, A Better Life will be a guideline for the company efforts to make grow its businesses whilst leaving a positive footprint in the people and the planet: healthy and affordable food; quality at every step; regenerative agriculture; inclusion, diversity and equality; workplace well-being; communities and value chain development; water care; climate action and biodiversity; and circular material flow.

→ See Chapter 1



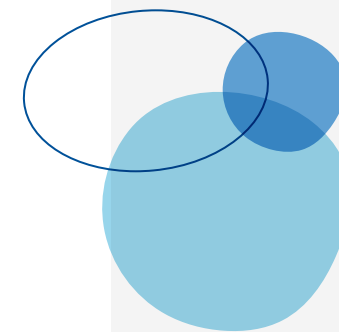
SDG 13 - Climate Action

Targets addressed: 13.3

Climate Change Strategy

In 2021, we developed Climate Change Strategy with the goal of reducing greenhouse gas (GHG) scope 1, 2 and 3 emissions by 30% for the year 2030 (in comparison to the emissions in the year 2017).

According to the main GHG sources of emissions, we defined courses of action and specific targets to achieve this goal by 2030.



→ See Chapter 5



SDG 4 – Quality Education

Targets addressed: 4.2

“Niñez Cercana”

(Close to Childhood) Program

Close Childhood Program is focused on early childhood, developing actions aimed at their care and comprehensive education. Our work is carried out in a collaborative manner between Arcor Foundation, some company leaders and representatives of the local government.

The aim of this program is promoting a comprehensive child development in partnership with municipalities, in order to contribute to improve the supply of healthcare and education of existing Child Development Centers at the local level. In this way, the quality of services is strengthened through training instances, donation of materials and equipment, and instances of agreements and exchanges. It is made up of different training modules that are implemented in the municipalities in an estimated work cycle of three years.

→ See Chapter 4



SDG 5 – Gender Equality

Targets addressed: 5.1 and 5.5

Gender Equality Program

In 2021, we began a new stage in the Gender Equality Program carried out through three pillars of action: working on the organizational culture, so that employees in leadership roles become protagonists of change; providing tools to women to boost their career; and expanding maternity benefits (adapted to each country and the characteristics of the positions). These benefits were reinforced for leaders to support and accompany the measures

In turn, new goals were established to continue making progress in this aspect: 50% of women among the people who will become part of the company by 2023 and 50% of managerial vacancies will be occupied by women in 2025.

→ See Chapter 4

Release of A Better Life

A BETTER *Life*

Communication campaign A Better Life

Following the concept #NuestraHuellaPositiva (our positive footprint) we developed a comprehensive communication campaign to disclose A Better Life, our 2030 Sustainability Strategy.

Internally, we organized three virtual events in Argentina, Brazil and the Andean Region for 1,100 leaders from all areas of the company. Since the strategy was developed and throughout the year, we produced content in different formats to be disseminated through mailings, Intranet, RedCom App and RedCom TV.

For the external public, we held an event for opinion leaders, which was led by the journalist Eleonora Cole. Sebastián Bigorito, Executive Director of the Argentine Business Council for Sustainable Development (CEADS by its initials in Spanish) also participated in the event. In turn, we created content for LinkedIn and the corporate website with all the information related to A Better Life.

In addition, within the framework of this campaign, we presented the 2021 Sustainability Report, for which a specific micro-site was developed.



Awards and Recognitions

During 2022, our management and commitment to sustainable development was recognized through several awards, something that fills us with pride and encourages us to continue on this path:

Arcor Group

- "100 Companies with Best Corporate Image," from Apertura magazine: 2nd place in the overall ranking.
- "Top Brands" from Apertura magazine. 2nd place in the overall ranking.
- "Dircoms Awards" from Círculo Dircoms. First prize in the category "External Communication: Reputation, Image and Public Relations" to the campaign "Arcor, 70 years looking to the future".
- "Eikon Awards"
 - Golden Eikon to the campaign "10 years of our Sustainability Policy" in the category Sustainability General Campaign.
 - Blue Eikon Award to the campaign "70 years looking to the future" in the category Institutional Communication General.
- "Business Prestige" Award from Prensa Económica magazine: 1st place in the category "Food".
- "Business Prestige" Award from Prensa Económica magazine: Our CEO, Mr. Luis Pagani, ranked 2nd among Argentina's most prestigious businessmen.

- "Merco ranking" by Clarín newspaper: 2nd place in the general ranking and 1st place in food companies ranking. Besides, our CEO occupied the 2nd place in the ranking "Business leaders with the best reputation in Argentina".
- "Randstad Employer Research" Acknowledgement. We were recognized with the 2nd place in the Randstad study that analyzes the most desirable companies to work in the country.
- "Good Ads" awards from the Argentine Advertising Chamber (Cámara Argentina de Anunciantes, CAA). We were recognized as "The most creative TV ad in 2021" with the spot "Águila Gondolieri" and we were granted the Bronze Prize in the category "Goods" with the spot "Promo 70 years- Married with Children - Sauces".
- "FIP Award". We were recognized with the Golden FIP Award in the category "Interactive Apps for Trade Marketing" with our program "Token Premia" ("Token Rewards you").
- "Argentina BritCham Prize to the Sustainable Leadership". We received a "Special Mention for Climate Change", in the category "Large Corporations" for "A Better Life", our 2030 Sustainability Strategy.
- "Ciudadanía Empresaria" Award, from Argentina AmCham, in the category "Corporate Government: Values of

- Socio-Environmental Responsibility" for "A Better Life", our 2030 Sustainability Strategy.
- "Top 100 Confectionery Companies in the World", from the Candy Industry magazine: 26th place in the overall ranking.
- Exports Awards" from Prensa Económica magazine: 1st place among exporters within the Food Industry category
- "Fortuna Awards" from Fortuna magazine: 1st place among the Best Food Companies.
- "The 500 most influential companies in Latin America", by Bloomberg. We were included in the general ranking.

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

- Golden "Eikon Award" to the campaign "Learning to Enjoy - WhatsApp Channel Release" in the category Sustainability in Education.
- "Eikon Award" to the best campaign related to the crisis caused by coronavirus pandemic "Learning to Enjoy - WhatsApp Channel Release".
- "Apsal Award" to the program Niñez Cercana (Close to Children), in the category Education.



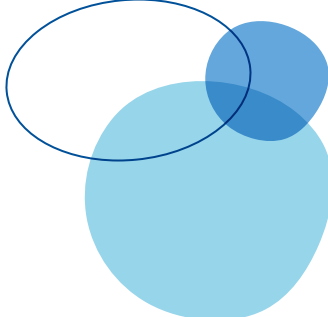
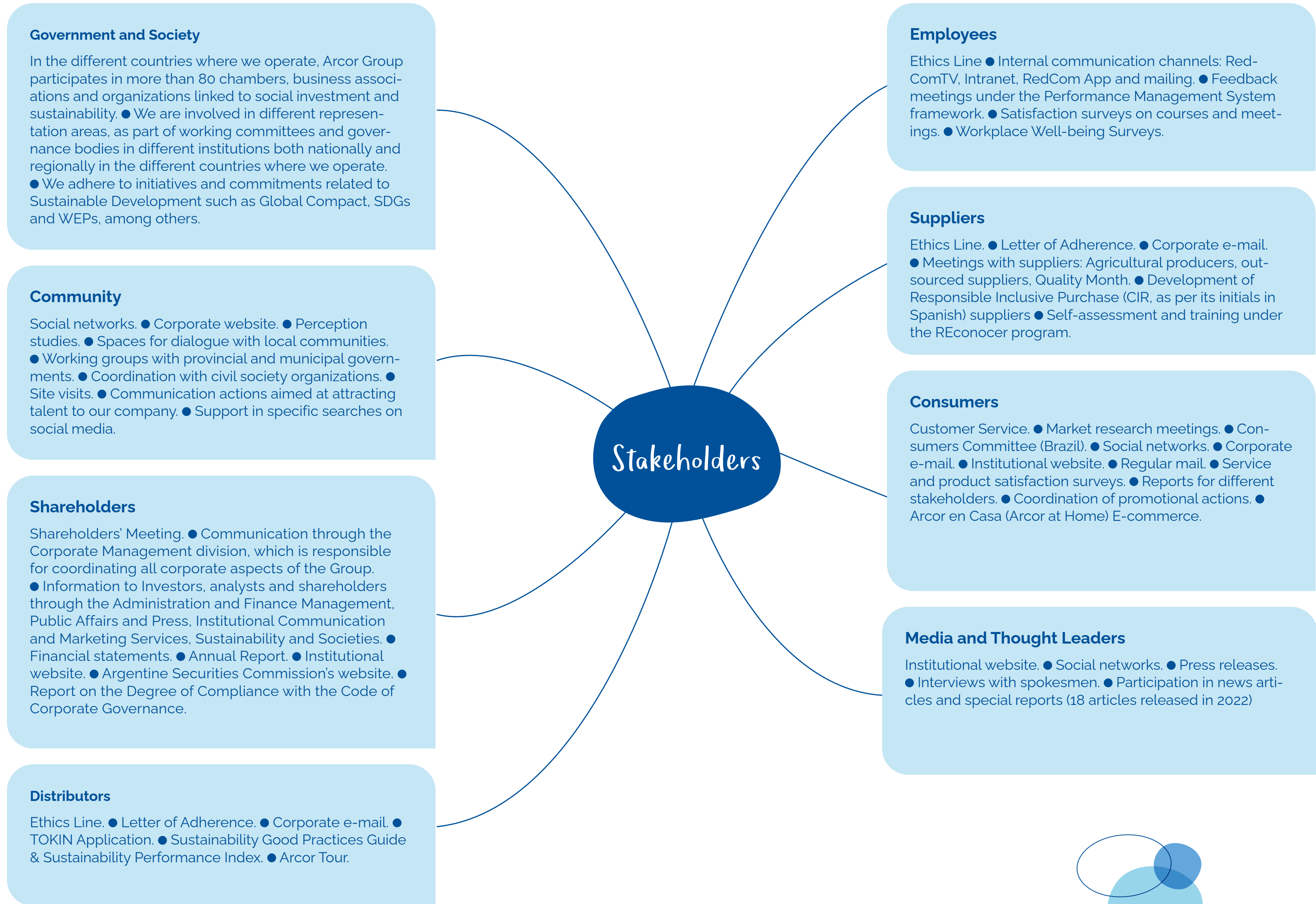
randstad
employer
brand research
2022.

CANDY
INDUSTRY



Dialogue with our stakeholders

As a company, we promote the relation with our stakeholders in order to strengthen and address their interests and expectations



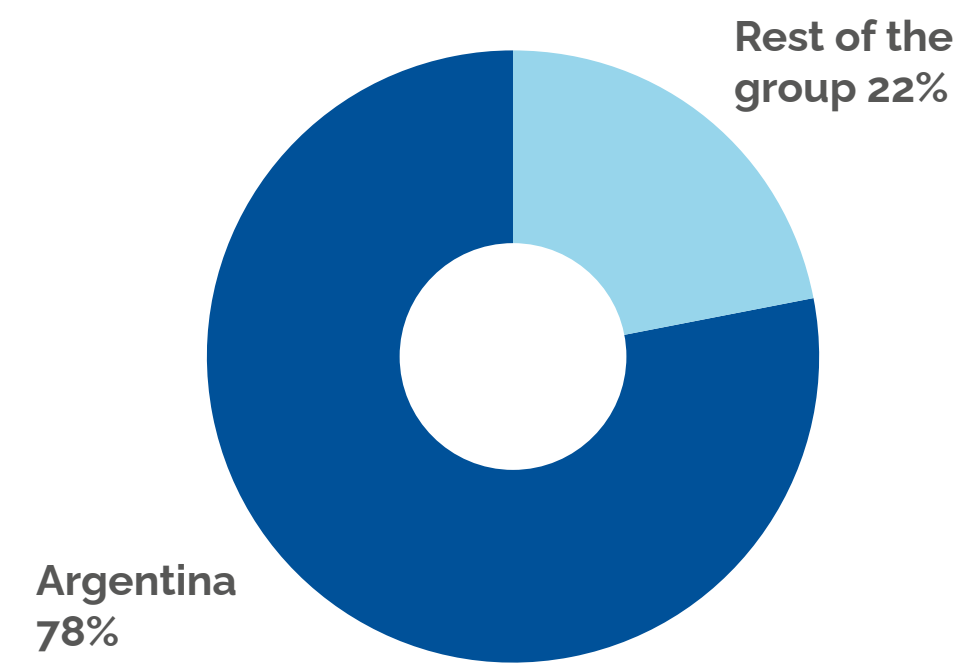
Market research projects

We believe that diversity enriches us. For that reason, we listen to multiple voices, understanding the importance of relating to each of them.

During 2022, we listened to different audiences that interact with us through more than 69 studies carried out in Argentina and the Latin American region.

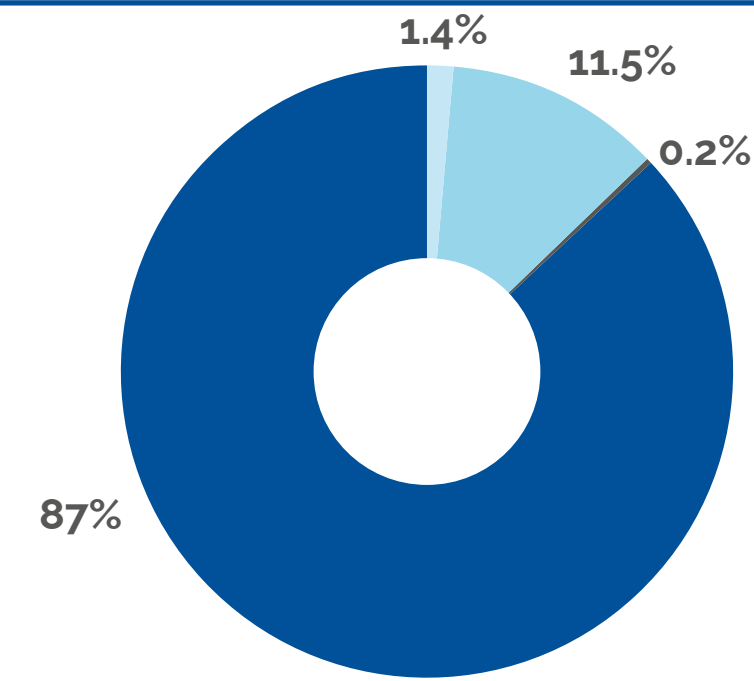
54 studies were carried out in Argentina and 15 studies in Latin America (Chile, Ecuador, Peru, Uruguay and Paraguay). We listened to different audiences: consumers (adults, adolescents and children), traders, professionals and opinion leaders.

Where?



Research was carried out in Peru, Ecuador, Chile, Uruguay and Mexico

Total of audiences heard according to its role



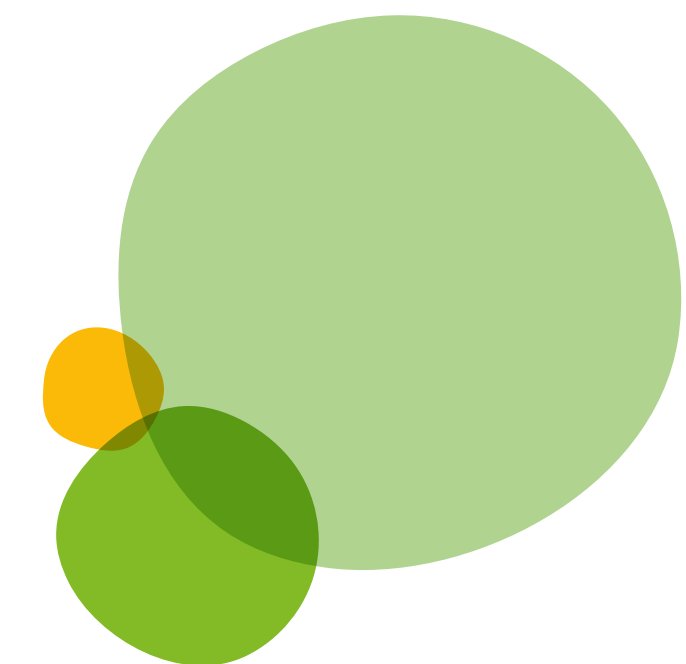
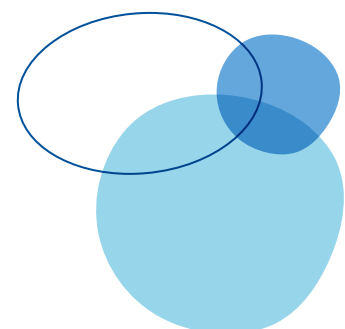
- Employees
- Opinion Leaders
- PDV
- Consumers

*Total of people surveyed: 8,350

Perception Studies

In our continuous search to integrate the perspective of the communities in our joint work with them, a qualitative study was carried out to find out the level of knowledge of the community about the company, what impacts they suppose are taking place, and their assessment of such impacts.

These perception studies were carried out through 31 focus groups and 176 in-depth interviews, in 14 communities of 7 Argentine provinces.





Customer Service

We listen to our customers and consumers in order to give them the experience they expect through our products.

Through the Customer Service (SAC, by its initials in Spanish), during 2022, the existing contact channels were maintained, improving the quality of attention and making progress in the integrated monitoring service of social networks.

At the same time, we developed customer service in New Businesses, with special focus on the Arcor en Casa e-commerce and the new plant in Angola.

On the other hand, through this channel, we continue to maintain our Consumer Education task to instill good consumer practices.

(For further information See chapter 3 "Quality at every step").

#SomosArcor (We are Arcor): Our Ambassadors Program in LinkedIn

We believe that Arcor Group employees are the ones who can best communicate corporate life and disclose everything we achieve working as a team.

For this reason, in 2022, we launched the "We are Arcor" Ambassadors Program, an initiative that invites Arcor Group employees to share company news on their profiles in this network.

In order to do this, we use a platform that comprises the contents and invites users to share them while measuring the participation and performance of the posts.

We currently have more than 100 active users who share Arcor news among their contacts networks, promoting the company's presence in this space, where we have a community of more than one million followers.



#SomosArcor



Crossing Borders: from Argentina to Angola

Within the framework of the inauguration of Dulcería Nacional, our first plant in Angola, we released the short documentary: "Crossing Borders, from Argentina to Angola", which shows the challenge of developing this project in Africa through its protagonists, focusing on people, their stories, feelings and expectations.

It reflects that at Arcor Group we export a way of being and doing; an entrepreneurial DNA that crosses borders and feeds on the best of each culture to look to the future as a team.

To spread it, we carried out a communication campaign that involved dissemination through internal channels: mailing, Intranet, RedCom App and RedCom TV, and external channels: website, Instagram, Facebook, Twitter, LinkedIn and YouTube. In addition, we sent a kit to opinion leaders to invite them to see the documentary.

RecomApp and Worldcup PRODE (sports lottery)

We continuously work so that Red-com App, our internal communication platform, is an open, participatory and interactive channel. For this reason, year after year it continues growing and during 2022 it registered an increase of 22.50% in active users. One of the campaigns that were carried out through this platform was the 2022 World Cup, which included the development of a PRODE, a game that invited people to guess the results of the matches and score points for correct predictions. More than 5,000 collaborators participated and we counted more than 2,000 average visits to the published content. In addition, we broadcasted exclusive content developed together with Pablo González, a sports journalist who was our special envoy in Qatar





02

Human Rights and Integrity

- Commitment to Human Rights
- Human Rights Due Diligence Process
- Code of Ethics and Conduct
- Information Safety and Data Protection

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

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



Commitment to Human Rights

At Arcor Group we are committed to respecting Human Rights and promoting the best practices related to them, both in our operations and throughout our value chain. For us, the Child Rights are paramount and that is why we promote a corporate program of social investment in children

→ (For further information See chapter 4).

As a Group, we adhere to the Guide for Employers of the International Labor Organization (ILO), to the Guiding Principles on Business and Human Rights, to the Principles of the Global Compact, to the Business Principles and Children's Rights, to the Women Empowerment Principles (WEP) and the United Nations Sustainable Development Goals.

Human Rights due Diligence Process

At Arcor Group we develop a Human Rights Due Diligence Process that allows us to identify, prevent and assess the real or potential impacts that we may generate, contribute to or be related to.

Some of the initiatives that we implemented to meet our commitments throughout our area of influence are:

● Producers of agricultural raw materials

We promote sustainable practices in the main production chains that supply us. To achieve this, we follow the most recognized sustainable production standards: BONSUCRO (sugar), SAI-FSA (corn), Global GAP (fruits and vegetables), Rainforest Alliance (cocoa) and RSPO (palm). Based on these standards, we evaluate the performance of the producers that work with us, including aspects related to human and labor rights, and we promote continuous improvement in management.

→ (For further information, see chapter 3).

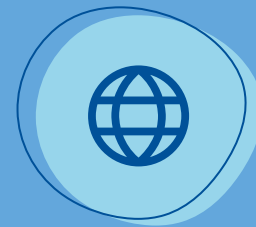
● Suppliers

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

1. Respect and protect Human Rights.
2. Ensure decent working conditions.
3. Respect trade union freedom.
4. Contribute to the elimination of all forms of forced labor.
5. Contribute to eliminate any form of child labor.
6. Contribute to eliminate discrimination in employment and occupation.
7. Preserve the environment.
8. Work against all forms of corruption.
9. Ensure responsible and transparent conduct.
10. Establish sustainable business relationships.

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

→ (For further information, see chapter 4)



We have an Ethics line that can be accessed at <https://www.arcor.com/ar/contacto-codigo-etica>, by email, or by WhatsApp. It is available to make complaints both for our employees and for suppliers and customers. The participation in this channel is confidential and anonymous

● Distributors and Logistics

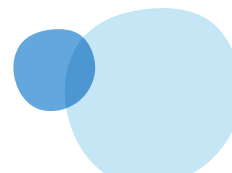
Since 8 years ago, we have carried out the Red Activa Program, which includes a set of good logistics practices for Group Distributors. These practices consist of four specific areas of interest, which determine the standard model that our distributors must comply with, such as Infrastructure, Logistics Processes, Management and Product Integrity.

In addition, we work with a self-assessment process for our distributors through the Good Practices Guide, which addresses:

- **Human Rights:** occupational health and safety, relationship with employees, relationship with customers and suppliers, sales management, relationship with the community and ethical and citizen commitments.
- **Active Life and Healthy Food:** product transportation, storage, loading, unloading and internal transfer, order preparation, staff behavior, integrated pest management, organic waste management and specific safety policies.
- **Packaging Materials:** disposal of product boxes and office paper, and waste.
- **Energy Efficiency and Climate Change:** Refrigerating and freezing chambers, air conditioning and lighting, transport fleet management, fleet routing, fuel supply for the fleet, warehouse infrastructure, multiplication and dissemination of good practices and purchases.
- **Water:** facilities cleaning, vehicles, irrigation and toilets, and cleaning supplies.

→ (For further information, see chapter 4)





● **Community**

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

We have a Community Relations Management and 30 Local Community Relations Committees in the company's industrial plants. These committees are responsible for implementing the community relations strategy at the local level in accordance with three lines of work: managing the impacts of the company-community relationship, identifying from reliable diagnoses, strategically managing risks and opportunities, and promoting and managing comprehensive community development actions.

On the other hand, as part of a qualitative approach that focuses attention on the **perceptions** of different regional actors regarding the company-community relationship and its social, environmental, and economic impacts, the last year we carried out a **qualitative perception study**, aimed to find out what the community knows about the company, what impacts they suppose are taking place, as well as their assessment. This makes it possible to identify the strengths and opportunities to improve the relationship with the community in order to establish strategies and specific work plans in the medium term.

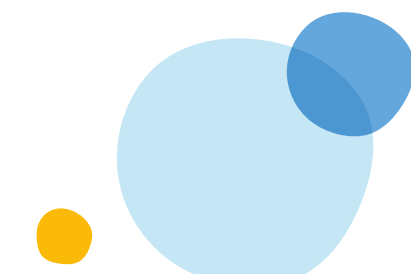
Company Program (Programa Empresa) – Childhood

We work to promote respect, protection and promotion of children's rights through initiatives that are transversal to all our businesses, our value chain and our stakeholders. Based on participation and exchange in different spaces for dialogue, we also propose to articulate and influence public policies related to this topic.

In 2015, through the release of the Arcor Group Commitment to Children's Rights Policy, we became the first company in the region to incorporate this perspective into its Sustainability Strategy. Likewise, the policy is framed within our corporate philosophy and the Code of Ethics and Conduct. In order to put it into practice, we annually have developed the Company-Children initiative, which allows continuous and comprehensive monitoring of compliance with the Rights of the Child throughout the company:

Company Score Level Global Child Forum By Sustainability and Social Investment Management	We published Arcor results in Benchmark Scores of Global Child Forum, which shows all companies tracked and scored in the food, beverage and people care sector in 2022. This time we scored 74.
2023 School kit by Human Resources	We developed content to accompany the 2022 school kit, through conceptual and explanatory brochures on childhood and public space. It is delivered to all employees with sons and daughters attending to kindergarten and primary school.
Children Day Celebration by Human Resources	For Children Day Celebration, we handed in replicas of the games of the "Paint to Play" initiative developed within the framework of the commemoration of the 30 years of Arcor Foundation. It had a scope of 22 parties, 30 industrial bases involved, 10,800 boys and girls participated in the festivities.
Installation of a Breastfeeding Spot in Villa Mercedes by Human Resources and Community Relations	We supported the installation and start-up of the breastfeeding spot at Bagley plant in Villa Mercedes, which has been in operation since April 2022. It was audited by the Breastfeeding Commission of the National Ministry of Health and is in the process of being granted its corresponding certification.
Incorporation of the Value Chain by Arcor Distributor Business and External Distributors	We participated together with 12 Distributors and referents of the Distributor Business in the installation of 10 playgrounds for Early Childhood as part of the commemoration of Arcor Foundation 30th anniversary.

→ (For further information, see chapter 4)



● Consumers

To consult or complaint about our products, we have defined a Customer Service Channel (www.arcor.com/ar/contacto-productos), where people can write to us easily, practically and quickly. Once received and processed, we communicate with our consumers to address the problem.

● Property Security

We carry out training in sustainability and human rights for the company's property security guards. Arcor Group surveillance personnel have received training related to sustainability in all the plants in Argentina, Peru, Mexico, Brazil and Chile, as a group face-to-face or in a virtual manner.

In Property Security we have divided the Sustainability training into two training days that included Sustainability topics I "Arcor Sustainability Policy and Sustainable Development"; Sustainability II "Human Rights, Children's Rights and Business Principles". It was attended by 537 guards.

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

Code of Ethics and Conduct

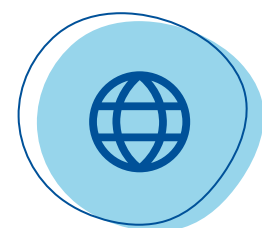
Fifteen years ago, the Arcor Group Board of Directors, in application of the legal regulations in force in each country in which the company operates, formalized its Code of Ethics. It was updated in 2021, taking into account the eight heritage values and company standards that guide the actions of all our collaborators through 8 Basic Principles:

- **Principle 1:** To act with transparency and respect the agreements established with the different audiences with which the company is linked, promoting lasting relationships and trust. *Rules of conduct referring to conflicts of interest, company assets, commercial relationship with suppliers and customers, transparent relationship with government institutions, consumer law and political participation.*
- **Principle 2:** To apply the highest available quality and service standards, aiming at satisfying our customers and consumers. *Rules of conduct referring to product quality and suppliers and customers development.*
- **Principle 3:** To create innovative forms of growth and development adding value to the company and its shareholders. *Rules of conduct for ethical relationships and support for causes.*
- **Principle 4:** To promote communication based on veracity of information and facts, and the right to information, freedom of expression and non-discrimination. *Rules of*

conduct referring to information treatment, confidential information handling, the right to information, values dissemination, responsibility in external communication and social networks responsible use.

- **Principle 5:** To provide a safe and healthy work environment that encourages respect, diversity, tolerance, initiative, creativity and the continuous growth of the company's human capital. *Rules of conduct referring to equal opportunities, quality of life, participatory dialogue, private information management, right to information and work environment.*
- **Principle 6:** To contribute to the integral development of the communities where we operate and of society in general, respecting their cultures and customs. *Rules of conduct referring to local development.*
- **Principle 7:** To establish a sustainable management of processes, based on a balance between economic, social and environmental dimensions. *Standards of conduct referring to economic, social and environmental impacts.*
- **Principle 8:** To respect national and international laws and conventions by integrating our value chain into this commitment and promoting a sustainable commercial context. *Rules of conduct referring to the relationship with the competition, selection of suppliers and commercial relationship with clients, and the commitment to the Global Compact.*

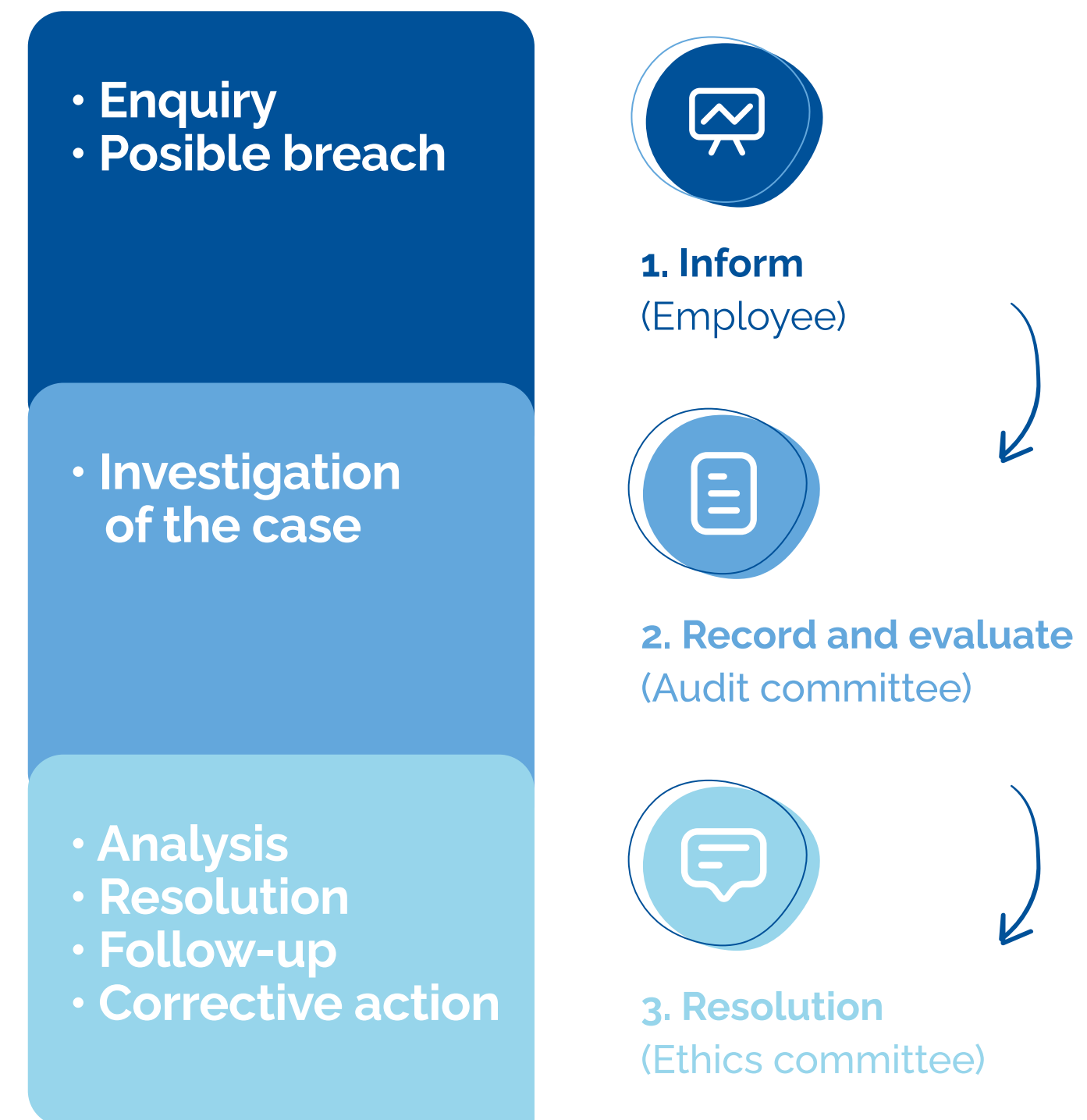
The latest version of the Code of Ethics and Conduct was distributed to all the staff that is part of Arcor Group. In addition, during the last year, dissemination was reinforced through an e-learning course.



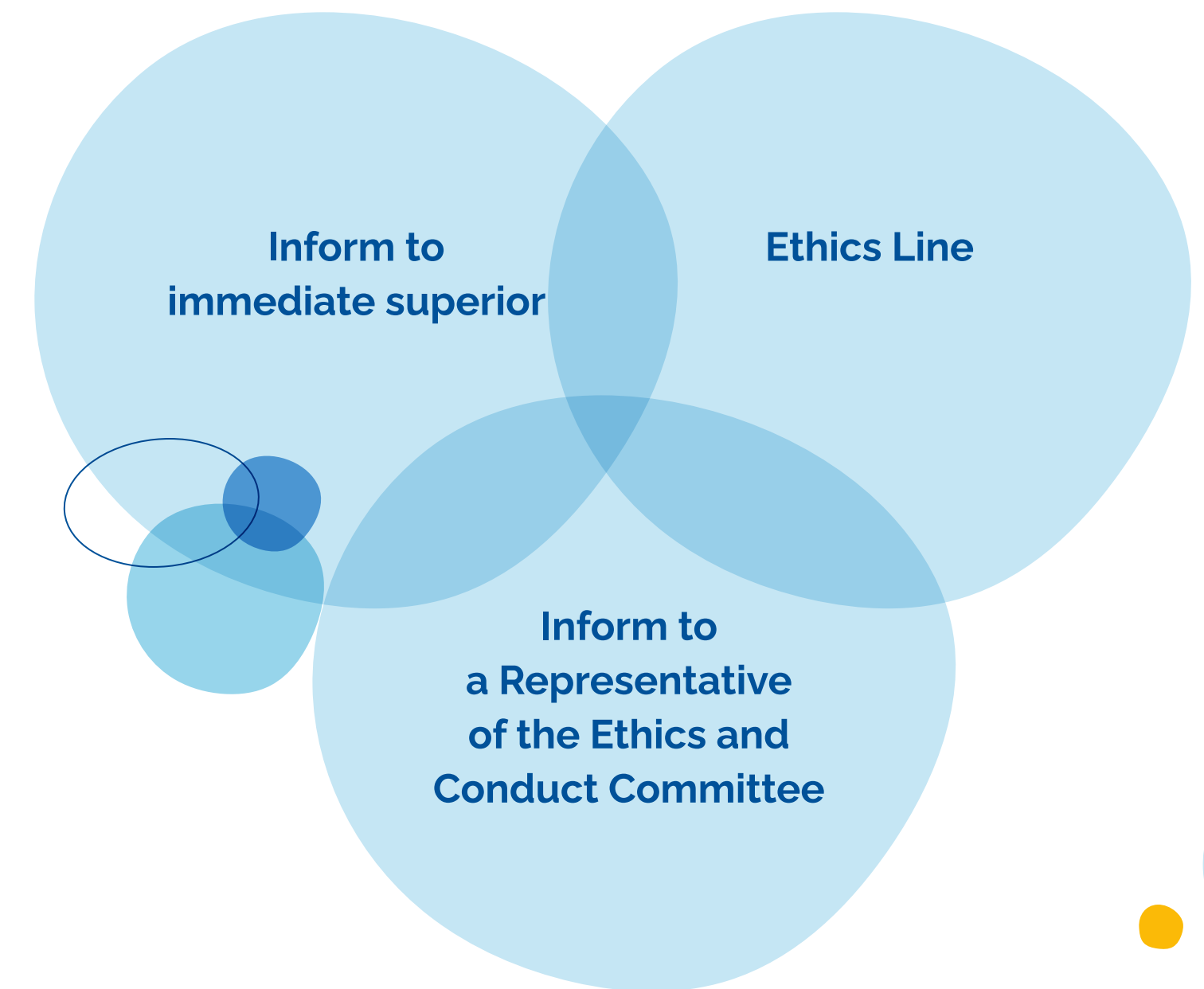
To access the Code of Ethics and Conduct, you can access the corporate website: www.arcor.com/ar/quienes-somos



Procedure to enforce the Code of Ethics and Conduct

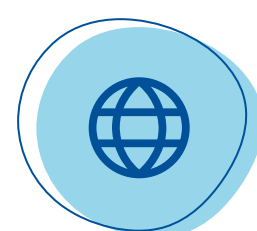


1. In case of query or possible situation that may generate the non-compliance with the Code of Ethics and Conduct, employees must report the breach, according to the degree of formality or their possibility:



2. Investigation, analysis and preparation of the cases is the responsibility of the Internal Audit Management so that, after the corresponding investigation, cases are presented to the Ethics Committee. The investigation can be carried out by external providers or the most appropriate Management within the Company.

3. The Ethics Committee meets periodically to analyze and make decisions related to breaches of the Code, and take corrective actions. These definitions are formally communicated to the person in charge of the area involved so that he can make the resolution effective, guarantee its compliance and follow up on the measure.



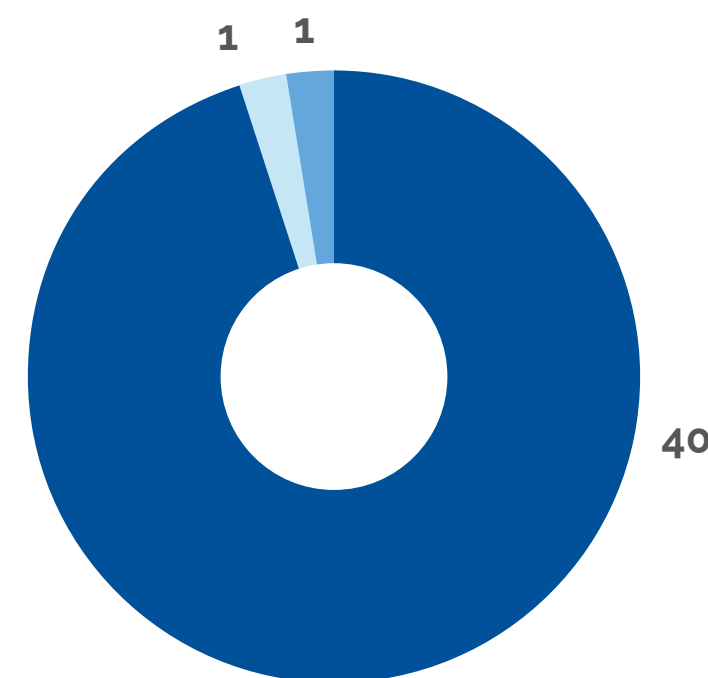
Ethics Line: is accessible through <https://www.arcor.com/ar/contacto-codigo-etica> by e-mail or WhatsApp. Reports on this channel are confidential and anonymous.



Breaches

During the year we received a total of 42 questions and 74 reports through the Ethics Line, which were fully addressed.

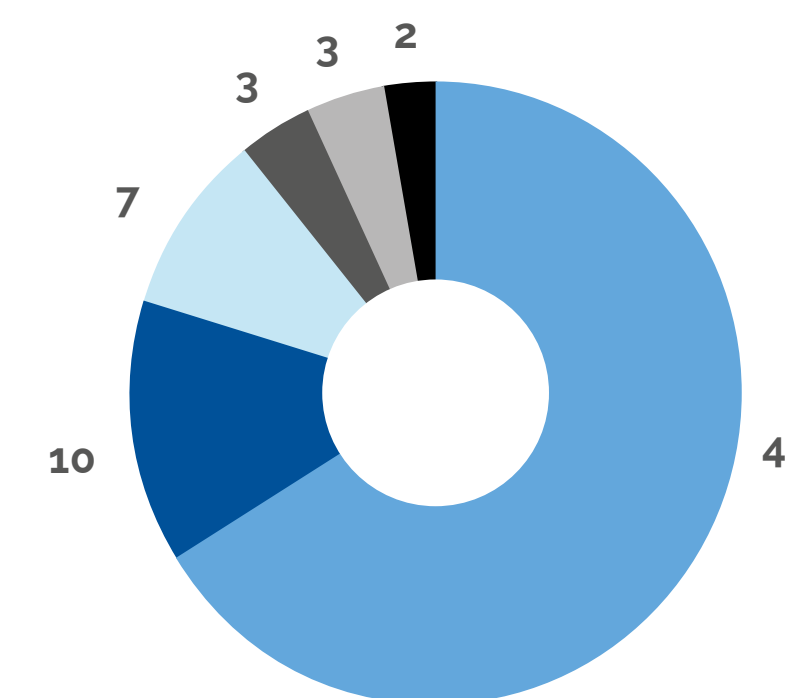
Amount of enquiries received by type



- Suppliers - Customers
- Environment and community relations
- Social and labor

During the year 2022, 3,168 declarations were made due to conflicts of interest (of which 3,140 people declared they had no conflict, in 21 cases it was resolved that there was not a conflict, in 2 cases the conflict was confirmed and in 5 cases it is believed that there would be no conflict, but recommendations were made) and 4 incidents of gender discrimination and actions to remedy.

Amount of declarations received by type



- Suppliers and customers
- Environment and community relations
- Topics from the code
- Working conditions
- Safety and health at work
- Socio-labor relations

There was a serious infraction for breach of the Code of Ethics and Conduct. No queries, complaints or incidents have been received in relation to Children's Rights.

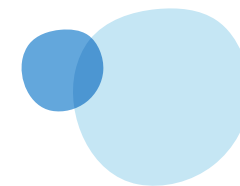
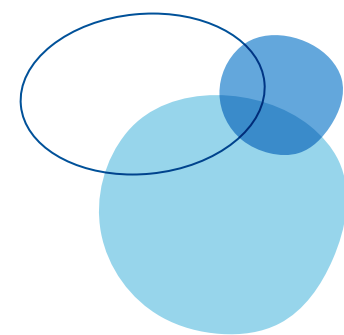
Information Safety and Data Protection

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

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

Our Information Management System allows us to guarantee:

- **Information confidentiality:** so that it is accessible only to those people authorized to have access to it.
- **Integrity:** the accuracy and completeness of the information is safeguarded through security technical measures.
- **Availability:** it is guaranteed that authorized users have access to the information and the resources related to it when they require it.





Manufacturing Sustainable Food

- Healthy and Affordable Food
- Quality at Every Step
- Regenerative Agriculture

03

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

Our Sustainability Strategy establishes the following commitments:



Healthy and Affordable Food



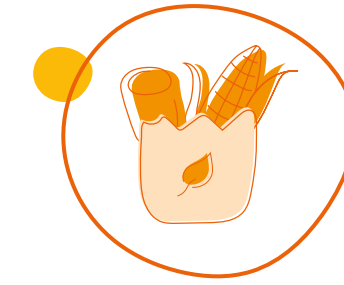
Quality at Every Step



Regenerative Agriculture



Healthy and Affordable Food



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

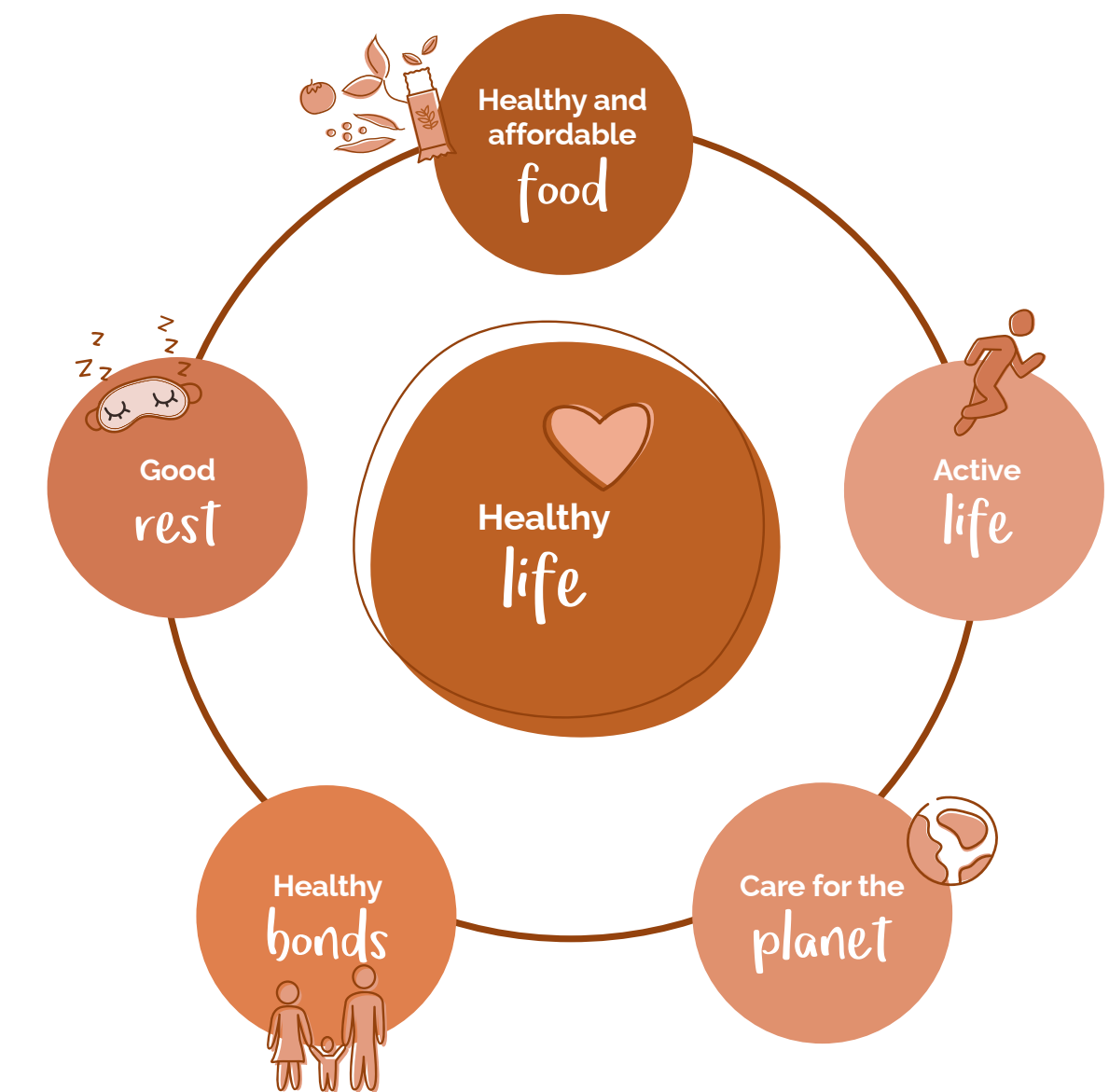
We are committed to make available the best alternatives for people who seek to have access to a balance and healthy diet adapted to their needs, preferences and culture.

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

Healthy Eating and Life habits Strategy

Food has a central place in people and planet well-being.

At Arcor we believe in an approach to health that considers the fullness and integrity of people, which includes, in addition to physical well-being, spiritual and environmental aspects, social resources and healthy bonds. For this reason, we adhere to the definition of the World Health Organization (WHO) which establishes that *"health is a state of complete physical, mental, social and spiritual well-being, and not only the absence of conditions or diseases."*



Food occupies a central place in people quality of life and well-being, since when we eat we incorporate the nutrients that the body needs, we feel pleasure from enjoying food and we also share and bond with other people. That is why we say that "eating is nourishing, enjoying and bonding", because eating is much more than just eating.

We believe that a healthy diet must be varied, balanced and inclusive, and must be available for every person. A varied and balanced diet can be present in all food groups, in the appropriate frequency and portion size.

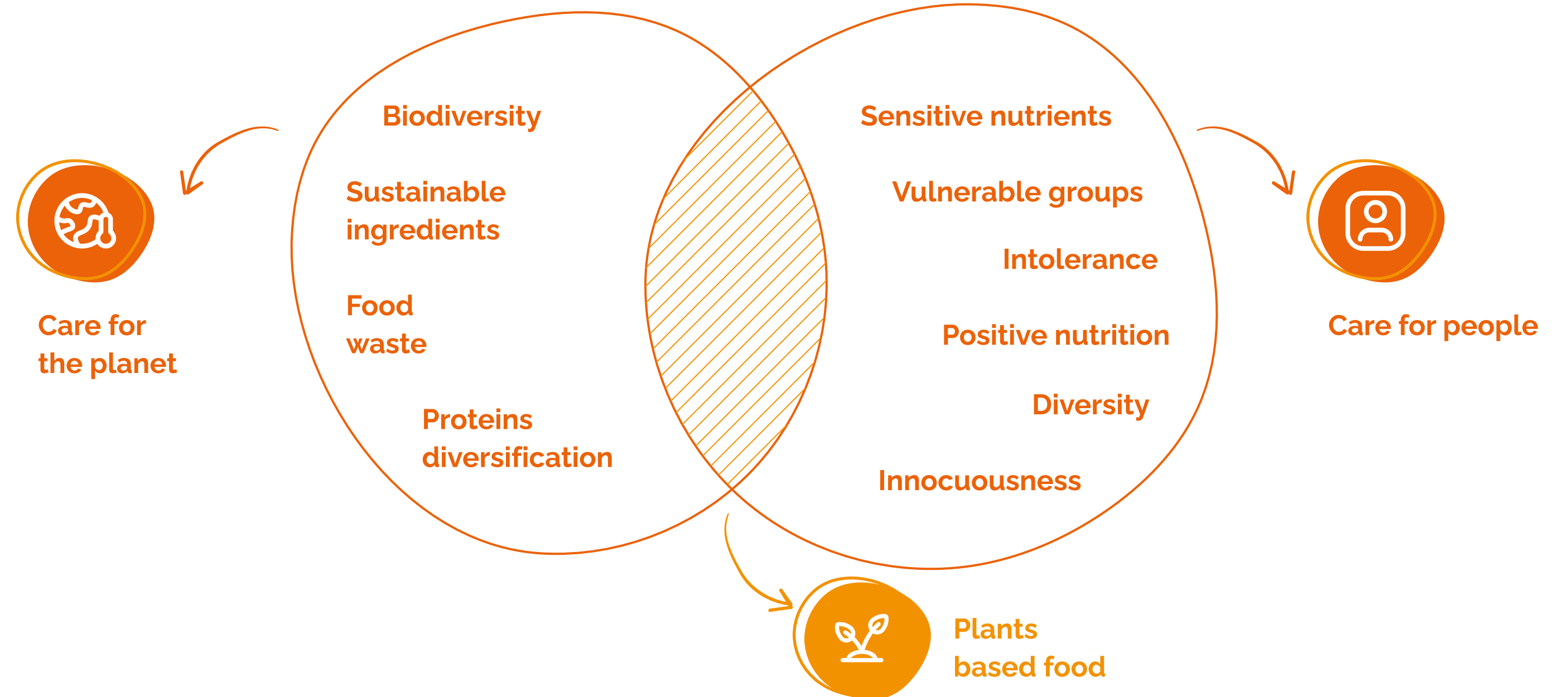


In addition to the concept of health of the World Health Organization (WHO), which fully considers people, the view of the Food and Agriculture Organization of the United Nations (FAO) states that a Sustainable Agrifood System **"is one that guarantees food security and people nutrition in such a way that the economic, social and environmental bases of food security for future generations are not put at risk"**. Thus, we consider two equally relevant dimensions when we talk about health: the health of people and the health of the planet.



From this perspective, a healthy life is built from **good habits**: healthy eating and active life, resting properly, taking care of the planet and building healthy bonds.

Sustainable Agribusiness Systems Impact of the products recipe



Governance System

At Arcor, the evolution and strategic relevance in the treatment of Good Health and Well-being issues is reflected on our governance system.

For 10 years, Nutritional Platform Group has had the aim of corporately managing initiatives proactively. This Group is made up of representatives from Research and Development, Marketing of Consumer food products and Agribusiness Businesses, Innovation, Nutrition, Functional Businesses and Food Legislation. The group proposes and resolves the operational, commercial and technical issues related to Food and Healthy Life Habits Strategy. Among its achievements, we can mention the approval of the Trans Fat Policy (first version in 2011, updated in 2014 and 2021), the Sodium Policy (first version in 2014, updated in 2018), the development of monitoring indicators and the definition of food with special attributes.

In 2016 we created a Healthy Eating and Habits Committee, with the aim of promoting internal management, generating positive impacts on society and as a way of responding to the demands of our consumers and stakeholders. In this

Committee, the corporate heads of the areas related to the definition and monitoring of the strategy are involved: Mass Consumption and Agribusiness Businesses, Sustainability, Public Affairs, Food Legislation, Institutional Communication, Transformation Management, International Marketing and Nutrition. Last year, we added two new participating areas to the Nutrition Committee: Technology Linkage and Human Resources. Also in 2022, we modified the leadership model within the Committee, going from a scheme of leaders due to strategic pillar to leaders due to strategic initiatives, which allowed us to focus and foster the specialties of each member in the follow-up of the work plan to short and medium term.

These two corporate working groups are integrated by the Nutritional Development Area, also created in 2016, intended to focus specifically on nutritional issues.

In summary, the execution of the Healthy Eating and Habits Strategy has three levels of governance:



Healthy Food and Life Habits Committee

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



Nutritional Platform Group

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



Corporate Nutrition Area

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

We evolved in our strategy: "Food for A Better Life"

During the years 2020 and 2021, based on a systematic process that included a review of results, a panoramic analysis and a methodological renewal of our approach, we defined the new Healthy Eating and Habits Strategy for the period 2021-2025.

This new "Food for A Better Life" strategy was developed by the Nutrition Committee and approved in March 2022 by the Sustainability Committee, together with the Group President and CEO.

Implementing our new strategy, we seek to provide options that respond to the new trends of our consumers, meet the need for a pleasant nutrition and inspire healthier habits, making available the best alternatives, so that each person can access and

enjoy quality food, appropriate to their needs, tastes, preferences and culture.

"Food for A Better Life" centers on 4 pillars to continuous improvement:

Alliances and knowledge to innovate:

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

Products that evolve to offer the best options:

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

Actions to promote healthy life habits:

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

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

We are committed to:

Pillar



Alliances and knowledge
to innovate

Strategic Initiatives



Nutrition based
on evidence



Knowledge
networks



Permanent nutritional
improvement



Innovation

Commitments

- To base our decisions, developments and corporate guidelines on objective data, scientific evidence and international standards.
- To support nutritional and health claims with the best available scientific evidence, respecting the local regulatory framework and, in its absence, Codex Alimentarius.

- To support and adhere to initiatives of national and international organizations in the framework of the prevention of chronic non-communicable diseases and their risk factors.
- To generate, apply and disclose scientific knowledge together with strategic actors for topics of interest in relation to food and well-being.

- To progressively increase the overall nutritional quality of our products reducing unsuitable nutrients and increasing nutrients and the desired ingredients in accordance with the recommendations of food-based dietary guidelines.
- To advise our consumers on how to identify and choose the appropriate portion size.

- To strengthen our capacity for development, research and innovation to significantly reduce unsuitable nutrients and increase the amount of fibers, whole grains, fruits and vegetables, legumes and nuts in our products without compromising sensory enjoyment.

Pillar



Products that evolve to offer the best options

Strategic Initiatives



Food for every person

Commitments

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



Nutritious and sustainable ingredients

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



Food based on plants

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



Actions to promote sustainable life habits



Actions for the community

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



Actions for our employees

- To positively impact the health and well-being of our employees and groups associated with the production chain.
- To promote breastfeeding following Arcor Children's Rights Policy (approved in 2015).

Pillar


Communication

Strategic Initiatives


Responsible and transparent communication

Commitments

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


Active listening and closeness to our stakeholders

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


Communication of the Healthy Eating and Life Habits Strategy

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



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

**FOOD FOR A
 A BETTER
 life**

Alliances
 and knowledge to
 innovate

 Nutrition
 based on evidence

 Knowledge
 networks

 Permanent
 nutritional improvement

 Innovation

 Food
 for every
 person

 nutritive
 and sustainable
 ingredients

 Plants based
 food

Products that
 evolve to
 offer
 the best options

Actions to
 promote
 healthy life habits

 Actions
 for the community

 Actions
 for our employees

Communication

 Responsible
 and transparent

 Active listening
 and closeness
 to stakeholders

 Communication
 of the Healthy
 Eating and Life
 Habits Strategy

Regulatory framework – Recommendations from
 referent organizations – Food trends

Products that evolve to offer the best alternatives

As part of our commitments, we provide accessible foods, improving the nutritional profiles of our products to make them more nutritious, and constantly innovating to create new product categories. Thus, we seek to offer more and more foods that contribute to meeting the needs of our consumers, including those with specific requirements, to help them achieve their nutritional goals within the framework of a healthy and balanced eating pattern.

Foods with special attributes

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

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

32.3% of our turnover in 2022 corresponded to products with nutritional attributes above the market standard, while the turnover of foods that provide well-being represented 7.8% of the turnover of the last year.

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

- We work on the unsuitable nutrients in our recipes, seeking their reduction or alternative replacements of "without" products.
- We added desirable ingredients to our offer of products such as fruits, vegetables, nuts and legumes, whole grains and fibers, micronutrients and proteins.
- We challenge ourselves by developing lines of research that allow us to incorporate scientific and technological advances and also new trends in food.
- We develop products aimed at cultural groups with specific preferences.
- We develop products that meet special nutritional needs such as intolerances or specific requirements (physiological state, sports activity).
- We develop products with specific functionalities for vulnerable groups.

- We implement actions aimed at improving the accessibility to food.
- We promote portioning to reduce energy intake and unsuitable nutrients.
- We contribute to gratification and bonding, with rewarding products for those who consciously want to enjoy and share good times.
- We ensure the quality of the products so that they are safe and in accordance with control processes.
- We sustainably manage the supply of inputs and production processes, in addition to selecting the best ingredients, prioritizing nutritional quality and diversity.

Permanent nutritional improvement

We work on the continuous improvement of our products and establish short and medium term goals, evaluating our entire portfolio for the reduction of unsuitable nutrients and the increase of positive aggregates. Progress is measured based on work plans and a specific system of indicators.



Unsuitable Nutrients

Within the framework of the continuous nutritional improvement initiative, one of the approaches is to work on the unsuitable nutrients that are present in our recipes, promoting their reduction or seeking alternative replacements to convert them into "without" products.

In a sustained work that has been going on for more than 10 years, we managed to reduce sugar, sodium and saturated fat by 45.8% of the kg sold by Food and Bagley Latin America Businesses.

Sugar

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

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

So far, our sugar reduction plan has reached 157 SKUs, which implied that 1,402,854.3 kg of sugars did not get to the market in 2022.

Sodium

Complying with our Sodium Content Policy, we reach 98.3% of our products. We continue working to meet the goal of reaching 100% of compliance by the end of 2025.

301 SKUs correspond to products with sodium reduction, which implied that 127,617 kg of sodium did not get to the market in 2022 (the equivalent of 325,451.2 kg of salt).

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

Saturated Fats

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

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

Our saturated fat reduction plan reaches 274 SKUs, which meant that 3,207,724.8 kg of saturated fat did not get to the market in 2022.

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

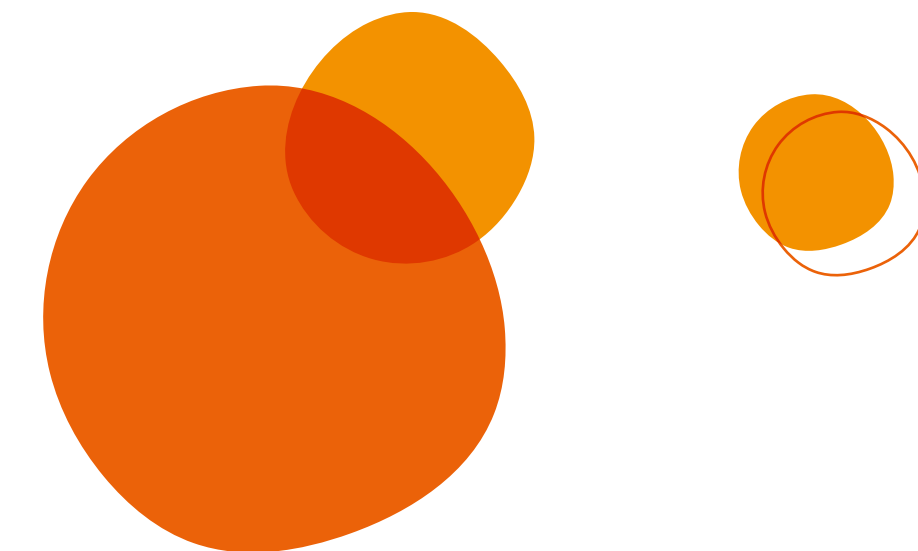
Trans fatty acids

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

Internally, for more than 10 years, we have implemented a Trans Fatty Acids Policy that we have already reached and surpassed on two occasions.

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

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





Topline 7 Turbo Release

With the aim of expanding our offer of sugar-free confectionery and bring the benefits of chewing sugar-free gums to a greater amount of population, after 28 months of innovation work, in March 2022, we launched Topline Turbo in Argentina.

The project involved the acquisition of machinery and the creation of very innovative food formulas and packaging formats, with more than 30 professionals involved from multiple areas, such as Marketing, R&D, Engineering, Quality, Processes, Production, Environment, Maintenance, Planning and Purchases.

Topline 7 Turbo release has contributed to the brand image of Topline, strengthening its updated and innovative appearance. In addition, with Topline 7 Turbo Mint sold by unit, sugar-free gum category became accessible for more people.

This release allowed to introduce to the market 50 additional Tons of sugar-free gums.

Chewing sugar-free gums helps to improve oral hygiene, thus contributing to the prevention of the formation of bacterial plaque on the teeth.

BC Mayonnaise

After almost two years of working on innovation and improvement, in Argentina, the new version of BC mayonnaise was launched in February 2022. This product has 25% reduction in lipid content.

In alliance with AIRSA, as an outsourcing plant, and with the participation of various areas of our company such as Research and Development, Marketing, Quality, Supply and Production control, a new proposal with an improved nutritional profile was launched on the market.

We achieved calories reduction per portion from 26 kcal to 21 kcal, which is equivalent to a 19% reduction.



Criollitas with High Oleic Sunflower Oil and no added salt

Looking for substitutes for beef tallow to offer alternatives with a better fatty acid profile, adaptations of the product and its processes were made, launching to the market an alternative for the Criollitas brand in Argentina. This product is intended primarily for consumers with special nutritional needs, such as high blood pressure and cardiovascular disease.

Replacing beef tallow for high oleic sunflower oil, a 72% reduction in saturated fat was achieved. It implies that 19,242 kg of saturated fats do not get to the market each year.



Individually packaged foods

We offer presentations in individual packages in order to contribute to a moderate intake and in accordance with the recommendations of food guides for foods that are consumed as collations or snacks. We believe that disclosing the serving size in the nutritional table and knowing that size facilitates consumers to make informed decisions.

62.2 % of our commercialized snacks in individual packaging comply with Arcor Portioning Policy.



Mini Chubi cookies, 35 grs

In order to offer lighter weight products and practical packaging, in Chile we launched Mini Chubi Cookies, 35 gr; being well received for its practicality, flavor and accessibility, as a portion-controlled snack alternative for children.

With an investment of USD 6,000 for the replacement of dough nozzles and USD 23,400 for inclusions and exhibitions in the supermarket channel, we launched the new presentation in June 2022, which quickly became the No. 1 cookie in our portfolio.

Innovation

Our Research and Development team is made up of top-level technologists and experts who work collaboratively in search of innovation, assuming permanent challenges. This team has a structure of internal pilot plants and is related to an external scientific-technological linkage network, which, together with the innovation project management methodology, allows us to accelerate our innovation and market arrival processes.

Dietary Supplements

Since health care is a very relevant value for the Group, since 2018 Arcor and Laboratorios Bagó have been working as strategic partners to develop Simple Line in the dietary supplements market. In this respect, during 2022, Simple Society Plus was launched, in shakes and bars format. They contribute to the development of healthy eating habits in order to take care of body weight.

Likewise, we continued working in favor of consumer education on preventive health care, through a communication campaign in mass and digital media with the renowned Argentine artist Andrea Frigerio as the protagonist, with the aim of raising awareness about the benefits of prevention and care of health.

Food for Every Person

We are committed to providing product options that include all of our consumers, addressing specific nutritional needs, vulnerable groups, food intolerances, and cultural or ideological preferences. For this reason, we make our products with the highest international standards and we have a unique distribution network that guarantees the physical accessibility of our products, following an adequate price-quality ratio.

Gluten-free Food

As part of our commitment to serve consumers with specific nutritional needs, we stand out in offering gluten-free foods. It is estimated that in Argentina 1 in 100 people is celiac, so they should avoid eating foods that contain wheat, oats, barley and rye in their recipes or that have not been produced safely and may have incorporated any of these components from accidental cross contamination.

At Arcor we know that maintaining a gluten-free diet implies major changes in lifestyle and has an impact on daily food consumption. That is why we are committed to the inclusion of these consumers, adding more gluten-free products year after year and ensuring that they are marketed in all mass channels, with the same quality and price. Our certified gluten-free products are identified with the Without TACC logo, being safe and under guarantees of innocuousness. Our current offer is 504 products, which makes us the consumer food products Argentine company with the largest offer of products without TACC.

Gluten-free products represented 74.7% of the sales of the Food Business, 43.7% of the sales of Candies, 29.2% of the sales of Chocolates and 52.4% of the sales of Ice Creams.

Our offer of TACC-free products includes hard caramel and chewing candies, chocolates, lollipops, nougats and Christmas candies, canned food, jams, maize flour, juices and drinks, mixed nuts, dietary supplements, chocolates and pre-mixes, toasted rice and ice cream.

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

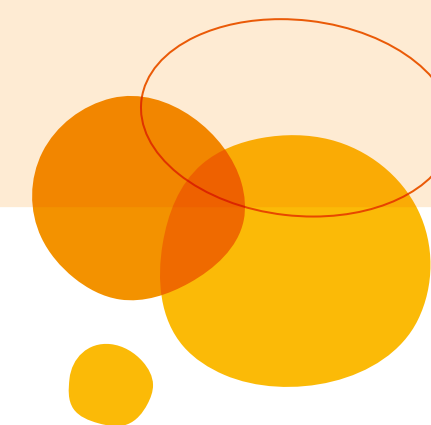
Also, as part of our commitment to healthy and safe food, for years our products have been produced in plants that have "Gluten-Free" certifications, strictly applying Good Manufacturing Practices throughout the value chain to offer alternatives to consumers, according to their needs with a contribution of versatility and practicality.

Replacement of wheat flour for the production of Gluten-free bread

From our agribusiness unit, we set out to give bakery manufacturers the possibility of substituting their main ingredient, wheat flour, to make gluten-free versions, replicating the texture and other sensory attributes to thus satisfy the needs of our consumers.

So we developed a research campaign for third parties who could make products, ensuring that they are free of gluten contamination. And we also worked on the optimization of formulation and manufacturing costs so that the final consumer can access the product at practically the same value as the traditional product.

The initiative allows celiac people and consumers of this type of product to access a greater quantity of gluten-free foods, especially baked goods, without compromising the sensory experience, at the same price and in previously unusual sales channels, such as *food service*.



Rice Toasts

Last year, in Argentina, we widened the line Criollitas Rice Toasts with the release of a sweet variety. Such release was achieved thanks to the commitment and joint work of different areas of both Agribusiness and Bagley. In addition, a deep cleaning of the infrastructure and equipment at San Pedro plant had to be carried out and suppliers of gluten-free raw materials had to be selected. This new release was validated by external laboratories, guaranteeing that they are 100% safe for our consumers.



Product accessibility

Following our purpose of making food trends accessible so that all people can live in a better way, we assume the commitment to work so that products with the best nutritional profile have a wide distribution and a convenient price-quality equation.

Nutritious and Sustainable Ingredients

We promote sustainable production criteria in the selection of the ingredients that we use in our products, prioritizing the nutritional contribution and promoting variety. In this way, we provide, among other things, antioxidants from cocoa and tomato, fats of good nutritional quality from the use of high oleic sunflower oil, high oleic peanuts, nuts and seeds, fiber from wholemeal and alternative flours, wheat and corn bran, complex carbohydrates and vegetable proteins through our range of legumes.

We stand out especially for the sustainable production of sugar and corn. Through our Agribusiness Division, we produce sustainable ingredients such as organic sugar and white corn.

Plant-Based Food

We accompany our consumers who adopt plant-based diets, according to their personal preferences and beliefs, offering them culinary products and solutions that ease this choice. We offer vegetable ingredients such as legumes, tomatoes, corn, corn flour and oil, white and muscovado sugar, and we innovate in solutions without components of animal origin. We have lines of research and active training for our research and development teams to promote and increase our offer of products that contribute to plant-based diets.



Arcor Bolognese Sauce

We reached consumers with a proposal for a tomato sauce that was originally made with meat, but replacing that ingredient with another of vegetable origin. Work was also done on the reengineering of the production process to eliminate the possible risks of cross contamination due to the incorporation of an allergen into the plant.

With this release, an accessible and practical plant-based proposal was developed, diversifying our portfolio, which will be complemented shortly with a pink sauce release.



Boosting the development of sustainable legume-based ingredients

We set out to promote the development of one of the most important types of sustainable food to face the challenges of poverty, food security, nutrition and the environment, according to the recommendations of the World Health Organization. So we work on the development of a portfolio of ingredients to prepare foods with legumes, including flours, isolates, concentrates and textured, and in a second stage integrated solutions that allow us to solve the challenges of texture and stability in alternative dairy and meat products.

A few years ago, we signed an agreement with a global company specialized in legumes and we began to develop a portfolio of solutions that allowed us to diversify the applications in which our ingredients can be used: baked goods, snacks, dairy and meat alternatives, dressings, and others.

For the local validation, promotion and development of ingredient systems, we work with the Faculty of Pharmacy and Biochemistry of U.B.A. (Buenos Aires University), both for analysis and training.

In 2021, our legume-based solution integrated the ice cream production of one of the most important alternative product companies in the region, and in 2022, our solutions were included in plant-based yogurts, desserts, and cheeses made by important dairy companies in Argentina.

Although our portfolio of legume-based solutions has expanded and diversified in recent years, this initiative remains in force, taking into account the demand and market trends regarding ingredients.

Around 400 tons of legume products were produced in Argentina in 2022, mainly yogurts, desserts, ice creams and alternative cheeses.



Alliances and knowledge to innovate

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

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

Evidence-Based Nutrition

Our Nutritional Surveillance System allows us to manage implementing the best practices, incorporate recommendations from leading organizations, learn about consumption patterns and nutritional deficits, and access the latest scientific news and food trends. We base our decisions on data and we support our products and programs on the best scientific evidence available, based on an Indicator System that covers 100% of our portfolio and a Nutritional Advice Model that meets business's needs.

Dashboard of Indicators of the Healthy Eating and Life Habits Strategy

Thanks to a joint initiative between the areas of Sustainability, Nutritional Development and the Nutritional Platform Group, we developed the "Food for a Better Life" indicator board inserted in the general Arcor Group dashboard: ARCOR BI (Business Intelligence). This dashboard integrates the current and historical data corresponding to the indicators differentiated by Year, Country, Business and Segment.

This tool represents a step forward in the work we have been doing to support our strategic decisions with accurate data, in search of democratizing access to objective information on evolution and results. In addition, it eases access to information at both managerial and operational levels that work in specific categories.

Internal Portal of Healthy Eating and Life Habits Strategy

In order to facilitate access to the information necessary for the execution of "Food for A Better Life", during 2022 we developed an internal portal on the Sharepoint platform. This site is part of an evolution in strategy management that implies the development of Evidence-Based Nutrition tools with a criterion of excellence in information management.

Knowledge Networks

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

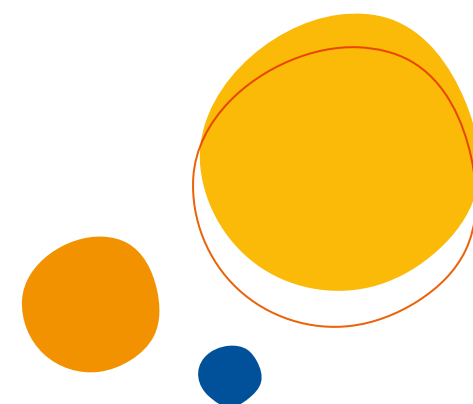
Public-Private Cooperation Actions

We continue participating in work and study groups in the field of business Chambers and Chamber Coordinators, generating instances of articulation with health authorities and institutions, on several topics within the theme of Healthy Eating.

Regional Course on Plant-Based Food

Within the framework of Internal Knowledge Management on Food and Nutrition, during 2022, the Nutrition Development area together with the School of Nutrition belonging to the Faculty of Medical Sciences of the National University of Córdoba, designed a course on "Plant-Based Food" aimed mainly at collaborators of our Research and Development teams and other related areas. The course, made up of 5 modules in total, was taught by teachers from the School of Nutrition, providing tools for a sustainable approach, consumer trends, general and specific nutritional needs at different stages of life, and cooking tools that inspired us to contribute with solutions from the development of new products that meet such needs.

The course had a regional scope, with the participation of 57 collaborators from Argentina, Brazil, Chile, Mexico, Peru and Uruguay.

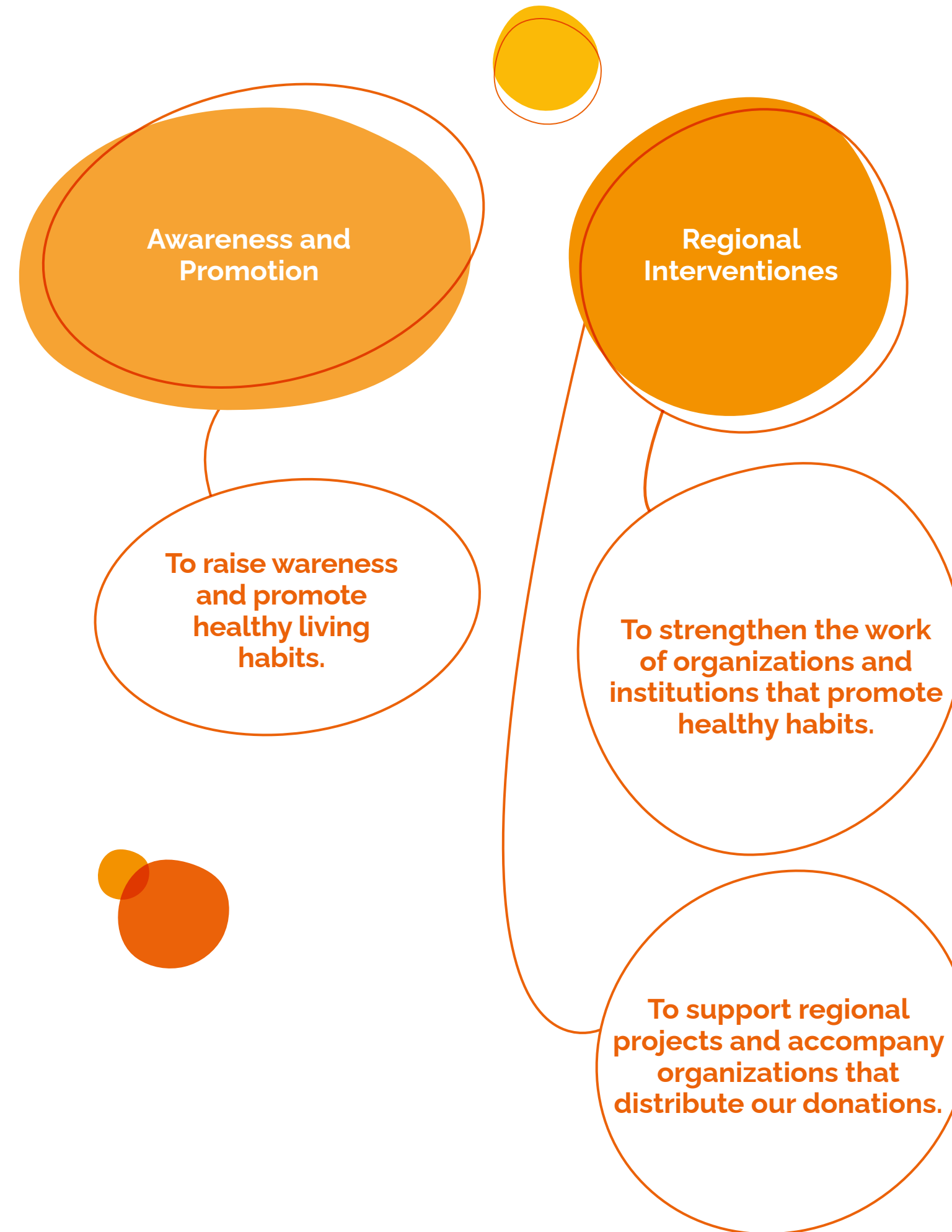


Actions to promote healthy life habits

In addition to the activities developed to improve our food portfolio and work networks, we implement actions and programs that contribute to education and information supported by experts that favor the adoption of healthier living habits both in our employees and the community. Such initiatives are accompanied by responsible, transparent and accessible communication to different audiences.

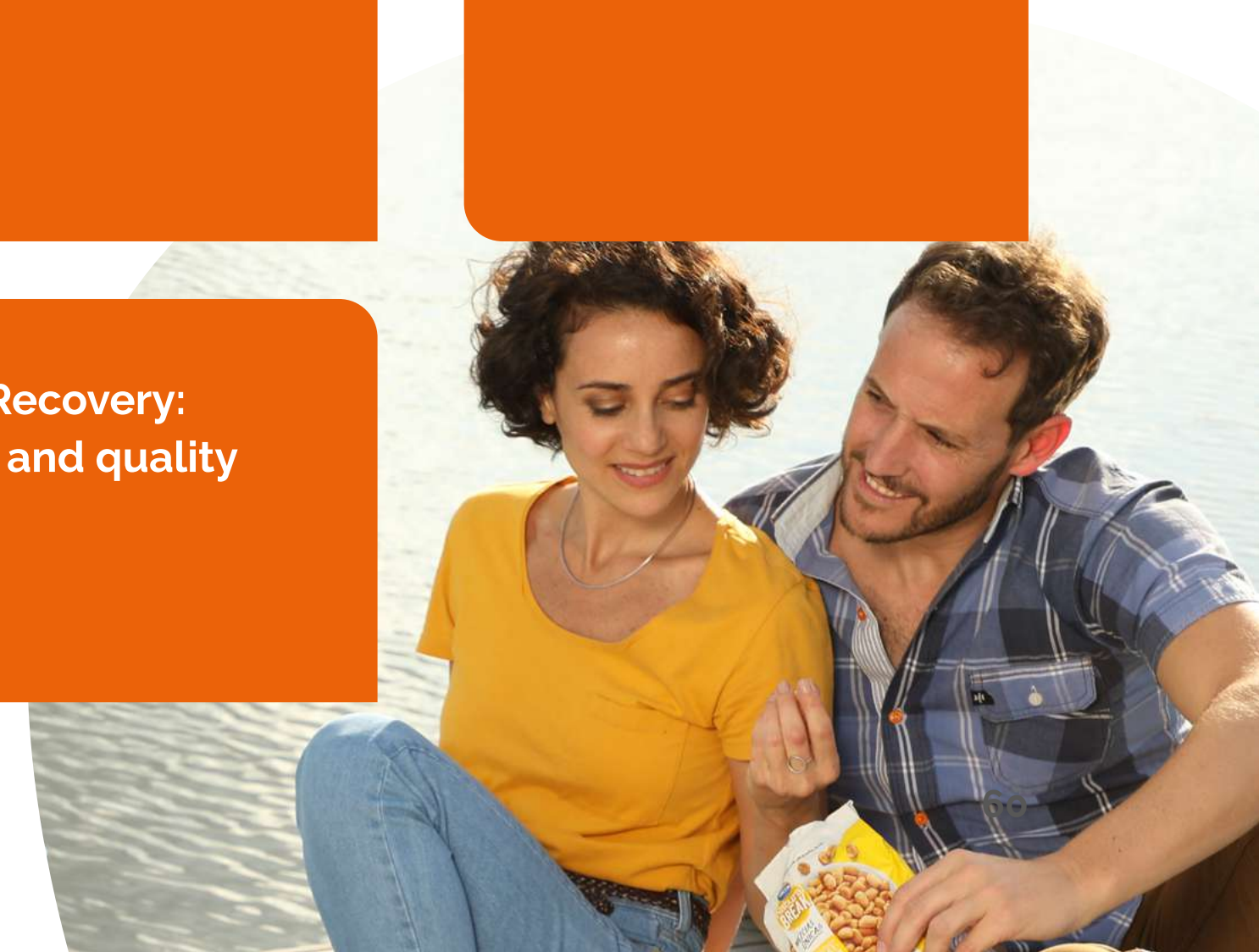
Actions for the community

During 2022, we worked on the development of guidelines for the strategic approach of actions aimed at the community. The work was carried out together with Arcor Foundation, based on its initiatives to promote healthy living habits in childhood. The approach focuses on two axes to deepen the development of initiatives to promote healthy living habits in communities in the future:



Along with the strategic guidelines, the topics to be addressed through the initiatives that will be developed in the future were reviewed and redefined, considering the challenges that our communities face to adopt healthy habits:

- Healthy Eating: comensality, portion, frequency and variety
- Active life and on the move: active games
- Safe Bonds
- Breastfeeding
- Food Recovery: safety and quality



Learning to Enjoy Program (PAD, as per its initials in Spanish)

As part of our corporate social investment initiatives, together with the Arcor Foundation of Argentina and Chile and the Arcor Institute in Brazil, we continue promoting the Learning to Enjoy Program. It focuses on contributing to promoting

healthy living habits in childhood and positioning the issue of healthy living in childhood on the public agenda.

In the last year we continued executing the guidelines proposed in 2021:



Implementation of a massive digital mobilization strategy

We have a WhatsApp channel for the dissemination of training material, a communication space created in 2021 to value and disseminate content and materials for teachers on healthy living and childhood developed within the framework of the PAD.

During 2022, our WhatsApp channel grew by 233%, reaching 10,020 direct contacts from different countries in the region and in Argentina with coverage of 100% provinces.

99.24% teachers positively value the materials received and 87.12% teachers state they have developed experiences to put new knowledge into practice or plan to do so soon.

Learning to Enjoy Award

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

In 2022, 375 experiences were registered, of which 59 were shortlisted and after a meticulous selection process, the jury announced the names of the award-winning projects in each country and region:

REGIONAL AWARD: "Growing up in Movement NDG." of Nido de Golondrinas Creciendo con Amor Kindergarten, from Los Andes, Valparaíso Region. Chile.

NATIONAL AWARD: "School Coexistence: Create, Play, Learn" from Las Bases School in Tafi Viejo, Tucumán, Argentina. "It's time to eat and play" of Padre Geraldo

Montibeller Municipal School located in Arujá, State of São Paulo, Brazil. "Captain Nachito motivates you to be healthy in your life" corresponding to Capitan Ignacio Carrera Pint de Almendro School, Coltauco commune, Libertador General Bernardo O'Higgins Region, Chile.

SPECIAL MENTIONS

"1° Ecoludoteca of the Province of Buenos Aires. Game, ecology and environmental awareness" corresponding to PUILQUE Alma Solidaria Civil Association of General Belgrano, Province of Buenos Aires, Argentina.

"Family and school: living well begins with good habits, discovering flavors and adding values" from Maria Natividade Coelho School Unit located in Betânia do Piauí, Piauí State, Brazil.

"Sowing well-being in the EMA" of Ema Díaz Sierra School located in the Commune of San Ramón, Santiago, Metropolitan region. Chile.

More information in <https://fundacionarcor.org/presentamos-las-experiencias-galardonadas-del-premio-aprendiendo-a-disfrutar/>

Learning to Enjoy Brazil

We accompanied 6 projects developed by public schools in the municipalities of Bragança Paulista, Contagem, Mário Campos and Ipojuca. There, the teachers who took the Physical Education course had the opportunity to present projects to receive financial and technical support.

2,466 children were reached.

For more information visit: <https://www.institutoarcor.org.br/seis-projetos-de-promocao-da-vida-ativa-recebem-apoio-do-instituto-arcor-brasil/>

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

- **Walk with humor:** in alliance with Prefeitura Municipal de Piracicaba, we carried out the 9th "Walk with humor", with the aim of encouraging the practice of physical activity, with humor. More than 450 people participated in it.
- **Conference on Movement for a Healthy Childhood:** It was carried out in Chile, seeking to contribute to the discussion on the importance and the need for policies, programs and initiatives to encourage active life, movement and active play in childhood. It was organized in partnership with San Sebastián and Mayor Universities and with the sponsorship of the Ministry of Sports and the UPPI Network. More than 170 people participated
- **Course "Promoters of Active Life for Early Childhood":** within the framework of actions to expand the territorial scope in Chile, 92 educators from educational establishments were trained in partnership with JUNJI, Local Education Service of Valparaíso, Municipal Corporations of Viña del Mar, Quilpué and Maipú, in the Regions of Valparaíso, Los Ríos and Metropolitan Region. Derived from this course, 6 projects from 2 schools and 4 kindergartens in Valparaíso and Los Ríos have been supported so far, embracing 277 boys and girls

Actions for our collaborators

During 2022, we promoted the creation of a Corporate Wellness Program, based on 3 pillars: Movement and energy, Healthy Eating and Harmony.

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



Communication

Responsible and transparent communication

We understand that responsible communication is a fundamental pillar in building trust in our consumers. Promoting an informed and conscious choice through complete and truthful nutritional labels is a purpose within our Strategy. We formulate the labels of all our products so that they show all the mandatory information (complying with the specific requirements of each country), as well as what is defined according to the Codex Alimentarius criteria, the highest international regulatory reference for general and nutritional labeling. All our products include complete nutritional information, as well as additional information such as total sugars indicators.

We take care to avoid information that may cause confusion on the consumer.

- The nutritional information tables express the contents per 100 g and per portion of the product, also including the percentage of the Daily Value (%DV).²
- We include frontal labeling on our containers, which in some cases are mandatory schemes.
- Products with nutritional properties include the quantification of said nutrients on the label.
- When the content of an ingredient is highlighted on the label, the ingredient lists express the quantitative contribution of that ingredient.

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

We have implemented a Regulatory Surveillance methodology that is continuously being reinforced and strengthened, in line with the development of the portfolio and the markets.

Marketing and publicity

In order to promote and share practices of transparent communication and responsible advertising, we participate in several spaces: the Argentine Advertising Council (CPA), the Argentine Chamber of Advertisers (CAA), the Association of Communication Directors (CIRCULO DIRCOMS), the Professional Council of Public Relations of the Argentine Republic (CPRRPP), the Brazilian Association of Advertisers, the National Council of Advertising Self-regulation in Brazil; and the National Association of Advertisers and the Council for

Self-regulation and Advertising Ethics in Chile. In addition, Arcor Group maintains its adherence to COPAL's Self-regulation Policy, which carried out the compliance verification methodology.

Communication of the strategy

In order to accompany the reformulation of the Healthy Eating and Habits strategy, we created a name and a new visual identity. In addition, we developed the key messages of the strategy and validated them together with health professionals to assess the potential of each of them, thus reinforcing the joint work with the scientific community. Finally, clearly and precisely we disseminated the plans, programs and associated achievements in different communication channels: Food for a Better Life.

In 2022, "Food for a Better Life" was born together with a visual identity system that stems from the aesthetics of "A Better Life", the company's Sustainability Policy.

² Exceptions to this way of expression are only due to cases in which regulations or local authorities do not allow it.

Quality at Every Step



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

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

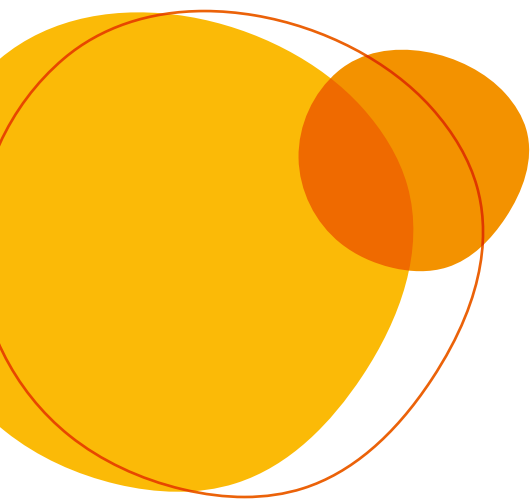
Through this commitment, we seek to achieve the experience expected by customers and consumers at every contact points.

The Value of Quality

In 2021, we incorporated the value of Quality as part of our Corporate Philosophy, assuming our commitment to achieve the highest quality, listening to the voice of our customers and consumers at each stage of the value chain, to achieve the experience they wish with our products. Last year, based on this commitment, we established a new quality approach represented in our Quality Strategy, "Value at every step".

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

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



Our Goal

"We make food trends affordable so that every person can live a better life."

Quality

"We are committed to the highest quality, listening to the voice of our customers and consumers at each stage of the value chain in order to reach the experience that they wish with our products."



Quality. AT EVERY STEP

Expected experience
Customer and Consumer



Suppliers Assessment

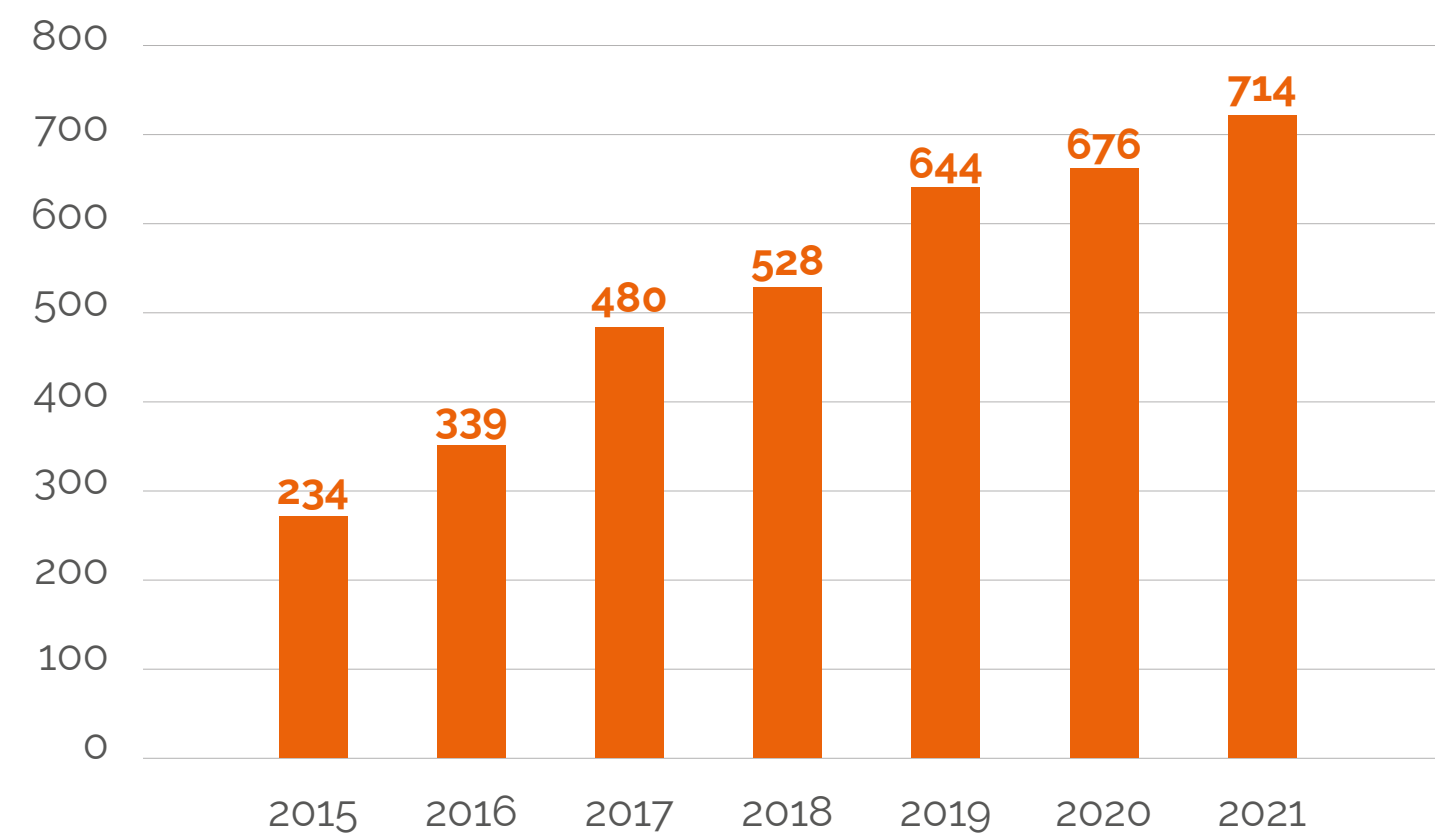
As part of "GROWING at every step with our suppliers from the beginning of the value chain" Initiative, we work to reduce the risks associated with the supply chain and have reliable suppliers that share our management philosophy.

For this reason, we implement a detailed selection, evaluation, monitoring and improvement process to ensure that all our suppliers of raw materials and production materials meet the standards required to produce quality, safe, authentic products according to current legal frameworks. We evaluate and qualify our suppliers, considering approved those that exceed a defined minimum score and those that have the certification of any of the standards recognized by GFSI (Global Food Safety Initiative). In cases in which this minimum score is not reached, suppliers are accompanied in the development and monitoring of improvement plans so that in the future they can meet the required standards.

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

58.9% of the suppliers of the Group's consumer food products plants and 52.9% of our suppliers of finished products and semi-finished products have a recognized GFSI certification.

Amount of providers of our Group with GFSI recognized certification.



*2021 suppliers were consolidated until the first quarter of 2022.

The initiatives implemented these years, as well as the support for our suppliers, allowed us to considerably increase

the number of approved suppliers from 72.3% in 2015 to 94.9% by the beginning of 2022.

During 2022, the Cartocor (ex Zucamor), Ardion and Angola plants continued implementing the methodologies and criteria defined for supplier management, taking advantage of the synergies and positive experience achieved over the previous years.

Assessment procedure for outsourced suppliers

The evaluation process of our outsourced suppliers quantifies economic and socio-environmental aspects at all stages of our commercial relationship (qualification, contracting, monitoring and control). We develop an audit and equivalency scheme with recognized certifications in different aspects such as GFSI "Global Food Safety Initiative" (quality), SA8000 (contract conditions), ISO14001 (environmental management), ISO45001 (occupational health and safety), WCA "Workplace Condition Assessment" (working conditions), BSCI "Business Social Compliance Initiative" (compliance) and SMETA "Sedex Members Ethical Trade Audit" (ethical trade). The Outsourced Suppliers Corporate Committee is in charge of supervising the implementation of these procedures.

Outsourced suppliers

Meetings of the Corporate Outsourcing committee during the whole year

11

Reports issued to communicate risks

32

Signed contracts that require to be approved by quality, socio-economic-environmental audits

100



Certified Industrial Process

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

On the other hand, in view of continuing to guarantee Food Safety, we incorporated three new certifications: IFS in the Butter Toffees line of the Soft Candies plant in Arroyito Complex; and HACCP and BPM in the extruded products plant in San Pedro Complex. In the same sense, we managed to maintain the BRC, HACCP, BPM, Global GAP and FSSC 22000 certifications received in previous years.

45 sites have Food Safety Certification.

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

As part of our export business, we developed permanent activities aimed at improving our processes throughout the value chain, in order to achieve the experience that our clients and consumers expect in the countries of destination. Within the framework of these activities, we carried out the "First Pallet Program" for new clients, in which we highlighted the commitment of the collaborators in their participation as protagonists of this Program.

We also continue working on improving the processes of our subsidiaries. The United States subsidiary, for its part, was verified by the FDA in compliance with the requirements of the FSVP Regulation³.

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



Customers and Consumers

Through the Strategic Initiative "GETTING TO our customers and consumers in what they expect through the marketing chain", we manage quality from the logistics system, in our own and third-party warehouses, in transport and in each of the 4 marketing channels:

- Distributors
- Large Accounts and Wholesalers
- New Businesses

We try to keep the product in optimal conditions to guarantee its integrity until it reaches consumers, permanently improving the associated processes to meet their requirements and expectations. In order to continue with the integration of logistics and commercial processes, both internal and external, we hold work groups with all the actors to improve marketing and distribution network.



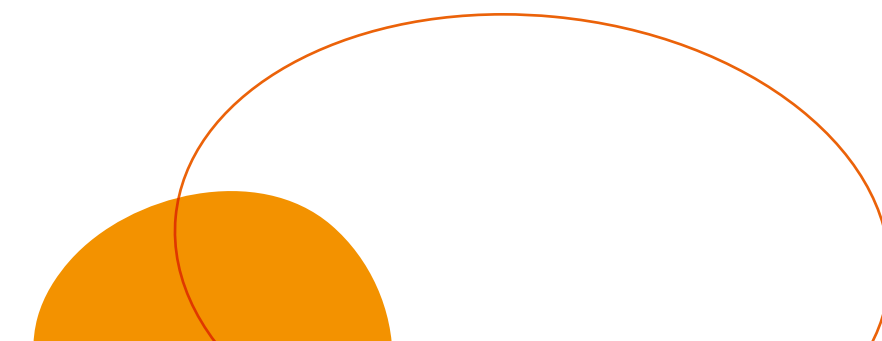
Getting closer

To get closer to our customers and consumers, we continue working on our strategic initiative "Ensuring customers and consumers LOYALTY."

During 2022, the existing contact channels were maintained: telephone service, corporate website, integrated social networking service (Facebook, Twitter, Instagram), corporate email address, after-hours answering machine and postal mail, considering new consumer profiles.

Also, with the objective of optimizing the quality of service to our consumers and clients, in Argentina, improvements were made to the integrated service for monitoring social networks and telephone service. We managed to maintain our levels of attention and service, retaining our customers and consumers in post-sale.

³ FSVP: USA Foreign Supplier Verification Program.



What is more, to ensure consumer satisfaction and have a global vision of their opinion in relation to the service provided, our company maintains activities related to:

- Contact with consumers who make product claims to inform them of the technical response in case they request it.
- Satisfaction surveys for service and products.
- Reports Preparation for different publics of interest.
- Coordination of promotions.

We also accompany the development of Customer Service in New Businesses, such as in the e-commerce channel "Arcor en Casa" ("Arcor at home") and in the new subsidiary in Angola. We also continue raising awareness on our consumers through the dissemination of educational videos on the institutional website to instill good consumer practices.

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

Regenerative Agriculture



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

We are committed to implementing conservation models for the production of our raw materials, which contributes to the regeneration of ecosystems, intensifying the best agricultural practices and incorporating precision technologies.

Through this commitment, we contribute to ecosystems resilience and climate stability, favoring a positive interaction between production systems and natural environments.

Agro +30

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

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



Our sustainable agriculture approach

Since 2012, we have promoted initiatives to foster sustainable production systems in the main agricultural chains in which we participate, comprehensively considering the economic, environmental and social dimensions.

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

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

We consider aspects of *traceability* (including land tenure and certifications), *human and labor rights* (hiring conditions, working environment conditions, forced labor, child labor), *environmental* (production areas, biodiversity, waste, air and energy), *good agricultural practices* (soil conservation, use of machinery, fertilization, pesticides, water use, training) and *economic conditions* (productivity, yields, efficiency and impacts on the community).

We seek to raise the standard of productive, environmental and social performance of the main agricultural chains in which we participate, promoting the best agricultural production practices, the adoption of technology and innovation and the search for solutions to the main environmental and social challenges. In line with this objective, we promote continuous improvement initiatives in our own productions and support producers with whom we work through training initiatives, modernization, technical assistance and financing.

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

- **Carbon balance.** Within the framework of the climate crisis that we face as humanity, and the efforts that are being promoted globally to limit global warming, the agricultural sector has great potential to contribute to the reduction of greenhouse gas emissions on a large scale. Sustainable practices have the potential to reduce emission levels from agricultural production, minimizing its impact on climate change and favoring adaptation. Regenerative production practices, aimed at sequestering carbon in the soil, are a way to mitigate climate change that is being studied around the world. In this context, the Agro+30 Program seeks to promote production practices that contribute to the carbon balance of the system, based on the analysis and management of the challenges and opportunities of the main agricultural productions.

To advance in this challenge, during 2022 we formed a Carbon Table together with CREA, with the objective of studying the challenges and opportunities of different agricultural productions in the carbon balance of the system. The goal of this work space will be to develop a joint initiative aimed at identifying, quantifying and evaluating management strategies that contribute to increasing soil carbon and reducing GHG emissions in primary production, thus contributing to a greater sustainability of the system.

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

During the year 2022, we developed a technological linkage agreement with UPL Argentina S.A., within the framework of collaborative work with the Innovation and Digital Transformation area. The Company is a leader in the field of agricultural solutions and is focused on innovation in bio-solutions. The cooperation will be aimed at promoting and accelerating innovation at the service of the development of sustainable solutions, to address current and future problems of the productive ecosystem and ease knowledge exchange.

In addition, throughout the year, we made progress in the development of agricultural trials with bio-solutions in some of their productions. We continue promoting the production of organic compost at La Providencia Sugar Mill to be used in sugarcane cultivation, instead of chemical synthesis fertilizers.

● **Digital Agriculture.** Digital agriculture is the use of technology and digital processes to obtain data, in real or deferred time, in order to control the variables that affect agricultural activity and production. Digital agriculture (the use of precision technologies, Big Data, the Internet of Things and the use of increasingly specific software) seeks to maximize productivity and profitability by optimizing the use of resources and the implementation of Good Agricultural Practices (GAP), offering data that allows promoting precision agriculture. Through Agro+30 we seek to promote the adoption of these precision technologies in the main agricultural production chains in which we participate.

In 2022 we adopted the AURAVANT digital agriculture platform for the agricultural management of different productions. From the proof of concept developed the previous year, the platform began to be used to manage more than 10,000 hectares of our own production of sugar cane, corn, fruit and vegetables. This technology makes it possible to manage production by sector, maximizing productivity and sustainability through optimization in the use of natural resources and the implementation of Good Agricultural Practices (GAP). Among the practices that improved with the use of this technology, we can highlight variable sowing, efficiency in the use of fertilizers and minimizing its impact on the environment.



Sustainable Agriculture Production

Sugar Sustainable Production

During 2022, Arcor's La Providencia Sugar Mill continued to promote the Sustainable Sugar Production program, focused on the following lines of action:

● Certification

In order to continue promoting sustainable production, in 2022 we obtained the recertification of Global G.A.P. and Local G.A.P. ("do not burn" sugarcane) standards for our own production of sugarcane in 6,500 hectares belonging to La Providencia Sugar Mill. The recertification of the BONSUCRO standard was scheduled for 2023 based on what was agreed with the certifying entity.

● Rotation of sugarcane cultivation with soybean production

To promote the replacement of nutrients in the soil, during 2022 progress was made in the production of 450 hectares of soybeans in our own sugarcane plantations. The rotation of the sugar cane crop is considered a good agricultural practice, since it allows increasing fertility of the soil and reducing the pressure of the weeds, which will allow in the future reducing the application of agrochemicals for weeds control and increasing productivity.

● Organic Sugar Production

We carried out the USDA-NOP audit in our own fields and in producer fields, which allowed the production of 8,600 tons of organic sugar for Arcor Group customers in the United States and Canada. In addition, the audit of the certification of the UE-Arg standard was carried out, obtaining 300 tons of organic sugar to market in Europe and Argentina.

In addition, during 2022, an initiative was launched aimed at developing organic production in small sugarcane producers that participate in the "Cobra Project". To advance in the project, a group of 12 producers was formed, who manage a total of 50 hectares. We will carry out a joint work with them for the organic certification of their sugarcane. Participation in this initiative will allow sugarcane producers to add value to their production, through the production of a specialty product.

● Development of small cane producers

We continue implementing "Cobra Project", which aims to promote the comprehensive development of small sugarcane producers by supporting them in replacing their conventional (semi-mechanized) harvesting model with a mechanized one, adding value to sugarcane production. The mechanized harvest replaces a large part of the work of small sugarcane producers, allowing them to reduce the harvest time from 100 to 3 days, offering them the possibility of dedicating the available time to the development of other productive tasks and, with this, diversifying his sources of income. In turn, the mechanization avoids the practice of burning the cane field as a method of cleaning the crop stubble, since the machine performs the complete cleaning of the cane and everything that is removed to clean it (leaves, tops), is returned to the soil, producing a great agronomic benefit in terms of the conservation of organic matter in the soil and the carbon cycle. During 2022, the scope was maintained for a total of 27 small producers, who delivered 26,000 tons of sugar cane to the mill.

● Afforestation

Our Forestry Plan consists of using spaces unsuitable for the cultivation of cane in La Providencia Sugar Mill (river banks, sloped lots, etc.) to plant forest species, which potentially could have timber or energy purposes, for future use. The plan also includes forest enrichment with native species from our "Living Better Natural Forest".

During 2022, 18,000 specimens were planted. Since the beginning of the initiative, more than 68,000 trees have been planted: 65,000 exotic species (pines, eucalyptus and poplars) and 3,000 native ones (cedars) to enrich the forest.

● Production of compost from production organic wastes

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

During 2022, we produced 9,000 tons of organic compost that were used in our own fields for the production of organic cane and in some fields of conventional cane, instead of chemical synthesis fertilizers.

Development of Sustainable Corn Producers

In 2022, progress was made with the Certified Sustainable Corn Supply initiative, with the aim of promoting the incorporation of sustainable practices in corn producers that supply Arcor Group. Throughout the year, progress was made in the purchase of corn from producers certified under the SAI-FSA standard (Arcor S.A.I.C, Cono S.A., Compañía Anglo, El Labracerero, Viluco, Cusillos and Garmat) who manage a total of 136,000 hectares of production

Development of fruits and vegetables producers

During 2022, we continue to promote the 2025 Strategic Plan in the agricultural supply of the Food business, which includes the development of the following initiatives:

- Strengthening and support of strategic producers. It includes actions to identify productive areas and producers, monitoring of the crop cycle, productive advice to suppliers and their collaborators, implementation of good agricultural practices, productivity improvements, comprehensive mechanization, producer-community relations (prevention and eradication of child labor), and financial support, among others.
- Control systems for agricultural producers.
- Certification of agricultural standards (Global GAP)
- Control and management of costs, profitability and prices.
- Efficiency in agricultural machinery and supply logistics.
- Training of agricultural entrepreneurs (producers and services).

- Training in productive innovation, management, sustainability, impact management in the community.
- Increased productivity and production in own fields.
- Sustainable agricultural production development.
- Reuse of the by-products of industrial activity, use of non-productive areas.

In 2022, Arcor Group promoted training for producers on Good Agricultural Practices (GAP), Quality, Safety and Hygiene and Quality Standards. As a result, 100% of the producers comply with the GAP standards required by the Secretary of Agriculture of the Nation and knowledge of safety of people at work was incorporated.

Grow up Playing, for a Childhood without Child Labor

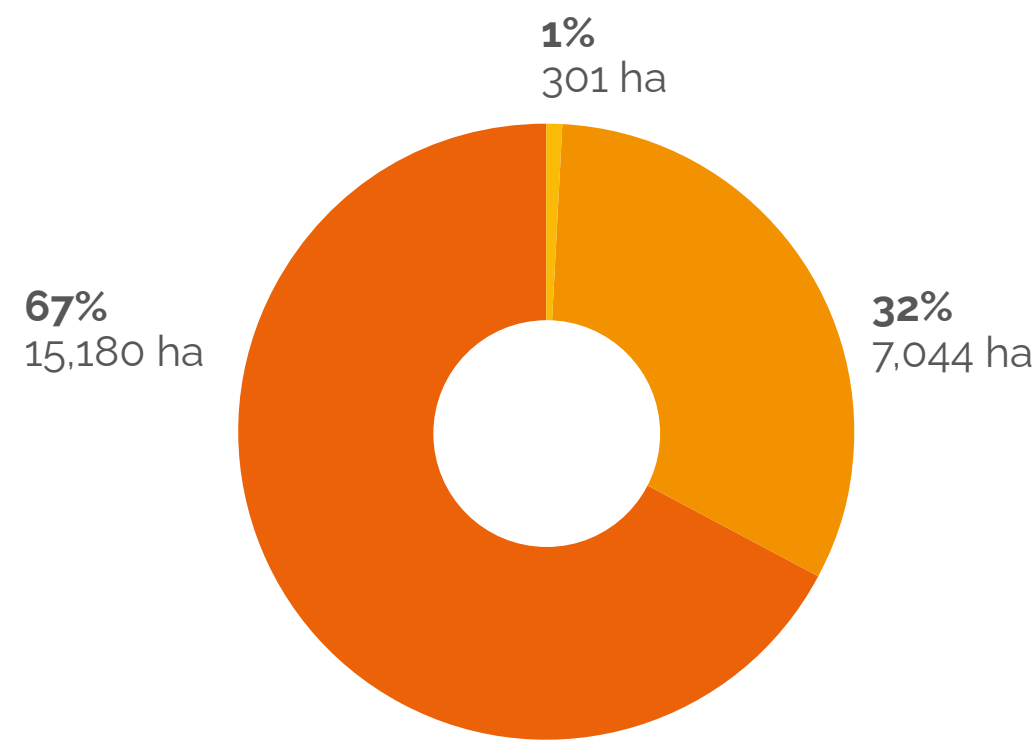
Within the framework of the sustainable supply strategy, we continue developing a program for the prevention and eradication of child labor in the fruit and vegetable supply chain, particularly in the provinces of Mendoza and San Juan.

During 2022, we worked directly with 42 producers; we support and contribute to strengthening 7 Child Development Centers (CDI, as per initials in Spanish) for the care of 220 boys and girls. Likewise, we continue being linked to municipal governments, and participate in joint actions with COPRETI (Provincial Commission for the Prevention and Eradication of Child Labor).



Sustainable forest production

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



- Native Forest
- Plantations and reforestation soils
- Other uses

Our commitment focuses on the following objectives:

- To implement and maintain a management system that allows guaranteeing sustainable forest management of native and introduced forests, maximizing the benefits they provide and preserving biodiversity and natural resources associated. This management system is certified under the PEFC Argentina and Cerfoar (Argentine Forest Certification System)⁴ scheme.

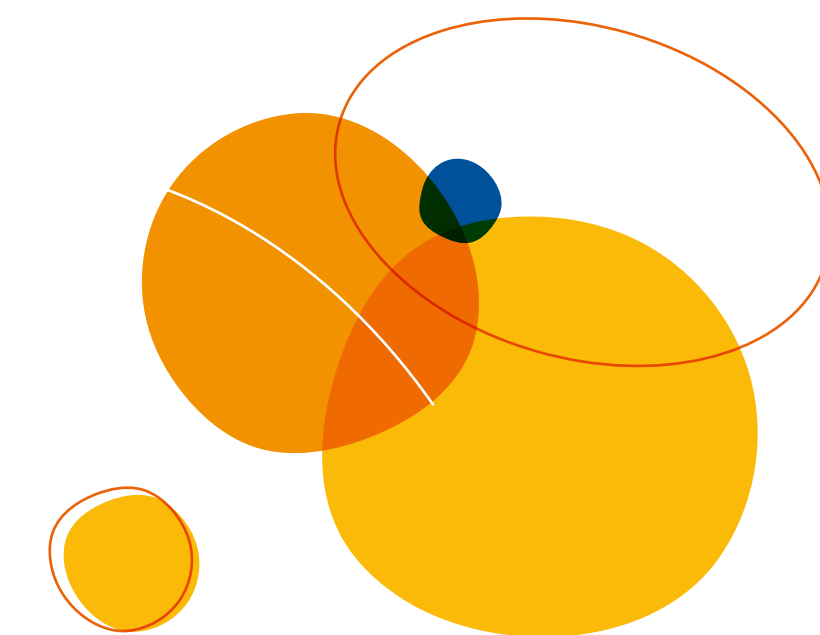
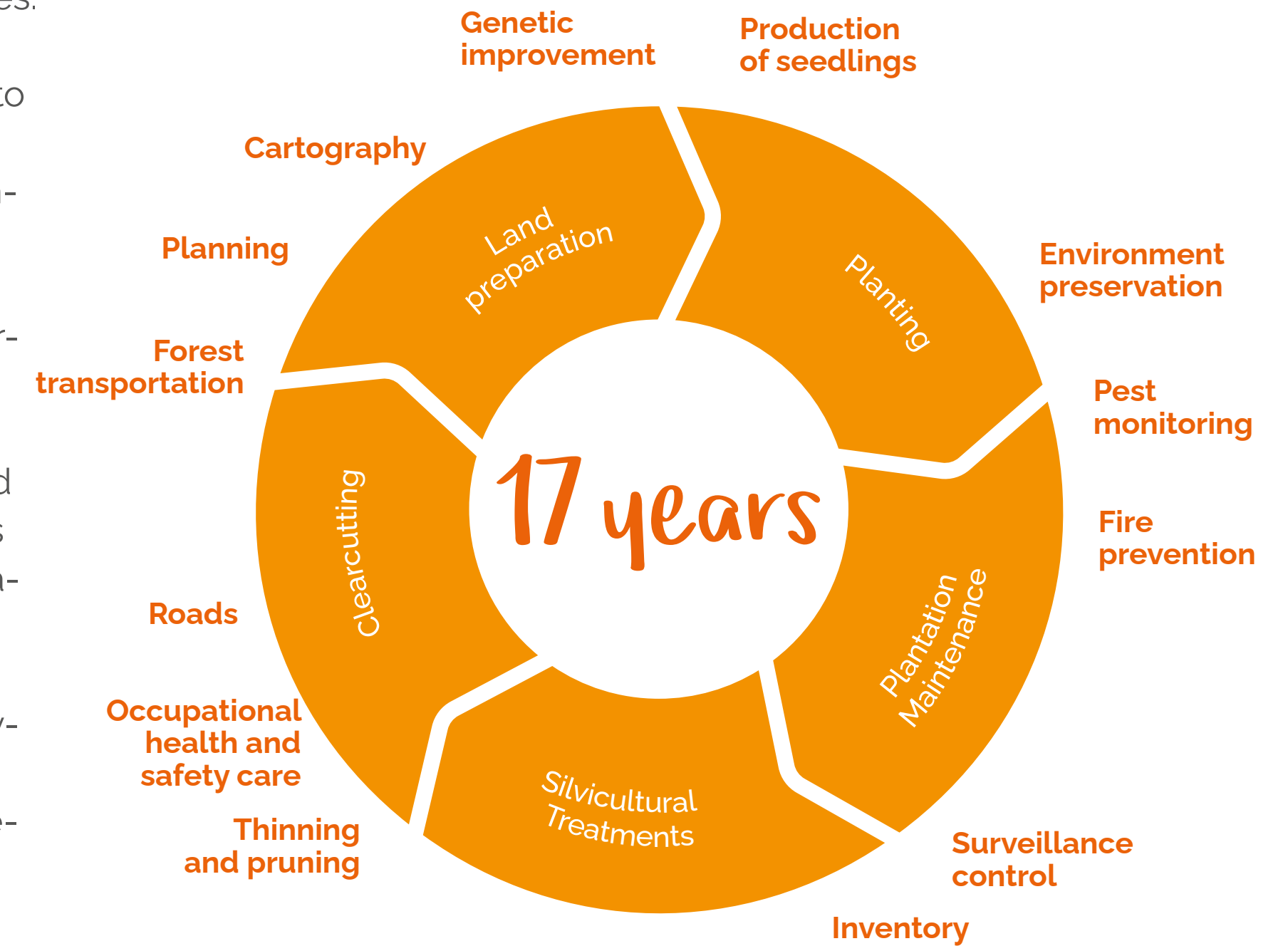
- To identify and evaluate social aspects and impacts associated with forestry production activities, and facilitate communication channels with neighbors and local communities.
- To plan sustainable forest management in the long term, having the necessary resources, controls and monitoring to achieve the objectives defined in the management plan.
- Respect applicable laws and regulations, and ensure compliance with assumed commitments.
- Establish a system for the identification, monitoring and control of forest products produced and marketed to guarantee the chain of custody.

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

Before starting the land preparation activities, through planning, the stands to be planted, the areas to be included in the Native Forest Recovery Program, the protective forest zones or connectivity areas are defined and identified.

⁴ <https://www.pefc.org.ar/>

Forest Plantations Management



Native Forest Recovery Program

Papel Misionero recovers native forests to guarantee the care of water, soil and biological diversity, in priority sites for conservation that are identified through dialogue with Guaraní communities.

Recovery is carried out in areas of protective forests, native forests affected by the operation or some emergency situation, or sectors needing connectivity.

Priority sites for conservation:

- **Tekoa Porá Community:** 22 hectares of native forest where the community is located, and from where they extract medicinal plants, fruits and materials for handicrafts, and water.
- **Virgen María and Tekoa Guaraní Community:** 124 hectares of native forest where the communities extract fruits, medicinal plants, firewood, and material to make handicrafts.
- **Marangatú Community:** 200 hectares of native forest, where the community extracts medicinal plants and materials for handicrafts.
- **Puerto Mineral Cemetery:** 0.3 hectares in a plantation area where there are some tombs.
- **Native Forest of the San Ignacio Site:** 85 hectares of protective forests and important ecological belts for the Katupyry community settled nearby, and to protect the stream. That downstream is used by neighbors for consumption and domestic use.
- **Headwaters of the Mbarigüí Line Site:** headwaters at the property boundary that results in the formation of a small watercourse that is used by the residents. Protection area of 0.5 hectares.
- **Water Network in Oro Verde Site:** 18 hectares of protection for El Cuervo stream bed, and a spring and a wetland that contribute to the aforementioned stream. It is the only source of water for some residents of this place.
- **Colonia Flora Site Protective Forest:** 248 hectares of protective forests of headwaters, wetlands, and watercourses that contribute to Tabay stream.
- **Papel Misionero Natural and Cultural Reserve:** 10,397 hectares declared in 1995 by Provincial Law XVI - N°39. The area is a refuge for emblematic animal species such as the Helmeted Woodpecker, Brown-breasted bamboo tyrant, Black-fronted piping guan (Pipile jacuting), Neotropical River Otter, Giant River Otter, Ocelot, Jaguar, Tapir, Howler Monkey, and Anteater. It is also home to critically endangered species such as the Ocellated poorwill and Black-capped piprites. It is a continuous block of Paraná jungle located in the sector of the provincial green corridor, representing an important area to protect biodiversity in its ecosystem. In the reserve, there are three aboriginal communities villages (Jejy, Jejy mini and Mandarinina), who use their resources and carry out fruit gathering, hunting and fishing activities.

Sustainable supply

For the inputs that we source through processors and in which, due to the characteristics of the value chain, we do not have the possibility of connecting directly with the producers, we promote sustainable supply initiatives that allow us to guarantee, through our suppliers, the sustainability in the primary production of these raw materials.

Cage-free eggs Supply

Since 2018 we have been carrying out the Cage-Free Egg Supply project, which seeks to ensure that the egg products used by Arcor Group come from suppliers that use chicken raising and handling systems that allow these animals to develop their natural behaviors.

During 2022, more than 48,000 kg of cage-free egg derivatives were purchased, certified under the "Certified Humane" animal welfare standard. In addition, progress was made on activities necessary to complete the transformation of the assorted biscuit lines to "cage-free" by 2023.

Palm Sustainable Supply

As part of the action plan to achieve a sustainable supply of palm, during 2022 a survey of RSPO (Roundtable on Sustainable Palm Oil) certified palm suppliers was carried out for the supply of palm oil in the different countries where we operate: Argentina, Brazil, Chile, Peru and Mexico.

Progress was also made in the presentation of the Annual Communication Of Progress (ACOP) to the RSPO, including the action plan to achieve 100% sustainable supply, the volume of palm and derivatives used by Arcor during the year, as well as the certified volume purchased in that period.

Cocoa Sustainable Supply

In 2022, we continue with the purchase of cocoa certified under the Rainforest Alliance and we work with the objective of deepening the analysis and discussion of approach strategies for the sustainable supply of cocoa, beyond certification. To this end, progress was monitored in the programs promoted by suppliers of derivatives, who are involved in the sustainable development of cocoa producers in the region through field projects.





Promoting People Prosperity

04

- Inclusion, Diversity and Equality
- Workplace Well-being
- Community and Value Chain Development

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

Our Sustainability Policy sets forth the following commitments:



Inclusion, Diversity and Equality



Workplace Well-being



Community and Value Chain Development

Inclusion, Diversity and Equality

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

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

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

Diversity and Inclusion Program

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

In 2022 we added 3 new lines of work to our PEDI: Generations, Sexual Diversity, and Races and Ethnicities. These axes complement the work focuses on diversity that Arcor Group has been promoting since 2012, which are "People with Disabilities" and "Gender Equity".

In order to address them, we have defined a work plan, in which we started raising awareness, carrying out a training process, habit building and recognition. According to the evolution of each axis, progress is made with the definition of actions, processes and benefits, considering the natural cultural evolution of the issues in the organization, society and our teams.

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

In addition, during 2022, we managed to form a volunteer Operating Committee made up of 20 people from the company who, out of self-interest and motivation, want to be part of building change. This Committee is in charge of developing proposals to advance in each of the defined axes.



Gender Axis

We seek to recognize and accompany the development of women, including their active participation at the heart of the business, and generating spaces for their full performance, visibility and action throughout the community.

At the beginning of the Gender Equality Program, promoted since 2012, we focused on increasing the participation of women in the company. Throughout the last decade, several policies have been incorporated to achieve this objective, such as the requirement that 50% of the people who are hired through the Young Entrepreneurs Program be women or the Policy of Reduced Working Hours for Maternity. 5 years ago, we strengthened our commitment to gender equality by adhering to the United Nations Women's Empowerment Principles (WEP).

In 2021 we inaugurated a new stage in our Gender Equity Program. To do so, we analyze the composition of the internal structure in relation to the participation of women, identifying facilitators or barriers to growth, evaluating similarities or differences in the professional trajectories between men and women, and finally, studying programs and practices of the gender diversity axis in general and the growth of women in particular from other companies of interest.

Based on our review, we defined 3 action pillars:



Working on our organizational culture so that those in leadership roles are protagonists of change.



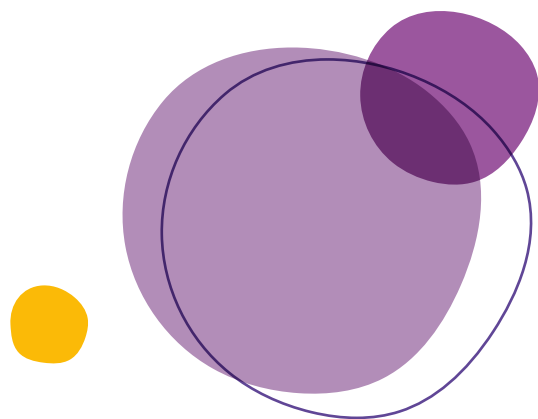
Providing women with tools to boost their careers.



Increase maternity benefits (adapted to each country and the characteristics of their positions) and reinforce these benefits for leaders to support and accompany such measures.

To develop these pillars, in 2020 the Diversity Committee was formed with representatives of the 3 business divisions, from different countries and corporate areas. This committee is, in turn, advised by María José Sucarrat, diversity expert and leader of the Network of Companies for Diversity at UTDT, who continued her work during 2022 and will continue in 2023.

In 2021, we defined new goals to make progress in this line of work. We aim at having 50% of women among the people who will become part of the company by 2023, which will allow increasing their participation within the company. Moreover, we set the goal of achieving that 50% of managerial vacancies will be occupied by women by 2025.



According to such definitions, during 2022 the following initiatives were carried out:

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

+ Women Leaders” Program was developed during November 2022 through 5 workshops for mentees, 3 workshops for mentors and a closure session. 43 people participated in the program.

- We integrate the corporate Gender objectives, which are transversal to the entire organization, to the annual sustainability objectives of all the company's businesses, within the framework of our Performance Management System. We participated in the 'Target Gender Equality' program promoted by the Argentine Global Compact Network. Its objective was to deepen the application of the Women's Empowerment Principles (WEP), which seek to ensure the full participation of women in organizations and equal leadership opportunities by 2030. Within the framework of this initiative, we carried out an exhaustive self-diagnosis that required consulting to experts on the issues of our organization and justifying the data provided. As a result, Arcor Group obtained a general score of 60% (assessed as Advanced). In addition to this information, the analysis provided us with valuable information to continue evolving along this axis in the coming years.
- A **Women's Development Manual** was defined. Based on recommendations, it focuses on the development of women leaders within the Strategic Resource Planning (PRE) program, showing gender indicators in all potential validation managerial meetings.

- We promoted “**Café de mujeres**” (Women's coffee) pilot program, which seeks to create a space for listening, dissemination and feedback on the needs of the women who are part of Arcor, projecting its expansion to all plants by 2023. The program was designed with the mission of creating a link between female participants, regardless of their positions, encouraging leadership, development and well-being in the workplace. We seek to give Arcor women a voice and promote a space for ideas exchange, to share good practices and generate proposals with a gender perspective. 44 collaborators participated, in two groups (one virtual and one face-to-face).



PCD Axis

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

Since 2012, we have conducted the Disability Inclusion at Work Program, in order to develop the conditions required to hire people with disabilities at our company. Over these years, we have improved the job accessibility conditions across all our sites and developed several local sources of recruitment.

In 2022, we reinforced the commitment for each business to have a PCD quota, opening the indicators by management unit, promoting a growing contribution of incorporation in each business. Likewise, we maintained compliance with current regulations in each country in which we operate, focusing mainly on Chile, where the 1% PCD quota and certain certification requirements for internal managers of the company were implemented. Throughout the year, the following actions were implemented:



Through these actions, the Andean Region business managed to complete the quota of 1% of people with disabilities established by law for that year

In addition, as a corporate action, the incorporation of neuro-diversities began to be addressed, through meetings with pioneering companies and experts, in order to analyze and promote the incorporation of people on the autism spectrum by 2023.

Headcount of people with disabilities by country and gender

Country	Women	Men	Total
Argentina	20	55	75
Brazil	62	108	170
Chile	1	13	14
Mexico	0	5	5
	83	181	264

We work so that 2% of the total staff of Arcor Group is people with disabilities. In addition, we comply with the legal requirements of each country in which we operate: Brazil has 5%, Chile 1% and Mexico 5%.

Sexual Diversity Axis

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

In 2022, awareness actions were carried out by the Strategic Committee, through presentations by experts in market research, in which it could be observed the relevance of the topic in society and how brands and companies are interested in promoting diversity and inclusion internally, in their organizational culture

Diversity and Gender Sensitization and Awareness Workshop

A workshop was developed to sensitize and raise awareness on the issue of gender and diversity, in addition to developing an action procedure to accompany our leaders. As part of the topics addressed, the concepts of Diversity, Discrimination, Equity, Gender, Gender Identity, Equality, Inclusion, Unconscious Biases, Harassment, Safe and Trusted Spaces for Conversation were worked on. Also, some approach tips were provided for the different facts or situations that can occur. The workshop was developed in two days in which 40 employees participated, led by the external provider Regenera® Conscious Human Development and Lic. Andrea Pérez.

Generations Axis

At Arcor we remain updated and in continuous development, thanks to the contribution of the different perspectives of the people who make it up. The interrelation of different generations allows us to continue evolving with the same DNA. For this reason, we encourage and value the participation of people of all ages within the framework of our organization, and we eliminated the age limit in all the Group's employment and talent processes.

By encouraging the participation of people of different age groups in the same work environment, we can combine views, increase perspective, creativity and generation of new ideas, increasing the openness and capacity of teams to solve conflicts.

Generational diversity is an essential resource for any organization that promotes organizational well-being, in which a positive climate, coexistence and learning between different generations are prioritized. The position of our company, a company with more than 71 years of experience, is to value the integration of different generations.



Young Entrepreneurs Program

Through the implementation of our *Young Entrepreneurs Program*, we seek to incorporate students with leadership potential, interested in developing a sustainable view of the business. We invite graduates from the provinces of Córdoba, Tucumán, San Juan, Catamarca, Entre Ríos, San Luis, Misiones and Buenos Aires to participate of the challenge, both from Engineering courses of studies (Systems, Computer Science, Mechanics, Electro-mechanics, Electronics, Environmental, Chemical, Food and Industrial), and Public Accountant, Administration, Economics, Marketing, Commercialization, Human Resources and Safety and Hygiene Degree.

As of 2021, the training of tutors for young entrepreneurs was incorporated and a training and development plan for young professionals was implemented. It includes technical training in project management as well as training in self-management emotional and relational strengthening.

**In 2022 we hired
8 young entrepreneurs.**

Industrial Technical Training Course "Women in the industry"

This initiative aimed at Women from the Chacabuco Community (Province of Buenos Aires) strengthens the employability of women over 18 years old who have completed high school, providing them with tools and knowledge on the main technical job profiles required by companies in the area. In an agreement with the National Technological University, it was developed for 2 months (16 meetings), attending to both the University and the SUM of the Plant

48 women registered on the training course. 35 of them completed the course complying with attendance and assessment tests.

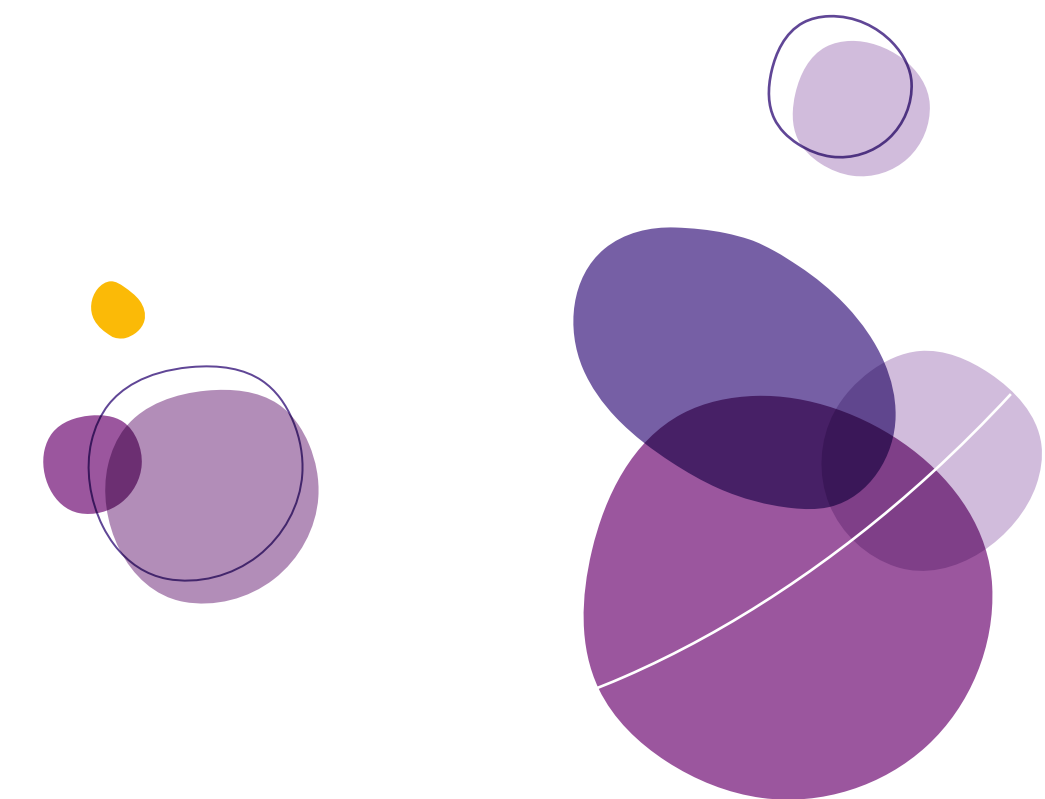
Under the motto "Undertake and learn from the first step", we prioritize the importance of learning and doing as part of the development process of a university student. The selected candidates also received a 100% scholarship to take up to 3 courses at Coderhouse, based on their interests and challenges as members of Arcor Group.

Our seedbed of professional profiles has been active since 2013 and, over the years, has allowed us to receive 1,155 interns, of whom 30% were hired. In 2022, 67 interns were hired, reaching an active internship level of 128 employees.

In addition, as a link with students, we participated in five job fairs, carried out face-to-face again in 2022 after the pandemic. Among the events in which we participated are the Work Days organized by Work Tec, and the job fairs organized by Siglo 21 Business University, the Faculty of Economic Sciences of the National University of Córdoba, the Argentine Catholic University and the Torcuato Di Tella University.

Internship Program

As part of our process to nurture of new talent, vacancies are opened by Business each year, taking into account a maximum of 5% of the active population to meet the requirements of the applicable regulations (maximum 7%). In this process, we make alliances with all the universities and training centers close to the required areas. To receive applicants, a consultant specialized in internship process accompanies us in the whole process from.



Workplace Well-being

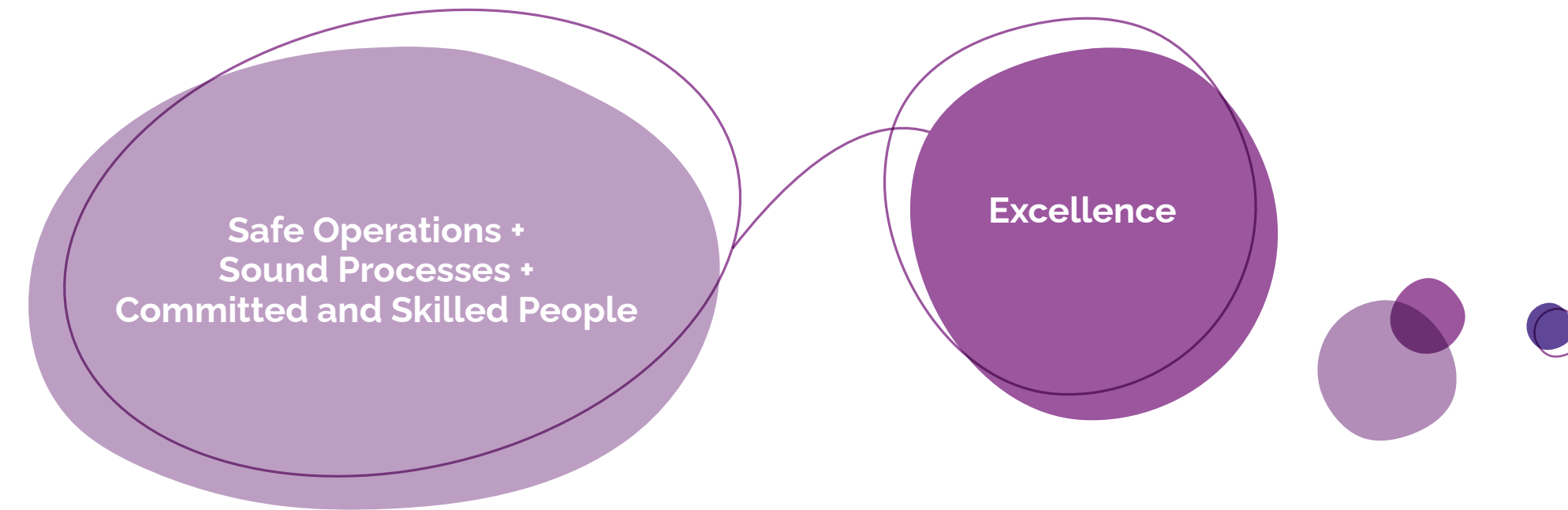
We believe that safe working conditions, a good working environment and professional growth are fundamental aspects of people's quality of life.

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

Through this commitment, we foster the creation of suitable, flexible and modern work environments for all employees, in alignment with the challenges of employment.

Occupational health and safety

Safety in operations and well-being at work are fundamental pillars for Arcor Group, which is why we continue working on permanent improvement. To promote cultural change as well as safety conditions in equipment and facilities, we continue to adjust the methodologies in defined programs in the search to strengthen behaviors and visible leadership based on solid competencies regarding Safety.



Accident Rate

Due to the actions implemented to increase occupational safety, we maintained the downward trend in the accident frequency indicator and reached a new record for the organization in 2022. The cultural evolution programs have been a fundamental axis of this achievement, transversally aligning methodologies and good practices. The consolidation of

preventive methodologies and tools in our mid-level bosses has provided a more proactive perspective in all operations, which has contributed, together with new programs, to consolidate good safety practices in all work stations.

Accident rate in numbers:

Arcor Group Disabling Injury Frequency Rate

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

Arcor Group Evolution of the Serious Injury Rate

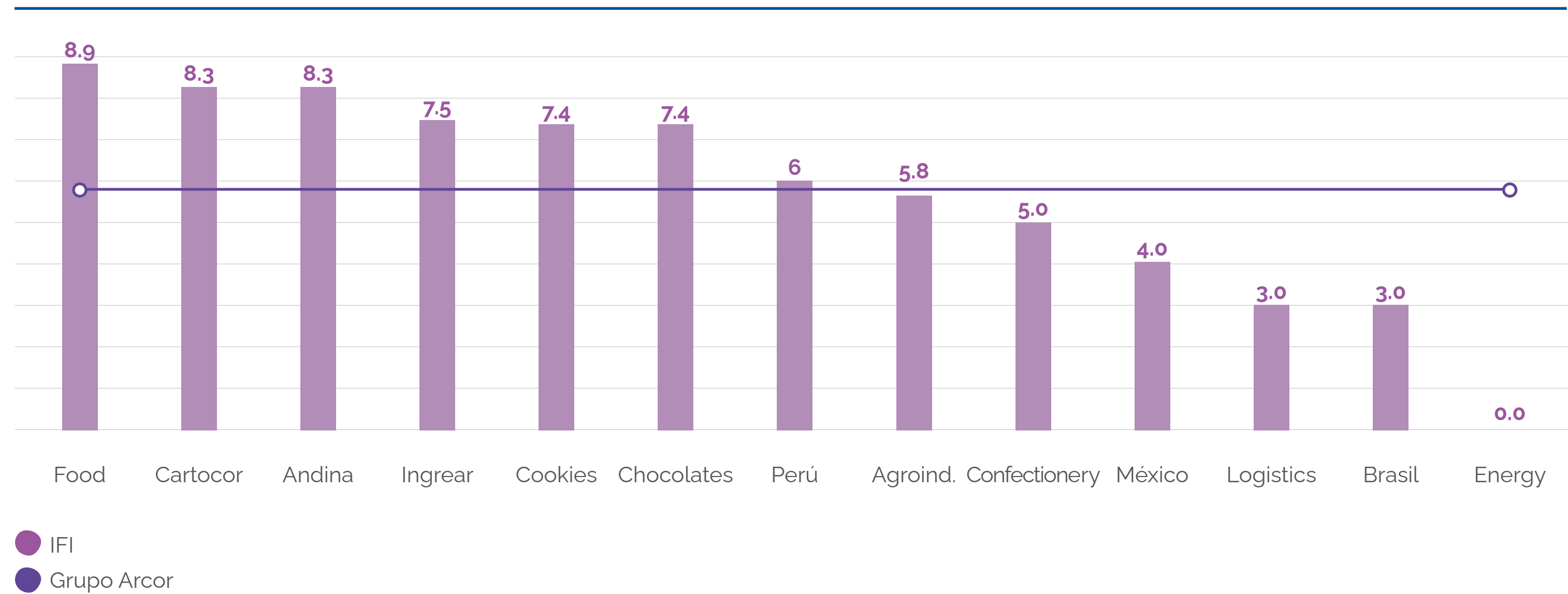
	2017	2018	2019	2020	2021	2022
Serious Injury Rate	0.33	0.19	0.13	0.20	0.13	0.13
Serious Injury Rate 6C	0.05	0.04	0.03	0.06	0.04	0.04
Lost working days	11,662	6,904	4,732	6,640	4,864	5,392
Lost working days 6C	1,778	1,616	1,120	1,953	1,377	1,734

Accident Rate by country

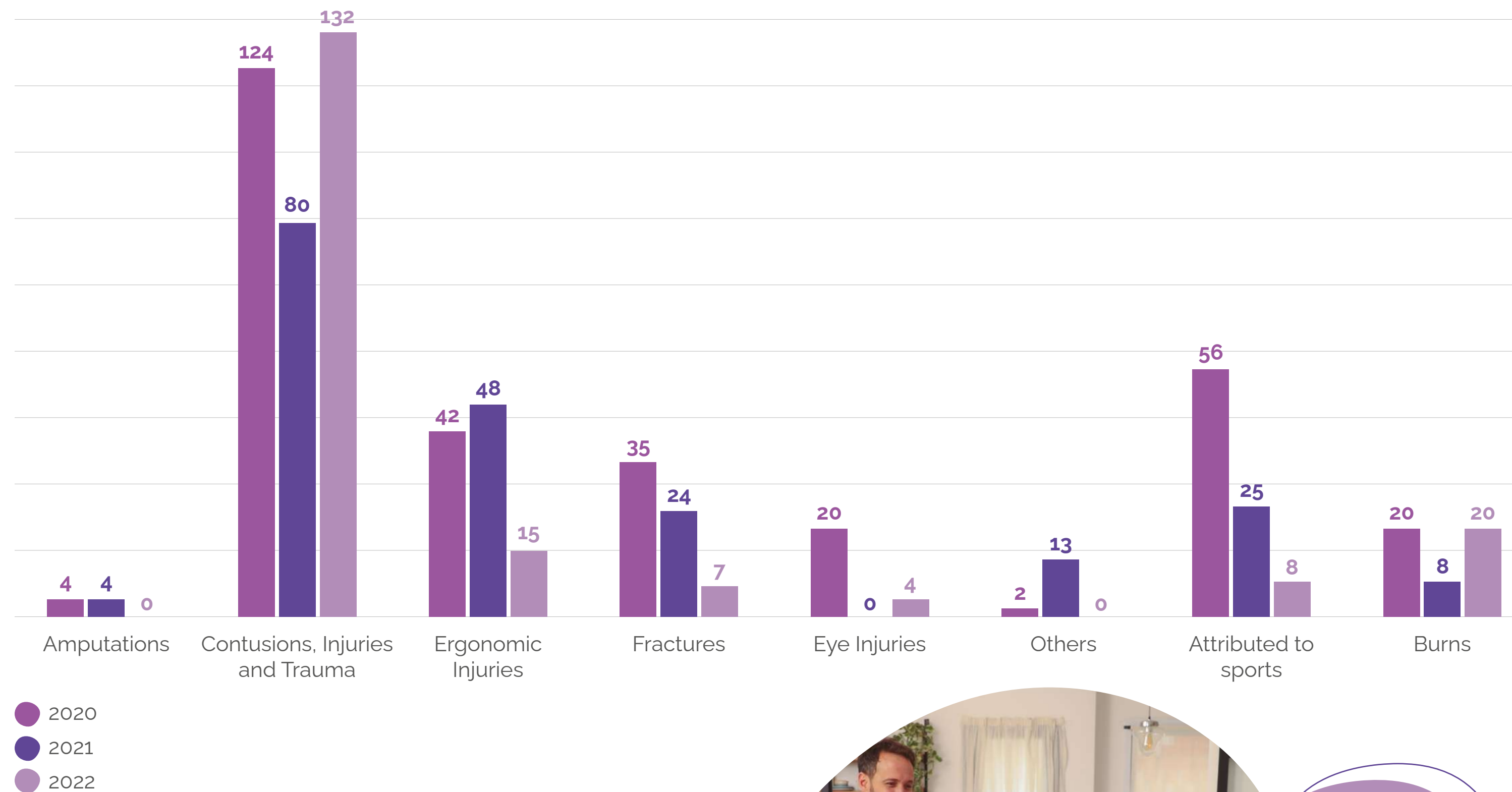
		2018	2019	2020	2021	2022
Argentina	ACB	195	197	204	183	188
	IFI	7.9	8.0	9.0	7.1	6.6
Brazil	ACB	47	31	23	20	18
	IFI	8.9	5.6	4.8	3.6	3.0
Chile	ACB	25	20	28	30	24
	IFI	7.5	5.9	9.5	9.7	7.6
Peru	ACB	5	5	1	3	4
	IFI	4.0	4.1	1.0	2.8	3.2
Mexico	ACB	16	17	18	22	11
	IFI	6.3	7.0	8.9	8.9	4.4

The downward trend in the frequency indicator can be observed in all countries, except for Peru that had a slight increase compared to the previous year

IFI - Bench Grupo Arcor



Tipos de Lesiones - Grupo Arcor Argentina



ISO 45001

During the last year, certifications with new regulations were completed in all the Group's plants. It was a historic achievement that invites us to continue thinking of strategies to challenge ourselves in pursuit of security. For 2023, the implementation of new programs is expected to deepen the main risks of the system through 3 key axes:

- New focus on psychosocial risks, identified with the implementation of the ISO 45001 standard in all plants.
- Safety cultural evolution programs, through which each employee feels responsible for their safety and for those who share tasks in their workplace.
- Greater coordination in our operations through the digitization of processes, allowing us a better, agile and fast management of information that helps us to quickly focus actions aimed at avoiding accidents among collaborators and accidents in our plants.

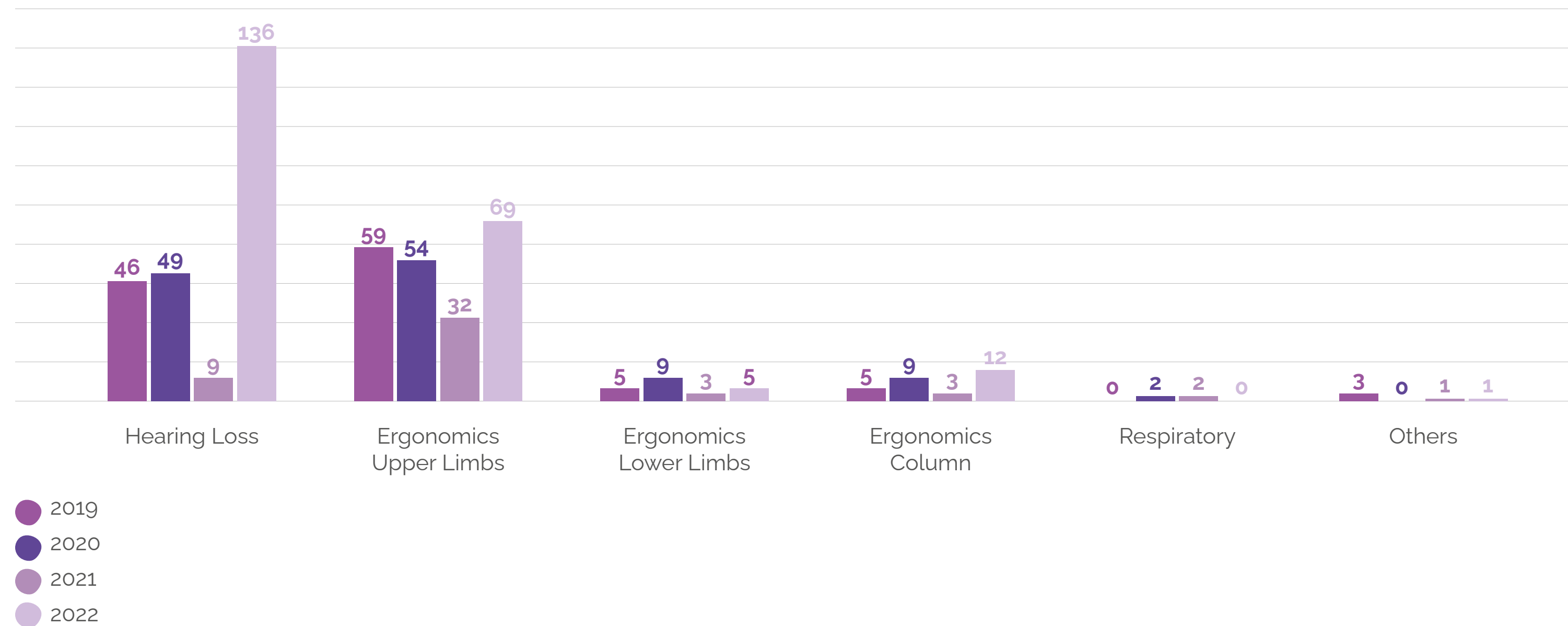
The Committee made up of the MAHPI and HR Corporate Management continues working together to adjust the methodology for surveying psychosocial risks and addressing them from a perspective that allows their systematization.

Occupational diseases

Last year there was a significant increase in complaints about occupational diseases compared to 2021. This was entirely due to hearing loss pathologies, from which 88% corresponded to complaints made after the periodic examinations carried out by the ART in each of the plants. As regards other pathologies, incidence levels have remained constant in recent years. Plants

continue working on these factors, planning for the year 2023 to start a new Ergonomic Program, as well as a hearing preservation program.

Professional diseases by pathology – Arcor Group, Argentina



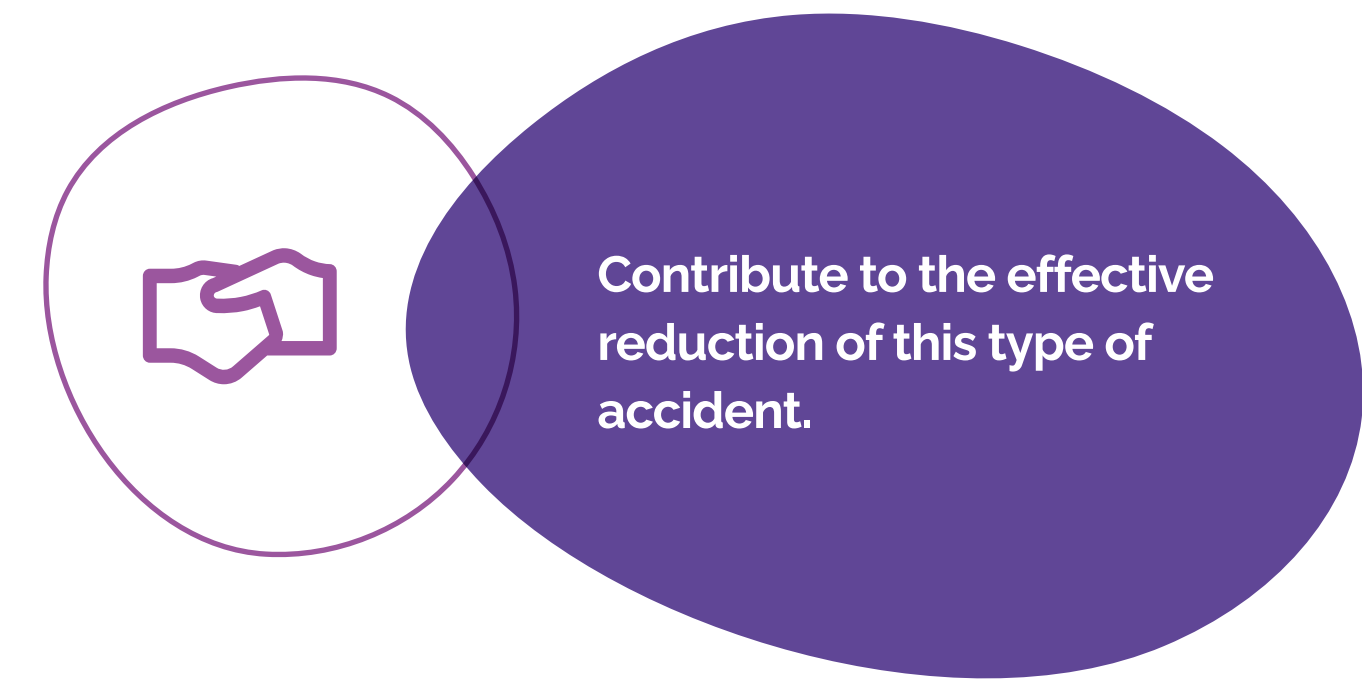
6C Risks Program

During the second half of 2022, the 6C Risk Program was launched for the entire Arcor Group. In order to control the main risks of the organization, a prioritization methodology oriented to 6C Risks began to be developed, which allows investments to be assigned more assertively. The risks called 6C Risks are the main risks that we define from the Group, and are those accidents caused by the following reasons:

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

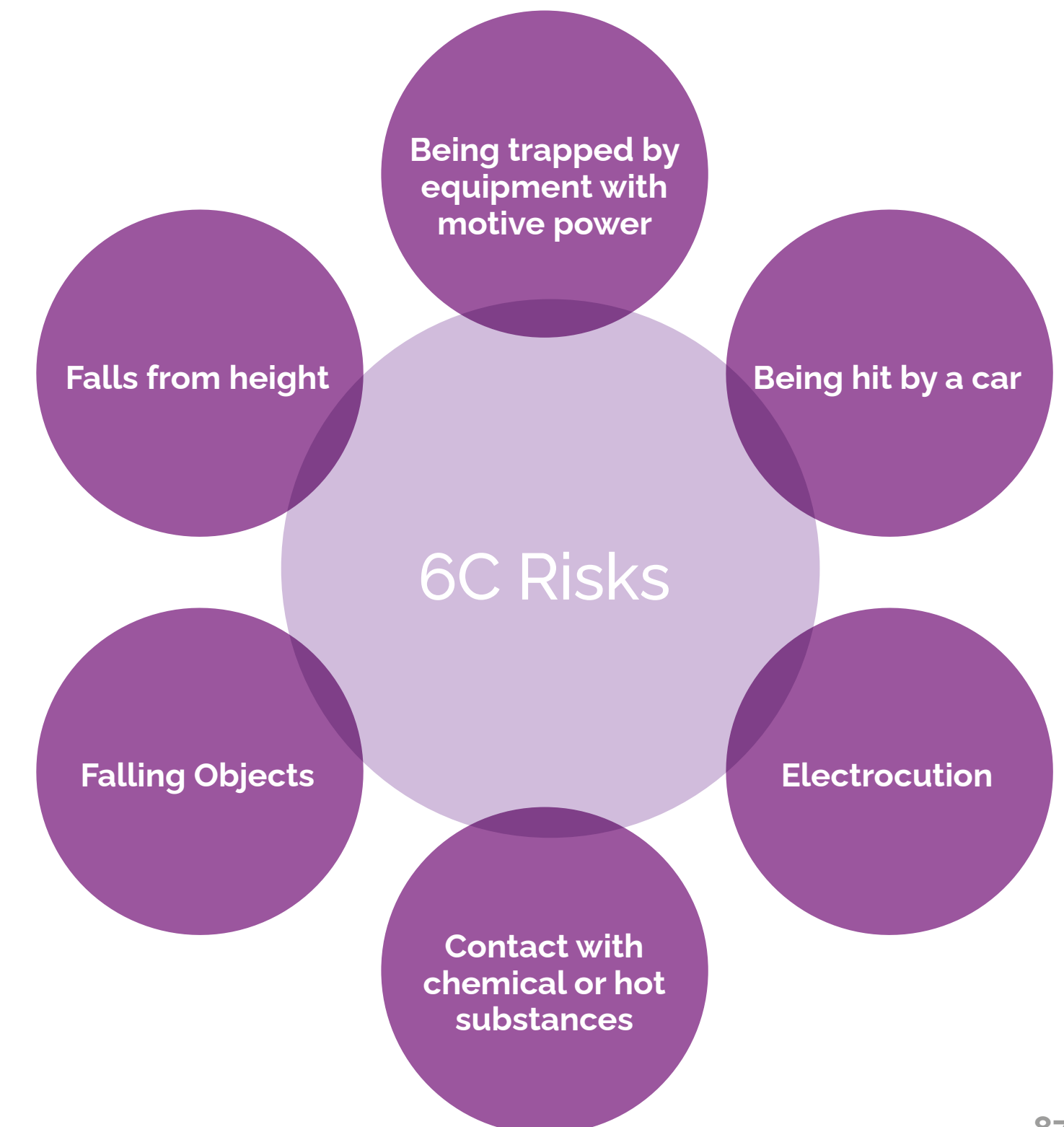
Accidents that have occurred due to these causes are considered 6C, since they are the agents that can potentially cause a serious accident.

The main objectives of this new program are:



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

- Establish a roadmap to contain and eradicate these risks through:
 1. Golden rules associated with a consequences program.
 2. Equipment adjustment.
 3. Technological update towards safer processes.
 4. Replacement of higher risk methodologies.
 5. Definition of standards to systematize high-risk operations.
- Define deadlines for the application of each of the previous points.
- Consider the necessary investments for the adaptation of equipment or technological replacement.



Cultural Evolution Programs

Culture shapes the way people perform within the organization, especially in situations in which there are no clearly defined rules and procedures. Culture influences the way people interpret directives and initiatives and how they interact.

For this reason, the organization has been working on different models of cultural evolution programs with excellent results and achievements. As an example we can mention the cases of "Learn to Grow" in the Cartocor Business and the "Commitment Program" in consumer food products plants.

During 2022, we incorporated a new pilot program at Ingenio La Providencia: "Taking care to grow." This methodology was put into practice during the year 2022 through the following proposals:

- 12 classroom and field workshops for Managers, Bosses and Supervisors, focusing on concepts and tools that highlight not only the leadership on safety, roles, and responsibilities, but also the effectiveness to promote safe behaviors.
- 10 group activities to reinforce the perception of risks and the common causes of accidents at the different operational levels.
- Strengthening the role of security professionals within the management scheme proposed by the systems and programs already used in the company
- Analysis and proposals to make current preventive management tools more efficient or, complement them.
- Coaching in field interactions with the different levels.

- Professional coaching sessions for positions that are established as priorities in more than 15 middle management people.
- Support for the design of announcements and activities for involvement and participation at all levels.
- Follow-up meetings with Business, Industrial, HR and Corporate MAHPI Management.

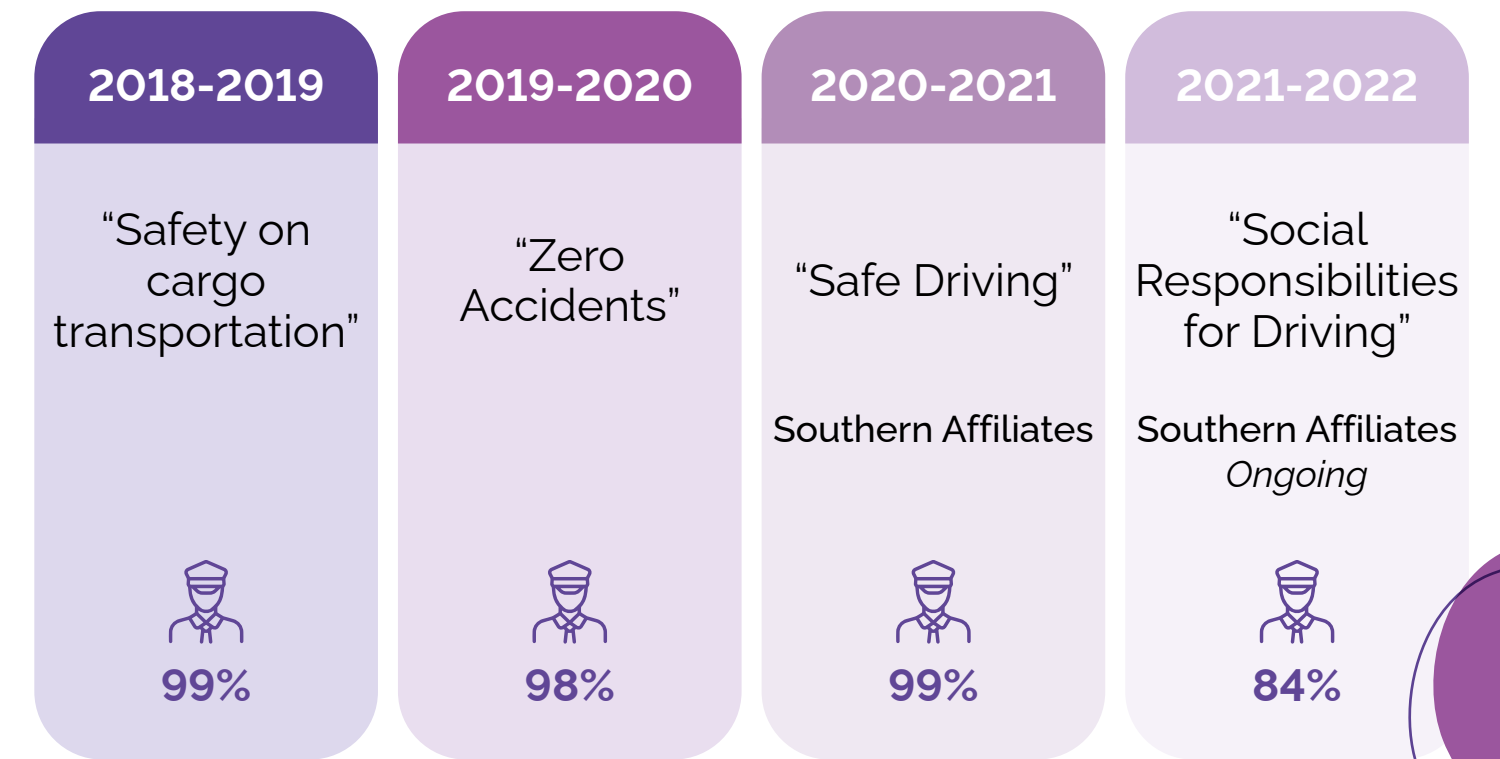
During the first year, this program had 89% compliance, IFI was reduced by 19% compared to 2021, IFT was reduced by 48%, and total accidents were reduced by 49%.

Logistic Occupational Health and Safety

As part of the plan on transport accidents prevention, we delivered training program on road safety for drivers belonging to different transport companies. In 2022, we carried out virtually the fourth training; called Social Responsibility to Drive aimed at raising awareness about safe driving on the roads.

During 2022, 2,816 drivers from 166 transport companies (84% of Arcor's fleet) were trained.

✓ Virtual ✓ G-Learning ✓ Addressed to all our drivers



As every year, we monitor and analyze transport accidents. We created an accident rate indicator that allows us to compare ourselves year after year. The IFS (Accident Frequency Index) is calculated as the number of accidents per million kilometers traveled. This allows us to follow up on accidents and take preventive actions to avoid future accidents.

In 2022, investigation of incidents with a focus on prevention was included and the indicator was applied to Southern affiliates and Chile DC. In 2022, IFS indicator was met: 0.15 (STD: 0.2), with only 8 accidents in Argentina, 1 in Bolivia and no accidents reported in the other countries.

Traffic Accidents (Argentina)

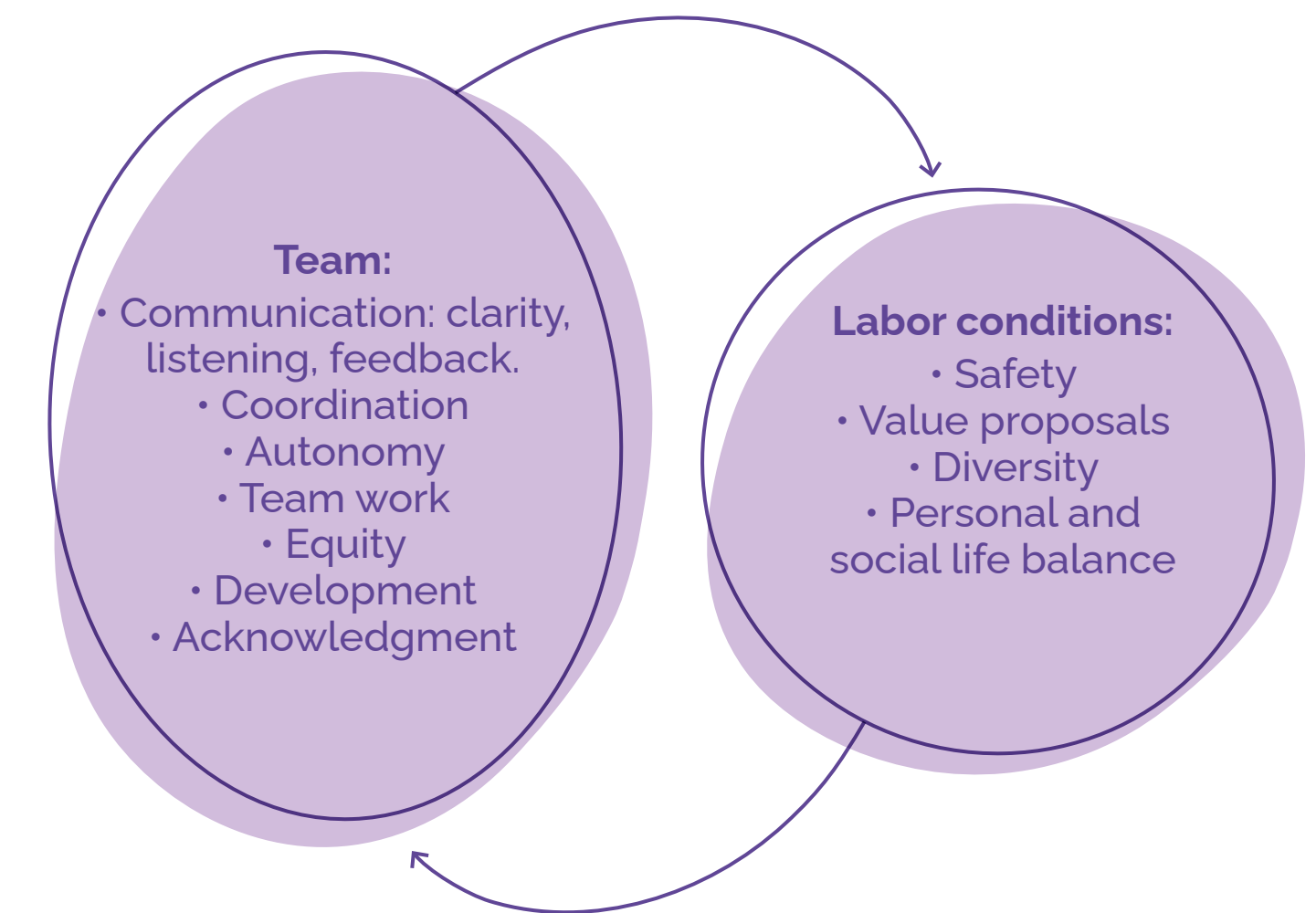


Internal Environment Management

The well-being of our internal staff is part of a sustained management over time, based on addressing the result of the perceptions of each member of our organization regarding organizational conditions, the team, relationships, the value proposal and the participation and incidence on them. In this way, we are oriented towards a comprehensive conception of people well-being within the organization, aligned with our Sustainability Policy.

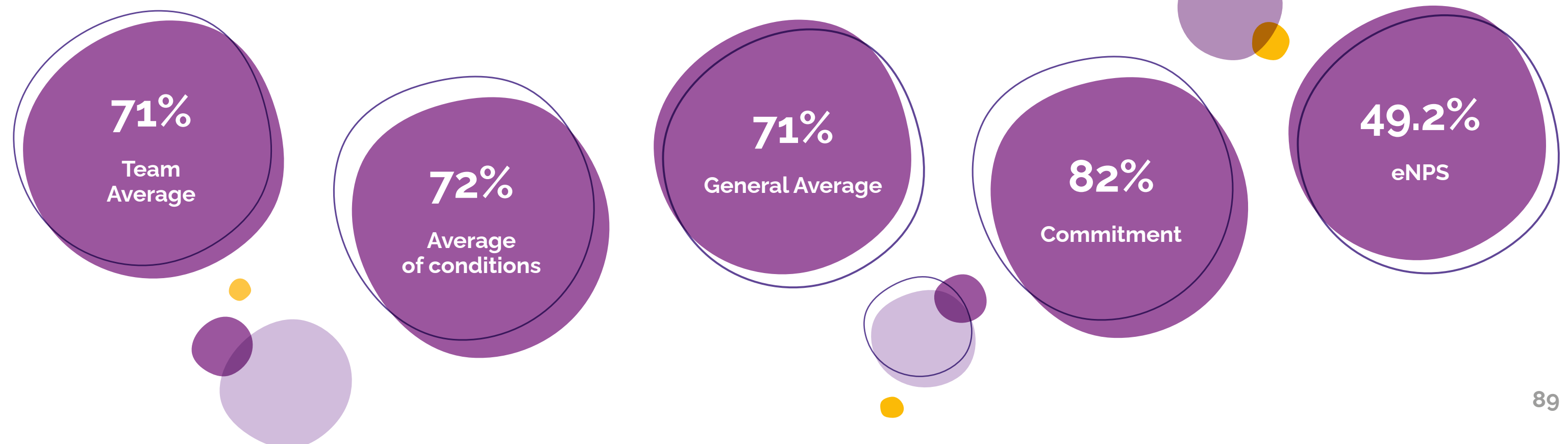
Based on this, in 2022 we designed a well-being survey that would allow all members of the organization to participate 100% online, with easy access, confidentially, and with an active role.

We worked on team dimensions and working conditions, as well as the level of commitment.



Surveyed Population	19,799 people
Quantity of Answers	15,348
Answers Rate	78%
Margin of error (95% Conf)	0.38%

The most highlighted results were:



Professional development and education

Our work teams are the fundamental engine of the company. For that reason, we promote development and training opportunities in new tools and knowledge to enhance their capabilities and ensure the company's sustainable growth.

Arcor's Internal Job Postings Program (BIA, as per its initials in Spanish)

We foster the growth of Arcor Group employees who wish to assume new challenges within the organization. Through the BIA portal, employees may apply for active job postings.

27.7% of vacant positions at the company in Argentina and 38% in Brazil were filled by Arcor Group's employees.



Strategic Resources Planning (PRE, as per its initials in Spanish)

The Strategic Resources Planning process has been in force for more than 8 years. It is carried out every 2 years with the objective of identifying people with high potential who can occupy leadership positions. The process is based on the theoretical framework of Eliot Jacques, using evaluation tools managed by HR with the active participation of the leaders of each team.

In each edition we seek to reinforce some concepts, optimize the evaluation of leaders, and increase adherence to the PRE process by businesses and HR, through simple but powerful communication tools, engaging people to their use and dissemination.

In this edition we once again focused on the development of women leaders. Before starting the Round Table space, the gender indicators of that evaluation group were shown in order to disclose how many women have been promoted since the last PRE, how many have been mapped and how many currently hold leadership positions.

2,446 estimates of potential collaborators were completed, out of a total mapped of 3,424. During 2022, 1,344 employees were mapped, of which 97 were promoted to management positions and 62 participated in the PDG.

Performance Management System (SGD, as per initials in Spanish)

We continue to consolidate multiple feedback process and in this way we optimize Self-assessment, Evaluation and Review, adding perspectives from internal clients, peers and reports so that the feedback is enriched and performance can be taken as a 360° feedback and development process.

In 2022 SGD embraced 4,536 employees.

Management Development Program (PDG, as per initials in Spanish)

In alliance with Torcuato Di Tella University, the Management Development Program (PDG) was carried out, as part of the first year of MBA training. The program was intended for talented cadres with the main objective of developing in the participants a comprehensive business vision that allows them to generate strategies for growth and value maximization, incorporating key tools from the areas of finance, HR, operations, and commercial strategies.

The program included 296 hours of training, through 10 compulsory subjects and two electives, and the design of a "Business Case" with the assignment of a tutor from the University and another from the company. At the end of the year, a face-to-face closing session was held before the highest authorities of Arcor Group, who evaluated the value and impact of the projects, as well as the performance and depth of analysis of the students.

60 pupils from all our businesses and countries participated in PDG 2021/2022.

Arcor University

This initiative is a technological solution platform to manage, train and develop Arcor Group employees. At Arcor University we offer different corporate, technical and general interest learning experiences in which employees can develop and update their skills and knowledge. Arcor University has the purpose of democratizing knowledge, encouraging each employee to be the owner of their professional development, setting their own limits and spreading the interest to continuous learning.

This platform allows us to create, organize and manage training offers to effectively achieve business objectives, through a catalog of 271 active course options with topics such as:

Business Analytics
Service Quality
Assertive Communication
Sustainable Management Development
Diversity
Client Experience
Quality Management
Operations Management
Leadership Management
Project Management and Agility
Induction

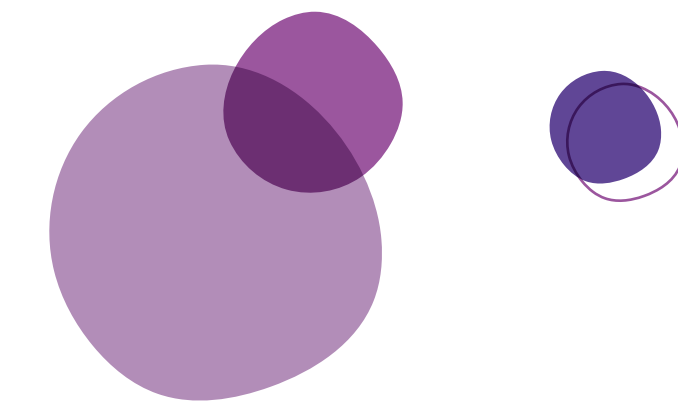
Innovation, Proactivity and New Trends
Innovation and Creativity
Research and Development
Systemic and inspiring developmental leadership
Marketing
Digital Mindset
SGI
Software and Apps
Collaborative Work
Personal Transformation

In 2022, 22 new e-learning courses were added to the platform and more than 1,500 users accessed the training offer. 4,595 employees participated in various training instances, reaching a total of 7,948 hours.

DIP Program (Digital Immersion Program)

Digital Immersion Program is a training program for high levels of NJ 1 to 4, preferably those who have completed the PDG. This program was led by Digital House, with the following objectives:

- Level general knowledge in the different disciplines used for a digital transformation.
- Learn about the topics regarding digital innovation.
- Shorten distances for the coordination of a project with inter-area dependencies.
- Know agile work tools.



Benefits and Compensations

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

Some of the benefits¹ offered the last year include:

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

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

Some of the benefits associated with children include:

Monthly financial aid for working mothers per child up to 6 years old.

High-school scholarships.

Summer school and breast feeding room at industrial facilities.

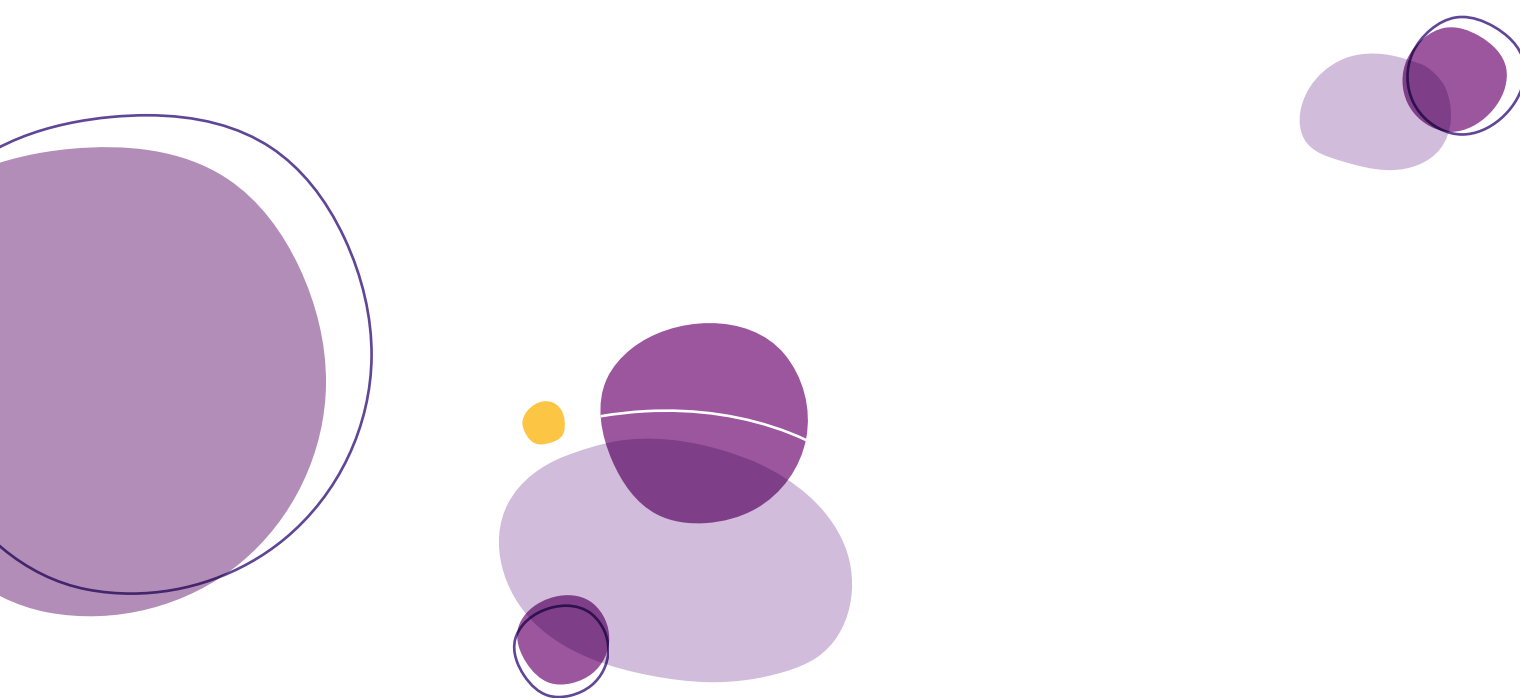
Kits with school clothing and supplies for employees' children.

Provision of Arcor products.

Private health insurance.

Remunerations

At Arcor Group, we do not make any form of discrimination in remuneration based on our employees' gender. Through a compensation system based on the renowned HAY methodology, we are able to monitor the salaries of our non-bargaining employees to enhance internal equity, ensure gender equality, and be competitive in the market. Range positioning is based on data from the comparative market and on each employee's individual performance, whilst payment levels are defined considering and abiding by any of the formal regulatory guidelines, but, in particular, a formal payment policy based on market guidelines to ensure that the company is competitive enough to attract and retain the talent required for its operations.



Community and Value Chain Development

We are convinced that companies can have a role in encouraging the creation of economic, social and environmental value throughout their value chain and the communities in which they are present.

We are committed to fostering the comprehensive development of our communities, creating spaces for collaboration, fostering the entrepreneurial spirit, and favoring local roots. Similarly, we commit to ensuring a responsible value chain, championing for quality work, ongoing improvement, and compliance with applicable environmental, social and health standards.

Through these commitments, we raise the progress prospects and the standard of living for every person with whom we interact.



Community Relations Strategy

Our Community Relations Strategy is established in the framework of our Arcor Sustainability Policy and the Code of Ethics and Conduct. We consider relations with the community as a gradual, comprehensive and strategic process of our business management.

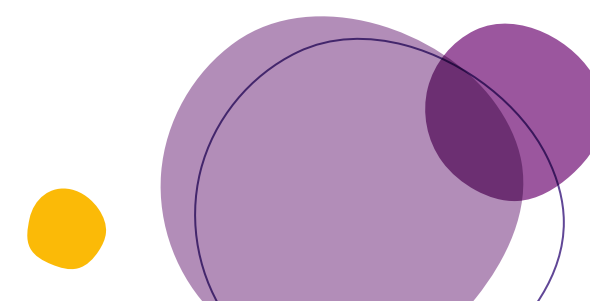
We believe that every industrial activity generates impacts and to manage them we developed a series of initiatives, programs and projects aimed at managing the risks and opportunities of the company-community relationship. Different areas of the company participate in these initiatives according to the topics addressed, contributing in an integral way to the 3 dimensions of the business and the territory sustainability: economic, social and environmental.

In order to carry out our commitment, we designed a strategy to recognize and manage the impacts of business operation in the community, thus we seek to conveniently and efficiently manage the actions and relationships developed in the territory, assuming ourselves as a co-responsible actor for the integral development of the communities we are part of.

Spaces for Dialogue and Broadcasting

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

- During 2022 we have strengthened the alliance with the Argentine Business Association (Asociación Empresaria Argentina), with which we implemented the "Mentoring" Project for young high school students from public and private schools in the Province of San Luis.
- In Cuyo Region, participation in spaces convened by the Provincial Commissions against the Prevention and Eradication of Child Labor (Comisiones Provinciales contra la Prevención y Erradicación del Trabajo Infantil, COPRETI) was maintained, mainly in the province of San Juan.
- Together with CODE (a social enterprise that seeks to create employment by coordinating small producers and consumers), we work to expand and diversify the company's supply sources, favoring the economic inclusion of groups that manage a productive activity and have less possibility of accessing the market. In a jointly work, we held the fourth National Conference on Purchasing Power and Decent Work, where the experience of the Responsible Inclusive Purchasing Project was shared within the framework of a focus on consumption, purchasing power and value chains linked to the federation of job opportunities in the most vulnerable and excluded sectors of society.



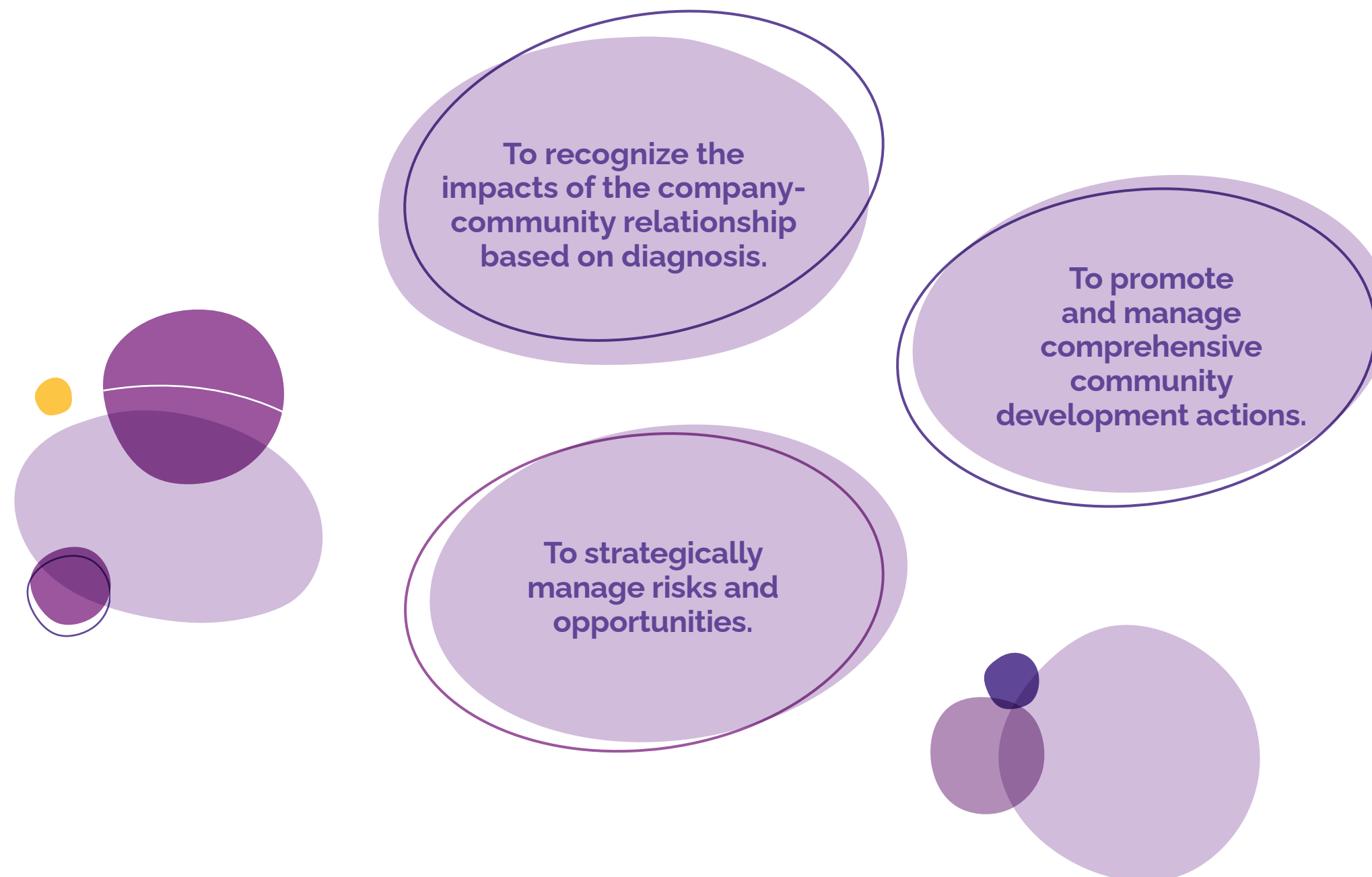
- We continue to participate in the Network of Companies against Child Labor, where we have consolidated our presence with the presentation of our permanent work experience for more than 16 years, within the framework of the "Grow up Playing, for a childhood without child labor" project in different areas of training and exchange that had international coverage.
- We are one of the companies that make up RedAmérica, where we participate as members of the advisory team of the company-community program.

At the local level, participation in various associated management spaces and issues related to community impacts are key to the company's role as a social and economic actor in the communities and regions where we are present.

Local Communities Relations Committees

At Arcor Group we conceive relations with the community as a component of the responsible management of the company oriented towards sustainability, being a gradual, comprehensive and strategic process related to business management. Management is the responsibility of a Corporate Community Relations Department, and Local Community Relations Committees have been formed in the company's plants and industrial complexes responsible for implementing the community relations strategy at the local level.

This strategy includes 3 lines of work:



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

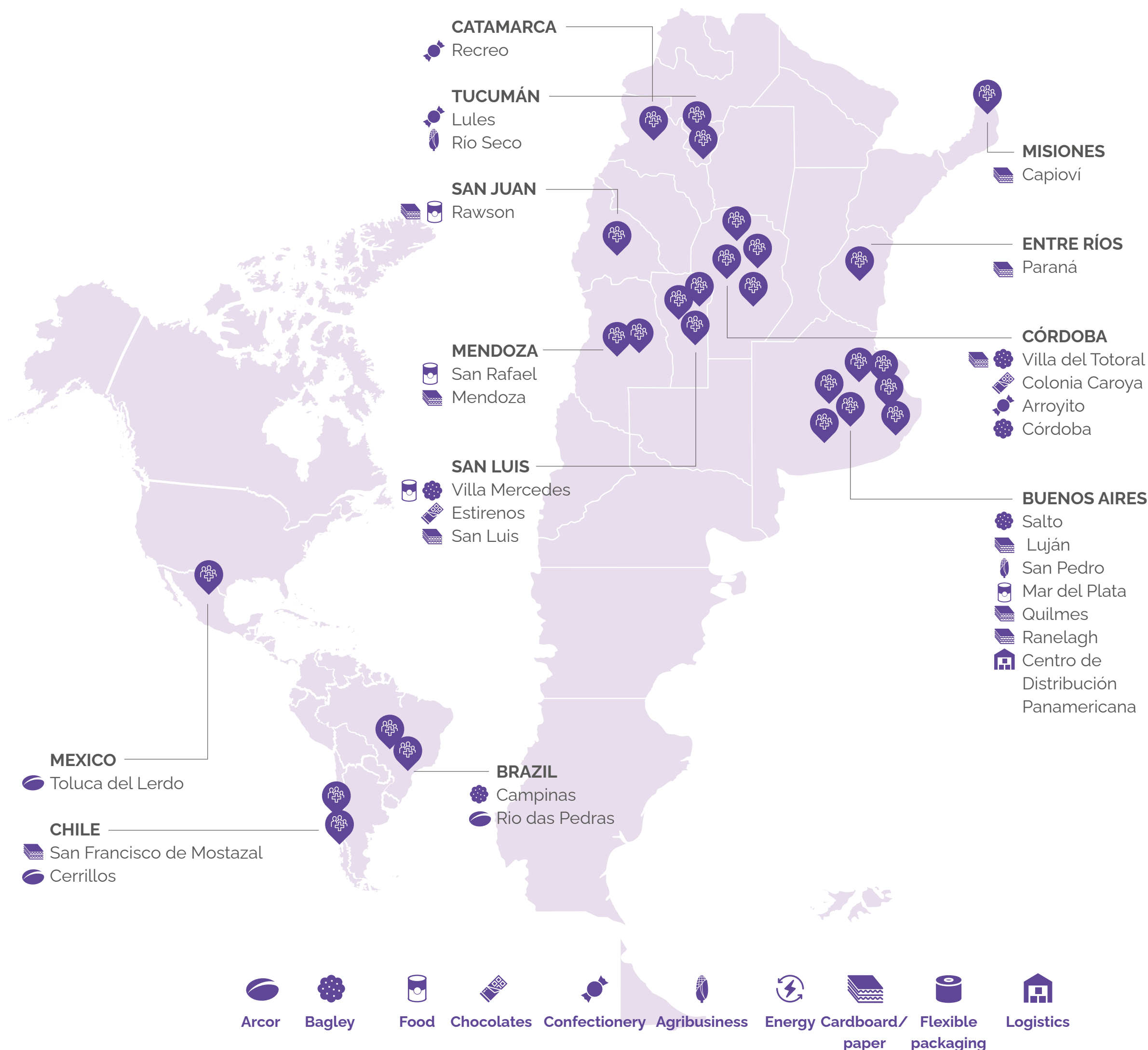


During the year 2022, we continue working to consolidate the community impact management model and strategy, expanding the coverage of action with the incorporation of two ARDION plants in the territories of Baradero and Chacabuco in the Province of Buenos Aires, Argentina.

At the end of 2022 there were 30 Local Communities Relations Committees in 4 countries:

#	Province	Country	Community	Business
1	Buenos Aires	Argentina	Salto	Bagley
2	Buenos Aires	Argentina	Luján	Packaging
3	Buenos Aires	Argentina	San Pedro	Agribusiness
4	Buenos Aires	Argentina	Mar del Plata	Food
5	Buenos Aires	Argentina	Quilmes	Packaging
6	Buenos Aires	Argentina	Ranelagh	Packaging
7	Buenos Aires	Argentina	Pan-American Distribution Center	Logistics
8	Catamarca	Argentina	Recreo	Confectionery
9	Córdoba	Argentina	Villa del Totoral	Bagley & Packaging
10	Córdoba	Argentina	Colonia Caroya	Chocolates
11	Córdoba	Argentina	Arroyito	Confectionery
12	Córdoba	Argentina	Córdoba	Bagley
13	Entre Ríos	Argentina	Paraná	Packaging
14	Mendoza	Argentina	San Rafael	Food
15	Mendoza	Argentina	Mendoza	Packaging
16	Misiones	Argentina	Capioví	Packaging
17	San Juan	Argentina	Rawson	Food
18	San Juan	Argentina	Rawson	Packaging
19	San Luis	Argentina	Villa Mercedes	Bagley & Food
20	San Luis	Argentina	Estirenos	Chocolates
21	San Luis	Argentina	San Luis	Packaging
22	Tucumán	Argentina	Lules	Confectionery
23	Tucumán	Argentina	Río Seco	Agribusiness
24	Chile	Chile	San Francisco de Mostazal	Packaging
25	Los Cerrillos	Chile	Cerrillos	Bagley, Confectionery & Cho
26	Toluca	Mexico	Toluca	Confectionery & Chocolates
27	San Pablo	Brazil	Campinas	Bagley
28	San Pablo	Brazil	Rio das Pedras	Confectionery
29	Baradero	Argentina	Baradero	Agribusiness
30	Chacabuco	Argentina	Chacabuco	Agribusiness

Local Community Relations Committees



We work directly with the 30 Local Community Relations Committee conformed in Argentina, Chile, Brazil and Mexico.

Dialogue with communities and claims management

The Committees are responsible for managing different claims, especially referred to environmental management. The claims get to the industrial bases due to negative external factors such as vibrations, odors, noise, transportation or effluents.

For the treatment of each of these claims, each plant has a specific procedure through which the situation is first diagnosed, then we communicate with whoever made the claim and, finally, it is managed within the framework of the company's comprehensive management system.

Training for Community Relations Committees

In 2022 we launched an Introduction to the Community Relations area training program, aimed at the members of the Community

Relations Committees of the industrial bases in Argentina, Chile and Mexico, as well as for new Arcor Group employees related to the area. The program aims to provide information and update knowledge on community impact management and the company-community relationship, so that participants can acquire or update their knowledge of the methodology, tools and corporate programs of the area for the development of their role as members of the Committees. The participation included members of all the Local Community Relations Committees.

Finally, it is worth noting that the Local Community Relations Committees participated and worked jointly in more than 17 spaces for coordination with different institutions at the local and provincial level, favoring the continuity of programs and projects adapted to the context.

Arcor Life, Entrepreneurs Development in Africa

In 2022, from the commercial area of the African and Mediterranean Levant Region, we created Arcor Life (Arcor Vida, in Spanish), an initiative already set in the traditional market of the African continent that incorporates criteria and objectives in the economic and social field through street vending. The program emerges as an alternative to the traditional distribution channel.

The initiative helps unemployed young people to develop the skills and knowledge necessary to have a paid job through street vending or to create their own business by offering useful work tools to prosper in their sales with our products. In addition, it meets the objective of increasing sales of our products and expanding coverage in the traditional market, achieving brand presence thanks to the plotting of the briefcases with our main brands.

Throughout the year the following implementation stages were completed:

- **Recruitment:** Selection of young people based on indicators of business motivation, honesty and commitment.
- **Training:** Training on how to generate sales and manage profits, as well as on the use and maintenance of work tools. In a period of 2 days, 100 participants completed the training and received manuals with information on sales and use of the products.
- **Market:** Once they gain autonomy, the vendors enter the streets to start their business, applying the training received.

- **Financing:** A major challenge has been acquiring, establishing, and securing financing to start the first product kit for each vendor, which is provided on credit to allow vendors in precarious situations to start their business. A local government body, The Youth Board, supports the project and acts as a financial guarantee for the vendors.

Up to now, USD 60,000 has been invested in material. The local distributor also invested USD 5,000 in training and formation of the first candidates.

Some of the cases of increased sales in relation to the previous year, as from the implementation of the project were:

- Bon or Bon by 3%.
- Menthoplus by 9%.
- Poosh by 4%.

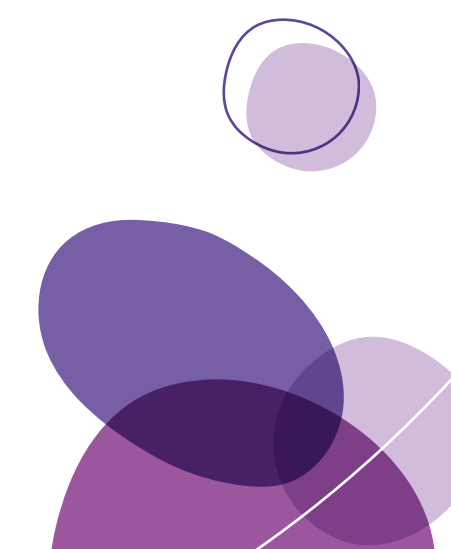
The next step is to provide clothing and training courses to vendors who have been working for more than a year, which will allow them to continue incorporating sales and management knowledge of their microenterprise.

Integrating community perceptions

As part of a qualitative approach that focuses attention on the perceptions of different regional actors regarding the company-community relationship and its social, environmental, and economic impacts, in 2022 we promoted a qualitative study aimed to find out what the community knows about the company, what impacts they suppose are taking place, as well as their assessment. This made it possible to reveal the strengths and opportunities to improve the relationship with the community in order to establish strategies and specific work plans in the medium term.

The perception studies were carried out through 31 focus groups and 176 in-depth interviews, addressed to referents from the social, economic and environmental fields, as well as representatives of the public sector, the media, employees' family members and neighbors of the plants.

Perception studies were carried out in 14 communities, located in the Argentine provinces of Córdoba, Catamarca, Tucumán, San Juan, Misiones, San Luis and Buenos Aires.



Corporate Donation Program

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

At Arcor Group we donate different types of products that are outside the commercial circuit and those semi-finished products or raw materials that are generated in the production process and that can be used or reworked in some part of the process. Out of our total donations in Argentina, 80% were channeled through Food Banks, 11% through Cáritas diocesan offices, and 9% for several educational institutions and community organizations nearby the company in Argentina, Brazil, Ecuador, Chile, Paraguay, Uruguay, Bolivia and Mexico.

In 2022, we donated 1,651,360 kg of products in Argentina, and 156,513 kg in other countries, which allowed community organizations to ease children and adolescents' access to food.

For the second consecutive year, the initiative "Special New Year's Eve Action" was also carried out, in order to accompany different organizations that provide direct food assistance to urban sectors in vulnerable situations. During December, non-perishable and Christmas products were donated to cover 60,000 portions of lunches/dinners and snacks in Córdoba City and in Tigre district, Buenos Aires province.

The work of more than 994 local organizations was supported, in addition to continuing working at corporate level with a Network of Food Banks and several Diocesan Caritas Institutions.

Food Banks Visit to the Pan-American Distribution Center

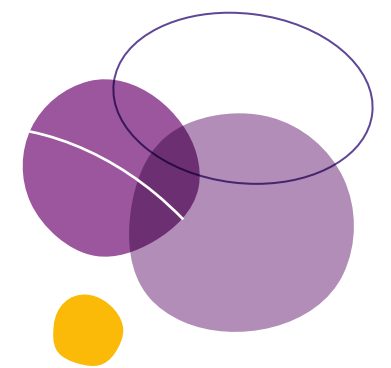
In order to learn about the operation of the Pan-American Distribution Center, from the Logistics, Safety, Environmental and Hygiene perspective, visits were organized following the daily dynamics of each organization to improve their related logistics processes.

There was an excellent exchange between Banks leaders and the Distribution Center, and proposals for improvement were agreed upon for the implementation of the corporate donation program. The main concern that emerged was the generation of longer and deeper exchanges, with greater technical content, so that the Banks can explore new actions in order to improve their own processes.

Visit to Industrial Plants

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

In 2022, more than 7,400 people visited different Arcor Group plants.



A very special visit

At Recreo complex, we received 18 students and 4 teachers from an educational institution of the town of Quimilo, which is located 120 km southeast of the City of Recreo, on the border with Chamicla (province of La Rioja).

Quimilo is a town of approximately 100 inhabitants that does not have drinking water, so they bring it from Casa de Piedra town and deposit it in a cistern that supplies the entire town. The school is attended by 23 students, some of whom must go through between 20 and 25 km a day on horseback or on foot to go to study. The school opens in the morning as Elementary School No. 446, and in the afternoon as Rural Secondary School No. 15 under a multi-year modality (where students from all academic years stay together).

The school has Agro-environmental modality, and for this reason the visit was aimed to making the students aware of the productive processes, and thus they could approach from practice the contents they study during the school year.

“Ser Parte” (Being Part) Program

In 2022, “Ser Parte” (Being Part) Environmental Program was implemented. It aims to publicize the environmental management and protection practices that we carry out in our industrial operations, involving nearby communities. The Program is aimed at local primary schools and this year we received a total of 1,469 students.

It allows us to adapt the content of the program to local practices and problems in order to:

- Align and consolidate the training actions developed by the company related to care for the environment in the community.
- Enable the training of boys and girls as promoters of care for the environment, with information and material from the region.

The development of these initiatives contributes to the training of young people in the towns where the company is located, enabling them to approach the world of work and have more tools for discerning their vocational orientation.

Environmental Education in Papel Misionero

Among different activities carried out in order to promote the active practice of caring for and preserving the environment, several educational meetings were held in Papel Misionero Natural and Cultural Reserve, in El Soberbio.

The company involved leading collaborators from Forestry Area, Human Resources and Community Relations.

This action is part of strengthening links with schools in the area. In addition to contributing with specific areas of environmental education, the workshops allowed us to disclose all the initiatives that the company puts into practice to care for the environment, as well as the investments and improvements that are achieved year after year.

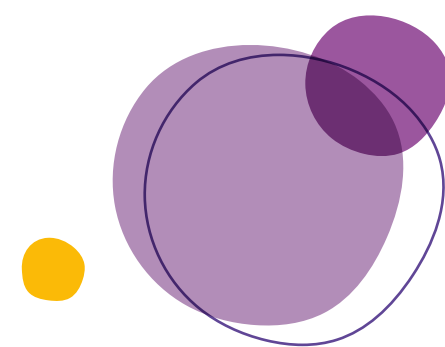


Linkage Program with Technical Schools

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

For more than 15 years, we have provided opportunities for young people to enter the world of work and we have promoted linking actions with technical training institutions. During 2022, secondary internships were reactivated at 12 plants. 135 students from 26 schools in Argentina participated in this experience. We also trained 19 teachers, and directly involved 104 collaborators.

It is the second year that we have implemented the Mentoring Project in the Province of San Luis, a joint initiative with the Argentine Business Association (AEA), the Professional Technical Education Subprogram, Mastellone Hnos. and the Arcor San Luis Group Plants. Through this initiative, we promote comprehensive projects designed in 2022 by 113 students in their last year of Technical Schools in Villa Mercedes, accompanied by 28 Arcor Group collaborators.



Social Investment in Children

The Social Investment strategy is aligned with the Corporate Sustainability Policy, and involves making voluntary, planned and monitored investments of private resources in social projects of public interest, channeled and intended to contribute to a cause: children.

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

To carry out the social investment strategy, the company established Arcor Foundation in Argentina (1991), Arcor Brazil Institute (2004), Arcor Foundation in Chile (2015); and initiatives of Latin American scope were developed to guide the social contribution from a specialized knowledge, which has been consolidated during more than thirty years of work.

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

Through a Regional Strategy, we work on initiatives and projects in favor of children's rights, together with different actors in society, and under common guidelines for all countries in the region, with a presence throughout Latin America. The actions are structured in the following areas:

- Childhood and Healthy Life: we contribute to the promotion of healthy living habits in childhood, through training and generation of knowledge on the subject.
More information in Chapter 3.
- Childhood and Integral Development in the Early Years.

During 2022, we supported and carried out 147 initiatives in Argentina, Brazil, Chile and other countries in the Region, in which 268,051 boys and girls participated and 22,348 people related to childhood issues were trained. Likewise, 313,148 people participated digitally and we reached 6,869,757 people from the mass public.

In addition, during the last year, a series of commemorative actions were carried out for the 30th anniversary of Arcor Foundation, extensive to social investment in Latin American region, together with Arcor Foundation Chile and Arcor Institute Brazil.

In 30 years of action, we have supported around 4,000 projects in which 6.7 million girls and boys and 1.5 million people who work with children participated, in alliance with more than 2,000 institutions in Latin America.

Childhood and Integral Development in the Early Years

We collaborate with the strengthening of early childhood services, care environments and education, through the education and training of leading adults and support for the material conditions of the institutions that work in it.

- **"My Patio is the World" Award (Regional):** together with the World Organization for Early Childhood Education (OMEP), Arcor Group in Bolivia, Uruguay and Paraguay, Arcor Foundation in Argentina and Chile and Arcor Institute Brazil, we carried out the fourth edition of this Award, recognizing educational experiences for sustainable development in early childhood carried out by institutions dedicated to children care and education. 135 experiences were received, of which 13 projects were selected, among winners and special mentions. The initiatives were presented in the format of original articles describing the production of knowledge about successful practices that involve boys and girls as protagonists in educational processes for sustainable development. We also carried out the "Virtual Conversation on Education for Sustainable Development (EDS) in Early Childhood", in order to contribute to the visibility of the importance and contribute to different perspectives on pedagogy and ESD practices. It was aimed at teachers and referents linked to early childhood education and care, and education for sustainable development, government officials, academics, members of civil society organizations, families, and the general public. 350 people participated and the panelists were: Nora González Chacón (President of OMEP Costa Rica); Berta Espinosa (Preschool Educator University of Chile); Claudia Serafini (Agronomist Engineer, University of Buenos Aires;

Argentina) with the coordination of Mercedes Mayol Lassalle (World President of OMEP). More information at:

<https://fundacionarcor.org/presentamos-a-los-ganadores-de-mi-patio-es-el-mundo-ed-2022/>

- **Close Childhood:** as part of the support given to the work that municipalities develop on early childhood, we carry out a set of training modules on various topics related to childhood in its early years. 9 municipalities participated of the 4 training modules of the program: Pocito and Rawson on Healthy Eating; Tigre in the Diploma The Role of the Principals in Kindergarten; Arroyito and Luján in Play and Language in the Early Years; Colonia Caroya, Jesús María, Sinsacate and Villa del Totoral with Body Practice and Movement in Early Childhood. A total of 32 Kindergartens, 320 teachers and 2,457 boys and girls took part in the initiative.
- **Novo Olhar Program:** in alliance with the FEAC Foundation, we sought to promote child development, strengthening sensitivity and awakening the intentionality of school teams, so that they could build democratic educational projects, resulting in meaningful and contextualized learning, autonomous boys and girls, with rich repertoire of life and reading of the world, with new and wide horizons to discover. The program was implemented in **Rio das Pedras, Contagem, Bragança Paulista, and Campinas**. We developed several training spaces for early childhood educators; and together with the schools we launched an e-book for children's education. In alliance with the State University of Campinas, we carried out a course in our Educational Portal for 30 schools in which 100 people participated. We supported the development of projects for 5

organizations and contribute financially to their development and monitoring.

- **Expansion of territorial scope in Chile:** We highlight the growth at the national level of the actions developed in the trans-Andean country, reaching regions throughout the entire territory (Valparaíso, Los Ríos; Metropolitan; Arica; Araucanía, Parinacota, Coquimbo, Los Lagos, Maipú, Puente Alto, Viña del Mar and Quilpúe). The actions were implemented in partnership with JUNJI, municipal corporations, local education services, the local Children's Office, municipal education directorates, Integra Foundation, OEI, Grass Foundation, Silva Henríquez Catholic University, San Sebastián University, Mayor University; Children's Ombudsperson.
- **"Protagonist Childhood" Program:** in Chile, in alliance with Gras Foundation, we support projects of organizations that promote the protagonist participation of boys and girls between 4 and 8 years of age. Support was given to 4 projects that reach 368 boys and girls in the towns of Valdivia (Los Ríos Region), Villarrica (Araucanía Region), Southern Chile, and in Santiago, in the San Joaquín and Pedro Aguirre Cerda communities (Metropolitan region). Within this framework, training on *Children's Rights and Guaranteeing Institutions* was launched in partnership with the Chilean Ombudsperson's Office.

- **“Early Childhood Participation” course:** in collaboration with JUNJI, Valparaíso Local Education Service, Local Childhood Office and Santiago Education Directorate, Integra Foundation, OEI and Local Public Education Services of Puerto Cordillera and Llanquihue, 144 people from 48 educational establishments were trained. In addition, 8 projects from 3 schools and 5 kindergartens in Santiago, Valparaíso and Arica were supported, impacting 1,481 boys and girls.
- **Course “Links in the Early Years”:** 74 people from educational establishments were trained in partnership with Fundación Integra, Municipal Corporations of Maipú, Puente Alto, Viña del Mar and Quilpúe. In addition, 3 kindergarten projects have been supported in Maipú (Santiago) that have impacted 159 boys and girls.
- **“Sustainable Education for Kindergartens” course:** 23 kindergarten educators from Santiago Children's Corporation were trained, in partnership with the Silva Henríquez Catholic University. More information at: <https://www.fundacionarcor.cl/certificacion-del-curso-educacion-en-el-desarrollo-sostenible-con-dos-grandes-alianzas/>
- **Alliance with Municipality of Córdoba:** within the framework of the articulation agreement with the Municipal Education Secretariat, work was done on different lines. As an example, we encouraged the promotion of healthy lifestyles in six Municipal Educational Parks. It was carried out through the development of workshops on healthy eating for 240 boys and girls, working in six face-to-face instances

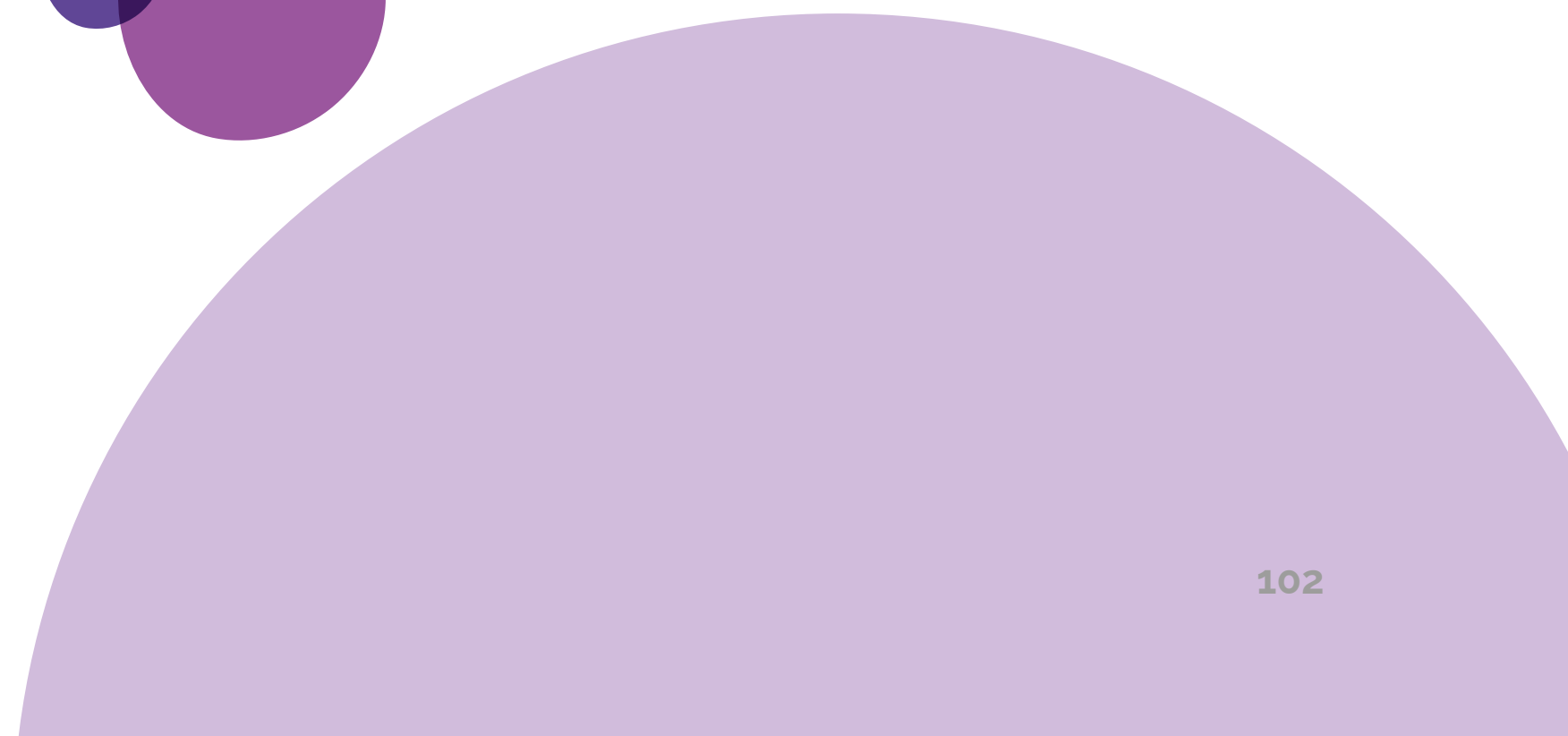
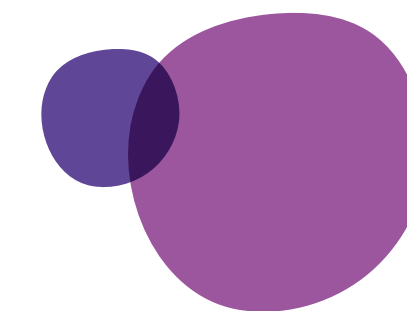
and a closing with six performances of the play "Bartules", in which a total of 360 boys and girls participated. In addition, a specific agreement was signed with the Ministry of Education and Ente Córdoba Obras y Servicios (Córdoba Entity for Public Works and Services), for the installation of a Playground for Early Childhood in the facilities of the Parque Educativo Norte.

Childhood in the Public Agenda

We promote reflection and visibility of children situation in the region through different initiatives:

- **Webinars in partnership with the initiative “Equity for Children”:** “Life in Lima and Rosario” and “Life in Mexico City and Buenos Aires”.
- **Alliance with OMEP Argentina:** participation and support for the 15th INTERNATIONAL MEETING OF EDUCATION FOR CHILDREN: “Times and spaces inhabited by children. Weave of contexts and cultures.” And support for more than fifteen training instances for initial level teachers.
- **Agreement with the Ombudsman for the Rights of Girls, Boys and Adolescents of the Province of Córdoba:** support for the IX World Congress for the Rights of Children and Adolescents “Girls, Boys and Adolescents: Leading Citizens for a Fairer World” and participation in the Seminar: Early Childhood as a Meeting Time.

- **Our educational portal:** it has more than 40 courses available in Spanish and Portuguese, in which 6,741 students from Latin America have already participated. It makes a total of 140,116 hours of training.
- **Mobilization and dissemination:** we develop actions to sensitize the different actors in both the public and private sectors and thus recreate the space for children as everyone's responsibility. During 2022, we reinforced this strategy with different audiences with a view to the “return to the new normality” post-pandemic.
- **We participate in networks:** REDEAMERICA, United for Early Childhood (UPPI, as per its initials in Spanish), Red Nuestra Córdoba, Group of Foundations and Companies (GDFE), National Early Childhood Network and Group of Fundações and Companies Institutes (GIFE)
- **Alliances and Agreements:** within the framework of our various lines of work, during 2022 we promoted, maintained and signed 207 agreements with different agencies and organizations with which we articulate actions.



Arcor Foundation's 30 years

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

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

The main actions developed these years include:

- **Communication campaigns in Spanish and Portuguese:** "Did you know" campaign, "Views" internal campaign and "Traces of a shared path" campaign.
- **"Living Dictionary of Childhood":** development of a digital publication, with a special printed edition, which has a selection of 30 concepts that put childhood at the center of the scene. <https://fundacionarcor.org/wp-content/uploads/2022/10/Diccionario-Vivo-de-la-Ninez.pdf>
- **"Dialogues and perspectives on early childhood in Latin America":** this publication continues the path of a previous publication called "Early childhood situation in Argentina: two decades after the ratification of the Convention on the Children's Rights" issued in 2012 by the Arcor Foundation to commemorate its 20 years of work.

It is a review of the legislative transformations and existing policies for children in Argentina, comparing it with what has happened in Brazil and Chile during the last decade. More information at: https://fundacionarcor.org/wp-content/uploads/2022/09/FundacionArcor_publicacion.pdf

- **Interventions in public areas:** Fostering access to public spaces and the right to play, **12 playgrounds for early childhood and 30 spaces for playing** in different institutions related to education were developed. It implies creating more than 3,000 m² intended for recreational activities. Playgrounds in Argentina are located in Arroyito (Córdoba); Pocito (San Juan); San Rafael (Mendoza); Marqués Anexo (Córdoba); Lujan (Buenos Aires); Lomas de Zamora (AMBA); Capioví (Misiones); Humahuaca (Jujuy); Recreo (Catamarca); Lules (Tucumán). At the end of October, an early childhood playground was also inaugurated in Rio das Pedras (São Paulo), **Brazil**. During March, 2023, the same work was developed in the community of Cerrillos (Metropolitan Region), **Chile**. At the same time, through the initiative **"Returning to being together: painting to play"**, games painted on the floor were created in order to carry out recreational activities in the open air, **in 28 educational institutions from the following localities:** Salta (Salta); Río Seco (Tucumán); Lules (Tucumán); Rawson (San Juan); Capital (Mendoza); Tunuyán (Mendoza); Villa Mercedes (San Luis); Villa El Tropezón (Córdoba); Chacra de la Merced (Córdoba); B° Acosta (Córdoba); Villa Libertador (Córdoba); B° Parque Liceo II (Córdoba); Villa Totoral (Córdoba); Colonia Caroya

(Córdoba); El Volcadero (Paraná, Entre Ríos); San José (Entre Ríos); Salto (Buenos Aires); Paraje Inés Indart (Salto, Buenos Aires); San Pedro (Buenos Aires); Tigre (Buenos Aires); Moreno (Buenos Aires); La Plata (Buenos Aires); Mar del Plata (Buenos Aires); Villa 31 (CABA); Villa 21-24 Barracas (CABA); Quilmes (AMBA); Ranelagh (AMBA); Puerto Rico (Misiones) y Rosario (Santa Fe).

- **International Seminar:** "Equality in education: gaps, debates and opportunities": It was attended by more than 500 educators and teachers of all educational levels, professionals and people who work in institutions related to children. More information at <https://fundacionarcor.org/seminario-internacional-igualdad-en-la-educacion-brechas-debates-y-oportunidades/>

Value Chain



Our value chain is made up of several links that allow, in an integrated manner, to add value to the society in which we are immersed. Mapping processes and actors involved allows us to identify and manage risks and impacts to promote innovative practices for the creation of sustainable value in each of the links that compose it: Supply, Processing, Marketing and Distribution, Consumption and End of useful life.

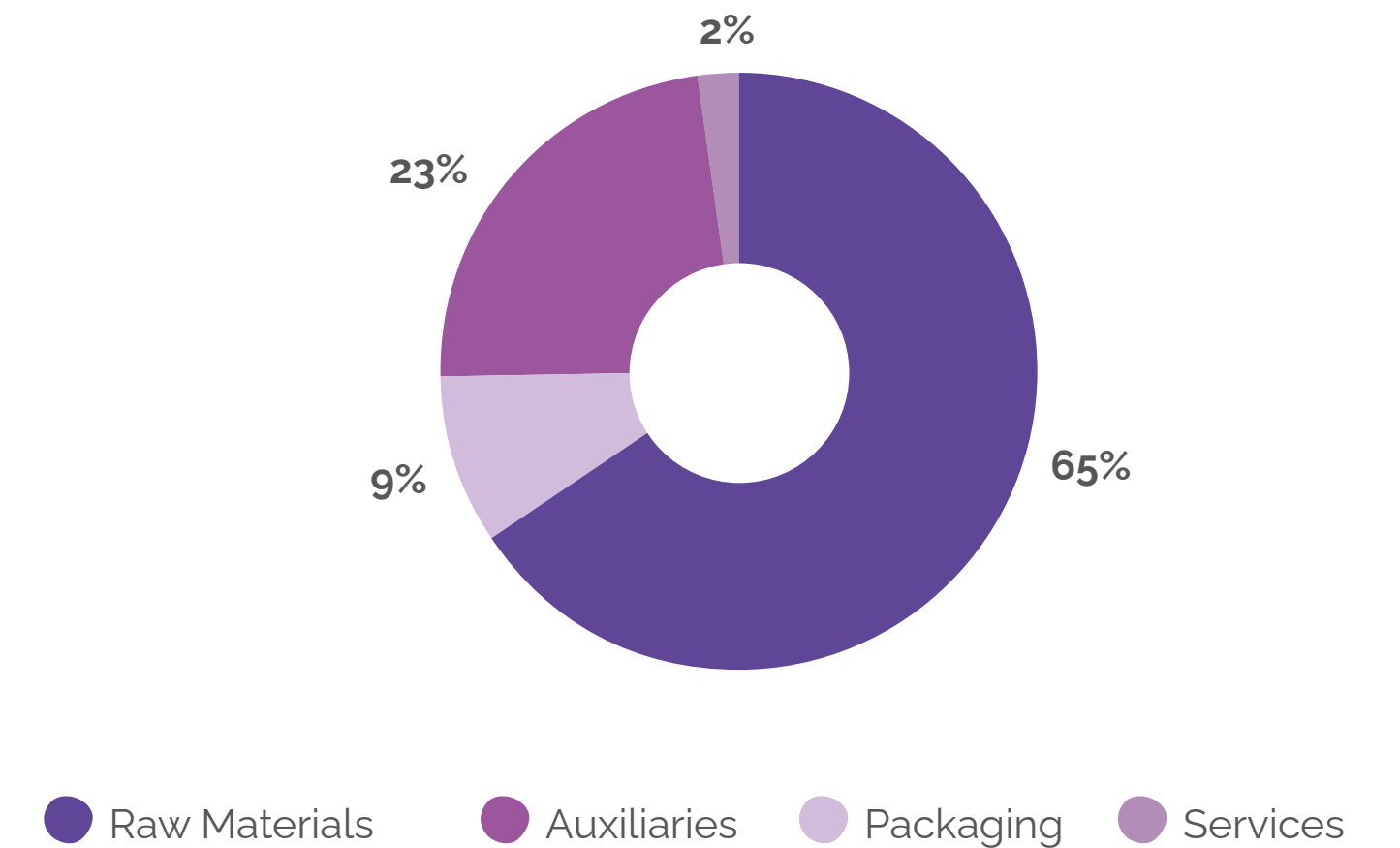
Sustainable Supply Strategy

Through the Sustainable Supply Strategy, we seek to achieve traceability in the supply of products and services, managing the impacts derived from commercial relationship with our 16,328 suppliers. In order to do this, we implement initiatives, projects and programs aimed at promoting continuous improvement in the management of our suppliers, as well as the sustainable management of their operations. Starting from a general framework, initiatives are developed and designed based on the needs, challenges and opportunities that each kind of supplier presents in relation to sustainability.

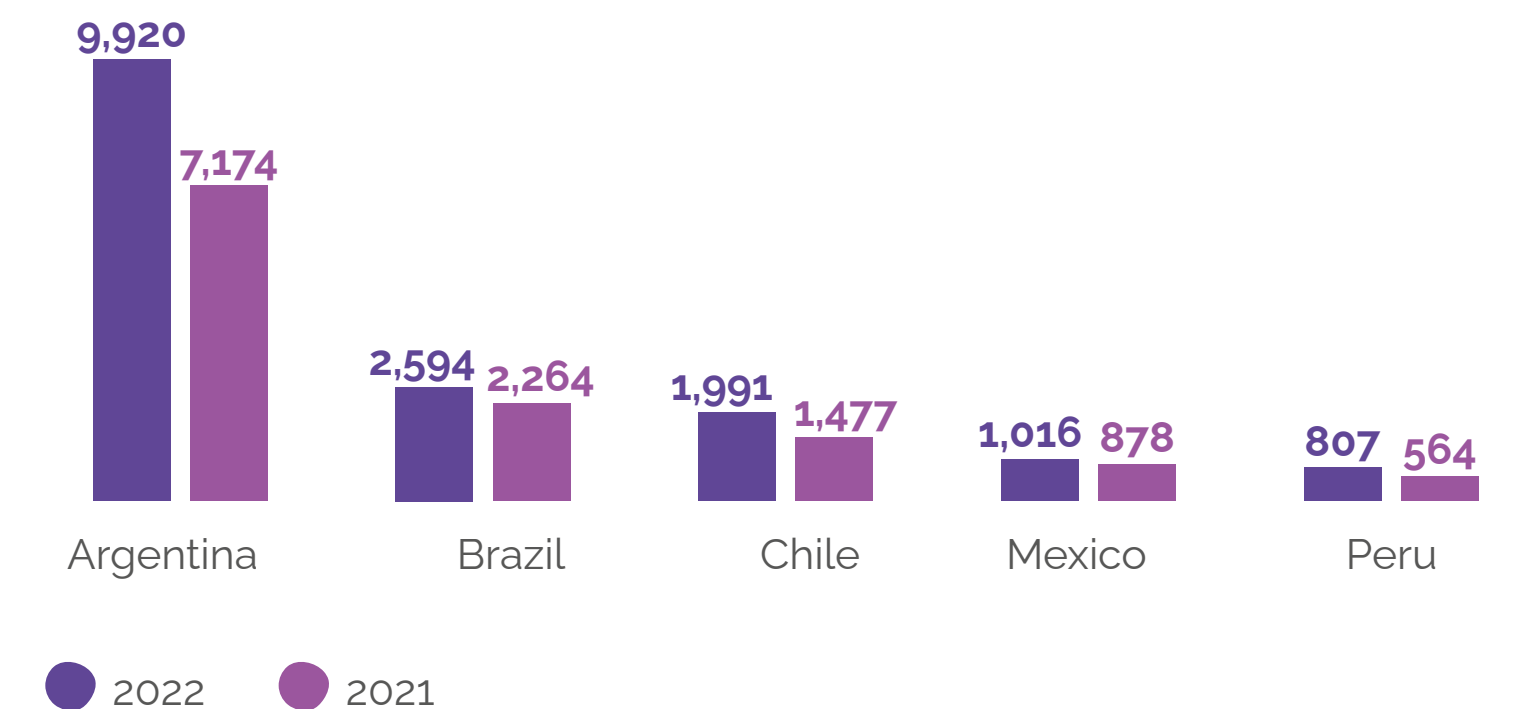
16,328 active suppliers during 2022

Suppliers

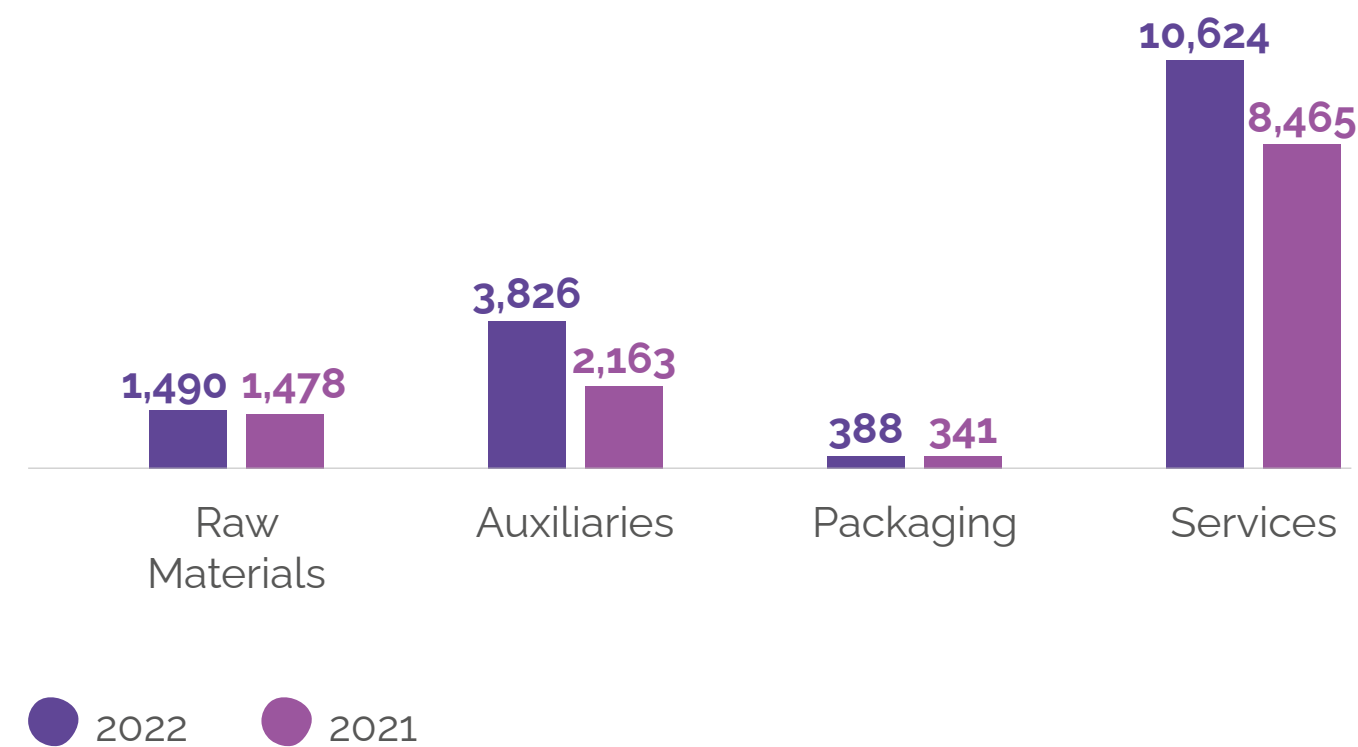
Distribution of suppliers by kind of product or service hired



Evolution of active suppliers by country

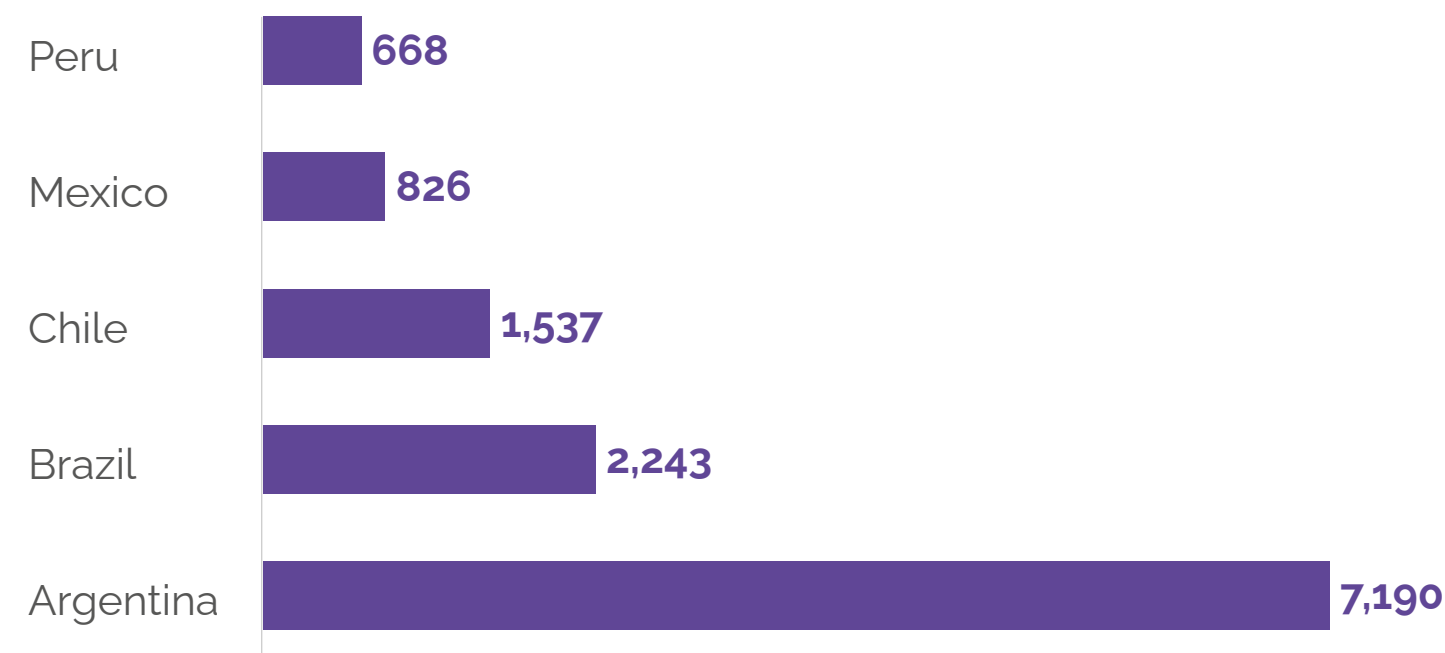


Evolution of suppliers by kind of product or service hired



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

Local suppliers by Country (national purchase orders)



Knowledge to transform

The starting point is awareness and training of our suppliers. Dialogue allows us to clearly establish and communicate our expectations. In this way, we create fertile ground to later be able to incorporate sustainability aspects into our business relationship, using different instruments:

- We include sustainability messages linked to our commitments in our purchase orders.
- 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 that we have specifically for current, potential and interested suppliers.
- We promote instances of education and training on various topics related to sustainability based on the specific needs of each group and within the framework of each project.

Promoting to understand

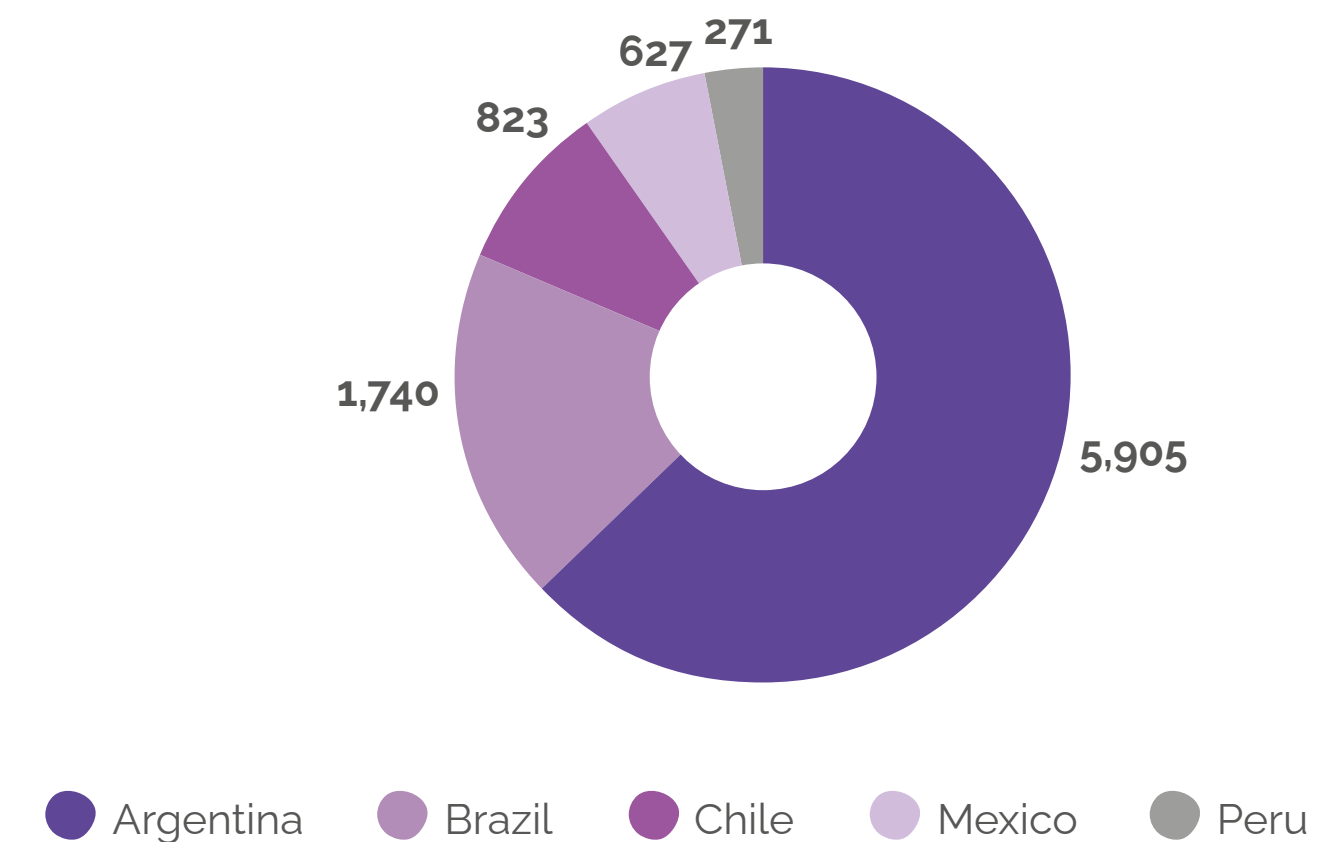
Our links with our suppliers are being strengthened through a progressive alignment, which begins by requesting a formal commitment to sustainable management. It is done signing a Letter of Adherence to Fundamental Principles for Responsible Management, a decalogue of values linked to the ten Principles of the United Nations Global Compact, work standards defined by the International Labor Organization (ILO) and good business practices.

Since 2015, all our suppliers in all the countries where we operate must sign such Letter to be registered. This mechanism aims to guarantee, among other issues, the right to

freedom of association and to benefit from collective agreements and anti-forced or non-consensual labor policies.

9,366 of our active suppliers are signatories of the Charter of Fundamental Principles for Responsible Management.

Geographic Distribution of Active Suppliers that Subscribe the Letter of Adherence



Measuring to improve

This dimension includes initiatives aimed at monitoring and evaluating our suppliers in aspects of sustainability, with the aim of promoting continuous improvement in their management, contributing to the sustainability of their business.

In the case of our outsourced suppliers, we monitor both quality aspects and economic and socio-environmental aspects at all stages of our business relationship (qualification, contracting, monitoring and control).

(See Chapter 3)

REconocer Program

During 2022 we continued with the implementation of the REconocer Program, which allows us to manage the risk of commercial quality and sustainability in Arcor Group supply chain.

2022 Plan of REconocer Program was structured into two main lines of work:

1. Evaluation of suppliers with commercial quality and sustainability criteria

It consists on the implementation of self-assessment in suppliers with the aim of obtaining a Commercial Quality & Sustainability Index, which is taken into account by the Purchasing area to promote continuous improvement actions in participants and to make better purchasing decisions. The self-assessment covers different topics:

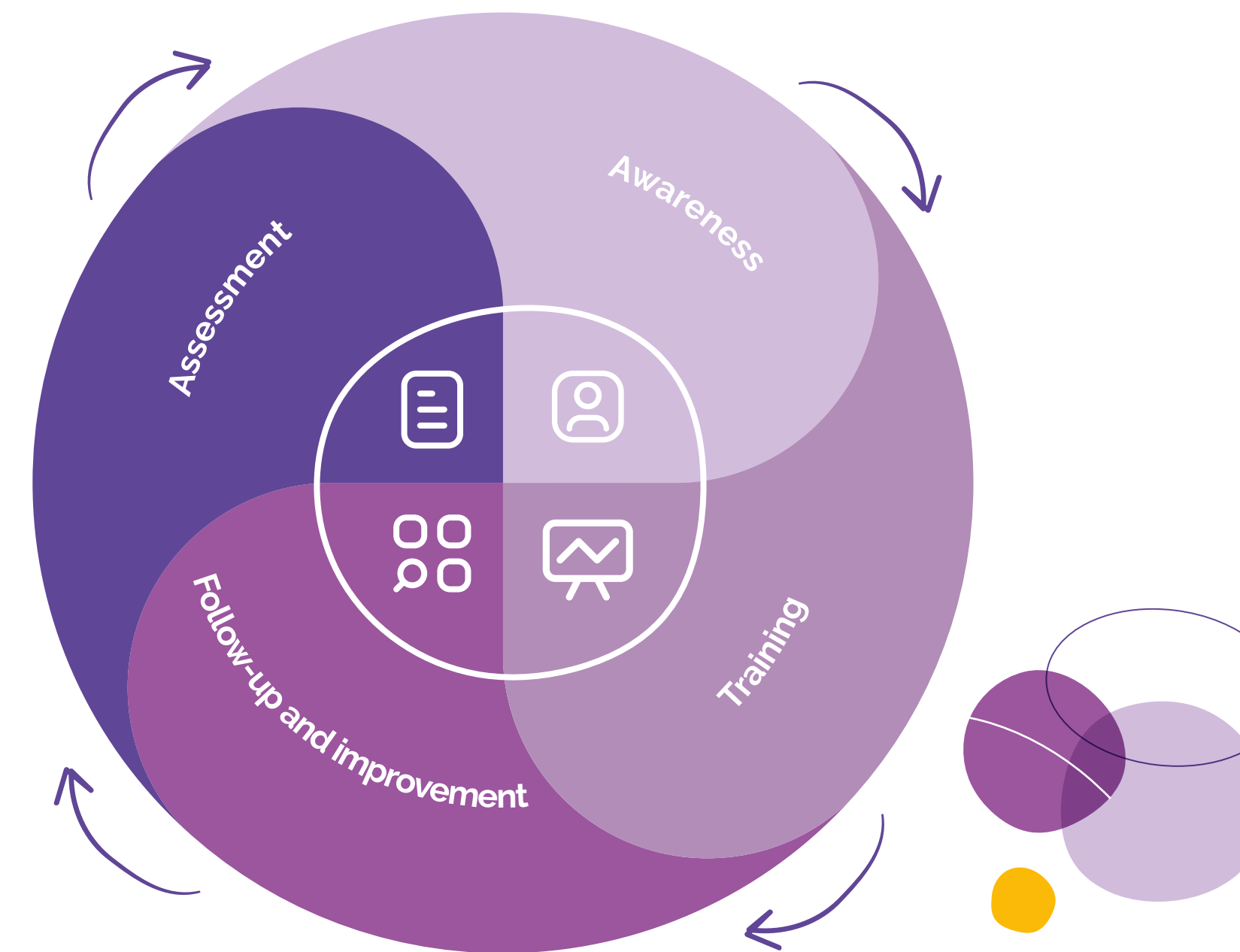
- Business history.
- Post-Sale Service.
- Commercial capacity.
- General financial data and in relation to Arcor Group.
- Business integrity and management system.
- Human and Worker Rights.
- Risk and emergency management in operations.
- Safety and hygiene legislation.
- Environmental legislation.
- Environmental management.

During 2022, 69 suppliers completed the program self-assessment, reaching a total of 1,191 suppliers evaluated since the start of the initiative in 2017, which represented 53.8% of the volume of purchases

2. Integration in commercial management

We also continue making progress in integrating the results of the program into the company's commercial management. For this, we have online results reports that allow the Purchasing areas to have up-to-date and detailed information on the sustainable management of suppliers and its evolution over time, and link it with other variables considered for purchasing decision-making.

In order to promote a greater integration of the results of REconocer in supplier management, in general, and in purchasing decision-making in particular, during 2022 we worked on the implementation of a Risk Map, developed through the Fidelitas platform. This management tool allows you to visualize risks and opportunities, centralizes data and documents of different types and origins, in a standardized way and on the same screen with panels and boards that are continuously updated, which allow the creation of alerts, comparative rankings and the generation of customized reports. This online tool allows real-time access to the information of each Supplier.



Associations to grow – Specific initiatives

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

Responsible Inclusive Purchases Program (CIR as per its initials in Spanish)

For 16 years, we have advocated for the inclusion and development of suppliers whose manufacturing processes are carried out under vulnerable conditions, and that usually have less opportunities for market access and inclusion in the private sector's value chains. For this process we define the Responsible Inclusive Purchasing Program (CIR), which is based on two guidelines:

- Technical assistance for supplier development (strengthening of their capacities).
- Purchase of ancillary materials, work clothing, gifts, and raw materials.

During the last year, the CIR continued to expand its coverage through the incorporation of new suppliers and new purchases made at the corporate level and at the operating bases.

More than 136 million Argentine pesos were invested in purchases from 20 providers of the social economy, which generate job opportunities mainly for women and people with disabilities.

Within this Program, we continue adding to our Gift Box for collaborators, a product purchased from a CIR supplier: on this occasion there were 14,000 jars of honey made by 25 producers, 6 technicians and collaborators of the Federation of Cooperative and Mutual Agrarian Youth (Federación de Jóvenes Agrarios Cooperativistas y Mutualistas). This organization brings together more than 400 small producers from different areas of the Provinces of Córdoba and Santa Fe.

Gifts purchased by Arcor Group within the framework of the CIR program were also delivered, at the Comprehensive Management System award ceremony. The purchase was made from Redactivos, a social enterprise that commercializes on a large scale products and services made by productive enterprises where people with disabilities work.

The purchase of gifts for participants of the Comprehensive Management System had a positive social impact in 4 workshops and 70 workers with disabilities, generating 2,204 hours of work.

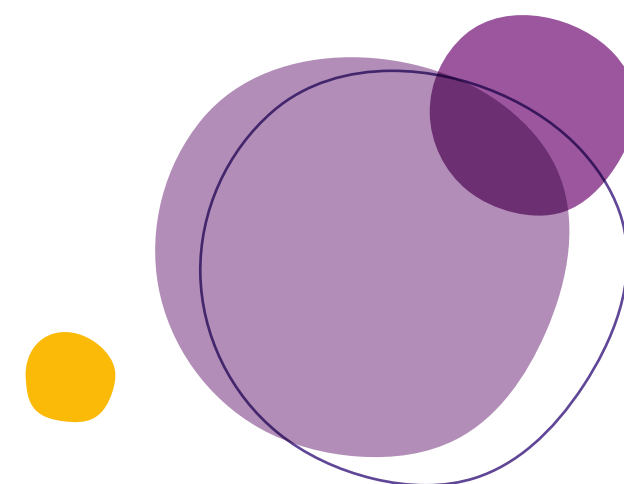
Sustainable logistics

Logistics plays a key role in the value chain, both in the supply to our plants and in the distribution of our products. Addressing the commitments of the Sustainability Policy, every year we promote a Sustainable Logistics Plan, to optimize the levels of productivity, efficiency and quality of service of our processes from a sustainable, respectful and human approach.

As part of the Expansion Plan towards subsidiaries that began years ago, in 2022, a Distribution Center of Chile was added to those already participating in Uruguay, Paraguay and Bolivia.

The 2022 Sustainability Plan consisted of the definition of 115 initiatives developed in the 4 pillars of Logistics: Transportation; Logistic operations; Relationships with customers; and logistics planning.

In 2022 we achieved 94% compliance with our Plan



The actions planned during 2022 allowed us to fulfill the following achievements:

- **Optimization of truckload utilization:** goal achieved with a result of 67% (STD 63,28). In order to achieve the planned truckload utilization (use of the cubic meters available in the truck), we worked together with the Load Planning and Building area, in order to optimize trips, building the truckload in a certain way to make it as complete as possible. This measurement is carried out jointly for mass consumption loads and for all movements of raw materials and supplies. As a complement to improvement for this indicator, work continues on the GRU project, which seeks to optimize the cubic meters per pallet of finished product, in order to further maximize the level of truckload utilization.
- **Scaling:** Since 2018, we have promoted the use of this type of trucks for product and raw material delivery. Scalable trucks have one extra axle and can transport loads up to 45 tons, this is equivalent to optimizing the load by 20% per trip. We work through strategic alliances with transport providers, with the aim of maximizing the tons transported on each trip.

- **Direct deliveries of products (base-point of sale):** Direct delivery implies a single travel for the transportation of goods, and thus avoiding the travel from the plant to the Distribution Centers and then to the customer. In a single travel and using the same transport, it is delivered directly from the primary warehouse to the customer. This Direct Delivery process is key in the medium and long term, being considered in the 2025 Business Strategic Plan. In 2022, it was possible to maintain direct delivery levels similar to 2021, reaching 41%.
- Use of different types of vehicles to deliver our products (Mix of vehicles).
- Use of vehicles that work using alternative fuels in strategic corridors: The work started in 2021 with the 10 CNG units of our suppliers' fleet continued. However, the development of the market and the public policies necessary for the development and use of alternative fuels continue to be scarce. In our country, it is not possible to have the desired volume or the profitability necessary for this type of transport to be profitable over time. Likewise, we will continue working towards this initiative and linking up with our transport providers in 2023.

- **Evaluation matrix for transport providers:** This evaluation is consolidated as a systematic process in the transport area, adding value to the development of suppliers in key aspects that impact logistics such as: billing, subcontracting, financial situation, dependence on Arcor, compliance with the presentation of legally required documentation (GCG index: Global Management and Control), punctuality, number of units, age of the units, safety and hygiene, claims and quality. As a global result, 13% of the suppliers were in the "Optimal" band, 84% obtained a result within "Complies", while, as part of the improvement cycle, work will continue on cases that were outside of this range, which represented 3% of the total, to bring them to the desired condition.

Sustainable logistics in numbers

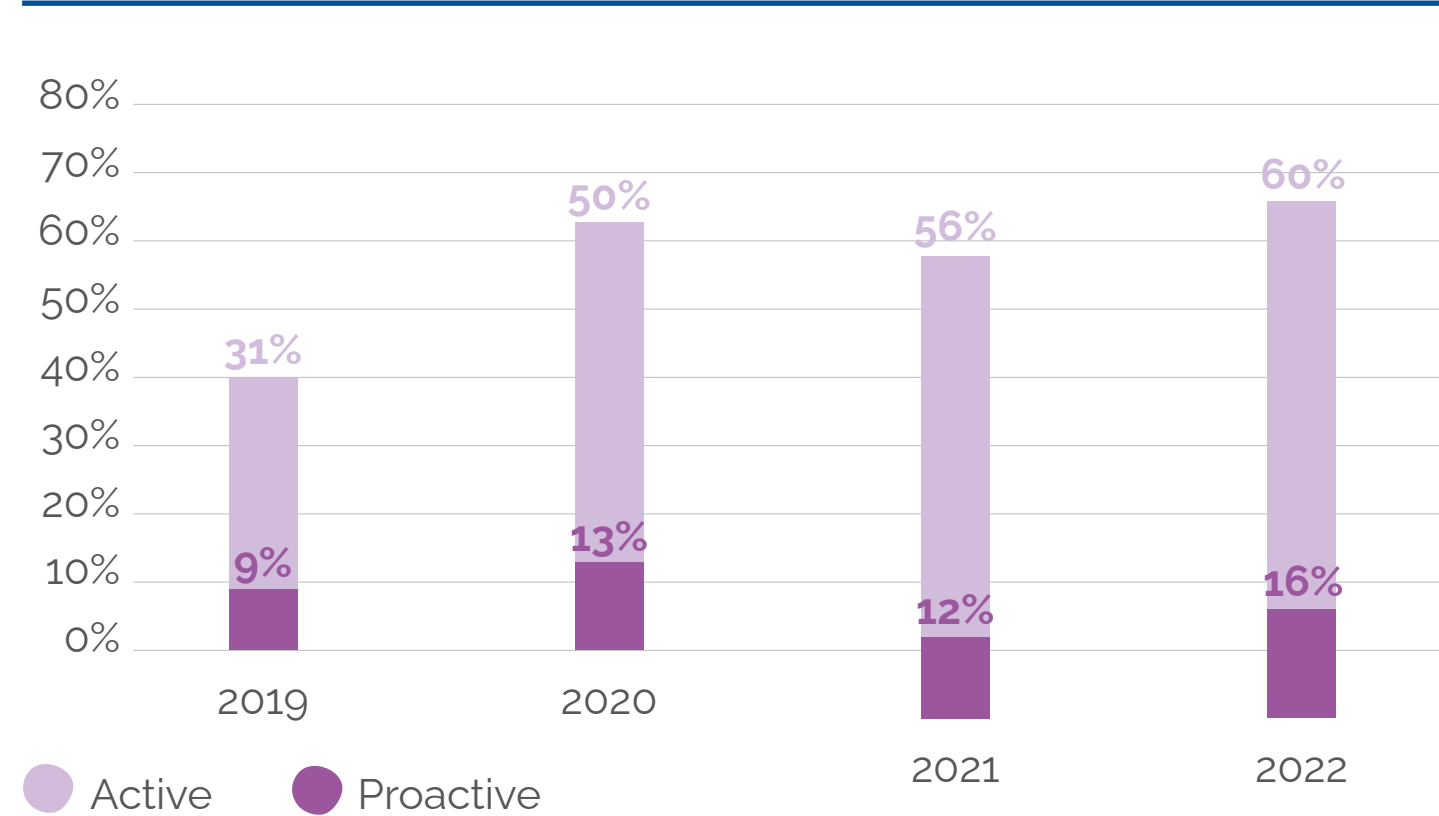
33% pallets recovered
2,816 Drivers trained in safe driving practices
166 trained companies
152,449 travels
72,134,527 Km travelled
54,870,460 Km travelled by land
17,255,067 Km travelled by sea

Red Activa Program

Since 2014, we have adopted this program in order to fully strengthen the competitive advantage of our network of distributors, fostering good logistics practices in four specific focus areas:

- Infrastructure.
- Logistics Processes
- Management
- Product Integrity.

Red Activa Distributors

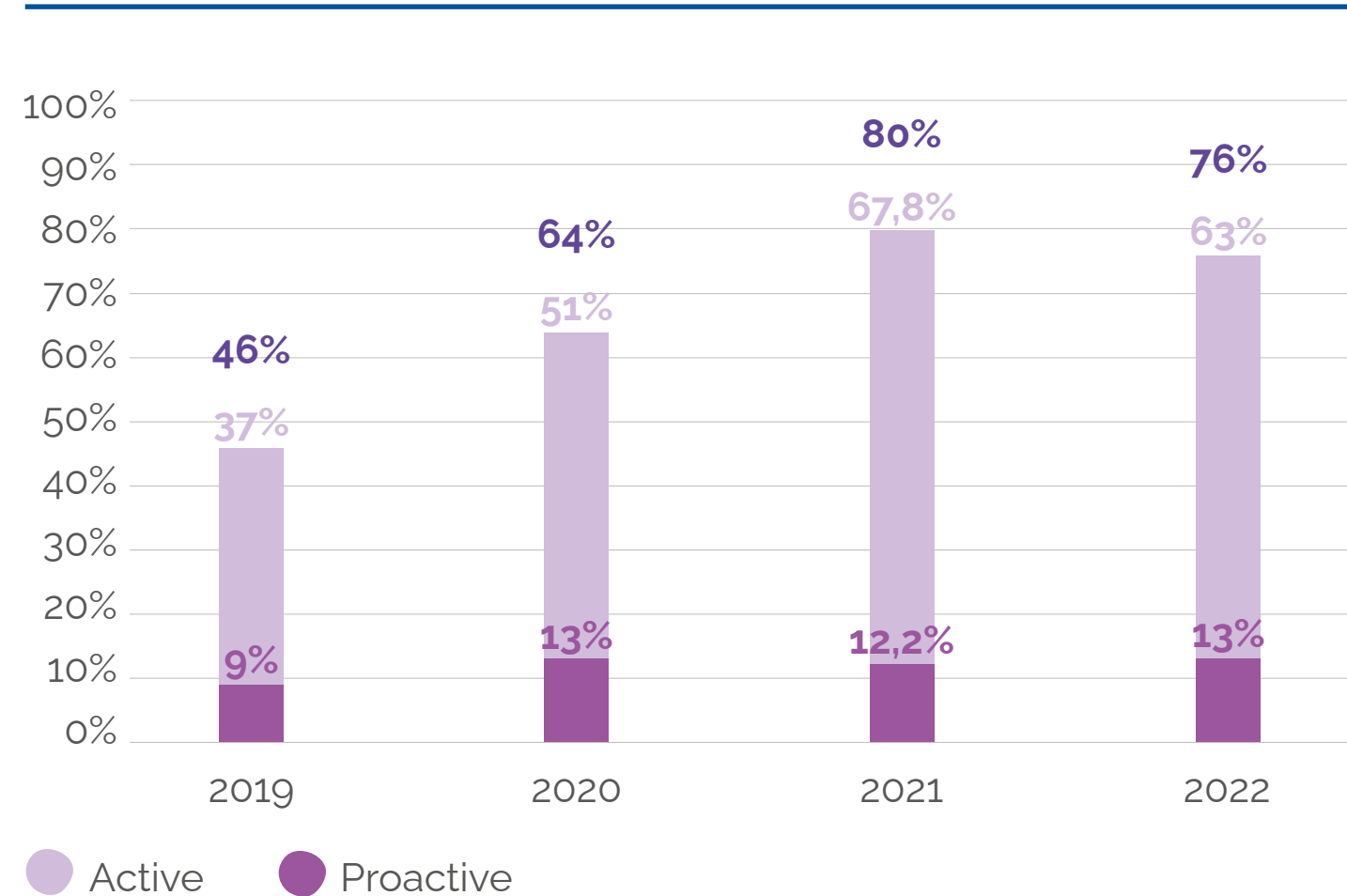


76% of distributors are positioned in the active/proactive segment (segment with the highest compliance).

During the last year, we achieved:

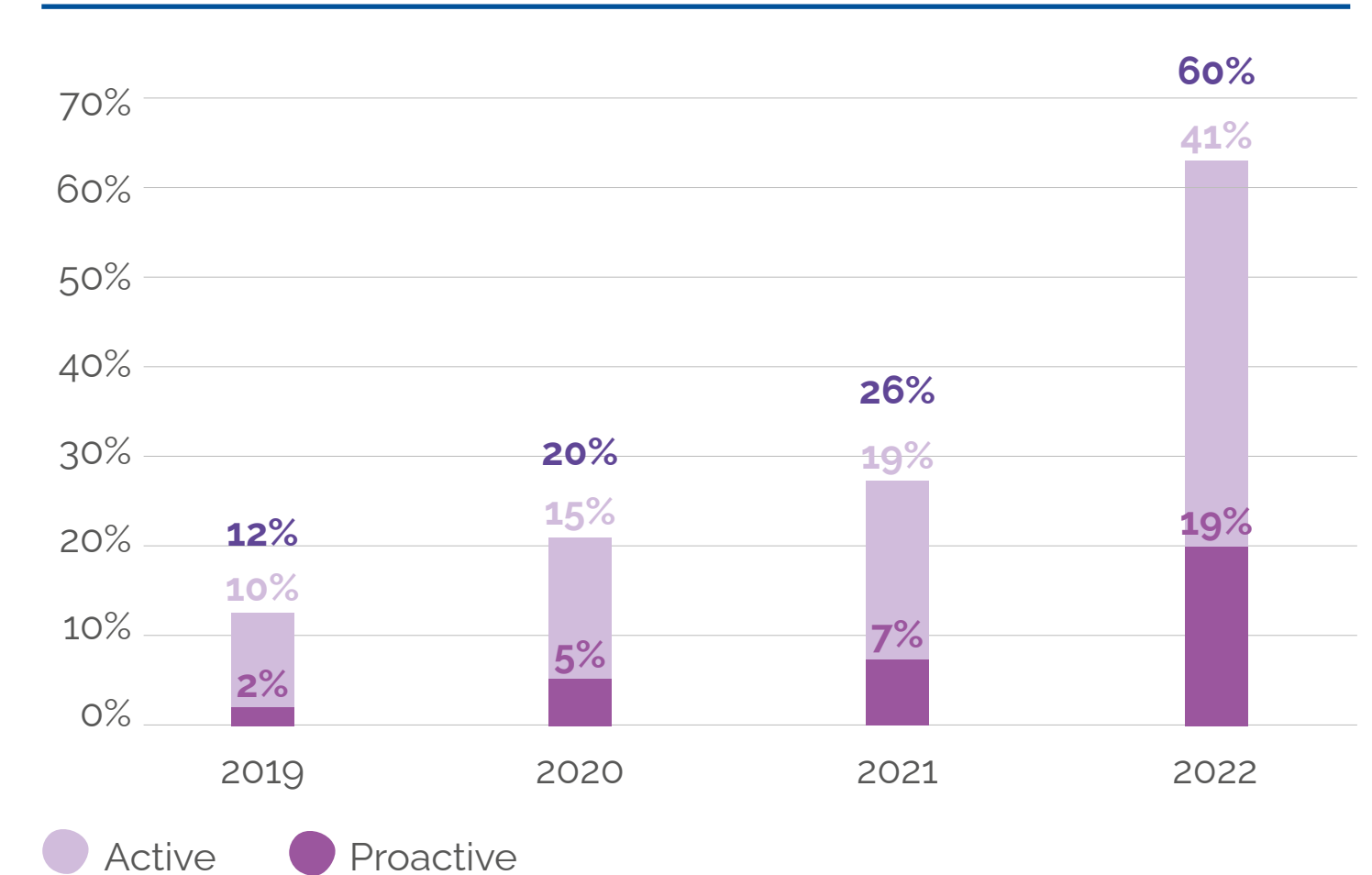
- Carrying out 170 surveys in Argentina, 18 in Paraguay, 10 in Uruguay, 23 in Bolivia and 29 in Chile.
- Reaching 76% of distributors evaluated in Argentina and 60% over the total (Argentina and subsidiaries) with the Active/Proactive result, which is the segment with the highest compliance.
- Carrying out 15 training sessions with 98% attendance.

Argentina



The next step is to carry out a daily follow-up of the distributors through a consulting firm. In addition, it is planned to incorporate coaching days, more accessible information, as well as safety and sustainability modules.

Southern Subsidiaries



Our Strategic partners: Customers

Arcor Group Customers (2022 vs. 2021)*

Year	Distributors	Wholesalers	Supermarkets	Sales people	New Businesses	Points of sale visited
2021	325	897	58	9,490	36	838,580
2022	335	927	62	10,389	36	797,918

* Data corresponds only to the distribution network in countries where we have industrial presence.

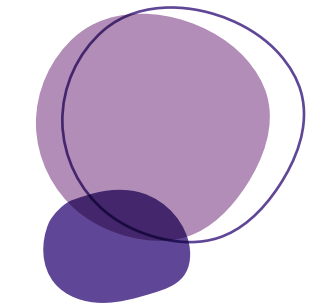
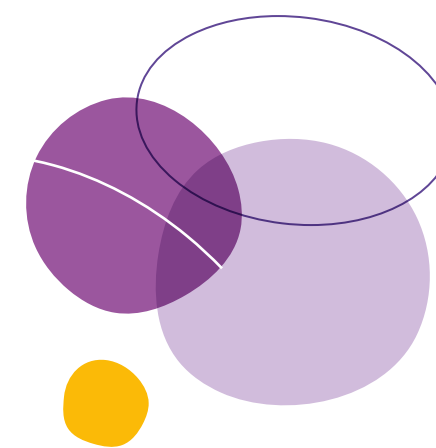
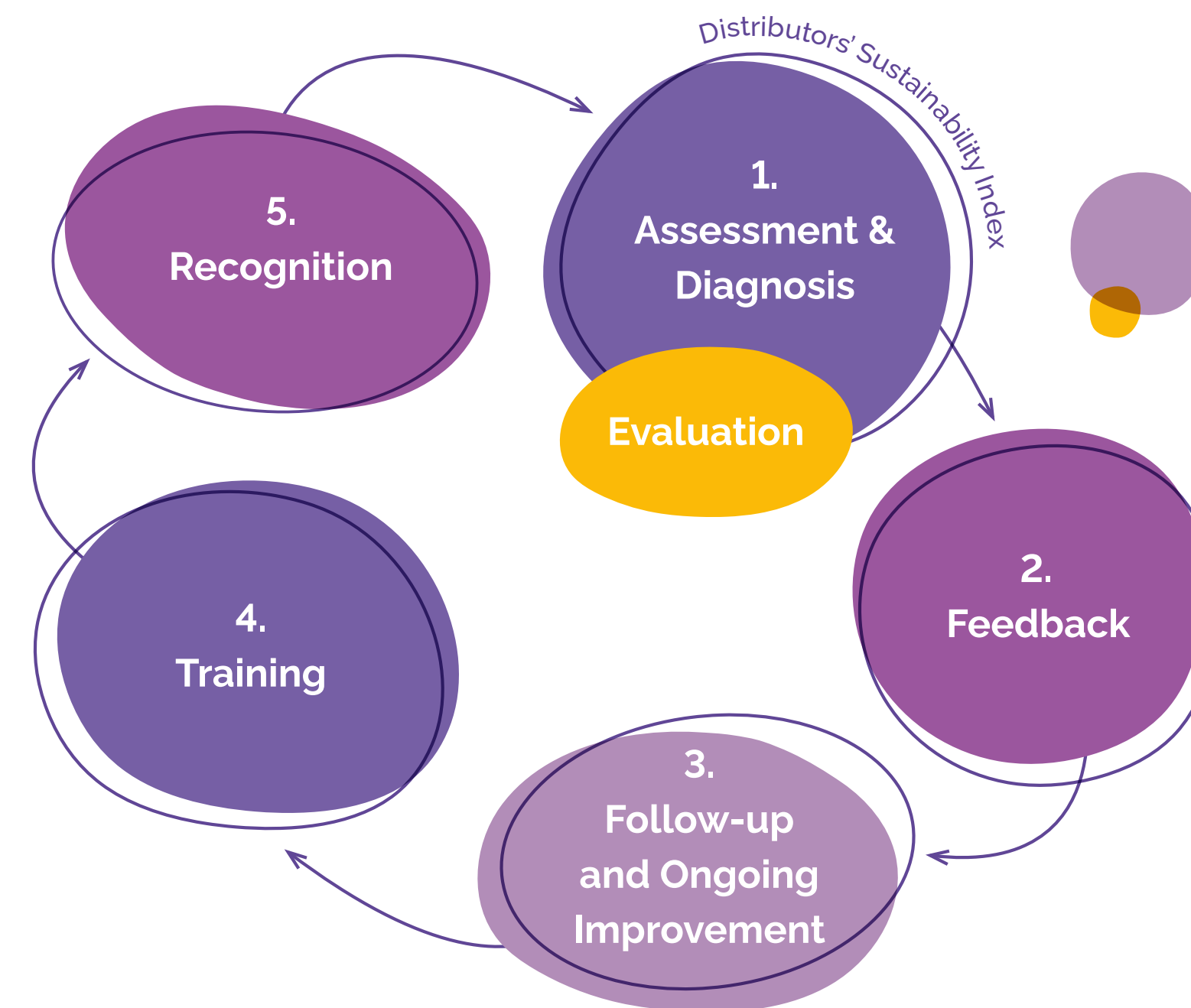
Arcor Group Clients (channel by country) 2022*

Country	Distributors	Wholesalers	Supermarkets	Sales people	New Businesses	Points of sale visited
Argentina	162	278	27	2,693	36	242,638
Brazil	117	304	5	3,815	-	303,423
Chile	31	174	6	342	-	54,500
Mexico	5	111	21	3,279	-	139,857
Peru	20	60	3	260	-	57,500
Total	335	927	62	10,389	36	797,918

* Data corresponds only to the distribution network in countries where we have industrial presence

Sustainability in Distributors

Since 2019, we have promoted a Distributors Sustainability Strategy, in order to be able to provide support and promote continuous improvement and the level of sustainability integration in the network of official distribution companies of Arcor Group.



As part of this Strategy, we continue working on the concept of permanent improvement and support for the network of distribution companies in terms of sustainability. In 2022, the calibration of sustainability practices was carried out at 156 distributors with the aim of being able to compare the evolution of the sustainability performance of the Arcor Distributor Network and the steps to follow to promote continuous improvement in sustainable management.

100% of the distributors that participated in the 2021 self-assessment process through the Good Practices Guide were evaluated using the tool developed by IARSE. The aspects of sustainability addressed are:

- **Human Rights:** occupational health and safety, relationship with employees, relationship with customers and suppliers, sales management, relationship with the community and ethical and citizen commitments.
- **Active life and healthy eating:** product transportation, storage, loading, unloading, and internal transfer, order preparation, staff behavior, integrated pest management, organic waste management, and specific safety policies.

- **Packaging materials:** discarded
- **Energy efficiency and climate change:** refrigerated, frozen, air conditioning and lighting rooms, transport fleet management, fleet routing, fuel supply for the fleet, warehouse infrastructure, multiplication and dissemination of good practices and purchases.
- **Water:** facilities cleaning, vehicles, irrigation and toilets, and cleaning supplies.

Since 2021, we have published training related to sustainability issues for distributors. These trainings are available at Arcor Net, the distributors' product ordering platform, and cover the following topics:

Company & Human Rights

Relationships with the community

Responsible Waste Management

Finally, to continue promoting sustainable management in our Distribution Network, for the third year a "Sustainability" prize was awarded to outstanding distributors, within the framework of recognition that is held annually in the first ArcorTour of the year.

**During ArcorTour 2022,
8 distributors were recognized
for their good performance:
ABARCA; DISTRIAR; GONZÁLEZ
GARCÍA; LADIAR; DISAM;
BERACOR; JAN MARK; ILLANES.**





Preserving the Planet Sustainability

- Water Care
- Climate and Biodiversity Action
- Circular Material Flow

05

We preserve the sustainability of the planet by taking care of water, acting in favor of the climate and biodiversity, and promoting a circular business model of supplies and waste, thus contributing to the improvement of ecosystems.

Our *Sustainability Policy* establishes the following commitments:



Water Care



Climate and Biodiversity Action



Circular Material Flow

Water Care

We believe that clean water availability is one of the main environmental challenges of our times, since water is vital for all forms of life.

We are committed to increasingly more efficient water consumption, returning water to the environment in a safe manner, and preserving our water sources across the entire value chain.

Through this commitment, we help spread environmentally friendly production practices.

Water Strategy

The availability of water is one of the main environmental challenges of our time, since it is a fundamental resource for life in all its forms. In addition, knowledge of water resources is a determining factor for our business, in each of the locations in which we are present.

In 2022 we formed a Water Committee for each Business, which constitutes an important step on the path of planning and continuous improvement of knowledge of natural resources. It is even more important in a period of drought like the one that is taking place in the different areas where the Group's plants are located.

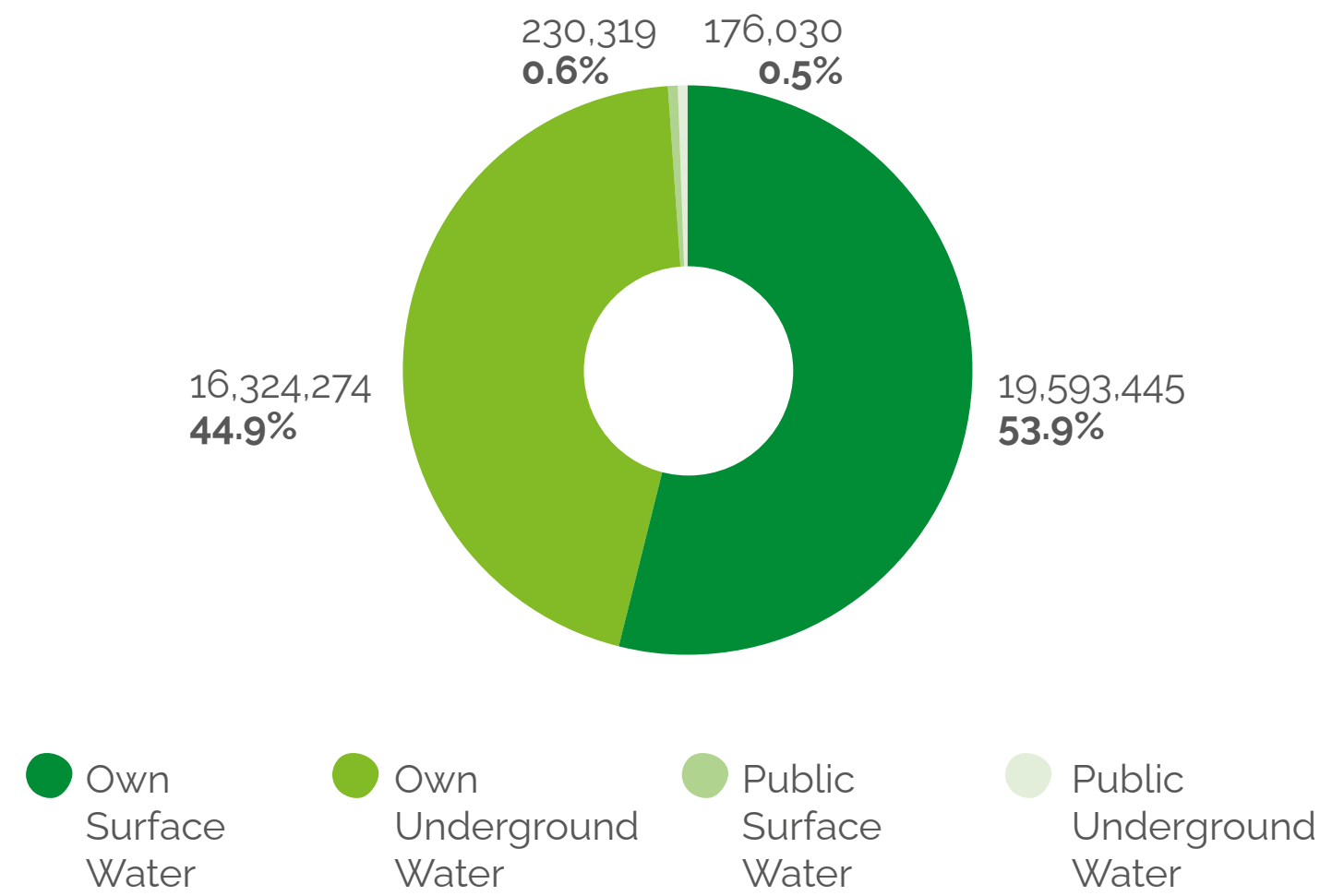
As part of our objective of caring for water, we continue implementing the strategy promoted since 2020, which relies on the concept of water risk based on the analysis carried out with the Water Risk Filter tool. We focus on three lines of work:

1. Reducing consumption
2. Ensuring availability
3. Ensuring and Optimizing Industrial Effluent Treatment.

Focus is placed on those industrial operations that represent the highest consumption of Arcor Group, mainly in Agribusiness activities, Recycled Paper and Food Plants

Considering all our plants on an aggregate basis, 98.8% of the water used in our operations comes from our own intake facilities.

Water Consumption by Type (m³)



Water consumption by country and by plant

Country	Company	Plant	Water Consumption (m³)
Argentina			35,872,972
		Sugar Mill	7,597,722
		San Pedro Complex	2,291,984
		San Juan	1,201,916
		Arroyito Industrial Complex	882,599
		Misky Complex	488,393
	Arcor S.A.I.C.	San Rafael Food Plant	459,260
		Villa Mercedes Complex	378,164
		Caroya Chocolates Plant	114,503
		Recreo Complex	77,919
		Mar Del Plata Food Plant	74,196
		Styrene Confectionary Plant	42,202
		Plantations	2,844,660
		Mendoza	644,299
		Arroyito Industrial Complex	584,753
		Ranelagh	549,088
	Cartocor S.A.	Lujan Complex	148,534
		Totoral Complex	45,001
		Cartocor Parana	28,513
		Cartocor San Juan	19,782
		Quilmes	17,110
	Bagley Argentina S.A.	Salto Plant	188,732
		Villa Mercedes Plant	107,484
		Cordoba Plant	19,540
		Totoral Complex	17,564
	Papel Misionero S.A.I.F.C.	Virgin Paper Plant	10,289,607
		Industrial Bags Plant San Luis	6,149
	Ingrecor S.A.	Arroyito Industrial Complex	1,551,586
		Wet Milling Tucuman 1	1,526,401
	Ingrear S.A.	Chacabuco	1,953,767
		Baradero	1,706,116
	Multicompañía Arcor	Panamericana Dc.	15,427
		Arroyito Industrial Complex	0

Country	Company	Plant	Water Consumption (m³)
Brazil			254,340
		RDP - Planta	122,312
	Arcor do Brasil LTDA	BRG - Planta	44,777
		Arcor Filial Campinas	0
	Bagley do Brasil Alimentos LTD	Campinas - Produção	52,261
		Contagem - Produção	34,990
Chile			91,082
		Bicentennial Plant	66,126
	I.A.D.E.U. S.A.	D.E.U. Distribution Center	0
	Galletitas JV S.A. - Chile Prov.	Cerrillos Plant 2	15,072
	Cartacor Chile S.A.	Cartacor Chile	9,884
Mexico			85,872
	Mundo Dulce S.A. de C.V.	Toluca Plant	85,872
Peru			19,803
	Arcor de Perú S.A.	Chancay Plant	18,913
	Cartacor de Perú S.A.	Cartacor Peru	890
Total			36,324,069

Water consumption by business

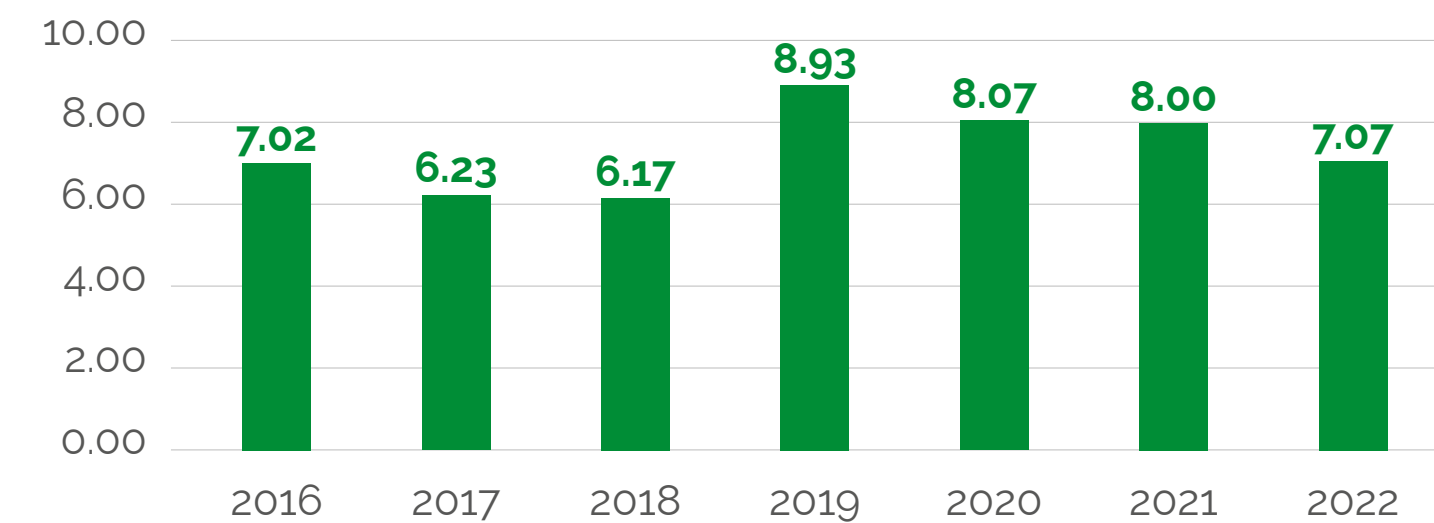
Business	Water Consumption (m ³)
Total	36,324,069
Agro-industry	16,665,866
Packaging	12,343,610
Food	4,966,795
Thermoelectric Power Plant	712,134
Confectionery	682,357
Bagley	340,851
Brazil	254,340
Chocolates	156,705
Mexico	85,872
Chile	81,198
Peru	18,913
Logistics	15,427

Reduced consumption

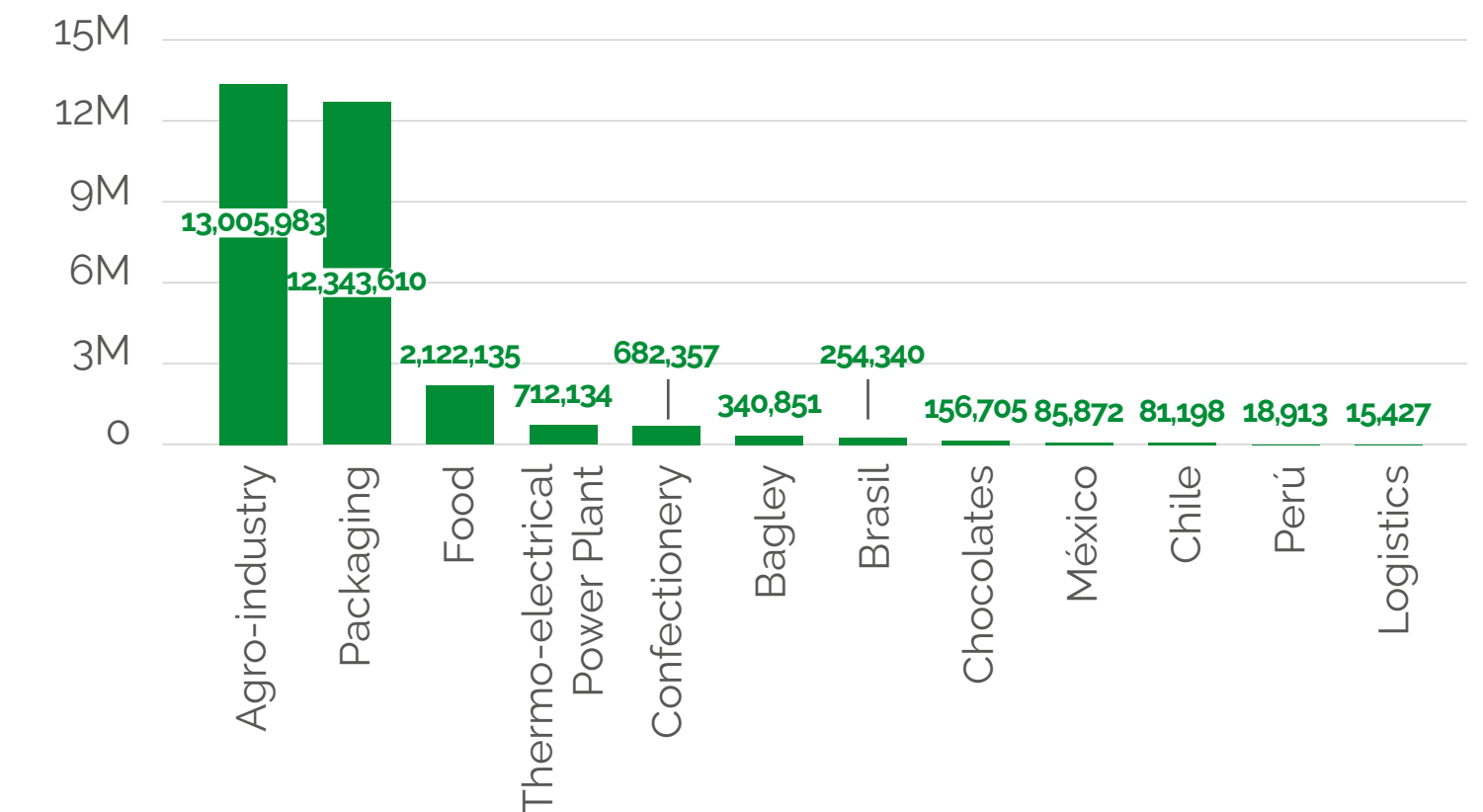
We strive to make an increasingly more efficient use of water, looking to preserve water sources. In 2022, and in line with the declining trend of previous years, we achieved a 16.57% reduction in our specific water consumption indicator (m³/ton produced). In net consumption, there was a large increase due to the incorporation of Ingrear plants. We can observe the same situation in specific consumption. The difference in net consumption is 6,504,543 m³.



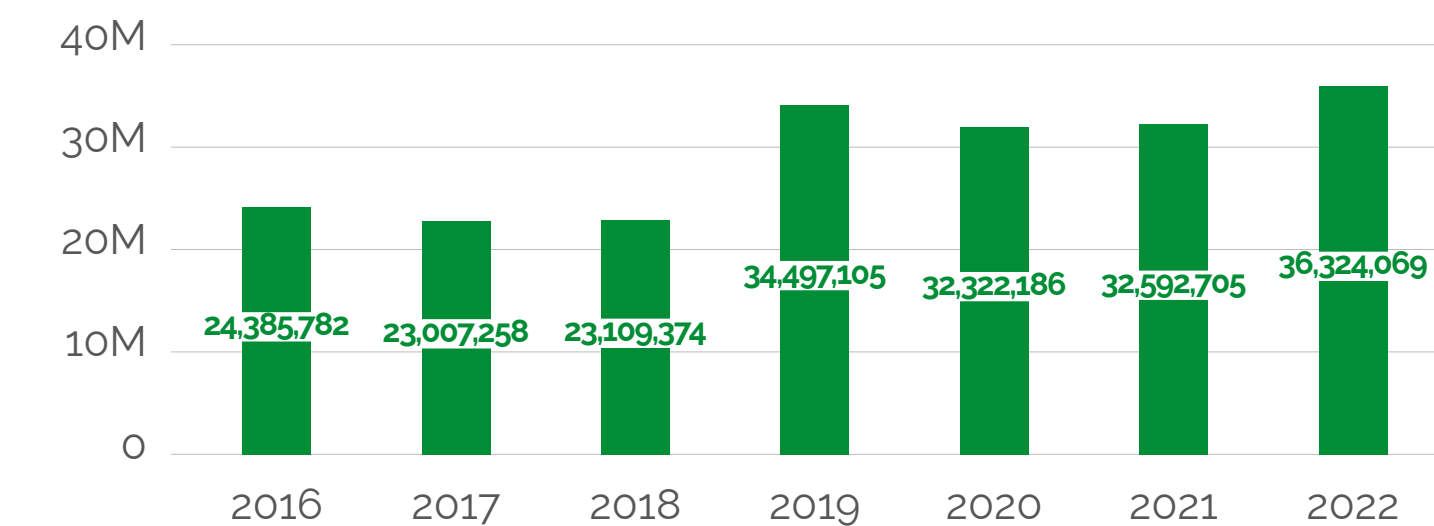
Water consumption (m³/tn)



Water consumption by business*



Water consumption (m³)



In spite of the fact that the value of specific consumption improved, the greater water consumption forces us to strengthen the concept of Water Risk.

Arcor Group map in terms of Physical Risk is as follows:

Water Risk

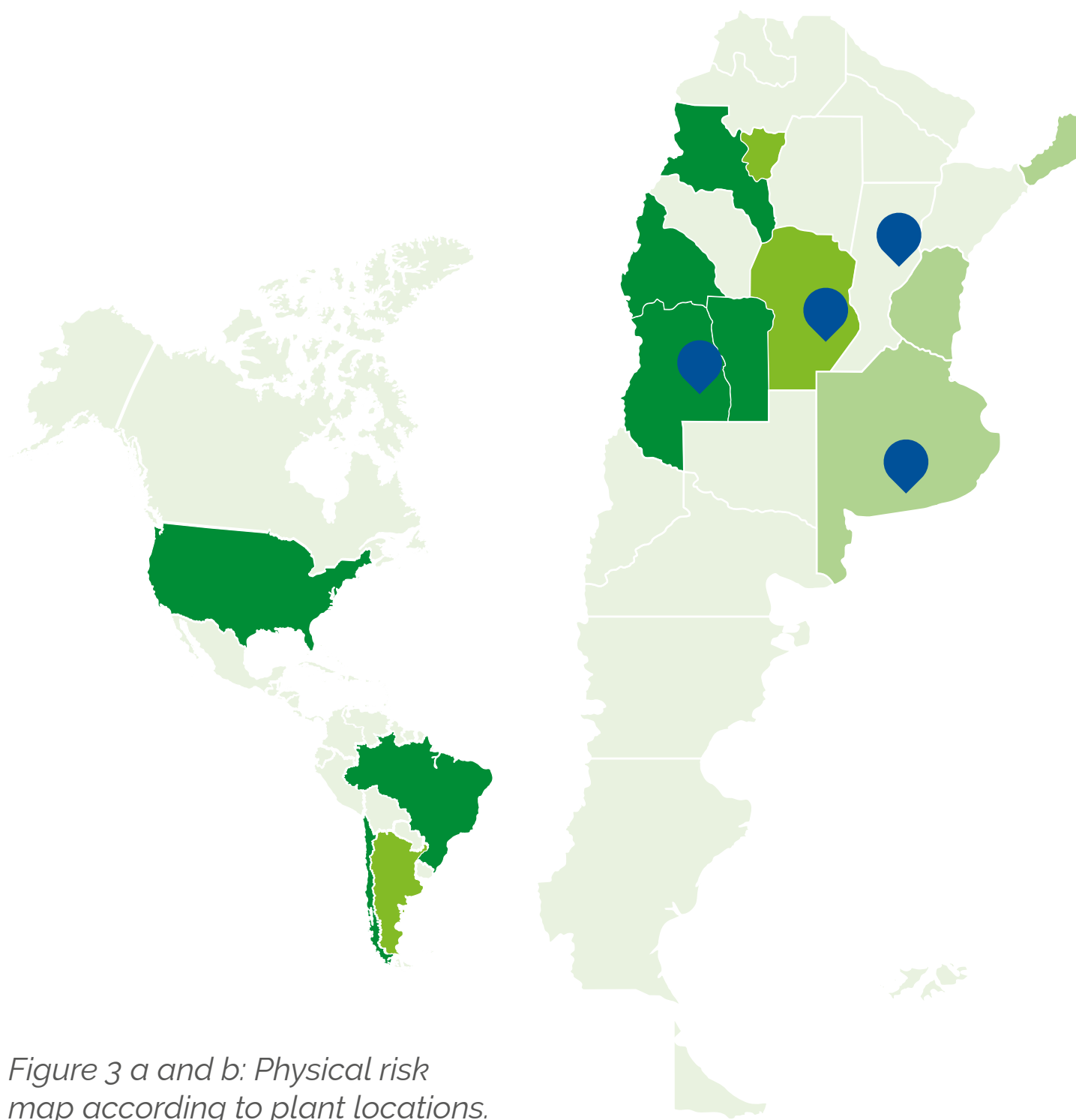


Figure 3 a and b: Physical risk map according to plant locations.

● Low Risk ● Medium Risk ● High Risk

Figure 3 a and b: Physical risk map according to plant locations.

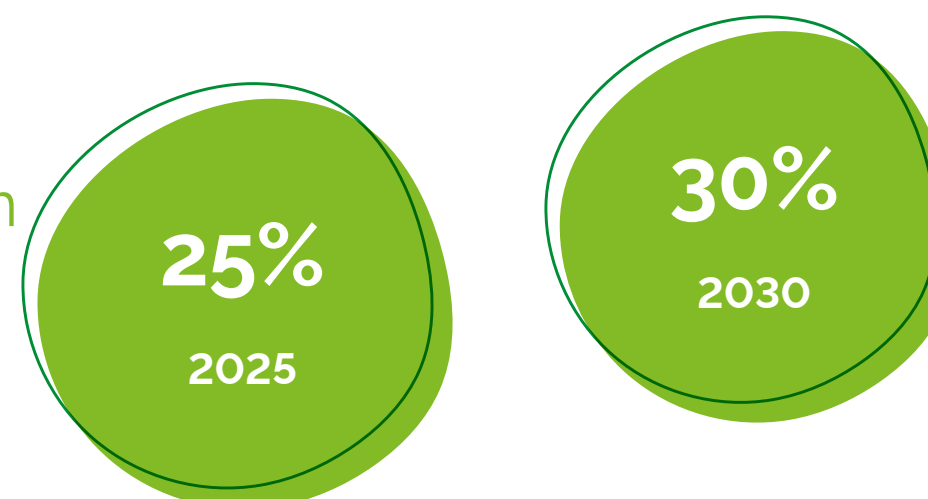
During 2022, we worked with 17 plants identified as the most critical, since they represent 98.7% of the Group's total consumption. Such work consisted on availability, scarcity, quality, minimizing the impact of consumption, and delving into "the responsible use of water" relieving and implementing improvements that allow us to be increasingly efficient in the use of this resource

In turn, we started to annually implement studies by site and studies of static and dynamic levels in our drillings, in order to gain a local understanding of the state of the basin from which we source water, and do hydrogeological studies when it is necessary. Knowledge about the state of our water sources is very important for business continuity, since in this way we can plan for the future.

Finally, based on the progress made since 2016, in 2022 we established new consumption goals for 2025 and 2030:

Goal for Total Quantity of Arcor Group Plants

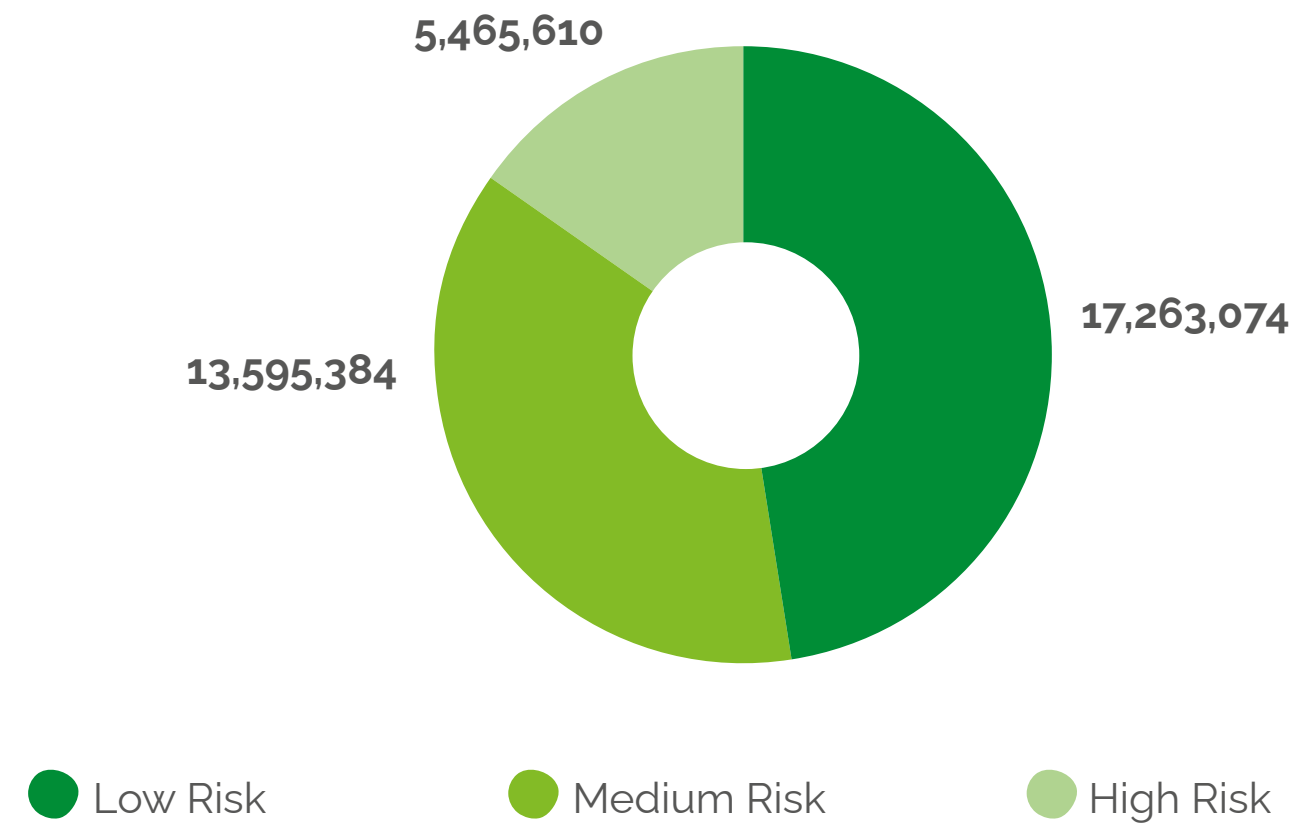
Reducing Specific Consumption compared to 2020



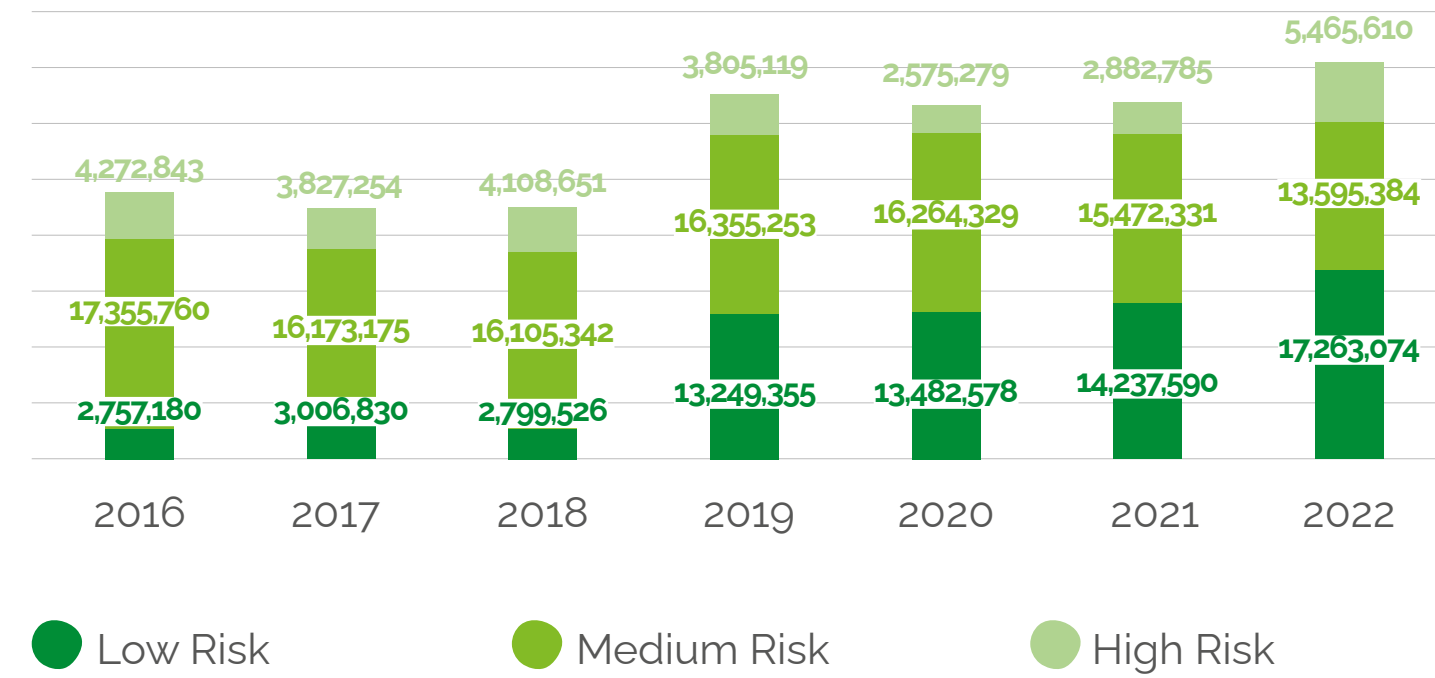
Ensuring Availability

As a result of the analysis performed with the *Water Risk Filter tool*, we were able to classify the several sites from which we withdraw water, on the basis of their water risk. Within the global risk, we focus on caring for consumption and taking actions to guarantee supply in places with high water risk. In this sense, adding plantations consumption, which due to their geographical location correspond to High Physical Risk, the percentage of participation of this type of risk is 15.05% of the total water used in Arcor Group.

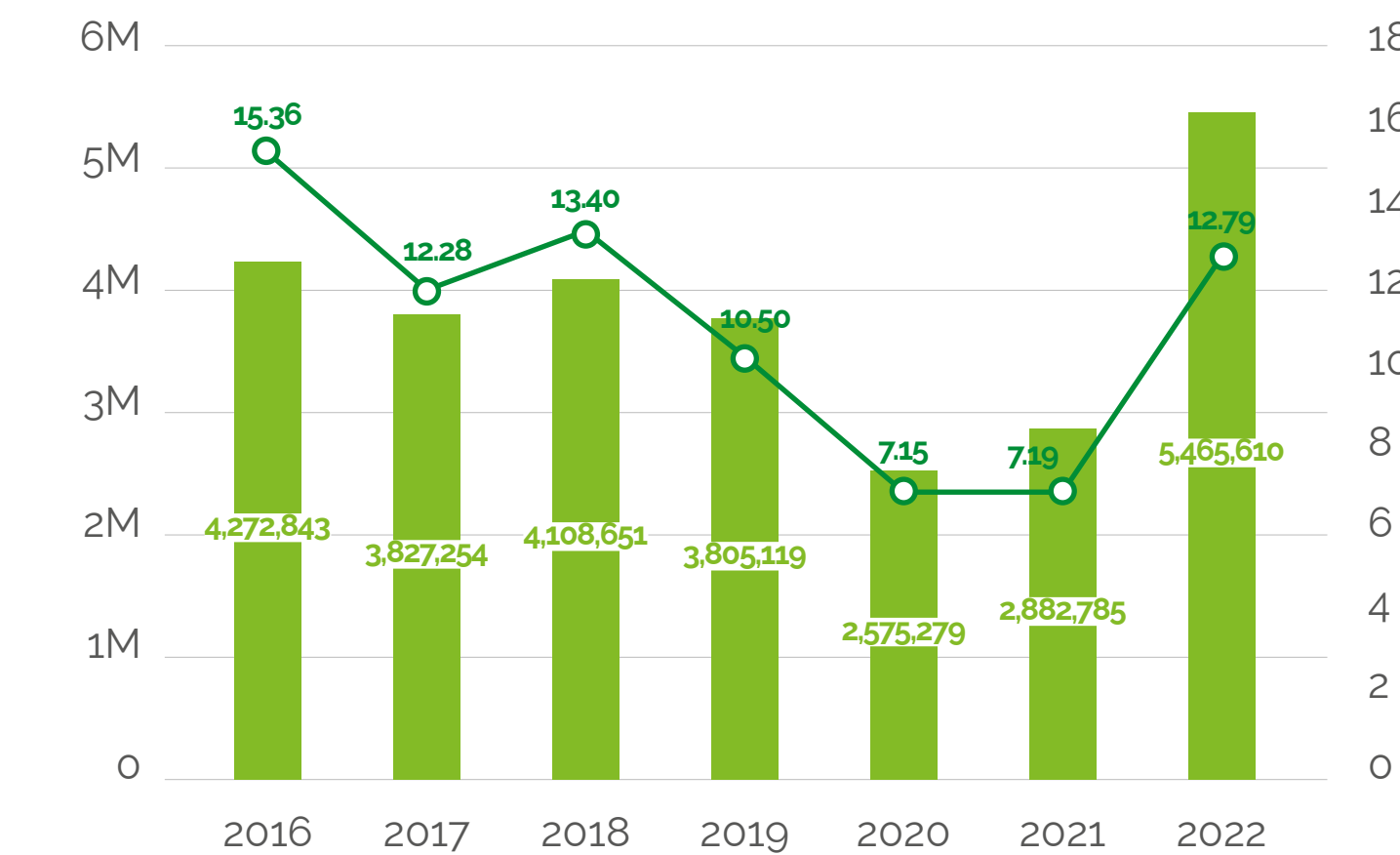
Water Consumption by Risk Area 2022



Water Consumption by Risk Type

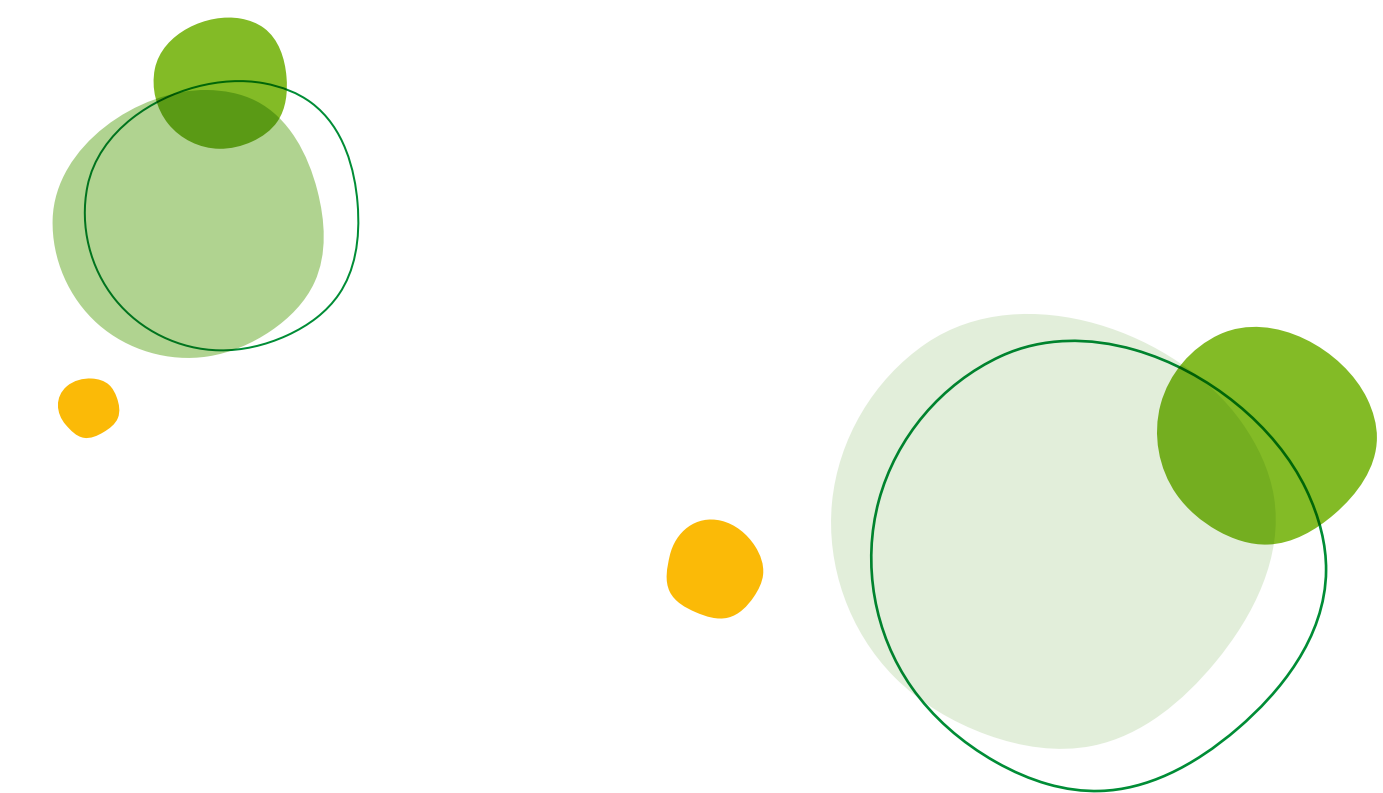


Evolution of high water risk



One of the strategies to ensure supply in high water-risk areas lies on using our own intake mechanisms, ensuring operations capable of monitoring and preserving this source in terms of quantity and quality. In this respect, 95,91% of the water that we use in high water risk areas comes from our own supply.

Moreover, as mentioned above, we began to carry out a survey on the availability of the resource in each of our bases, through studies to monitor the static and dynamic levels of our drillings, which allow us to understand locally the state of each basin from which we supply. The corresponding monitoring of the own groundwater extraction capacity was carried out, as well as hydrogeological studies to analyze the feasibility of working to have our own resource.



Consumption Monitoring – Cartocor Mendoza Plant

The Cuyo area is one of the country's sectors where water consumption must be increasingly efficient, since it is an area of water stress.

Therefore, at the Cartocor plant, in Mendoza Province, a water consumption reduction target of 7 m³ /ton produced was established for the year 2025.

To achieve this goal, we started with:

- Identification of consumption.
- Consumption map
- Formation of an Improvement Group for the monitoring and materialization of plant improvements.
- Analysis of possible sources of plant water recovery.

Once each consumption was identified and quantified, the Improvements Group began with the implementation of the improvements with the greatest impact to achieve the objective. In this way, a reduction in water consumption of 87,641 m³ /year was achieved.

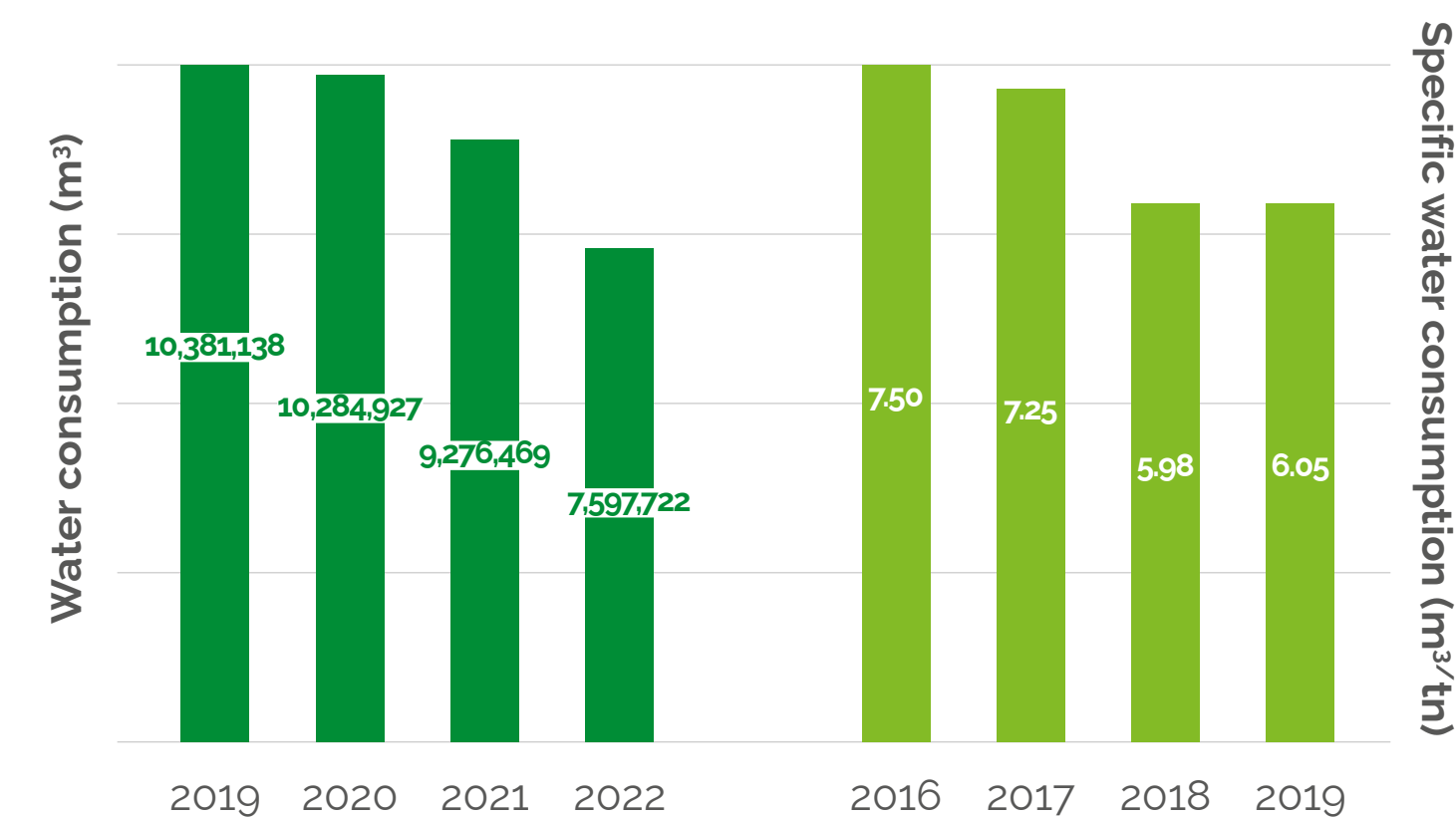
Year	Water consumption m ³	Water consumption (m ³ /tn)
2021	731,940	16.81
2022	644,299	13.61

It should be noted that the reduction in water consumption is also reflected in the reduction in energy consumption, due to the consumption of the water extraction system.

Recirculation and Quality Monitoring – La Providencia Sugar Mill:

In this sugar mill, surface water is used; consequently, it competes with other mills in the area. This causes a greater demand for the resource to be generated during the harvest season and its availability decreases. For this reason, since 2020 we have been developing a project to improve our cooling towers system, which allows increasing the flow of water circulation. In addition, in 2022 harvest, direct actions associated with quality control for the recirculating water were added, allowing a reduction of 1,741,906 m³ during the harvest season. These quality monitoring actions were associated with permanent controls of possible deviations in the quality of water to be recirculated, allowing immediate direct actions, thus achieving a considerable reduction.

Water consumption – La Providencia sugar mill



Ensuring and Optimizing Industrial Effluent Treatment

With regard to the treatment of effluents, we seek to ensure compliance with applicable laws as well as upgrade processes to achieve efficiency and identify opportunities for reusing water. During 2022 there were no relevant spills into the environment that could have generated any negative environmental impact.

Water recovery – Tucumán:

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

Among the modifications implemented, the most important ones are:

1. Reuse of condensate from the syrup evaporator for candle filter washing.
2. Place in a close circuit the cooling water in the condenser of the maceration water evaporator equipment.
3. Reuse of hot water coming from the converter coolers and filtered for washing ion exchange columns.

As a result, the reduction in total consumption was 320,954 m³/year, this represents -19.8% of total consumption, while the reduction in specific consumption was -17.4%.

Climate and Biodiversity Action

We believe that efforts to mitigate climate change and reverse the loss of biodiversity are necessary and urgent, since food production depends on nature and the environmental benefits that environments can offer us.

We are committed to taking action in favor of climate, promoting a positive carbon balance in our activities. In the same way, we are committed to the preservation of biodiversity, favoring a beneficial interaction between production areas and natural ecosystems. Through these commitments, we protect and regenerate the productive landscapes in which we are immersed.

Climate Change Strategy

Climate change has become one of the main challenges for the international community. For this reason, our Company works to promote and develop actions that allow us to produce food, mitigating environmental and socioeconomic effects.

In 2021 we launched our Climate Change Strategy with the aim of setting this problem as one of the main environmental priorities of the company for the next 10 years. We defined a global strategy for the reduction of 30% of greenhouse gas emissions that includes the main sources of emissions through scopes 1, 2 and 3, allowing us to measure the emissions of the different activities carried out by the company, taking 2017 as the base year.

As a leading company in the region, the strategy constitutes a very challenging responsibility and commitment that invites us to innovate and work both in our processes and with our entire value chain. In addition, the vertical integration of our businesses offers us more opportunities to generate synergies with different stakeholders.

As part of the Climate Change Strategy, we have defined the following guidelines for action:

- Reduce intensity in the use of energy and deepen the change towards renewable energy sources.
- Move towards a more efficient and less carbon intensive transport.
- Develop and intensify regenerative agricultural practices that reduce emissions and maximize carbon sequestration in the soil.
- Explore compensation mechanisms for carbon sequestration.

Likewise, in 2021 we defined specific goals to advance in the reduction of established emissions:

- Reducing electricity and gas consumption by 15% compared to 2017.
- Achieving that 80% of our purchased electrical energy comes from renewable sources.
- Reducing global transport emissions by 20% compared to 2017.
- Achieving carbon neutrality in our own agricultural activities and reducing by 50% emissions from the corn and wheat used.
- Reducing fugitive emissions produced by refrigerant gases by 50%.
- Reducing to zero emissions from waste burial.
- Reducing emissions by 30% from sales in distributors and products with a cold chain.

Greenhouse Gas (GHG) Emissions Inventory

We work on the quantification of emissions from our operations through the GHG Inventory, which allows us to monitor several specific strategies to reduce them, promoting a positive carbon balance, keeping in mind the interrelationship between the environment, the economy, and the sustainable growth of our Company.

In the year 2022, under the three scopes, 872,645 tons of CO₂eq were emitted, which represents a reduction compared to 2021 of 12,187 tons of CO₂eq. Compared to 2017, it represents a reduction of 4.78%.

Emissions by source (Ton CO₂eq)						
SOURCE/ YEAR	2017	2018	2019	2020	2021	2022
SCOPE 1 Direct emissions (Ton CO₂)	297,910	310,147	291,011	288,363	290,223	280,361
Natural Gas	262,002	277,062	254,737	255,135	250,831	245,135
Gas Oil	5,912	4,184	5,005	4,078	4,241	3,408
LPG	487	706	431	904	1,614	2,001
Fuel Oil	13,460	12,625	16,786	13,782	12,805	10,894
Fugitive emissions	6,404	8,853	8,674	10,279	15,381	14,824
Fugitive emissions outside of the Kyoto Protocol	9,209	6,071	4,672	3,695	5,221	3,790
Effluents treatment	436	646	706	491	130	308
SCOPE 2 Indirect emissions (Ton CO₂)	261,765	260,912	256,927	210,880	253,701	253,465
Electric energy	261,765	260,912	256,927	210,880	253,701	253,465
SCOPE 3 Other emissions (Ton CO₂)	369,613	368,972	354,907	352,014	340,908	338,819
Transport	329,920	331,754	319,454	324,564	316,957	316,835
Ice cream commercialization	12,633	12,633	11,327	11,379	10,600	10,558
Landfill waste	27,060	24,585	24,126	16,071	13,351	11,426

Specific emissions by scope (Ton CO₂/Ton produced)

Year	SCOPE 1	SCOPE 2	SCOPE 3	Total emissions (Ton CO₂/Ton produced)
2017	0.14668	0.12889	0.18199	0.45756
2018	0.15515	0.13052	0.18457	0.47023
2019	0.14458	0.12764	0.17632	0.44854
2020	0.13804	0.10095	0.16851	0.40751
2021	0.13165	0.11508	0.15464	0.40138
2022	0.12479	0.11282	0.15081	0.38841

The main initiatives that allowed us to reduce absolute emissions with respect to our base year were:

1. Reducing the consumption of natural gas by optimizing processes, technological replacement and biomass consumption.
2. Optimization in the logistics chain (scalability and warehouse occupation) in land transport, for mass consumption and packaging.
3. Reduction of emissions in the disposal of industrial solid waste.

In 2022 we have achieved a 15% reduction in tons of CO₂eq emissions with respect to tons produced, in relation to the base year.

Emissions report in Carbon Disclosure Project (CDP)

In 2022, Arcor Group joined the CDP, a scheme promoted by the financial sector for the voluntary reporting of GHG emissions and the strategies, goals and actions to reduce them. The objective of the platform is to encourage improvement in the management of the challenges that climate change entails in global value chains. In the future, work will be done on the aspects identified for improvement from the qualification obtained in CDP.

Energy Performance Program

We continue to strengthen our management at the energy level, aligned with actions to preserve the planet in favor of the climate and biodiversity. We maintain sustained growth in the energy efficiency of our operations, seeking alternative supply sources that are more environmentally responsible, managing new data acquisition and measurement technologies, and defining specific guidelines for the use of high-efficiency equipment and facilities.

Within the framework of the *Energy Performance Strategy*, we continue to strengthen our three fundamental lines of work, which help to foster the operational strategy of each business and each Arcor Group plant:

- **Energy Intensity:** with long, medium and short-term actions that guarantee the normal development of the energy strategy based on an in-depth analysis of the context (market, political, legal, regulatory and insertion into new technologies), ensuring the supply (price - cost - availability), energy information management control and the definition of corporate operating standards.
- **Energy Efficiency:** with long, medium and short term actions focused on reducing the specific consumption of processes through changes or technology updates, identifying and prioritizing the uses of energy in all its forms.

- **Energy Saving:** medium and short-term actions that seek to reduce absolute energy consumption through the awareness and training of our collaborators, to promote a culture based on good maintenance and operation practices in terms of energy savings and conservation.

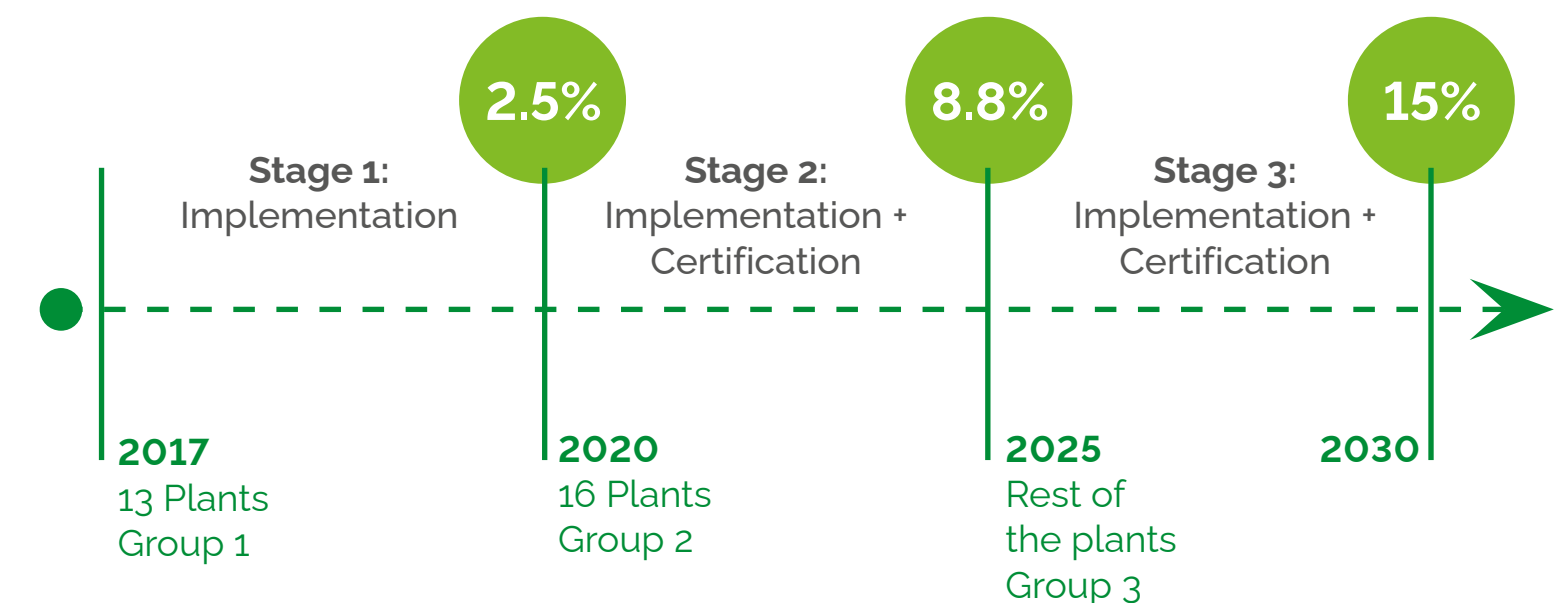
To carry out the axes of work described, we have a specific committee on the matter and we promote an Energy Performance Program with the following objectives:

- Care for the environment and reduction of greenhouse gases (GHG).
- Improvement in the profitability of operations.
- Compliance with current legal regulations.
- Definition of the energy matrix and the best supply strategies.
- Search for energy efficiency in equipment and the optimization of energy intensity in our operations.
- Proposal of concrete measures for the reduction and savings in energy consumption.
- Employees training and awareness.
- Exploration of new business alternatives and environmentally friendly technologies.

In turn, the Program defines three areas of analysis:

- **Energy consumption in its different forms:** measuring the amount of energy used.
- **Energy usages:** identifying ways of applying energy.
- **Relationship between energy consumption and production** (or other variables).

The analysis of these areas made it possible to define activities to achieve improvement in the specific and absolute consumption of energy in the processes based on specific goals of reduction in the energy consumption of Arcor Group of 2.5% for 2020, 8.8% for 2025 and 15% for 2030. The goals for 2020 exceeded the target of 2.5%, reaching a result of 6.45%. This was achieved due to a phased selection of the industrial plants in which the Energy Management System methodology has been applied.



The Stage 1 and 2 plants represent 88% of Arcor Group's energy consumption, so we will achieve a reduction in specific energy consumption of 8.8%, by the end of the second stage, in the year 2025.

In this new Stage 2, which began in 2021, we achieved the deployment of the Program to 93.75% of the defined plants, and even to some Stage 3 plants. At the end of 2022, the global progress of application of the methodology for this stage reached 78.7%.

Stage 1: 2017	Stage 2: 2021	Stage 3: 2025
✓ Arcor Golosinas Arroyito	✓ Arcor Misky PMH2	✗ Arcor San Rafael
✓ Arcor San Pedro	✓ Arcor Misky Golosinas	✗ Arcor Mar del Plata
✓ Arcor Arroyito PMH1	✓ Arcor Estirenos	✓ Arcor Recife (Br)
✓ Arcor Golosinas Arroyito Arcor Arroyito PMH2	✓ Arcor Recreo	✗ Arcor Chancay (Pe)
✓ Arcor Arroyito PMH3	✓ Arcor Rio Das Pedras (Br)	✓ Bagley Campinas (Br)
✓ Arcor La Providencia	✓ Arcor Bragança (Br)	✓ Bagley Contagem (Br)
✓ Arcor Villa Mercedes	✓ Arcor Santiago (Ch)	✓ Bagley Santiago (Ch)
✓ Arcor San Juan	✓ Cartocor Luján	✓ Cartocor San Francisco (Ch)
✓ Arcor Caroya	✓ Cartocor Quilmes	✗ Cartocor San Juan
✓ Arcor Arroyito CT Mario Seveso	✓ Cartocor Ranelagh	✗ PM San Luis
✓ Bagley Salto	✓ Cartocor Mendoza	✗ PM Misiones
✓ Cartocor Arroyito Papel	✓ Bagley Villa Mercedes	
✓ Cartocor Arroyito Cartón	✓ Bagley Totoral	
✓ Cartocor Totoral	✓ Bagley Córdoba	
	✗ Mundo Dulce (Mx)	

Regarding the result of the year 2022 at Arcor Group level, a positive value of reduction in consumption of 7.94% was obtained.

Goal 2025	Progress by 2022
8.8%	7.94%

In general, most businesses have positive efficiency indicators, achieving reductions in energy consumption in their processes. The most representative activities carried out by each of the sectors in 2022 are described as follows:

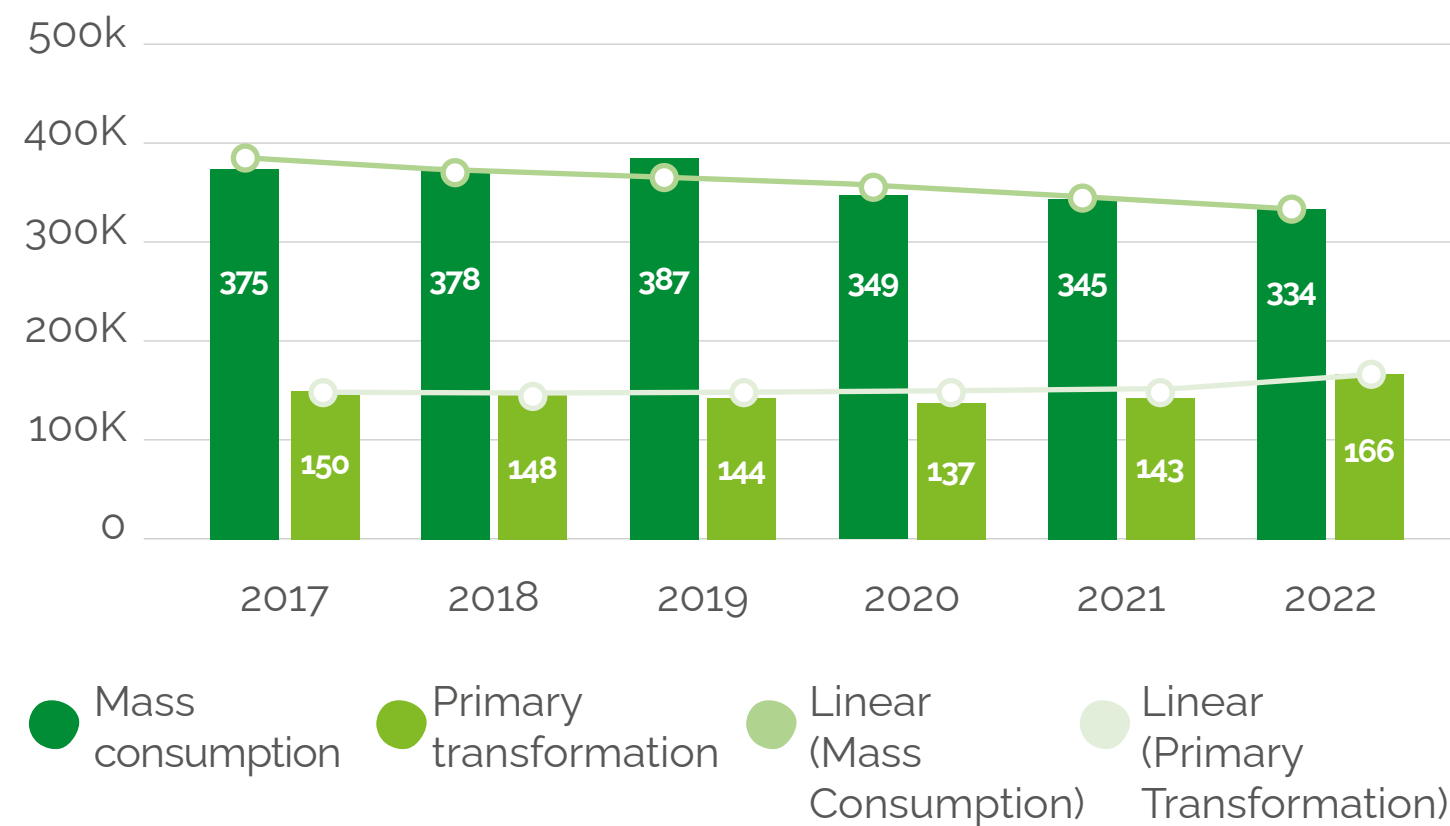
- **Agribusiness:** It has a positive trend. We can highlight efficiency activities in the centrifugation process at La Providencia Sugar Mill and in the efficiency of evaporators and the establishment of optimum control methods for steam traps in Arroyito Wet Milling Plants 1 and 3.

- **Food:** It has increased its results after the technological update in San Juan Plant, with the installation of a new boiler; and in Villa Mercedes Plant with the optimization and updating of the combustion system and the installation of an economizer in one of its boilers.
- **Chocolates:** Significant increase in energy efficiency linked to the installation of a new boiler and water treatment technology at Colonia Caroya Plant and San Luis Plant due to improvements in compressed air systems.
- **Energy:** Improved efficiency of the combined cycle by cryogenic cleaning of the gas recovery boiler of Mario Seveso Thermoelectric Power Plant.
- **Candies:** Improvements in the basic conditions of the compressed air systems and increase in the usage factor of the production lines in Arroyito Complex plants.
- **Cookies:** Exponential increase in the business's energy efficiency result, due to conditioning activities and improvements in ovens in the production plants and with monitoring of the basic conditions in the compressed air lines.
- **Packaging:** Great improvement in its performance due to technological updates: in Arroyito Paper Plant because of the change of three dryers; and in Arroyito Cardboard Plant due to automation in flexographic vacuum cleaners. At Totoral Plant, the return to basic conditions of the equipment and compressed air lines was achieved.

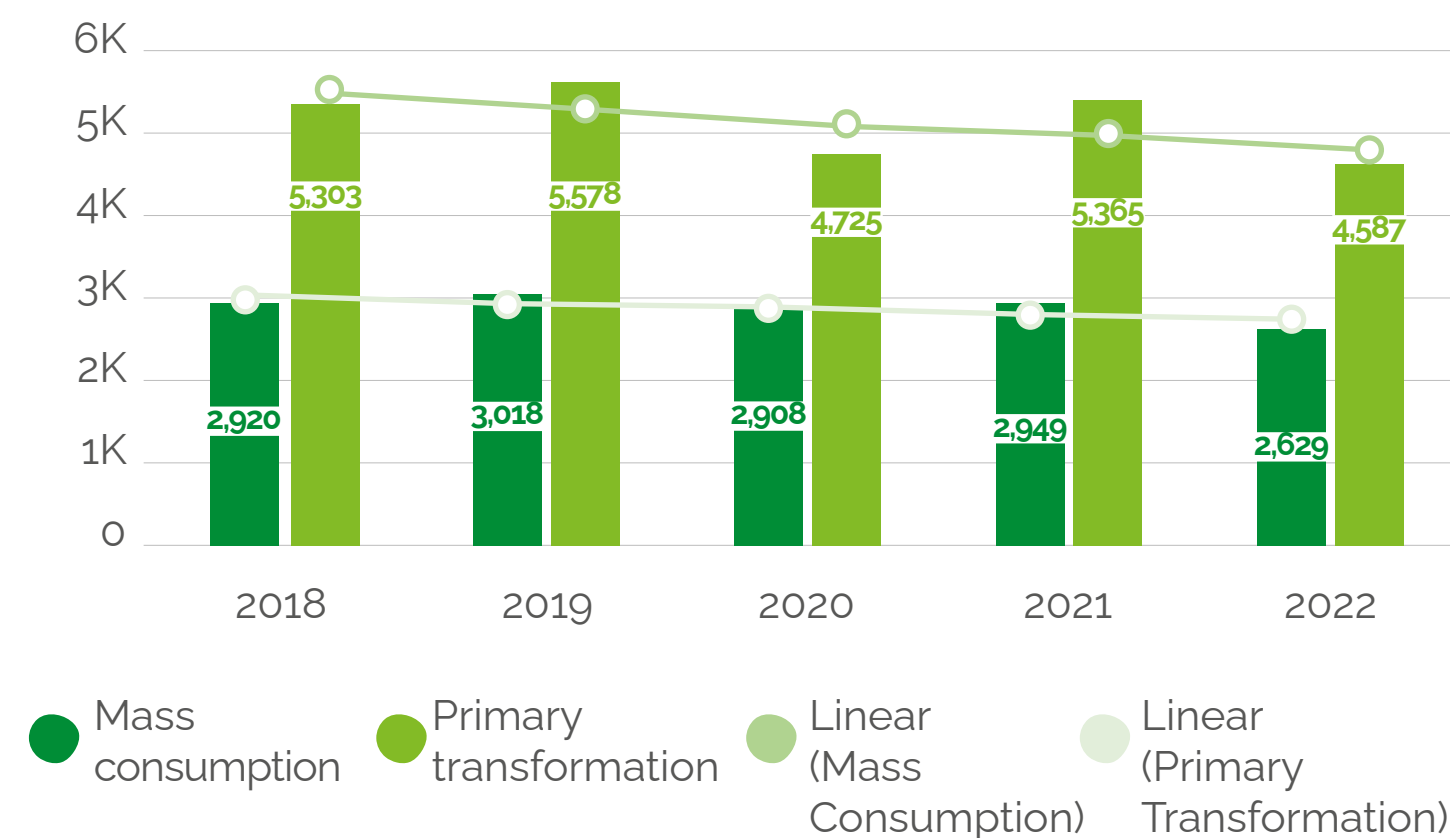


Regarding the relative energy consumption, the trend towards reduction can be observed in line with the improvements made in the Businesses.

Electric energy consumption (KW/ton)



Fuel consumption (MJ/ton)



Regarding the absolute values of energy, with the increase in production we continue to improve energy efficiency and reduce energy intensity in our operations.

Electric Power consumption at the Arcor Group level can be seen in the following table:

Electric Power Consumption by Country and by Company (kW)

Country and Company	2017	2018	2019	2020	2021	2022
Argentina	550,618,228	553,673,705	545,247,811	521,849,325	544,877,221	714,138,428
Arcor S.A.I.C.	229,694,081	231,628,879	222,636,719	212,469,261	203,725,711	177,627,488
Cartocor S.A.	47,870,207	47,478,056	47,078,439	111,400,304	115,071,914	118,839,327
Bagley Argentina S.A.	59,265,920	58,542,586	55,930,822	54,449,461	55,044,806	55,349,221
La Campagnola S.A.C.I.	21,017,928	22,232,422	16,975,564	(*)	(*)	(*)
Zucamor S.A.	48,032,072	47,071,064	46,124,695	(**)	(**)	(**)
Zucamor Cuyo S.A.	18,571,700	20,277,568	21,522,572	8,764,483	(**)	(**)
Papel Misionero S.A.I.F.C.	123,167,860	122,153,880	132,086,102	132,114,844	134,684,543	140,268,060
Ingrecor S.A.	-	-	-	-	33,544,273	67,339,683
Ardion S.A.	-	-	-	-	-	151,252,876
Multicompañía Arcor	2,998,760	2,969,250	2,892,898	2,650,972	2,805,915	3,461,438
Brazil	61,581,639	59,060,625	56,283,707	51,935,618	53,523,471	54,680,418
Arcor Do Brasil LDA	44,799,972	42,691,039	38,957,447	22,667,780	35,858,533	35,646,821
Bagley Do Brasil Alimentos LTD	16,781,667	16,369,586	17,326,260	18,277,838	17,664,938	19,033,597
Chile	23,237,263	31,555,137	31,359,137	25,067,713	27,084,672	30,055,627
I.A.D.E.U. S.A.	12,399,394	14,249,508	14,804,746	13,164,174	14,718,849	16,762,169
Galletitas JV S.A. - Chile Prov.	4,876,965	5,381,582	4,688,081	5,076,746	5,373,700	5,758,406
Cartocor Chile S.A.	5,960,904	11,294,047	11,866,310	6,828,793	6,992,123	7,535,052
Mexico	16,618,100	18,079,840	15,531,581	17,905,088	17,582,539	17,091,819
Mundo Dulce S.A. de C.V.	16,618,100	18,079,840	15,531,581	17,905,088	17,582,539	17,091,819
Peru	2,884,134	3,183,510	3,266,183	2,756,792	3,206,594	4,203,698
Arcor de Perú S.A.	2,884,134	3,183,510	3,266,183	2,756,792	3,205,285	3,999,082
Cartocor de Perú S.A.	-	-	-	-	1,309	204,616
Total	654,939,663	665,552,817	651,688,519	619,514,536	646,274,497	820,169,990

(*) Included in Arcor's consumption.

(**) Included in Cartocor's consumption.



Arcor Group Energy Efficiency Manual 1st Ed.

During the month of November 2022, the Energy Efficiency Committee presented the first edition of the Arcor Group Energy Efficiency Manual, which constitutes the basis of the "Energy Saving" work axis and is aimed at maintaining the basic conditions of equipment and facilities.

The document consists of 12 chapters with 134 specific activities to implement in each Plant, focused on the main equipment and systems that represent the greatest impact on the Company's energy consumption. In the coming years, the Group's plants must implement activities based on their main energy uses to reach 2025 with 100% compliance with the proposed activities. Through its implementation we seek to achieve a reduction in absolute energy consumption by approximately 15%.

Improvement in the Steam Generation System at ARCOR COLONIA CAROYA – Impact on the energy efficiency of operations

At the Colonia Caroya Plant, after annual maintenance of the main boiler, possible improvements were detected to make the steam generation system more efficient.

During 2022, investments were made to achieve more steam production, reduction of natural gas consumption and reduction of greenhouse gas emissions:

- **Change of boiler:** the plant's main boiler did not reach nominal working pressures and steam production. In January 2022, it was replaced by a more efficient one.
- **Water treatment:** a new technology was installed for water treatment using reverse osmosis, allowing an improvement in the quality of replacement water in the boiler and auxiliary equipment.

Reduction of natural gas consumption: With an increase in production of approximately 9%, the consumption of natural gas was reduced by 6.7%, giving a natural gas efficiency of 10.5%.

Reduction of energy losses due to purge reduction: with the new water treatment system, the amount of purges of the bottom of the boiler was reduced from 96 purges/day to 3 purges/day.

Energy from renewable sources

At Arcor Group we are focused on achieving an energy matrix with a high share of renewable energy sources as substitutes for fossil fuels, both for the generation of electricity and for its use as thermal energy. This can be observed in our goal of achieving that 80% of the electricity purchased by the Group comes from renewable sources by 2030.

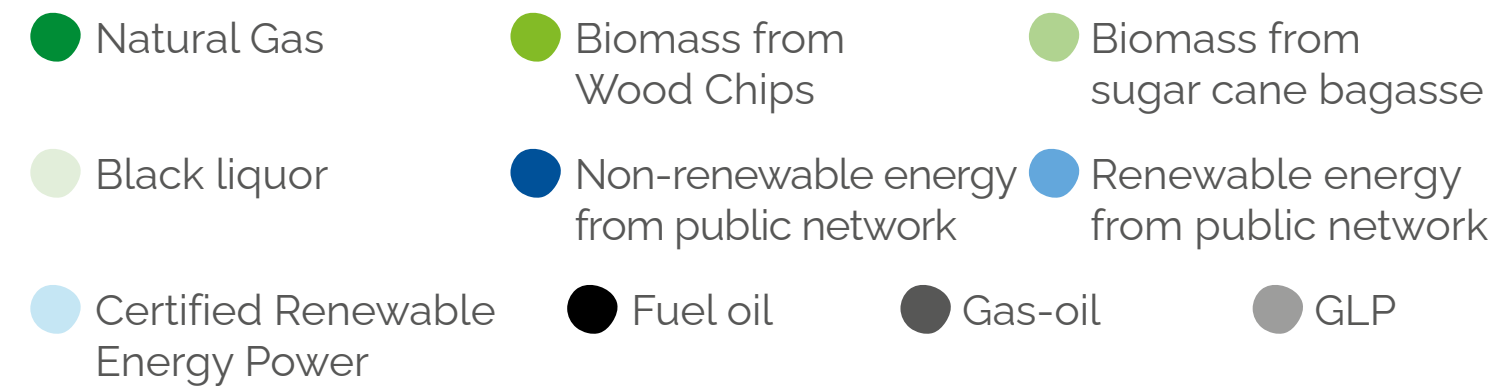
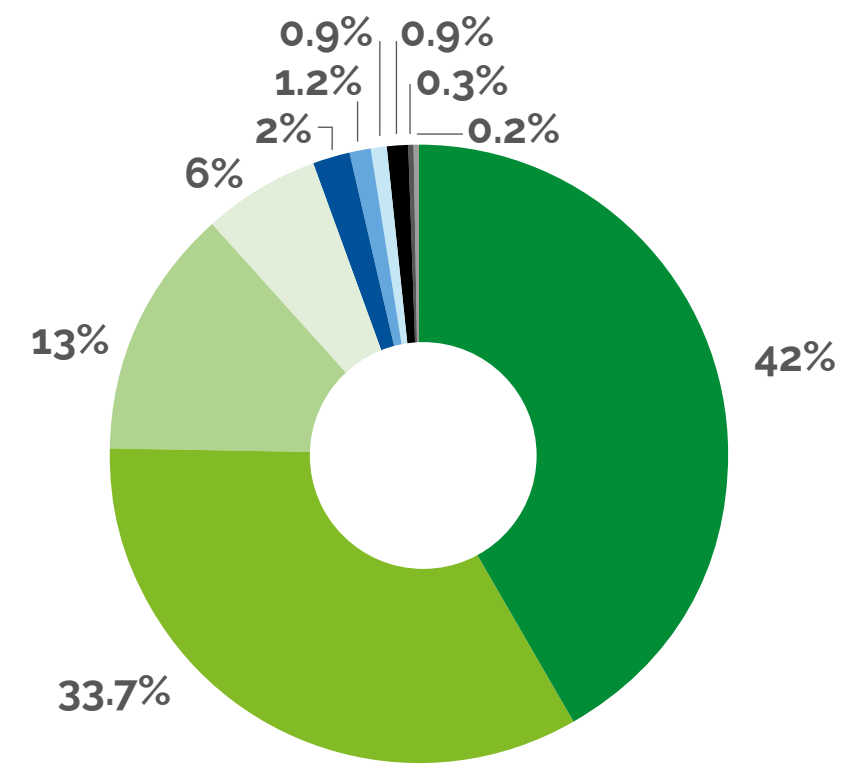
In Argentina, we have three power plants for the generation of electricity: one conventional plant, with a high-efficiency scheme of the combined cycle type powered by natural gas; and two plants that use biomass as a primary source (cane bagasse, wood chips and black liquor).

55% of the energy consumed by the Group comes from renewable sources⁵.

Likewise, the energy purchased from third parties represents an important fraction of the energy used. The Group is supplied with certified renewable energy in Brazil and Mexico, which represents 27% of the energy purchased from third parties. It is part of the process of increasing the rate of this type of energy to meet the goals proposed in 2030.

⁵ Of the total energy (fuels and purchased electricity) without considering the Ardion S.A. plants.

Arcor Group's Energy Matrix – Renewability



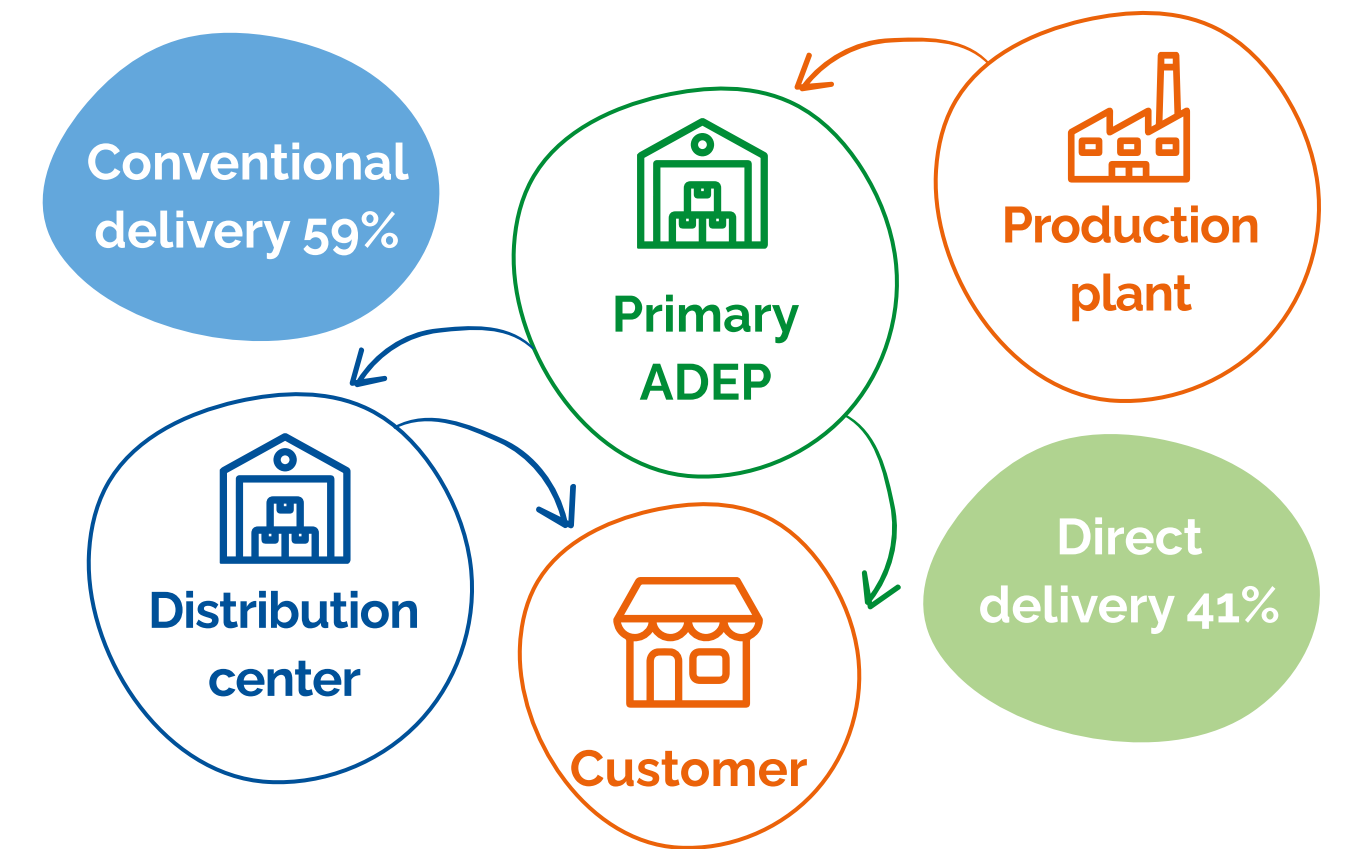
*Of the total certified electric energy purchased to third parties, without considering the Ardion S.A. plants.

Transport Emissions

The logistics for the supply of our raw materials and distribution of our finished products is one of the largest sources of greenhouse gas emissions for the company.

The Logistics Strategy associated with our 2030 goal continues to focus improvement actions on:

- Scaling:** Since 2018, we have promoted the use of this type of trucks for product and raw material delivery. Scalable trucks have one extra axle and can transport loads up to 45 tons, this is equivalent to optimizing the load by 20% per trip. We work through strategic alliances with transport providers, with the aim of maximizing the tons transported on each trip.
- Optimization of truckload utilization:** In order to achieve the planned truckload utilization (use of the cubic meters available in the truck), we worked together with the Load Planning and Building area, in order to optimize trips, building the truckload in a certain way to make it as complete as possible. This measurement is carried out jointly for mass consumption loads and for all movements of raw materials and supplies such as sugar, glucose, bulk flour among others.
- Direct deliveries of products:** Direct delivery implies a single travel for the transportation of goods, and thus avoiding the travel from the plant to the Distribution Centers and then to the customer. In a single travel and using the same transport, it is delivered directly from the primary warehouse to the customer. This Direct Delivery process is key in the medium and long term, being considered in the 2025 Business Strategic Plan. In 2022, it was possible to maintain direct delivery levels similar to 2021, reaching 41%. As a complement to improvement for this indicator, work continues on the GRU project, which seeks to optimize the cubic meters per pallet of finished product, in order to further maximize the level of truckload utilization.



Emissions (Ton CO₂) Transport

	2017	2018	2019	2020	2021	2022
Argentina	284,553	282,555	259,535	279,597	263,737	266,979
Brazil	32,093	32,157	30,374	21,623	22,298	15,299
Chile	9,108	11,587	23,600	21,246	23,493	20,643
Mexico	4,166	5,455	5,945	2,098	7,429	8,975

Travelled Km according to the type of transport

	2017	2018	2019	2020	2021	2022
Land	107,013,040	103,367,558	97,920,874	101,575,587	102,550,499	107,632,147
Sea	12,279,086	19,696,297	23,973,235	25,776,166	25,545,258	30,935,585

In 2022, these actions allowed for a decrease of 5,061 absolute tons of CO₂ compared to 2021.

Biodiversity Strategy

After the characterization and diagnosis carried out during 2020 on the areas of high conservation value of Arcor Group, during 2022 we advanced in the design of a Biodiversity Strategy and we continued developing a line of work that can integrate all the projects that are carried out related to biodiversity preservation and ecosystems regeneration.

The preservation of natural areas of High Conservation Value is essential to preserve biological and cultural diversity, and, consequently it provides benefits for society and the environment. These areas contribute to climate regulation, the sustainable provision of resources and education in sustainable development, among others. Arcor Group currently has two protected natural areas of high conservation value:

- **La Providencia Sugar Mill:** The sugar mill is located in the town of Río Seco, province of Tucumán. Within the fields that make it up, La Providencia has 1,094 hectares of native forest. This sugar mill is part of the Yungas or mountain jungles eco-region, which is home to more than 200 species of trees, 120 mammals, 30 amphibians, more than 500 birds and eight Neo-tropical felines. In turn, the area limits to the north with La Florida Provincial Reserve, with a strict nature reserve category, and to the west with the forest of Aconquija National Park, which has a large number of tree species and more than 400 species of vertebrate animals.
- **Papel Misionero Natural and Cultural Reserve:** The reserve is located in Aristóbulo del Valle, Misiones, and extends over 10,397 hectares. It is part of the Alto Paraná Atlantic Forest,

one of the most threatened environments in the world due to the great fragmentation of its forests, which makes it difficult to protect the species that it comprises. The forest contains around 50% of the species of mammals and birds, and 30% of the plant species of the country.

During 2022, progress was made in promoting an initiative together with ProYungas, with the aim of identifying potential activities to add value to Arcor Group's protected areas in Misiones and Tucumán. Under the Productive Protected Landscape model promoted by ProYungas, we seek to generate a landscape-scale land management model that allows integrating production with biodiversity conservation and associated ecosystem services in a context of social promotion.

Under this framework, we made progress defining a Biodiversity Strategy based on the following aspects:

1. Integrate biodiversity management into the Arcor Management System
 - Incorporate the care of biodiversity in the Management System of the agricultural areas in charge of the productive territories adjacent to the areas.
 - Integrate the development of plans to address the conservation of these areas in the plans of the Community Relations Committees of the bases on which they depend.
2. Development of action plans contemplating the 5 guidelines of the Protected Productive Landscape program, with the support of ProYungas:
 - Land planning
 - Continuous improvement in socio-environmental performance
 - Monitoring and social and environmental evaluation
 - Internal and external communication
 - Alliances with local actors

In addition to advancing in territorial planning activities in the areas of Tucumán and Misiones, progress was made in the definition of specific guidelines by territory to continue working in the coming years.



Papel Misionero Natural and Cultural Reserve | Conservation Plan

Within the framework of the Conservation Plan of Papel Misionero Natural and Cultural Reserve, which extends over 10,397 hectares of Atlantic forest, the following activities were developed:

Environmental Education Program:

Recreational and didactic activities were carried out so that students understand the importance of natural resources, their interrelationships and the importance of maintaining a healthy environment. It is mainly intended to schools in the area of influence of the Natural Reserve and close to our properties.

Survey of neighbors:

Through surveys, socioeconomic information, the relationship with the company, and other relevant data from the neighbors were collected. These surveys were carried out in order to:

- Update cartographic location data of the neighbors.
- Maintain the communication process with the neighbors.
- Identify if they know the company and its forestry activity.
- Identify aspects of forestry activity that could cause impacts on neighboring properties or annoyances to neighbors.
- Identify the existence of Priority Sites for Conservation.

Survey of aboriginal communities:

We identified the following communities located within company properties and in neighboring areas:

- El Soberbio: Mandarina, Jeju, Jeju mini, Granja Yryapy,
- Pindo Poty, Ita Piru, Pora, Chachi.
- Puerto Mineral: Marangatu and Monte Alto.
- San Ignacio: Katupyry.
- Los Teales: Tekoa Porá, Tekoa Guaraní, Virgen María

The conservation activities carried out allowed Papel Misionero Natural and Cultural Reserve to maintain a very good state of conservation, which is reflected in the indicators of density, basal area and richness (number of species) that the area presents in comparison to other ecosystems in good state of conservation.

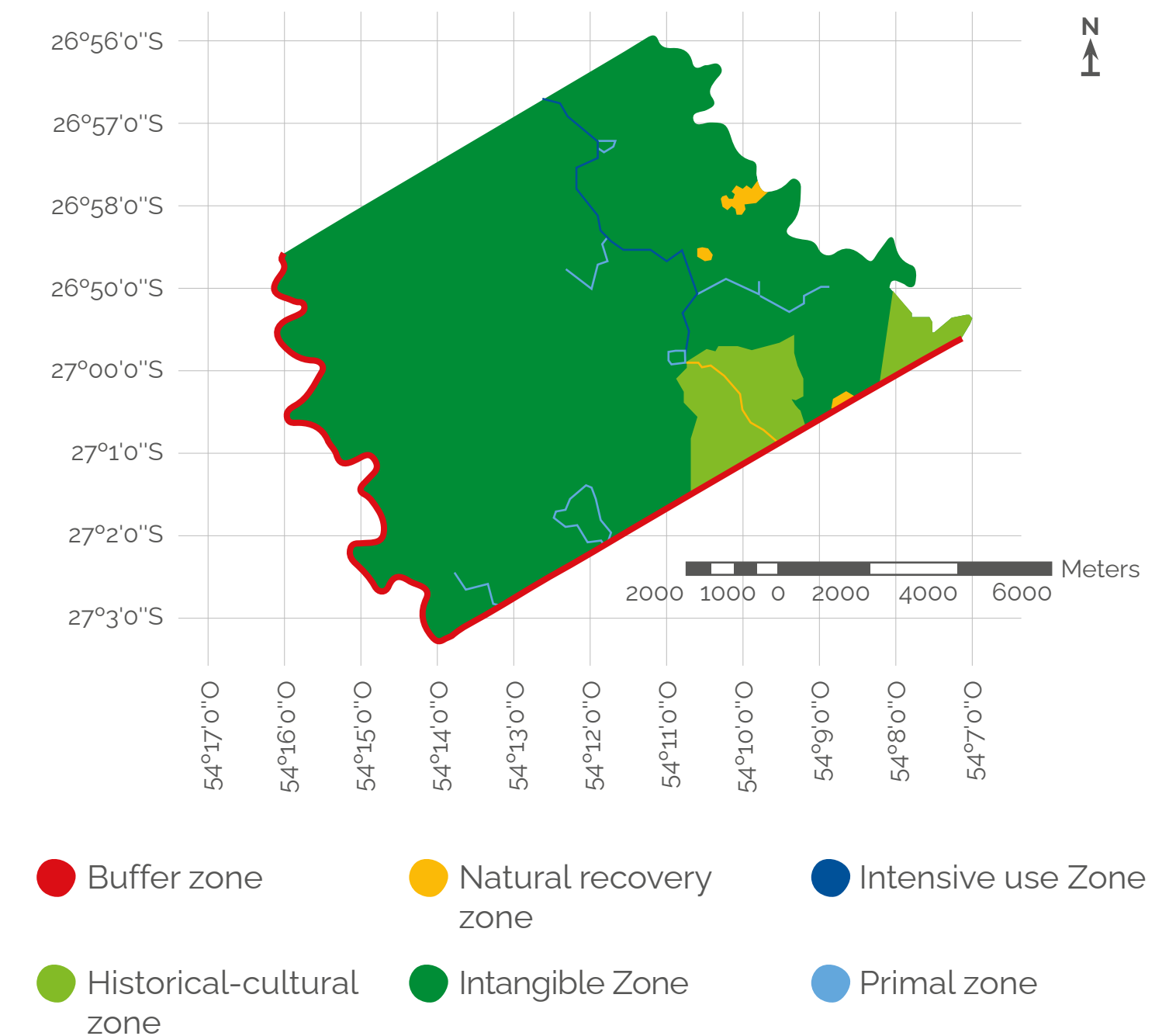
Comparative table between the reserve and other sites

Flora characteristics	Papel Misionero	Well preserved ecosystems	Degraded forest
Density (Ind/hectare)	324	315	250
Basal area (m ² /hectare)	23.61	23.7	12.84
Richness (no species)	91	89	22

Chart with fauna indicators

Class	Nº species	Nº family	Average species by family
Birds	243	43	5.7
Mammals	37	19	1.9

Papel misionero natural and cultural reserve Conservation plan for the reserve, Zoning proposal



Circular Material Flow

We believe that current linear consumption models based on withdrawal, production and disposal are no longer sustainable.

We are committed to promoting a circular model for the inputs we use throughout our entire value chain, rethinking their life cycle.

Through this commitment, we propose circular economy as the best business model to achieve economic development within the planetary boundaries.

Waste Management

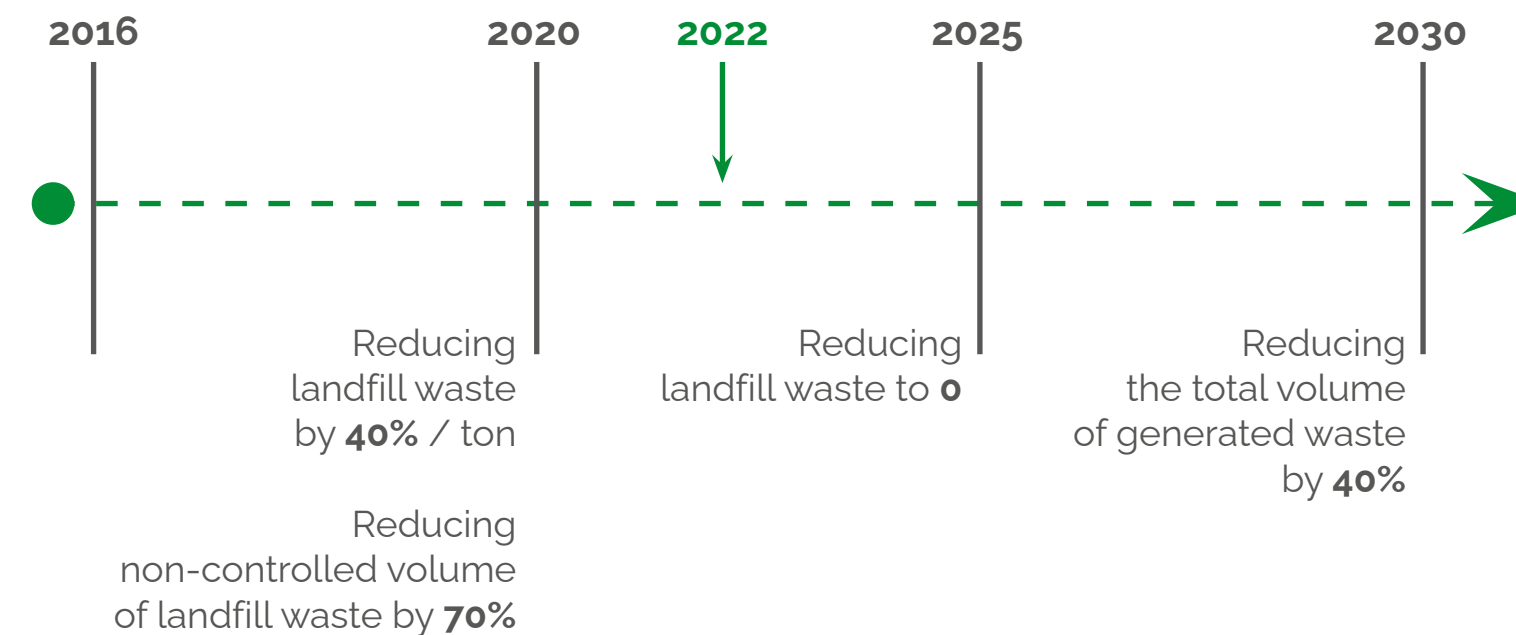
This corporate program was designed with the aim of establishing guidelines for a comprehensive approach to waste management in Arcor Group's industrial operations, proposing results goals for the company and evaluating the evolution of compliance year after year.

In 2017, we defined the goal of reaching zero waste sent to landfill in all our operating units by 2025. In 2022, three plants in Argentina have accomplished that goal:

1. Zucamor Quilmes (Buenos Aires)
2. Zucamor Cartón Ranelagh (Buenos Aires)
3. Bagley (Córdoba)

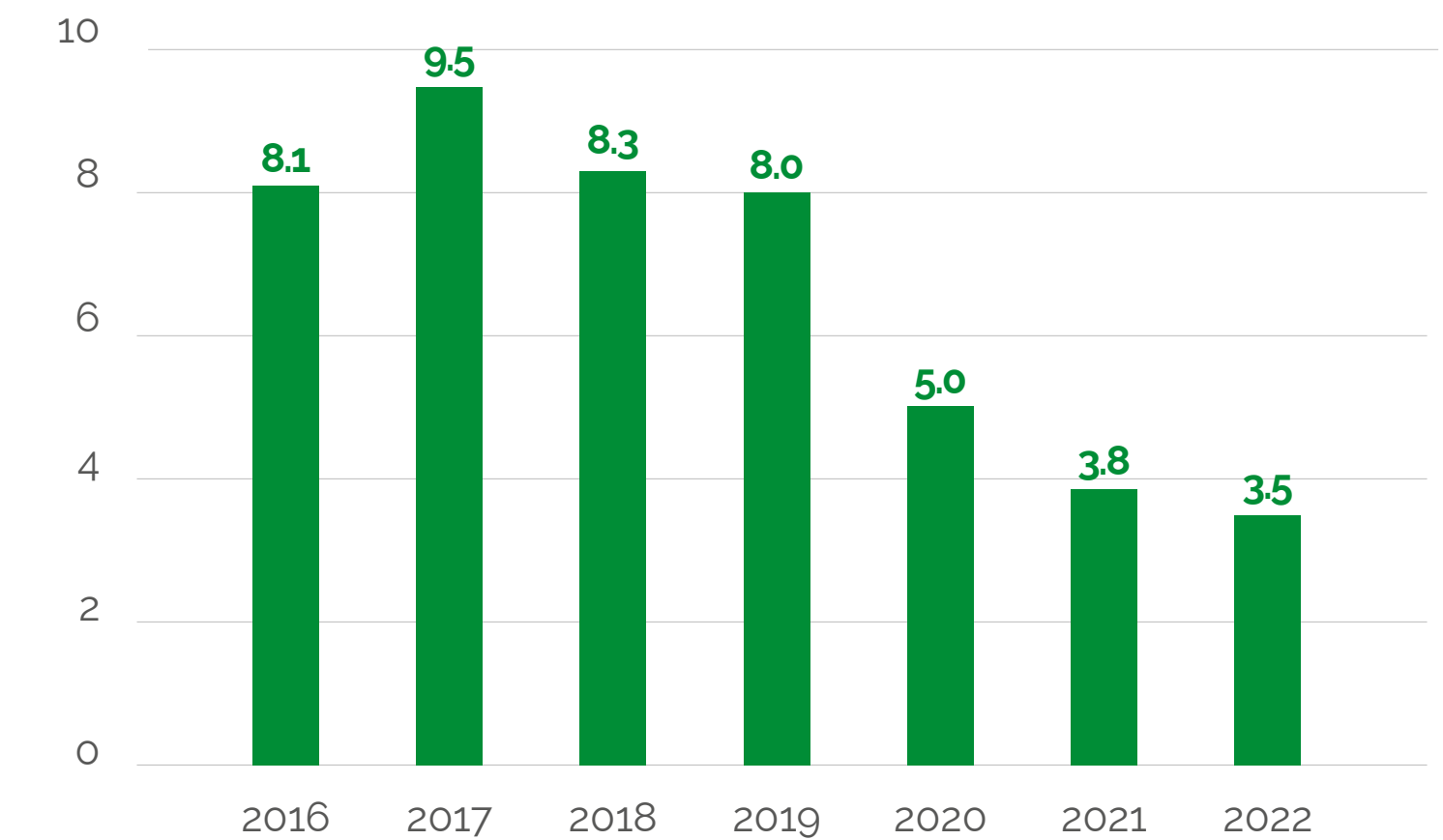
Reaching the goal of zero waste sent to landfill allows us to avoid the impact on landfills in the towns where our industrial operations are located, mainly those located in small cities where infrastructure is more vulnerable. These 3 plants are added to the plants in Brazil and three in Argentina that had already achieved this goal in 2021.

Environmental goals Compliance levels by 2020

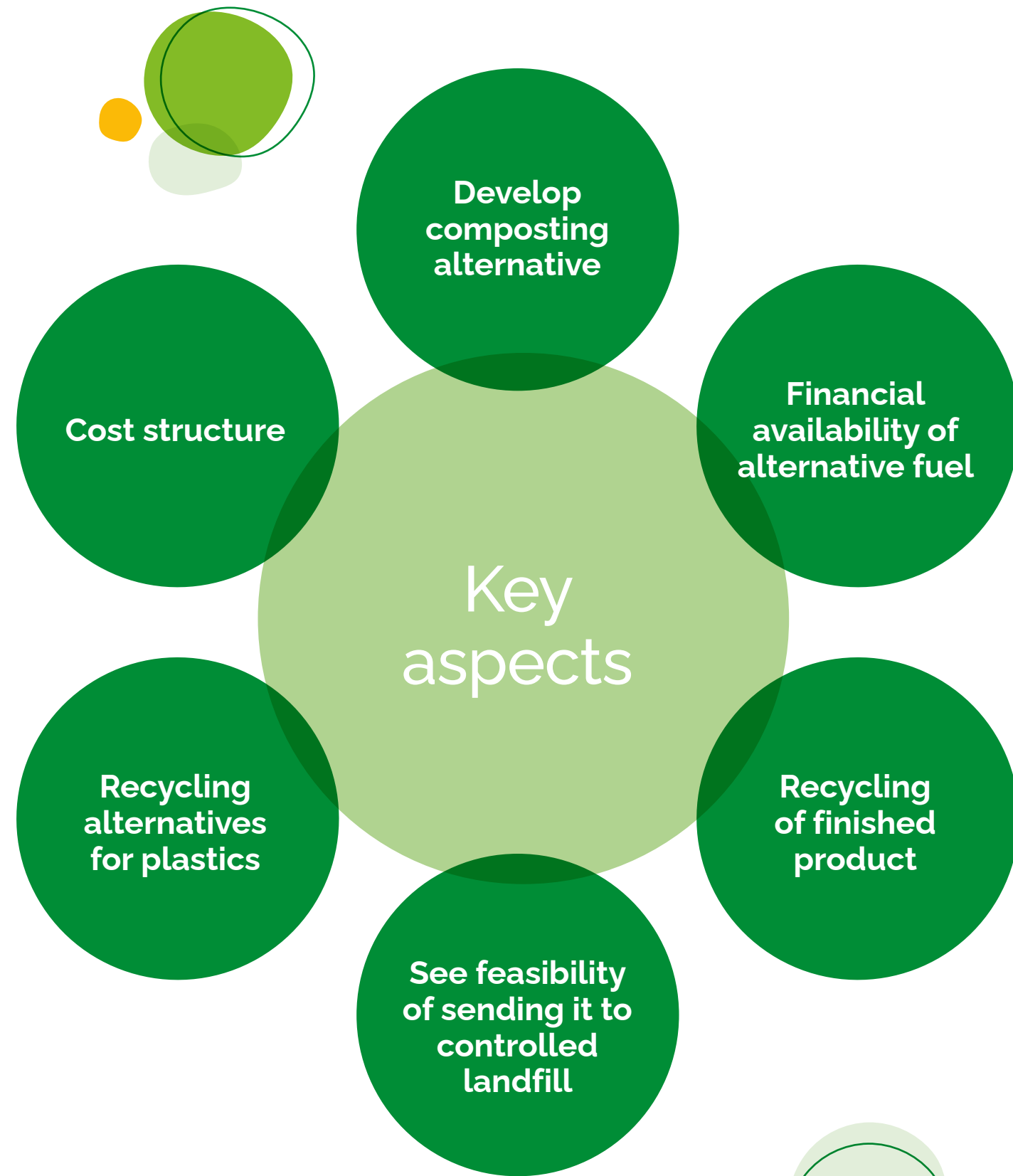


In 2022, 17,809 tons of waste were sent to landfill. There was a 50% reduction in comparison to 2017.

Landfill waste (kg/ton)



During the 2022 period, a work group was formed, made up of a multidisciplinary team in which members of the Environmental teams of the different businesses of the group participated, with the aim of developing a work plan to achieve the environmental goals within the limits of the Zero Waste plan.



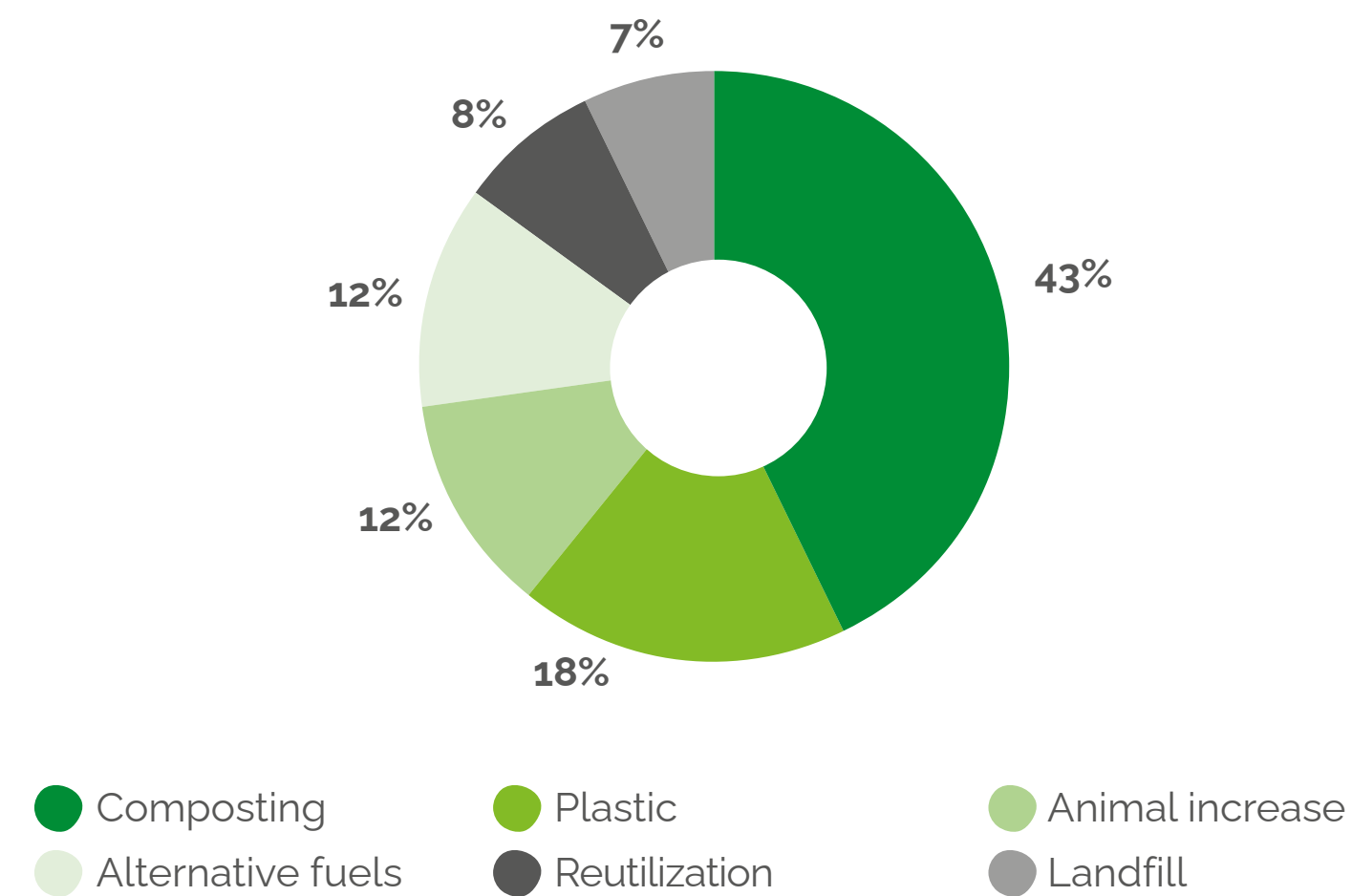
Zero waste program

- 6 key aspects to be developed.
- Definition of lines of work.
- Definition of deadlines and people in charge of it.

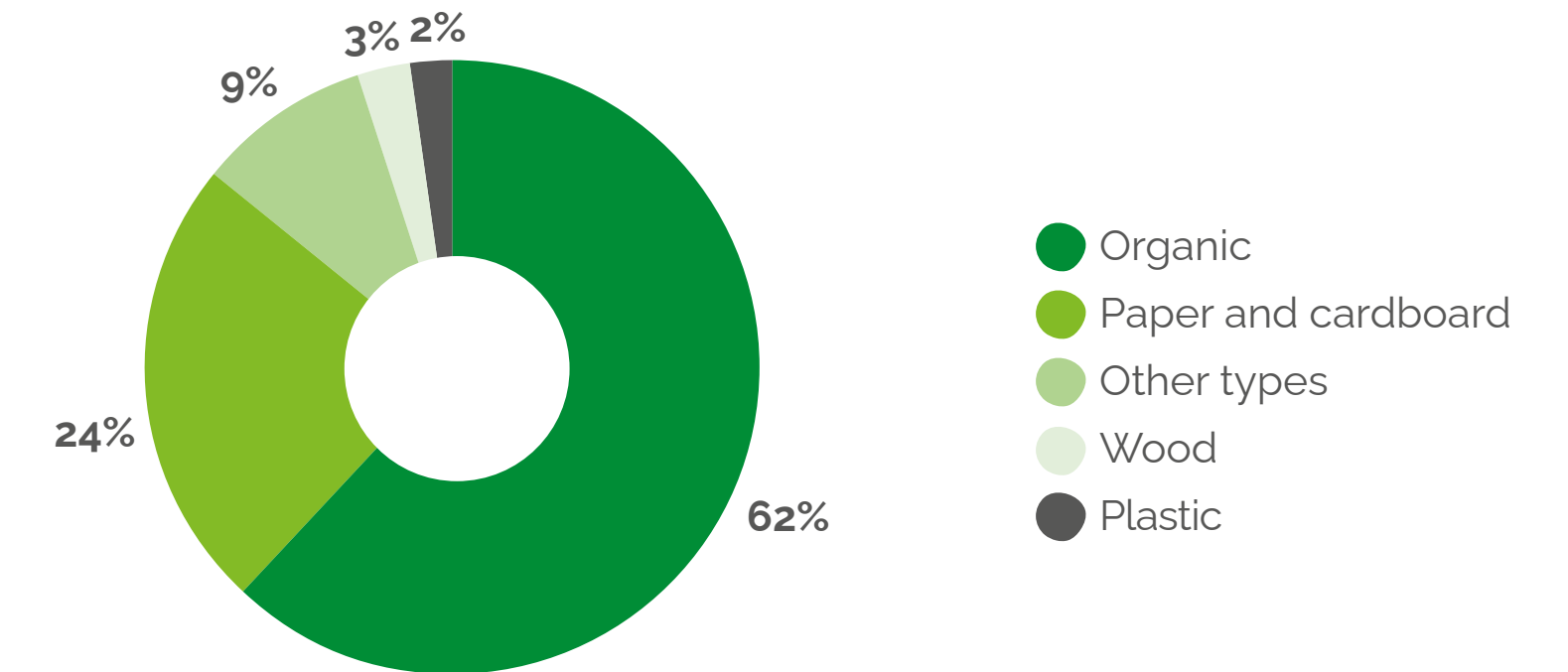
To advance in the fulfillment of the goal, this group continues to develop works through the consolidation of the composting alternative for the treatment of organic waste, the growth of the plastic recycling industry and the technologies for waste-to-energy, to continue contributing to sustain the downward trend.

During 2022, different projects were started, such as the recovery of Post-Consumer Polyethylene and the recovery of long-life packaging, as two large circular economy initiatives. This allows us to continue giving sustainability to the transformation of plastic waste, achieving a greater contribution on our way to achieving the goal.

Waste by intended use



Waste by type

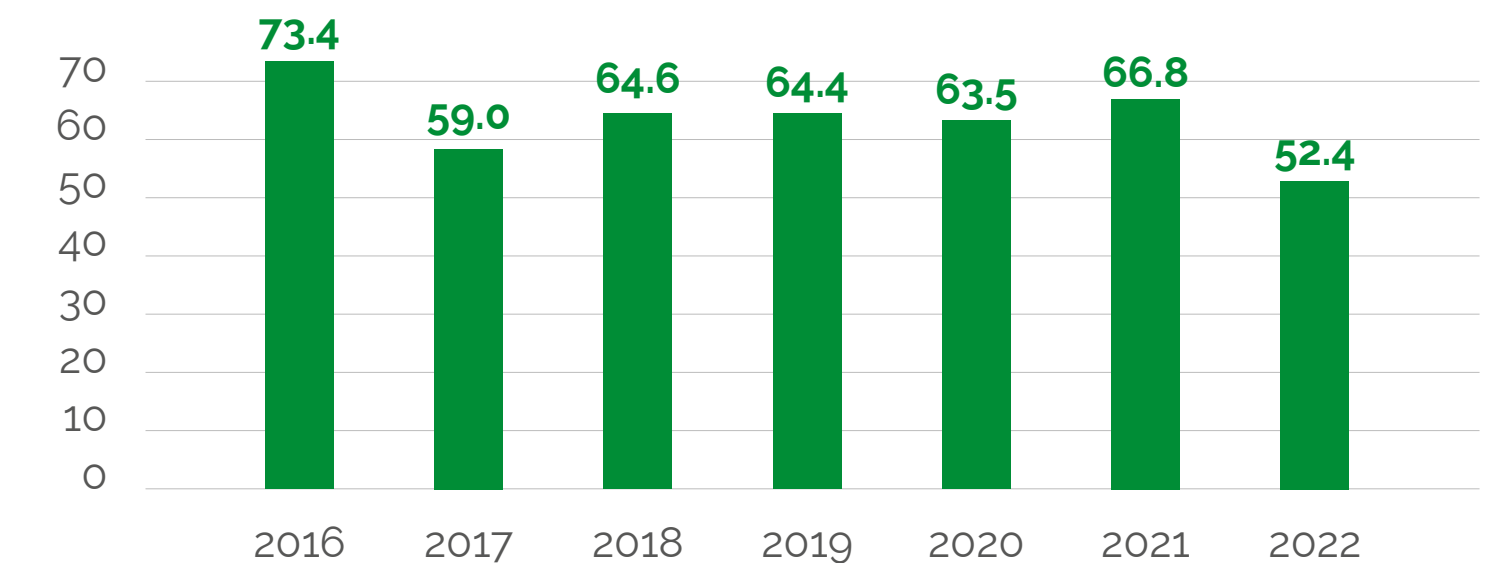


Total waste

By 2030, we have an established goal of reducing 40% of the waste generated for each ton produced with respect to the values of 2016.

In 2022, we achieved a 29% reduction in waste generated per ton produced compared to 2016, getting closer to the fulfillment of the established goal.

Generated solid waste (kg/ton)



Total Generated Waste

Country	2016	2017	2018	2019	2020	2021	2022
Total	241,675,126	204,052,515	227,205,966	233,708,764	239,149,277	276,255,087	255,982,750
Argentina	217,380,283	190,114,540	211,988,297	216,949,074	223,677,211	259,530,485	240,462,647
Brazil	9,614,265	8,526,365	9,327,950	9,456,843	9,367,089	9,752,768	10,274,480
Chile	12,773,463	2,064,475	2,957,559	4,096,492	3,598,611	3,452,719	3,241,714
Mexico	1,907,115	3,347,135	2,653,340	2,995,385	2,384,012	3,329,885	3,660,188
Peru	0	0	278,820	210,970	122,355	189,230	184,097

Hazardous Waste (Kg)

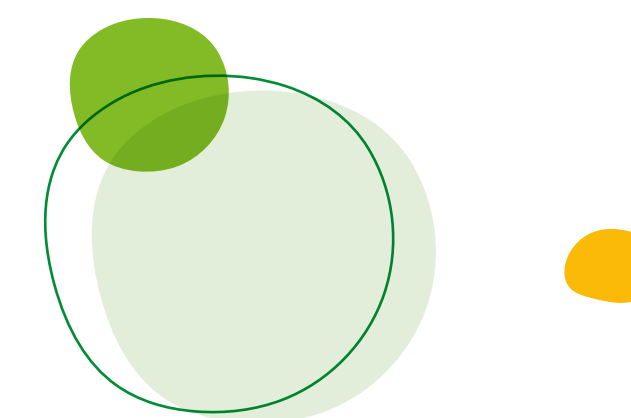
Country		2016	2017	2018	2019	2020	2021	2022
Total		2,395,509	2,199,446	1,258,454	1,954,315	2,023,842	1,696,117	1,592,568
Argentina		2,343,910	1,795,791	1,220,726	1,901,597	1,915,673	1,547,459	1,503,053
	ARCOR S.A.I.C.	152,795	126,993	106,820	95,189	83,999	115,439	85,209
	CARTOCOR S.A.	2,023,135	1,575,019	885,900	982,602	1,699,122	1,341,532	1,277,150
	BAGLEY ARGENTINA S.A.	112,511	58,739	78,945	62,897	70,704	58,904	59,825
	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 MISIONERO S.A.I.F.C.		0	0	369,110	26,277	30,220	28,548
	INGRECOR S.A.						0	2,336
	ARDION S.A.						0	47,420
	MULTICOMPAÑIA ARCOR	19,883	17,430	2,547	2,640	5,767	1,365	2,565
Brazil		43,289	30,774	26,312	26,901	40,126	22,508	47,815
	ARCOR DO BRASIL LTDA	38,581	28,962	22,580	22,247	20,641	8,111	27,081
	BAGLEY DO BRASIL ALIMENTOS LTD	4,708	1,812	3,732	4,654	19,485	14,397	20,733
Chile		6,844	9,672	5,339	22,107	66,043	126,150	41,701
	I.A.D.E.U. S.A.	3,039	6,283	2,448	3,815	2,185	4,923	4,981
	GALLETITAS JV S.A.-CHILE PROV.	3,805	3,389	2,891	3,375	4,558	4,197	2,710
	CARTOCOR CHILE S.A.	0	0	0	14,917	59,300	117,030	34,010

Hazardous Waste (Kg)

Country		2016	2017	2018	2019	2020	2021	2022
Mexico		1,466	363,208	3,137	0	0	0	0
	MUNDO DULCE S.A. DE C.V.	1,466	363,208	3,137	0	0	0	0
Peru		0	0	2,940	3,710	2,000	0	0
	ARCOR DE PERU S.A.	0	0	2,940	3,710	2,000	0	0
	CARTOCOR DE PERU S.A.						0	0

Hazardous Waste (Kg/Ton)

Country		2016	2017	2018	2019	2020	2021	2022
Total		0.73	0.64	0.36	0.54	0.54	0.41	0.33
Argentina		0.77	0.55	0.37	0.57	0.55	0.40	0.33
	ARCOR S.A.I.C.	0.08	0.07	0.05	0.05	0.04	0.05	0.05
	CARTOCOR S.A.	6.84	5.17	2.93	2.68	3.30	2.39	2.17
	BAGLEY ARGENTINA S.A.	0.45	0.23	0.33	0.28	0.31	0.26	0.25
	LA CAMPAGNOLA S.A.C.I.	0.21	0.11	0.18	0.12			
	ZUCAMOR S.A.		0.00	0.91	2.66			
	ZUCAMOR CUYO S.A.		0.00	0.00	0.02	1.29		
	PAPEL MISIONERO S.A.I.F.C.		0.00	0.00	3.83	0.28	0.28	0.29
	INGRECOR S.A.						0.00	0.01
	ARDION S.A.						0.00	0.07
	MULTICOMPAÑIA ARCOR	0.06	0.06	0.01	0.01	0.01	0.01	0.00
Brazil		0.34	0.25	0.20	0.21	0.33	0.17	0.34
	ARCOR DO BRASIL LTDA	0.75	0.59	0.43	0.45	0.51	0.17	0.52
	BAGLEY DO BRASIL ALIMENTOS LTD	0.06	0.02	0.05	0.06	0.24	0.18	0.24
Chile		0.10	0.21	0.16	0.19	0.61	1.06	0.33
	I.A.D.E.U. S.A.	0.18	0.38	0.15	0.21	0.15	0.26	0.26
	GALLETITAS JV S.A.-CHILE PROV.	0.30	0.23	0.17	0.23	0.34	0.27	0.16
	CARTOCOR CHILE S.A.	0.00	0.00		0.18	0.74	1.38	0.38

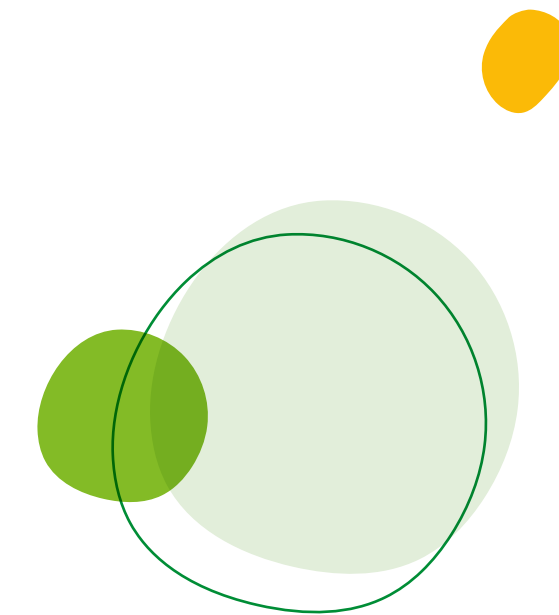
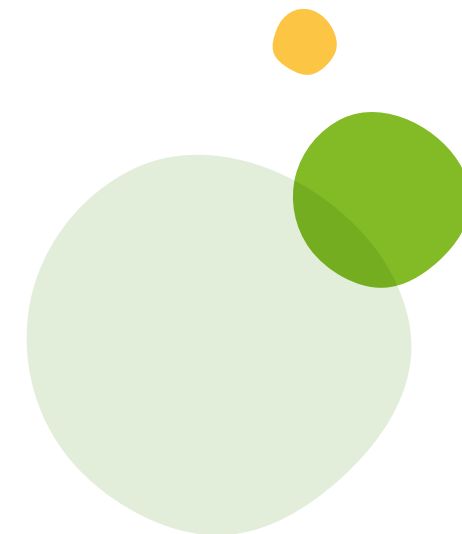


Hazardous Waste (Kg/Ton)

Country		2016	2017	2018	2019	2020	2021	2022
Mexico		0.04	10.03	0.09	0.00	0.00	0.00	0.00
	MUNDO DULCE S.A. DE C.V.	0.04	10.03	0.09	0.00	0.00	0.00	0.00
Peru		0.00	0.00	0.53	0.67	0.54	0.00	0.00
	ARCOR DE PERU S.A.	0.00	0.00	0.53	0.67	0.54	0.00	0.00
	CARTOCOR DE PERU S.A.						0.00	0.00

Waste for Landfill Disposal (Kg)

	2016	2017	2018	2019	2020	2021	2022
Total	28,011,997	34,891,555	31,037,128	30,650,749	19,801,306	17,762,546	17,809,505
Argentina	24,218,064	33,289,398	28,963,725	28,186,008	17,806,504	16,029,181	16,203,681
Brazil	2,092,844	704,927	459,330	123,167	225,100	93,240	218,030
Chile	600,785	489,390	1,100,350	1,574,590	1,163,939	976,999	705,700
Mexico	1,100,304	407,840	420,073	684,724	563,668	591,236	590,054
Peru	0	0	93,650	82,260	42,095	71,890	92,040



Arcor Group Packaging Material

Since we offer consumer food products, we are great consumers of packaging material. Packaging plays a fundamental role in minimizing food loss, ensuring the preservation of products throughout the entire commercial chain, guaranteeing their quality, and communicating essential information for the consumer.

Through our Packaging division, we are also one of the most important packaging solutions companies in the Southern Cone. We produce corrugated cardboard, cardboard, paper bags, flexible packaging using different printing technologies, recycled paper, Kraft Liner Board and Sack Kraft, extrusion of plastics and bio-plastics.

In 2022, we used more than 96,405,789 Kg of packaging material:

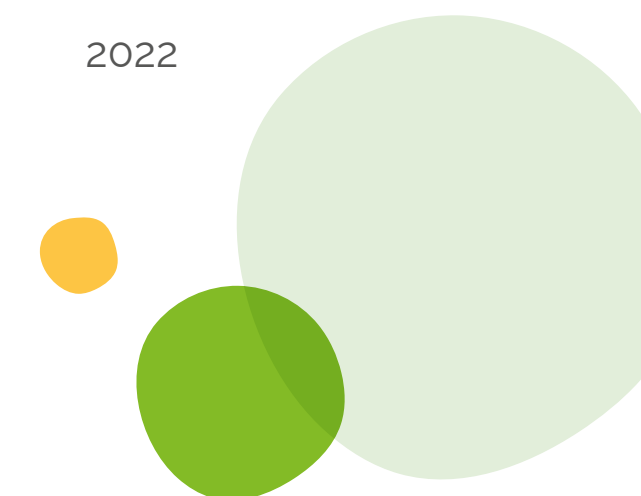
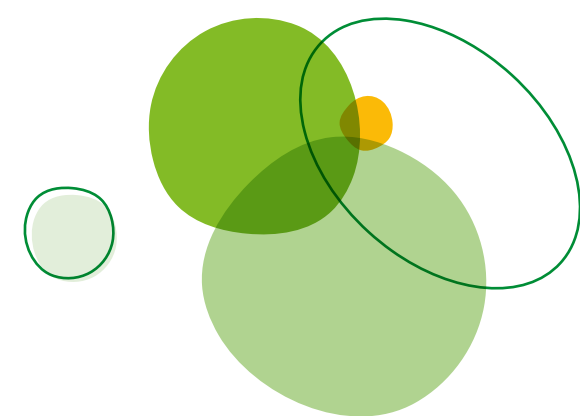
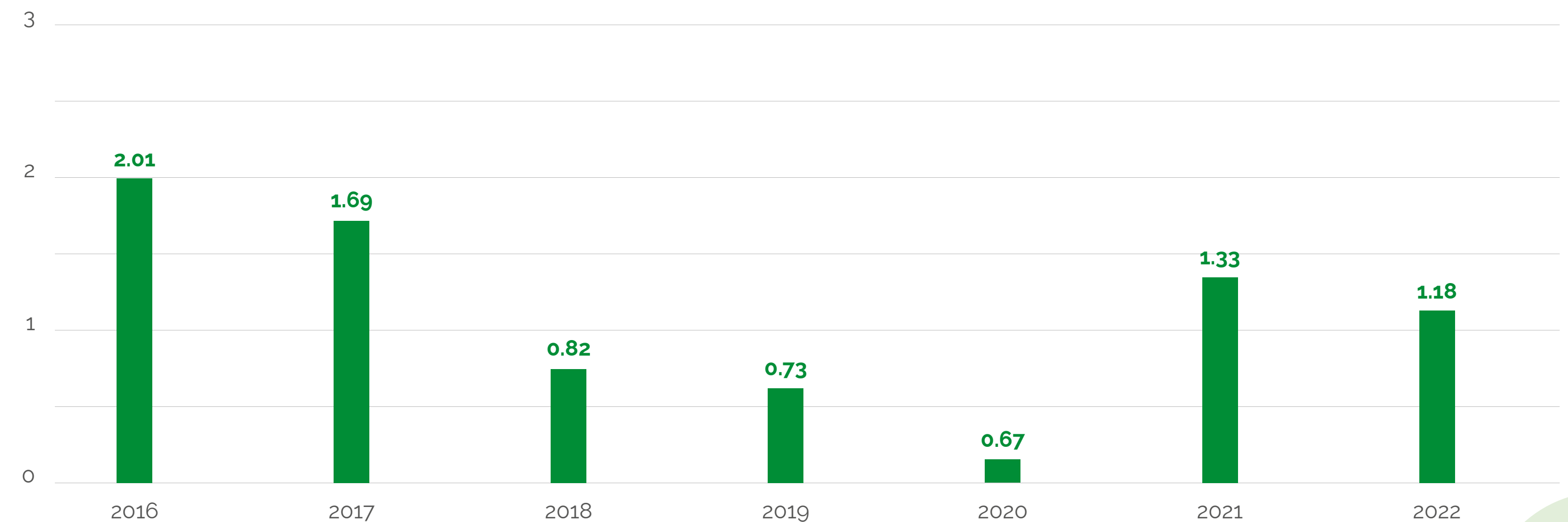
Packaging material used in 2022 (Kg)	
Paper, Cardboard and Wood	53,900,923
Plastic	22,799,672
Glass	11,638,966
Metal	5,602,305
Paper and plastic laminates	2,463,923

Reduction in Use

In accordance with our commitment to the circularity of materials, all of the company's businesses promote initiatives to reduce the use of packaging materials in products. Through our Corporate Packaging Index, which considers the percentage of product weight that corresponds to packaging material, we monitor those actions in search of continuous improvement.



Evolution Corporate Packaging Index



Paper and cardboard

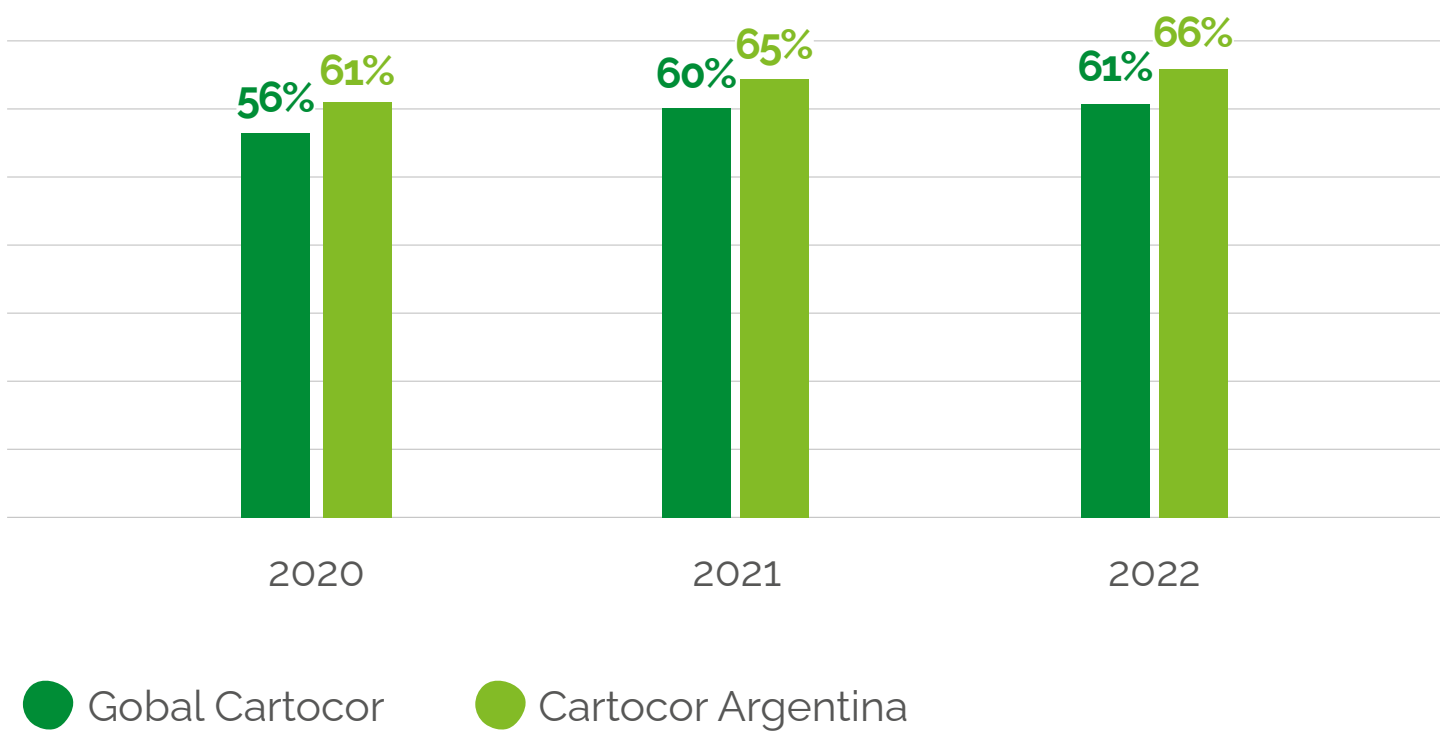
Recycled papers

They are made mainly from post-consumer material recovered from the market, which makes it the most recovered and recycled material within packaging materials.

During 2022, the three business plants produced more than 190,000 tons of recycled paper that was used to make boxes.

With this volume, the content of recycled material in the boxes produced in Argentina was 66%, showing a permanent growth in this regard. This was the result of innovation in recycled paper with better properties than market standards, and favors a greater replacement of virgin Kraft paper.

% of recycled cardboard in final product



Based on the Drum Pulper technology incorporated in 2018, in addition to the cardboard materials recovered from both pre and post consumption, we began with the recycling of long-life packaging. In 2022, more than 100 tons of these materials were processed. Starting from the campaign launched in 2022 together with Mastellone and TetraPak in large cities of the country, we hope to multiply this volume in 2023, thus providing a scale solution to the recycling of these materials.

Innovation for circularity - Paper and Cardboard Punnets portioning Containers for retail

In response to the problem of single-use plastics that are used for portioning fruit and vegetables in the retail sector, and which are mainly made of EPS (expanded polystyrene), Cartocor developed an alternative based on micro-corrugated cardboard that allows recycling and has the same characteristics for food care.

Replacement of EPS used in electric appliances boxes

In the same way as containers used in retail, Cartocor looked for other alternatives for the use of EPS, a material strongly questioned due to the difficulty in its recycling. In this case, a solution was developed for the packaging of electrical appliances using pieces of recycled corrugated cardboard for the packaging of the products, maintaining the safety in the transport of the products and allowing the subsequent recycling of all the materials.

Pampa Drum

As part of the strategy to replace materials with a larger environmental footprint, Cartocor installed a line at its plant in Mendoza, Argentina to manufacture paper drums used mainly by the food industry. They are an alternative to metal containers, which are much heavier, more expensive and with a higher environmental footprint. This line was launched in December 2022 with the expectation of producing 2,500 units per month.

In 2022 we complied 100% with our Sustainable Paper Supply Policy, and 100% of the paper consumed was sustainable.



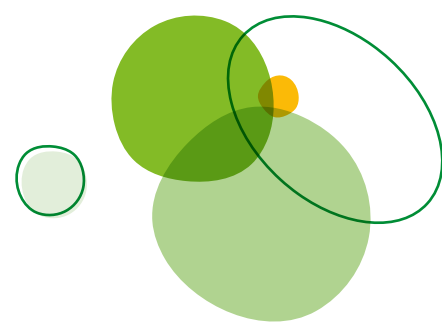
Plastics

During 2022, we continued to promote the Plastics Strategy defined by the company. In 2020 we launched our Plastic Packaging Policy that establishes guidelines to continue advancing in the development of increasingly sustainable solutions for our packaging.

Likewise, we have a Guide for Sustainable Design, which establishes definitions and technical guidelines on design conditions that favor circularity and the optimization of the use of materials, developed from concepts and definitions of the Ellen McArthur Foundation, which seeks accelerating the transition to a circular economy.

During 2022, different innovation meetings were held for the implementation of circular economy projects. 28 people from different areas such as Marketing, R&D, Industrial and Sustainability participated, covering all the company's businesses.

In 2022, a total of 28 projects to reduce the use of packaging materials and replace them with more sustainable ones were implemented.



Long life packaging recovery and recycling Project

During 2022, progress was made in the development of a project in partnership with CEMPRE, TetraPak and Mastellone, aimed at developing a circular economy for long-life packaging used by the Arcor Group Food Business. The project plans to increase the recovery of these materials at the end of their useful life and recycle them at Arcor Group's Cartocor Ranelagh plant.

Considering that, in Argentina, around 55,000 tons of long-life containers are introduced into the market each year, and only 7,000 tons of discarded containers (13%) are recovered and recycled, the focus of the project will be aimed at increasing the volume recovered and recycled of these materials. Every year, Arcor introduces an average of 2,000 tons of long-life containers to the market for the sale of its tomato products.

Based on these impacts, the following objectives were established for the project:

- Developing a Project of circular economy for long-life containers.
- Increase the volume of long-life containers that are recovered post-consumption.
- Recycling 3,000 annual tons of long-life containers in Zucamor Ranelagh by 2025.

Within the framework of these objectives, during December 2022, CEMPRE entered into agreements with the municipalities of Córdoba, Morón and San Juan. The agreements established are intended to the establishment of alliances with cooperatives for specific populations. They are also meant to develop training and strengthening actions for such cooperatives to increase the volume of material recovered.

Recycled Plastics

Since 2021 we began the development process to incorporate recycled post-consumer Polyethylene (PCR) in the formulation of new materials that are not in direct contact with food. This is a significant step in the circularity of plastics that, due to their diversity and complexity, present a great difficulty for recycling.

This work included reverse logistics that allowed the material

to be recovered from 72 generation points to the processing plant. There, the material is washed to ensure quality and then it is transformed into new material, preserving the original quality and thereby minimizing the loss of value in recycling.

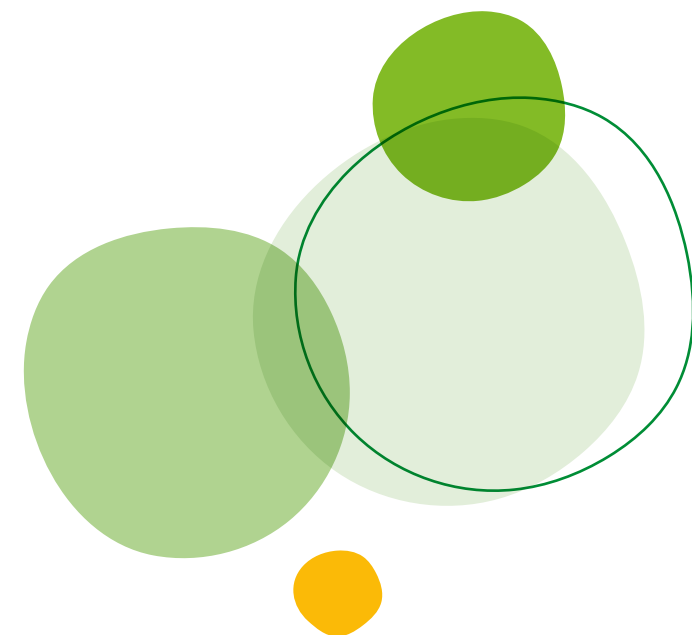
In 2022, 35 tons of material were recycled and the expectation is to continue growing in 2023.



Controversial Plastic

As part of our commitment to the circularity of materials, we promote the replacement of controversial components used in the packaging of our products to reduce their environmental impact in final disposal processes.

Country	Line	New structure
Brazil	Eastern eggs	PET 50
	Flics	PET-PCR
Mexico	Butter Toffees	CPP
	Candies	PET
	Discs	PET
Argentina	Lollipops	BOPP lacquering
	Slices	BOPP



At Arcor Group, PVC has been used throughout history as a packaging material for single and double twist candies, due to its mechanical properties and its affordable price. In line with global trends in the consumer food products industry, for several years we have been promoting the replacement of PVC as a packaging material for products to reduce the environmental impact of uncontrolled landfill disposal and avoid the impacts generated by burning this waste using inadequate treatment systems. For this reason, in 2018, the Arcor Policy for the Elimination of PVC as Packaging Material was established and the goal of having 0% PVC in our containers by the end of 2020 was established. This goal had to be extended due to the lack of available alternatives in the market for the replacement of material for all our lines of product.

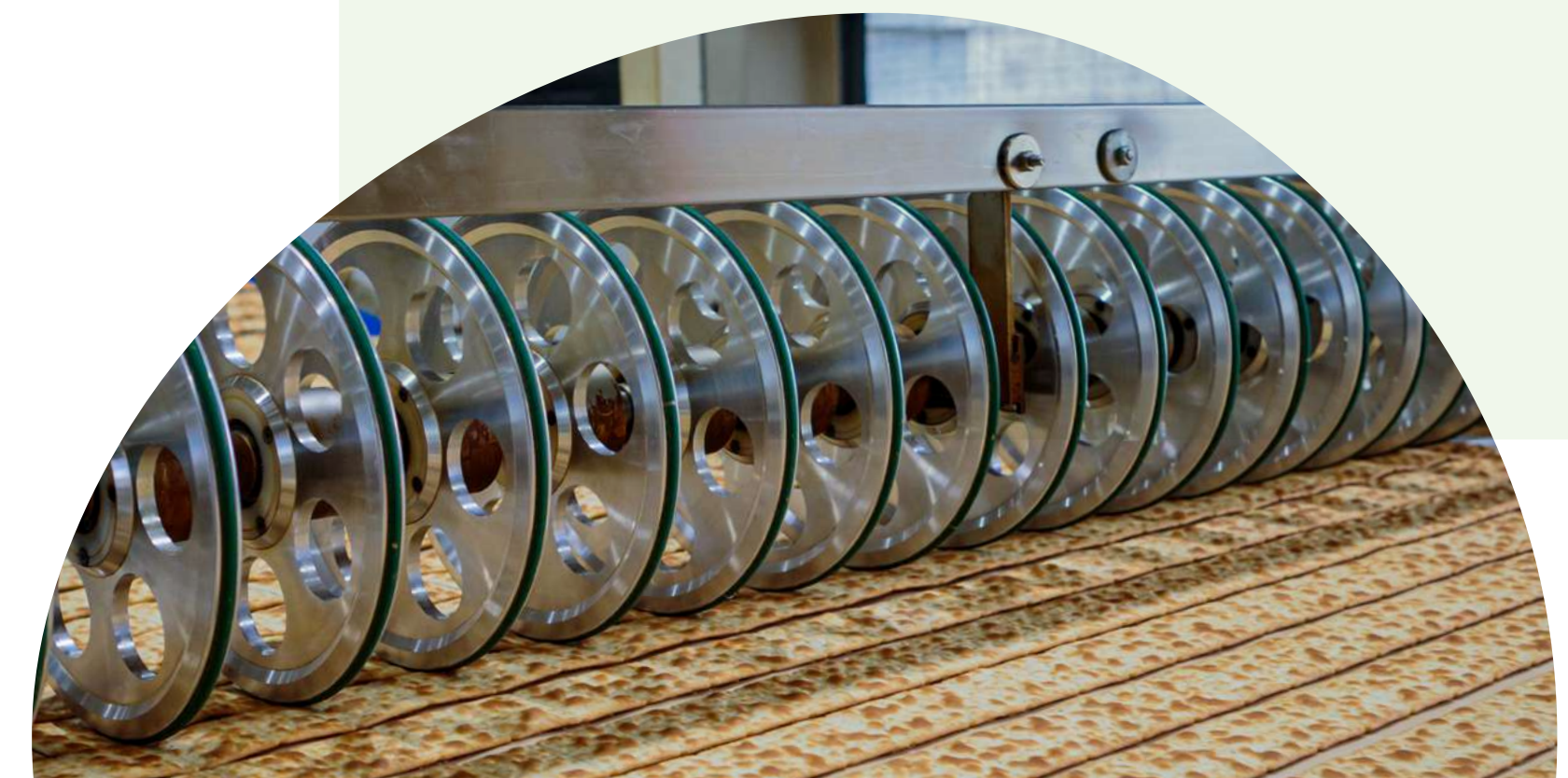
During 2022, we made progress with a significant reduction in the use of PVC through the implementation of PVC replacement projects in 7 production lines in Argentina, Brazil and Mexico.

As a result of these replacement projects, we were able to reduce 87.9% of PVC consumption compared to 2011. Currently, PVC is only used in a chewing gum line in Argentina and work continues on the replacement of this material.

Structure reduction in Serranitas x105g in Villa Mercedes plant

The initiative arose with the aim of reducing the structure of the material and stop using 2 laminated materials. To this end, we made progress in a product with significant participation and volume within the crackers segment, aligning it with the objective of having packaging with less environmental impact. We managed to unify structures, which is an advantage in terms of supply, because it allows our suppliers to simplify their material supply operation and achieve deadlines. In addition, we managed to reduce kg of direct plastic from direct consumption.

As part of the project, we migrated from a 35.44g/m² structure to 29.8g/m², which represents a 15.9% reduction in plastic per package. Before the improvement, the pack consumed 1.793g. Such value changed to 1.508g of bopp with the use of the new material: 30 micron bopp (including the weight of the ink). Thus, we managed to reduce 4.4 tons of plastic per year.





About this Report

- Materiality Process from the Perspective of Our New Sustainability Strategy
- Materiality Matrix
- Index of Contents

Our Sustainability Report details the progress made in our sustainable management for the period commenced on January 1 and ended on December 31, 2022. The document provides transparent and systematized information, including comparative indicators and good practices cases on our economic, social and environmental performance to all our stakeholders.

We prepared the report in accordance with the core option of the 2021 GRI (Global Reporting Initiative) Standards, and having as reference SASB Standards for Agricultural Products, Processed Food and Containers Packaging. We also presented our contribution to the SDGs and the report in form of the United Nations Global Compact's Communication on Progress (COP).

We also addressed other topics considered relevant for Arcor Group and key to work on our 2030 Sustainability Policy and Strategy.



Materiality Process from the Perspective of Our New Sustainability Strategy

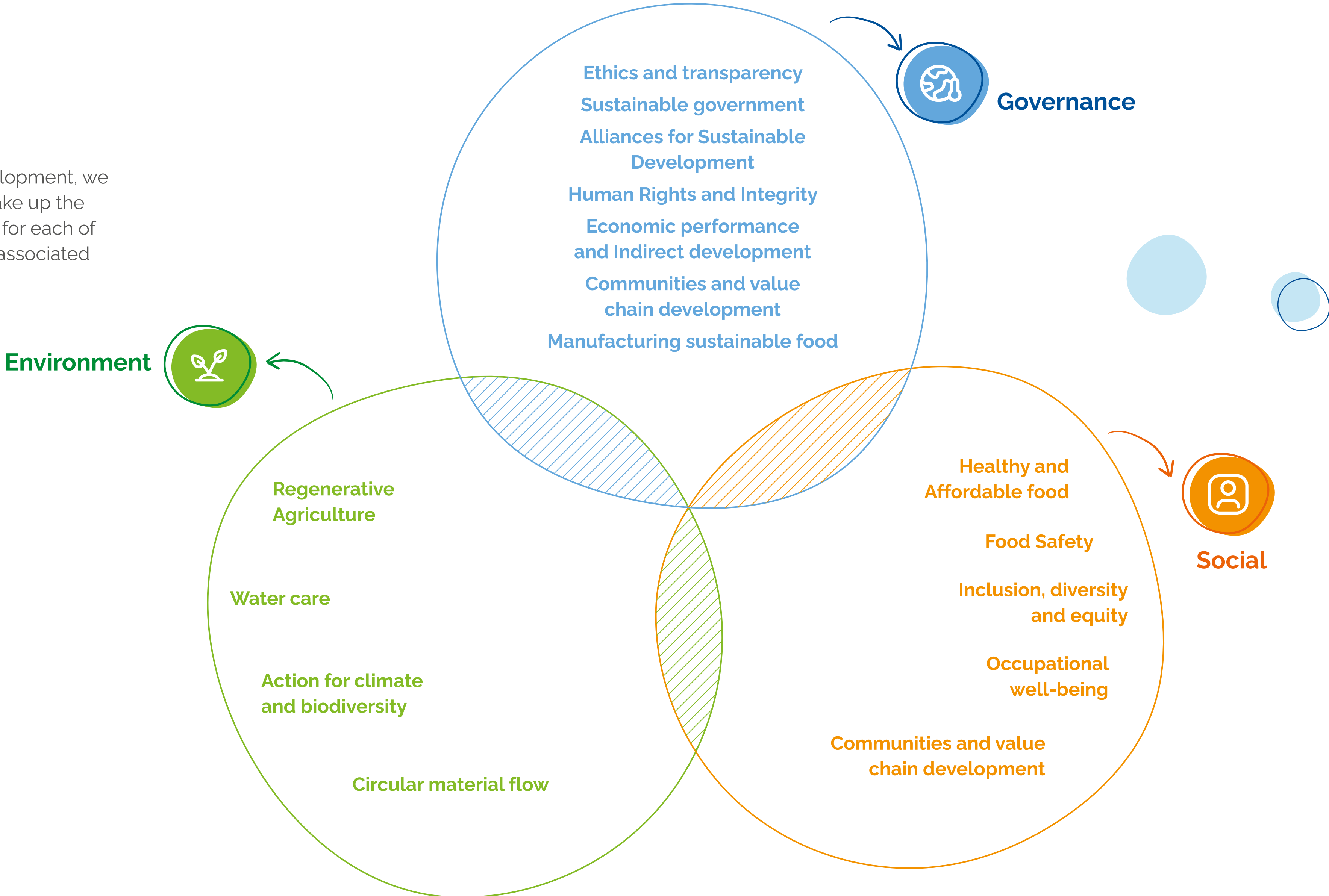
In 2021, a Materiality Analysis was developed to identify, refine and assess ESG (environmental, social and governance) issues that were paramount to both the business and our stakeholders. Likewise, during 2022, some complementary activities were developed:

- **Identification:** we surveyed the achievements consolidated by the execution of the 2010 Sustainability Strategy and Policy, and the beginning of the execution of the challenges posed in our new Sustainability Policy and Strategy. Likewise, we evaluated the Matrix of Sustainability Risks and Opportunities and the Operational Plans by business, analyzing thematic Standards to define those material topics to be incorporated into the content of the Report. In addition, we took advantage of the opportunities for improvement and opinions resulting from the last Report process. Finally, we took into consideration the requirements of the new Global Compact Communication, the MERCO ranking and the WEP diagnostic tool.

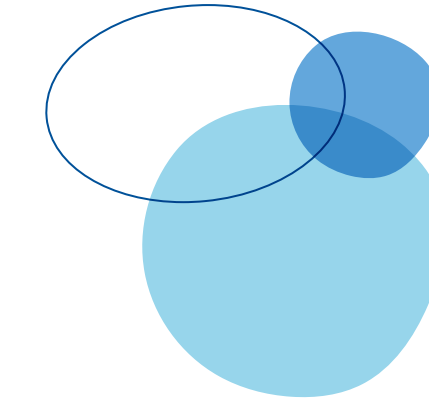
- **Prioritization:** together with key referents, we review the progress of the year and the consolidated results obtained in the identification process, to prioritize the most relevant topics to be included in the new report.
- **Review and validation:** the content was reviewed and validated internally by all the areas involved, as well as by the referents who participate in its development. The final approval was in charge of the Sustainability Corporate Management.

Materiality Matrix

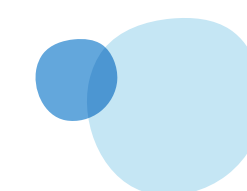
As part of our commitment to sustainable development, we structure our materiality into three axes that make up the baseline for addressing ESG issues. In addition, for each of the themes, material subtopics as well as their associated indicators will be presented



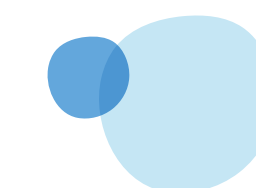
Index of Contents



GRI Standard	Content	Chapter and/or Answer	Omission	SDG
GENERAL CONTENTS				
	The organization and its report presentation practices			
	2-1 Organizational Details	Chapter 1		
	2-2 Entities included in the sustainability report presentation	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, 2022, available at www.arcor.com . Besides, Arcor is a joint stock company that does not make a public offer of its shares.		
	2-3 Period subject to the report, frequency and contact point.	Chapter 6		
	2-4 Information update	There is no information update.		
	2-5 External Assessment	Chapter 6		
	Activities and employees			
GRI 2: 2021 General Contents	2-6 Activities, value chain and other commercial activities	Chapter 1		
	2-7 Employees	Chapter 1 and 4		
	2-8 Workers that are not employees	Chapter 1 and 4		
	Government			
	2-9 Government structure and composition	Chapter 1		
	2-10 Nomination and selection of the maximum government body.	Chapter 1		
	2-11 President of the highest governance body	Chapter 1		
	2-11 President of the highest governance body	Chapter 1		
	2-12 Role of the highest governance body in supervising the management of the impacts	Chapter 1		
	2-13 Delegating responsibility of the management of the impacts	Chapter 1		



GRI Standard	Content	Chapter and/or Answer	Omission	SDG
	2-14 Role of the highest governance body in the presentation of sustainability reports	Chapter 1		
	2-15 Conflicts of interest	In case that the director have an interest conflicting with those of the Company, he should notify it to the Board of Directors and Statutory Audit Committee and refrain from participating in the discussion of such specific topic, as required by Section 272 of Law No. 19,550. Besides, the Company has a Code of Ethics and Conduct, a Code of Ethics and Conduct Administration Procedure, and a Conflict of Interest Procedure, which are applied and communicated to the members of the Board of Directors and to all Arcor Group's employees, which have also been subscribed by the members of the Statutory Audit Committee. At Arcor Group, the Personal Conflict of Interest Declaration is a formal document annually prepared by employees, in which they declare, under sworn statement, whether they have any potential conflict of interest in respect of the company. In 2021, there were no conflicts of interest declarations due to the change of system in which such declarations are made.		
GRI 2: 2021 General Contents	2-18 Assessment of the performance of the highest governance body	Chapter 1		
	2-20 Process to determine remuneration	We have a single Remuneration Policy in place applicable to all employees outside of the collective labor agreement, with no exceptions.		
	Strategies, policies and practices			
	2-22 Declaration on the sustainable development strategy	Chapter 1		
	2-23 Commitments and policies	Chapter 1		
	2-24 Incorporation of commitments and policies	Chapter 1		
	2-27 Complying with law and regulations	Chapter 1		
	2-28 Affiliations to partnerships	Chapter 1		
	Participation of stakeholders			
	2-29 Approach for the participation of stakeholders	Chapter 1		
2-30 Collective bargaining agreement	Chapter 6			
Content on material topics				
GRI 3: 2021 Material Topics	3-1 Process of determination of material topics	Chapter 6		
	3-2 List of material topics	Chapter 6		
	3-3 Management of material topics	Chapter 6		



GRI Standard	Content	Chapter and/or Answer	Omission	SDG
MATERIAL TOPICS				
Economic Topics				
GRI 201: 2016 Economic Development	201-1 Direct economic value generated and distributed	Chapter 1		9.4
	201-4 Financial assistance received from government	Chapter 1		
GRI 202: 2016 market presence	202-2 Proportion of senior management hired from the local community	Chapter 1 and 4		
GRI 203: 2016 Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Chapter 1, 2, 3, 4 and 5		9.4
	203-2 Significant indirect economic impacts	Chapter 1, 2, 3, 4 and 6		1.2, 2.3, 8.5
GRI 204: Acquisition practices	204-1 Proportion of spending on local suppliers	Chapter 4		
GRI 205: 2016 Anticorruption	205-2 Communication and training about anti-corruption policies and procedures	Chapter 2		
	205-3 Confirmed incidents of corruption and actions taken	Chapter 2		
Environmental Topics				
GRI 301: 2016 Materials	301-1 Materials used by weight or volume	Chapter 5		
	301-2 Recycled input	Chapter 5		
GRI 302: 2016 Energy	302-1 Energy consumption within the organization	Chapter 5		7.4, 12.2
	302-4 Reduction of energy consumption	Chapter 5		
GRI 303: 2018 Water and Effluents	303-1 Interactions with water as a shared resource	Chapter 5		
	303-2 Management of water discharge-related impacts	Chapter 5		
	303-3 Water extraction	Chapter 5		6.4
	303-5 Water consumption	Chapter 5		
GRI 304: 2016 Biodiversity	304-1 Operation sites owned, leased, managed in, or adjacent to, protected areas or areas of high biodiversity value outside protected areas	Chapter 5		
	304-3 Protected or restored habitats	Chapter 5		
GRI 305: 2016 Emissions	305-1 Direct GHG emissions (Scope 1)	Chapter 5		
	305-2 Indirect GHG emissions (Scope 2) when energy is generated	Chapter 5		
	305-3 Other indirect GHG emissions (Scope 3)	Chapter 5		15.2
	305-5 Reduction of GHG emissions	Chapter 5		
	305-6 Emissions of ozone-depleting substances	Chapter 5		
GRI 306: 2016 Effluents and Waste	306-2 Waste by type and disposal method	Chapter 5		6.3, 12.5
	306-3 Significant spills	Chapter 5		6.3, 14.1

GRI Standard	Content	Chapter and/or Answer	Omission	SDG
Social topics				
GRI 401: 2016 Employment	401-1 New employee hires and employee turnover	Chapter 4 and note 1		5.1, 8.5, 8.6, 10.3
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 4		
	401-3 Parental leave	Note 1		5.1, 8.5
GRI 403: 2018 Health and Safety at work	403-1 Occupational health and safety management system	Chapter 4		8.8
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 4		
	403-3 Occupational health services	Chapter 4		
	403-5 Workers training on occupational health and safety	Chapter 4		
	403-6 Promotion of workers health	Chapter 4		
	403-8 Coverage of the occupational health and safety management system	Chapter 4		
	403-9 Work-related injuries	Chapter 4		
GRI 404: 2016 Training and education	404-1 Average hours of training per year per employee	Note 2		
	404-2 Programs for upgrading employees skills and transition assistance programs	Chapter 4		
GRI 405: 2016 Diversity and Equal Opportunities	405-1 Diversity in governance bodies and employees	Chapter 1		
	405-2 Ratio of basic salary and remuneration of women in comparison to men	Chapter 4		5.1, 5.5, 8.1
GRI 406: 2018 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Chapter 2		5.1, 8.8
GRI 407: 2016 Freedom of Association and Collective Bargaining	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Chapter 2		8.8
GRI 408: 2016 Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Chapter 2 and 4		8.7, 16.2
GRI 409: 2016 Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Chapter 4		8.7
GRI 410: 2016 Security Practices	410-1 Security personnel trained in human rights policies or procedures	Chapter 2		
GRI 412: 2016 Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	Chapter 2 and 4		
	412-2 Employee training on human rights policies or procedures	Chapter 2		

GRI Standard	Content	Chapter and/or Answer	Omission	SDG
GRI 413: 2016 Local Communities	413-1 Operations with local community participation, impact assessments, and development programs	Chapter 2 and 4		
	413-2 Operations with significant (actual and potential) negative impacts on local communities	Chapter 2 and 4		1.2, 2.3
GRI 414: 2016 Supplier Social Assessment	414-1 New suppliers that have been selected using social criteria filters	Chapter 4		5.2, 8.8
	414-2 Negative social impacts in the supply chain and actions taken	Chapter 4		
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Chapter 3		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services categories	Chapter 3		
GRI 417: 2016 Marketing and Labeling	417-1 Requirements for product and service information and labeling	Chapter 3		12.8
	417-2 Incidents of non-compliance concerning product and service information and labeling	Chapter 3		
	417-3 Incidents of non-compliance concerning marketing communications	Chapter 3		
GRI 419: Socio-economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Chapter 2		

*MEF2022: Information included in Arcor Group's 2022 Annual Report and Financial Statements available at www.arcor.com

**All the notes included in the table can be found at its end.

Arcor Group's Sustainability Report 2022 was prepared based on SASB's materiality.

Processed Food 2018

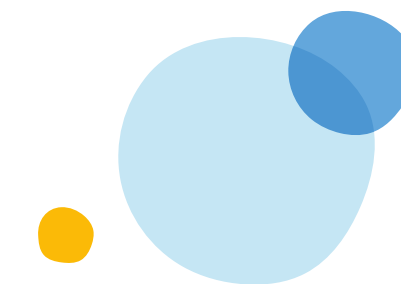
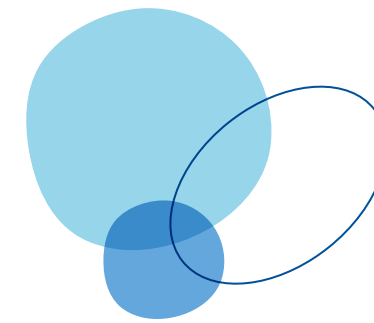
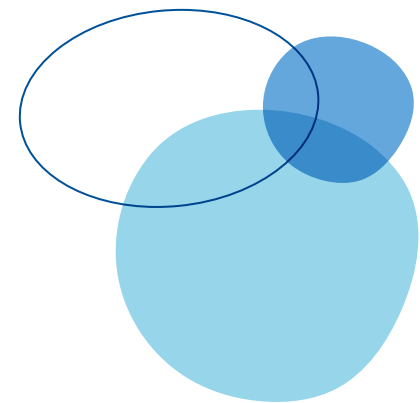
Table 1. Sustainability Disclosure Topics & Accounting Parameters

Topic	Parameter	Code	Chapter/ Answer
Energy Management	Total energy consumed		Chapter 5
	Percentage grid electricity	FB-PF-130a.1	Chapter 5
	Percentage renewable		Chapter 5
Water Management	Total water withdrawn	FB-PF-140a.1	Chapter 5
	Total water consumed, percentage of each in regions with high or extremely high baseline water stress		Chapter 5
	Number of incidents of non-conformance related to water quantity and/or quality permits, standards, and regulations	FB-PF-140a.2	Chapter 5
	Description of water management risks and analysis of strategies and practices to mitigate them	FB-PF-140a.3	Chapter 5
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 3
	Percentage of ingredients coming from Level 1 suppliers facilities certified under a food safety certification program recognized by the Global Food Safety Initiative (GFSI)	FB-PF-250a.2	Chapter 3
	Total number of notifications of food safety violation received, and percentage corrected	FB-PF-250a.3	Chapter 2 and 3
Health & Nutrition	Entry of products with a labeling and/or marketing that promotes health and nutrition attributes	FB-PF-260a.1	Chapter 3
	Analysis of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-PF-260a.2	Chapter 3
Product Labeling & Marketing	Percentage of advertisement intended to children and made on children promoting products that meet dietary guidelines	FB-PF-270a.1	Chapter 3
	Entry of products labeled as containing genetically modified organisms (GMOs) and non-GMO	FB-PF-270a.2	Unavailable information
	Number of incidents of non-conformance with labeling and/or marketing codes regulatory or belonging to this sector	FB-PF-270a.3	Chapter 2 and 3

Topic	Parameter	Code	Chapter/ Answer
Packaging Lifecycle Management	Total weight of packaging	FB-PF-410a.1	Chapter 5
	Percentage made from recycled and/or renewable materials	FB-PF-410a.1	Chapter 5
	Percentage that is recyclable, reusable, and/or compostable	FB-PF-410a.1	Chapter 5
	Analysis 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	Percentage of food ingredients purchased that are certified to third-party environmental and/or social standards	FB-PF-430a.1	Chapter 4 –Detail of total percentages is not available
	Suppliers' social and environmental responsibility audit: Non-conformance rate and associated corrective actions rate for major and minor non-conformances	FB-PF-430a.2	Chapter 4 - Disaggregated detail is not available.
Ingredient Sourcing	Percentage of food ingredients coming from regions with High or Extremely High Baseline Water Stress	FB-PF-440a.1	Chapter 5- Detail of total percentages is not available

Table 2. Activity parameters

Activity parameters	Code	Page / Answer
Number of production facilities	FB-PF-000.B	Chapter 1



Agricultural products 2018

Table 1. Sustainability Disclosure Topics & Accounting Parameters

Topic	Parameter	Code	Page / Answer
Greenhouse Gas Emissions	Gross global Scope 1 emissions	FB-AG-110a.1	Chapter 5
	Analysis of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance corresponding to those targets	FB-AG-110a.2	Chapter 5
	Fleet fuel consumed, renewable percentage	FB-AG-110a.3	Chapter 5
Energy Management	Operational energy consumed, grid electricity percentage, renewable percentage	FB-AG-130a.1	Chapter 5
Water Management	Total water withdrawn, total water consumed, percentage of each one in regions with high or extremely high baseline water stress	FB-AG-140a.1	Chapter 5
	Description of water management risks and analysis of strategies and practices to mitigate those risks	FB-AG-140a.2	Chapter 5
	Number of incidents of non-conformance related to water quantity and/or quality permits, standards, and regulations	FB-AG-140a.3	Chapter 5
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 3
	Percentage of agricultural products coming from suppliers certified under a food safety certification program recognized by the Global Food Safety Initiative (GFSI)	FB-AG-250a.2	Chapter 3
Workforce Health & Safety	Total recordable incident rate (TRIR), fatality rate, and near miss frequency rate (NMFR) for direct employees and seasonal and migrant employees	FB-AG-320a.1	Chapter 4
Environmental & Social Impacts of Ingredients Supply Chain	Percentage of agricultural products certified under a third-party environmental and/or social standard, and percentages by standard	FB-AG-430a.1	Chapter 4 – Specific identification is not available
	Suppliers' social and environmental responsibility audit: Non-conformance rate and associated corrective actions rate for major and minor non-conformances	FB-AG-430a.2	Chapter 4
	Analysis of the strategy to manage environmental and social risks arising from contract crops and supply of basic products	FB-AG-430a.3	Chapter 4
GMO Management	Analysis of strategies to manage the use of genetically modified organisms (GMOs)	FB-AG-430b.1	Unavailable information
Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	FB-AG-440a.1	Chapter 4 - Unavailable information

Table 2. Activity parameters

Activity parameters	Code	Page / Answer
Number of processing facilities	FB-AG-000.B	Chapter 1

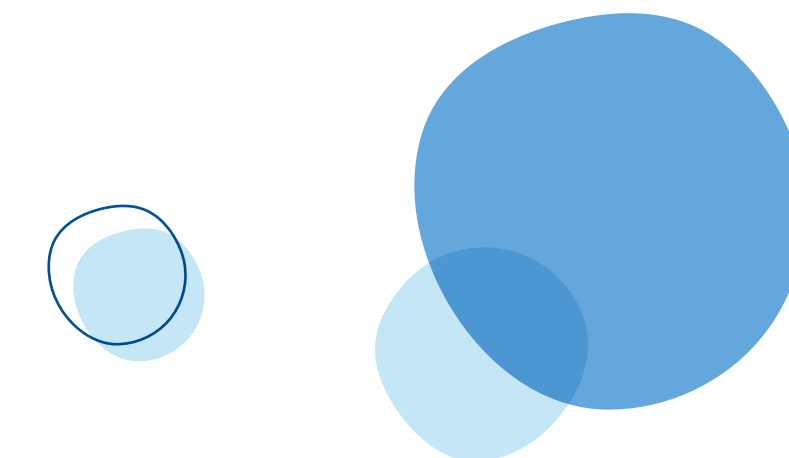
Containers and Packaging 2018

Table 1. Sustainability Disclosure Topics & Accounting Parameters

Topic	Parameter	Code	Page / Answer
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CP-110a.1	Chapter 5
	Analysis of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance corresponding those targets	RT-CP-110a.2	Chapter 5
Energy Management	Total energy consumed, grid electricity percentage, renewable percentage, total self-generated energy	RT-CP-130a.1	Chapter 5
Water Management	Total water withdrawn, total water consumed, percentage of each one in regions with high or extremely high baseline water stress	RT-CP-140a.1	Chapter 5
	Description of water management risks and analysis of strategies and practices to mitigate them	RT-CP-140a.2	Chapter 5
	Number of incidents of non-conformance related to water quality permits, standards, and regulations	RT-CP-140a.3	Chapter 5
Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CP-150a.1	Chapter 5
Product Lifecycle Management	Percentage of raw materials from: recycled content, renewable resources, and renewable and recycled content	RT-CP-410a.1	Chapter 5
	Analysis of strategies to reduce the environmental impact of packaging throughout its lifecycle	RT-CP-410a.3	Chapter 5
Supply Chain Management	Total wood fiber obtained, percentage from certified sources	RT-CP-430a.1	Chapter 5
	Total aluminum purchased, percentage from certified sources	RT-CP-430a.2	Chapter 5

Table 2. Activity parameters

Activity parameters	Code	Page / Answer
Amount of production, by substrate	RT-CP-000.A	Chapter 1
Percentage of production like: paper/wood, glass, metal, and plastic	RT-CP-000.B	Chapter 5
Number of employees	RT-CP-000.C	Chapter 1



Annexes

Note 1: employees

New hiring of personnel

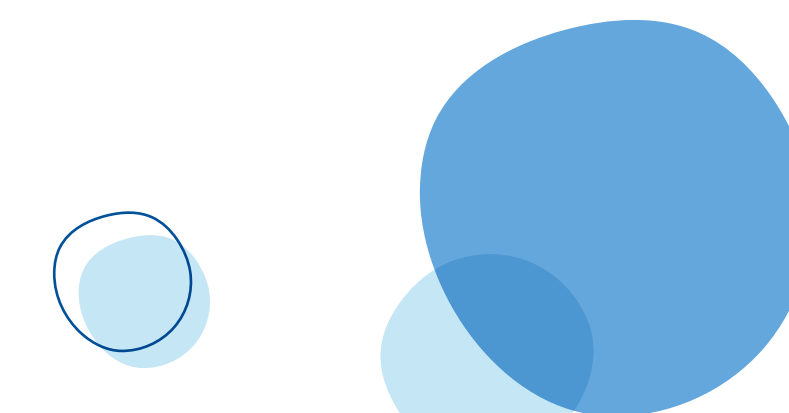
	Men	Women	Total 2022	Total 2021
Under 30 Years old	2,292	1,359	3,651	3,377
Argentina	1,559	780	2,339	1,884
Brazil	355	329	684	844
Chile	111	60	171	125
Peru	72	53	125	84
Mexico	181	126	307	417
Spain	1	0	1	4
Rest of the world	13	11	24	19
	Men	Women	Total 2022	Total 2021
Between 30 and 50 Years old	1,203	939	2,142	2,376
Argentina	652	410	1,062	1,294
Brazil	256	305	561	597
Chile	134	62	196	178
Peru	56	46	102	68
Mexico	88	102	190	199
Spain	0	0	0	3
Rest of the world	17	14	31	37
	Men	Women	Total 2022	Total 2021
Over 50 Years old	66	31	97	281
Argentina	21	4	25	201
Brazil	14	17	31	25
Chile	21	3	24	50
Peru	2	4	6	0
Mexico	7	3	10	4
Spain	0	0	0	0
Rest of the world	1	0	1	1

Rate of new employees hired

	Men	Women	Total 2022	Total 2021
Under 30 Years old	85.0%	91.0%	87.1%	34.7%
Argentina	102.5%	111.7%	105.4%	22.4%
Brazil	46.7%	65.1%	54.1%	29.0%
Chile	82.8%	72.3%	78.8%	6.2%
Peru	146.9%	155.9%	150.6%	0%
Mexico	89.2%	88.1%	88.7%	100%
Spain	50.0%	0.0%	33.3%	150%
Rest of the world	44.8%	37.9%	41.4%	34.1%
	Men	Women	Total 2022	Total 2021
Between 30 and 50 Years old	12.8%	27.2%	16.7%	8.7%
Argentina	9.5%	24.8%	12.5%	7.2%
Brazil	20.7%	27.4%	23.9%	11.2%
Chile	21.1%	31.6%	23.6%	3.1%
Peru	31.6%	78.0%	43.2%	0.8%
Mexico	25.6%	33.4%	29.3%	22.1%
Spain	0%	0%	0%	16.7%
Rest of the world	12.4%	12.1%	12.3%	11.6%
	Men	Women	Total 2022	Total 2021
Over 50 Years old	1.7%	3.8%	2.1%	4.5%
Argentina	0.8%	0.9%	0.8%	5.8%
Brazil	4.1%	6.3%	5.1%	1.6%
Chile	3.7%	6.3%	3.9%	0.4%
Peru	6.1%	44.4%	14.3%	0%
Mexico	22.6%	7.9%	14.5%	5.6%
Spain	0.0%	0.0%	0.0%	0%
Rest of the world	3.4%	0.0%	3.1%	5%

% Employees turnover (only full-time)

	Men	Women	Total 2022	Total 2021
Under 30 Years old	29.7%	37.0%	32.0%	23.0%
Argentina	12.3%	27.7%	16.5%	11.5%
Brazil	28.2%	33.9%	30.1%	28.1%
Chile	17.5%	12.8%	16.0%	19.7%
Peru	0.0%	0.0%	0.0%	9.1%
Mexico	96.5%	68.8%	85.0%	36.3%
Spain	100%	0.0%	50.0%	0%
Rest of the world	31.6%	30.4%	31.0%	17.1%
	Men	Women	Total 2022	Total 2021
Between 30 and 50 Years old	7.7%	13.7%	9.2%	7.1%
Argentina	4.6%	7.5%	5.1%	3.8%
Brazil	17.0%	17.8%	17.4%	14.7%
Chile	9.1%	11.5%	9.6%	9.9%
Peru	5.0%	18.2%	6.2%	5.2%
Mexico	21.2%	27.1%	23.7%	15.4%
Spain	0.0%	0.0%	0.0%	42.9%
Rest of the world	9.7%	7.8%	8.8%	10%
	Men	Women	Total 2022	Total 2021
Over 50 Years old	4.5%	7.9%	5.1%	9.1%
Argentina	4.4%	8.0%	4.9%	9.9%
Brazil	6.6%	7.8%	7.1%	9.1%
Chile	2.8%	4.0%	2.9%	5.0%
Peru	3.4%	25.0%	6.1%	6.3%
Mexico	25.8%	10.5%	17.4%	7.8%
Spain	0.0%	0.0%	0.0%	0%
Rest of the world	3.7%	0.0%	3.3%	9.1%



Employees who requested maternity or paternity leave in Argentina

	Men	Women	Total 2022	Total 2021
Adoption leave	0	0	0	1
Maternity/paternity leave	250	100	350	389
Extended maternity leave	0	17	17	14
Reduced working day for maternity	0	14	14	72
Total	250	117	367	403
% of employees who took maternity or paternity leave and returned to work	100%	100%	100%	100%

Employees who remained in their jobs after 12 months

	Men	Women	Total 2022	Total 2021
Adoption maternity/paternity leave	0	0	0	1
Maternity/paternity leave	235	91	326	346
Reduced working day for maternity	0	14	14	72
Total	235	105	340	418
	Men	Women	Total 2022	Total 2021
Retention rate of employees who took maternity or paternity leave	94.0%	89.7%	92.6%	91.5%

Employee contract modality by age range and category

Category	Temporary	Full-time	Total
Under 30 Years old	37,0%	32,0%	23,0%
Director	0.0%	0.0%	0.0%
Manager	0.0%	0.0%	0.0%
Boss	0.2%	0.0%	0.2%
Analyst/Supervisor	3.2%	0.3%	3.5%
Assistant/Operator	9.9%	5.7%	15.7%
Between 30 and 50 Years old	37,0%	32,0%	23,0%
Director	0.0%	0.0%	0.0%
Manager	1.2%	0.0%	1.2%
Boss	3.2%	0.1%	3.3%
Analyst/Supervisor	8.8%	0.3%	9.0%
Assistant/Operator	42.4%	3.4%	45.9%
Over 50 Years old	37,0%	32,0%	23,0%
Director	0.03%	0.0%	0.0%
Manager	0.7%	0.0%	0.7%
Boss	0.7%	0.0%	0.7%
Analyst/Supervisor	2.1%	0.0%	2.1%
Assistant/Operator	17.5%	0.2%	17.7%



Employee contract modality by region and category

Category	Temporary	Full-time
Argentina	1,252	12,712
Brazil	581	3,642
Chile	75	1,587
Peru	199	162
Mexico	3	1,061
Spain	1	11
Rest of the world	35	308
Total 2022	2,146	19,483

Employee contract modality by gender

Gender	Temporary	Full-time
Women	927	4,822
Men	1,219	14,661
Total 2022	2,146	19,483

Internal Promotions

Gender	Women	Men
Internal Promotions	61.8%	38.2%

Absenteeism

Gender	Women	Men
Argentina	10.3%	7.0%
Brazil	6.2%	3.7%
Chile	11.8%	8.1%
Peru	4.5%	6.1%
Mexico	2.6%	2.6%
Spain	0.0%	0.0%
Rest of the world	10.3%	0.0%

Note 2: Training

Average training by gender

Average hours of training per woman: 66.83% – Coverage rate: 5.84%

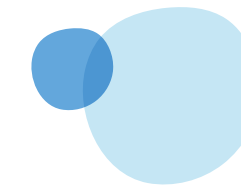
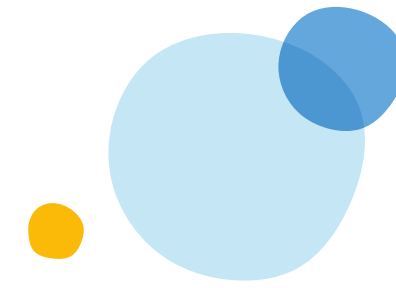
Average hours of training per man: 33.17% – Coverage rate: 3.85%

Total hours of training: 157,058

36 participants of the DIP Program

Average training by category and gender

Category	Average training Men 2022	Average training Women 2022
Managers	56.70%	9.97%
Head of Departments	75.50%	24.50%
Supervisor / Sector Boss	58.90%	41.10%
Analyst / Technician	49.50%	50.50%
Assistant / Operator	75.95%	24.05%



Note 3: Certifications and Awards 2022

Company	Location	Plant	Certifications / Awards ⁽¹⁾⁽²⁾				Forestry Management Certification	TPM Award	Others
			ISO 14001	ISO 45001	ISO 9001	Food Safety Standards			
Arcor	Recreo Complex, Catamarca	Manufacturing of gummy candies, dessert and juice powders, and bakery products	X	X	X	a			
		Manufacturing of hard caramel candies, chewing gum, and wafers	X	X	X	BRC/HACCP/BPM/ Voluntary Module of Preventive Controls FSMA of BRC	★		
	Arroyito Complex, Córdoba	Manufacturing of milk candies	X	X	X	BRC/HACCP/BPM/IFS/ Voluntary Module of Preventive Controls FSMA of BRC		RainForest Alliance and RSPO	
		Wet Milling Plant 1	X	X	X	HACCP	★		
		Wet Milling Plant 3	X	X	X	BRC/HACCP/BPM			
		Thermoelectric Power Plant	X	X	X				
		Distribution Center	X	X	X				
	Arroyito, Córdoba	Dairy farm 1	X	X					
	Arroyito, Córdoba	Dairy farm 2	X	X					
	Arroyito, Córdoba	Dairy farm 6	X	X					
	Lules Complex, Tucumán	Candies	X	X	X	BRC/HACCP/BPM	★		
		Wet milling	X	X	X	HACCP	★		
		Corn dry milling	X	X	X	HACCP	★		
		Grain Storage	X	X	X				
	San Pedro Complex, Buenos Aires	Extruded	X	X	X	HACCP/BPM			
		Oil	X	X	X	BRC/HACCP/BPM			
		Alcohol	X	X	X	BRC/HACCP/BPM			
Rio Seco, Tucumán	Ingenio La Providencia	X		X	FSSC 22000/HACCP/BPM/ Global GAP(1)		BONSUCRO / ORGANIC		
	Thermoelectric Power Plant	X		X					

Company	Location	Plant	Certifications / Awards ⁽¹⁾⁽²⁾				Forestry Management Certification	TPM Award	Others
			ISO 14001	ISO 45001	ISO 9001	Food Safety Standards			
Arcor	Colonia Caroya, Córdoba	Chocolates	X	X	X	BRC/HACCP/BPM		★	RainForest Alliance
	San Luis, San Luis	Chocolates	X	X	X	BRC/HACCP/BPM		★	
	Talar de Pacheco, Buenos Aires	Distribution Center	X	X	X				
	San Rafael, Mendoza	Fruit pulp			X	BRC/HACCP/BPM			
	Mar del Plata, Buenos Aires	Canned fish	X	X	X	BRC/HACCP/BPM			
	Villa Mercedes Complex, San Luis	Jams and marmalades	X	X	X	BRC/HACCP/BPM		★	
	Villa Mercedes Complex, San Luis	Canned grains	X	X	X	HACCP/BPM			
	Rawson, San Juan	Canned tomatoes	X	X	X	BRC/HACCP/BPM			
	Choele Choel, Rio Negro	Canned tomatoes				HACCP/BPM			
	Junín, Mendoza	Nueva Aurora Farm				Global GAP			
	Villa Seca, Mendoza	El Desafío Farm				Global GAP			
	Villa Seca, Mendoza	El Porvenir Farm				Global GAP			
	San Martín, Mendoza	El Paraiso Farm				Global GAP			
Arcor de Brasil	Rio das Pedras, San Pablo, Brasil	Candies and chewing gums	X	X	X	BRC/HACCP/BPM		★	
	Bragança Paulista, San Pablo, Brasil	Chocolates y candies	X	X	X	BRC/HACCP/BPM		★	
Arcor de Chile	Santiago, Chile	Bicentennial Plant	X	X	X	BRC/HACCP/BPM			
Arcor de Perú	Chancay, Perú	Chocolates, candies and chewing gums				HACCP (Digesa)			
Bagley Argentina	Córdoba, Córdoba	Cookies	X	X	X	BRC/HACCP/BPM			
	Salto, Buenos Aires	Cookies	X	X	X	BRC/HACCP/BPM		★	
	Villa del Totoral Complex, Córdoba	Cookies	X	X	X	BRC/HACCP/BPM		★	
	Villa Mercedes, San Luis	Cookies	X	X	X	BRC/HACCP/BPM			
Bagley de Brasil	Campinas, San Pablo, Brasil	Cookies	X	X	X	BRC/HACCP/BPM		★	
	Contagem, Mina Gerais, Brasil	Cookies	X	X	X	BRC/HACCP/BPM		★	
Bagley de Chile	Santiago, Chile	Cookies	X	X	X	BRC/HACCP/BPM		★	

Company	Location	Plant	Certifications / Awards ⁽¹⁾⁽²⁾				Forestry Management Certification	TPM Award	Others
			ISO 14001	ISO 45001	ISO 9001	Food Safety Standards			
Cartocor	Arroyito Complex, Córdoba	Manufacturing of recycled paper	X	X	X		FSC	★	
		Manufacturing of corrugated cardboard boxes	X	X	X		FSC/ PEFC	★	
	Luján Complex, Buenos Aires	Manufacturing of corrugated cardboard	X	X	X		FSC/ PEFC	★	
		Manufacturing of POP material	X		X		PEFC		
		Film printing	X		X	FSSC 22000		★	
	Paraná, Entre Ríos	Manufacturing of corrugated cardboard	X	X	X		FSC/ PEFC	★	
	Rancagua, Chile	Manufacturing of corrugated cardboard	X	X	X	FSSC 22000	PEFC		
Villa del Totoral Complex, Córdoba	Film printing and manufacturing of printing cylinders	X	X	X	FSSC 22000		★		
Cartocor (Ex Zucamor)	Ranelagh, Buenos Aires	Recycled paper and corrugated cardboard	X	X	X		FSC/ PEFC		
	Quilmes, Buenos Aires	Corrugated cardboard	X	X	X		FSC/ PEFC		
	Misiones	Virgin paper	X		X		PEFC		
	San Luis, San Luis	Paper bags	X	X	X	FSSC 22000	FSC/ PEFC		
	Mendoza, Mendoza	Recycled paper and corrugated cardboard			X		FSC		
	San Juan, San Juan	Corrugated cardboard	X	X	X		FSC/ PEFC		
Cartocor Perú		Corrugated cardboard					PEFC		
Mundo Dulce	Toluca, México	Chocolates, Candies and chewing gums	X	X	X	BRC/HACCP/BPM			
Ingrear	Baradero, Buenos Aires	Wet milling	X	X	X	FSSC 22000			
	Chacabuco, Buenos Aires	Wet milling	X	X	X	FSSC 22000			

Management Systems

ISO 14001: Environmental management systems

ISO 45001: Occupational Safety and Health management System

ISO 9001: Quality management systems

Food Safety Standards:

HACCP: Risks Analysis and Critical Points Control

BRC: British Retail Consortium Global Standard - Food

GMP/BPM: Good Manufacturing Practices

FSSC 22000: Food Safety System Certification

IFS: International Featured Standards

Voluntary Module of Preventive Controls FSMA of BRC (FSMA: Food Safety Modernization Act de USA / FSVP: Foreign Supplier Verification Program de USA).

Forest Management Certifications

FSC: Forest Stewardship Council

PEFC: Program for the Endorsement of Forest Certification

TPM Awards of JIPM

TPM: Total Productive Maintenance

JIPM: Japan Institute of Plant Maintenance

★ Award to Excellence in TPM Implementation (1st Level)

★ Award to Excellence in Consistent Commitment to (2nd Level)

★ Special Award TPM (3rd Level)

Other Certifications

RSPO: Roundtable on Sustainable Palm Oil

RainForest Alliance (ex UTZ): Sustainable agricultural program (for cocoa, coffee, tea, ...)

Global GAP: Good Agricultural Practices

(1) The Global GAP certification corresponds to owned sugarcane and orange crops

BONSUCRO: International Certification for Sugarcane Production Sustainable Management.

Organic: Sugarcane Organic Operation Certification.

Note 4: Collective Labor Agreement

As part of the commitment to the United Nations Global Compact and as stated in the Sustainability Policy and the Code of Ethics and Conduct, Arcor Group respects freedom of association and effective recognition of the right to free collective bargaining. Voluntary union association is promoted, with 78% of the workforce framed within a Collective Bargaining Agreement according to the corresponding activity. In 2022, there were no incidents in the company's main own production centers and those of suppliers that had put these rights at risk.

The main collective labor agreements that apply within Arcor Group are: Food Union, Sugar Workers Union, Paper and Cardboard Union, Fishing Union and Plastics Union, SOERM, AGREMMIA, which freely negotiate their working conditions and salaries on an annual basis, under the supervision of the Ministry of Labor, Employment and Social Security of the Nation. In relation to outsourced operations due to commercial relations inherent to the normal course of Arcor Group business, they are required to comply with standards similar to those of our company in terms of labor legislation and social responsibility, through periodic audits, eliminating any possibility of episodes of forced and/or unregistered labor.

Regarding employees' Health and Safety, the health legislation in Argentina establishes that all personnel within the Collective Agreement receive medical benefits through health care plans (Obras Sociales), which are in charge of the Unions

of each activity and are financed by the contributions of the workers and the companies. Each worker can freely and voluntarily choose the health care plan. The coverage granted by the aforementioned health care plans covers 100% of blameless illnesses, which is guaranteed by law through the Mandatory Medical Plan. Personnel outside the Collective Agreement have coverage and are financed in the same way as personnel within the Agreement, with the difference that the benefits are granted through health care plans for the person outside the Agreement, which do not have any participation of Unions, as regulated in the Health Care Plans Law. Illnesses and accidents due to and during work, within the company, are covered by the Occupational Risk Insurers, which are hired and financed by the contributions of the companies, including in said coverage both the personnel within and outside of collective labor agreements.

Note 5: Sugarcane

The traceability of incoming raw materials supplied to La Providencia sugar mill can be tracked down up to the production lot. We are also certified under the BONSUCRO international standards. 17% of the sugarcane used in our processes comes from fields managed by the company. The remaining 83% is provided by sugarcane suppliers or producers, who are required to fulfill a checklist of requirements, including providing evidence of the sugarcane origin (title deed, lease agreement, loan for use or sharecropping, among other arrangements), to be able to subscribe the annual supply agreement. They are also required to present their Sugarcane Producer Registration Number, which is a provincial legal registry where sugarcane producers are required to enroll. Compliance with these requirements is a prerequisite to be a supplier.

Note 6: Corn

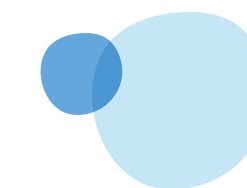
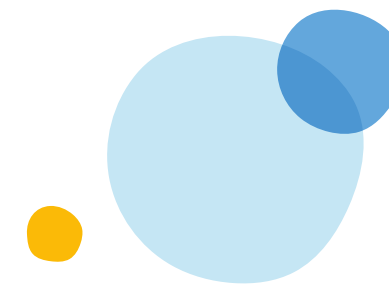
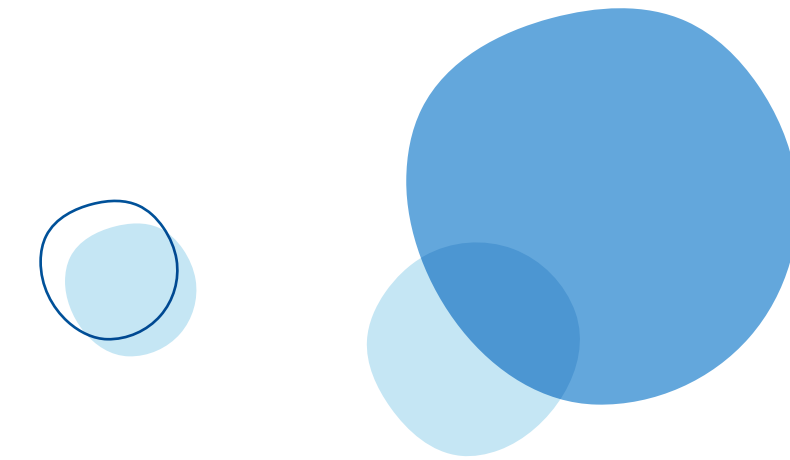
In relation to our commitment to recognize and respect the legitimate tenure rights related to land ownership and use, from Arcor Group we follow the guidelines by AFIP's SISA (Simplified Agricultural Information System), which contains the information related to the activity of production and marketing of grains and seeds in process of certification, and dry legumes. At Arcor we verify this information before registering a supplier.

Note 7: Dairy farms

At our dairy farms, we do not use Injectable growth promoters or growth diets. Generally, the use of antibiotics in production is therapeutic and is prescribed by veterinarians. In these cases, the milk is not used in commercial workflows. Besides, we are currently implementing several practices to reduce the therapeutic use of antibiotics, such as pre-dipping, drying off udder with paper towels, post-dipping, and foot bath, among others

Note 8: Security Personnel

Arcor Group surveillance personnel have received training related to sustainability in all the plants in Argentina, Peru, Mexico, Brazil and Chile, in groups, on-line or face-to-face classes. In Property Security we have divided the Sustainability training into two training days that included Sustainability topics I "Arcor Sustainability Policy and Sustainable Development"; Sustainability II "Human Rights, Children's Rights and Business Principles". It was attended by 537 guards. Finally, the staff received training in healthy living habits. By means of periodic Asset Security audits, the Corporate Property Security Management through a boss or security referent encourages and verifies the promotion of healthy living habits, focusing on the security guards staff.



External Assessment Report



INFORME DE ASEGURAMIENTO LIMITADO DE CONTADORES PUBLICOS INDEPENDIENTES (sobre Reporte de Sustentabilidad)

Informe de Evaluación externo,
Al Directorio de Grupo Arcor¹.

1. Identificación de la información objeto de encargo:

Hemos sido contratados para emitir un informe de aseguramiento limitado sobre la información contenida en la Memoria de Sostenibilidad 2022, correspondiente al periodo 1 de Enero de 2022 a 31 de Diciembre de 2022, y a la auto declaración realizada por Grupo Arcor acerca de que han cumplido con los contenidos básicos recomendados por los estándares para la elaboración de Memorias de Sostenibilidad del Global Reporting Initiative (estándares GRI)

2. Responsabilidad del Grupo Arcor en la relación con la información objeto del encargo

La Dirección del Grupo Arcor es responsable de:

- El contenido del Reporte de Sustentabilidad adjunto, lo que implica determinar cuales es la cobertura y los indicadores de desempeño a ser incluidos, y de relevancia para los grupos de interés a los cuales está dirigido;
- La definición de los criterios aplicables en la elaboración del reporte, siendo el criterio adoptado por la Sociedad los definidos en los estándares GRI.
- El mantenimiento de registros apropiados para soportar el proceso de gestión de la información relevante a los efectos aquí enunciados y de la ejecución de la medición del desempeño basada en los criterios establecidos;
- La preparación y presentación de la Memoria de Sustentabilidad adjunta.

3. Responsabilidad de los contadores públicos

Nuestra responsabilidad ha sido reportar de manera independiente sobre la base de nuestros procedimientos de análisis de la información. Para ello utilizamos los procedimientos establecidos en la resolución técnica (RT37) de la FAPCE que da marco a las tareas de evaluación a efectuarse sobre otros encargos de aseguramiento como sería este tipo de informes. Hemos definido nuestro alcance como encargo de aseguramiento limitado.

Monasterio & Asociados S.R.L - Crowe
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Dichas normas exigen que cumplamos los requerimientos de ética, así como que planifiquemos y ejecutemos el encargo con el fin de emitir un informe de seguridad limitada e independiente sobre el Reporte con el alcance detallado en el presente informe.

La verificación externa la planteamos como una Revisión Limitada, basada en la International Standard on Assurance Engagement 3000 (ISAE -3000) de la International Auditing and Assurance Standard Board (IAASB), la cual establece una serie de procedimientos para emitir su opinión sobre aspectos distintos de la información financiera, conjuntamente con la Norma Accountability 1000 Assurance Standard (AA1000AS)

En un encargo de aseguramiento limitado se obtiene evidencia, en función de pruebas sobre bases selectivas, relacionada con la información de sustentabilidad alcanzada por nuestro informe. También se incluye una evaluación de las estimaciones e indagaciones a las personas responsables de la preparación de la información presentada, y a otros procedimientos similares, que tiene un alcance menor en comparación con una auditoría y, por consiguiente, no permite obtener seguridad de que hemos tomado conocimiento de todos los temas significativos que podrían identificarse en un trabajo de auditoría o de seguridad razonable.

Para obtener aseguramiento limitado nuestra tarea consistió:

- Entrevistar a la dirección y al personal de la entidad responsable de la recopilación de la información y de la elaboración de los indicadores de desempeño seleccionados con el propósito de obtener una comprensión de las políticas de la entidad en materia de sustentabilidad, las actividades implementadas y los sistemas de recopilación de información utilizados y de evaluar la aplicación de los lineamientos de los Estándares GRI,
- Realizar pruebas, sobre bases selectivas, para verificar la exactitud de la información presentada en lo que se refiere a los indicadores seleccionados,
- Analizar, en su caso, los sistemas de información y metodología utilizada para la compilación de datos cuantitativos correspondientes a los indicadores de desempeño de la entidad.
- Inspeccionar, sobre bases selectivas, la documentación existente para corroborar las manifestaciones de la Gerencia en nuestras entrevistas.

Consideramos que la evidencia y los elementos de juicio que hemos obtenido proporcionan una base suficiente y adecuada para nuestra conclusión de seguridad limitada. La información no financiera está sujeta a limitaciones propias, dada su naturaleza y los métodos utilizados para calcular, hacer muestreos o estimar valores, los cuales están sujetos a suposiciones y criterios individuales. No hemos

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realizado ningún trabajo fuera del alcance acordado y por consiguiente, nuestra conclusión se limita solamente a la información de sustentabilidad seleccionada y revisada.

4. Conclusión

Sobre la base del trabajo descrito en el presente informe, nada llamó nuestra atención que nos hiciera pensar que la Memoria de Sustentabilidad del Grupo Arcor correspondiente al período 1 de Enero de 2022 al 31 de Diciembre de 2022 no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los lineamientos de los estándares GRI, ni que la información e indicadores de desempeño incluidos en dicho documento contenga elementos incorrectos significativos con los registros y archivos que sirvieron de base para su preparación.

Rosario, 9 de Marzo de 2023

CP Marcelo Navone
Socio

¹Grupo Arcor es una organización multinacional. En este reporte se habla genéricamente del Grupo Arcor para representar todas sus actividades comerciales tanto en la Argentina como a nivel mundial.

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Further Information

Arcor Group's 2022 Sustainability Report is available on our corporate website: www.arcor.com. For any question or suggestion, you can contact us at the email sustentabilidad@arcor.com.

General coordination:

Sustainability General Management

Participation:

Argentine Consumer Service Coordination; Arcor Brazil Consumer Services Coordination; Arcor Brazil Marketing Services Coordination; General Management of Mexico; Arcor Foundation Argentina, Arcor Foundation Chile and Arcor Brazil Institute; La Providencia Sugar Mill Agricultural Management; Corporate Management of Human Resources Administration; Corporate Administration Management; Corporate Management of Public Affairs and Relations with the Press; Internal Audit Corporate Management; Corporate Compensation Management; Corporate Management of Institutional Communications and Marketing Services; Corporate Management of Administration Control and

Investments; Corporate Management of Labor Relations Administration; Corporate Management of Human Resources Planning; Corporate Management of Labor Relations; Corporate Asset Security Management; Corporate Management of Medical Service; Corporate Purchasing Management; MAHPI Corporate Management; Argentine Compensation Management; Subsidiary Consolidation and Administration Management; MAHPI Administration Control Management; Energy Management; Industrial Food Legislation Management; Argentine Logistics Management; Andean Region Marketing Management; Community Relations Management; Food Safety Management; Partnership Management; Sustainability Management; Transformation Management; Peru Subsidiary Management; Arcor Brazil National Sales Management; Arcor Chile National Sales Management; Distributor Business Management; MAHPI Regional Management; Agribusiness Development Head Office; Human Resources Development Head Office; Nutritional Development Head Office; and Argentine Logistics Management SGI Head Office.

Creativity, design, contents and production:

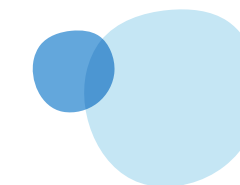
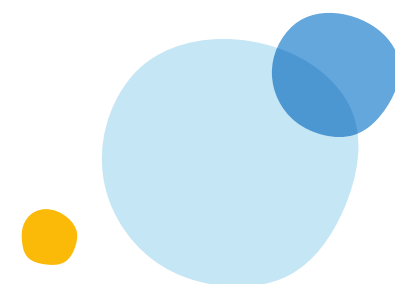
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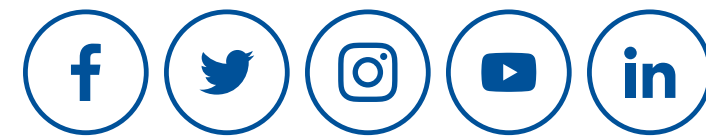
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