

Environmental Policy



Environmental Policy

1. Purpose:

Protecting Arca Continental's social license, ensuring the rational and efficient use of natural resources to reduce the organization's environmental impacts and achieve a profitable operation that is aligned with the United Nations Sustainable Development Goals.

2. Scope:

This policy applies to all employees of Arca Continental, S.A.B. de C.V. and its subsidiaries. However, the Company extends the application of the philosophy of this policy to its value chain, primarily with its first-tier suppliers, in order to jointly support the principles of this policy.

3. Definitions and abbreviations:

Circular Economy - A model that aims to reduce the use of virgin materials derived from natural resources and minimize waste generation by properly closing the ecological loops of resources.

Social License - Refers to the level of support and approval of a company's activities by various stakeholders.

Sustainable Development Goals - Refers to the master plan of the United Nations Organization to achieve a sustainable future for all. They are interconnected and encompass the global challenges we face every day, such as poverty, inequality, climate, environmental degradation, prosperity, peace, and justice.

Science Based Targets - An initiative that promotes the establishment of science-based targets as a powerful tool to ensure business growth in the transition to a low-carbon economy.

4. Policy Guidelines:

4.1 General Guidelines of the Policy

It is the responsibility of the Environmental and Sustainability Management to define and update the procedures aimed at complying with this policy based on changes in environmental laws.

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The Quality, Safety, and Environmental Management is responsible for establishing robust environmental work practices and providing training at all levels of the organization to ensure compliance with these practices at least once a year. This includes providing training to contractors and temporary staff as well.

Each department director is responsible for addressing incidents or situations that endanger the environment. Therefore, they must inform and/or report any incidents to the Environmental and Sustainability Management to mitigate the situation as quickly as possible. They are also responsible for promoting recycling, reusing materials, minimizing printing, and ensuring efficient use of water and energy.

The Environmental and Sustainability Management is responsible for ensuring responsible energy use throughout the organization and implementing necessary actions to improve the organization's environmental performance.

The Quality, Safety, and Environmental Management should participate in environmentally responsible associations to stay updated and promote the implementation of good environmental practices among employees.

The **environmental focus** of this policy must be embraced by all employees of Arca Continental, considering their direct and indirect impact on the four main pillars that make up the corporate strategy:

- 1) Water stewardship
- 2) Climate action
- 3) Packaging circularity
- 4) Waste management

As a result of the above, the following aspects must be observed:

- **Compliance with current laws** and other requirements subscribed by the organization in ecological matters.
- Continuous pursuit of **operational excellence and continuous improvement**, with the aim of optimizing the use of all our resources.
- Evaluation and incorporation of **innovations** that help the company reduce its environmental impact.
- Identification and evaluation of various **environmental risks** and emerging trends, seeking to address them in line with the company's vision.
- **Accurate measurement and timely reporting** of all Arca Continental's consumptions to ensure progress towards the defined environmental goals.
- Focus and proactivity regarding Arca Continental's **long-term goals**, including public commitments to organizations such as Science Based Targets.
- In terms of water footprint, improving **water performance**, with special emphasis on locations under high water stress.
- Regarding climate change, constant efforts to **reduce emissions** through actions in individual activities or influence in Arca Continental's supply chain.

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- In terms of packaging, collaboration in recycling matters and promotion of the use of **recycled content materials**, aiming to foster a circular economy.
- In the energy concept, incorporating **renewable energy** that promote a reduced environmental impact.
- Alignment and prioritization of the company's environmental goals in all its **purchases and acquisitions**, including ingredients, packaging, refrigeration and transportation equipment, facilities, and other business categories.
- **Self-assessment** to ensure no adverse environmental impacts are generated that could pose a risk to Arca Continental's social license.

4.2 Specific environmental policies

For the establishment of the 2030 strategy and this environmental policy, specific policies are established in the areas of Water Security, Climate Change, Waste and Packaging, which contain the following guidelines. The details are described in the **Annex "Specific Environmental Policy Details"**:

1. Compliance with current laws and other requirements subscribed by the organization in ecological matters.
2. Continuous pursuit of operational excellence and continuous improvement, with the aim of optimizing the use of all our resources.
3. Evaluation and incorporation of innovations that help the company reduce its environmental impact.
4. Identification and evaluation of various environmental risks and emerging trends, seeking to address them in line with the company's vision.
5. Accurate measurement and timely reporting of all Arca Continental's consumptions to ensure progress towards the defined environmental goals.
6. In terms of water footprint, improving water performance, with special emphasis on locations under high water stress.
7. Regarding carbon footprint, the use of renewable energies is recommended.
8. Alignment and prioritization of the company's environmental goals in all its purchases and acquisitions, including ingredients, packaging, refrigeration and transportation equipment, facilities, and other business categories.
9. Self-assessment to ensure no adverse environmental impacts are generated that could pose a risk to Arca Continental's social license.

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In order to maintain methodological consistency over time, adhering to the previously adopted and declared accounting principles, "ARCA CONTINENTAL" commits to transparently communicate any changes or modifications to the content of previous reports that may result from: contraction or expansion of operations, structural changes (mergers, acquisitions, divestitures, incorporation or transfer abroad of water-related processes or activities), update of calculation methodologies, discovery of significant errors, or the accumulation of a significant number of minor errors that have relevant consequences on water performance indicators, when these detected deviations, in aggregate, represent a deviation of at least 5% (significance threshold) at the organizational level, following the recommendation of International Standard ISO 14064 Part 1 in its 2006 version.

In this way, and in the event of meeting any of the aforementioned conditions, "ARCA CONTINENTAL" commits to make and communicate the necessary adjustments retroactively to consistently reflect these changes and maintain the required methodological consistency and traceability for accounting and reporting purposes.

5. Vigilance and Compliance with the Policy:

Each Executive Director (ED) and the departments reporting to them are responsible for adopting and complying with this Policy within their areas, teams, and employees, aiming to ensure that it permeates across all geographies where the Company operates.

The responsibility for implementing and monitoring compliance with this policy lies with each of the departments and areas of the Company.

6. Consequences or Sanctions for Lack of Compliance with the Policy:

Any breach of this policy must be reported to the Technical and Supply Chain and Human Capital Directors. Failure to comply with the provisions of this policy by any of the responsible parties may result in discipline, up to and including termination of employment in accordance with the Code of Ethics of Arca Continental and any other applicable Law.

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Changes Log POL-FU- CDS-CAA-002:

Issue date:	October 28, 2021
Date of application:	October 28, 2021
Date of last update:	June 29, 2023
Initial effective date of the update:	June 29, 2023
Director responsible for the issue or update:	Technical and Supply Chain Director - Quality, Safety, and Environment Director

Any associate who reasonably suspects or becomes aware of conduct that deviates from this policy is encouraged to make a complaint to any manager or by any other means, including the Transparency Mailbox, through the following options:

1. The “Transparency Mailbox” on the corporate intranet or on the Arca Continental web page
2. The email address: informa@buzondetransparenciaac.com
3. The toll-free phone lines:
 - Argentina:0800-345-5478
 - Ecuador:1-800-001-135
 - United States:1-888-303-8442
 - Mexico:800 8228966
 - Perú:1-705-2233

ANNEX

Particularities of specific environmental policies



ANEXO

Particularidades de la: