

UN Global Compact Communication on Progress Report

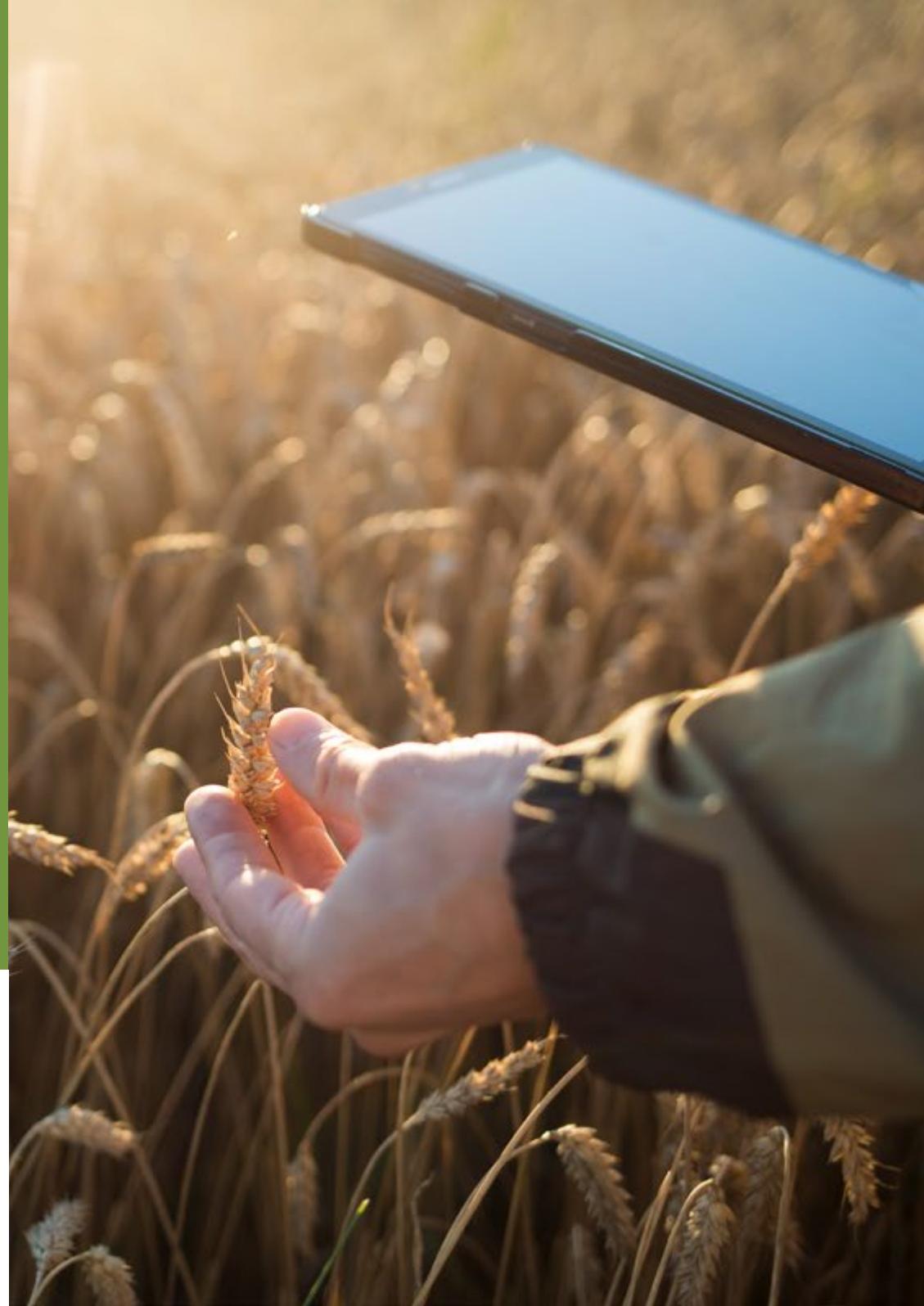


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Letter from the Chairman

It's no exaggeration to say the past 18 months have been pretty challenging. The COVID-19 pandemic highlighted the interconnectedness of our economies while exposing the fragility of societies everywhere. The shock that Covid has caused shows just how ill-prepared the world is for such global events. Meanwhile, record floods across Europe, prolonged heat-waves in North America and other instances of extreme weather have brought the issue of climate change to the forefront of many people's mind. There's a new urgency and a real sense of the threat that climate change poses to our beautiful planet, to say nothing of what it could mean for us, its inhabitants.

As an agri-business with a large farming operation, we see first-hand the devastating impact that volatile weather patterns caused by climate change can have on businesses like ours. Nor can the implications for global food supplies be ignored.

As a company, we have long been committed to sustainability. When we rebranded our company, we added 'sustainability that grows' to our logo to make it clear what we stand for. We aim to embed sustainability into every fibre of our business, from the crops we plant through every process up to and including the shipping of products to customers.

In 2020 we signed up to the UN Global Compact. We founded a sustainability committee of our own, made up of members of the Board and senior management, tasked with driving our sustainability agenda, setting goals, and measuring our progress.

We have analyzed which areas are critical for our future success in order to focus on where we can make the biggest impact. Whilst all actions help, some areas, in particular, stand out.

Protecting our soil, a finite and fragile resource, is critical - after all, our business is built on soil. So we use regenerative agricultural practices across our farms by using crop rotation, cover crops, building extensive land terracing, adopting an integrated pesticide management approach, trying to use fewer pesticides each year and using fertilizer responsibly. We are also working on detailed data models to measure soil health so we can make better decisions on how we manage our land.

The quality of our seeds is every bit as important as the health of our soil. Together with local partners and universities, we are working to develop more resilient seed varieties that are better adapted to climate change while at the same time capable of producing a better yield. We have made this a strategic priority for the company.

We know the time for action on climate change is now and so we have initiated mitigating initiatives across all business areas. Most importantly, our intention to develop Obispo Trejo as a future logistic hub with regular rail links to the port will benefit not only us but it's good for the local community as well.

A skilled, diverse and engaged workforce will help us to deliver our business strategy. That's why we're committed to building an inclusive and diverse workforce where individuals are treated with respect. We'll focus on training, leadership, digital skills and career development to ensure that our employees have the right skills for now and the future.

Digitalization and automation can help us to feed a growing world population without using more of our precious natural resources. To this end, we are

investing significant resources across our business. This includes using smart farming technology such as drones and precision farming, having an efficient enterprise resource planning (ERP) system, rolling out new HR software, and building a digital training hub for our workforce.

Finally, we can't do it alone. Only by sharing knowledge with local farming communities and research and governmental institutions, working with suppliers, and engaging with local communities, can we move forward with the speed and to the scale that is required.

The world we live in and the one future generations inherit depends on the actions we take today. So let's all get to work. Together. Now.

Thank you for reading our sustainability report and we look forward to receiving any comments you may have.

Yours sincerely, Andrés Braun



Statement of continued support by the Chief Executive Officer

Cono Group became a signatory to the UN Global Compact in summer 2020 because we believe that being a responsible company is essential, both for Cono and society at large. As a signatory, we are committed to the Global Compact's Ten Principles in the areas of human rights, labour, environment and anti-corruption, and to advancing the Sustainable Development Goals of the United Nations.

In our inaugural Communication on Progress Report (COP), we describe our progress to integrate the Global Compact principles into all aspects of our business strategy, culture, and daily operation. The report also describes additional steps we intend to take to further embed the Global Compact Principles in our business operations. This report will be shared with all our stakeholders and the general public using our primary channels of communication.

On behalf of Cono Group, I affirm our ongoing support for the UN Global Compact and its Ten Principles. We will continue to advance both the principles and the UN Sustainable Development Goals within our sphere of influence and will disclose our progress on an annual basis.

Yours sincerely, Francisco Balestrini



Cono Group at a glance

Agri-Business with sustainability at the heart

We are an integrated, family-owned agribusiness that grows, sources, processes and exports agricultural products of the highest quality from Argentina.

Our journey began in 1979, rearing cattle in the pasture lands of Córdoba province in Argentina. Cono Group has evolved since then and completely transformed the business. Now, every year, we plant more than 30,000 hectares of speciality crops, using sustainable agricultural methods. We are a trusted partner in the export of chickpeas, beans and chia seeds, and a leading agribusiness in the region.

We have our own local processing, storage and distribution facilities and maintain offices in Córdoba, Argentina as well as in Zug, Switzerland. Today, with our staff of more than 100, Cono Group is proud to provide customers in more than 50 countries worldwide with sustainably grown and high-quality food products.



42 years
of experience



+100 employees
in two countries



17500 ha
of own land



4500 ha
of leased land



17 different crops
of specialities
and commodities



5000 ha
sown with
cover crops



4 production
modules



77000 tons
of crops per year



70 destinations
in 50 different
countries worldwide



150 buyers
worldwide



Sustainably grown pulses

Our focus is on growing a variety of pulses such as chickpeas, beans and dry peas, as well as chia seeds. In addition to our specialty crops, we also produce commodities for the domestic market.

Most of our food is grown on our own farms, located in the fertile plains of the provinces of Córdoba and Santiago del Estero, in the north of the country. We also lease land in the Provinces of Salta and Buenos Aires to achieve further scale and diversification. In addition, we work with a trusted network of local farmers to source high quality agricultural products.

All our specialities are destined for export. Goods are transported by truck and increasingly through our new transport hub in Obispo Trejo, where we have access to rail links, thereby connecting Córdoba with the port of Zárate, Buenos Aires and the rest of the world.



Our mission and strategy

Our mission is to maintain our position as a leading agribusiness in the production and delivery of speciality crops and commodities while being fully committed to sustainability in terms of our care for the environment, for our people, and for the communities in which we operate.

Our mission statement 'Sustainability that grows' helps us define who we are, guides us in our daily operations and defines our role in society.

Our strategy relies on three pillars:



Profitable growth

Grow profitability by growing the existing business, enhancing risk management across our operations and drive sustainability

Digital transformation

Transform our business through front-to-back digitalisation, simplifying and automating structures and processes and scaling our operation

New opportunities

Explore new growth opportunities through product diversification, strengthening of our logistics and distribution platform and broadening our genetic seed variety



Our values

Commitment

We focus on performance and fulfilling tasks on time without compromising on quality.

Trust

Mutual credibility, respect and acting in good faith are the basis of successful and sustainable social interactions



Integrity

We behave in an exemplary way, acting with honesty and integrity. We adhere to our corporate values and ethical principles in all aspects of our work. This promotes a clear understanding of our ideals and the standards we expect in our day-to-day dealings with all stakeholders.



Innovation

We strive to anticipate, adapt, create and capitalise on new opportunities to grow our enterprise and create added value for customers and stakeholders.

Excellence

We always aim to improve and strive to exceed our high standards to remain a leader in our field. We guard against complacency by continuing to raise the bar.



Our businesses

At Cono Group, we split our production, farming and logistic services into two separate units under the umbrella of Cono Group. Cono Agriculture's focus is on the production of specialities and commodities in Argentina. Cono Trading's prime function is to source and export a wide selection of pulses while offering clients a range of processing and logistic services.

Each unit has its own unique skillset, expertise, and distinct offering. At the same time, operating under the Cono umbrella, both share the company's core values of acting with trust and integrity in all relationships.



Our Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) provide the blueprint to achieve a better and more sustainable future for all. SDGs present us with a great opportunity to align our corporate sustainability goals with the principles of the UN Global Compact. By incorporating them into our strategies, policies and procedures, we can fulfil our responsibilities to stakeholders and the environment and set the stage for our long-term success.



UN Global Compact Principles



17 SDGs



Section	Our key focus		Contribute to SDG	UN Global Compact Principle
<p>Employees</p> <p>1</p>	<p>Employees are one of our greatest assets</p> <p>Cono Group is committed to providing a safe and healthy working environment where employees are treated with dignity and respect. We want to provide a diverse and inclusive workplace where all staff members can feel they belong. And we want to ensure that through training and by developing digital and leadership skills our employees acquire the skill set they need for the future. By working together, with integrity and mutual respect for each other's safety and well-being, we create a workplace environment that allows people to thrive.</p>	<p>More on page 10</p>		
<p>Communities</p> <p>2</p>	<p>Cono Group is committed to playing a positive role in the lives of our communities and we work in partnership with several local projects and charities. We target our funding and expertise around three key themes:</p> <ul style="list-style-type: none"> ■ Donating food to local food banks ■ Educating and working with the local farming community ■ Supporting local health and education projects 	<p>More on page 17</p>		
<p>Environment</p> <p>3</p>	<p>As a responsible business, we are committed to the environment</p> <p>We are focused on applying regenerative agricultural practices. We achieve this through cover crops, crop rotation reducing pesticide usage, using fertiliser responsibly, enhancing biodiversity, and investing in improved seed varieties. We seek to cut our CO2 emissions by developing a new transport hub, optimising logistics routes, and investing in smart farming technology to let us grow more crops whilst using less of our precious resources.</p>	<p>More on page 21</p>		
<p>Governance</p> <p>4</p>	<p>Good governance means acting responsibly and with integrity, and leading by example. We set a strong governance framework that is supported by employee training and education. We foster a strong compliance and risk management culture across the operation. We work with our business partners and suppliers to advance this agenda for our mutual benefit and to ensure the long term success of our business.</p>	<p>More on page 27</p>		



Employees



Human Rights

Cono Group seeks to conduct business in a responsible and ethical way that supports the protection of fundamental human rights, both within our operations and in the communities where we work. We reject all human rights abuses and aim to use our influence to advance the protection of such rights. We intend to partner with suppliers and contractors who uphold similar values and standards.

As a company, we embrace the international human rights principles encompassed in the United Nation's Universal Declaration of Human Rights. We also take guidance from the International Labour Organisation Fundamental Principles and Rights at Work and have been a signatory of the UN Global Compact since summer 2020.

Our commitment to these principles is reflected in all aspect of our business operations and is integrated into our Code of Conduct, Supplier Code of Conduct as well as company policies such as our Human Rights Policy, Human Resource Policies, Health and Safety Policy, and Anti-Discrimination Policy which are based on and work in conjunction with our Code of Conduct.

Contribute to SDG





Human Rights regarding employees

We strive to establish safe and healthy working conditions for all and treat employees with dignity and respect. This includes the right to freedom of association and collective bargaining. Forced and compulsory labour is strictly prohibited in all our operations, as is child labour, human trafficking, slavery and/or discrimination.

At Cono Group, we seek to compensate employees competitively and operate in compliance with applicable laws regarding hours of work, overtime and employee benefits. We also respect our employees' rights to data privacy.

To ensure remediation of potential abuses we have a whistleblowing helpline where employees can raise concerns regarding human rights through an internal procedure.



Human Rights and suppliers

Our Supplier Code of Conduct, which we adopted in 2021, sets out what we expect from our suppliers in relation to the protection of human rights, anti-corruption, social and working conditions, and the environment.

We aim to identify and work with suppliers who adhere to these principles and monitor their performance as best we can. We also plan to progressively integrate clauses requiring adherence to human rights and anti-corruption into our contracts and to step-up training of suppliers where appropriate.





Human Rights and customers

In terms of the human rights of our customers, our focus is on product safety. We are dedicated to supplying customers worldwide with safe and high-quality products on a consistent basis and meeting all the relevant legal and regulatory requirements in countries where we do business. We ask all employees to make sure they understand our detailed food and safety policies and procedures to help ensure our products meet regulatory requirements, our own quality standards as well as meet our customer needs. We also expect employees at every level to respect the data privacy of our customers.



Occupational Health and Safety

Cono Group believes in providing a safe and healthy workplace for our employees and contractors and in complying with all applicable health and safety regulations, as well as internal requirements. Our principles are stated primarily in our Code of Conduct and Health and Safety Policy and related procedures. We actively promote a working environment that encourages safe practices, doing all we can to prevent injuries, occupational diseases and fatalities. Safety at work is a shared responsibility and we encourage everyone to help us maintain a safe and healthy workplace.

Employees are expected to comply with all health and safety procedures and to take responsibility for their own and colleagues' safety. They should only take on work they are trained and competent to do and be medically and physically fit to fulfil their duties. Employees are strictly prohibited from carrying out any work or related activities when under the influence of alcohol, illegal drugs, controlled substances or misused over the counter or prescription medicines.

No employee will be expected to commence a task that they consider unsafe or where potential hazards cannot be controlled. Individuals should report any actual or near-miss accident or injury, illness, unsafe or unhealthy conditions to their line manager without delay so that remedial action can be taken immediately.

Managers are entrusted to maintain a robust safety culture at work through their visible leadership. They will ensure that any health and safety hazards are identified through regular risk analysis and ongoing risk management. We entrust our managers to provide employees with the appropriate training and resources to do their jobs safely and effectively.



Diversity and Inclusion

As an employer, we value the diversity of our people and the contribution each one makes. We believe that the wide range of experiences and perspectives resulting from such diversity can help to promote innovation and enterprise, adding to the success of our business.

The company fully embraces the international human rights principles encompassed in the United Nation's Universal Declaration of Human Rights. As such, we believe in equal opportunity and in treating everyone fairly. We are committed to ensuring that all individuals are treated with dignity and respect.

We will not tolerate discrimination, or any form of harassment based on race, age, gender, ethnicity, nationality, religion, sexual orientation, disability, or any other class protected by law. All employment-related decisions, including hiring, termination and retirement, must be based solely on lawful, non-discriminating criteria such as relevant qualifications, performance, skills and experience. We prohibit any form of forced, trafficked and/or child labour. All of the above is clearly set out in our recently published Code of Conduct and our Anti-Harassment Policy.

Employees who have any concerns regarding discrimination, harassment or other unlawful conduct in the workplace are encouraged to raise the issue with their line manager or Human Resources.

Employee well-being and development

As responsible and fair employers, we believe in remunerating our employees at competitive industry rates relative to the local labour market. Our company also provides a range of other benefits such as medical insurance for employees and eligible dependents and leave benefits for important life events. This includes paid maternity and paternity leave for new parents.

We also offer flexible work arrangements in terms of location and hours, including part-time jobs, to help manage work-related stress and work-life balance. We also encourage and act on staff feedback initiatives and hold quarterly town hall meetings to inform our workforce of important company developments.

As a company, we believe that employee development is important to attract, nurture and retain the best available talents and maintain a workforce that fits our business strategy. To this end, we have employed a dedicated trainer who is tasked with setting up new online training programmes for our workforce. The programmes are to be individualised and tailored to the needs of specific areas of operations



Case Study

Online well-being workshops during Covid pandemic

The new home working arrangements during COVID-19 presented our employees with many unique challenges from feelings of isolation to difficulties with setting work boundaries.

In alliance with OSDE, a well-known Argentinean health insurance company, employees were therefore invited to participate in a cycle of four health and well-being webinars. Through different talks, activities and workshops the programmes aimed to improve the well-being of Cono Group employees. The programme focussed on health eating, fitness, managing stress and mental health, maintaining a healthy posture and getting adequate rest.



Case Study

New Human Resource software

As part of our digital transformation, we are implementing a new Human Resource Software. The new software allows us to automate HR processes and workflows, gain new insights into our workforce, provide a better employee experience and ensure ongoing compliance with applicable laws and regulations.

Managers can use the tool to manage staff more effectively by accessing performance details and optimising business processes. Leave, absenteeism and overtime reporting will be simplified which will help to ensure compliance with local regulations.

Other gains include being able to create flexible compensation plans, streamline the payment process, and improve recruitment. Centralised employee profiles that include role profiles, career accomplishments, skills and certifications will help us develop dedicated training and tracking tools.

Employees will have access to a self-service portal where they can update their employee profile, explore training options, track performance, set goals and log time off requests.



Supporting employees during the COVID-19 pandemic

The rapidly evolving COVID-19 pandemic caused a major shock to countries around the world and, as with businesses everywhere, Covid put considerable demands on our organisation. From the outset, agricultural production and processing were classified as essential services by the Argentina government to avoid disruptions to the food supply chain. Therefore, we had to engage in a delicate balancing act of maintaining operational and business continuity while simultaneously protecting the health and safety of our employees. We managed to achieve this through a number of new measures and with staff at every level adapting and pulling together.

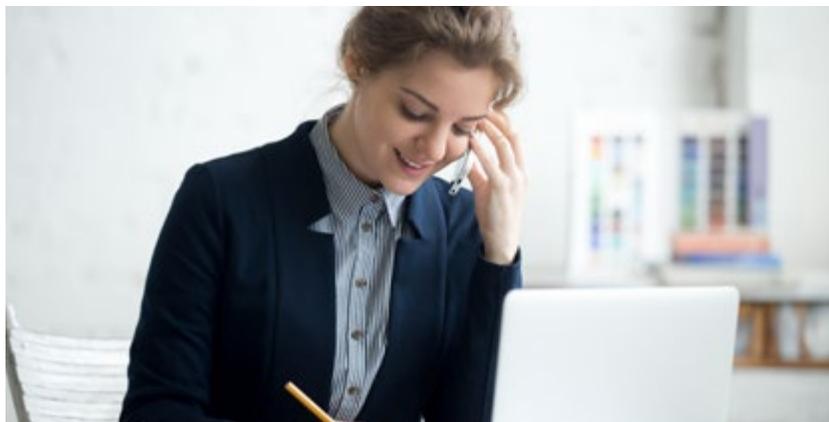




Shift to remote working for office staff

A newly established crisis committee developed and coordinated the implementation of business continuity measures across the group.

Actions taken were in accordance with official guidance and advice from public health authorities. Measures included strict work-from home protocols for all our office staff who were provided with office items and equipment including ergonomic chairs for increased comfort. Cono Group also rapidly implemented a new collaboration platform and strengthened its video conferencing capabilities to facilitate working remotely and to remain engaged with staff, clients and our suppliers. Online workspaces with accessible and easy-to-share information helped to keep teams connected and productive.



Safety protocols at the processing plant

To ensure the safety and well-being of our workforce, we also implemented a range of strict safety protocols on our farms and at the processing plant. Key measures included social distancing and mask use, use of personal protective equipment in common areas, frequent sanitation, cleaning and disinfection of shared workspaces and temperature screening at entry and exit points. We also grouped our employees into separate clusters to reduce the spread of COVID-19 transmission by minimising the number of different individuals who come into close contact with each other over the course of a week. This action also helped to reduce the number of employees quarantined through exposure to the virus.

We stepped up internal communications to promote transparency and unity and to ensure leadership remained visible. Our priority was to make employees feel safe. Health and safety information, isolation protocols, assistance and support, plus other tools and resources related to COVID-19 was published on the company intranet to keep staff fully up to date with the latest news and guidelines.

We have had a few confirmed cases of COVID-19 among staff since the start of the pandemic. Happily, all employees have recovered well and have resumed their usual activities. We remain vigilant and will continue to monitor the situation closely. This has been a testing time for our staff and their families and as a company, we are grateful for their dedication and support. As always, the safety and well-being of our staff is our top priority.



Communities

2

Supporting our local community during the COVID-19 pandemic

In May 2020, Cono joined forces with Villard & Louis to help address food shortages during the COVID-19 pandemic. The project was called "Acción por el otro".

We donated 135 tons of chickpeas and beans, which were channelled through different foundations/NGOs to where it was needed most. Many intermediary hands came together to make this happen in an effective, safe and secure way and to get the donation into the right hands. The food was distributed to some 300 soup kitchens, both in Buenos Aires and in the interior of the country. In addition to the donation, the canteen managers were trained and provided with a recipe booklet listing healthy and nutritious dishes for children and adults. In total, almost 1,700,000 portions of food were served between May and July 2020.

Contribute to SDG





As a leading food producer, we fully support the United Nations SDG's of eliminating poverty and hunger, of ensuring quality education for all, and taking action on climate change. We are determined to play a positive role in the lives of the communities where we operate





Escuela del Estudio de la Intuición (EDEI)	Fundación Banco de Alimentos	Banco de Alimentos Córdoba	#SeamosUno
<p>A non-profit Civil Association helped us deliver</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>300,000 food rations</p> </div> <p>to</p> <div style="text-align: center;">  <p>170 soup kitchens</p> </div> </div>	<p>A non-profit organisation that helped us to distribute</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>65,000 kg of chickpeas</p> </div> <p>to</p> <div style="text-align: center;">  <p>Soup kitchens in the province of Buenos Aires</p> </div> </div>	<p>A non-governmental, non-profit organisation, with whom Cono collaborates every year, that helped to distribute</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>18,000 kg of chickpeas and corn</p> </div> <p>to</p> <div style="text-align: center;">  <p>Soup kitchens in the province of Córdoba</p> </div> </div>	<p>An organisation created in 2020 with the aim of producing</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>1.000.000 boxes of food and cleaning products</p> </div> <p>for</p> <div style="text-align: center;">  <p>4.000.000 people in need</p> </div> </div>
<p>Proyectar</p>	<p>Cartoneros y sus chicos</p>	<p>Food Emergency Córdoba</p>	<ul style="list-style-type: none"> ■ 135 tonnes total pulses donated ■ 1,687,500 meal portions ■ 300 soup kitchens reached ■ +100 volunteers
<p>An organisation whose mission is to 'leave a better planet for our children and better children for our planet' through their Resilient Community Centres programme. They helped us get food to many soup kitchens.</p> <div style="text-align: center; margin-top: 20px;">  </div>	<p>Provide educational support for the children of Cartoneros. They helped us distribute food to schools and families.</p> <div style="text-align: center; margin-top: 20px;">  </div>	<p>Cono donated chickpeas to their food emergency initiative.</p> <div style="text-align: center; margin-top: 20px;">  </div>	<p>We could not have done it without the commitment of these NGOs.</p> <p>Our thoughts are with all those communities impacted by this virus. We'll continue to work with our partners to provide local relief in the coming months.</p>



Establishing healthy eating habits

The nutritional benefits of pulses, together with their affordability and long storage life, mean they can play a key role in closing the future protein gap. As well as including a recipe book with each of our donations, in conjunction with the Banco de Alimentos Córdoba and CLERA (Chamber of Pulses of the Argentine Republic), we ran legumes cooking workshops for local communities to demonstrate how protein-rich legumes and pulses can be incorporated into everyday meals.



Sharing our expertise with the local farming community

As a company, our approach is to share our knowledge and experience with local farmers we work with to help them grow safer crops and increase their yields. We support farmers during all stages of the agricultural cycles, from sowing through to post-harvest, by using different indicators that allow them to make more informed decisions. The aim is to achieve a product that meets the highest demands in terms of safety and quality. We also teach the responsible application of phytosanitary products and how to use fewer chemicals on crops.





Environment



Supporting soil health

It's hard to overstate the importance of soil health. This natural and non-renewable resource provides nutrients for plant and animal life, mitigates climate change, captures and supplies clean water and helps to prevent the spread of desertification. Healthy soil is fundamental for our business, so it goes without saying that protecting and rebuilding soil is a top priority.

At Cono Group, we apply several sustainable soil management practices. Most importantly, we ensure our fields are covered by cover crops throughout the year. This regenerative agricultural practice helps with carbon sequestering, minimises soil erosion, enhances soil structure, increases water retention and supports life in the soil. A non-tillage planting approach helps build organic soil carbon by minimising soil disturbance and erosion. We also use crop rotation across all our fields and regularly rotate nitrogen-fixing beans and soil-enhancing crops to enhance soil structure, increase carbon sequestration and replenish soil nutrients. Other benefits of this practice come from better weed suppression, disease and pest management and enhanced biodiversity.

In addition, by using extensive land terracing and forest strips, we reduce soil erosion by wind and water and increase rainwater harvesting. Another priority is restoring the soil health on previously degraded or marginal land. We achieve this by rebuilding the soil structure and reduce soil compaction by limiting the use of heavy machinery and equipment.

Contribute to SDG





Case Study

Using data models to make smarter decisions

We have developed a USLE Model (Universal Soil Loss Equation) in conjunction with international consulting firm Unicampo¹. The model measures the average long-term annual soil loss and considers various parameters such as the soil type, the slope of the field, crop rotation and coverage, the type of planting (direct or non-tillage) as well as the average rainfall in the area.

During the 8-month development phase in 2019/2020 detailed information on soil type, rainfall and climate records were collected to calibrate the model and assess the current state of our soil. The USLE Model will be implemented across our fields to monitor key soil health indicators (such as organic carbon soil content) and to help us to make more informed decisions about crop rotation and the use of fertiliser.



Case Study

Land terracing to protect soil health

Terracing is a soil conservation practice applied to prevent rainfall-runoff on sloping land from accumulating and causing serious soil erosion. Terraces typically consist of ridges and channels constructed across the slope. In 2018, we started a multi-year land terracing and hydric systematisation project. This entailed a topographic survey and planimetric mapping of our fields.

Based on this information we built various terraces, drainage channels, micro containment reservoirs and road changes. The project is currently in its third stage with more than 10'000 hectares completed.





Reducing greenhouse gases to combat climate change

Climate change is one of the most critical issues facing the world today. The threat posed by global warming affects us all. At Cono Group, we are committed to curbing greenhouse gas emissions and energy consumption across our operations. We have several agriculture projects in place that help reduce our carbon footprint, ranging from soil carbon management to the way we transport our crops.

Most importantly, soil stores large amounts of carbon. Healthy soil emits less carbon dioxide into the atmosphere. It may also serve as a kind of carbon sink by binding greenhouse gases and removing them from the atmosphere. Following sustainable soil management practices has played an important role in mitigating our greenhouse gas emissions.

We deliver our products to global customers via road, rail and sea. By improving route and logistics planning, increasing load factors and reducing the number of empty return trips, we have significantly cut our road emissions. By shipping many our containers to port by rail instead of road, we've managed to significantly reduce our environmental impact.

To reach our agriculture goals, we are also focusing on increasing our energy efficiency and shifting to low-carbon energy sources. Our processing plant in Chalacea near Córdoba has been designed to be as energy efficient as possible. And we have invested in renewable energy for our farm buildings.

Case Study Back on Track after 50 Years



A provincial branch line that was out of service since the 1970s is playing a key role in transporting pulses from our plant in Chalacea to customers around the world. No trains had operated from Obispo Trejo station for more than fifty years until a test shipment of 600 tons of chickpeas rumbled down the tracks in September last year bound for Zarate in Buenos Aires.

The first shipment of 20 containers was successfully exported to Spain, Germany, Italy and Turkey. Further shipments of pulses have followed since then and in March this year a fifth consignment, consisting of 24 containers, transported chickpeas, chia seeds and kidney beans from Obispo Trejo to Italy, the United States and France respectively.

Freighting produce by rail from Chalacea endorses our commitment to reduce CO2 emissions and combat global warming while also helping to rewrite some local history!





Reducing the use of pesticides, using fertiliser responsibly

Pesticides are a vital tool to achieve high crop yields and help feed a growing population, but improper use can contribute to soil, water and air pollution. It also leads to the loss of biodiversity.

To minimise potential harm to non-targeted organisms and the environment, we have introduced an integrated pest management approach. This includes a range of preventative measures such as using suitable crops, rotating crops across fields, and using appropriate soil and water management strategies to prevent or minimise the build-up of pests.

During the seeding and growing process, crops are carefully monitored through routine inspections to determine if and what corrective actions must be taken. When intervention is needed, we use a combination of cultural, mechanical, biological and chemical measures to control the pest outbreak. We'll always use biological, physical and non-chemical methods if they provide satisfactory pest control. And we use targeted chemical pesticides that are less likely to affect natural enemies and other non-target organisms and have less impact on biodiversity.

This integrated pest management approach has significantly reduced our dependency on chemical pesticides in general, and the use of more hazardous pesticides over the past few years. And thanks to lower diesel usage due to fewer trips to farms, we've also managed to cut our CO2 emissions.

Cono Group is also committed to the responsible use and management of fertilisers. We follow a holistic approach to the management of nutrients and the use of fertilisers. We factor in site-specific information such as soil characteristics, crops to be grown, previous crops grown, expected yield and

climatic and hydrological conditions. We aim to prevent both the underuse and overuse of fertilisers to avoid nutrient imbalance and soil and water pollution. We also focus on applying fertilisers at the proper time and in the right amounts and identifying the most appropriate fertiliser at source and placement. We have strict internal policies and guidelines in place to ensure that all agrochemical products are appropriately used, stored, transported, and safely disposed of.

Case Study

Crop experiments to reduce pesticide usage

We are currently conducting a trial on a 40-hectare field in San Bartolomé to grow various pulses without using pesticides. Instead, cover crops are used to restrict the growth of weeds. We also planted crops with natural insect repellent properties. Tests were carried out and data on soil microorganisms taken to see how they evolved in the hope that their population would increase. Results so far have been encouraging although the challenge is to scale up the operation while remaining profitable. We are optimistic that this can be achieved as we strive towards greater sustainability.



Backing biodiversity and reforestation

Conserving biodiversity is critically important to ecosystem health and the future of our planet. We have implemented several initiatives in our fields to improve biodiversity, with a focus on reforestation and improving habitats.

Planting trees on our land and around our processing facility is a small but significant way to boost biodiversity. To date, we have reforested 26 ha out of a planned 130 ha, with more reforestation planned. Working with local experts, we are also looking to create flower strips, insect hotels and bird nesting aids that promote biodiversity, boost pollination and help with pest and disease suppression.



Managing water for the environment

The production of nutritious and healthy food depends on clean and freshwater. We are mindful that water is a precious commodity and of concerns over its availability, security of access and the potential for water contamination.

Our crop production mainly relies on the water stored in our soils with limited use of additional water irrigation. The quantity and quality of the water stored in our soils are therefore very important for our sustainable agriculture.

Focusing on health-promoting soil practices is crucial to enhancing both groundwater and surface water quality. Healthy soils are permeable and can store more water and nutrients thereby enhancing crop yields. Better water retention also reduces the need for irrigation and the risk of floods and surface erosion. It supports groundwater recharge and increases water quality downstream.

We are always looking at other ways to decrease our water consumption. To this end, we ensure the crops we use are ideally suited to our climatic conditions and soils. We've also implemented a regulated water deficit irrigation system in Córdoba to minimise our water usage.



Improving solid waste management

Reducing solid waste generation across our business is another area we continuously work on.

Our efforts include minimising food loss and degradation during production, harvesting, storage and processing. We also make every effort to reduce food waste by reusing lower-quality crops as animal food or composting substrate rather than simply wasting it. Cono Group also regularly donates food to those in need.

We've upped our game in terms of reusing and recycling and in avoiding pollution by properly disposing of hazardous waste. By optimising the use of plastic bags across our processing and logistics process and using fewer silo bags at our processing plant, for example, we've drastically cut the amount of plastic waste we produce.



Investing in new crop varieties

The seeds we select for planting annually is one of the most important decisions we must make at Cono Group. For many years we have partnered with external experts and leading universities in Argentina and the US to help us find the most suitable crops and seed varieties for our environment.

We also maintain internal testing and selection programmes to find the best seeds and crops each year, and we run field trials to discover new crops suited to our climate. The latter helps us to find something that works well in our fields and that we can incorporate into our crop rotation to help with soil health management and biodiversity. It also allows us to add new products to our portfolio.



Building a digital farming operation

We are committed to adopting new technologies in our agricultural business to produce more crops while using fewer of our precious natural resources.

On some of our fields, we are already using precision farming which can help and improve the efficiency of planting, spraying and harvesting. This can add up to significant savings in terms of seed, fertiliser and tractor fuel costs.

We are also starting to use data information from satellites and drones to scan our fields so we can monitor every stage of the production cycle. In the meantime, we are exploring other ground-based and soil-implanted sensing applications.

As company, we are confident that with further investment and by adopting digital innovations over the next few years we can optimise our resources, and enhance food quality.





Governance

4

Corporate Governance

We are committed to maintaining the highest standards of corporate governance for our own success and in the interests of our stakeholders.

The legal and organisational framework of Cono Group is defined in the Articles of Associations and the bylaws of the various companies. These outline the duties and responsibilities of the Board and the CEO respectively to ensure the necessary checks and balances are in place. The Board's role is to decide strategy and to provide entrepreneurial leadership to the group within a framework of prudent, legal, and effective controls. The CEO is responsible for the day-to-day management of the group.

Our Board and CEO also play an active role in defining our sustainability objectives and in overseeing and implementing our sustainability strategy. Senior management is responsible for integrating sustainability goals into our business practices and daily operations. They are supported in this by a sustainability committee made up of senior members of Cono Group.

Contribute to SDG





Code of Conduct

Our Code of Conduct reflects our principal values and provides clear guidelines for our conduct as a business and individually. It applies to all employees and members of the Board.

The Code encapsulates our policies and approach to a broad range of issues, including bribery and corruption, gifts and hospitality, conflicts of interest, free and fair competition, trade rules and sanctions, political activities and contributions, and more. All employees receive regular training in the Code of Conduct and related policies, and it is also included in the induction process for any new members of staff.

Employees must acknowledge that they have read, understood and agree to uphold the Code of Conduct and other important internal policies of the company at their initial hire and once a year thereafter. The Code of Conduct Committee is responsible for implementing and monitoring compliance with all facets of the Code.

Our Supplier Code of Conduct sets out what we expect of our suppliers in terms of compliance with laws and regulations, anti-corruption and bribery, social and working conditions, and protection of the environment. This Code applies to all suppliers and as such is an integral and mandatory part of any agreement between a member of Cono Group and a supplier. Every supplier is required to sign a declaration confirming their compliance with the principles and requirements of the Code.

Compliance

As a company, we comply with all applicable laws and regulatory requirements, including those related to anti-bribery and corruption. We have established a framework comprising a set of risk management processes to assess compliance across our operation. Management and the Board hold ultimate responsibility for compliance, supported by a dedicated compliance officer.

Compliance helps our workforce understand and adhere to the rules and regulations and ensure that the right processes are in place. It aids the business in identifying, assessing and monitoring risks, maintains an effective whistleblowing channel and facilitates action on any reports. Compliance also helps foster a corporate culture of business ethics and integrity where people can speak up without fear of censure and/or retaliation.

Employees are actively encouraged to speak up if they believe that a violation of a law or of the Code of Conduct has taken place. Staff can voice their concerns in a number of ways. They can speak to their line manager or Human Resources & Compliance directly or, if they choose to raise an issue anonymously, they can do so via a dedicated phone line. Another option is to complete a form on the Cono Group webpage. We explicitly prohibit retaliation against an employee who makes a report in good faith or participates in an investigation.



Risk Management Framework

Risk management is an essential element within the framework of good corporate governance and vital for long-term business success. We are committed to managing risks including sustainability and climate risks in a proactive and ongoing manner. Our new Risk Management Policy provides the framework to identify, prioritise and manage risks across all our activities and helps protect the company's balance sheet, profitability and reputation.

Risk Management Process

We carry out a bi-annual, organization-wide, risk assessment using our central risk register. This is the primary mechanism to help identify, manage and monitor risks wherever they are found to exist. Identified risks are assessed and evaluated in terms of likelihood of occurrence and magnitude of impact. This helps risk owners to assess risk on a consistent basis. It also helps to assign responsibility for managing and monitoring various levels of residual risk

Good risk management is fundamental for the long-term success of our business

Risk Governance

Risk management is a shared responsibility at all levels of the company, from the Board to our employees. The Board is responsible for defining the Group's risk appetite and for overseeing the development and adoption of and adherence to our risk management strategy and objectives.

The CEO is responsible for developing and implementing our risk management framework and setting key risk limits. Our chief risk officer (CRO) is tasked with risk oversight and control. The CRO also leads the bi-annual risk assessment process, ensures risk transparency and reporting and builds risk awareness and competence across all functions.

Senior managers are in charge of identifying, managing and reporting critical risks in their respective areas while ensuring that adequate operating procedures and practices are in place. All employees are responsible for conducting company business in a manner that is consistent with our risk management policies and procedures.

All principal risks must be reported half-yearly to the Board. Reporting includes details of risk treatment, risk monitoring and any significant changes in the Group's risk profile



Anti-Bribery and Corruption

Cono Group has a zero-tolerance approach to all forms of bribery and corruption, as set out in our Code of Conduct. Our anti-corruption policy and our gifts and hospitality policy provide additional guidance and practical advice in these areas while the relevant rules and principles for preventing and managing conflict of interests are covered by our conflict-of-interest policy.

According to our anti-corruption policy, Cono Group employees must not (either directly or indirectly through third parties) give, pay, request or accept a payment, gift or favour to or from a third party that is intended to influence a business decision or outcome. Moreover, employees must abstain from any endeavour or conduct that could give rise to the appearance or suspicion of such conduct, or the attempt thereof. These rules apply to both private and public parties, but extra care must be taken when public officials are involved as stricter rules apply. Any meeting with a public official requires prior approval from Compliance.

In line with our business principles, Cono Group does not contribute to any political campaign, political party, political candidate or any of their affiliated organisations. Our employees have a right to support political activities, however, they may not use Cono Group's property or resources for personal political activities. In addition, they should not engage in political activities on Cono Group's behalf, unless specifically authorised to do so. Employees are required to disclose any relationships to local or national politicians or their agents.

Cono Group supports the making of contributions to the communities in which it operates and permits reasonable donations to charities and spon-

sorships. However, charitable contributions are permitted only if they are made for bona fide charitable purposes.

Our Gifts and Hospitality policy provides clear guidelines on giving and accepting gifts and entertainment to and from parties outside our business. We want to ensure that all business transactions are impartial and objective and not subject to outside influence. The policy includes a gift, entertainment, and hospitality approval and tracking system.

Our Due Diligence and Third-Party Policy sets forth specific procedures, criteria and processes that must be followed before agreeing to take on a supplier or third party to prevent and reduce corruption risk. The policy is based on a risk tier classification system for suppliers and business providers to ensure that the appropriate due diligence is carried out.





Looking Ahead

As a company strongly committed to sustainability, we are proud of what we have achieved in the past few years. That being said, there is no room for complacency - standing still is not an option. Going forward, we have a clear plan of goals we want to achieve

The key focus areas for 2022/2023 include:

1 Employees

We look to fully implement findings from an external health and safety assessment of our processing plant. We also seek to develop a digital learning platform to provide relevant and specific learning content across the organization.

Moreover, we look to undertake a detailed skill assessment to ensure we have the right skillsets now and into the future.



2 Communities

We will continue to donate food to local NGOs to help support the local communities and people in need particularly during the current COVID-19 pandemic.

As always, we also actively support and encourage individual volunteering within our workforce.





3 Environment

We seek to achieve Global GAP (Global Good Agricultural Practices) for our farming operations in Argentina by the end of 2022. Global GAP is a set of standards for good agricultural practices with the objective to promote safe, sustainable agriculture worldwide.

We also seek to finish our terracing projects and to apply learning gleaned from our soil health modelling. We'll press on with building our logistic hub in Obispo Trejo in order to ship more of our crops to the port by train and further cut our CO2 emissions. We'll drive reforestation and biodiversity projects and work on initiatives to further cut our pesticide usage across our organization.

We'll continue our participation in multilateral forums such as the UN Global Compact and local farming associations to further our sustainability agenda. We'll also seek to work with our contract growers and local farming communities to pool our collective knowledge for our mutual benefit.

4 Governance

In terms of sustainability governance, our aim is to design and build a qualitative and quantitative reporting framework and key performance indicators (KPIs) that links to our sustainability goals. This will help increase accountability and chart the progress we make.

Furthermore, we will further embed risk management and compliance framework in our organization and build up a centralized well-structured policy hub for easy policy reference. We'll also step up training for all employees with regards to our policies and procedures.

There's a lot of work to do in the months ahead but as an organization, we are determined to do all we can to achieve our sustainability goals. We have a clear strategy of where we want to go and how we plan to get there. We're excited and optimistic about the future and we're confident that together with our workforce we can look forward to greater successes while rising to whatever challenges we may face.



Appendix

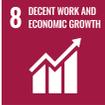


The Ten Principles of the UN Global Compact

 Human Rights	 Labour	 Environment	 Anti-Corruption
<ul style="list-style-type: none"> ■ Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and ■ Principle 2: make sure that they are not complicit in human rights abuses. 	<ul style="list-style-type: none"> ■ Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; ■ Principle 4: the elimination of all forms of forced and compulsory labour; ■ Principle 5: the effective abolition of child labour; and ■ Principle 6: the elimination of discrimination in respect of employment and occupation. 	<ul style="list-style-type: none"> ■ Principle 7: Businesses should support a precautionary approach to environmental challenges; ■ Principle 8: undertake initiatives to promote greater environmental responsibility; and ■ Principle 9: encourage the development and diffusion of environmentally friendly technologies. 	<ul style="list-style-type: none"> ■ Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery
<p>More on pages 10 - 20</p>	<p>More on pages 10 - 16</p>	<p>More on pages 21 - 26</p>	<p>More on pages 27 - 30</p>



The Sustainable Development Goals (SDGs)

- **1 No Poverty**
End poverty in all its forms everywhere
- **2 Zero Hunger**
End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **3 Good Health and Well-being**
Ensure healthy lives and promote well-being for all at all ages
- **4 Quality Education**
Ensure inclusive and equitable quality education and promote lifelong opportunities for all
- **5 Gender Equality**
Achieve gender equality and empower all women and girls
- **6 Clean Water and Sanitation**
Ensure availability and sustainable management of water and sanitation for all
- **7 Affordable and Clean Energy**
Ensure access to affordable, reliable, sustainable and modern energy for all
- **8 Decent Work and Economic Growth**
Ensure access to affordable, reliable, sustainable and modern energy for all
- **9 Industry, Innovation and Infrastructure**
Ensure access to affordable, reliable, sustainable and modern energy for all
- **10 Reduced Inequalities**
Reduce inequality within and among countries
- **11 Sustainable Cities and Communities**
Make cities and human settlements inclusive, safe, resilient and sustainable
- **12 Responsible Consumption and Production**
Ensure sustainable consumption and production patterns
- **13 Climate Action**
Take urgent action to combat climate change and its impacts
- **14 Life Below Water**
Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- **15 Life on Land**
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- **16 Peace, Justice and Strong Institutions**
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- **17 Partnerships for the Goals**
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

[Note: The terms “we,” “our,” “us,” “Company”, “Cono” and “Cono Group” as used in this report refer collectively to Cono and its related entities unless the context suggests otherwise. These terms are used for convenience only and are not intended as a precise description of any separate legal entity within Cono.]



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