

## Environmental And Social Review Summary (ESRS) HZ Group - Improving Sustainable Packaging Capacity In Argentina

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

This transaction consists of a senior loan to Interpack S.A., a member of HZ Group (the "Client" or the "Company"), a conglomerate of unconsolidated companies operating in the packaging industry in Argentina. The loan proceeds will be allocated to capital investments for the *development* of a greenfield corrugated cardboard plant (the "Project"), primarily for the acquisition of key equipment and machinery, including: (i) a corrugator, (ii) rotary die-cutters, and (iii) flexographic folder-glueers, to improve sustainable packaging capacity in Argentina.

HZ Group is a regional industrial group with over 70 years of experience in Latin America, operating primarily in the packaging, paper, and agribusiness sectors. The Company has a presence in Argentina, Brazil, and Chile, and employs more than 1,500 people in 10 production plants and corporate offices. Its operations include the manufacture of cardboard, micro-corrugated packaging, flexible packaging, and labels, as well as activities in the forestry and pork production sectors. HZ Group serves major consumer goods and food industry clients, offering packaging solutions.

The Project will be implemented in the Pilar Industrial District, on a site with a total<sup>2</sup> area of 150,000 m, previously occupied by industrial facilities where activities related to the manufacture and logistics of hygiene and paper products were carried out, with authorized land use and infrastructure compatible with industrial activities. The development of the new corrugated cardboard plant will be carried out in two phases: a first phase, with a projected covered area<sup>2</sup> of 21,500 m that would be in operation by 2027, and a second or expansion phase, which will reach a total covered<sup>2</sup> area of 35,000 m by 2032, always remaining within a consolidated industrial environment, without changes in land use or resettlement requirements. The Pilar Industrial District is zoned as an exclusive industrial use area, intended for the location of productive, logistics, and industrial service activities, with infrastructure and associated services compatible with medium and large-scale industries.<sup>1</sup>

The Environmental and Social Due Diligence ("ESDD") process included the review of environmental, social, and occupational health and safety information provided by the Client, including: i) its 2025 sustainability report; ii) its Human Resources and Sustainability policies; iii) its Code of Ethics; iv) its organizational charts; and v) its environmental and health and safety management procedures.

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<sup>1</sup> This regulation is framed within the Urban Planning Code of the Municipality of Pilar and the specific municipal ordinances that regulate the Industrial District/Park, which define permitted uses, urban indicators, and environmental and safety requirements. At the provincial level, the applicable regime is based on Law No. 8,912 on Territorial Planning and Land Use of the Province of Buenos Aires, which establishes general guidelines for zoning, compatibility of uses, and authorization processes, complemented by provincial environmental regulations that require licensing, environmental impact studies, and compliance with health and safety standards for this type of industrial development.

To ensure the Project's commitment to respect and protection of human rights, its zero tolerance for retaliation, and its commitment to provide and ensure a safe environment for stakeholders to express their concerns without fear of retaliation, the ESDD process also included the review of the following documents: its Group Code of Ethics, its 2025 Sustainability Report, and its Human Rights, Sustainability, and Human Resources policies.

## **2. Environmental and Social Classification and Justification**

In accordance with IDB Invest's Environmental and Social Sustainability Policy ("ESSP"), the Project was classified as category B, as the associated risks and impacts are considered low to medium intensity and manageable through technically feasible measures in the context of the proposed operation. Among the main risks and impacts identified, the following stand out: i) consumption of natural resources, particularly electricity, natural gas, and industrial water; ii) atmospheric emissions and GHG, mainly associated with energy and natural gas consumption; iii) generation of non-hazardous and special or hazardous waste, including cellulosic waste, plastics, wood, inks, solvents, adhesives, oils, and contaminated materials; iv) environmental risks associated with the handling, storage, and transport of hazardous materials; v) occupational and health and safety risks, linked to the operation of industrial machinery, exposure to noise, heat, chemical agents, maintenance work, and construction activities; vi) differentiated risks for workers hired by third parties, requiring reinforced induction, supervision, and full integration into health and safety systems; vii) risks to community health and safety, mainly associated with increased heavy vehicle traffic and noise and possible industrial emergencies; and viii) indirect risks associated with supply chain management.

The Performance Standards ("PS") activated 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 and Safety.

## **3. Environmental and Social Context**

### **3.1 General Characteristics of the Project Site**

The Pilar Industrial District, where the Project is located, is situated in the Province of Buenos Aires, within the northern corridor of the Metropolitan Area, one of the most important industrial and logistics zones in Argentina. The area is characterized by its connectivity, with direct access to strategic routes such as the Panamericana Highway (National Route No. 8), which facilitates the transport of raw materials and the distribution of products to the main ports and domestic markets. The industrial environment is consolidated, with a high concentration of industrial parks and sites housing companies from different sectors, including manufacturing, logistics, food, paper, and packaging.

From an operational standpoint, the Pilar Industrial District has adequate infrastructure for the development of medium and large-scale industrial projects, including the availability of basic services such as electricity, natural gas, industrial water, telecommunications, and effluent treatment systems. The area also has a good supply of skilled labor, supported by proximity to urban centers and educational and technical institutions.

### **3.2 Contextual Risks**

From an environmental and social standpoint, the Project is located in a highly intervened industrial zone, without proximity to protected areas, indigenous territories, or tangible cultural heritage. However, the climate analysis identifies a moderate risk of future droughts associated with climate change, relevant given the Project's dependence on industrial water use. In terms of biodiversity, threatened species are recorded within an expanded radius, although without an expectation of significant direct impact due to the industrial nature of the area.

In labor matters, Argentina has a high level of sectoral strikes and collective conflicts; in industrial parks such as Pilar, where manufacturing, logistics, and service activities coexist, these conflicts can generate operational disruptions and access restrictions. Likewise, in terms of gender risks, wage gaps, occupational segregation, low participation of women in technical and leadership positions persist, as well as risks associated with workplace and sexual harassment, and gender-based violence in the community sphere, which can be exacerbated by extended workdays, night shifts, and limitations in public transportation.

## **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 Environmental and Social Assessment and Management System**

In operational terms, the Client's environmental and health and safety management system ("ESMS") is supported by corporate policies, environmental procedures, risk management, and occupational hygiene and safety practices and social programs. The Group promotes the circular economy, resource efficiency, and emissions reduction, as well as the development of sustainable solutions in its value chain. However, HZ Group's ESMS is in a stage of formalization, consolidation, and systematization.

In this regard, the Company will formalize a single integrated management system for the Project that: i) coherently articulates policies, procedures, and responsibilities; ii) defines indicators and monitoring and continuous improvement mechanisms in environmental, social, and occupational health and safety areas; iii) establishes specific social management procedures (identification and management of stakeholders, communication and grievance mechanisms); iv) systematically evaluates social risks and impacts at the Project level; v) incorporates standardized, comprehensive, and systematic operational procedures for risk and impact assessment; and vi) includes clear mechanisms for monitoring, internal auditing, and periodic review.

#### **4.1.b Policy**

The Environmental Policy of the HZ Group: i) establishes its comprehensive commitment to responsible environmental management and sustainable development; ii) promotes continuous improvement of environmental performance in all its operations; iii) prioritizes (a) compliance with current environmental regulations, (b) efficient use of energy and natural resources, (c) reduction of environmental impacts and (d) training and awareness-raising of its employees; iv) integrates environmental care as a cross-cutting axis of its management; v) promotes responsible waste

management and the circular economy; and vi) extends these principles to its value chain and to the communities where the Company operates.

#### 4.1.c Identification of Risks and Impacts

The HZ Group's Procedure for Identification, Evaluation and Control of Environmental Aspects and Impacts establishes a systematic methodology to identify, analyze and manage the environmental impacts associated with its activities, under normal operating conditions and in emergency situations. The document defines clear responsibilities, uses an Environmental Aspects and Impacts Matrix ("MAIA") and defines technical evaluation criteria based on the direction, reversibility, intensity and extent of the impact.

The Client, however, will prepare a structured and integrated matrix of environmental, social and health and safety risks and impacts (including cumulative impacts and climate risks), as a central management and decision-making tool for the Project.

#### 4.1.c.i Direct and Indirect Impacts and Risks

Among the main risks and impacts associated with the Project, the following stand out: i) consumption of natural resources (electricity, natural gas and water); ii) atmospheric emissions and greenhouse gases; iii) waste generation (non-hazardous, hazardous and special); iv) risks associated with the handling, storage and transport of hazardous materials; v) occupational and health and safety risks; vi) differentiated risks for workers hired by third parties; vii) risks to the health and safety of communities; and viii) indirect risks associated with supply chain management.

In terms of licensing, for its installation and operation, the Project must have: i) an Environmental Impact Statement ("DIA") issued by the environmental authority of the Province of Buenos Aires<sup>2</sup>; ii) the municipal permits required by the Urban Planning Code of Pilar; and iii) specific permits for gaseous emissions, capture and use of groundwater, discharge of liquid effluents and management of industrial and special waste.

#### 4.1.c.ii Analysis of Alternatives

The Project did not have an analysis of alternatives that took into account environmental and social criteria, due to its location in the district of Pilar, a consolidated industrial area, compatible with land use and with existing infrastructure. Likewise, the design and technology selected correspond to standardized solutions widely used in the industry, with known impacts that can be managed through conventional measures.

#### 4.1.c.iii Analysis of Cumulative Impacts

The Client will prepare an assessment of cumulative impacts for the Project, in accordance with the requirements of the IDB Invest Practical Guide for the Assessment and Management of Cumulative Impacts in Latin America and the Caribbean.<sup>3</sup>

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<sup>2</sup> For this purpose, in accordance with the General Environmental Law No. 25,675 and Provincial Law No. 11,723 on Protection, Conservation, Improvement, and Restoration of Natural Resources and the Environment, an Environmental Impact Assessment ("ESIA") must be prepared.

<sup>3</sup> <https://idbinvest.org/es/publicaciones/guia-practica-para-la-evaluacion-y-gestion-de-impactos-acumulativos-en-america-latina>

#### 4.1.c.iv Gender Risks

Gender-based violence constitutes a relevant social risk in Argentina, with persistent manifestations both at the national level and in the province of Buenos Aires and in peri-urban areas such as the district of Pilar. According to UN Women<sup>4</sup>, approximately 45% of women in the country have experienced some type of gender-based violence throughout their lives, which demonstrates the high structural prevalence of the problem<sup>5</sup>.

Gender issues are addressed by the HZ Group with a broad focus on sustainability and talent management, recognizing people as the central axis of its strategy. Both in its 2025 sustainability report and in its institutional communication, the Group promotes a work environment based on respect, inclusion and capacity development, integrating human resources management, hygiene and safety and employee well-being as pillars of its social management. In this context, equal opportunities and the strengthening of internal talent are considered key elements.

#### 4.1.c.v Gender Programs

Despite the fact that, at present, no formally structured gender initiatives or specific programs dedicated exclusively to gender equity are identified, the Client incorporates the issue in a cross-cutting manner within its social and human resources management, promoting principles of equal opportunities, talent development and employee well-being, in line with its corporate values and its sustainability approach. These actions are mainly reflected in its general policies on employment, training and working conditions, as well as in its commitment to building an inclusive and respectful organizational culture.

However, these actions are still in the process of consolidation and formalization, considering that only 14% of the Group's workers are women, which suggests opportunities to strengthen specific measures on gender, such as explicit policies, training programs, indicators and programs aimed at preventing gaps and risks associated with all types of gender.

As part of its commitment to gender equity and diversity, the Client: i) will implement a structured program with specific<sup>6</sup> measures to strengthen the hiring and participation of women in its operations; and ii) will develop initiatives to promote the retention and professional growth of women within the organization.

#### 4.1.c.vi Exposure to Climate Change

The Project presents a moderate exposure associated with the risk of droughts that could intensify under climate change scenarios and affect the availability and reliability of water resources.

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<sup>4</sup> UN Women is the United Nations organization that develops programs, policies, and standards to defend the human rights of women, promoting gender equality and the empowerment of women.

<sup>5</sup> [https://lac.unwomen.org/sites/default/files/2025-04/perfil\\_de\\_pais\\_argentina\\_2024\\_-11.pdf?utm\\_source=chatgpt.com](https://lac.unwomen.org/sites/default/files/2025-04/perfil_de_pais_argentina_2024_-11.pdf?utm_source=chatgpt.com)

<sup>6</sup> Such as the definition of female incorporation targets, the review of recruitment processes to ensure equal opportunities, technical training, the promotion of inclusive working conditions, and training on unconscious bias for selection and leadership teams.

The Company has been progressively advancing in climate change management, incorporating it as a relevant axis of its sustainability strategy. In this framework, the Group has begun measuring its corporate carbon footprint using recognized methodologies, identifying the main sources of emissions associated with energy consumption, fuels and production processes. Based on these diagnoses, it has defined lines of action for improving energy efficiency, technological modernization of equipment, optimization of production processes, waste reduction and the progressive incorporation of lower carbon intensity energy sources. Likewise, the Group promotes the circular economy, through the increasing use of recycled materials and the use of waste, which indirectly contributes to the reduction of emissions.

#### 4.1.d Management Programs

The Client implements comprehensive environmental and health and safety management programs that are formalized and coordinated at the corporate level, with cross-cutting application in its different business units. In the environmental area, the programs include resource management, the circular economy, waste management and recovery, responsible water use, control and monitoring of emissions, and climate action based on carbon footprint measurement and mitigation plans, supported by certifications, audits and periodic monitoring. In the social sphere, the Group develops structured programs of social commitment, employability, education, inclusion, diversity and community development. In terms of occupational health and safety, there is a preventive and systematic approach that includes the identification and evaluation of risks, risk matrices, technical audits, investigation of incidents and accidents, continuous training and improvement objectives, with performance indicators and assignment of organizational responsibilities.

The Client will prepare, structure and formalize environmental and social management programs for the Project, which will clearly define mitigation and control measures, those responsible for their implementation, as well as verifiable performance indicators, goals, implementation timelines and monitoring and reporting mechanisms, covering its construction and operation phases. Likewise, it will incorporate an adaptive management approach, which will allow it to periodically review and adjust the programs based on the results of monitoring, as well as incident and complaint statistics, and changes in the operational context; and will explicitly integrate social management (stakeholder participation, complaint mechanisms and management of community impacts), as well as contractor and supply chain management.

#### 4.1.e Organizational Capacity and Competence

The HZ Group demonstrates solid organizational capacity and competence in the areas of sustainability and human resources, supported by a formal corporate structure, clearly defined roles and operational experience at the regional level. For this, it has a Sustainability and Social Commitment Management, responsible for articulating policies and programs, setting indicators and verifying environmental and social compliance in all business units and with an environmental and social ("E&S") and health and safety ("H&S") officer who will be reinforced in the future with the incorporation of two people in later stages, in line with the progressive increase in risks and impacts.

In the human resources ("HR") area, the Company has a robust and decentralized structure, with corporate and business leadership (corporate HR, labor relations, compensation, organizational development and HR Business Partner - HRBP), which allows effective management of labor, union,

performance and climate issues. The new plant will have an HRBP who will subsequently be supported by an analyst.

#### 4.1.f Emergency Preparedness and Response

The new plant will operate within the Pilar Industrial Park, which has security and emergency response infrastructure (internal brigades, surveillance systems), and maintains close coordination with the Pilar Fire Department. This system is complemented at the municipal level, with structured public emergency services (firefighters, ambulances and civil defense).

At the corporate and operational level, the HZ Group has a formal and structured emergency preparedness and response system, integrated into its health and safety management system. This system includes: i) specific procedures for different emergency scenarios (fires, explosions, spills, bomb threats, floods and electrical failures); ii) clear definition of roles and responsibilities (Emergency Director, brigades, evacuation leaders and support groups) for handling unforeseen situations; iii) differentiated alarms, routes and marked assembly points; iv) coordination protocols with firefighters, medical services and local security forces; and v) procedures for conducting drills, audits and periodic technical inspections, incident analysis and for implementing corrective and preventive actions.

However, the Client will develop its own operational plan for the Project, aligned and coordinated with the emergency response plan of the Pilar Industrial Park that: i) will identify the main risk scenarios; ii) will establish clear response and communication protocols with competent authorities, communities and district emergency teams; iii) will define evacuation routes and available resources; iv) will guarantee the provision of adequate equipment and periodic training of personnel; v) will incorporate review and continuous improvement mechanisms; and vi) will ensure effective coordination with local public agencies and emergency services operating in an integrated manner in the industrial district.

#### 4.1.g Monitoring and Evaluation

At the corporate level, the HZ Group's ESMS has formal mechanisms for monitoring and evaluating its E&S performance, as well as regulatory compliance. These mechanisms include: i) periodic monitoring of key indicators; ii) conducting internal and external audits; iii) technical control of facilities and processes; iv) systematic evaluation of compliance with legal and corporate requirements; v) reporting procedures, analysis of findings and implementation of corrective and preventive actions, with clearly assigned responsibilities at the corporate and operational level; vi) performance reviews; and vii) training programs.

#### 4.1.h Stakeholder Engagement

The HZ Group promotes stakeholder engagement through an approach based on dialogue, coordination and long-term commitment with interest groups linked to its operations. This interaction is materialized through programs of: i) employability and training, which include technical training initiatives, internships and first employment in coordination with local educational and technical institutions; ii) education and social inclusion, aimed at strengthening capacities in communities near its plants; and iii) corporate volunteering, in which Group employees actively

participate in social, educational and community projects. Likewise, the Group maintains institutional alliances with social organizations, sectoral chambers and value chain actors. This engagement is managed in a structured manner from the Sustainability and Social Commitment Management, with the objective of generating positive social impacts, strengthening the link with the environment, anticipating social risks and contributing to local development.

#### 4.1.h.i Stakeholder Engagement Analysis and Plan

The HZ Group systematically identifies relevant stakeholder groups—including local communities, employees, educational institutions, social organizations, sectoral chambers, clients and suppliers—based on their relationship with operations and potential impacts and interactions. This analysis allows it to prioritize actors, define lines of action and guide a plan for implementing specific programs for social development, employability, education, inclusion and volunteering, whose management is coordinated from the Sustainability and Social Commitment Management and is integrated into corporate planning.

However, the HZ Group will develop a specific mapping of social actors in the Project's area of influence and a Stakeholder Engagement Plan ("SEP") that: i) will establish clear objectives and responsibilities; ii) will contain an implementation schedule; iii) will include mechanisms for information disclosure, continuous dialogue spaces and procedures to incorporate the concerns and perceptions of stakeholders in decision-making; iv) will contain an accessible and traceable grievance mechanism; v) will be subject to monitoring and periodic updating, ensuring effective participation, proportional to the Project's risks and impacts and consistent throughout its entire life cycle.

#### 4.1.h.ii Information Disclosure

In Argentina, public disclosure of industrial projects is formally integrated into the environmental licensing process, in compliance with applicable national and provincial regulations. During this process, the project holder must submit an Environmental Impact Assessment ("EIA") to the competent authority, which is made available to the public for their knowledge and consultation, generally through public hearings, citizen consultations or other mechanisms for access to environmental information.

The Group communicates relevant information about its environmental, social and health and safety performance through its sustainability report, corporate policies and institutional communications. However, for the Project, the Client will develop an EIA that will be made available to the public.

#### 4.1.h.iii Informed Consultation and Participation

The Company promotes access to information about its activities, objectives and programs, and generates exchange spaces with local communities, educational institutions, social organizations and other interest groups.

However, as part of the Stakeholder Engagement Plan, the Client will maintain permanent dialogue channels that allow expanding community participation, beyond hearings.

#### 4.1.h.iv Indigenous Peoples

The Project will not generate material negative impacts on any indigenous community.

#### 4.1.h.v Private Sector Responsibilities in Accordance With Government-Led Stakeholder Engagement

The HZ Group has full responsibility for citizen participation processes associated with the Project.

#### 4.1.i External Communications and Grievance Mechanisms

The HZ Group has formal mechanisms for receiving complaints and claims, including a confidential and external whistleblower channel, accessible to employees, suppliers, clients and third parties. However, it will develop and adopt a structured and traceable procedure to formally register all external communications, classify them, monitor response times and document how each demand has been managed.

##### 4.1.i.i Communications to External Audiences

For the implementation of new projects, the HZ Group's communications and external audiences are mainly coordinated through regulatory and environmental licensing processes led by competent authorities. In this context, the Group participates in formal instances such as technical presentations, public consultations or environmental hearings, when required by applicable regulations.

##### 4.1.i.ii Grievance Mechanism for Affected Communities

The HZ Group has corporate communication and complaint handling channels. However, it will establish and implement a specific mechanism for the Project that can be used by communities and other actors potentially impacted by the Project which: i) will be formal, accessible, free and proportional to risks and impacts, allowing the receipt of complaints in a safe manner and without retaliation, including in-person and remote options; ii) will contain clear procedures for registration, classification, analysis and resolution of complaints, with established deadlines, designated responsible parties and timely communication of responses to complainants; iii) will contemplate differentiated provisions for vulnerable groups, guaranteeing effective accessibility, confidentiality and treatment sensitive to the social context; iv) will be integrated into the environmental and social management system; v) will feed monitoring, learning and continuous improvement processes; and vi) will be actively disseminated in the Project's area of influence throughout all phases of its life cycle.

##### 4.1.i.iii Provisions to Address Complaints From Vulnerable Groups

The HZ Group has not identified vulnerable communities in the current vicinity of the Project area, given that it is located in a consolidated industrial district, with no sensitive residential settlements in its direct area of influence. Nevertheless, it will adopt a preventive and dynamic social management approach, which will include periodic updating of: i) the context analysis; ii) the mapping of social actors; iii) the grievance mechanism; and iv) the way the value chain is integrated in the identification and management of social risks.

#### 4.1.i.iv Ongoing Reports to Affected Communities

As part of its transparency and accountability approach, the HZ Group prepares ongoing reports to potentially affected communities, which include relevant information about the Project's progress, the environmental and social measures implemented, and the monitoring results, using channels appropriate to the local context.

## 4.2 Labor and Working Conditions

### 4.2.a Working Conditions and Labor Relations Management

In Argentina, the legal protection of workers is based on a robust regulatory framework, headed by the Employment Contract Law No. 20.744, which establishes fundamental rights related to decent working conditions, working hours, remuneration, leave and protection against arbitrary dismissal. In this context, the HZ Group develops its operations in Pilar in compliance with current labor and occupational health and safety legislation, guaranteeing formal employment, safe working conditions and comprehensive coverage for its employees. Likewise, it maintains labor relations governed by collective agreements and respects freedom of association.

#### 4.2.a.i Human Resources Policies and Procedures

The HZ Group has a solid and formalized framework of Human Resources policies and procedures. This framework covers structured processes for selection, evaluation and talent development, based on objective criteria and standardized tools (psychotechnical, potential and 360° feedback *assessments*)<sup>7</sup>, as well as a comprehensive performance management system that combines the fulfillment of objectives and the evaluation of behaviors aligned with the Group's values and strategy. The policies also regulate key aspects such as employment conditions, compensation, internal equity, professional development, succession planning and confidentiality of information, with responsibilities clearly assigned to the Corporate Human Relations Management and the leaders of each unit.

#### 4.2.a.ii Working Conditions and Terms of Employment

The Company's working and employment conditions are governed by current labor legislation, applicable collective agreements and internal Human Resources policies, guaranteeing formal contracts, regulated working hours, remuneration in accordance with legal and conventional frameworks, and access to corresponding social security and welfare benefits. The Company ensures adequate health and safety conditions at work, internal communication mechanisms, and transparent processes for performance management and professional development. Regarding the termination of the employment relationship, this is carried out in accordance with applicable regulations, respecting workers' rights regarding notice, compensation and final settlement.

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<sup>7</sup> 360-degree feedback is a performance evaluation and professional development tool that consists of gathering insights from multiple sources that interact with an employee in the work context. Unlike a traditional evaluation conducted only by the hierarchical superior, 360 feedback includes opinions from managers, colleagues, subordinates, internal or external clients, and also the self-assessment of the person being evaluated.

#### 4.2.a.iii Workers' Unions

The Company maintains an institutional and structured relationship with trade union organizations, based on respect for freedom of association, permanent dialogue and compliance with current collective labor agreements. In Argentina, labor relations management is carried out through the Labor Relations area and includes the formal relationship with the Graphic Union, the Federation of Workers and Employees of the Paper, Cardboard and Chemical Industry (including the Manufacturing and Warehouse agreements) and the Argentine Union of Rural Workers and Stevedores (UATRE), for the forestry and agricultural-livestock agreements. All plants have active union representation, internal commissions and designated delegates, and working and wage conditions are governed by applicable collective agreements.

#### 4.2.a.iv Non-Discrimination and Equal Opportunities

The Company implements actions and guidelines aimed at guaranteeing equal opportunities at all stages of the employment relationship, promoting a work environment based on respect, inclusion and non-discrimination. Within this framework, the HZ Group will reinforce, more explicitly, its equal opportunity practices, ensuring that recruitment, selection, promotion, training and remuneration processes are based on objective and transparent criteria, independent of gender, age, origin, social condition or any other personal characteristic.

#### 4.2.a.v Workforce Reduction

The HZ Group does not currently have a specific procedure for workforce reduction or for the closure of facilities. However, in the past, the Group has faced situations related to layoffs and the closure of a plant. In this context, the Group will prepare and implement a specific procedure for eventual closures or workforce reduction processes in the future, in accordance with international standards.

#### 4.2.a.vi Grievance Mechanism

The HZ Group has a formal grievance mechanism for workers that is accessible and confidential. This mechanism includes an external and independent complaints channel, managed by a third party, which allows employees to report in good faith concerns, complaints or possible breaches related to working conditions, health and safety, ethics and other issues, with guarantee of confidentiality and protection against retaliation. The channel is duly communicated and disseminated among workers and is part of the Group's ethics and integrity system.

Although the Group has a confidential, external complaints channel known to workers, the Client, for the Project: i) will formalize a specific procedure for the reception, management and closure of labor grievances; ii) will define clear response and resolution timeframes; iii) will establish mechanisms for recording, monitoring and documenting cases; iv) will ensure the accessibility of the mechanism for contractor and subcontractor workers; v) will reinforce feedback instances to the complainant and escalation options when the response is not satisfactory; and vi) will systematize dissemination actions and periodic training on the use of the mechanism. Likewise, the Client will develop GBV risk management procedures for employees in order to: i) strengthen existing grievance mechanisms; ii) ensure that adequate channels exist and are maintained to collect

GBV complaints; iii) provide training to employees; and iii) enable the management of any GBV complaint with a survivor-centered approach.

#### 4.2.b Labor Protection

The HZ Group promotes solid labor protection based on strict compliance with current legislation. Likewise, it implements formal policies and systems regarding occupational health and safety, risk management, decent working conditions, fair compensation and professional development, complemented by wellness programs, continuous training and open communication.

##### 4.2.b.i Child Labor and Forced Labor

The HZ Group maintains zero tolerance for child labor and forced or compulsory labor in all its operations and throughout its value chain. The Group expressly prohibits any form of labor exploitation, employment of minors below the legal age, involuntary work, servitude, human trafficking or similar practices. Likewise, it requires its suppliers and contractors to comply with these same principles, promoting decent, legal working conditions that respect human rights.

#### 4.2.c Occupational Health and Safety

In Argentina, issues related to occupational health and safety are governed by a comprehensive legal framework that combines national laws, regulatory decrees and specific technical standards<sup>8</sup>.

The HZ Group has a formal and comprehensive occupational health and safety management system<sup>9</sup> applicable to all its units, which includes: i) the systematic identification of hazards and risk assessment by job position; ii) the definition and implementation of controls following the prevention hierarchy; iii) periodic training programs; iv) the provision and control of the use of personal protective equipment; v) the need to conduct environmental monitoring (noise, lighting, thermal load, chemical agents, electricity); vi) occupational medical surveillance requirements; vii) investigation protocols for accidents, incidents and occupational diseases; viii) procedures for internal audits and monitoring of performance indicators; ix) safety requirements for contractors and carriers: x) emergency and evacuation plans; xi) requirements for periodic drills; and xii) clear governance with defined responsibilities at the plant, management and regional Hygiene and Safety area level.

Nevertheless, for the Project, the Client: i) will adopt structured procedures for occupational risk management and occupational health medical control; ii) will conduct systematic evaluations of the health and safety system's performance, using indicators for both own and contracted workers, including accidents with and without lost time, lost days, frequency and severity, traffic accidents, fatalities and root cause analysis of serious events, with the definition of corrective actions; iii) will

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<sup>8</sup> Law No. 19,587 on Occupational Health and Safety, which establishes basic conditions for safety, hygiene, and work environment applicable to all activities; Decree No. 351/79, which details technical requirements on ventilation, lighting, noise, handling of hazardous substances, equipment, and building conditions, primarily for the industrial sector; Decree No. 911/96 for the construction industry; and Law No. 24,557 on Occupational Risks, which structures the system for prevention and coverage of accidents and occupational diseases through Occupational Risk Insurers ("ART"), including obligations for training, risk monitoring, and provision of personal protective equipment. Supervision and enforcement correspond to the Superintendence of Occupational Risks ("SRT") and the Ministry of Labor.

<sup>9</sup> Corporate Occupational Health and Safety Procedures (PG-SSO-01), those for risk identification and assessment, those for investigating safety events, and regulations applicable to contractors, carriers, visitors, and industrial operations.

strengthen the systematic and documented participation of workers in risk identification, control evaluation and monitoring of preventive measures; iv) will ensure fully equivalent coverage of health and safety mechanisms for contractor and subcontractor workers, including specific training and continuous supervision; v) will strengthen the integration between occupational risk management and emergency response plans for the new plant; and vi) will consolidate documentation and traceability of continuous improvement, with explicit health and safety performance objectives and targets at the plant level.

#### 4.2.d Provisions for Persons With Disabilities

In line with the corresponding<sup>10</sup> legislation, the HZ Group's human resources and human rights policies contemplate principles of diversity, inclusion and equal opportunities, including the promotion of hiring, retention and development of persons with disabilities, in coherence with its corporate sustainability approach. The Group promotes a work environment based on respect, non-discrimination and valuing diversity, integrating these guidelines into its selection processes, talent management and professional development, and fosters internal awareness, training of leaders and teams on inclusion issues, and progressive review of working conditions to ensure accessibility, reasonable accommodations and equitable conditions.

#### 4.2.e Workers Hired by Third Parties

In general terms, the Argentine regulatory framework regarding occupational health and safety and labor protection is quite robust. In this context, the HZ Group has established specific and formalized procedures for workers hired by third parties, applicable to contractors, subcontractors and transporters operating at its facilities. These procedures include mandatory requirements prior to entry (submission of legal documentation and occupational risk insurers ("ART") or equivalent insurance, approved safety programs, training and technical competence), induction in occupational safety and health, access control and mandatory use of personal protective equipment ("PPE") appropriate to the risks of each task. Likewise, the preparation and compliance with safe work procedures is required, permits for special risk tasks (work at height, electrical work, confined spaces, hot work, among others), permanent supervision by the person designated by the HZ Group and adherence to the emergency and evacuation plans of each plant. Safety performance is monitored during the execution of work, and in case of non-compliance, the adoption of corrective measures, suspension of tasks or termination of the contractual relationship is foreseen, thus reinforcing the protection of the health and safety of all workers operating at its facilities, regardless of their direct employment relationship.

#### 4.2.f Supply Chain

The Client will implement a labor due diligence approach in the supply chain, which will include the identification of critical suppliers, the incorporation of labor and health and safety criteria in procurement processes, the requirement of compliance with current labor legislation, the express prohibition of child and forced labor, and the application of monitoring, audit and corrective action mechanisms when non-compliance is identified. It will also ensure that grievance and communication mechanisms are also accessible to workers in the value chain and will promote the

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<sup>10</sup> Law No. 22,431, which promotes labor inclusion of persons with disabilities, and Law No. 26,378, which incorporates the Convention on the Rights of Persons with Disabilities into the national legal system.

progressive strengthening of its suppliers' capacities, in order to mitigate risks, prevent negative impacts and ensure fair and safe working conditions throughout the entire Project supply chain.

### 4.3 Resource Efficiency and Pollution Prevention

#### 4.3.a Resource Efficiency

The HZ Group manages efficiency in the use of water and energy resources, with emphasis on process optimization, consumption control and reduction of associated environmental impacts. For the new plant, the electricity supply will be provided by Edenor<sup>11</sup> and natural gas by Naturgy<sup>12</sup> with an estimated consumption of approximately 750 MWh/month of electricity and 150,000 m<sup>3</sup>/month<sup>3</sup> of natural gas by the year 2032.

The estimated energy consumption values for the new industrial corrugated cardboard production plant - approximately 750 MWh/month of electricity and 150,000 m<sup>3</sup>/month of natural gas - are considered adequate and coherent when compared with other industries in the same sector internationally<sup>13</sup>, although with reasonable margin for future improvements through the implementation of additional energy efficiency measures and advanced consumption management.<sup>14</sup>

#### 4.3.a.i Greenhouse Gases

The HZ Group has adopted recognized methodologies for the identification of the main sources of direct and indirect emissions, associated mainly with the consumption of energy, fuels and production processes.

However, the Client will prepare greenhouse gas ("GHG") emission inventories associated with the new industrial corrugated cardboard production plant, using an internationally recognized methodology, such as ISO 14064, in order to identify the main emission sources linked to both the construction phase and industrial operation, including electricity consumption, natural gas, thermal processes, equipment, input transportation and product dispatch. Likewise, it will establish structured internal procedures for the collection, management and monitoring of emissions data, ensuring their traceability and consistency, and will conduct a technical review aimed at identifying lower carbon intensity alternatives applicable to the plant, incorporating mitigation measures when necessary.

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<sup>11</sup> <https://www.edenor.com/>

<sup>12</sup> <https://www.naturgy.com.ar/>

<sup>13</sup> According to industry benchmarks, modern medium to large corrugated cardboard plants typically have monthly electricity consumption in the range of 600 to 1,200 MWh, while natural gas consumption, mainly associated with steam generation and thermal processes of the corrugator, typically ranges between 120,000 and 200,000 m<sup>3</sup>/month<sup>3</sup>, depending on technological and operational efficiency.

<sup>14</sup> FEFCO & RISE (2024). Best Practice Handbook for Improved Energy Efficiency - <https://oxmaint.com/industries/delivery-operations-management/box-plant-energy-efficiency-improvement-guide>; International Energy Agency (IEA). Pulp and Paper – Tracking Clean Energy Progress - <https://www.gmpapermachinery.com/Optimizing-Energy-Use-in-High-Capacity-Corrugated-Paper-Production>; U.S. EPA – ENERGY STAR. Energy Performance Indicators for Pulp, Paper and Paperboard Mills - [https://energy.greenbusinesscentre.com/mv/papertech/assets/doc/Best\\_Practices\\_Manual\\_in\\_Paper\\_sector\\_Vol\\_12.pdf](https://energy.greenbusinesscentre.com/mv/papertech/assets/doc/Best_Practices_Manual_in_Paper_sector_Vol_12.pdf); Texas A&M Energy Systems Laboratory. Energy Use in Corrugated Cardboard Manufacturing - <https://oaktrust.library.tamu.edu/items/3a6d576d-7008-4ef6-b3e9-c298310de7e4>

#### 4.3.a.ii Water Consumption

The HZ Group manages water consumption under an approach of responsible and controlled use of the resource, in line with its sustainability strategy and with applicable regulatory requirements. In the case of the new plant, water supply will be carried out through four wells, all subject to the corresponding regulatory approval, which will ensure an autonomous and controlled supply. Water used in industrial operations will be primarily destined for sanitary services, equipment cooling, cleaning and auxiliary processes, prioritizing efficiency in use and prevention of waste.

#### 4.3.b Pollution Prevention

Given that the Project is located on an industrial site where converting-type manufacturing activities *were* previously carried out (mainly oriented to the production of feminine protection articles and wet wipes, with associated infrastructure for fuel storage, chemical substance handling, liquid effluent treatment and waste management), the Client developed an Environmental Liabilities Study whose results indicated contaminant concentrations below the limits of reference values.

Although the Project will require obtaining environmental <sup>15</sup>certificates and permits that usually contain specific measures to prevent pollution, the Client will develop formal environmental monitoring programs that will cover atmospheric emissions, liquid effluents, waste, noise and critical equipment conditions. These programs will incorporate periodic monitoring, technical audits, source segregation, documentary traceability and verification of final disposal through authorized operators.

#### 4.3.b.i Waste

The Project will generate non-hazardous waste (cellulosic discards, cardboard, recyclable plastics, wooden pallets, metal scrap, rubble and waste similar to household waste), which will be recycled internally or sent to authorized recyclers, and special and hazardous waste of flammable nature, associated with printing, gluing and maintenance operations (ink and solvent residues, contaminated rags and materials, adhesives, used oils, cleaning liquids, batteries and contaminated empty drums).

The management of this waste will be carried out through documented procedures, which contemplate segregation at source, temporary storage in designated areas, registration and traceability through official manifests, and collection, treatment and final disposal through authorized operators, in compliance with current environmental legislation and with obtaining the corresponding certificates. Likewise, the Client will evaluate opportunities for minimization and source reduction, recycling and recovery beyond operational aspects, with consolidated quantitative indicators on waste generation per production unit that allow monitoring performance and continuous improvements.

The effluents generated in industrial operations - mainly sanitary effluents and liquid effluents of industrial origin - are identified and segregated according to their nature, and managed through adequate treatment and control systems before their final disposal. The Group will implement periodic monitoring of relevant parameters, maintain records and ensure compliance with the limits

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<sup>15</sup> Including the Atmospheric Gaseous Emissions License, the Environmental Fitness Certificate, authorizations for industrial waste management, and permits for discharge and use of groundwater.

established by current legislation and applicable authorizations, evaluate operational practices to prevent spills, reduce pollutant load at source and guarantee safe management during normal and emergency situations.

#### 4.3.b.ii Management of Hazardous Materials

In the production of corrugated cardboard, various auxiliary chemical products are used such as starch-based adhesives (generally from corn, wheat or potato), which are used to join the layers of paper (liner and medium). In the printing stages, water-based inks are used, which contain pigments, resins and additives, prioritized for their lower environmental impact compared to solvent-based inks. Likewise, synthetic adhesives are used, as well as maintenance and cleaning chemical products, additives for paper treatment (antimicrobial agents, antifoaming agents and pH regulators), in addition to lubricants and industrial oils for machinery operation.

The HZ Group will implement a comprehensive hazardous materials management system based on the identification, evaluation and control of risks throughout their entire life cycle. The chemical substances used in production processes will be inventoried, classified and labeled in accordance with the Globally Harmonized System (GHS)<sup>16</sup>; they will have Safety Data Sheets ("SDS"), and will be stored in adequate areas, with signage, secondary containment and spill controls. The Client will establish operational procedures and work permits for safe handling, require specific training and use of PPE, and conduct periodic environmental monitoring.

#### 4.3.b.iii Use and Management of Pesticides

The use of pesticides by the Project will be limited, occasional and mainly related to the maintenance of green areas and vegetation control.

### **4.4 Community Health and Safety**

#### 4.4.a Community Health and Safety

The HZ Group addresses community health and safety issues through a preventive and risk management approach, aimed at avoiding, minimizing and controlling the potential impacts of its operations on the environment and neighboring population. In this regard, the Company identifies and evaluates the risks associated with vehicle traffic, material handling, emissions, noise and emergency situations, and implements operational and administrative control measures to reduce third-party exposure. The plants have emergency response plans, communication systems and coordination with local authorities and emergency services.

#### 4.4.a.i Design and Safety of Infrastructure and Equipment

The industrial facilities of the HZ Group are designed and operated considering criteria of structural safety, area organization, risk segregation, adequate signage, access control, fire safety (active and passive networks, evacuation plans, periodic drills and audits of critical systems) and other

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<sup>16</sup> The Globally Harmonized System of Classification and Labelling of Chemicals ("GHS") in Argentina is a mandatory standard for communicating the hazards of chemical products, with the objective of increasing safety at work, in transport, and in use.

emergencies, as well as the incorporation of collective protections, safety devices in machinery and emergency stop systems.

The equipment and infrastructure are subject to inspections, preventive and corrective maintenance, and their operation is regulated by safe work procedures and personnel training.

For the new plant, this approach will be reinforced by incorporating, from the design phase, a specific risk analysis for community safety, ensuring that the infrastructure, equipment, internal circulation systems and logistics scheme do not generate undue risks for neighboring communities. The HZ Group will also develop and implement a Road Safety Plan to identify and map intervention areas, surrounding uses and accesses, as well as evaluate impacts on traffic.

#### 4.4.a.ii Management and Safety of Hazardous Materials

The HZ Group will manage hazardous materials through: i) the identification, classification and control of chemical substances throughout their entire life cycle, in accordance with the Globally Harmonized System ("GHS"); ii) the availability of Safety Data Sheets ("SDS"); and iii) the storage of these products in adequate areas with secondary containment and corresponding signage.

The HZ Group, for the new plant: i) will prepare a community risk assessment; ii) will integrate these risks into the Emergency Response Plan, ensuring its articulation with the plans of the industrial district and local public services; iii) will establish clear information and communication procedures with the community in normal and emergency situations; and iv) will ensure that the design, operation and logistics of the Project incorporate preventive and mitigation measures aimed at protecting the surrounding population.

#### 4.4.a.iii Ecosystem Services

The Project will not generate material negative impacts on the services provided by the ecosystem.

#### 4.4.a.iv Community Exposure to Diseases

The potential risks of the Project on the health of third parties are considered limited, given that it is located in a consolidated industrial district, without residential communities or vulnerable groups in its direct area of influence. However, the Client will maintain coordination mechanisms with local health authorities and industrial district services for monitoring potential health risks or emergencies.

#### 4.4.a.v Emergency Preparedness and Response

At the corporate level, the HZ Group has implemented structured emergency preparedness and response measures with an explicit focus on protecting the safety of people and third parties, integrated into its management systems and the design, operation and maintenance of infrastructure. These measures include periodic auditing of fire protection systems, as well as technical verification of facilities and critical equipment associated with contingency scenarios. At the Project level, the Client will prepare and implement a specific Emergency Care and Response Plan, which will be consistent and fully articulated with the Emergency Care Plan of the Industrial District where the new plant will be located.

#### 4.4.b Security Personnel

The Project does not foresee the use of armed security. Security teams will work primarily on access control, support for property security and initial response to any emergency situation, with special attention to incident prevention and protection of workers and users. In the Pilar Industrial District, property security operates in a centralized and coordinated manner at the district level (controlled accesses, permanent surveillance posts, mobile patrols and monitoring systems through cameras covering internal roads and strategic points). However, the Client will prepare a set of codes of conduct and training for the security team.

#### 4.5 Land Acquisition and Involuntary Resettlement

The Project will not produce any type of physical or economic displacement of the population, since it will be implemented in an area previously occupied by another company, in an Industrial District, and without the presence of residents.

#### 4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Project will be implemented in an industrial district, in an area previously modified by anthropogenic activities.

The new corrugated cardboard plant will be supplied by raw materials with a high degree of control and traceability, given that approximately 80% of the reels used will be of recycled origin and will come entirely from the Index<sup>17</sup> unit of the HZ Group itself. Likewise, the Client promotes traceability throughout the value chain, including the complementary use of raw materials with sustainable origin, such as fibers certified by the *Forest Stewardship Council* ("FSC") and the *Program for the Endorsement of Forest Certification*<sup>18</sup> ("PEFC"). As part of its continuous improvement approach, the Group also promotes periodic evaluation of suppliers through audits, performance evaluations and internationally recognized reporting platforms, such as *EcoVadis*, *Sedex Members Ethical Trade Audit* and *Carbon Disclosure Project*<sup>19</sup>, in line with the requirements of clients and strategic partners.

#### 4.7 Indigenous Peoples

The Project will be implemented in an industrial district, in an urban area previously modified by anthropogenic activities. In this regard, it will not generate impacts on any indigenous population.

#### 4.8 Cultural Heritage

The Project will be implemented in an industrial district, in an urban area previously modified by anthropogenic activities. In this regard, it will not generate impacts on cultural heritage.

### 5. Local Access to Project Documentation

The documentation related to the project can be consulted at: <https://www.hzgroup.com.ar/pt/>

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<sup>17</sup> <https://www.hzgroup.com.ar/pt/negocios-2/papel-cartao-e-papeis/empresas/#>

<sup>18</sup> <https://br.fsc.org/br-pt> <https://www.pefc.org/>

<sup>19</sup> [https://ecovadis.com/pt:https://www.cdp.net/en;\\_y](https://ecovadis.com/pt:https://www.cdp.net/en;_y) <https://www.nsf.org/sustainability/supply-chain-sustainability/smeta-ethical-audits;>