



sustainability that grows

UN Global Compact Communication on Progress Report

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Letter from the Chairman

The problems facing the world today are real, urgent, and daunting: climate change, resurging conflicts, social inequality, financial instability, the list goes on. They are of such a scale, complexity, and urgency that we can only hope to find solutions through our combined efforts and resolve. Governments, industry, communities, and individuals alike need to take action to help find fair and sustainable solutions to these problems. The global challenges we face demand nothing less.

In this UN Global Compact report, I want to highlight the steps we as a company have taken and the progress we have made, since signing up to the charter in 2020. While these steps may seem small in the global context, we believe they are significant. Even the longest and most challenging journeys are comprised of multiple small steps, and everyone can make a difference.

Pages 8-11 of this report sets out the progress we have made in key areas

such as workplace culture, employees' conditions and opportunities, community engagement, as well as the environmental initiatives we have taken. As recognised in our 2021 report, and notwithstanding the clear progress we have made so far, we recognize there is still more to do.

We as an organisation 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 if we all work together, we can look forward to greater successes while rising to whatever challenges we may face.

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 Vice President

Cono Group became a signatory to the UN Global Compact in the summer of 2020 because we believe that being a responsible company is not only in our interest but speaks to the greater responsibility, we all have, businesses 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 latest Communication on Progress (COP) report, we describe the steps we have taken to integrate the Global Compact principles into all aspects of our business strategy, culture, and in our daily operations. The report also details the additional

steps we intend to take to further embed the Global Compact principles in our business operations.

This report will be distributed to all our stakeholders as well as the public through 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 report on our progress on an annual basis.

Yours sincerely,

Thomas Braun



Cono Group at a glance

Agri-business with sustainability at the heart

Cono Group is a family-run, Swiss-Argentinian agribusiness. We grow, process, and export high-quality sustainable agricultural products from Argentina. Cono Group supplies both domestic and global customers in more than 50 countries, with a range of edible seeds and pulses. In addition to our primary activities, we also offer a variety of processing, logistics and marketing services for local growers and producers.

We have our own local processing, storage, and distribution facility to facilitate these activities. Cono Group also maintains offices in Argentina and Switzerland (Zug). This sees us employ more than 100 staff overall across our whole operation. Our new transport hub in Obispo Trejo provides regular rail transport from our processing plant to the port.



43 years
of experience



+100 employees
in two countries



17100 ha
of own land



2400 ha
of leased land



3 production
modules



BRC - Certified
Processing Plant



17 different crops
of specialties and commodities



77000 tons
of crops per year



+50 destinations
worldwide



150 buyers
worldwide

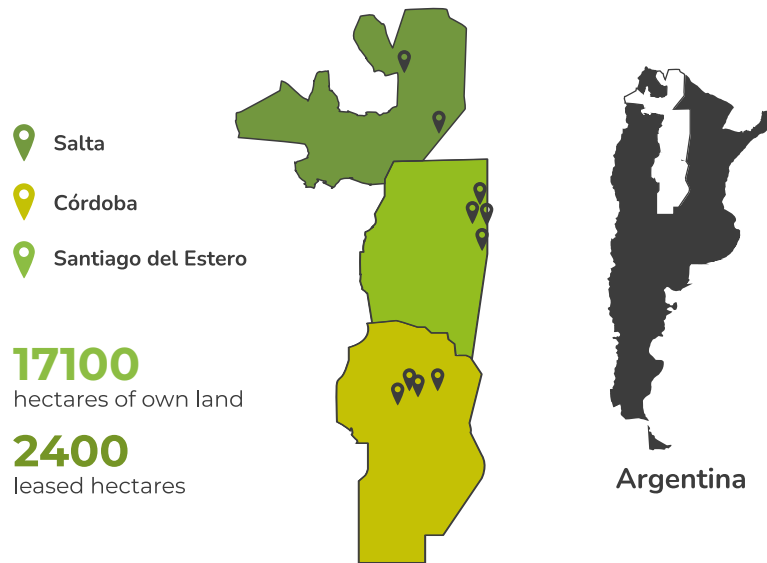


Sustainably grown pulses

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 which are in the fertile plains of the provinces of Córdoba and Santiago del Estero, in the north of the country where the soil and climate provide ideal growing conditions for our crops.

We also rent land in the Province of Salta to drive more scale and diversification. In addition, we work with a trusted network of local farmers to source high-quality agricultural products.



Chickpeas



Chia seeds



Cranberry beans



Alubia beans



Mung beans



Light red kidney beans



Red kidney beans



Black beans



Dried peas



Popcorn



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. 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 driving 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

Our farming, logistics, and production services are split across two separate bodies (Cono Trading and Cono Agriculture) which come under the main Cono Group banner.

Cono Agriculture's core focus lies around commodity products and in the production of sustainably grown specialities.

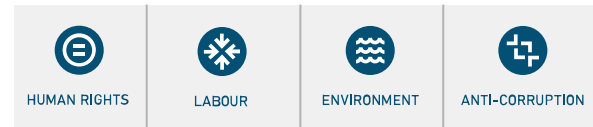
Cono Trading's core function is to source and export a wide selection of responsibly grown pulses, whilst offering clients a range of processing, logistics and marketing services.

Each unit has its own unique skillset, expertise, and distinct offering. At the same time, operating under the Cono Group 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 presents 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



Report on Progress and Goals for 2023



The tables below set out key focus areas for our sustainability initiatives, with regard to employees, communities, environment, and governance. They chart the progress we have made since the publication of our last report in 2021 plus the goals we have set for 2023. The tables also specify which of the 17 SGD goals our actions relate to and our contribution to the UN Global compact principles.

1 Employees

Key focus	Delivered in 2022	More on page	Goals for 2023	Contribute to SDG	UN Global Compact Principle
<p>Cono Group is committed to providing a safe and healthy environment where all employees are treated with dignity and respect. We want to provide an inclusive workplace that recognises and welcomes diversity and is one where all staff members can feel they belong.</p> <p>Through training and by developing digital and leadership skills, we want to ensure that employees are fully equipped to succeed in a modern working environment.</p> <p>By working together, with integrity and with mutual respect for each other's safety and well-being, we create a workplace environment that allows people to thrive.</p>	<p>Launched Cono Academy, a digital learning platform aimed at delivering job-specific and tailored content across the organisation.</p> <p>Increased female participation in senior management.</p> <p>Launched a programme designed to ensure that all employees finish elementary and secondary education.</p>	12	<p>Roll-out of 50 training modules within Cono Academy.</p> <p>Campaign to focus on road safety.</p> <p>Step up Human Rights discussions with suppliers.</p>		<p>HUMAN RIGHTS</p> <p>LABOUR</p>





2 Communities

Key focus	Delivered in 2022	More on page	Goals for 2023	Contribute to SDG	UN Global Compact Principle
<p>Cono Group is committed to playing a positive role in the lives of our communities. To this end we work in partnership with several local projects and charities.</p> <p>To maximise our effort, we concentrate funding and expertise in three key areas:</p> <ul style="list-style-type: none"> • By donating food to local food banks • By educating and working with the local farming community • By supporting local health and education projects 	<p>Established a donations committee to oversee the distribution of funds etc., working to clearly set out policies, priorities, and procedures.</p> <ul style="list-style-type: none"> • Donated 42 tons of pulse to local food banks. • Supported local schools in our communities with equipment and school supplies etc. • Started to develop an apprenticeship programme in conjunction with a local technical university in Obispo Trejo. 	<p>19</p>	<p>Undertake donations in line with new framework.</p>		 <p>HUMAN RIGHTS</p>






3 Environment

Key focus	Delivered in 2022	More on page	Goals for 2023	Contribute to SDG	UN Global Compact Principle
<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, land terracing and investing in improved seed varieties.</p> <p>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>Terraced another 2'000 hectares of land.</p> <p>Continued the development of our transport hub in Obispo Trejo with the purchase of the Kalmar DCF410 crane.</p> <p>Continued the process towards achieving Global G.A.P accreditation in 2023 or 2024.</p>	<p>23</p>	<p>Achieve Global G.A.P. accreditation for commodities.</p> <p>Complete land terracing project.</p> <p>Undertake detailed soil analysis.</p> <p>Further reduce pesticide usage.</p> <p>Transport 75% of all pulses by train to the port,</p>		 <p>ENVIRONMENT</p>



4 Governance

Key focus	Delivered in 2022	More on page	Goals for 2023	Contribute to SDG	UN Global Compact Principle
<p>Good governance means acting responsibly and with integrity and leading by example.</p> <p>We have put a strong governance framework in place which is supported through employee training and education. We foster a strict compliance and risk management culture across the operation.</p> <p>We also work closely 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>Continued to build up our control functions across the organisation.</p> <p>Launched a new policy library which is accessible to all members of staff and which employees are actively encouraged to use.</p> <p>Participated in third-party Human Rights audit.</p> <p>Wrote 30 additional policies and procedures.</p>	<p>31</p>	<p>Participate in external Human Rights Audit.</p> <p>Roll out detailed policies and procedures across the organisation.</p>	 	 <p>ANTI-CORRUPTION</p>



1 Employees

Human Rights

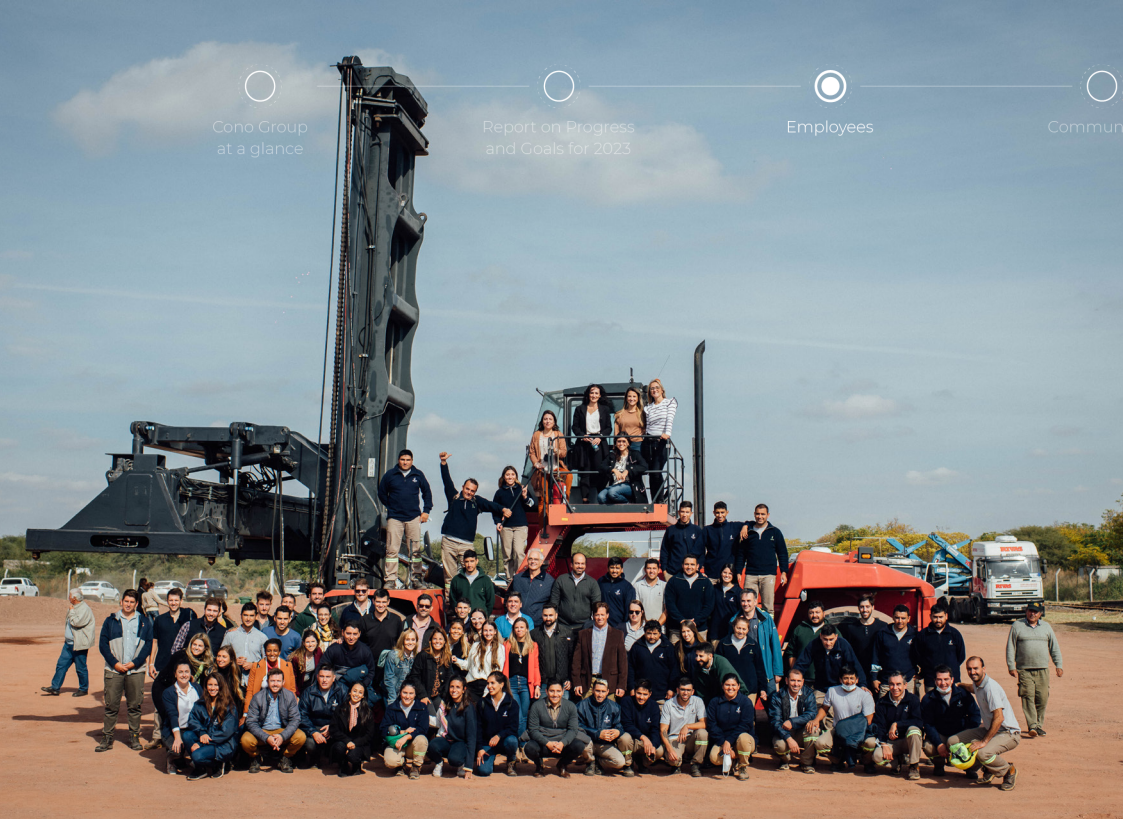
Cono Group seeks to conduct business in a responsible and ethical way that supports the protection of fundamental human rights, both within our operations and in the communities where we work. We reject all human rights abuses and aim to use our influence to advance the protection of such rights. We 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 the summer of 2020.

Our commitment to these principles is reflected in all aspects 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.

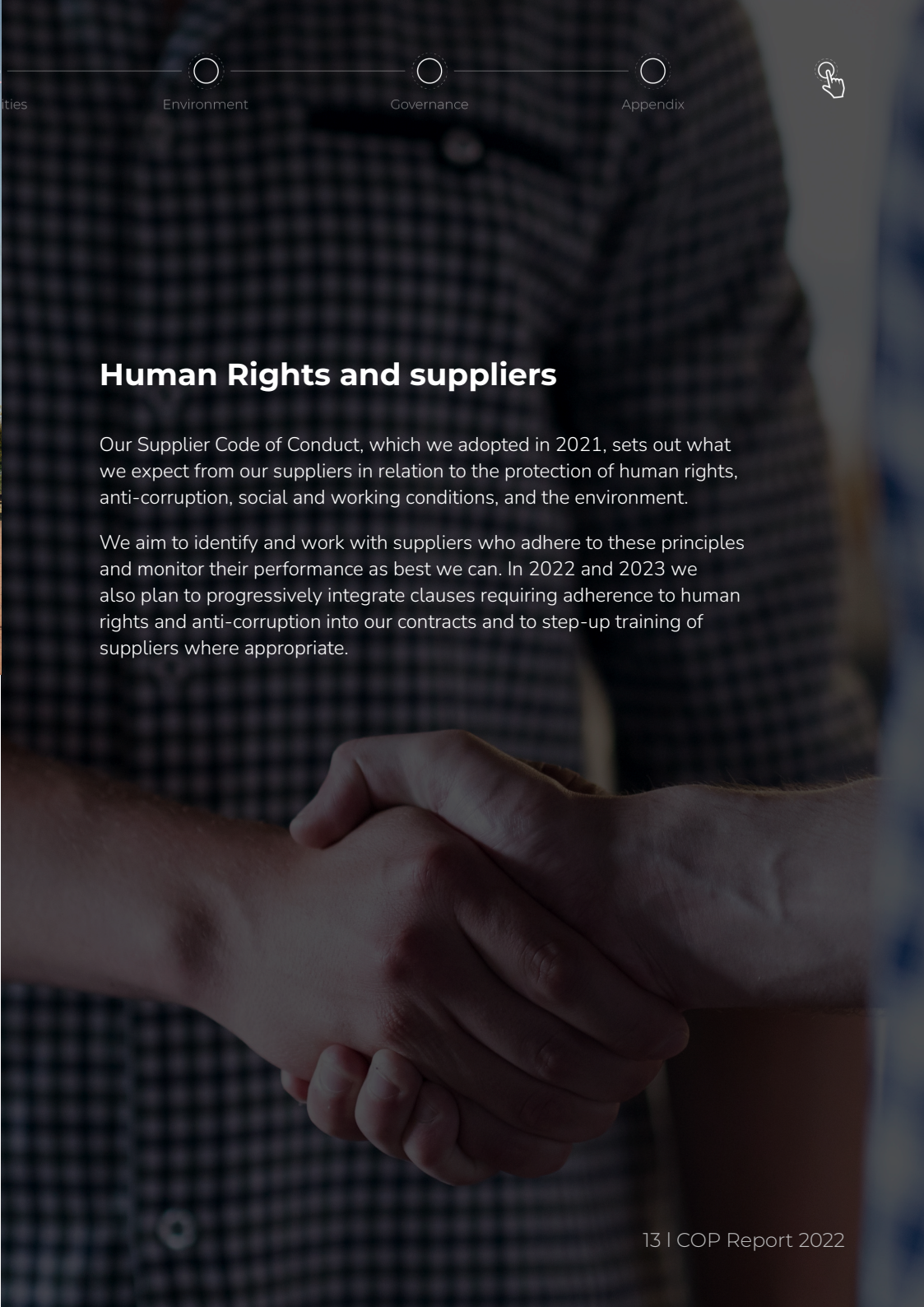
At Cono Group, we seek to compensate employees competitively and operate in compliance with applicable laws regarding hours of work, overtime, and employee benefits. We also respect our employees' rights to data privacy.

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. In 2022 and 2023 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 customers' 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 is 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 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.





Action Taken: More females take up roles in senior management

At Cono Group, we believe that a diverse workforce plays an important role in providing solid stewardship of the company, contributing to the decision-making process, and in delivering long-term profitability.

In line with goals set out for 2022, the company has made a conscious effort to increase diversity and add to the range of skillsets of our workforce. We are pleased to report that we've seen a significant increase in female representation at mid and senior management levels.

To facilitate this the company has:

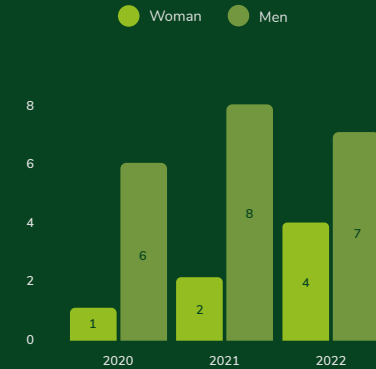
- Hired more females for mid and senior management roles
- Ensured there is a pathway for talent to emerge
- Ensured the promotion process is fair and reflects the diversity of the workforce
- Developed strategies for improving employees' work-life balance

We will continue to encourage more female representation in all areas of our business, including in areas such as IT and agricultural production.

DISTRIBUTION OF CONO GROUP
EMPLOYEES BY GENDER AND YEAR



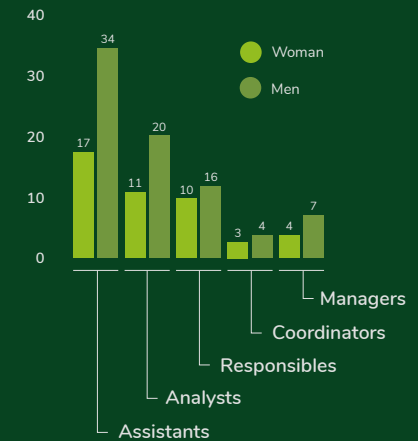
DISTRIBUTION OF CONO GROUP
MANAGERS BY GENDER AND YEAR



DISTRIBUTION OF CONO GROUP
EMPLOYEES BY GENDER AND SENIORITY
2021



DISTRIBUTION OF CONO GROUP
EMPLOYEES BY GENDER AND SENIORITY
2022





Action Taken: *Launch of programme to complete elementary and secondary studies*

Cono Group has launched an in-house programme enabling employees from the processing plant who haven't completed their elementary and/or secondary studies to do so in a shorter time and without disruption to their work activities. We believe this will be of great benefit to the employees, not only for their self-esteem and sense of achievement but in helping them to advance their careers.

Plans for this initiative have been in the development stage for some time but, thanks to the efforts of Human Resources and the processing plant administration, the programme was formally launched in 2022.

Elementary education

Of Cono Group's 100-plus employees, three are aiming to complete their elementary studies through an extraordinary exam taken at the Elementary Level Education Centre for Adults (CENPA) in neighboring town San José de la Dormida. To help them prepare for the exam, the company has hired a specialist teacher to teach the employees in situ during working hours.

Secondary education

Eight employees have signed up to complete their secondary education and have already commenced the course in the Secondary Level Education Centre for Adults (CENMA) in Cañada de Luque, a town only 15 km from the plant. Seven of them will attend classes in person, and one virtually. The two-hour classes are run twice a week. Each student is provided with the relevant material for their modules that will lead to a Bachelor's degree in Informatics (Information Science).

This initiative – which consolidates in-house training already carried out – has clear benefits for both employees and the company. Through education, employees will be better equipped to adapt to modern technologies which not only enhances their prospects but helps the company to be more efficient.





Action Taken: *Launch of Cono Academy*

In 2022, Cono Group launched the 'Cono Academy', an internal training programme which will be fully rolled out over the next twelve months. The aim is to ensure employees have the appropriate skill levels, abilities and experience that allow them to reach their potential while also meeting corporate objectives and minimising risk, loss, or damage in the workplace.

Training needs for individuals are identified by assessing their existing skill levels, knowledge, and their openness to learning/adapting to the organisation's present and future needs. Needs analysis also considers feedback from annual employee

surveys and the yearly performance management cycle.

In recognition of the wide variety of needs and different learning preferences that exist, a range of diverse learning and training options is available to staff. These include internal courses using in-house expertise, at-home study, on-the-job training, as well as e-learning and through attending conferences.

Several training modules are made compulsory by Cono Group to ensure employees follow company guidelines, are competent to identify and mitigate risk, and can comply with operational policies and procedures.

Mandatory training broadly covers the following areas:

- Food safety
- Occupational health and safety
- Managerial responsibilities (for line managers)
- Compliance and risk management
- IT (Information Technology) and data storage

All new employees are required to complete these mandatory training modules and they are also available as refresher courses for existing staff. Training is delivered via e-learning as well as through traditional face-to-face teaching. Training content may evolve over time and can be created internally by subject matter experts, the marketing and communication department, or sourced from external suppliers.

Action Taken: *Upgrade of infrastructure in farm modules*

During 2022, Cono Group upgraded the infrastructure and facilities in our production modules. One of our main aims was to provide farms with better two-way emergency communication equipment for employees and first responder notification in the event of a man-made or natural emergency. We also wanted to increase comfort and convenience levels for our workforce.

At the Los Vaqueros site in Santiago del Estero, a power line connecting the entrance of the facility to the main house was installed together with a three-phase generator. This will ensure power is maintained all year round without interruptions. A double link to ensure uninterrupted connectivity for internet, 4G telephony and other equipment were also installed. Maintenance work to the main building included guttering, profiles, plus painting and wood varnishing to both the interior and exterior.

At the Puyehue site in Santiago del Estero, together with the IT team, works were carried out on antennas and VHF base equipment to allow better communication across the

site as well as with other production modules.

At the San Rafael production module in Córdoba, staff toilets were refurbished, and improvements were made to the office, spares department and barbecue area. WiFi was installed throughout, and accommodation facilities were provided for use by employees.





2 Communities

At Cono Group, we are committed to playing a positive role in the lives of the communities in which we operate. Through our donations and sponsorship programme, we support projects and charities working to improve the welfare and conditions of local children and families.

Donations Committee

In 2021, we set up a new Donations Committee to administer and manage donations within the approved donations framework. The Committee is made up of employees from various departments including the Head of Legal & Compliance and meets on a quarterly basis. The annual corporate donations budget is approved by the Board of Directors. The Donations Committee reports to the Board annually on all donations.

To maximise our effort, Cono Group concentrates funding and expertise in three key areas:

- We donate food to local food banks
- We educate and work with the local farming community
- We support local health and education projects focused on the needs of children and families.

CONTRIBUTE TO SDG





Action Taken

Food Donation: Banco de Alimentos

Being a good corporate citizen is one of our strategic priorities, it is in our DNA and in our way of doing business.

For several years we have been working with the local communities to support initiatives that contribute to the social, economic and environmental development of our country.

Since 2017 we have cooperated with the Banco de Alimentos foundation (REDBdA) to reduce hunger, malnutrition and food waste through our Food Donation Program. During the pandemic, the need to help became more evident and so in 2020 and 2021 we double our donations.

This year, we have continued our help and have donated 42 tons of pulses. This is equivalent to 525 thousands of meals offered to beneficiaries in Córdoba.

For Cono Group it is important to emphasize that our commitment does not end with the donation, but rather we promote food education. We aim to promote a dietary change, and improve the quality and diversity of food for Argentine families. When we donate, we also offer recipe books and provide employees with the possibility of participating in volunteer days through workshops or training.





Food donations



Donations per pulse

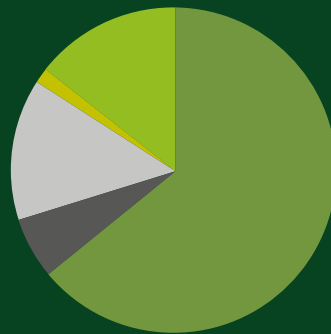
129 TONS
Chickpeas

12 TONS
PopCorn

29 TONS
Red/black
beans

3 TONS
Mung
beans

28 TONS
Alubia
beans



Food portions 2021/2022 525 thousands
(Estimating a consumption of 80g of pulses per portion)





Education: the road to digitalisation

SGD 4 aims to ensure inclusive, equitable and quality education is made available for all. This was an area brought into sharp relief during the pandemic when new technologies were essential to guarantee continued access to education.

Cono Group recognises the importance of bridging the digital divide and supports the digitisation of educational centres, especially for those in vulnerable situations in the communities where we operate.

During 2022, we have therefore collaborated with three public educational institutions to improve the digital learning experience for both teachers and students.

1. Ricardo Gutierrez School, Obispo Trejo, Córdoba.

We donated 15 new Notebooks and a Smart TV for the development of a new video room and the updating of technology equipment.



2. Andres Bello 188 Primary School, Sachayoj, Santiago del Estero.

We donated a new Smart TV for a new audio and video room and three air conditioners to improve conditions in classrooms where temperatures can reach 45C during the summer months.



3. Middle Level Adult Education Center (CENMA), Villa del Totoral, Cañada de Luque, Córdoba.

Thanks to our IT team, who reconditioned some of the company's older devices, we were able to donate four Notebooks in perfect working order to CENMA, to be used by adult students.



We're happy to report that these donations have facilitated a more connected learning experience for students at the three schools. Furthermore, as the schools are attended by the children or relatives of our employees, some of them may become future employees of Cono Group, so a win-win scenario for everyone!



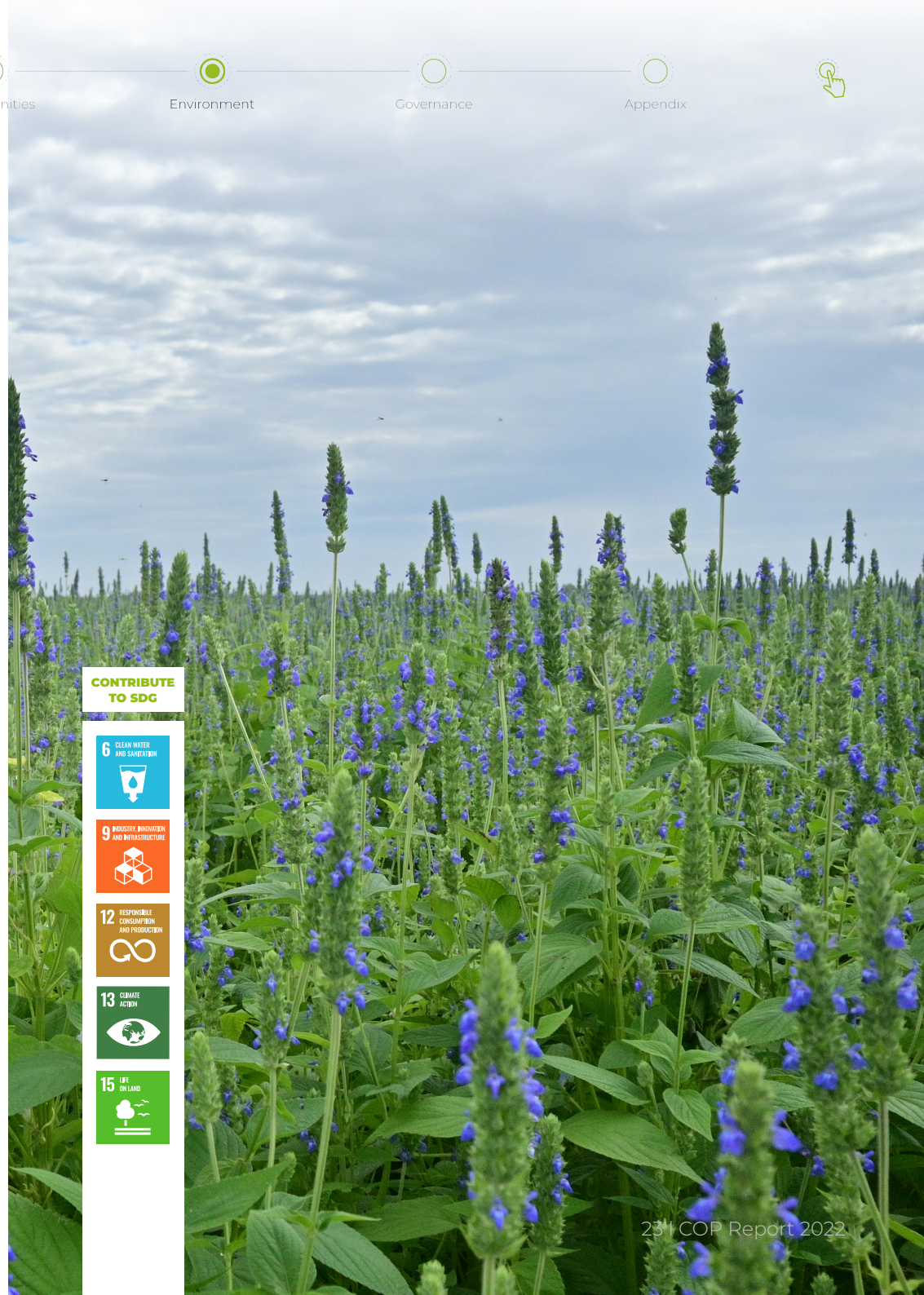
3 Environment

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 reducing soil compaction by limiting the use of heavy machinery and equipment.



**CONTRIBUTE
TO SDG**





Action Taken: *Using data models to make smarter decisions*

We have developed a USLE Model (Universal Soil Loss Equation) in conjunction with the 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 was collected to calibrate the model and assess the current state of our soil.

In 2023, we will repeat the same soil assessment to evaluate the impact of our crop rotation over the past three years. This information will help us to gather valuable insight into the development of key soil health indicators and help us to make more informed decisions on crop rotation and the use of fertiliser.



Action Taken: *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.

During 2022, we completed an additional 2'000 hectares of land terracing and 12'000 hectares in total. In 2023, we aim to complete the remaining 3,400 hectares, finishing the systemisation of all our fields.



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 have 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 of 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.





Action Taken: *Progress on transport hub*

Transporting our goods to port by rail instead of road helps us to achieve our goal of reducing CO₂ emissions as well as increasing overall efficiency. Over the past 12 months, we have made a concerted effort to develop the Obispo Trejo train station to make it fully operational. In that time, the frequency of cargo trains has steadily increased to the point that most of our pulse crop is now being moved to port by rail.

The transport hub also recently acquired the Kalmar DCF410 crane – or ‘Demetra’, as we named it internally – and this has been another step change in the hub’s development, signaling the end of the third phase of the POLOT project implementation.

The crane has a capacity of 41 tons and can stack up to five containers in height, from 20 to 40 feet. This will help us significantly reduce the turnaround time of the train, adding to our efficiency.

The arrival of the crane was greeted by a contingent of municipal and provincial dignitaries of Cordoba, as well as suppliers and exporters. The local public was also invited along to a big party to mark the occasion and what it means to the area.

Over the coming months, the goal is to further develop the transport hub by inviting other exporting SMEs in the area to use the facility.



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.

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.

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.

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.

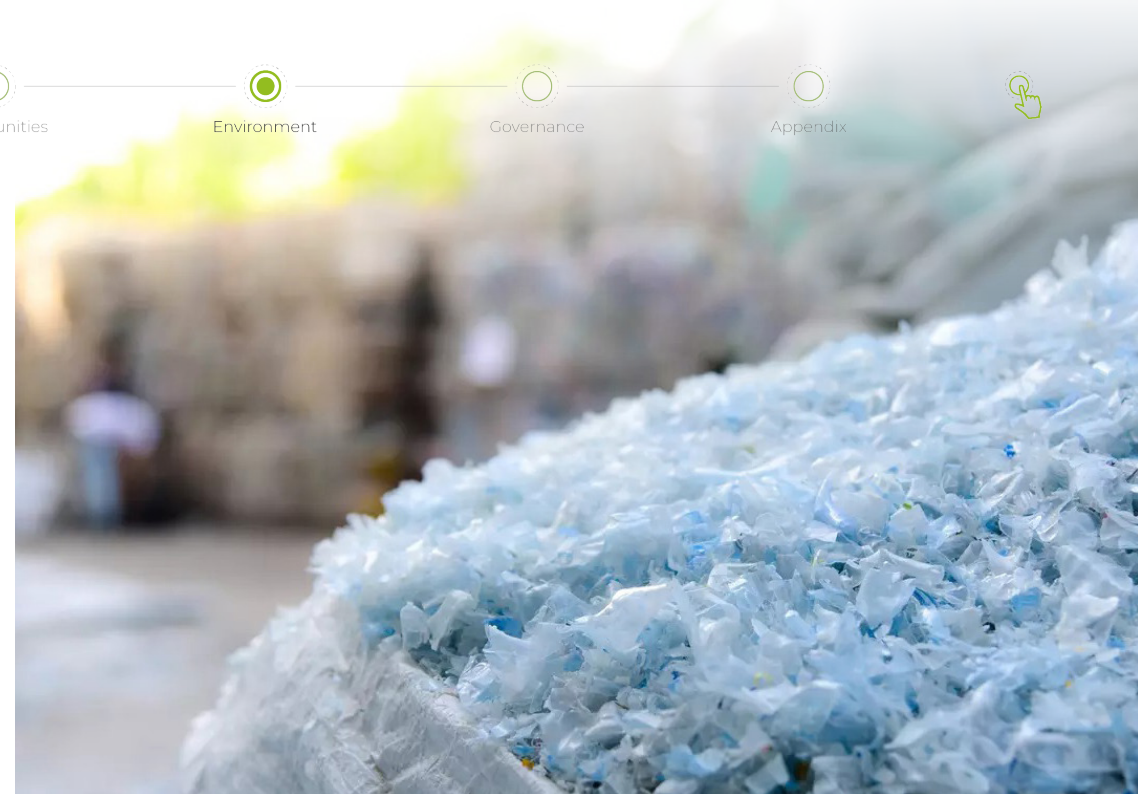
We've upped our game in terms of reusing and recycling and in avoiding pollution by properly disposing of hazardous waste. By optimising the use of plastic bags across our processing and logistics process and using fewer silo bags at our processing plant, for example, we've drastically cut the amount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

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-implemented sensing applications.





Action Taken: *Incorporating on-board weather stations on self-propelled sprayer*

Measuring and recording weather parameters at the site of a phytosanitary application before, during and on completion of spraying operations is crucial for assessing suitable conditions, efficacy, and potential spray drift risks.

During 2022, we used self-propelled sprays with on-board weather stations for the first time across most fields. These systems use in-built GPS systems to determine the sprayer's position, heading and speed and sensors to gather the weather data.

Using this information, the onboard stations can

determine the wind speed and direction, as well as other weather parameters, such as temperature and relative humidity while the sprayer is moving.

Accurate data helps us to determine correct application parameters, improve the decision-making process, record and document where products were used and which doses, and assess weather conditions for future spray activities. Measurements and proper records also help us solve potential product performance issues and reduce risk for spray drift.

Action Taken: *Variable Rate Seeding Case Study*

Variable Rate Seeding (VRS) is a precision agricultural technology that measures and adjusts the seeding rate according to variability in soil properties, terrain, nutrients, weather conditions and other factors. VRS can be applied successfully when soil zones within a plot are different enough to warrant treating separately. This helps to deploy resources more efficiently while maximising production relative to the specific environment.

In 2022, we successfully used VRS for 50% of our soybean and corn seeding activities. We are also starting to use this technology in our pulses sector with the aim being to roll out VRS across all operations in 2023 and 2024.





4 Governance

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 Senior Management 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. Senior Management is responsible for the day-to-day management of the group.

Our Board and Senior Management 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



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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.

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 ensures 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 several ways. They can speak to their line manager or Human Resources and Compliance or 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.





Action Taken: *Roll out of policy hub*

Having a robust and comprehensive set of policies and procedures in place plays an important role in minimising risk and in achieving compliance. In the past few months, Cono Group has allocated considerable resources to build a new policy and procedure system which was rolled out in August 2022.

The policy hub delivers several key benefits

- **Ease of access:** The hub allows for easy access to all policy and procedure documentation.
- **User-friendly searchability:** Employees can find the right policy quickly and effortlessly using keywords, custom tags and category filters
- **Version control:** Effective version control eliminates unnecessary duplication and ensures documents can be easily shared and collaborated on. It also provides a complete audit trail which is a requirement for external accreditation
- **Automation of life-cycle management process:** The new policy library provides clear ownership, notifications, and workflow to ensure policies are kept up to date – essential for good policy management
- **Usage and data tracking:** The hub means the company can track usage and get data on different policies, for example, policy news, and/or ensure employees are reading and familiarising themselves with policies

Following publication of the first batch of policies to the hub the aim is to move all remaining policies and any newly written ones into the hub over the next 6-12 months.

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 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 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.

Senior Management 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 oversee 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.

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.

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 sponsorships. 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.





Appendix

The Ten Principles of the UN Global Compact

 HUMAN RIGHTS	Principle 1 Businesses should support and respect the protection of internationally proclaimed	Principle 2 Make sure that they are not complicit in human rights abuses.		
 LABOUR	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.	Principle 6 The elimination of discrimination in respect of employment and occupation.
 ENVIRONMENT	Principle 7 Businesses should support a precautionary approach to environmental challenges.	Principle 8 undertake initiatives to promote greater environmental responsibility.	Principle 9 Encourage the development and diffusion of environmentally friendly technologies.	
 ANTI-CORRUPTION	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.			



The Sustainable Development Goals (SDGs)



No Poverty
End poverty in all its forms everywhere



Zero Hunger
End hunger, achieve food security and improved nutrition and promote sustainable agriculture



Good Health and Well-being
Ensure healthy lives and promote well-being for all at all ages



Quality Education
Ensure inclusive and equitable quality education and promote lifelong opportunities for all



Gender Equality
Achieve gender equality and empower all women and girls



Clean Water and Sanitation
Ensure availability and sustainable management of water and sanitation for all



Affordable and Clean Energy
Ensure access to affordable, reliable, sustainable and modern energy for all



Decent Work and Economic Growth
Ensure access to affordable, reliable, sustainable and modern energy for all



Industry, Innovation and Infrastructure
Ensure access to affordable, reliable, sustainable and modern energy for all



Reduced Inequality
Reduce inequality within and among countries



Sustainable Cities and Communities
Make cities and human settlements inclusive, safe, resilient and sustainable



Responsible Consumption and Production
Ensure sustainable consumption and production patterns



Climate Action
Take urgent action to combat climate change and its impacts



Life Below Water
Conserve and sustainably use the oceans, seas and marine resources for sustainable development



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



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



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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sustainability that grows