

Environmental and Social Review Summary (ESRS) EMPRESAS ARIZTÍA - CHILE - CHILE

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1. General Information of the Project and Scope of IDB Invest's Environmental and Social Review

This transaction consists of a long-term senior loan for AGRICOLA ARIZTÍA LTDA, a company owned by the Ariztía Benoit family (“ARIZTÍA,” “Empresas ARIZTÍA” or the “Company”). The funds will be used for capital investments aimed at: i) increasing production capacity; ii) implementing new technologies and improving operational efficiencies; iii) improving the operational maintenance of their plants through new technologies; iv) improving their effluent treatment plants; and v) importing inputs (mainly grains) to increase local poultry production.

ARIZTÍA's operations in Chile include hatcheries; poultry farms; feed mills (“FDA”); slaughter plants; technology and feed; maintenance services; and administrative offices. They are concentrated in central Chile (Metropolitan and Valparaíso Regions) and northern Chile (Arica Region).

As part of the environmental and social due diligence (“ESDD”), IDB Invest conducted a review of relevant environmental and social information, which included, but was not limited to, an analysis of the following: i) the Company's Environmental and Social Management System (“ESMS”); ii) environmental permits, valid certifications, manuals, procedures and regulations; and iii) operating processes carried out in the production plants, hatcheries and poultry houses. Due to the mobility restrictions adopted by the Chilean government to face the COVID-19 pandemic, during the ESDD process, several virtual meetings were held with representatives of the Administrative; Quality, Safety and Environment; and Human Resources management. Also participating in these meetings were the operating managers of the different plants and representatives of the Company's contractors¹ and workers. The ESDD also included a site visit and a tour of the following facilities: i) Malvilla hatchery; ii) poultry hatcheries at the Huechún, Guanaco and Baracaldo farms; iii) agricultural production facilities at the Huechún farm; iv) Ochagavía and El Paico slaughter plants; and v) Melipilla feed mill.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according with IDB Invest's Environmental and Social Sustainability Policy since its impacts and risks are deemed to be of medium intensity, mostly reversible and can be mitigated with measures that are available through current technologies and that can be feasibly implemented in the context of the operation. In all Project operation centers, risks and impacts tend to be related to: i) occupational health and safety; ii) hazardous and non-hazardous solid and liquid waste generation; iii) ambient noise generation; iv) greenhouse gases air emissions (“GHG”) and derived odors; and (v) the use of resources, such as

¹ Responsible for the administration of the Aramark contractor for the catering service in the El Paico slaughter plant's cafeteria.

energy and water sources (surface or groundwater), mainly. Natural disasters, such as earthquakes, fires and floods, also pose risks to workers, farm animals and the Company's facilities in general.

The Performance Standards (PS) triggered by the Project are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; and iv) PS4: Community Health, Safety, and Security.

3. Environmental and Social Context

3.1 General Characteristics of the Project's site

ARIZTÍA was founded in 1894 and began poultry farming in the 1950s. The Company, which is the second largest producer of chicken and turkey meat in Chile, also sells jerky, frozen products, butter, mushrooms, eggs, cheese, vegetables (from another producers), and other imported pork and beef. It also has agricultural production, mainly corn and potatoes, for sale to third parties.

The Company's main operations are located in central Chile, within the Metropolitan Region. These include: i) the El Paico slaughter plant, located in the community of El Monte, Santiago; ii) the Ochagavía slaughter plant, located in the community of La Cisterna, Santiago; iii) the Cecinas T&A plant, located in Talagante; and iv) the Melipilla poultry hatchery farms. The hatcheries of Malvilla, Vista Hermosa, Lagunillas and Tremolén are located around Valparaíso.

In the northern zone (Arica) are: i) the Arica Slaughter Plant; ii) the Arica hatchery Plant; and iii) several poultry hatcheries. ARIZTÍA's distribution network consists of sales offices and distribution centers throughout the country, helping it to reach most of the population.

ARIZTÍA has the following certifications: i) ISO 45001 - Occupational Health and Safety Management System and ISO 14001 - Environmental Management Systems;² ii) ISO 9001 - Quality Management Systems;³ (iii) BRC,⁴ for the El Paico slaughter plant;⁵ iv) Hazard Analysis and Critical Control Point ("HACCP") Certification to ensure food safety; v) Rainforest Alliance Certification - Standard for Sustainable Agriculture;⁶ vi) Animal Welfare Certification under the Standard created by the Chilean Animal Welfare Association,⁷ which includes elements of European⁸ and World Organization for Animal Health ("OIE")⁹ standards. Ariztía is also part of the Animal Breeding Stock Program under Official Certification ("PABCO") of the Agriculture and Livestock Service ("SAG").¹⁰

² For the El Paico and Ochagavía slaughter plants.

³ El Paico, Arica and Ochagavía, Agrícola Tarapacá and the Montina and Malloco Food and Technology slaughter plants.

⁴ The BRC (British Retail Consortium) certification guarantees food safety and quality in all packaging supplied to the consumer.

⁵ This allows it to export to destinations such as the United States, Mexico, Europe and China.

⁶ Fundo Baracaldo, Agrícola Robledal LTDA., María Pinto, Chile, Fundo Huechún Región Metropolitana, Fundo La Isla, Fundo Quilhuica.

⁷ At the time of the ESDD, the Arica poultry farm was in the process of obtaining such certification; Agrícola ARIZTÍA (Metropolitan Region) obtained certification in December 2021.

⁸ UE Welfare Quality Protocol, on animal welfare in slaughterhouses.

⁹ OIE recommendations on animal welfare in broiler chickens.

¹⁰ The slaughter plants and feed mills in Melipilla and Arica are controlled by SAG on an ongoing basis.

ARIZTÍA's production flow consists of: i) primary production (agricultural, animal, feed mills); ii) slaughter plants (processing); iii) commercial line and distribution ("CDPO"¹¹). Most of the land and poultry housing where ARIZTÍA operates are owned by the Company, which has the respective permits for the use of ground and surface water, and the use of electric power. Poultry (chickens and turkeys) is slaughtered, and the meat is processed at the processing plants,¹² and finished products are centralized at the CDPO for subsequent distribution and sale.

The analysis of all the processes that comprise the value chain included: i) compliance with Chile's environmental regulations, such as environmental permits granted by the Environmental Evaluation Service¹³ ("SEA"), the Superintendency of the Environment ("SMA"), which is responsible for overseeing the environmental and social performance of projects and sanctioning when it detects deviations, and health authorities such as the SAG; ii) animal welfare conditions verification, based on the general principles of the World Organization for Animal Health ("OIE"¹⁴) Livestock Production Systems; iii) electricity source verification; iv) solid organic waste and by products generation analysis and management; v) water resources obtention and quality; vi) wastewater management; vii) odor and air emissions assessment and management; viii) hazardous products handling analysis and storage; ix) occupational health and safety conditions evaluation; and x) communities health and safety impacts analysis.

3.2 Contextual Risks

In 2019 Chile experienced a large-scale social outburst that resulted in protests. Although to date no major disturbances have occurred in the locations where the Company operates, there is always the possibility, albeit with little probability, that this type of situation could happen again.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks and Impacts

4.1.a E&S Assessment and Management System

ARIZTÍA maintains several certifications that are audited annually by internal and external teams. Despite having specific procedures associated with poultry production, agriculture and processing plants, the Company will update its Environmental and Social Management System ("ESMS") and implement it at the corporate level.¹⁵

4.1.b Policy

¹¹ Plaza Oeste Distribution Center, located in Cerrillos, Metropolitan Region.

¹² El Paico and Ochagavía slaughter plants in the Metropolitan Region and Arica plant in the Arica Region.

¹³ The Environmental Evaluation Service ("SEA") is responsible for standardizing the environmental criteria, requirements, conditions, background information, certificates, formalities, technical requirements and procedures established by the ministries and other agencies of the Chilean State.

¹⁴ The World Organization for Animal Health replaced the Office International des Epizooties ("OIE"), but retains the acronym of the original institution.

¹⁵ Corn, potato and wheat production.

The Company has several corporate policies, including: i) General Environmental Policy; ii) General Occupational Health and Safety Policy; iii) People Policy; iv) Ochagavía Integrated Management System Policy; v) El Paico Integrated Management System Policy; and vi) Arica Slaughter Plant Quality Policy. Nevertheless, it will develop a Community Health and Safety policy applicable to all operations.

4.1.c Identification of Risks and Impacts

ARIZTIA has a Procedure for Hazard Identification, Risk Assessment and Determination of Occupational Health and Safety ("OHS") Controls, which is applicable to the activities of each plant, as well as its contractors and visitors. Responsibility for the enforcement of these procedures starts with the Plant Managers down to the workers, including the Joint Health and Safety Committee¹⁶ ("JHSC") and the Workers' Representative.

It also maintains a Procedure for the Identification and Evaluation of Environmental Aspects and Impacts ("IEEAI") for Agroindustrial El Paico. Nevertheless, the Company will develop and apply a similar IEEAI procedure at all plants.

ARIZTÍA has obtained 20 Environmental Qualification Resolutions (EQR),¹⁷ for which, as part of the environmental impact assessment studies,¹⁸ it identified and evaluated the environmental and social risks derived from its operations, carried out the required public consultations, and followed up on its previous environmental and social ("E&S") commitments. In addition, it has permits for the use and exploitation of well water and surface water at its three slaughter plants.

Regarding the evaluation of social risks, the Company will develop a procedure to identify and evaluate the risks and impacts on the community generated by its operations at all levels of production (primary, processing and distribution), which will include, at a minimum, the following: i) an assessment of the social risks inherent to each operation; ii) a cartographic map of the operation's critical points (discharges, noise, odors, emissions) with their corresponding direct area of influence; and iii) an update of the E&S and OHS risk matrix every 2 years, or when expansions, operational changes, or contingencies occur (e.g. environmental accidents, social disturbances, etc.).

4.1.c.i Direct and Indirect Impacts and Risks

The direct impacts associated with this operation relate to operating processes. These include the generation of: i) GHG emissions and odors; ii) solid waste,¹⁹ mainly in poultry production; iii) effluents, mainly in slaughter plants; iv) ambient noise, associated with the maintenance of industrial plants; and v) hazardous waste due to the maintenance of equipment and industrial water treatment plants. These impacts have been properly identified and assessed and are periodically reviewed and updated according to any operational changes that may occur. It should be noted

¹⁶ The Joint Occupational Health and Safety Committee consists of employer personnel (3) and worker personnel (3), formed as required by law, to oversee, monitor and advise on the implementation of health, hygiene, and safety plans.

¹⁷ Equivalent to an environmental license.

¹⁸ Environmental Impact Statement ("EIS").

¹⁹ Mainly guano.

that, because of equipment renewal during these processes, the Company expects to improve electricity and water consumption efficiency in the transport of by-products in its slaughter plants.

Indirect risks associated with the production chain (local input suppliers; contractors; temporary service companies; consultants, odd jobs, transportation suppliers²⁰) are controlled by the Third-Party Control Unit, which is under the Administration Management. This unit monitors legal and labor compliance, in addition to those associated with health, safety and the environment.

4.1.c.ii Gender Risks

The Company has an Internal Regulation for Order, Hygiene and Safety ("IROHS"), applicable to all personnel, both employees and contractors, which complies with the Antidiscrimination Law²¹ that guarantees to all persons, without arbitrary discrimination, the enjoyment and exercise of their rights and freedoms recognized by the Political Constitution of the Republic, laws and international treaties ratified by Chile and in force. When faced with a case of discrimination, those affected may appeal to the Fundamental Rights Protection Procedure, which is an urgent procedure within the Labor Judiciary, to investigate and resolve cases of discrimination.

In addition, the Company's IROHS provides for equal opportunities, labor inclusion for workers with disabilities and the need to adapt the workspace for the full development of all activities and to prevent harassment behaviors. It also provides for sanctions against any act of discrimination.

The IROHS defines a Procedure for Requests, Complaints, Consultations or Suggestions on Equal Pay for Men and Women, or Sexual or Workplace Harassment. It also considers a specific procedure to investigate complaints of sexual or labor harassment that requires the creation of a Special Commission for such investigations, which must resolve the complaint within a maximum period of 30 days and, depending on its seriousness, take protective measures for the complainant (such as separation from physical space, granting paid leave, change of shift, among others).

The IROHS also provides a mechanism to receive complaints or grievances related to equal pay. This is managed by the Human Resources Management, which, after analyzing the complaint, has 30 days to resolve it and communicate its decision to the employee. The latter, in case of disagreement with the analysis conducted, has the alternative of filing a complaint with the Courts of Justice.

These two mechanisms allow for whistleblower anonymity and guarantee the confidentiality of witnesses, defendants, or whistleblowers.

In recent years, ARIZTÍA has increased the number of women hired in its poultry farms and slaughter plants. Thus, as required by Chilean maternity protection regulations,²² the Company has a breastfeeding room in the industrial facilities of the El Paico Slaughter Plant. Nevertheless, the

²⁰ Basically, the transportation of poultry feed and frozen products.

²¹ Law No. 20,609 defines arbitrary discrimination as any distinction, exclusion or restriction that threatens the legitimate exercise of workers' rights for reasons of race or ethnicity, nationality, socioeconomic status, language, political ideology or opinion, religion or belief, union membership or participation in trade unions or lack thereof, sex, maternity, breastfeeding, sexual orientation, gender identity and expression, marital status, age, affiliation, personal appearance, and illness or disability.

²² These regulations set forth certain inalienable rights for women, such as pre- and post-natal leave, nursery care, leave of absence, the right to feed children under two years of age and parental post-natal leave, among others.

Company will adapt its facilities to provide restrooms, lockers, dressing rooms and showers for women.

ARIZTIA will develop and adopt, at the corporate level, a procedure to identify and assess gender risks for each of its business units. This procedure will include at least: i) an OHS risk assessment for pregnant workers; ii) a mapping of the locations within the Project's areas of direct influence most likely to register situations of sexual exploitation of women and girls; and iii) an analysis of the possible gender impacts that may be generated by the presence of Project workers.

4.1.c.iii Climate Change Exposure

The project locations are exposed to a variety of chronic risks such as: i) droughts, which may worsen as a result of climate change; ii) moderate to high changes in precipitation patterns; iii) moderate to high water supply shortages. In terms of physical risks, there is moderate exposure to river flooding and tsunamis at the Arica facilities.

In terms of transition risks, the Project is exposed to emissions related to poultry feed production, as well as energy use for farm operations, poultry processing, transport and storage, and guano processing.

Given the above, the Project's exposure to climate change, physical and transition risk is moderate. Therefore, ARIZTIA will periodically update: i) its E&S risk matrix considering climate risks at corporate level; ii) the emergency plans of all plants and production processes (poultry and agriculture) considering the risks arising from climate change; and iii) the protocols for action and response considering the possible impacts on community health, safety, and security.

4.1.d Management Programs

The Company has developed and maintains an ISO 14001 certified EMS at its El Paico and Ochagavía slaughter plants, which contains instructions, procedures, environmental matrix, legal risk matrix, internal and external audit schedules, action plans, environmental monitoring plans (emissions, effluents, noise), training programs, a calendar of environmental emergency drills, and operational controls. Nevertheless, the Company will implement similar management programs at the corporate level.

In early 2020, the Company developed a Control Matrix for Empresas Ariztía, which includes, among other items, the following: i) objectives; ii) identification of social stakeholders; iii) social issues; iv) agreements and commitments; v) requests received; vi) complaints; vii) tasks; viii) activities carried out; and ix) upcoming activities. Nevertheless, the Company will develop specific social management programs to plan, execute, monitor, and evaluate social management in accordance with the risk identification and assessment carried out.

The Company's OHS Management System (ISO 45001 certified) includes procedures to avoid, minimize and compensate for undesirable risks and impacts.

4.1.e Organizational Capacity and Competency

The Quality, Safety and Environmental Management ("GESCA") is responsible for the ESMS, reporting directly to General Management. GESCA has the following heads: i) Environmental, in charge of environmental management, legal-environmental compliance and environmental management plans for operations, which employs a person responsible for environmental issues in the northern zone (Arica) and authorized environmental companies in the Slaughter Plants, agricultural and poultry production; ii) Occupational Safety, which is responsible for legal compliance in occupational safety and health, and is in charge of risk prevention and occupational health experts for each of the business lines; iii) Regulatory Aspects (Food); iv) Integrated Management Systems, in charge of quality in poultry production, slaughter plants, CDPO and feed mills; and v) Product Development, in charge of the technical specifications of finished products, with development assistants in each of the processing plants.

There is also a person in charge of community relations ("CR") who works from El Paico slaughter plant but is also in charge of the other plants. Community affairs are coordinated by a Company Committee (also known as the Community Relations Board), comprising the General Manager, the GESCA Manager, the CR Manager, the Human Resources Manager, and an external advisor, which has met monthly since the beginning of 2020, when it was formed. To date, however, the Company has yet to assign an official responsible for CR management at the management level to lead the development, implementation and monitoring of social management plans, programs and procedures.

For OHS management, the Company relies on the corresponding administrative body, which handles occupational health issues (risk factor measurements, occupational, special, periodic or follow-up examinations).

4.1.f Emergency Preparedness and Response

ARIZTIA has developed an Emergency Preparedness and Response Procedure for the three processing plants and the CDPO, which considers the following scenarios: i) seismic events or earthquakes; ii) ammonia leaks; iii) fire; iv) hazardous substance spills; v) accidents; vi) gas leaks; vii) liquid industrial waste ("LIW") treatment plant emergency; viii) assaults and robberies; ix) bomb threats or sabotage; and x) riots and social disturbances.

The procedure defines: i) the degrees of emergency (Type I, II and III) and their impacts;²³ ii) those responsible for implementing the procedure; iii) the equipment and tools for emergency response; iv) the operational response plan, with specific instructions for each case;²⁴ v) contacts with external support companies;²⁵ vi) evacuation routes and safety zones maps; vii) the administrative procedure for reporting the accident; viii) the re-adaptation of the procedure (procedure revision); ix) the return to normalcy; and x) scheduling drills.

²³ Occupational health and safety, environment, quality and safety.

²⁴ I-EMG-01 Evacuation Instructions; I-EMG-02 Earthquake Instructions; I-EMG-03 Ammonia Leak Instructions; I-EMG-04 Fire Hazard Instructions; I-EMG-05 Hazardous Substance Spill Instructions; I-EMG-06 Gas Leak Instructions; I-EMG-07 Wastewater Treatment Plant Emergency Instructions.

²⁵ Hospitals, clinics, firefighters, police, Regional Secretariat of the Ministry ("SEREMI") of Health, the Toxicological Information Center of the Catholic University of Chile ("CITUC").

The Company provides ongoing training to emergency brigade personnel and maintains an updated list of available brigade members per shift and per area. ARIZTIA conducts annual drills involving all plant personnel, including contractor personnel. The results of these drills are used to adjust the procedure or instructions. Moreover, at the El Paico Slaughter Plant, Industrial Ochagavía, Agroindustrial Arica and Food and Technology, the Company has a first aid room where paramedics are on duty 24 hours a day. In the event of emergency medical evacuations, it resorts to the administrating agencies or, failing that, to the nearest private clinics.

Notwithstanding the above, the Company will: i) update the Emergency Plan of the three slaughter plants to consider the risks of tsunamis and floods (risks identified only in Arica, with low probability), and include protocols for action and response and ii) develop specific emergency plans for poultry, agricultural and feed mill production. It will also include in its emergency plans the communities in the area of direct and indirect influence, through i) periodic consultations with the neighboring community to identify on- and off-site emergency scenarios; ii) external communication channels; iii) shared resources and collective community response systems; and iv) train-the-trainer programs for its local workers, so that they, in turn, can train their peers, families and communities.

4.1.g Monitoring and Review

Through its ESMS and in addition to the environmental permits it holds with the various state administrative bodies²⁶ at all production levels, ARIZTÍA maintains an ongoing monitoring and evaluation process for its operations. In this regard, it has an annual program of internal and external audits that include compliance with ISO 9001; ISO 14001; ISO 45001, BRC, HACCP and Animal Welfare standards, which are carried out at: i) poultry production (hatcheries and farms); ii) the Melipilla and Arica feed mills; iii) the El Paico, Arica and Ochagavía slaughter plants; iv) the Montina and Malloco Food and Technology plant; v) the CDPO; and vi) the Planta Calibre Huevos (Agrícola Tarapacá). To close the gaps identified in the internal and external audit processes, the Company implements action plans that include actions, deadlines, responsibilities, budget, objectives, and indicators. Agricultural production, however, is not being audited.

The Company has a record of all the RCAs it has obtained and performs regular environmental monitoring of the following aspects: i) air emissions (boiler combustion gases); ii) ambient noise; iii) effluents from the wastewater treatment plants (WWTPs); iv) both hazardous and non-hazardous solid waste; v) water quality; vi) energy consumption; vii) water consumption; and viii) hazardous materials. Nevertheless, the Company will develop: i) a procedure for compliance with legal requirements, to define the guidelines, responsibilities, and methodology to be followed to identify, access, update, communicate, evaluate, and monitor compliance with legal requirements related to its business; and ii) a compliance matrix for all environmental and safety legal obligations.

ARIZTÍA, through the Third-Party Control Unit, controls legal compliance in labor matters for all contractors, service providers or any external personnel entering the Company's facilities. It therefore uses a Contractor Entry and Control Procedure, to check the documentation of external

²⁶ Municipality; Environmental Authority (SEA); Electricity and Fuels Authority; Sanitary Services Authority; SEREMI of Health; SEREMI of Agriculture; SEREMI of Public Works; SEREMI of Transportation and Telecommunications; Agriculture and Livestock Service; National Forestry Corporation ("CONAF"); and Regional Water Directorate.

service providers and create a backup of such records in the event of inspections, fines, accidents, or lawsuits.

The Company, through its matrix called "ARIZTÍA Companies Control Panel", controls and monitors the complaints and requests received from the community in the three slaughter plants and the Melipilla feed mill. Nevertheless, it will develop a corporate-level social performance monitoring and control matrix, applicable to all business units.

The Company will also conduct audits (internal or external) to verify the compliance status of all environmental, social, and OHS policies and measures applicable to each of the Project's operation centers, including: i) the progress and performance of ESMS actions about the defined key performance indicators (KPIs); and ii) an analysis of the compliance status with IDB Invest's Environmental and Social Sustainability Policy. Based on the results of these internal or external audits, ARIZTÍA will define specific measures to reduce impacts and improve efficiency and will document and report on its progress and new procedures.

4.1.h Stakeholder Engagement

The Company has developed a Stakeholder Identification Procedure for its Ochagavía Slaughter Plant, under to two criteria: i) importance and influence for the process and ii) environmental performance and OHS management. Nevertheless, the Company will develop and implement at the corporate level the following: i) stakeholder analysis and mapping; ii) a stakeholder engagement plan; iii) an information disclosure procedure; iv) a communications registry; v) a communications and grievance mechanism; and vi) a process for providing regular reports to the community.

4.1.h.i Disclosure of Information

To date, the Company has no formal communication procedure to provide the community with environmental or social information related to its operations. ARIZTIA will therefore develop a procedure that allows it: i) to report on its operations adequately and regularly and on the possible impacts they may generate; and ii) to receive suggestions, which if appropriate will be reflected in an action plan.

4.1.h.ii Informed Consultation and Participation

As per the regulations in force, the Company, as part of the environmental evaluation process and to obtain the RCA for its plants, conducted a consultation and participation process with the communities in its areas of direct and indirect influence. All information is available for consultation by all stakeholders.

4.1.i External Communication and Grievance Mechanisms

4.1.i.i External Communication

ARIZTÍA has developed an Internal and External Communications Procedure for its El Paico and Ochagavía plants. As part of this procedure, it has established communication channels with: i)

clients and suppliers; ii) contractors and visitors; iii) government agencies; iv) the community; and vi) consumers. Each of the communication instances has a specific procedure: in the case of communications with official bodies, it is the Head of Quality Assurance who communicates through meetings and e-mails. When dealing with community communications, the manager of each plant oversees pointing out the aspects he/she considers relevant, conjunctly with the person in charge of CR. In a case of corporate competition, however, it is the Marketing Management or Quality Management that is responsible for defining the substance and form of the communication. Similarly, in the event of an emergency,²⁷ it is the Communications sub-management that coordinates the issue, involving those persons it deems appropriate, and issuing verbal or written communications to the community or, when appropriate, to official municipal, provincial or national entities, and to the media.

Non-conformities from domestic customers are received through the Customer Complaint Management Procedure.

4.1.i.ii Community Grievance Mechanism

Since 2020, the Company monitors and keeps a record of external complaints and reports them weekly to the Community Board, which analyzes, evaluates, and responds to them. Complaints come in through direct contact with the Community Relations Coordinator, who is based at the El Paico Plant; through the different communications channels: WhatsApp, telephone, the plant's gatehouse, and website²⁸.

The complaints²⁹ recorded from January 2020 to October 2021 mainly relate to odors and noise. However, the mechanism in place does not allow traceability of the complaint from its receipt to the final response. The Company will therefore update its external grievance mechanism to include, among other items, the following: i) details of the means of receiving complaints; ii) a documentation system for recording, tracking and analyzing complaints and solutions; iii) response records; iv) mechanisms for communication and dissemination of complaints filed and processed to external stakeholders; v) senior management review process to evaluate the effectiveness of the system; and vi) training on the application of the procedure.

4.1.i.iii Ongoing Reporting to Affected Communities

The Company communicates with community representatives in its area of direct influence whenever there is a specific request. Nevertheless, to improve its relationship with the community, ARIZTIA will: i) provide reports to the affected communities on a regular basis and whenever there is an important operational change, a new process or an accident; ii) publish reports to the communities in the local language and in a format that is easy to understand; iii) provide expedited communication channels that allow the community to access relevant information; and iv) periodically inform the communities about the progress of the commitments made with the communities.

²⁷ fires, spills and other relevant accidents or incidents.

²⁸ <https://www.ARIZTIA.com/empresas/te-escuchamos/>

²⁹ El Paico, Arica and Ochagavía slaughter plants, and Melipilla feed mill.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

In compliance with the provisions of the Labor Code and Law 16.774 on Occupational Accidents and Occupational Diseases in Chile, ARIZTÍA has developed and adopted the IROHS. This document specifies and clarifies the rights, obligations and prohibitions that regulate and must be complied with by employees in relation to work, permanence and life in the Company's facilities, in order to guarantee a dignified and mutually respectful work environment and the best working conditions. Among other aspects, the IROHS establishes: i) conditions of entry; ii) conditions of the employment contract; iii) working hours, weekly rest and rest on public holidays; iv) breaks and leaves; v) union work; vi) medical leave; vii) overtime; viii) remuneration; ix) nursery;³⁰ x) obligations and prohibitions; xi) food and mobilization services; xii) hygiene, food safety and biosafety; xiii) animal welfare obligations; xiv) good manufacturing practices; xv) dignified work environment and mutual respect; xvi) protection of workers' rights; xvii) equal opportunities for workers and their families; xviii) equal opportunities for workers with disabilities and labor inclusion of people with disabilities; xix) procedures for petitions, claims, consultations or suggestions regarding equal pay for men and women; xx) procedures for investigating and sanctioning sexual harassment; xxi) procedures for investigating and sanctioning workplace harassment; xxii) compliance with the crime prevention model;³¹ xxiii) the community; xxiv) procedures for addressing employee concerns; xxv) sanctions, fines and their application procedure; xxvi) rules for termination of employment contracts; and xxvii) health and safety rules.

The Company has made a significant commitment to promoting the employment of women, which is evidenced by a higher rate of hiring of female personnel at different levels of the production chain, as well as in the refurbishment of infrastructure at the El Paico Slaughter Plant. ARIZTÍA works on talent management on an ongoing basis through a Competency Management Model, where the skills and abilities of its own personnel are enhanced for promotion within the organization. In addition, the Company maintains a constant concern for its employees and their family group through a Benefits and Assistance Program for Professionals in Social Areas, which, among others, includes economic benefits for workers in vulnerable conditions or for those who have a nuclear family member, up to the first degree of consanguinity, in these conditions.

The Company has an Annual Training Plan on key OHS and environmental issues, which includes courses given in person by trained personnel belonging to the Company and by external experts.

To date, the Company has 4,981 direct employees, 2,770 indirect employees (contractors) and 125 temporary or professional service workers. Of the total number of direct employees, 20% are women, of which 7.7% are in administrative positions and 0.14% at the management level.

4.2.a.i Human Resources Policies and Procedures

³⁰ The Labor Code establishes the need to provide a nursery benefit. The company will determine the institution to which it will pay directly, as long as the nursery has its corresponding inscription in the National Kindergarten Board ("JUNJI").

³¹ The Company recognizes the importance of preventing the crimes considered in Laws No. 20,393 and No. 21,121, relating to corporate corruption, money laundering, financing of terrorism and bribery of public officials.

The Company, through its Human Resources department, has developed a People Policy based on three strategic axes: i) collaboration and efficiency; ii) talent management; and iii) work environment. This policy's objectives and principles are implemented through specific procedures to manage its employees and those of its contractors. However, the Company will update its policy to include equity, anti-harassment and anti-discrimination guidelines aligned with Chilean legislation and the international conventions of the United Nations ("UN") Human Rights and the International Covenant on Civil and Political Rights ("ICCPR"), and the International Labour Organisation (ILO).

4.2.a.ii Working Conditions and Terms of Employment

The Company complies with Chilean labor regulations (laws, treaties and international conventions ratified by the country).

4.2.a.iii Workers' Organizations

All ARIZTÍA employees have the right to free association. Currently, 3,242 of the Company's direct employees (64% of the total workforce) belong to 16 unions.³² It should be noted that relations with labor unions have been strengthened in recent years due to ongoing communication between the Company and their representatives.

At the time of the ESDD, the Company informed that it held a voluntary renegotiation that extended for 36 months the August 2020 agreement with Agroindustrial Arica Limitada Union No. 2, following a strike that began in June 2020 and lasted 2 months.

4.2.a.iv Non-discrimination and Equal Opportunity

The Company, through its IROHS, establishes guidelines for non-discrimination, equal opportunities, and inclusion of people with disabilities. The IROHS sets out specific actions to guarantee the protection of workers' rights, avoiding discrimination, verbal or power abuse, and any other form of harassment or intimidation. In addition, the IROHS specifies compliance with the Antidiscrimination Law, whose fundamental objective is to establish a judicial mechanism to effectively reestablish the rule of law whenever an act of arbitrary discrimination is perpetrated.

The IROHS clearly lays down non-discrimination based on race, social status, creed, nationality, religion, age, physical or mental disability, gender, marital status, sexual orientation or union or political affiliation; and contains a specific title establishing equal opportunities for workers with

³² These are: 1) Sindicato de Trabajadores Industrial Ochagavía; 2) Sindicato de Funcionarios Empresa Industrial Ochagavía; 3) Sindicato de Empresa Agroindustrial El Paico Ltda; 4) Sindicato No. 2 de Empresa Agroindustrial El Paico Ltda. 5) Sindicato No. 3 de Trabajadores de Empresas ARIZTÍA; 6) Sindicato de Establecimiento Melipilla de Empresa Agrícola Tarapacá Ltda; 7) Sindicato de Establecimiento No. 2 Melipilla de Empresa Agrícola Tarapacá S.A.; 8) Sindicato de Trabajadores de Empresas ARIZTÍA; 9) Sindicato de Trabajadores de Empresa Agrícola Tarapacá S.A.; 10) Sindicato de Trabajadores de Empresa Agrícola Tarapacá S.A.; 11) Sindicato de Trabajadores de Empresa Agrícola Tarapacá Ltda. 8) Sindicato de Trabajadores de La Empresa Agrícola Tarapacá Lluta; 9) Sindicato de Trabajadores de La Empresa Agroindustrial Arica Ltda; 10) Sindicato de Trabajadores N°1 Agroindustrial Arica Ltda; 11) Sindicato de Empresa Tecnología y Alimentos Ltda. 12) Sindicato de Tecnología y Alimentos Número 2; 13) Sindicato de Trabajadores Broiler Empresa Agrícola ARIZTÍA Ltda.; 14) Sindicato de Establecimiento Número 2 ARIZTÍA; 15) Sindicato de Empresa ARIZTÍA Comercial Ltda.) Sindicato de Trabajadores de Empresa Ariztia Comercial Ltda.

disabilities and labor inclusion of persons with disabilities as required by the regulations in force.³³ Likewise, the Company complies with the obligation set forth in Law 21.015³⁴ with regard to hiring 1% of its total workforce for people with disabilities or who are recipients of a disability pension from any social security system.

4.2.a.v Grievance Mechanism

The Company has a Communication Channel Procedure for Employees and the Company applicable to the El Paico and Ochagavía slaughter plants; whose objective is the communication of suggestions, claims or complaints related to health and safety, environment, quality, food safety and other issues of the plant, in an anonymous or personalized manner considering the regulatory requirements of the Integrated Management System ("IMS"). The communication channel is through a computer located in the cafeteria area (dining room). Once the information has been sent by this means, it is evaluated by the Communications Channel Committee.³⁵ The Committee analyzes and proposes possible solutions to complaints, suggestions or reports regarding the environment, quality and safety, health and safety and general plant issues. The response, as per the procedure, is communicated through display screens located within the Company's corridors or cafeterias, or through e-mail, as appropriate.

According to the Sexual Harassment and Workplace Harassment Reporting Procedures that are part of the IROHS, reports of this type may be anonymous.

In addition to the above, the Company will update its internal grievance procedure to define more explicitly: i) how and through what means grievances can be received; ii) how these grievances are evaluated; iii) how responses are provided and followed up on; iv) how the mechanism is evaluated and improved; and v) how the mechanism is communicated and disseminated. The mechanism will also include the possibility of analyzing anonymous complaints and will guarantee the confidentiality of the process.

4.2.b Protecting the Workforce

4.2.b.i Child Labor

ARIZTIA does not employ child labor. The Company complies with national regulations (including ILO Convention 105, which, after ratification by Chile, became enacted into national law), which prohibit child labor, except for minors between the ages of 15 and 18 performing certain types of light work, provided that all of the following conditions are met: (i) the proposed tasks are not harmful to their health or their physical or mental development; (ii) their parents, relatives or guardians have authorized them to work; (iii) the proposed work does not interfere with their studies; (iv) the number of hours worked does not exceed 30 per week, if the minor in question is studying; and (v) working hours do not exceed 8 hours at any time.

³³ Law No. 20.422, which sets forth the Rules on Equal Opportunities and Social Inclusion of Persons with Disabilities.

³⁴ Law 21.015 establishes that companies with 100 or more employees must hire or maintain the employment of, as appropriate, at least 1% of their total number of employees as persons with disabilities or who are recipients of a disability pension from any social security system.

³⁵ Consisting of: the Environmental Manager, the head of the personnel area, the head of People Management, the IMS Leader and the Risk Prevention Expert.

4.2.b.ii Forced Labor

Chile has ratified ILO Convention 105. Accordingly, its legislation prohibits forced or unpaid labor, as well as discrimination against workers based on race, skin color, sex or sexual orientation, ancestry, marital status, religion, political participation, and nationality, among others. It should be noted that ARIZTÍA's workforce is comprised by 12% immigrant personnel, mostly from Haiti, for which the Company has developed work procedures in the appropriate language (Creole) so that they can perform their duties without restrictions.

The ESDD did not find any evidence of forced labor.

4.2.c Occupational Health and Safety

In addition to the ISO 45001 certifications held at its Paico and Ochagavía plants, the Company implements, through the IROHS,³⁶ the occupational health and safety standards required by Chilean legislation, such as: (i) general safety provisions; (ii) medical examinations; (iii) reporting and investigation of occupational accidents and occupational diseases; (iv) responsibilities of command levels; (v) occupational health and safety obligations; (vi) safety prohibitions; (vii) complaints, claims and procedures in the event of accidents or occupational diseases; (viii) operation of the Joint Committee; (ix) mandatory reporting of occupational hazards; (x) cargo handling; (xi) tobacco use; (xii) regulations on harmful radiation; (xiii) use of fire extinguishers; (xiv) prevention of problematic use of alcohol and illicit drugs; (xv) suggestions for preventing accidents; (xvi) protocol for monitoring psychosocial risks; (xvii) protocol for occupational exposure to noise ("PREXOR"³⁷); (xviii) protocol for monitoring workers exposed to risk factors for work-related musculoskeletal disorders of the upper extremities; (xix) protocol for epidemiological monitoring of workers exposed to pesticides; (xx) sanctions for failure to comply with health and safety standards; (xx) knowledge of internal regulations and their validity.

The Company's Occupational Health and Safety Management Procedure (OHS) defines programs for the prevention, control and reduction of workplace risks, which include specific accident and accident rate targets, with a corporate scope (all companies of the ARIZTÍA Holding³⁸). It also has an Annual OHS Plan with a corporate scope and based on 4 pillars: i) organizational management; ii) OHS management aligned with the Administrative Body;³⁹ iii) industrial hygiene; and iv) contractors. The Company has established two strategic OHS management topics: i) a Training and Education Plan; and ii) Senior Management and Supervisors Leadership. It should be noted that each plant, at all production levels, has a risk prevention and occupational health expert.

³⁶ In compliance with the Labor Code and Law 16,744 on Occupational Accidents and Occupational Diseases.

³⁷ In accordance with Law No. 16,744, the Company, together with the administrators of the insurance against risks of occupational accidents and diseases, must implement a surveillance program.

³⁸ Agrícola ARIZTÍA Ltda., Agrícola Tarapacá S.A., ARIZTÍA Comercial Ltda., Servicios de Mantenimiento Ltda., Servicios Agrosistemas Ltda., Agroindustrial Arica S.A., Agrícola Lluta, S.A., Industrial Ochagavía Ltda., Agrícola Robledal Ltda., Agroindustrial El Paico S.A., Tecnología and Alimentos Ltda.

³⁹ Asociación Chilena de Seguridad, Mutual de Seguridad and Instituto de Salud del Trabajo.

In addition, the following actions are carried out through the Joint Committees⁴⁰ formed at work sites with more than 25 workers: i) monitoring of compliance with prevention, hygiene, and safety measures; ii) investigation of the causes of occupational accidents and diseases; and iii) worker training.

The Company sets annual goals to reduce the accident and accident rate indicators; therefore, the evaluation of the OHS management performance has the following objectives: i) to reduce the accident rate with regard to the previous year (occupational accident frequency rate "OAFR"); ii) to reduce the occupational accident severity rate ("OASR"); iii) to fully comply with the OHS Management Plan defined for the current year; and iv) to evaluate the operation and compliance of ARIZTÍA's Joint Committees. In addition, the Company maintains and monitors preventive culture indicators such as: i) effective leadership; ii) accident investigation; iii) internal prescriptions; iv) contractor control; and v) planning execution.

ARIZTÍA, together with the managing bodies (mutual insurance companies), measures occupational risk factors according to the Hazard Identification and Risk Assessment ("IPER") matrix in all its plants. The measurements identified at the time of the ESDD were: i) occupational noise; ii) unclassified and unspecified dust; iii) cold; iv) biological hazards (COVID-19); v) gases (NH₃ in emergency situations and formaldehyde, for use in feed mills during health emergencies); vi) lighting; vii) exposure to heat; viii) manual handling of loads; ix) measurement of acetic acid and hydrogen peroxide;⁴¹ x) exposure to asthma-producing agents; and xi) exposure to corn dust. The results of the occupational risk factors measurement are used as the basis for establishing biological monitoring, which is carried out periodically (annually or at shorter intervals, according to medical criteria) and includes the following medical tests: i) pre-occupational; ii) regular check-ups; iii) specific s; iv) at quit; v) at job change; and vi) at a re-entry.

Regarding contractors' I, the requirement to comply with the regulations in force and rules, procedures, and OHS instructions is met through the Special Regulations for Contractors and Subcontractors of Agroindustrial El Paico and are defined in the IROHS. However, ARIZTIA will extend these regulations to all its business units.

4.2.d Provisions for People with Disabilities

As per the regulations in force, the provisions against discrimination and prevention of harassment of persons with disabilities are detailed in the Company's IROHS. These include: i) adaptation of the physical and social environment to facilitate their accessibility or participation; ii) measures and adjustments to guarantee the right to equal opportunities for workers; iii) hiring at least 1% of the company's total number of workers with disabilities; and iv) qualification and certification provided for in the legislation,⁴² in terms of standards on equal opportunities and social inclusion of people with disabilities.

⁴⁰ Their functions are defined in Supreme Decree No. 54 Regulations for the Constitution and Operation of Joint Health and Safety Committees.

⁴¹ Job positions of claw sorter and chicken hanger, in which Bioacetic, a disinfectant composed of peracetic acid whose main components are acetic acid and hydrogen peroxide, is used.

⁴² Law No. 20,422, which sets forth the Rules on Equal Opportunities and Social Inclusion of Persons with Disabilities.

4.2.e Workers Engaged by Third Parties

The Company applies an Administrative and Legal Framework for Contractors' Entry at Industrial Ochagavía and a Special Regulation for Contractors and Subcontractors of Agroindustrial El Paico, whereby it enforces compliance with current regulations and the IROHS in labor, environmental, social, and occupational health, and safety matters. Nevertheless, the Company will extend the implementation of such procedures to all its business areas.

4.2.f Supply Chain

The Company has national⁴³ and international⁴⁴ suppliers for its entire production chain, which are assessed through the Procurement Area by means of the Suppliers' Evaluation Procedure. The aspects evaluated are: i) legal compliance; ii) good manufacturing practices; iii) quality and environmental systems; iv) sanitation and pest control; v) traceability of the production process and recall; vi) maintenance program for infrastructure, machinery, and utensils; and vii) workers' health and safety.

The ESDD, however, identified that supply chain risks are not assessed at the level of local and international raw material suppliers (poultry feed grains), from production to final delivery. ARIZTÍA will therefore develop a procedure to identify, evaluate and monitor E&S aspects in the supply chain, to verify issues related to the protection of the workforce (prevention of child labor and forced labor).

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

The Company, as part of its Environmental Policy and its Integrated EMS Policy, has implemented measures to optimize the use of water, electricity and fuels, through implementing the following: i) water consumption decrease through dry transport of by-products in the processing plant; ii) the replacement of diesel by natural gas for some boilers operation boilers (carried out 5 years ago); iii) the implementation of an electric cogeneration plant;⁴⁵ iv) equipment replacement to improve energy efficiency (chillers); and v) efficient irrigation systems in the agricultural production (with irrigation pivots).

4.3.a.i Greenhouse Gases

The most important sources of greenhouse gas ("GHG") generation in the Company are the following: i) energy production using fossil fuels (CO₂); ii) industrial WWTPs (CH₄); iii) final product transportation (CO₂); and iv) poultry feed production (CH₄, CO₂, N₂O).

⁴³ Suppliers of: i) breaded products, cheese, meat, butter, vegetables, mushrooms; ii) vaccines; iii) worker transportation; iv) poultry litter; v) industrial wastewater processing; vi) cleaning and disinfection supplies; vii) cellulose casing for sausage stuffing; viii) software for managing spare parts for processing plants.

⁴⁴ COFCO, AGD, ADM, LOSUR, VITERRA, BUNGE, CARGILL, corn suppliers (main poultry feed).

The Company does not currently measure its carbon footprint; therefore, it will implement an Integrated Greenhouse Gas Management Program to identify, quantify and report the GHG emissions inventory of all its activities and processes, including emissions generated by the transportation of its poultry, and the transportation of finished product and supplies (poultry feed). The GHG emissions baseline will be the year 2021 and these gases will be accounted annually, including an explanation of their variation, if any.

4.3.a.ii Water Consumption

The Company maintains in force the permits for the groundwater use and exploitation permit and water rights granted by the General Water Directorate ("DGA") for its three slaughter plants.⁴⁶ Likewise, the Company has surface and groundwater water rights for its poultry farms, which use water primarily for washing the bins and the rodiluvium, and for supplying water for the poultry and for human consumption.

Agricultural production permits are held for the use of groundwater (wells) and surface water (from canals), and the flow for each well in the Metropolitan, Valparaíso and Arica and Parinacota regions is monitored, recording: i) location; ii) well name; iii) flow rate; iv) standard; v) type of facility; vi) transmission; vii) periodicity of transmission; and viii) facility status. It should be noted that the Company implements highly efficient irrigation methodologies, such as the use of pivots (from 88% up to 92% of efficiency). The Company also cultivates winter crops (wheat and rapeseed⁴⁷) which are mainly located in the central coastal area of the country and are irrigated solely or mainly with rainwater.

The Company maintains water consumption indicators per kilogram of finished product and has established maximum goals and a water consumption reduction plan based on target indicators. This indicator accounts for both well and utility water supply. Compared to 2020 and 2019, the 2021 consumption has decreased by 10.5%.

Water for human consumption is supplied by utility and is distributed internally through a separate water pipes network than the one for the industrial processes water supply.

Whatever its origin, water quality is monitored monthly (microbiological parameters) and every six months (physicochemical parameters) by certified laboratories to ensure, in the former case, its potability and, in the latter, its suitability for use in industrial processes. Nevertheless, the Company will incorporate water use efficiency standards at its Ochagavía and Arica slaughter plants.

4.3.b Pollution Prevention

ARIZTÍA, as part of their environmental permits requirements, implements preventive, mitigation or corrective measures for the following potential impacts: i) gas and particulate matter emissions;

⁴⁶ Agroindustrial El Paico: i) Well 3 DGA Resolution 996/1998; ii) Well 4 DGA Resolution 313/2017; iii) Well 5 DGA Resolution 328/2007; Industrial Ochagavía: iv) Well 1 DGA Resolution 287/1979; v) Well 2 DGA Resolution 52/1993; Agroindustrial Arica: vi) Well 1 DGA Resolution 48/2019; vii) Well 2 DGA Resolution 48/2019.

⁴⁷ It is the main oilseed grown in Chile, with production concentrated between the provinces of Ñuble and Llanquihue. It has a high production capacity and is used for oil production.

ii) ambient noise level increase; iii) hazardous and non-hazardous solid waste generation; and iv) soil quality alteration.

Thus, in compliance with the regulations in force and the obligations required by its RCA, the effluents (industrial wastewater), prior to discharge, are treated in wastewater treatment plants (WWTPs), located at its three slaughter plants. With the exception of the El Paico Plant, whose effluent is discharged into the El Paico estuary,⁴⁸ all discharges are into the public sewage system, after measurement and compliance with the parameters indicated in the local regulations.⁴⁹ In a general way, the wastewater treatment system consists of an activated sludge system, which contains: i) screen and degreaser; ii) equalizer; iii) pretreatment; iv) circular settler; v) chlorination pond; vi) sludge conditioning stage; vii) physicochemical and biological sludge dewatering; and viii) effluent discharge. Sewage from the cafeterias and other activities is discharged into the local sewer system.

In addition to the above, ARIZTIA will develop and implement a industrial wastewater discharge monitoring procedure (based on the receiving body or intended use of the effluent) from the WWTP of each existing and future Project operation center.

Wastewater generated in poultry production and domestic wastewater is treated in septic tanks with settling chambers that capture the solid fraction and then infiltrate the soil. These tanks have been authorized by the corresponding local health authority.

The Company's three slaughter plants require steam generation for their processes, which is obtained through the combustion of natural gas and eventually (for backup generation) diesel oil in industrial boilers. Currently, particulate matter (PM10) and combustion gases (CO₂, SO₂, NO_x, CO) are monitored annually and the results are compared to the maximum permissible limits set out in the local regulations in force,⁵⁰ which on the date of the ESDD were complying. On the other hand, emissions from emergency generators (backup) are measured according to the corresponding hours of use and as required by local regulations; in the case of Arica, there is a backup generator set, which uses diesel oil as fuel. It should be noted that the El Paico cogeneration plant uses combustion gases from boilers generate electricity. Notwithstanding the foregoing, the Company will verify that its emissions comply with the values included in the IFC and World Bank's General Environmental, Health, and Safety Guidelines.⁵¹

4.3.b.i Waste

The Company has in place, an industrial solid waste (ISW) management program that also includes its contractors. Waste is classified and managed according to the following categorization: i)

⁴⁸ A characterization of the El Paico estuary was conducted in 2019, which included an analysis of the physical aspects of the channel, as well as the water, aquatic flora and fauna, and other physical and chemical parameters of the sediments. The study concluded that all parameters matched the characteristics of the estuary.

⁴⁹ Supreme Decree NO.90/02 Emission for the Regulation of Pollutants Associated with Liquid Waste Discharges to Marine and Inland Surface Waters.

⁵⁰ Supreme Decree on the Atmospheric Prevention and Decontamination Plan for the Metropolitan Region for the main emission sources identified in the metropolitan area.

⁵¹ General Environmental, Health, and Safety Guidelines; IFC Guide on Environment, Health and Safety for Water and Sanitation; IFC Guide on Environment, Health and Safety for Livestock Production and Processing (Including Swine and Poultry); April, 2007.

recyclable,⁵² which is delivered to recycling companies; ii) domestic,⁵³ which is sent to the authorized sanitary landfill; iii) inert,⁵⁴ which is managed by an authorized company until final disposal; iv) organic⁵⁵ (mainly viscera and feathers), which is sent to animal feed processing plants;⁵⁶ and v) organic sludge generated at the WWTPs, which is managed by authorized companies and used for composting. The ISW management program details the generation points of each of these types of waste within the production chain and how to classify, handle, package and temporarily store them. Non-hazardous waste is registered at the Pollutant Release and Transfer Register ("PRTR"), as part of the National Waste Declaration System ("SINADER").

The Company is implementing a Hazardous Waste Management Plan in conformity with the regulations in force.⁵⁷ This plan includes: i) the identification of all hazardous waste generation points; ii) the characterization of the hazardousness of each waste; iii) the analysis of minimization alternatives; iv) the description of the procedures for collecting, transporting, packaging, labeling and storing the waste; v) the determination of equipment, routes and signs for internal handling; vi) the availability of Material Safety Data Sheets ("MSDS") for the transportation of hazardous waste; vii) the training of personnel who handle and transport hazardous waste; and viii) the inclusion in the respective contingency plans of the areas where hazardous waste is generated. Hazardous waste generated mainly includes: i) cloths contaminated with solvents, ii) used oils, iii) fluorescent tubes, iv) lubricant and oil containers, v) batteries, vi) used oils with and without ammonia, vii) used laboratory bottles or vials, and viii) contaminated containers.

Hazardous waste is temporarily stored in a warehouse, where it is separated according to substance incompatibility, ventilation, containment, signage, among others. From there, the waste is transported⁵⁸ to the final destination sites through managers holding the sanitary authorization for the management and disposal of such waste. It should be noted that ARIZTÍA complies with the Extended Producer Responsibility Law (EPR) for packaging, labeling, and packing, by returning the empty containers of the different products and inputs to the companies that supply them.

Hazardous waste is declared through the Hazardous Waste Electronic Declaration System ("SIDREP"), by entering the following data: weight, type of product to be disposed of, transportation, treatment, and disposal, which allows the traceability of the waste from the generation site to the disposal site.

⁵² Paper, stretch film, high density polyethylene (HDPE) plastic, strapping and recyclable cardboard: newspapers, used sheets, cardboard, envelopes, office paper, strapping, masking drums, IBCs and plastic drums; pallets, bins and plastic trays; scrap metal materials such as steel cables, copper, aluminum and ferrous metals in general.

⁵³ Food residues, paper soiled with food or grease (e.g. napkins), plasticized or metallized paper, toilet paper, adhesive labels, carbonless copy paper, grass, weeds, printed plastic film, packaging, plastics.

⁵⁴ These are mainly derived from the development of new projects, the restoration, repair and refurbishment of existing works, land preparation processes and demolition or destruction.

⁵⁵ From the slaughter process and subsequent processes (feathers, inedible viscera, carcasses confiscated by veterinary inspection, cut or whole products unfit for consumption, products with no commercial value, blood, etc.):

⁵⁶ This organic waste is used to produce pet food.

⁵⁷ Supreme Decree No. 148 "Sanitary Regulations on Hazardous Waste Management".

⁵⁸ Third-party vehicles contracted by the Company that comply with the proper design, operation and construction as required by the "Regulations for the Transportation of Hazardous Substances on Streets and Roads" (Supreme Decree N. 298).

The Company has hazardous and non-hazardous waste management procedures only for the El Paico and Ochagavía slaughter plants. However, it will extend and implement these procedures at the Arica Slaughter Plant and other primary production areas, feed mills, and CDPO.

4.3.b.ii Hazardous Materials Management

The Company has a Chemical, Hazardous Substances and Waste Management Manual, which establishes the minimum requirements for adequate procurement management, handling and storage of chemicals, hazardous substances, and their by-products. It also has storage warehouses for hazardous substances in each of its slaughter plants, hatcheries, feed mills and CDPO. Nevertheless, chemicals are shipped directly to the poultry farms from the central warehouse. In compliance with the regulations in force,⁵⁹ these facilities are properly conditioned, have adequate ventilation, containment systems, emergency showers, and materials safety data sheets (MSDS⁶⁰) for each material stored. The number of hazardous materials handled by the Company is minimal and their risk level is medium to low.

4.3.b.iii Pesticide Use and Management

ARIZTÍA uses 54 products in its processes, none of which are in classes "Ia" (extremely hazardous) or "Ib" (highly hazardous) of the recommended classification of pesticides according to their hazardousness, of the World Health Organization ("WHO") and in accordance with Chilean regulations in force.⁶¹ To minimize risks to worker's health and safety, as well as the environmental impacts associated with their use, ARIZTÍA has a Pesticide Management Procedure that sets out a methodology for the handling and use of the pesticides used in the different production processes.

All workers assigned to pesticide transportation, storage, handling, dosage and application tasks have the respective SAG authorization credential. In addition, workers involved in the use and handling of pesticides are included in the epidemiological surveillance plan, whose tests are performed by the administrating agency.⁶² Similarly, contractors must prove that their workers have been included in the epidemiological surveillance plan through their respective mutual insurance company.

4.4 Community Health, Safety and Security

4.4.a Community Health and Safety

4.4.a.i Infrastructure and Equipment Design and Safety

ARIZTÍA's plants, in order to reduce the environmental impacts that may be generated by its processes, have implemented actions such as: i) the registration and management of complaints

⁵⁹ Supreme Decree No. 43 on Hazardous Substances Storage; Chilean Standard No. 1411 on Materials Labeling and Hazard Identification.

⁶⁰ Material Safety Data Sheet.

⁶¹ SAG Resolutions No.1557/2014 regarding the manufacture, import, export, distribution, sale, possession or application of pesticides for use in agriculture; No.432/2015, regarding the obligation to declare to SAG the existence of expired pesticides; and No.4245/2019, regarding the prohibition of pesticides based on azinphos methyl, carbofuran and methamidophos.

⁶² Law 16.744 Occupational Accidents and Occupational Diseases Standards.

from the community; ii) the implementation of the cogeneration plant to reduce emissions and particulate matter in its El Paico Slaughter Plant; iii) the notification of the dates on which preventive maintenance tasks will be carried out (they could generate odors to the community); and iv) the improvement of the operational performance of the processes that generate odors.

ARIZTÍA's infrastructure is equipped with fire protection systems in compliance with local regulations in force. However, the Company will engage a qualified life and fire safety (L&FS) systems professional to certify that the designs of the L&FS systems comply with the international standards of the National Fire Protection Association (NFPA) and the Fire Safety and Security requirements of the IFC General Environmental, Health, and Safety Guidelines.

The slaughter plants use refrigeration units that use ammonia (NH₃) as a refrigerant (refrigerant R717⁶³). OHS personnel have procedures for the operation and maintenance of this refrigeration equipment; are aware of the health risks that can result from high exposure to ammonia; have safety procedures for the use and storage of this gas; and maintain distribution points for personal protective equipment ("PPE") in case of emergency (e.g., ammonia masks and self-contained suits, etc.). Nevertheless, to ensure that ammonia management complies with the country's safety regulations, the general guidelines of the IFC and the International Institute of Ammonia Refrigeration ("IIAR") General EHS Guidelines, the Company will develop an Integrated Ammonia Management Safety Plan. This plan will also include training, scheduled drills, and a proactive and regular communication plan for all employees and contractors, in coordination with the country's emergency response authorities and the involvement of communities with a high probability of being affected.

4.4.a.ii Hazardous Materials Management and Safety

The Company uses some hazardous materials, mainly for equipment maintenance, agricultural production, and plant sanitation. Nevertheless, it has optimized their management through i) ongoing process control to avoid waste generation; ii) the use of strictly necessary quantities; and iii) the implementation of OHS measures during storage of these products.

4.4.a.iii Community Exposure to Disease

The Company's activities have not exacerbated the risk of exposure to disease in the community. Nevertheless, in order to prevent the transmission of COVID-19, ARIZTÍA implemented a COVID-19 Plan in all its operations, which defined protocols for: i) general information (general hygiene measures); ii) control of personnel (entry and exit); iii) social distancing (meetings, cafeterias, dressing rooms); and iv) cleaning and disinfection. It also formed the COVID Crisis Committees led by the GESCA Manager, the General Manager, the HR Manager, the Environment Manager, the SGI Manager, and the OHS Manager. These officers monitor compliance with the activities defined in the COVID-19 Plan.

4.4.a.iv Emergency Preparedness and Response

⁶³ Anhydrous ammonia is used in the refrigeration industry because of its high energy conversion efficiency and low cost.

The Company has not considered the community as part of its emergency and contingency response plans when identifying and assessing the risks of its operations. It will therefore develop: i) stakeholder mapping in the areas of direct and indirect influence of its operations; ii) a matrix for identifying and evaluating risks related to its operations that may affect the communities; iii) an annual program of drills with the participation of the community; and iv) a communication and information plan for the communities on the results of the risk assessments and drills carried out.

4.4.b Security Personnel

The Company currently has 6 external companies that provide private security services to all its plants. To this end, it has safe work procedures and instructions for security personnel, in which, in general, the use of force is not authorized. Security personnel do not carry weapons and have the following resources available for surveillance: radio communications, a remote surveillance system and the support of specially trained dogs. In the last year, a preventive surveillance system has been implemented for the poultry and agricultural sector, which, without the use of force or any other method of intimidation, has been able to detect and control incidents (mainly attempted robberies in poultry farms and agricultural plantations).

The Company will, however: i) develop a Physical Security Management Manual that includes professional ethics and human rights issues, incorporating the United Nations Voluntary Principles ("VPs") on Security Forces and Human Rights;⁶⁴ and ii) train security personnel on human rights issues.

4.5 Land Acquisition and Involuntary Resettlement

The Project does not involve any kind of involuntary resettlement or economic displacement.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

None of the Project's facilities or raw material plantations intersect with the National System of State Wildlife Protected Areas (SNASPE).

4.7 Indigenous Peoples

The Project will not affect Indigenous populations.

4.8 Cultural Heritage

The Project does not include any construction or expansion activity; therefore, no impact on cultural heritage is foreseen.

5. Local Access of Project Documentation

The documentation relating to the Company can be accessed at the following link:

<https://www.aritzia.com/>

⁶⁴ See the International Finance Corporation Good Practice Handbook. Use of Security Forces: Assessing and Managing Risks and Impacts. Guidance for the Private Sector in Emerging Markets.