



Nurturing a healthy life

# Annual Report 2024

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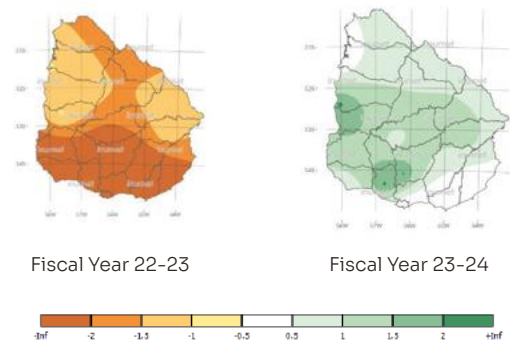
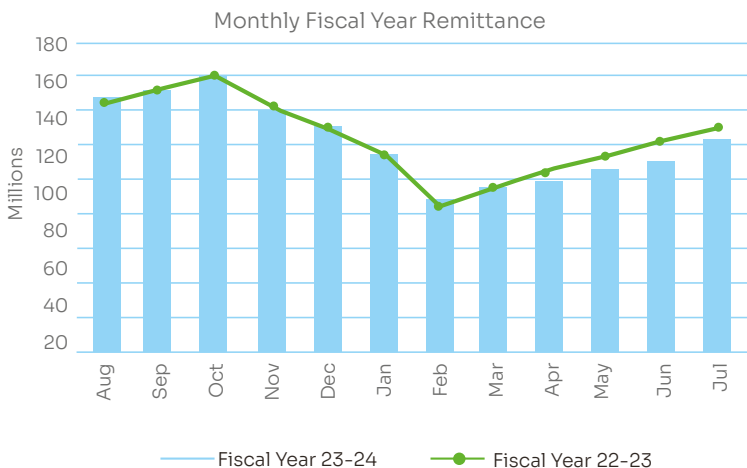
# Letter from the President

## Commitment and Ownership: The Path to a Sustainable Future



As a Cooperative, our success is based on the deep sense of belonging that represents each of our cooperative members, which has been decisive in facing and overcoming the challenges within the international context and the adverse effects of the climate.

The beginning of this year was struck by the consequences of the severe drought in fiscal year 22/23, to then later deal with excessive rainfall. The resulting effects caused considerable damage to our farms, affecting both production capacity and the health of our livestock. The conditions held an impact on grazing, limited access to quality forage, propitiated disease development on herds and, also increased livestock stress. The situation led to a significant loss of production in the fall and early winter, leading to the implementation of measures set out to mitigate the impact generated by the loss of production through the role of Prolesa as a supplier for our producers, even so, the negative impact was substantial for the company.



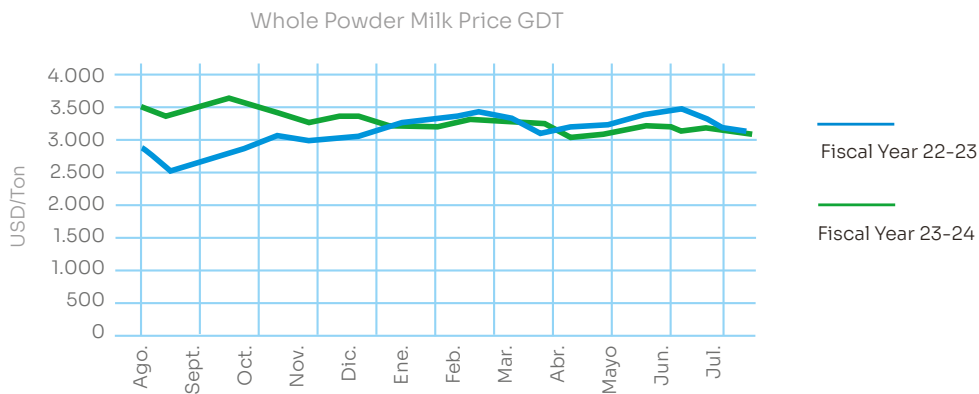
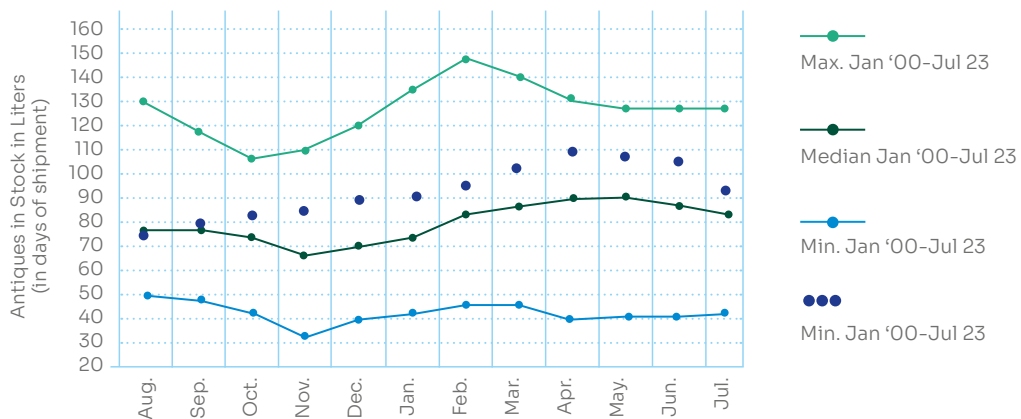


On the other hand, the international market also came with considerable challenges. Global geopolitical tensions and the increase in China’s milk production led to a substantial drop in the price of our main export product during the first months of the year. This affected our main business line, while remission grew seasonally. The new reality propelled us to allocate a larger proportion of our milk to developing markets thus turning around the loss of a large market into profit, beyond marketing in the other main destinations for our products.

In the second half of the fiscal year, international prices rose. However, at that point production was already suffering from ex-

cess rainfall (1) and flooding, harshly impacting upon the economy of our producers and the chain’s operating efficiency.

Throughout our history, our Cooperative and its producers have faced adverse events over time, and in all cases we overcame the difficulties and got back on track, but not without personal costs. We have always followed the course of working with earnestness and professionalism, taking our farmers, external and internal clients into account. **We are guided by the principle of feeding the world healthy goods, based on productive practices that respect the environment and society, with the highest quality standards of the industry.**



(1) Up to March, the accumulated growth for the first eight months of the fiscal year was 1.5%, and then fell in the last 4 months to an average of 10% per month, leading to a 2.26% drop in the remission for Fiscal Year.23/24 (July/24).

In this framework, within the **Sustainable Dairy Farm Program (Tambo Sustentable program)**, we focused our efforts on soil and biodiversity management, as well as on the search for new animal welfare practices, and continued with the Grass Fed certification, which encompasses more than 90% of our cooperative members. In addition, as part of **the program to improve margins and production efficiency**, we have succeeded in increasing the number of producers to apply our management tools (Competitive Production, Costs, FOSAPP). This provides them with timely access to economic, financial, productive and reproductive information thus enhancing effectiveness in decision-making practices.

Given the challenging and volatile environment presented to our daily reality, mainly caused by international market fluctuations, the chain's capacity to adapt timely to new scenarios is essential. This has been possible due to the persistent support of our cooperative members, plus the experienced professionalism at all levels across the Cooperative. Without the dedication, commitment and leadership of our producers', and our company's ability to successfully implement industrial and commercial processes and practices, our continuous success could not have been sustained over time.

As part of our **mission to maximize the value of our milk**, we must not only offer the best sales prices and ensure the greatest operating efficiencies sustainably, we must also ascertain that all investments generate a positive impact on the chain. These

investments require long-term financing available at all times so that these projects can be implemented and develop to their full potential. At the Cooperative, we overcame this situation years ago thanks to our close relationship with IFC (2002) and the Capital Markets (Conahorro issues 2009). This successful experience is being transferred to our farmers through the Financial Trust for the Investment of Dairy Farms FFIEL, now in conjunction with BROU (Bank of the Oriental Republic of Uruguay), a tool destined for sustained growth.

The FFIEL, developed between Proleco and Conaprole, seeks to capture the terms (+10 years), and the best financing conditions available in the Capital Markets or in development financial institutions, and allocate it to profitable investments or to strengthen inadequate financial structures (financial short or medium-term debt concentration) of our farmers, regardless of their production scale.

Finally, our progress in strengthening the Cooperative's image with the construction of our new corporate headquarters, which adds value while maintaining the building heritage through transformation and change. The new headquarters will be smart and sustainable, and scheduled for completion in 2025. Advanced technology has been incorporated for detailed monitoring of the project, including real-time exchange software with the on-site team.

Throughout these challenges, the commitment of our Cooperative has been a constant. **Our members' adeptness to find solutions in difficult times is a testament**

**to the effort, capacity and strong sense of belonging to our Cooperative.** As we look to the future, we hold an optimistic outlook, convinced of our ability to adapt and thrive, regardless of external circumstances.

With the unwavering support of our members and our team, we will continue to work with passion and determination to build a more sustainable and prosperous future for all.

A handwritten signature in dark blue ink, appearing to read 'Gabriel Fernández Secco'.

**Gabriel Fernández Secco**  
President

# Letter from the CEO

## Resilience and Continuous Transformation: Strategies in Times of Uncertainty

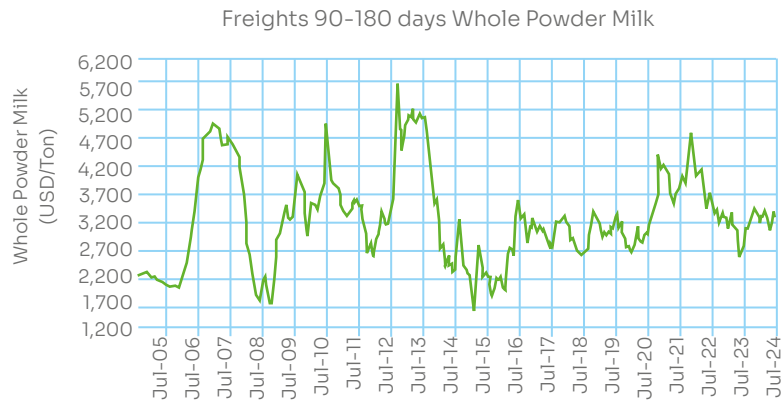


**Fiscal year 23/24 was particularly challenging and once again tested our resilience and capacity to adapt.** In the first months, Conaprole faced a sharp drop in the international price of its export products, which exacerbated a trend that had been going on since FY 21/22, and forced us to adjust downward the price of milk to the producer, together with a strict cost reduction plan. This drop in income, added to the negative climatic events that affected the volume and cost of production (drought of 2023 and excess rainfall from April to July), led

producers to increase their indebtedness to sustain their farms.

**At the export level:** the fragile geopolitical context, marked by tensions between the United States, Taiwan and China, the war between Ukraine and Russia, and the Israeli-Palestinian conflict, added further complexity to our operation. The Red Sea crisis at the end of 2023 forced the diversion of routes, increasing transit times and creating global congestion that restricted available capacity and raised freight rates. In addition, the entry into full force of the Free Trade Agreement between New Zealand and China (January 24), which fully tax-deducted trade between these countries, thus limiting our competitiveness in a market that we had been developing. **In response to these events, we redoubled our efforts to strengthen relations with other markets, and incorporate new clients, achieving a desirable expansion as we successfully sold to 71 countries, resulting in 11 more markets than the previous year.**

**A new world: dynamic, changing and unpredictable, and where a clear course strategy is the differential component for value generation.** This allows us to maintain our focus on the diversification of products and markets/clients, striving to be a supplier of top-quality products, while offering reliability and commitment to sustainability. The objectives set out led us to boost the use of our third drying tower in Ciudad Rodriguez, for the production of dairy ingredients. Maximizes the return on our investment and



provides high added value for our partners.

**Sustainability:** We have a strong commitment to sustainability and to future generations. In this respect, we support initiatives such as the “Tree Project”, which involves planting trees on our producers’ farms. The aim is to mitigate GHG emissions by capturing CO<sub>2</sub> and improving the efficiency of milk production by providing shade and shelter to the productive herd.

**The domestic market:** Where we sell to end clients is an essential value in the milk price equation, thus promoting constant innovation and transformation. This year we were awarded as **the most chosen Uruguayan company to work for by an international consulting firm**, a recognition that motivates and increases our responsibility with our work teams. We continued with **the “First Things First” campaign**, directed to informing on our portfolio of functional milks, and **the importance of milk consumption as a superfood with unique nutrients throughout all stages of life.**

**Our pillars for further growth:** As the main private company in the country and the first exporter in Uruguay, our commitment is aimed at quality, innovation, technology, efficiency, healthy food and sustainability. These herald competitive advantages to provide the best for our producers, clients,

investors and collaborators. **In recognition of our years of hard work, backing up our successive improvement plans with facts, we have achieved the AAA (UY) Risk Rating.** This is the highest rating for a company in Uruguay. We are also the only company comprised of domestic capitals to have achieved this goal in the country.

**Facing the future with proactive optimism:** With the conviction that, despite the challenges and complexities, we hold a clear roadmap, and have proven our great capacity to adapt and execute the operation effectively. **Our strategy of continuous transformation will enable us to continue adding value and prosperity for all our clients.** We are deeply grateful to all our employees, producers and clients for their trust. **Together, we will continue to move forward with the conviction that obstacles are viewed as the energy force to build a better, stronger and more sustainable future.**

**Gabriel Valdés**  
CEO







# 01

## **Building a Sustainable Future**

- Our Cooperative
- Sustainability of the business

# Our Cooperative

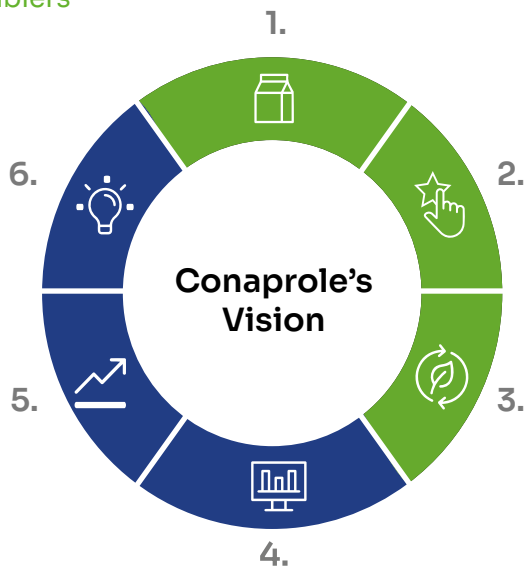
**We are one of the world’s leading dairy food companies and the leading dairy exporter in Latin America. With an outreach to more than 70 countries thus consolidating our global presence in the market.**

We ensure that we meet the highest quality standards in our raw materials, processes and products and build a production model that respects the environment and contri-

butes to the well-being of communities to create sustainable value.

Our strategic vision 2025/26 is the roadmap that defines where we are headed and how we plan to achieve our goals, based on short, medium, and long-term objectives. These are the 6 pillars that support our strategy aligned with sustainable development.

## Enablers



1. Strengthening of our producers.
2. Development of talent and of the Organization.
3. Sustainable practices to the environment and society.
4. Sustained growth in the international and domestic markets.
5. Expansion in new businesses and digital tools.
6. Profit margin optimization

## Value creation sources

## Conaprole in the World

We are continually evolving to adapt to the demand of our international customers, standing out in a market that requires innovation, quality and sustainability. This direction towards excellence, coupled with the efficiency of our production chain and our continuous focus on the client, positions us as a reliable and strategic supplier. Due to these qualities, we are a key partner for well know multinational brands and leading companies in the industry.

### Our Portfolio of Ingredients:

- Whole milk powder: Instant. High Heat HS, Medium Heat
- Fortified with vitamins, minerals, others
- Infant grade
- UHT

### Specialized nutrition:

- Dairy substitutes
- Blends for industry
- Healthy living



# +70

global destination outreach of our products

# 1<sup>st</sup>

Exporter of Uruguay

# 1<sup>st</sup>

Dairy exporter in Latam

# 6%

Share of World Milk Powder Market (2nd in Brazil and Algeria, 3rd in China)

# 170,000

tons of exported products

# +80%

of our milk is exported overseas



Rodríguez Industrial Complex


## Main Export Markets



 Commercial offices

 Markets

## Main Export Products

 **79%** Ingredients  
(Whole and skim milk powder, formulas)

 **9%** Butter

 **7%** Cheeses

 **2%** Whey

 **3%** Others



## Conaprole in Uruguay

Rated by Uruguayans as the most highly valued private company in the country, our responsibility is dedication and commitment whilst maintaining excellence and continuous improvement to serve our customers accordingly. We have been bringing innovative and quality products to families and accompanying generations for 88 years.

Milk, with its exceptional nutrients, is an essential pillar in our target of promoting healthy eating throughout all stages of life.

Learn more  
about our  
history in:



### Our Domestic Market Products

Colet

  
Bio Transit

  
conamigos  
PUDDING

Vital+

  
HELADOS  
Conaprole

  
Lowcol

  
MAXIMA

Biotop

  
YOPROLE

  
QUESOS  
Conaprole

  
Viva

Blancanube

DULCE DE LECHE  
Manjar

ALPA

Kasdorf

New:

  
Polar  
food

Learn more





Rodríguez Industrial Complex



Milks



Yoghurts



Juices



Desserts



Frozen products



Ice Cream



Cheese



Dulce de Leche



Others

See all our products in:



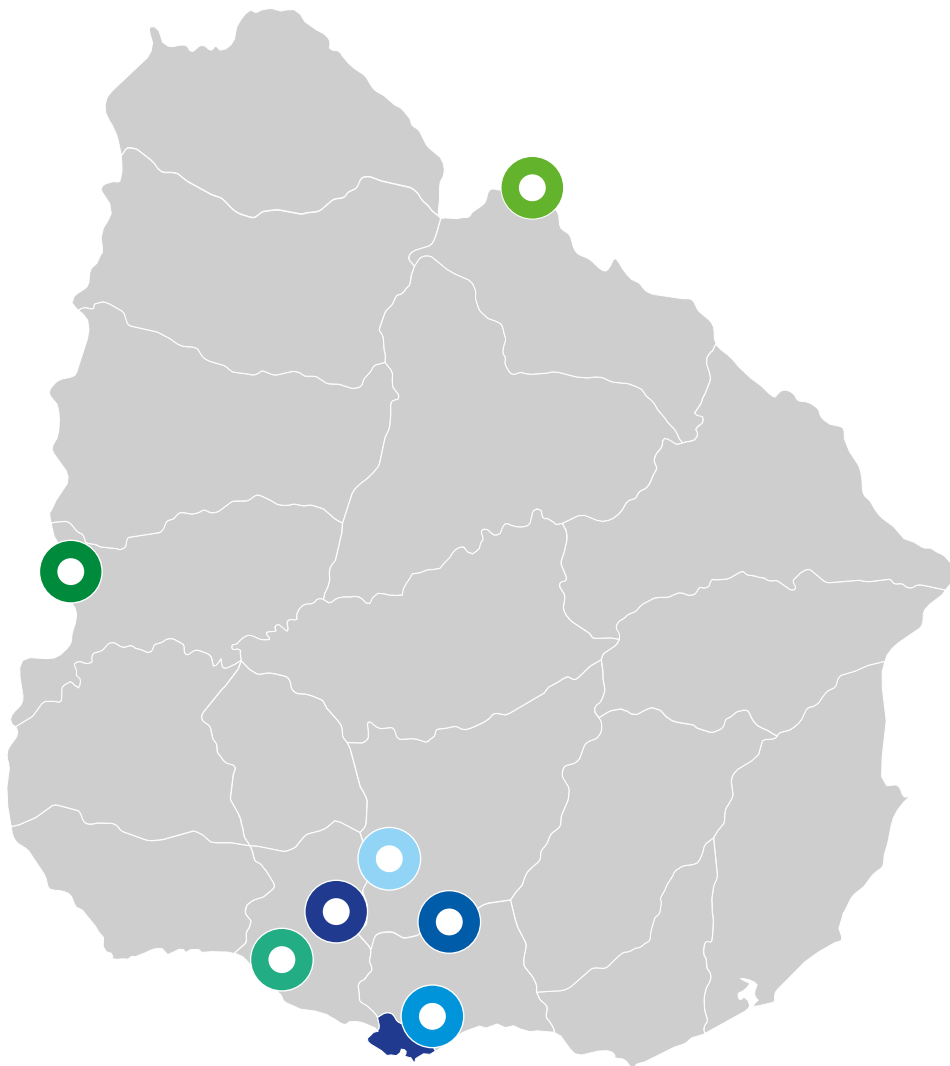
## Our Facilities

**Corporate Headquarters:** Montevideo

**7 Industrial Plants :**

- Ciudad Rodríguez (CIR), San José
- San Ramón (CISR), Canelones
- Montevideo (CIM), Montevideo
- Florida (CIF), Florida
- Rincón del Pino, San José
- Rivera
- Mercedes, Soriano

**1 Innovation and Quality Center:** Montevideo (CIC), Montevideo



## Value Creation Model

By means of responsible management and supported by an Integrated Management System, we ensure the quality and sustainability of the entire production process to reach millions of consumers around the world.



### Dairy Production

**1,500** dairy farms  
**+ 250,000** cows  
**72%** of the country's milk  
**1,464** MM liters of milk



### Industry

**2,104** employees  
**1,773** Suppliers – 89% domestic  
**+ 230** MM USD in purchases from suppliers



### Dairy Farm Collection

**+ 427,000** collections  
**134** tankers  
**+ 13** MM Km travelled





### Commercialization

+ **957** MM de USD in revenues



### Warehouses and Distribution

**3** company warehouses  
**5** leased warehouses  
**+ 300** trucks  
**78** distributors

See more about  
**Dónde reciclo**  
 program:



See more about  
**Plan Vale** program:



### Exports

+ **582** MM USD in revenues  
 + **70** destinations  
 + **300** clients served  
 + New products



### Domestic Market

+ **300** Large clients: Supermarkets,  
 official and industrial institutions  
 + **300** SKU  
 + **375** MM USD  
 + **24,000** points of sale



### Post Consumption

Sustainable **Commitment** programs:

- **Dónde reciclo**
- **Plan Vale**
- **Reciclando gana el planeta y ganás vos**







# Sustainability of the Business

During 2022-2023 fiscal year, we developed **our first dual materiality analysis** that allowed us to classify the main risks and opportunities - current and aspirational - of the business, understand and map our most significant impacts on the economy, the environment and people.

## Environmental Axis

- Climate Change Risks and Opportunities
- Water Management
- Energy Management
- Waste Management and Circular Economy
- Sustainable Agriculture and Biodiversity

## Social Axis

- Commitment to the Team
- Safe and Healthy Products
- Product Accessibility and Affordability
- Client Experience and Satisfaction
- Involvement in Community Development

## Economic and Corporate Government Axis

- Financial Performance and Profitability
- Cooperative Culture
- Sustainable Production System
- Ethics and Transparency
- Comprehensive Risk Management (ESG)
- Technology and Development
- Responsible Supply Chain Management

## 2024-2025 Challenges: Strategy Review

Our Strategy 2025-2026 has been our dynamic roadmap thus far, guiding us in achieving our strategic objectives. As we approach our target horizon, it is time to evaluate our performance and review this strategy going forward.

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Interconnectedness: The ESG issues identified and categorized in this analysis are increasingly interconnected and can affect each other. For this reason, they should not be viewed in isolation, but as an integral part of the business strategy.

## Contribution to the United Nations 2030 Agenda

Our commitment to Sustainable Development Guidelines is shown by means of actions.

	2 ZERO HUNGER 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 
Climate Change Risks and Opportunities					
Water Management				6.4*	
Energy Management					7.2*
Waste Management and Circular Economy					
Sustainable Agriculture and Biodiversity	2.4*				
Commitment to the Team		4.4*	5.1*		
Safe and Healthy Products	2.2*				
Product Accessibility and Affordability	2.2* 2.c*				
Client Experience and Satisfaction					
Involvement in Community Development	2.1	4.4			
Financial Performance and Profitability					
Cooperative Culture					
Sustainable Production System	2.4* 2.a*				
Ethics and Transparency					
Integrated Risk Management (IRM)					
Technology and Development					
Responsible Supply Chain Management					

(2) The asterisk (\*) highlights those goals on which we have the greatest impact.

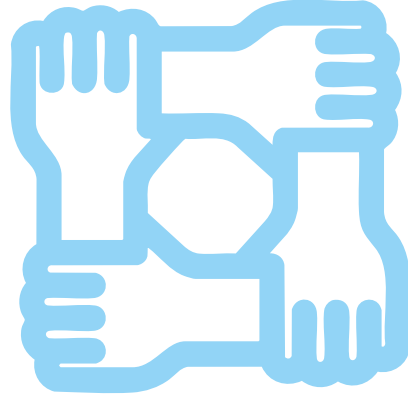
We contribute to and comply with 14 of the 17 SDGs and 33 of their targets, based on our knowledge and experience: bringing nutritious, tasty and safe products to families, encouraging healthy lifestyles, caring for our people and the environment, encouraging responsible and best business practices throughout our value chain and promoting community development <sup>(2)</sup>.

8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
					13.1*			
8.4			11.2	12.2 12.4 12.2				
8.8*		10.3*		12.3* 12.5* 12.4		15.3*		
	9.4* 9.5*							
				12.8			16.10	
8.2* 8.4*			11.a					17.17*
							16.6* 16.7*	17.17
8.3 8.7* 8.8*	9.4*			12.8			16.5	17.17
								17.15*
8.2* 8.4* 8.3	9.4*			12.8				

## Alliances for the **Productive Development of Uruguay**

Through these alliances, we seek to **enhance our impact** on the industry and work together toward a more prosperous future.

- National Milk Institute
- Uruguayan Exporters Union
- Chamber of Industries of Uruguay
- Uruguayan Dairy Industry Chamber
- Food Industry Chamber
- National Chamber of Commerce and Services of Uruguay
- Pan-American Dairy Federation
- Commercial Defense League
- Chamber of Advertisers of Uruguay
- Business Commitment for Recycling



In addition, we collaborate with the following **organizations** with which we share a commitment to community welfare:

- Perez Scremini Foundation
- Pereira Rossell Hospital
- Corazoncitos Foundation
- Teletón Foundation
- Food Bank of Uruguay

## Recognition and **Awards**

We once again received the **country's First Exporter Award**, consolidating our position as the largest dairy exporter in Latin America. This recognition, granted by the Banco de la República Oriental del Uruguay (BROU) and the Uruguayan Exporters Union, highlights the **continuous effort in supplying Uruguayan products of international quality to more than 70 countries.**



Exporter of the Country Award - Dec./2023





Once again, we were distinguished for the successful implementation of energy efficiency measures, with the delivery of the **Energy Efficiency Certificates granted by the Ministry of Industry, Energy and Mining**. This recognition is due to the actions taken to optimize the use of energy, including the change in the energy matrix at the Rodríguez Industrial Complex.

We received recognition as the **most outstanding Uruguayan company to work for, in the “Randstad Employer Brand Research 2024 (REBR)”**, presented by Randstad, a global leader in talent management.

In this edition, **we obtained third place**, being the first national company to receive this award. The study, conducted among 75 of the largest companies in 32 countries, measures the attractiveness of major employers in each country. This place in Uruguay’s ranking reflects our **sustained commitment to the well-being of our workers**.



Industrial biomass boiler – Rodríguez Industrial Complex









# 02

## Corporate Governance and **Producers**

- Cooperative Culture
- Ethics and Transparency
- Financial Performance and Profitability
- Sustainable Production System
- Responsible Supply Chain Management
- Technology and Development

# Cooperative Culture

Committed to the values and principles guidelines of our Cooperative, as well as to our Mission and Vision, we are engaged to manage our operations with the clear purpose of meeting our key objectives: To create sustainable value and strengthen the well-being of our members.

## Mission

Maximize the value of our milk by providing innovative, quality and healthy products for our customers worldwide.

## Vision

To be the leading company in Latin America with global outreach in dairy foods of excellence, and creating sustainable and positive impact on people and the environment.

## Values

- Innovators
- Efficient and Effective
- Proactive
- Resilient
- Transparent
- Teams
- Committed

# Corporate Governance

Our organization chart is as follows:

## I) Board of Directors

This is the Management and Administration body, made up of five members elected every five years by the cooperative members by secret ballot in elections supervised by the Uruguayan electoral system (Electoral Court).

## II) Farmers' Assembly

Its functions are consultative or advisory. It is composed of twenty-nine producer members elected simultaneously with the Board of Directors.

## III) Fiscal Committee

Its functions include the analysis of compliance with laws and regulations, financial statements and bond issuance projects. It is composed of three producer-partners elected simultaneously with the Board of Directors.



## Board of Directors



**Gabriel Fernández Secco**  
President<sup>(1)</sup>



**Alejandro Pérez Viazzi**  
Vice President



**Juan Parra**



**Daniel Laborde**



**Álvaro Lapido**

## Duties

- Determines the Price of milk to be paid
- Defines the investment program and its financing
- Performs management follow-up
- Approves the annual budget and balance sheet
- Approves employee transfers and compensation

48 meetings in the last period.

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<sup>(1)</sup> The president does not hold an executive position.

## Selection of the Board of Directors

- Four members correspond to the most voted list, and the fifth to the second most voted list, provided it represents more than 10% of the total valid votes.
- The last elections took place on December 10, 2021, and the new authorities took office in March 2022.
- They receive fixed compensation. These are not associated with the organization's profits.
- Decisions are taken by simple majority, except for specific provisions.
- The quorum required is 4 members of the Board of Directors, except in cases requiring the totality of the Board of Directors.

## Farmers' Assembly

- Composed of 29 members.
- Meetings at the request of the Board of Directors or ten members of the Assembly.
- The quorum required for a meeting is half plus one of its members.
- It must meet at least once a year to consider the annual report and balance sheet presented by the Board of Directors, and may give its approval with an absolute majority of those present.



2 meetings in the last period

## Duties

- Advise the Board of Directors.
- Approve the annual report and yearly balance sheet of the company.
- Exercise censure actions on the Board of Directors with the vote of two thirds of its members.



## Fiscal Committee

- Created by Article 40 of Law No. 17,243, Article 90 of Law No. 17,292 and Decree 241/03 of June 16, 2003.
- Composed of 3 members responsible for supervising the actions of the Board of Directors.
- There are no compensation mechanisms linked to the economic results of the organization for the members of the Fiscal Commission.

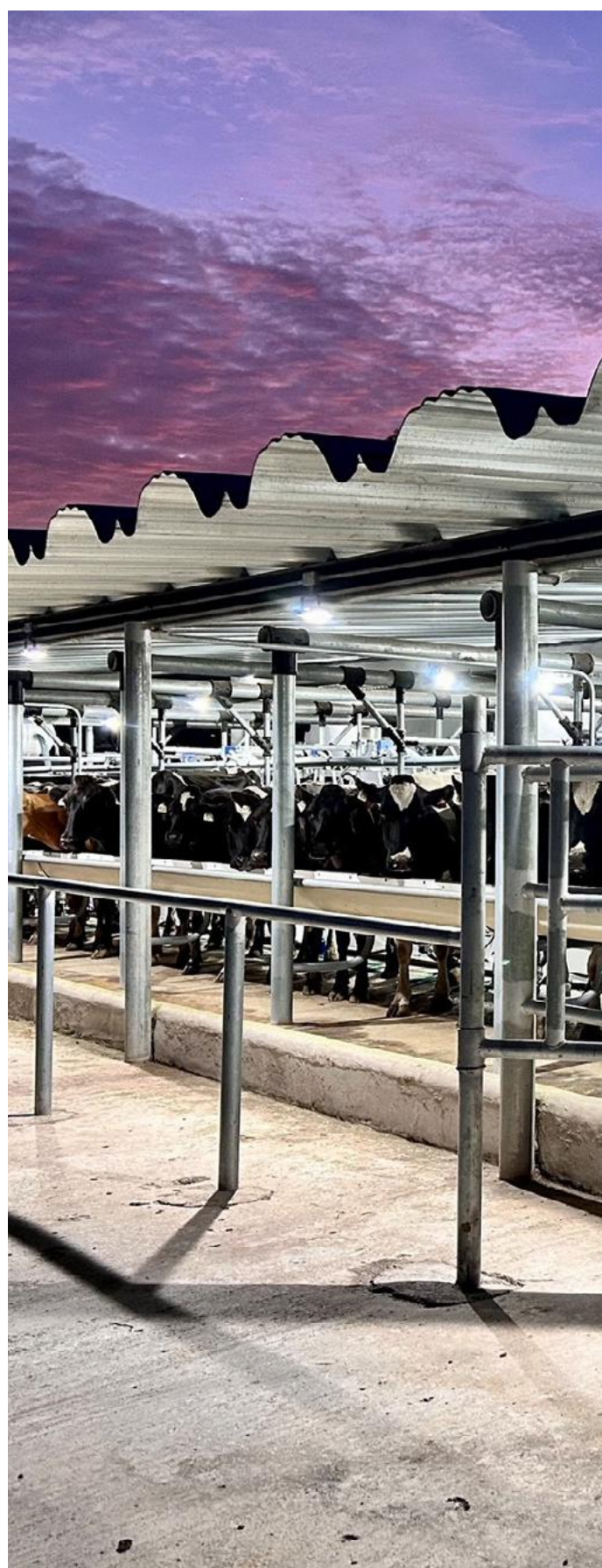
## 12 meetings in the last period

### Members

- Engr. Álvaro Vera
- Mr. Raúl Andiarena
- Mr. Alfredo Morales

### Duties

- Control the compliance according to the laws and regulations by the Administration
- Examine and issue an opinion on the Annual Balance, analyzing the corresponding documentation and request the pertinent reports.
- Provide the Farmers' Assembly with the information requested in relation to its competence.
- Issue non-binding opinions on projects for the issuance of Negotiable Obligations.



2nd mention photography contest 2024: Soutto Family Dairy Farm

## Audit and Supervisory Committee

There are no compensation mechanisms associated to the economic results of the organization for the members of this Committee.

## 4 meetings in the last period

### Members

- Mr. Gabriel Fernández Secco - *President*
- Mr. Alejandro Pérez Viazzi - *Vice president*
- Engr. Juan Parra - *Director*
- Engr. Álvaro Vera - *President of the Fiscal Committee*
- CPA. Virginia Torchelo - *Internal Audit Manager (Non-voting)*

### Duties

- Supervise the internal control system.
- Review and approve the annual plan and schedule of the Internal Audit area, as well as its degree of compliance and reports.
- To know all relevant financial and accounting information, reviewing in particular the External Audit reports and periodically evaluating compliance with the independence standards.
- To prepare quarterly performance reports to be submitted to the Board of Directors.
- Follow up on the recommendations made by the Internal Audit area and the External Auditors, focusing on the control weaknesses detected, in order to strengthen management's response in a timely manner.

- Propose to the Board of Directors the selection, appointment, reappointment and replacement of the External Auditors, as well as the conditions of their hiring, based on an analysis of their qualifications and independence.

### External Auditors:

Our financial statements for the year ended August 2023 - July 2024 have been audited by KPMG UY. In accordance with the requirements of the IESBA Code of Ethics for Accounting Professionals, we report that the audit fees for the Conaprole Group for the year ended July 31, 2024 amount to (values as of July 2022) \$3,181,500 plus VAT, which were adjusted by parametrics, taking into account variations in the exchange rate and the average private sector salary index. Additionally, during the fiscal year, KPMG UY has provided personnel recruitment services for \$UY 80,000.

## Operational Management Committees

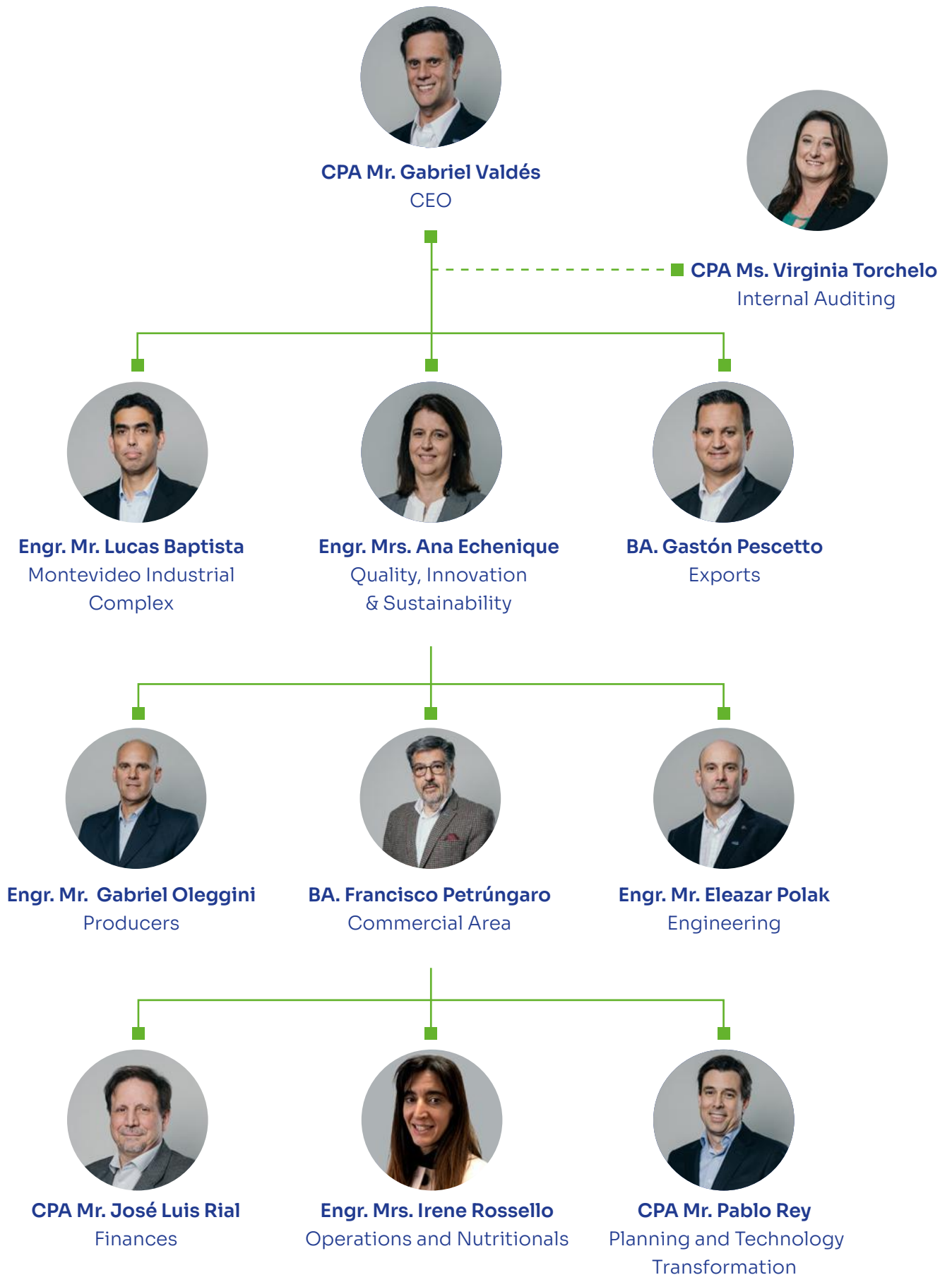
- Management Committee.
- Human Capital Committee.
- Industrial Projects Committee.
- S&OP, Commercial and Innovation Committee.
- S&OP, Export Committee.
- Quality and Food Safety Committee.
- Ethics Committee.
- Sustainability Committee.
- Safety Committee.

The **Sustainability Committee** is comprised by board members who actively participate in defining strategies and monitoring the management of environmental, social and economic impacts of the implemented initiatives.



3rd mention of photography contest 2024: Buceta Family Dairy Farm

## Organization Chart





## Industrial Plant Management



**Engr. Ms. Andrea Álvarez**  
Mercedes Industrial Plant



**Engr. Mr. Agustín D'Ángelo**  
Rincón del Pino Industrial Plant



**Mr. Alejandro Mac Eachen**  
Riviera Industrial Plant



**Engr. Ms. Victoria Fitipaldi**  
San Ramón Industrial Complex



**Engr. Mr. Gonzalo Senra**  
Rodríguez Industrial Complex



**BA. Mauricio Suárez**  
Florida Industrial Complex



Extended Management Workshop Jun./2024

100% of Management and Board  
are of Uruguayan nationality.

## Open and Transparent Communication with our Stakeholders

We seek to strengthen the credibility and trust of our stakeholders through effective communication, considering dialogue with all related people and organizations essential to know their interests and expectations. For each of them, we establish channels of dialogue and interaction, which allows us to diligently address any complaint or inquiry.

Groups of Interest	Answer to Expectations
Dairy Farmers	Improve their revenue and quality of life through an efficient management of the milk produced by all cooperative members.
Collaborators	Generate an excellent working environment that promotes each member's wellbeing and professional development.
Clients and consumers	Be the best possible option based on the valuable products generated. We act proactively and creatively to meet expectations with excellence.
Community	We undertake to create value with a view to contributing to social progress.
Suppliers and distributors	Consolidate bonds based on trust and mutual benefit to guarantee our success, based on transparent, honest and respectful relationships.
Government regulators and entities	Develop honest and respectful relationships, in line with our cooperative values.



# Ethics and Transparency

Our commitment to integrity, transparency, respect, teamwork and excellence is the basis for all our actions. These principles guide our interactions with stakeholders, supported by our Code of Ethics, which applies to all activities and business relationships.

## Ethics Committee

### Duties

- Oversee the application of the Code of Ethics and resolve concerns.
- Analyze and submit modifications or additions to the Board of Directors.
- Manage possible cases of corruption and take appropriate action.
- Receive and evaluate the annual Internal Audit reports on the Anti-Corruption Program.

### Members

- Mr. Gabriel Fernández Secco – *President*
- Engr. Mr. Juan Parra – *Director*
- CPA Mr. Gabriel Valdés – *CEO*
- *Human Capital Manager and/or Chief of Staff*
- CPA Mr. Alejandro Hernández – *Compliance Officer*

The Ethics Committee does not receive compensation associated to the company's economic results.

The Ethics Committee established that all persons covered by the Anti-Corruption Program must sign a conflicts of interest affidavit. In this fiscal year, 59 new forms were signed, bringing the total to 143.

At its last meeting, the Committee addressed issues related to the Anti-Corruption Program, including complaints received and the review of training plans for those included by the program.

## Anti-Corruption Program

As part of our **#Conaprole Attitude**, we work continuously to strengthen all aspects that guarantee transparency in all of our activities, in order to reinforce the trust of our employees, producers, customers, suppliers, the community and the Government. The Anti-Corruption Program includes a risk matrix, controls and a well-defined action plan.

See our **Anti-Corruption Program**



The Code of Ethics is actively communicated through contracts and e-mails, and is available both on the dairy portal for farmers and on the intranet for employees. We also send periodic communications and organize training for personnel who are part of the Anti-Corruption Program.<sup>(2)</sup>

100% of corporate governance members were informed about anti-corruption policies and procedures, and received specific training in this area.

## Anti-Corruption Reporting Portal

We have an **anonymous complaint reporting system**, accessible in several languages, so that any employee, producer, client, supplier or interested party can report possible irregularities. This system is available through various channels including the Code of Ethics, emails, our website, intranet and screens in our plants.

The Compliance Officer is responsible for implementing the Anti-Corruption Program, managing the informer channel, and effectively resolving any conflicts related to corruption.

Access to the **Reporting System**



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(2) 2,177 people (8% of total active staff as of 21/8).

## Commitment to Human Rights

We adhere to the principles of the United Nations Global Compact in advocacy and respect for Human Rights, according to the Board Resolution N°89,899 of 12/15/2020.

Our social performance has been evaluated according to the SMETA methodology, which reinforces our historical commitment to international best practices in Labor Relations, Business Ethics, Safety, Occupational Health & Safety, and the Environment. We are committed to fully respecting labor rights, ensuring the absence of child labor, forced labor or any form of discrimination, in strict compliance with local and national laws.

We maintain a solid system of labor relations based on continuous dialogue, both at the plant level and at the central and tripartite levels. We also have joint committees to address various issues, guaranteeing freedom of association and collective bargaining.



## Financial Performance and Profitability

We focus on continuous improvement of financial performance, to reach our maximum potential and increase organizational effectiveness.

<b>Direct economic value generated and distributed<sup>(3)</sup></b>	<b>2023-2024</b>	<b>2022-2023</b>
<b>Revenues</b>	<b>962</b>	<b>1.030</b>
Sales	957	1.044
Other income	1	2
Allowance for loan impairment	3	-16
<b>Purchases</b>	<b>-726</b>	<b>-806</b>
Milk and cream, freight, packaging materials and other raw materials	-573	-673
Energy, third-party services and other	-103	-102
Other	-49	-30
<b>Gross economic value generated</b>	<b>236</b>	<b>225</b>
<b>Depreciation, amortization</b>	<b>-29</b>	<b>-37</b>
<b>Net economic value generated produced by the entity</b>	<b>207</b>	<b>188</b>
<b>Economic value generated received in transfer</b>	<b>5</b>	<b>5</b>
Equity in income of subsidiaries	4	-4
Financial income	3	3
Other	-2	6
<b>Total economic value generated</b>	<b>212</b>	<b>193</b>
<b>Distribution of economic value generated</b>	<b>-119</b>	<b>-135</b>
Personnel - Direct compensation and social security costs	-116	-108
Government (taxes, fees and contributions)	-4	-4
Return on capital of third parties	1	-23
Interest	-4	-4
Other	5	-19
<b>Undistributed economic value</b>	<b>93</b>	<b>58</b>

<sup>(3)</sup> in MM USD.





**After 18 years in the capital markets, we obtained the highest risk rating for a local issuing entity: AAA (uy).**

### Conahorro

It is our main source of financing. This instrument in US dollars is designed for small and medium-sized savers and offers several benefits:

- Flexible terms starting at one year.
- Transferable, which facilitates liquidity.
- Interest payments every six months.
- Right to request total or partial repayment of the investment on predefined dates, generally every six months after subscription.

### Sustainable Investments for Family Farming

Through PROLECO, the Producers' Capitalization of Savings & Loans Cooperative. We offer a new credit line with interest subsidized by the Directed Credit Program of ANDE (National Development Agency).

#### For Family Producers:

- Maximum amount per famer: USD 20,000  
o IU 200.000
- Term: Up to 48 installments

### FFIEL Program

The Trust for the Financing of Investments in Dairy Farms (FFIEL) **strengthens the financial capacity of producers by facilitating improvements in infrastructure, machinery, livestock, pastures, land acquisition, effluent treatment and renewable energies.** Repayment terms vary from 7 to 12 years, depending on each producer's remittance and the price of milk.

Developed in partnership with PROLECO and BID INVEST, as of July 1, 2024, BROU has replaced BID Invest as it offers more advantageous rates. We are currently arranging an additional financing line of USD 20 million for 24 months.

**+ 100 farmers' have received funding**

## Producers: Sustainable Production System

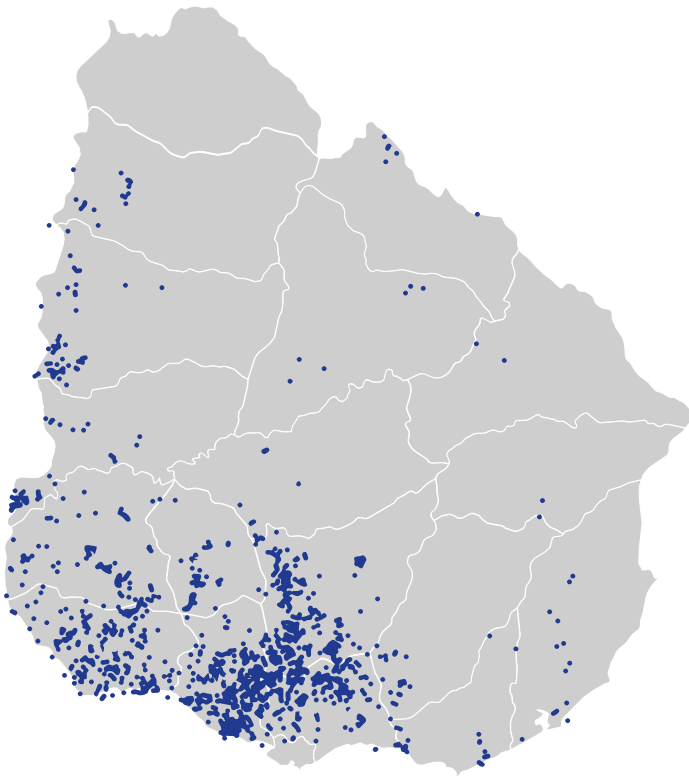
We constantly support our producers, who are an essential part of our value chain, to enhance profitability and efficiency in their operations, within a framework of respect for the environment and people. On account of this close and collaborative relation, we achieve a significant impact on their quality of life.

Sustainable intensification of production requires increasingly robust systems. For this reason, training people and strengthening teams are essential. This is one of our current priorities, driven on advising and implementing best practices that encompass productive, economic, social and environmental aspects.



1st mention of photography contest 2024: Fontaine Bras Family Dairy Farm

## Location of Our producers



**1,500**  
dairy farms

**100%**  
visited and assisted by  
Conaprole technicians

## Development of **Generational Integration**

We pursue to offer consultancies in generational integration, supporting families in the process of incorporating young people in the operational and strategic management of the dairy farms. In this field of social approach, we continue working on the **REFAS Project** and in the **Conamigos Youth Group**, both promoted by the Cooperative.

### Conamigos Youth Group

The purpose of this project is to strengthen the bond between young people and the Cooperative and between themselves. All young people between 14 and 35 years of age, children of producers or producers who are referrers to the Cooperative can participate. Young people represent the present and future of the Uruguayan dairy industry, and this group helps to **consolidate leaders who participate in different roles in their own companies, institutions and decision-making within the sector.**



## REFAS Project

The “Sustainable Family Business Network” aims to promote sustainability in the Cooperative’s producers’ families, emphasizing the improvement of their quality of life. The activities are intended for the whole family and are extended to the technical advisors of the farms, taking place on a rotating basis in different parts of the country. We combine field days with theoretical activities, allowing for comprehensive learning.

The field days are carried out in some of the participating farms, with the purpose of getting to know the families, observing how they organize their work, how they make decisions and what their productive, personal and family objectives are. The theoretical activities address topics related to human management, such as integration in a family business, work organization, human resource management, leadership and generational transfer, among others.



Workshop Apr./2024



## Competitiveness Tools

We implemented support programs in management, production and technology. During this fiscal year, we developed a series of training programs in productive and economic areas, with outstanding results:

# +900

producers, their families and their technical advisors benefited

# +50

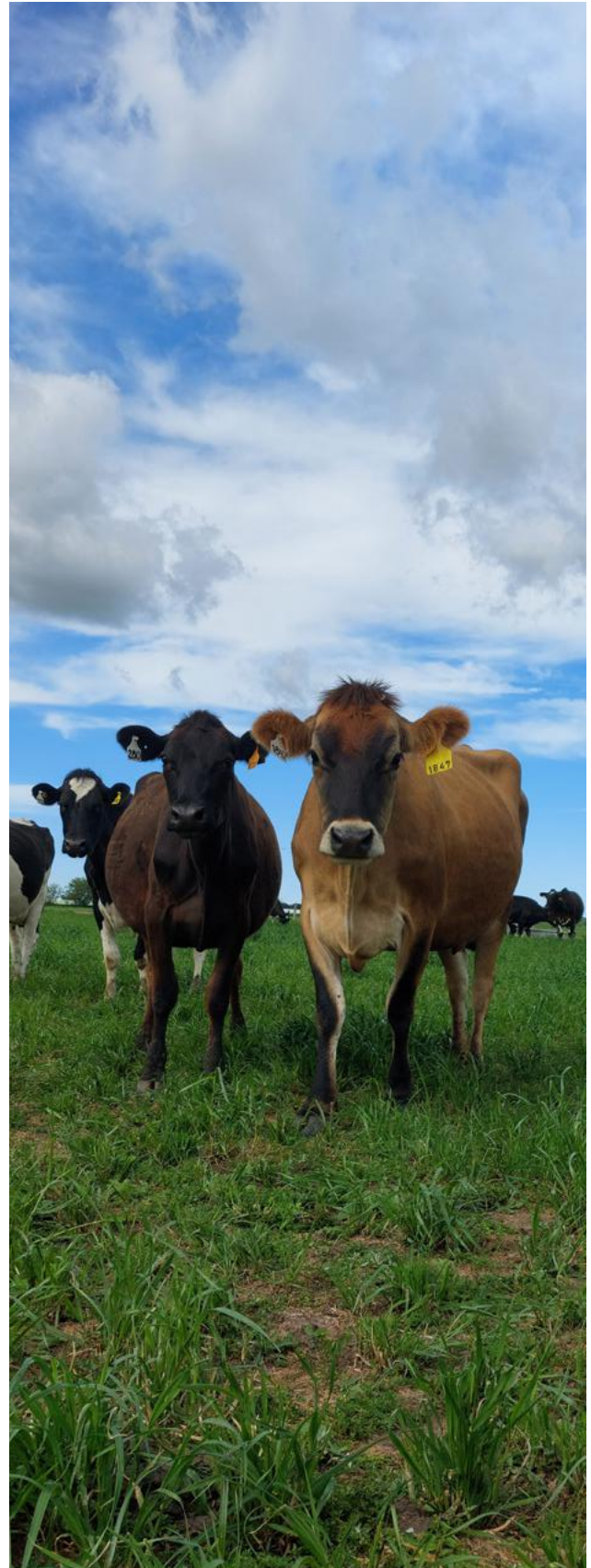
activities on technical and management issues

# +2,900

participants

# 41%

of producers were facilitated in quality and safety targets



Soutto Family's Dairy Farm

## Sustainable Dairy Farm

By means of a unit formed by a multidisciplinary team (Engineers: hydraulic, civil, electrical, agronomists, geologists, agricultural technicians and architects), we offer a consulting service in infrastructure. The areas addressed include:

- Effluent management
- Internal roads
- Energy efficiency
- Plot water
- Feeding yards
- Temporary or permanent enclosure areas
- Solid waste management

Based on the particular context of each establishment, an improvement project is developed together with a technical plan that includes the design and costs necessary for its implementation.



# +150

projects completed, exceeding the established goal

In 2023, we signed an agreement with the National Colonization Institute (INC) for the environmental improvement of dairy farms located in different estates.

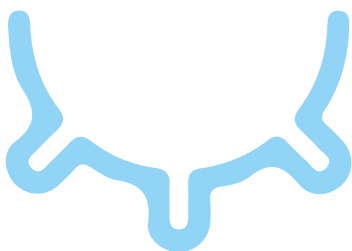
# 21

effluent management improvement projects

# 17

projects for the location of new milking parlors

Learn all about Sustainable Dairy Farm



## Applied Technology for Efficient Management

**Satellite forage monitoring** is an application that allows estimating the growth rate of forage resources and reserve crops through the use of satellite images, facilitating decision making on forage allocation in dairy farms.

The information generated through this technological tool, which measures growth rates using remote sensing, is updated monthly and is available on the Dairy Portal. Registered producers and technical advisors can access customized data for their area or the entire dairy basin, ensuring efficient management based on high-quality information.

**55 producers** participate in monitoring

**+300 paddocks**

**FosAPP** is an application designed to record and analyze productive, reproductive and health information of the herd, optimizing the management of dairy farms. This tool contributes to the ongoing improvement of herd management by providing detailed analyses that enable informed and efficient decision making.

**+260**

producers use the App.

## Connecting and Progressing Collectively

### Conavoz

As part of our commitment to be present and connected, we held a series of Meetings with Directors across different areas. This enabled us to share the current situation and perspectives of our organization, thus strengthening the bond with and among producers. The meetings were held in San José, San Ramón, Estación Rodó and Florida, where we also had the opportunity to close each meeting with a moment of fellowship.



Munsch Ferreira Family - Aug./2024

## Achievements and Challenges

In this fiscal year we increased the **focus on environmental and social issues in dairy farm management**, through multidisciplinary work. We worked with producers and their families on social aspects such as leisure time management and quality of life, among other issues, through an interdisciplinary approach.

We promoted the **Tree Project** to encourage the planting of trees in dairy farms, with positive effects on animal welfare (shelter and shade) and on the carbon footprint (CO<sub>2</sub> fixation). We made progress in the first stage of this project.

### Challenges 2024-2025:

- Continue strengthening social and environmental aspects at the dairy farm level, with an interdisciplinary approach.
- Continue with the implementation of the Tree Project, which will generate positive impacts on animal welfare (shelter and shade) and on the carbon footprint (CO<sub>2</sub> removal).
- Expand our credit portfolio through FFIEL.



# Responsible Supply Chain Management

Our purpose is to establish transparent and long-term relationships with suppliers and distributors, positioning them as strategic allies in the supply of high quality raw materials, inputs and services.

We share our Integrated Management System Policy with them so as to implement good social and environmental practices. In addition, we demand high quality and safety standards from suppliers of ingredients, primary packaging and third party suppliers of Conaprole brand products.

This collaborative approach is key to achieving excellence in our processes and ensuring safe, timely and competitive products.



## We Prioritize in Contracting Local Suppliers

Number of suppliers	<b>1,773</b>
National suppliers	<b>89%</b>
Payments to suppliers	<b>+230</b> MM USD

## Supplier audits and development

We implemented an annual audit program for suppliers and third parties in order to evaluate compliance with the quality and safety requirements established in our requirements document. Depending on the findings and our needs, it may be necessary to work on supplier or third party development to ensure an optimal level of quality.

## Vendor Selection Criteria

100% of suppliers are approved after completing the documentation request process. All input suppliers (raw materials and packaging) must comply with technical requirements including physicochemical, microbiological, sensory, shelf life and delivery conditions. The Quality area prepares a document detailing regulatory expectations and specific guidelines.

Each supplier must complete a self-assessment form that collects information on its plant, inputs and management systems. An affidavit is also required certifying compliance with the above points and, if necessary, submitting analysis results from an accredited laboratory, in addition to performing analysis at our Central Laboratory. Once validated, the supplier is added to the approved list. Documentation is requested again every three years and audits are scheduled according to the criticality of the input.

# Technology and **Development**

In an ever-changing global context, our ability to adapt is put to the test.

**Strategic investments in technology and development give us a key competitive advantage, ensuring sustainable growth. We focus on business valorization, integration of new technologies and operational flexibility, guided by our mission to maximize milk prices.**

## A Mindful Building for a 21st Century Conaprole

The project is intended to **maintain, care for and reactivate** the existing structures of greatest value on the Conaprole block. In this way, the building heritage will be protected through transformation and change for the future.

A smart, innovative and sustainable construction, combining a hybrid construction model, reusing 50% of the original structures, which minimizes the environmental impact and preserves the architectural heritage.

Designed to obtain LEED certification, the building will have rainwater and solar energy collection systems, flexible offices and an intelligent management system (BMS) to optimize energy consumption.

We faced multiple challenges such as the integration of nearly 90-year-old structures with new construction, with advanced technologies such as BIM and Dalux Field ensuring accurate, real-time documentation

for efficient post construction and maintenance.

**The construction of the future will take place on the basis of today's actions.** This is why the new headquarters will reflect our commitment to conscious and sustainable innovation. A new building designed for the next 50 years.



Render Corporate Building

## Innovation of the Processes

### Artificial intelligence for milk powder packaging optimization

At the end of the packaging process of powdered milk bags, the batch number and a correlative number are automatically printed on each bag. This is a fully automated process.

We developed an in-house artificial intelligence system capable of reading and validating the code printed on each bag. Using a camera located at the end of the packaging line, an image of each bag is captured and the readability of the print is validated.

In addition, we implemented a system to detect sealing defects on the bags using image processing. This system, which is currently being integrated with our SCADA system, will allow defective bags to be removed from the line before leaving the plant.

### AI applied to the measurement of product space on shelves

In collaboration with Google and Antel (National Administration of Telecommunications), we presented a project to measure the occupation of shelves, both for our products and those of our competitors, starting with the yoghurt line. The aim was to optimize the presence of the products, increasing efficiency and competitiveness in the market. The system, which effectively identified the products on the shelf, will be evaluated for implementation on a larger scale.



Rodríguez Industrial Complex





**Conaprole**





# 03

## Environmental Performance

- Climate change risks and opportunities
- Energy management
- Water management
- Waste management and circular economy
- Sustainable agriculture and biodiversity



**We are a Cooperative that prioritizes sustainability. We work to create benefits for clients and consumers, while protecting the natural environment.** The growing demand for sustainable practices drives us to adopt more efficient and cleaner technologies, reducing our environmental impact and improving our competitiveness.

Our Environmental Policy reflects this commitment, fostering actions to create positive impact and the efficient use of resources. The Environmental Management System, based on **ISO 14001**, national regulations and IFC requirements, **is implemented in all our facilities.**



Rodríguez Industrial Complex

# Climate Change **Risks and Opportunities**

Climate change presents both risks and opportunities.

**Risks** include extreme weather events that impact upon:

- **Milk production:** affecting the health and welfare of cattle, reducing both production and quality.
- **Water availability:** altering precipitation patterns and decreasing water available for livestock, forage crop irrigation and industrial operations.
- **Livestock feed:** reducing the production and quality of forage and other feed inputs.

However, climate change also presents **opportunities**, such as:

- **Efficiency improvements:** driving the adoption of more sustainable practices, such as the use of renewable energy and optimization of water consumption.
- **Technological innovation:** accelerates the implementation of innovative technologies that improve productivity and reduce environmental impact.

The recent climatic events that have affected the country, including periods of drought and periods of intense rainfall, reinforce our resilience. In this sense, the search for sustainable solutions and adaptation to climate change are essential to ensure long-term viability.

## **In This Context, Conaprole has Implemented Several Actions:**

- We constantly monitor our organizational carbon footprint:  
We advanced in the **strategy defined to reduce emissions in the production of raw milk**, where our **largest greenhouse gas emissions** are concentrated.
- We carried out energy efficiency actions and prioritize the use of renewable energies.
- We protect water resources and promote the recovery and reuse of water.
- We carry out circular economy projects and efficient waste and effluent management.
- We work to strengthen the practices of producers in terms of sustainable agriculture.

## Energy Management

Our goal for 2030 is to achieve **80% of our energy from renewable sources**, reaffirming our commitment to GHG reduction.



## Sustainable Management

We monitor energy consumption on a monthly basis, using general and specific indicators to **measure both energy generation and demand**. In addition, on a semi-annual basis we conduct audits in which we **evaluate key aspects** such as combustion efficiency, steam, heat and condensate losses, steam trap condition, compressed air leakage, condensing pressure and electrical energy use.

Each of these factors is quantified in terms of percentage loss with respect to the plant's steam and electricity consumption, establishing **improvement targets that are reviewed and validated annually**.

### Progress of the Period:

- We incorporated a **state-of-the-art tool** that allows dynamic and real-time visualization of consumption, improving analysis, decision making and responsiveness.
- We began implementing the **ISO 50001 - Energy Management System** Standard at the Rodriguez Industrial Complex, our main plant.
- We replaced two air heaters in the drying towers of the Rodriguez Industrial Complex, which operated with oil and fuel oil, with exchangers that use high-pressure steam. This transformation **allowed us to achieve more than 96% of thermal energy from renewable sources for this plant this year**.
- We installed a heat pump at the San Ramón Industrial Complex that recovers energy, **reducing fuel consumption and GHG emissions by 275 tons of CO<sub>2</sub>** equivalent per year.
- **We automated the loading of firewood** at the Rincón del Pino Plant, improving operating efficiency, replacing the use of fuel oil and increasing safety by reducing manual intervention.
- We replaced the use of fuel oil with natural gas at the Montevideo Industrial Complex for five months, achieving **greater energy efficiency, reduced emissions, lower costs** and simpler operation, with **50% fewer stops for cleaning**.



## Energy Efficiency Results

# 75%

of renewable energies in our global energy matrix<sup>(1)</sup>

# +3%

of renewable energy consumption

# -11%

non-renewable energy consumption

Energy consumption by source			2021-2022	2022-2023	2023-2024	Inter-annual variation
Non-renewable sources	Fuel Oil	m <sup>3</sup>	15,890	13,290	10,633	-20%
		MWh	177,376	148,350	118,695	
	Natural Gas	m <sup>3</sup>	0	0	1,297	+100%
		MWh	0	0	14,027	
	Diesel Oil	m <sup>3</sup>	20	27	21	-22%
		MWh	230	310	241	
<b>TOTAL (MWh)</b>			<b>177,606</b>	<b>148,660</b>	<b>132,963</b>	<b>-11%</b>
Renewable sources	Biomass	tons	97,408	94,210	100,349	+7%
		MWh	273,800	289,515	297,922 <sup>(3)</sup>	+3%
	Biogas <sup>(2)</sup>	m <sup>3</sup>	185,398	90,879	78,633	-13%
		MWh	1,746	856	741	
<b>TOTAL (MWh)</b>			<b>275,546</b>	<b>290,371</b>	<b>298,662</b>	<b>+3%</b>

<sup>(1)</sup> 96% renewable electricity and based on Renewable Energy Certificates issued by the MIEM.

<sup>(2)</sup> Biogas generated at the effluent treatment plant of the Rodriguez Industrial Complex and recovered to be used as an alternative fuel in the boiler (partially replacing chip consumption).

<sup>(3)</sup> The difference between Biomass in ton and MWh is due to the calorific value of the biomass we use. The chip has known moisture and therefore we adjust the calorific value.

Grid electricity consumption (MWh)			
2021-2022	2022-2023	2023-2024	Variation
118,845	124,609	126,088	1%

Total energy consumption (MWh)			
2021-2022	2022-2023	2023-2024	Variation
571,997	563,640	557,713	-1%

### Recognition for Energy Efficiency

We were **once again** awarded with the Energy Efficiency Certificates by the Ministry of Industry, Energy and Mining, which recognizes the successful implementation of projects that optimize energy.

We presented our project to transform the energy matrix of the Rodriguez Industrial Complex which, through two boilers powered by wood chips, replaces the use of fossil fuels. Thanks to this implementation, **we avoided the use of more than 435,000 tons of oil** equivalent during their usage duration, corresponding to the **electricity consumption of 36,000 homes**.

This recognition was particularly significant, as it represented more than 90% of all the energy certified this year by the country's authorities.



## Climate Action

In order to plan actions to reduce and mitigate emissions, we **annually update our inventory at the organizational level**, covering primary production and logistic and industrial processes.

- Initiatives to improve herd efficiency and productivity.
- Investments in energy efficiency.
- Sustainable cattle feeding strategies.
- Evaluation of the use of dietary additives to reduce enteric emissions.



**This year we began planting trees in farmers' fields as part of our carbon sequestration strategy. This project also seeks to improve animal welfare conditions, generating areas of shelter and shade for livestock.**

**More than 90% of our emissions come from the primary sector.** For this reason, we target our actions to reduce our carbon footprint and capture CO<sub>2</sub> at this stage.



Eucalyptus Seedlings - Soutto Family Dairy Farm

With these actions, we persist to reduce our carbon footprint for raw milk, reaching a value of **0.88 Kg CO<sub>2</sub>/Kg milk (Kg LCGP<sup>(4)</sup>)**, exceeding the industry standards and positioning us among the global leaders, given that the world average is 1.37<sup>(5)</sup>.

At the industrial level, with the consolidation of the change in the energy matrix of our Rodríguez Industrial Complex, we achieved a significant reduction in direct industrial emissions, **reducing fuel oil combustion emissions from 1.4% to 0.6% of total emissions.**

Distribution of Carbon Footprint <sup>(6)</sup>	2021-2022	2022-2023
Milk production	92%	<b>94.3%</b>
Treatment of effluents within the facilities	1.1%	<b>1.0%</b>
Heavy fuel oil combustion	1.4%	<b>0.6%</b>
Production of inputs	0.7%	<b>0.7%</b>
Purchased electricity	0.7%	<b>0.4%</b>
Milk transportation from dairy farms	0.9%	<b>1.5%</b>
Container production	0.5%	<b>0.7%</b>
Production of ingredients	0.8%	<b>0.4%</b>

<sup>(6)</sup> of the Rodríguez Industrial Complex, which processes 60% of milk

## Sustainable Mobility

Committed to the decarbonization of transportation, we have expanded our infrastructure for electric mobility, installing vehicle chargers in the parking lots of several of our plants. In addition, we have 3 electric vehicles that operate daily in our facilities and we continue working to add more units in favor of the use of clean technologies.



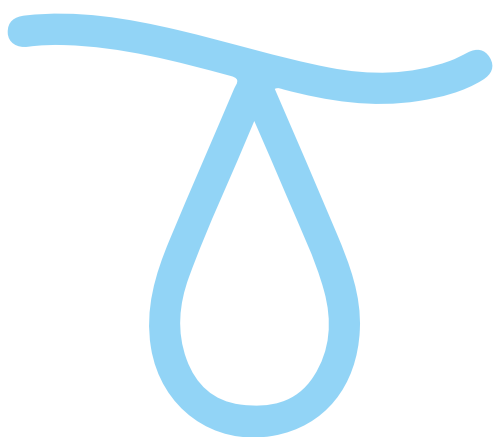
<sup>(4)</sup> Kg LCGP: Kg of milk corrected with fat and protein, as established by IDF 2022. (Fiscal year 2022- 2032). It allows to standardize the quantity of milk according to its fat and protein content, which allows to compare between different production systems. <sup>(5)</sup> <https://www.dairynz.co.nz/environment/climate/on-farm-emissions/>



## Water Management

The responsible, efficient and safe use of water is key to sustainability. With this in mind, we are focused on finding opportunities to optimize water consumption.

Our goal for 2030 is to **reuse 35% of the water** in our industrial plants.



# 29%

of water is recovered, recycled and reused.

# 6.6%

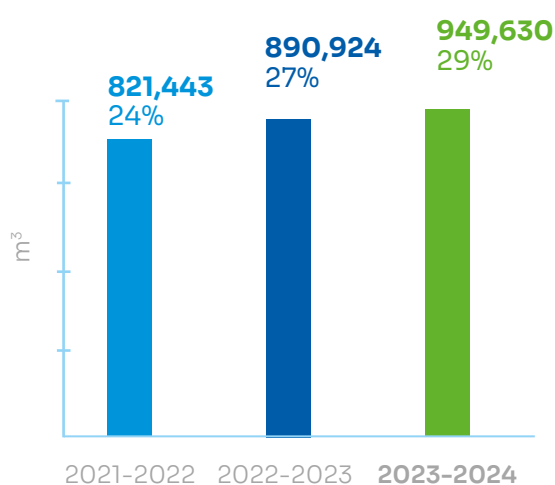
increase in volume recovered compared to the previous year.

An important achievement during this fiscal year was the treatment for reuse of condensed water from the evaporation of milk from the new drying tower at the Rodriguez Industrial Complex. This water is filtered by osmosis to be used in the high-pressure boilers, closing the steam generation circuit with water extracted from the processed milk.

During the last quarter of the year, we were able to recover 13 million liters of water from this source, avoiding the extraction of the same amount from external sources and reducing the volume of effluent discharged. Until then, water was extracted from wells to feed the high-pressure boilers.

We will continue working to consolidate this water recovery obtained in the last quarter.

Water recovered, recycled and reused



## Protecting Water Resources

Our actions are prioritized at industrial sites located in water-stressed regions or where extractions cause the greatest impact.

To identify whether an industrial site is in a water-stressed region, we use public assessment tools, such as the *World Resources Institute's (WRI) Aqueduct Water Risk Atlas* and the *World Wildlife Fund's (WWF) Water Risk Filter*. According to these sources, the water risk in the country is low-medium, al-

though the areas of Florida and Montevideo have medium-high stress levels.

We monitor the Raigón aquifer, which supplies the Rodríguez Industrial Complex, to evaluate variations in its level due to water extraction in the medium and long term.

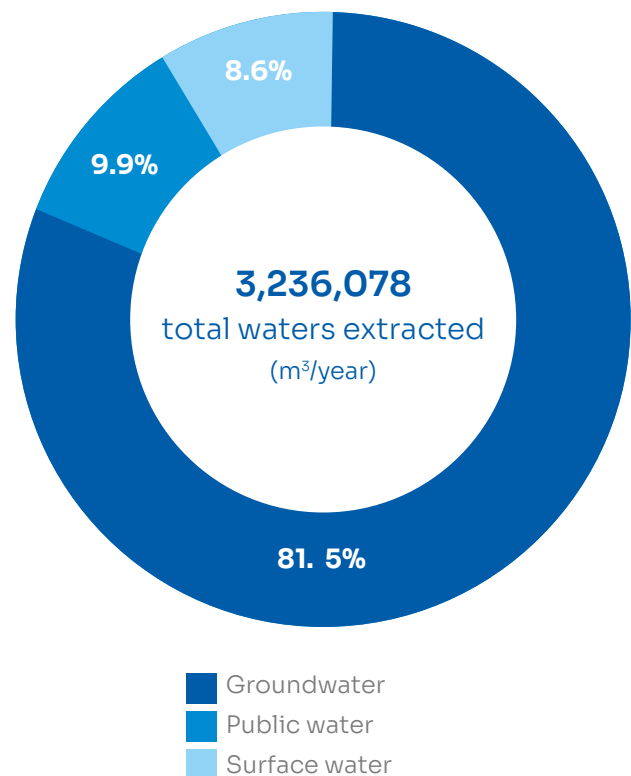
## Sources of Supply

**Groundwater is the main source of supply for the Cooperative.** Aware of the importance of satisfying this demand, while respecting the needs of all users, we are implementing a predictive tool for the sustainable management of the wells of the Rodríguez Industrial Complex. This early warning tool will allow us to anticipate critical situations and take proactive measures to preserve the availability of water resources, thus ensuring the normal operation of the plant.

At the Florida Industrial Complex, 74% of the water extracted comes from surface sources. This water is treated in the plant's own water treatment plant. The stream from which the unit is supplied is a tributary of the Santa Lucía river basin, which has shown vulnerability due to last year's drought.

The challenge for this plant is to strengthen the water supply, exploring alternative sources of supply.

Water supply by source  
2023-2024











Effluent Treatment Plant – Rodríguez Industrial Complex

## Commitment to **Wastewater and Environmental Management**

We comply with the most demanding national and international regulations for effluents (IFC), always adopting the most rigorous standard in each parameter.

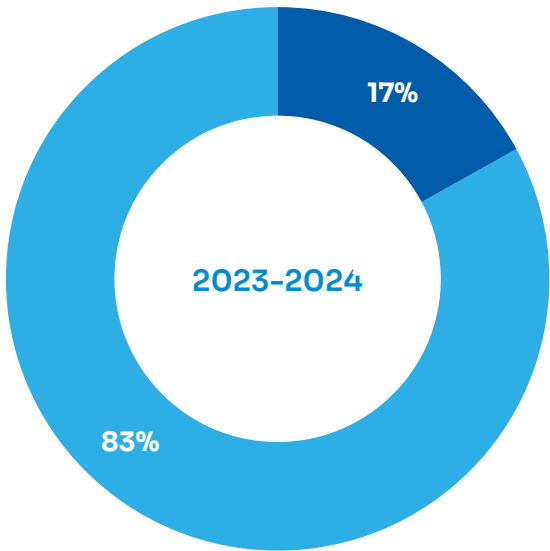
In all our industrial plants we have effluent treatment processes, adjusting discharge limits to ensure the protection of water bodies.

At the national level, the critical basin is that of the Santa Lucía river, since it supplies the water treatment plants of the capital city of Montevideo. For this reason, the Ministry of the Environment exercises exhaustive control over the plants that discharge into this basin, ensuring water quality. Our plants in Rodríguez, Florida and San Ramón, which discharge into the Santa Lucía, have tertiary effluent treatment, including nutrient removal.

The vulnerability of supply in this basin at the national level was demonstrated during periods of extreme droughts, where the contributions of the effluent plants contributed to mitigate the water crisis.

At these plants, we continually **monitor the receiving river to verify that our discharges do not alter water quality**, in accordance with the impact model foreseen in the engineering project.

**Water discharge by final destination**

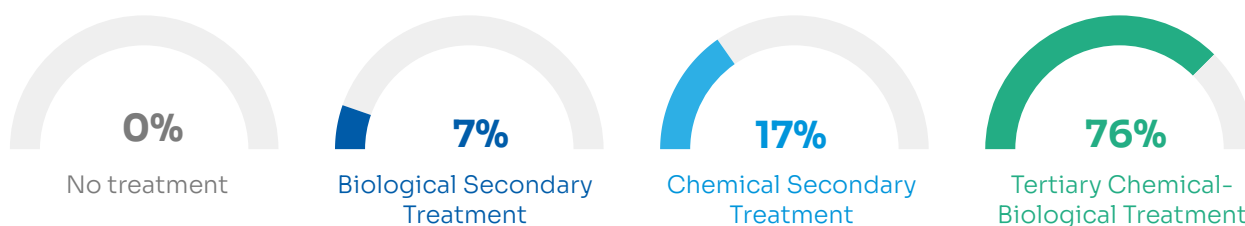


- To collector
- To watercourse





### Water discharge by level of treatment 2023-2024



- We improved the water and operating efficiency of the Rodriguez Industrial Complex effluent treatment plant by using water (obtained from the plant's treated effluent) to clean the plant's equipment.
- We incorporate sludge dewatering and tertiary treatment technologies for phosphorus removal.
- We value the nutrients from the sludge, using them as soil improvers in our farmers' fields.

Today, more than ever, we restate our commitment to the environment and neighboring communities in the management of our wastewater.

Ninety-two percent of the water we discharge into surface water bodies, which represent 83% of our effluents, undergoes nutrient removal processes, such as nitrogen and phosphorus.

We continue to invest in technology to continually improve our treatment systems.

## Waste Management and **Circular Economy**

The concept of circular economy is incorporated into our waste management system and our productive chain.

The following actions **based on post-industrial waste** were implemented in this financial year:

- We consolidated an Alliance with URU-PLAC for the manufacture of corrugated plates for roof building.
- We began to conduct pilot tests with Abbaplast for the manufacture of plastic posts and stakes, commercially available to all our farmers through Prolesa.
- Along with Abbaplast and Prolesa, we developed calf rearing pens. As shown in the image, these pens allow for calves to develop under optimal hygiene and wellbeing conditions, promoting socialization and contributing to improve adult age performance.



Calf rearing structure

# 58

tons of recovered post-industrial waste used in the production of posts, stakes and plates

# +12,500

stakes and posts made from recycled material and sold for use in our own productive fields

# 28

corrugated plates sold (for building shade structures for animals)







Chipboard imitation shade structure - Eduardo Veiga Farm



# Waste Circulation and Management Scheme



## Activity at Dairy Farms



## Industrial activities

### Dairy Farm Primary Production Activities

### Milk transport

### Productive process and service areas

- **Effluent Management** designed for each type of process. Includes recirculation of nutrients to the farm.

- **Solid Waste Management:**

- Recoverable waste: plastic containers, Silo Bags, feeds or fertilizers. [Recycling or reuse](#)
- Oils and fuels: [Energy recovery](#)
- Non-recoverable waste: similar to urban waste. [Controlled disposal](#)
- Veterinary waste: [Authorized controlled disposal](#)

- **Effluent management:** effluent treatment plants, sludge management (composting or direct application to soils), discharge of treated effluents at points authorized by the Ministry of the Environment.

- **Solid waste management:**

- Recoverable waste: plastics, cardboard, wood, nylon. [Recycling or reuse](#)
- Non-recoverable waste: similar to household waste. [Controlled disposal](#)
- Scrap metal. [Recycling](#)
- Oils and fuels. [Energy recovery](#)
- Laboratory waste. [Controlled disposal or recovery](#)
- Waste from administrative operations/services. [Recovery](#)



## Activities up the value chain

### Non-dairy input production

### Input transport



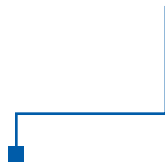




### Activities down the value chain

Transport of products

Industrial or individual consumption activities



▪ **Post-consumption waste management:** managed through Plan Vale, a national container recovery plan fostered by member companies of the Chamber of Industries.

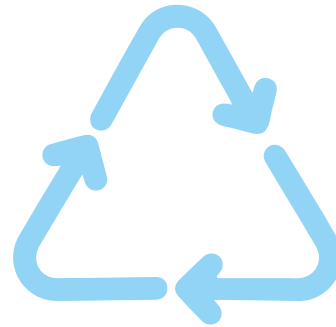


# 92%

of all our waste is recovered

At the Montevideo Industrial Complex we improved management of our non-recyclable waste originating from post-consumption returns.

We incorporated an automatic compactor for destroyed containers, allowing for better separation of organic material, which improves cleaning conditions in the processing area and reduces the number of trips to the final disposal site thanks to the lower volume of waste.



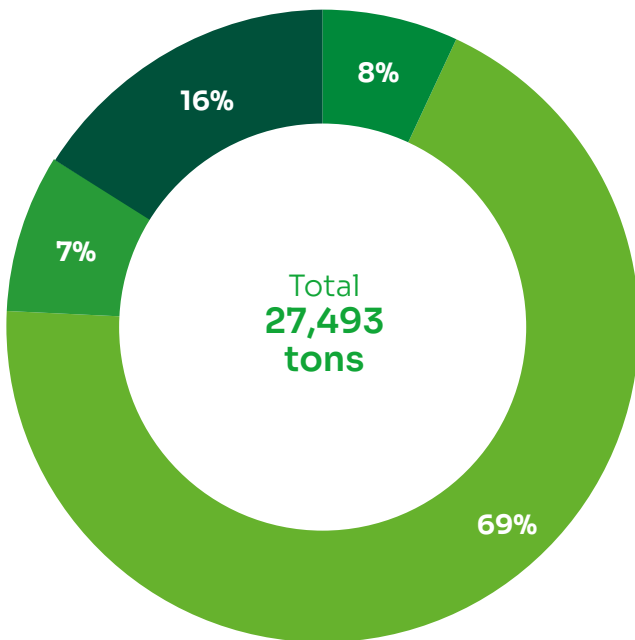
# +4.5%

of dangerous waste recovered in comparison to the previous financial year. Includes: used oil, electronic scrap, solvents

Waste classified as special or dangerous receives this name due to a higher risk of contamination if not properly managed. To ensure adequate management, we issue a call for bids for waste management operations and we guarantee its transport, thus avoiding having to store it in our facilities for over a year. Waste destined for hazardous waste landfills is previously treated to neutralize any possible hazards.

All waste, whether hazardous or not, is managed by companies and carriers authorized by the Ministry of the Environment. Every year we submit a sworn statement to this Ministry where we detail the final destination of all waste types and the different treatments applied, whether by third parties or by our plant.

Destination of generated waste  
2023-2024



- Recycling
- Recovery\*
- Final disposal / Hazardous waste landfills
- Sludge as soil improver

\*Composting, energy recovery, animal feed.

# Sustainable Agriculture and Biodiversity

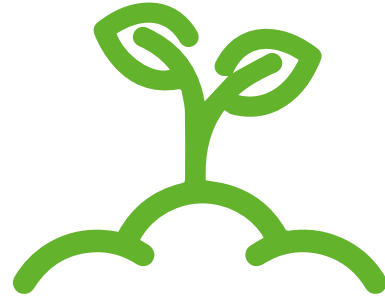
We aim to strengthen farmers' practices regarding sustainable agriculture, by facilitating training, technical assistance and action exchange instances such as:

- Use of direct sowing.
- Incorporation of perennial species in forage rotations.
- Cover crop implementation.
- Chemical fertilizer use optimization.
- Application of effluents as organic fertilizers.
- Use of pasted bands to protect watercourses.
- Native forest conservation and biodiversity.

We recover sludge from industrial effluent plants, which is used as a soil improver in farmers' plots, thereby decreasing use of chemical fertilizers.

## Biodiversity and Natural Ecosystem Conversion

All dairy producing systems in Uruguay are free from deforestation, since there have been no important changes regarding land use in the last 20 years. No natural ecosystems have been converted for dairy production purposes and there are no operation centers in protected areas; therefore, all supplied milk is free from deforestation or ecosystem conversion.




## Soil Health

Erosion has been identified as the main threat to soil health. The following actions are aimed at reducing erosion: crop rotation with perennial pastures, direct sowing with fallow periods, incorporation of coverage crops, and adjusted fertilization based on soil analysis. The predominant production system is pastoral, ensuring animal welfare conditions and reducing penning areas, which have negative effects on animal and soil health.



Soutto Family's Dairy Farm



Soutto Family's Dairy Farm

## Environmental Accomplishments and Challenges

In the previous financial year we set ourselves several challenges that enabled us to continue meeting our short and long term goals.

- We began the **ISO 50001 certification process at the Rodríguez Industrial Complex**, which will finally consolidate our energy management scheme.
- We incorporated **boiler software** at the Rodríguez Industrial Complex to issue early alerts and monitor certain parameters. We will continue to apply AI in different control and monitoring equipment, at any time that this is possible, to optimize the operation of services at the plant (steam and/or refrigeration requirements).
- We assessed the **increase in biomass use** at the Florida Industrial Complex and at the Rincón del Pino Plant. The following are examples of our work on projects having an impact on energy matrix decarbonization: biogas use at the effluent treatment plant, fume heat recovery in oil heaters and increase in biomass use for steam generation at plants.
- We attained **96.3% renewable energy** in thermal power at the Rodríguez Industrial Complex, which represents a 5.8% increase compared to the previous financial year.
- We recovered **13 million liters of water** from the evaporation process of the new drying tower at the Rodríguez Industrial Complex; this water was used for services requiring steam within the Complex.
- We are currently working on the **creation of a predictive tool** for sustainable management of our wells.
- We prioritize investment in guaranteed industrial water supply systems and efficient management of this resource.
- We were able to diversify the options for recovery of our industrial waste.
- We consolidated a **technical proposal for national investment**, necessary for the recovery and recycling of Tetra Pak containers after use.





## Challenges for 2024-2025:

In the next financial year we will continue to work on the ISO 50001 certification and we will incorporate the LEED certification for the new corporate building.

- The Tree Project will be considered a priority with the purpose of increasing shelter and shade areas for animals, as well as for enhancing carbon sequestration. We will also search for new sustainable agriculture strategies and biodiversity actions at the dairy farms.
- We will continue to broaden the scope of post-use recovery and recycling strategies for other container types and will consolidate the implementation of the project for Tetra Pak materials.
- We will define new technologies and projects for water supply and waste management at the Florida Industrial Complex.







# 04

## Social Performance

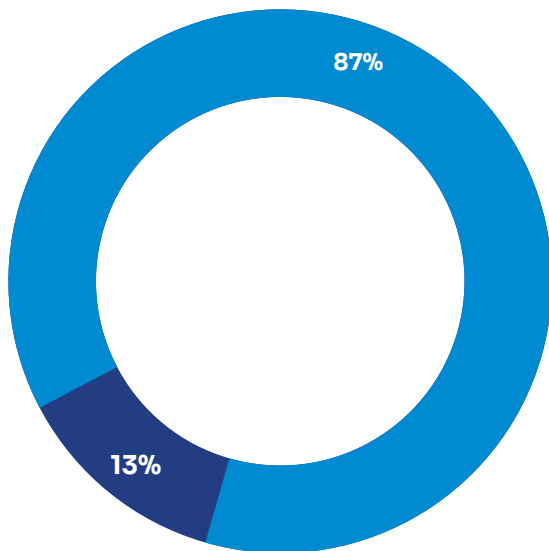
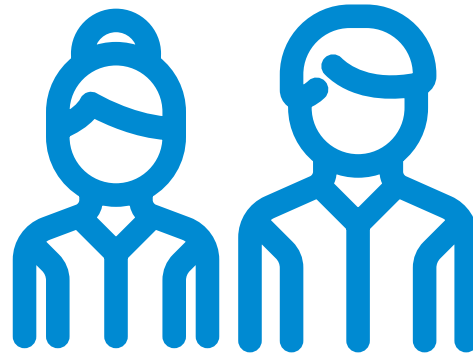
- Commitment to the Team
- Safe and Healthy Products
- Product Accessibility and Affordability
- Client Experience and Satisfaction
- Involvement in Community Development



## Commitment to the Team

As part of our strategy and, specifically, in line with the Talent and Organization Development pillar, we wish to continue to strengthen and improve our sustained commitment to workers' wellbeing.

**As one of the largest national employers, we strive to provide a safe working environment that fosters people's development and promotes teamwork.**



**2,104**  
people comprised on our teams comprise

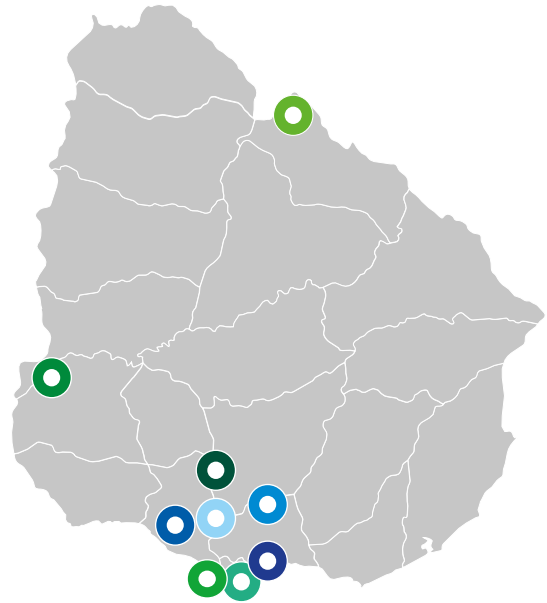
■ Fixed workers (1,834) ■ Temporary workers (270)



Age of our collaborators		
Between 30 and 50 years old	1,275	60%
Over 50 years old	476	23%
Under 30 years old	356	17%

### Number of collaborators by region

● Montevideo Industrial Complex (CIM)	628	30%
● Corporate Building	378	18%
● CIC (Innovation and Quality Center)	61	3%
● Rodríguez Industrial Complex (CIR)	400	19%
● San Ramón Industrial Complex (CISR)	286	14%
● Florida Industrial Complex (CIF)	198	10%
● Rincón del Pino Industrial Plant, San José	67	3%
● Mercedes Industrial Plant, Soriano	59	2%
● Rivera Industrial Plant	27	1%



**100% of our staff covered by collective bargaining agreements**

### Diversity and Equality

Our commitment is to fostering an inclusive working environment, where differences are valued and mutual respect is encouraged. We wish to create an environment that favors each member’s development, by ensuring that everyone receives equal treatment and by fostering collaboration and personal wellbeing.

The Bipartite Gender Commission meets upon request to address different initiatives aimed at fostering equity and guaranteeing an inclusive environment for all.

Men and women are compensated equally for the same job category as per the monthly/daily wage scale.

No difference is made in terms of employment or compensation based on a worker’s nationality or migrant status.

There were no cases of discrimination based on race, color, gender, religion, political opinion, national or social origin, or other relevant forms of discrimination.



**27%**

of women in executive positions

## Culture, Motivation and Commitment

### Cultural Development Program

This program was created in 2021 and in the last financial year we continued to broaden our workshops' subjects to equip management teams, middle managers and future leaders with the necessary tools to maximize individual talents and enhance overall leadership capabilities. The basic idea is that each individual and the team as a whole are essential for the transformation and evolution process.

Designed for medium to long-term, the program involves not just one-off training instances, but a comprehensive approach that combines in-person training, online meetings, and monitored follow-up.

It allows us all to know each other better, both on a personal and professional level, and to continue to strengthen our team.

# 333

active middle managers in the program

# +9,000

hours of training

### Inter-Area Meetings

The exchange with central areas of the Cooperative was another initiative taking place at the Rodríguez and Montevideo Industrial Complexes; its purpose was to experience the different production processes first-hand.

The aim of these initiatives was to create an opportunity for exchange among team members, **increase mutual trust, and acquire knowledge of the different area processes and area departments. This allows for a better understanding of the reasons of the requests, the possibility to search for improvement, responsible management, flexibility, transparency and valuable contributions within a dynamic environment (empowerment, ownership).**

Speakers from the exchange areas as well as people specialized in different fields were invited to these meetings. Different activities were organized, such as icebreakers, teamwork activities and presentations on training processes, and questions were answered.

In this context, we undertook several initiatives with the support of the Human Capital Area, including the Commercial Area sectors: Commercial Intelligence and Distributors Network, Internal Audit, Technological Planning and Transformation, Engineering, Corporate Maintenance, Export Logistics, Quality, Innovation and Sustainability, and Exports.



## My day as a Supervisor

This is an initiative implemented in our Montevideo Industrial Complex, with the purpose of experiencing one day of work in a different sector. The initiative's main goal is to increase understanding of the different realities among the supervisors of those sectors of which "we are internal clients" or those to which we "provide services", by promoting an exchange of good practices and by enriching cooperation among teams.

This form of participation leads to a holistic vision of the process and the recognition that each activity may positively or negatively affect another sector.

### Benefits:

- Knowledge: understanding the whole process is crucial. Everything that we do, define or resolve may affect other sectors and areas.
- Growth: experiencing new things, facing new challenges and sharing knowledge.
- Empathy: understanding better our colleagues and their answers, by acknowledging their contribution to work and their reality.
- Teamwork: connecting with the realities of other sectors enables us to work better as a team, by collaborating and creating synergies.

# 24

exchange initiatives  
in 2023-2024

### Participating sectors:

- By-products
- Milk Packing and UHT
- Pasteurization and Mixing
- Engine Room
- Maintenance
- Ice-creams

*"I'm deeply grateful for this opportunity. This is really important if one wishes to understand 'other people's' experiences and see how we are finally part of a chain where every link contributes to the whole, regardless of specific places or positions. This chain is lubricated every day through human interaction. At the end of the day we understand that the work 'could be done' simply because everyone contributed to it".*



My day as a Supervisor – CIM

## Connection and Celebration Activities with Our Teams



### ¡Día del niño!

Te invitamos al cine este **19 de agosto** a las 9:45 hrs en Nuevocentro shopping

Inscripciones a través de [conectados@conaprole.com.uy](mailto:conectados@conaprole.com.uy) o en el portal de rrhh hasta el 13 de agosto.

Edad sugerida mayores de 6 años.

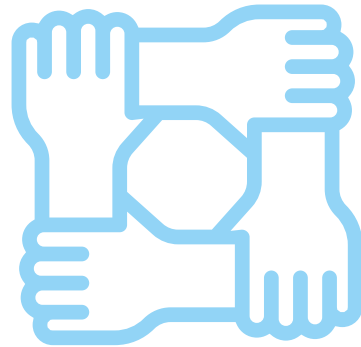


### Children's Day at Conaprole

Again this year, we celebrated Children's Day with our Cooperative's families. We enjoyed a movie and had a nice moment of fun and integration with our little ones.

### End of Year Events

We finished another year of great work by organizing integration activities at each of our plants and centers, seeking to strengthen bonds among our collaborators.



### Mothers' Day and Fathers' Day

To celebrate these special days, we organized a participatory activity and invited families to bring photos, as a way of promoting connection and recognition.



## Professional Development

**In a constantly changing global environment, we focus on preparing our teams to lead changes successfully.**

We are constantly looking for future leaders, and we invest in their development through collaborative and continuous training programs that promote knowledge exchange and streamlining between areas. This guarantees that our know-how remains preserved and enriched from one generation to the next.

Moreover, our promotion plans are based on individual merit and qualifications, which affirms our commitment to each employee's professional growth.



**7,283**  
hours of training



Rodriguez Industrial Complex



## Health and Safety at Work

**We take care of people. Our priority is the health and safety of all our collaborators.**

The ISO 45001 certified Safety and Health at Work Management System applies to all workers and working areas as well as to anyone temporarily entering our industrial plants.

### Industrial Safety Department:

The dependency of this department was consolidated during this financial year, for the purpose of enhancing even more our industrial safety management system and ensuring it meets IFC international standards. The department operates within the Quality, Innovation and Sustainability area, and is based on other more mature management systems within the Cooperative.

The Occupational Health and Safety departments ensure compliance with internal and legal regulations, thereby promoting an organizational culture aimed at the well-being and protection of all members of the Cooperative.

The Safety Committee, created in the previous financial year, is based on the concept that prevention is the strategy for ensuring our main priority: protect everyone's health and safety. Its main goals include monitoring key indicators and implementing any safety and health initiatives that may be defined.

In terms of Industrial Safety, in addition to routine internal audits, training and awareness workshops were organized, which led to different ideas for new action to be taken. The proposed ideas had a broad scope, encompassing both plants and central areas.

# 283

trained participants

The entire Industrial Safety team, in addition to middle managers, head officers and managers participated in these activities, along with external specialists, which contributed to enrich leadership in each of the industrial complexes. These opportunities proved to be essential in strengthening the team, with a view to seeking excellence at all times and promoting an integral vision regarding safety management.



Industrial Safety Training

## Occupational Risk Management

Our focus is on the detection of dangers and the analysis of risks and opportunities. Based on this, we design action plans which set specific deadlines and assign individuals in charge as well as the necessary resources for dealing with findings, deviations and nonconformities.

As part of our safety culture, we encourage identifying and reporting to the officer next in rank any activity that may pose a risk, so that the appropriate corrective measures may be adopted. Any collaborator may report a danger either to the supervisor or the Industrial Safety Department, through any available lines of communication.

The reported incidents are investigated through the “5 whys” methodology, to identify the root cause and design an appropriate corrective action plan. These investigations involve employees, supervisors, occupational risk prevention experts and plant ma-

nagers. Incidents resulting in injuries are reported to the State Insurance Bank (BSE).

The Occupational Health Department also conducts ergonomic assessments at the industrial plants and central areas and is currently working on the development of a procedure for the assessment of psychosocial risks.

**22**

was the accident frequency rate vs. 24 in the previous financial year

**14%**

was reduction in the number of injuries caused by occupational accidents vs. the previous financial year

## Health and Occupational Safety Joint Committee

We optimized the implementation of our prevention policies by managing occupational risk in a collaborative way, thus promoting a sense of commitment and of both individual and collective responsibility.

We conducted joint meetings with workers’ representatives for discussion of matters relating to industrial safety and occupational health and of different possible solutions to the problems mentioned.

## Trainings

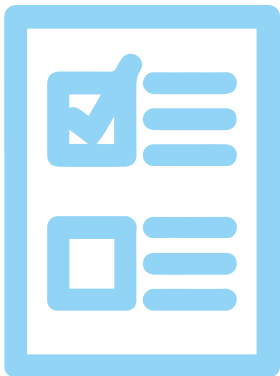
We promote a culture of safety and health through permanent training of all our teams.

All staff members participate in a comprehensive induction program that covers the following aspects:

- Safety
- Hygiene
- Ergonomics
- Accident Prevention
- Action protocols in emergency cases

Specific training is provided according to each task and its associated risks, covering issues such as:

- Forklifts
- Work Permits
- First Aid
- Evacuation Drills
- Fire
- Machine Safety
- Lock and Tag, among others



We also have first aid trained lifeguards and rescuers.



Firefighter Training Day



## Occupational Health Monitoring Plan

In addition to pre-employment assessments, we monitor workers' health through interviews and clinical exams for early detection of any condition. If necessary, we advise our staff members about appropriate healthcare options.

## Preventive Campaigns

We have implemented vaccination and general health campaigns, including blood pressure and blood sugar testing, and talks on different diseases and their prevention, with special emphasis on mental health.

Furthermore, we optimized our focus on occupational health through health promotion initiatives that emphasize addiction prevention, leading to 100% of the workers participating in expert-led sessions.



**Líneas de comunicación**  
Orientación para personas con adicciones

Grupo profesionales de Conaprole  
TEL 2924 7171 int 2411 / 2007  
saludocupacional@conaprole.com.uy  
Casaseco Servicio Social TEL 2924 54 47  
Salud Laboral de Aocec CEL 099 371 375

Red Nac. De Drogas CEL \*1020 TEL 2309 10 20 las 24 hrs.  
Narcóticos Anónimos TEL 2901 32 82 las 24 hrs.  
Nar-Anom. CEL 098 554 588 ( línea de asistencia e inform. ) Familiares y amigos de adictos a las drogas.  
Fund. Alcohólicos Anónimos TEL 2400 35 01 las 24 hrs.  
Al-Anom TEL 2915 63 60 guardia CEL 098 551 035 - 098 289 569  
Jugadores Anónimos CEL 098 1111 533  
Jug-Anom TEL 2575 53 96 las 24 hrs. Fam. y Amigos de pers. con adicción al juego  
Línea de prevención del suicidio TEL 0800 07 67 CEL\*0767  
Línea de apoyo Emocional TEL 0800 1920

Consejo Directivo



**Prevención de Dengue**

Para cuidarnos entre todos queremos compartirles las medidas recomendadas por el Ministerio de Salud Pública para detener la propagación de este virus transmitido por el mosquito *Aedes aegypti*.

**Prevención:**

- Uso de repelente en piel y ropa.
- Cubrir las cunas y cochecitos de bebés con tules.
- Dar vuelta o tapar recipientes y objetos que puedan juntar agua evitando que la misma se estanque.
- Tapar tanques y depósitos de agua.
- Colocar neumáticos bajo techo, perforarlos, llenarlos con arena o ponerles un puñado de sal gruesa.
- Limpiar con frecuencia los tarros de agua para las mascotas.
- Tratar piscinas con cloro o sal.
- Limpiar canaletas y desagües.
- Uso de ropa adecuada, como pantalones largos o camisas/buzos de manga larga.

**Síntomas:**  
No dudes en consultar a tu prestador de salud, si tienes:

- Fiebre de inicio agudo.
- Dolor de cabeza.
- Dolor detrás de los ojos.
- Dolores musculares y/o articulares.
- Erupción cutánea.

Por información adicional se puede acceder a la página web del Ministerio de Salud Pública:  
<https://www.gub.uy/ministerio-salud-publica>

Conaprole

**“Hablemos de adicciones” (Let’s Talk about Addiction), is an awareness program coordinated by CASSECO<sup>(1)</sup> and implemented in each of our plants that provides an opportunity to reflect on this critical subject.**

Actor and producer Gastón Pauls shared his personal experience with drugs, giving a clear example of the importance of being empathetic when it comes to understanding and supporting anyone going through a similar situation.

This initiative, jointly promoted by the Cooperative, gave all collaborators the opportunity to participate, create an opportunity to listen, and discuss a vital subject, leading to an exchange of questions and experiences that enriched collective learning.

<sup>(1)</sup> Conaprole’s Social Services and Health Insurance Fund

## Extra Financial and Health Aid

CASSECO provides comprehensive coverage to all employees and their families. Among other benefits, workers have access to:

- Social services
- Dental care
- Psychological care
- Reimbursement of medical expenses
- Extra sickness payment and occupational accident benefits
- Partnerships with hospital private carer services
- Birth and marriage grants
- Coverage of funeral and burial costs
- Death benefit

In an effort to create a balance between work and personal life, we offer competitive benefits, including:

- Maternity benefit: in addition to their legal maternity leave, mothers can reduce their daily work hours until one year after the birth of their child.

### **Paid leave and special extra days:**

- We have added an extra day at the end of the legal parental leave.
- We grant an additional paid day after the legal bereavement leave in case of death of a direct relative or a grandparent, and an additional unpaid day in case of death of a parent in law.
- Every year we have an additional non-working day (June 1) to commemorate Con-  
aprole's anniversary and the Dairy Industry Workers' Day.
- We have increased the marriage leave period by three days.
- In domestic violence cases, we grant victims one or two extra days in addition to the days established by law.



Rodríguez Industrial Complex

### **Challenges for 2024-2025:**

- Safety Week: technical subjects focused on daily practices and concepts.
- Strengthen our Operational Safety culture throughout the different lines of work.
- Continue to implement occupational health promotion and prevention workshops aimed at all workers.



# Safe and Healthy Products

We have a strong commitment to consolidating a high quality and safe product portfolio, guided by our previously set goals:

- To contribute to the healthy diets of 9 million people by 2025 and 11 million by 2030.
- To increase the participation of daily consumption products in compliance with the nutritional standard.
- To launch products that address special nutritional needs.
- To increase the number of functional products in the portfolio by 25%.
- To keep reducing added sugar content by 5-10% and avoid excessive sweetness.
- To avoid excessive use and decrease the level of added sodium by 5-10%.
- To reduce the use of artificial colors and avoid them in products for children.
- To ensure our communications are handled in a responsible, simple, clear, honest, and transparent manner in compliance with regulations and scientifically supported.
- To contribute to the education and promotion of healthy eating.

## Food Quality and Safety

At our company, we prioritize the safety and quality of our products by implementing an Integrated Management System. Our certifications meet the high expectations of our clients, both locally and internationally.

**These certifications support our commitment to meeting the highest international standards of quality and food safety, guaranteeing products that meet both global standards and the specific needs of our consumers.**

- **ISO 9001: 2015** Quality Management System
- **FSSC 22000 V5.1** Food Safety Certification System
- **ISO/TS 220002- 1:2009** Food Safety Prerequisite System
- **ISO 22000: 2018** Food Safety Management System
- **ISO 17025: 2017** Requirements for Laboratory Competences
- **HACCP** System According to CODEX Alimentarius
- **MSP - ACELU** Suitable for consumption by people with celiac disease
- **ADU** Suitable for consumption by diabetics
- Religious certifications: **HALAL** and **KOSHER**



Soutto Family's Dairy Farm

## Grass Fed Certification

Our Grass Fed certification reflects our commitment to animal quality and animal welfare. Through a group audit scheme, it is ensured that every dairy farm meets grass feeding and open air farming standards.

### Requirements:

- 85% or more grass feeding
- Absence of hormones or antibiotics as growth agents
- 100% farm to plant traceability
- Animal welfare as a priority
- Social aspect: support to farming families

Additionally, corporate processes relating to the chain of custody for the milk and the absence of antibiotics are audited.

# + 90%

of farmers participate in the Grass Fed Certification process.

More about  
Grass Fed



## Guaranteed Traceability from Origin

To ensure high product quality, we implement a program for continuous improvement and control of milk quality starting from the dairy farm.

All our industrial complexes keep documentation that allows for identification and traceability of raw materials, products being processed and finished products. This facilitates

## Milk Quality and Safety Control and Continuous Improvement Program at the Dairy Farm

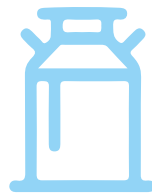
Through this program, we ensure the transfer of milk to our plants complies with the highest safety and quality standards.

For its implementation, the Producers Area relies on a team of 11 veterinary doctors specialized in quality and safety who visit 600 farms yearly, train farm workers, and conduct permanent monitoring of all dispatches. To attain permanent improvement of all processes, the milking routine, as well as the equipment hygiene and milk preserving protocols are updated and disseminated, and control plans regarding udder health, specific for each farm, are implemented.

Among safety-related aspects, attention is given to responsible antibiotic use and to the elimination of chlorate and other milk contaminants.

a reconstruction of each product's full history, from manufacturing until placement with the final consumer.

In the case of milk, it is possible to obtain information about the farmer who provided it, thus guaranteeing full traceability from its origin.



For the elimination of chlorate traces in milk, 1,300 producers were contacted this last year about the possibility of changing the disinfectant used to peracetic acid.

## Innovation and Development of Products with Nutritional

In response to current challenges and a growing demand from our clients and consumers, we conduct several operations from our Innovation and Quality Center, through the Research, Innovation and Development Department (RID+).

This specific team leads the development of new products, sensory analysis procedures and container design and control, and ensures that all products meet the regulations in force, such as the Front-of-Package Labeling Law.



## Domestic Market

# 21

developed projects

# 50 SKU

launched into the market (including new products and redesigns).

## Foreign Market

# 9

developed projects

# 7 SKU

launched into the market (including new products and redesigns).

Each new product or redesign is assessed under strict nutritional and regulatory criteria to guarantee that it is healthy and complies with national regulations.

We stay aligned with market trends, including use of natural ingredients, incorporation of new flavors and development of functional ingredients and high nutritional value products.

Furthermore, our commitment to the constantly evolving nutrition needs of consumers leads us to develop products with less sugar or no added sugar, lactose-free products and products fortified with additional nutrients. This approach is enriched through continuous dialog with healthcare professionals, medical associations, nutritional and health trend analyses and our clients' requirements within the B2B sector.

The following products were launched in the last financial year:

- **6 new products** designed for meeting specific nutritional needs.
- **32 new or redesigned products**, in compliance with the nutritional standard, belonging to different categories, such as milks, juices and yoghurts.
- **2 products** with **reduced sugar** and **4 products** with **reduced sodium content**.
- **2 products** (jellies) **without artificial coloring**. We also advanced towards the elimination of artificial coloring in the dulce de leche ice-cream base, which involved 16 SKU.

100% of our products comply with the National Front-of-Package Labeling Law

Some launched products:

**Polar Food natural frozen vegetables**

No preservatives  
No additives



**Line + Protein**

## Product Accessibility and Affordability

Access to affordable nutrition is essential for combating malnutrition, promoting healthy growth and development and preventing diet-related illnesses.

Conaprole wants to contribute to the availability of affordable foods to ensure everyone can have a balanced and nutritious diet. For this purpose, we work with the firm intent of consolidating a product portfolio characterized by quality and safety that can be part of a healthy diet, and strive to produce functional and nutraceutical products for individuals with special dietary requirements.

A nationally distributed product portfolio, which guarantees coverage of the entire territory of Uruguay.

Functional foods accounted for 10% of the total volume of sold products

### Alliances for Nutritional Development

In cooperation with Uruguay's Gerontology and Geriatrics Association (SUGG), we supported various initiatives focused on the wellbeing of seniors. An agreement was further reached with the Uruguayan Pediatrics Association (SUP) and a permanent research group was created to study and analyze the latest advances in child and adolescent nutrition.



# Client Experience and Satisfaction

We assess client experience and satisfaction in the domestic market—including distributors, direct clients and special accounts— and in export markets.

In addition to monitoring client queries, we continue to advance in this area by adopting leading edge technologies and setting up new points of contact to enrich client experience.

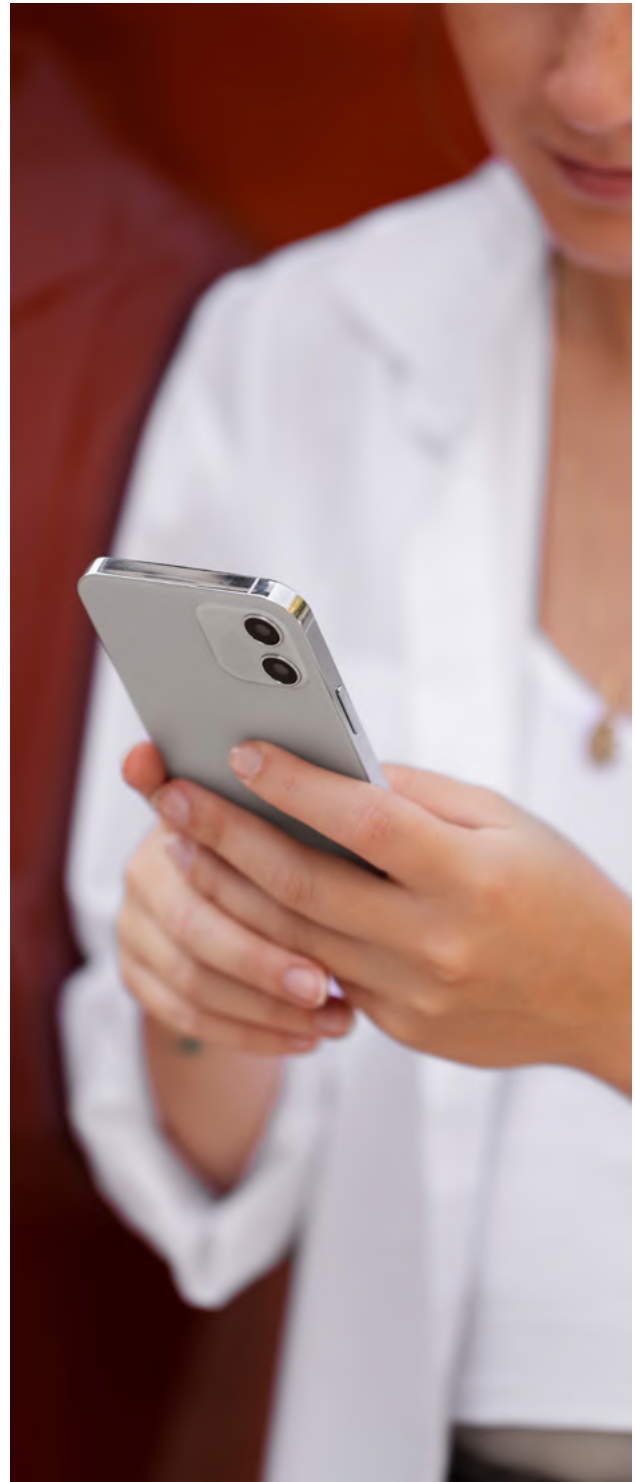
## Value Proposal

Guaranteeing food safety and quality, incorporating sustainability practices and ensuring efficient logistics are the differentiating factors in the value proposal for our clients.

We rely on efficient internal logistics and on an international freight forwarding team that ensures full compliance with our agreements. A new system is currently being implemented to guarantee optimized management of our clients' shipments.

During this period, we focused on:

- Developing new Powdered Milk specifications to meet our international market clients' emerging needs.
- Launching new Powdered Milk retail products aimed at export markets.





## Focus on Clients

Communication with our clients is open and personalized, and we pay attention to their individual needs, the market's requirements and consumers' demands. We focus on building solid and long-lasting relationships by providing a special, different service.

**We frequently visit clients from different regions to strengthen our bond, gain a better understanding of the market and adjust to their specific needs. Our value proposal is based on Food Safety, Quality, Sustainability and Efficient Logistics.**

We also participate at trade fairs to connect with global clients and keep up with the market's main trends.

## Key Strategies to Improve Client Experience

The “Construyendo valor con el cliente” (Building value along with our clients) event joined different corporate areas (Quality, Innovation and Sustainability, and Exports) in an effort to improve client experience. A discussion took place on ideas regarding value creation, new market opportunities and cooperation between areas.

**Quality, sustainability and focus on clients are consolidated as strategic pillars for value creation and new market opportunities.**

Experts discussed aspects such as adjusting to clients' needs, project management and product innovation. The event concluded with a reflection on the importance of teamwork and collective growth.



## Contact with Consumers

Queries are channeled through our Customer Service, thus ensuring a continuous high-quality service.

The “Primero lo Primero” (First Things First) 2023 milk campaign connected the brand with new generations of consumers, highlighting naturalness, nutritiveness and national origin as our products’ main qualities. Performance indicators for the social media campaign surpassed previous average totals, now reaching 73% of the target population.



### Number of followers 2023-2024

Conaprole Facebook	427,000
LinkedIn	88,000
Conaprole Dairy Nutrition LinkedIn	2,000
Conaprole Instagram	48,641
Colet Instagram	5,370
Polar Food* Instagram	748
Twitter	6,359
YouTube	7,350

\*Recently launched

## Biotop Campaign



MÁS QUE UN YOGUR  
ES BIOTOP



More about this campaign here:



## Ethical and Transparent

Strict criteria and procedures are applied to ensure responsible commercial communication practices. Our work is based on the Code of Ethics of the National Advertising Self-Regulation Council (CONARP) and we are active members of the Chamber of Advertisers of Uruguay.

## Launch of Deleite dessert line

See launch here:



## Container Disposal Awareness

We promote proper disposal of containers after use, aiming at their recycling and valorization.

We are active members of the **Corporate Commitment to Recycling (CEMPRE)**, a global non-profit civil organization specialized in waste management. CEMPRE offers the

Dónde reciclo app, which guides consumers to the nearest recycling points.

We also participate in Plan Vale, a national initiative promoted by the Chamber of Industries, which seeks to recycle and valorize containers and packing materials after use.

## Reciclando gana el planeta y ganás vos (Recycling is a win-win for the planet and for you)

This new campaign encouraged consumers to recycle ice-cream containers. For every two empty containers (1 or 2 liter containers), a free recyclable bag was handed and aid was allocated to schools and soup kitchens.

# 7,000

ice-cream containers were transformed into multipurpose jugs.



## 2024-2025 Challenges:

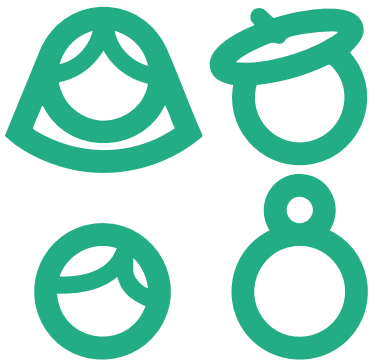
- Innovating in aspects leading to continuous improvement of customer service in the foreign market.
- Continuing to launch our new frozen food brand: Polar Food.
- Introducing new product lines to satisfy diverse nutritional needs, emphasizing the benefits and the added value of all our functional products in the market.
- Enhancing our ice-cream container recycling initiative.

# Involvement in **Community** Development

Conaprole is deeply committed to the progress and wellbeing of the Uruguayan population. We have strengthened our relationships with civil society organizations and educational institutions and have implemented several programs aimed at improving the quality of life of every member of our community.

## Our programs' focus areas:

- Visits to our plants
- Product donations
- Support to civil society organizations' initiatives



## Educational Experiences in Our Premises

To reaffirm our commitment to future generations, we decided to open the doors of our industrial complexes to students from different academic institutions.

These visits give students the opportunity to tour our facilities and get first-hand knowledge of the process involved in the production of the dairy foods they see on the market.

The purposes of these visits during this financial year were: to get acquainted with plant production processes, to understand the milk recovery system, to acquire knowledge on Good Manufacturing Practices (GMP) and the HACCP (Hazard Analysis and Critical Control Points) system, and to explore the boiler room, particularly, the heat exchangers and steam generators.

### Academic institutions that visited the Montevideo Industrial Complex:

- Universidad de la República (UdelaR):
  - School of Agronomy
  - School of Chemistry
  - School of Veterinary Science
- Universidad Católica del Uruguay (Catholic University of Uruguay, UCU) – Industrial Engineering Program
- Universidad de Montevideo – Occupational and Environmental Health Management

### Educational Tours at other facilities:

- **Rivera Industrial Plant**  
Institution: Rivera School of Agriculture – Education and Technology Hub, Rivera
- **Florida Industrial Complex**  
Institution: School of Engineering – Universidad de la República (UdelaR)
- **Rodríguez Industrial Complex**  
Institution: Technical College of Uruguay (UTEC) – Water Engineering and Sustainable Development Program

### Visit by High School No. 2 of San José

During the last financial year, we had the pleasure of being part of a series of informational and motivational workshops organized for the students of this high school. One of our psychologists talked to the students about the academic qualifications required to work in the different areas of the Cooperative.



# 8

visits to our industrial complexes in the last financial year



## Consolidated Support to the Food Bank

As part of our increasing commitment to social welfare, we maintain a solid partnership with the **Food Bank of Uruguay (Banco de Alimentos de Uruguay)**, a non-profit organization that plays a crucial role in meeting our country's vulnerable populations' nutritional needs.

**Through this partnership, we have delivered the following in the last 3 years:**

- + 200,000 kg food
- channeled through + 200 social organizations
- benefiting + 40,000 people throughout the country

**53,819**  
kg donated products

**29,906**  
people benefited

**105**  
social organizations benefited

## Furniture Donation to the Toledo Chico Inclusive School

We are proud to have contributed to the inspiring initiative of the **Toledo Chico Inclusive School**, where students actively participated in a furniture recycling and decoration one-day activity to promote inclusion and creativity as values.



Furniture donation activity - May 2024

## Together on Children's Day

As part of our partnership with the **Pérez Scremini Foundation**, this year we celebrated Children's Day with a gesture of solidarity, by handing toys to more than 100 children served by the institution. The Foundation, which offers advanced and free medical attention to children, supports families through difficult times, offering not just treatment options, but also hope.

With each gift that we handed, we also had the opportunity to talk to the children and their caregivers and share some joyful and challenging experiences. This partnership reinforces our conviction to continue cooperating with initiatives that contribute to the wellbeing of Uruguayan children.



Toy distribution day - August 2023

## Technology and Children's Wellbeing at Pereira Rossell Hospital

Working for children is a central priority in our mission. We are proud to have launched a campaign aimed at improving the quality of hospital stays among children and teenagers treated at the Pereira Rossell Hospital. This initiative includes installing 90 LED TV sets with internet connection and free Wi-Fi in each hospital room.

This campaign seeks not only to provide access to contents and entertainment options for children, but also to serve as a tool for patients to continue with their educational activities online, 24-7.



Working for children - October 2023

## Transformation that Cares: From Ice-cream Containers to Milk Jugs

In cooperation with ATMA S.A. Uruguay and Nuevocentro Shopping Mall, we launched an innovating campaign to transform our ice-cream containers into useful milk jugs that were donated to different institutions supporting those most in need, including several rural schools and the Food Bank of Uruguay.

**+3,500**  
milk jugs distributed

## Commitment with Teletón Foundation

Every year we strengthen our alliance with the Teletón Foundation, which creates and maintains accessible pediatric rehabilitation centers throughout Uruguay. The foundation focuses on the comprehensive rehabilitation of children and young people with neuro-musculoskeletal disabilities, promoting their inclusion in all aspects of life. The following are actions in support of the Foundation:

- **Fundraising**

We actively participate in the Teletón annual event. This is a nationally broadcast 24-hour TV show that raises awareness on disability, promotes inclusion and invites the audience to contribute to the financing of its activities.

- **Teletón Children's Day**

Again this year we celebrated the Teletón Children's Day. A stand was set up where different children from the Teletón center and their families enjoyed games and activities and tasted our products.



Reciclando gana el planeta y ganás vos

**361**  
kg of plastic donated by our consumers

- **Teletón Camp**

We supported the Campatón, marking the beginning of a new year of voluntary work for the Foundation.

- **We supported the Teletón Race**













# 05

## Technical Information

- ESG Performance Indicators
- GRI & SASB Table of Contents
- Scope and Guidelines



## ESG Performance Indicators

### GRI 2-7

Collaborators by gender <sup>(1)</sup>	2021-2022			2022-2023			2023-2024		
	F	M	Total	F	M	Total	F	M	Total
Number of collaborators	409	1,652	2,061	439	1,657	2,096	462	1,642	2,104
Number of permanent collaborators	351	1,472	1,823	358	1,464	1,822	375	1,459	1,834
Number of temporary collaborators	58	180	238	81	193	274	87	183	270
Number of full-time collaborators	408	1,651	2,059	436	1,653	2,089	459	1,639	2,098
Number of part-time collaborators	1	1	2	3	4	7	3	3	6

Data taken as at July, 31 of each financial year. We do not have information on collaborators by non-guaranteed hours.

Collaborators by region	2022-2023							
	Mvd	CIM	CIF	CIR	CISR	R. del Pino	Rivera	Mercedes
Number of collaborators	452	600	194	398	279	69	28	76
Number of permanent collaborators	430	529	174	320	221	62	23	63
Number of temporary collaborators	22	71	20	78	58	7	5	13
Number of full-time collaborators	447	598	194	398	279	69	28	76
Number of part-time collaborators	5	2	0	0	0	0	0	0
2023-2024								
Number of collaborators	439	628	198	400	286	67	27	59
Number of permanent collaborators	409	553	178	328	227	58	22	59
Number of temporary collaborators	30	75	20	72	59	9	5	0
Number of full-time collaborators	435	626	198	400	286	67	27	59
Number of part-time collaborators	4	2	0	0	0	0	0	0

Mvd= Montevideo, Corporate building / Montevideo (CIM), Montevideo/ Florida (CIF), Florida /Ciudad Rodríguez (CIR), San José / San Ramón (CISR), Canelones / Rincón del Pino , San José / Rivera , Rivera/ Mercedes, Soriano.

### GRI 2-21 | GRI 13.20.1

	2022-2023	2023-2024
Annual compensation, best paid person	12,390,173.50	13,233,684.02
Median annual compensation	1,361,830.92	1,504,886.86
Ratio	9.10	8.79

(1) F: Female / M: Male

Ratio between the percentage increase of the total annual compensation of the best paid person and the average percentage increase of the total annual compensation of all persons (except the best paid person): 6.16%. As per the increases fixed by wage council agreements, 01/2024: 3.07% and 07/2024: 3% General Increases.

## GRI 2-30 | GRI 13.21.2

Percentage of collaborators covered by collective bargaining agreements		
2021-2022	2022-2023	2023-2024
100%	100%	100%

## GRI 202-1

Ratio between the starting wage in the category and the minimum wage	07/2023	07/2024
Starting wage of the staff	\$52,780.23	\$56,033.04
Local minimum wage	\$21,107	\$22,268

The basic starting wage is 251% higher than the national minimum wage.  
There are no differences by gender.

## GRI 401-1

New hires by age group, gender and region	2022-2023		2023-2024	
	Number	%	Number	%
Total collaborators	1,823	100	1,822	100
Total new hires	102	6	131	7
<b>By gender</b>				
Female	30	29	39	30
Male	72	71	92	70
<b>By age</b>				
Between 18 and 25 years old	11	11	23	18
Between 25 and 30 years old	29	28	37	28
Between 30 and 50 years old	58	57	69	53
Over 50 years old	4	4	2	2
<b>By region</b>				
Montevideo	37	36	42	32
CIM	15	15	35	27
CIF	7	7	14	11
CIR	28	28	28	21
CISR	9	9	6	5
Rincón del Pino	2	2	4	3
Rivera	0	0	1	0.8
Mercedes	4	4	1	0.8

New hires calculation is based on the active staff as at July 31, 2024, not including temporary collaborators.

Rotation by age group, gender and region	2022-2023		2023-2024	
	Number	%	Number	%
Total collaborators	1,822	100	1,834	100
Total rotation	143	8	121	7
<b>By gender</b>				
Female	33	23	26	21
Male	110	77	95	79
<b>By age</b>				
Between 18 and 25 years old	5	4	11	9
Between 25 and 30 years old	25	17	20	17
Between 30 and 50 years old	56	39	44	36
Over 50 years old	57	40	46	38
<b>By region</b>				
Montevideo	58	41	57	47
CIM	33	23	20	17
CIF	9	6	11	9
CIR	22	15	14	12
CISR	9	6	4	3
Rincón del Pino	6	4	7	6
Rivera	2	1	2	2
Mercedes	4	3	6	5

The number of terminated employment relationships is calculated based on the active staff as at July 31, 2024, not including temporary collaborators.

### GRI 401-3

Parental leave indicators	2022-2023			2023-2024		
	M	F	Total	M	F	Total
Total individuals entitled to parental leave	439	1,657	2,096	462	1,642	2,104
Total individuals who requested parental leave	60	17	77	39	15	54
Total individuals who returned to work after the end of the parental leave	60	17	77	39	15	54
Total individuals who returned to work after the end of the parental leave and who were still employed 12 months later	46	17	63	35	15	50
Return to work rate among individuals who requested parental leave	100%	100%	100%	100%	100%	100%
Retention rate among individuals who requested parental leave	77%	100%	82%	90%	100%	93%



**GRI 403-9 | GRI 13.19.10 | GRI 403-10 | GRI 13.19.11 | FB-MP- 320a.1**

Injury, illness and absenteeism indicators	2022-2023	2023-2024
Accident frequency rate <sup>(1)</sup>	24	22.2
Number of deaths caused by occupational accidents	0	0
Number of injuries caused by occupational accidents	94*	81
Workplace injury rate	0.05	0.04
Number of workplace injuries with serious consequences for workers	0	0
Main types of workplace injuries	Undetermined	Overexertion
Number of deaths caused by ailments and occupational diseases	0	0
Number of hours worked	3,912,212	4,003,326
Rate of lost days <sup>(2)</sup>	0.5	0.46

(1) Frequency of accidents in relation to total time worked by the workers during this period.

(2) The rate of lost days is expressed by comparing the total lost days to the total number of working hours scheduled for that period. Number of deaths caused by occupational accidents and occupational diseases of workers who are not employees, but whose work and/or workplace is under the organization's control: 0

\*Due to a typing error in the previous Report, this figure differs from what was stated, the current figure being the actual valid fact.

**GRI 405-1**

Diversity within the board of directors	2021-2022		2022-2023		2023-2024	
	M	F	M	F	M	F
Under 30 years old	0%	0%	0%	0%	0%	0%
Between 30 and 50 years old	20%	0%	20%	0%	0%	0%
Over 50 years old	80%	0%	80%	0%	100%	0%

Data as at July 31 of each year

Diversity within the executive structure	2021-2022		2022-2023		2023-2024	
	M	F	M	F	M	F
Under 30 years old	0%	0%	0%	0%	0%	0%
Between 30 and 50 years old	33%	17%	33%	8%	36%	9%
Over 50 years old	42%	8%	42%	17%	36%	18%

Data as at July 31 of each year

Diversity within teams (By job category and gender)	2021-2022		2022-2023		2023-2024	
	M	F	M	F	M	F
Confidential	79	36	81	38	81	45
Monthly	473	178	475	177	474	184
Day laborers	920	137	908	143	904	146
Temporary monthly workers	4	5	11	12	9	22
Temporary day laborers	176	53	182	69	174	65

Data as at July 31 of each year

Diversity within teams (By job category and age)	2021-2022			2022-2023			2023-2024		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
Confidential	2	67	46	4	71	44	5	81	40
Monthly	57	363	231	70	373	209	80	366	211
Day laborers	61	749	247	83	751	217	76	754	221
Temporary monthly workers	7	2	0	19	3	1	24	6	1
Temporary day laborers	137	90	2	163	87	1	168	68	3

Data as at July 31 of each year

**GRI 404-1**

Training hours by position	2022-2023	2023-2024
Laboratory Assistant	317	364
Administration	299	422
Laboratory Analyst	97	105
Laboratory Assistant	110	66
Laboratory Aide	4	2
Intern	23	44
Management	569	517
Head position	1,371	985
Worker	1,476	948
Temporary worker	648	838
Maintenance worker	1,045	560
Supervision	1,628	1,381
Technician	508	373
Controller	17	0
Person in charge	953	678
<b>Total</b>	<b>9,063</b>	<b>7,283</b>

Training hours by gender	2022-2023	2023-2024
Male	6,704	5,467
Female	2,359	1,816
<b>Total</b>	<b>9,063</b>	<b>7,283</b>

**GRI 405-2 | GRI 13.15.3**

Ratio between basic wage and female and male compensation, by position		
Job category	Male	Female
Confidential	1	1
Monthly	1	1
Day laborers	1	1
Monthly interns	1	1
Seasonal day laborers	1	1

Male and female workers receive the same payment in the same job category, according to the monthly/daily wage scale.

## GRI G4-FP6

Parameter	% Volume of sold product			
	2022-2023		2023-2024	
	Low content	No food warning label	Low content	No food warning label
Sodium	39%	94%	38%	94%
Sugar	88%	97%	88%	97%
Total fat	16%	99%	16%	99%
Saturated fat	16%	99%	16%	98%

Classification according to the National Food Safety Regulations

## GRI 301-1 | SASB FB-PF-410a.1

**Primary materials:** used in containers in direct contact with the product.

Renewable materials	2021-2022	2022-2023	2023-2024
Paper	23%	25%	24%
TetraPak	17.7%	16%	18%
Cardboard	8%	6%	6%
Poly paper	0.3%	0.25%	0.2%
Wood	0%	0%	0.2%
<b>Total</b>	<b>49%</b>	<b>47%</b>	<b>48%</b>

Non-renewable materials	2021-2022	2022-2023	2023-2024
<b>Other materials</b>	<b>22.6%</b>	<b>25%</b>	<b>25.1%</b>
<b>Total plastic materials</b>	<b>28.4%</b>	<b>27.7%</b>	<b>27.4%</b>
LDPE	15%	13.3%	13%
PP	6.5%	6.6%	6%
PS	4%	4.7%	4.8%
HDPE	2.5%	2.6%	3.1%
BOPP	0.3%	0.4%	0.3%
PVC	0.1%	0.1%	0.1%
<b>Total</b>	<b>51%</b>	<b>53%</b>	<b>52%</b>

**Secondary materials:** offer protection for the product to be commercially distributed.

Renewable materials	2021-2022	2022-2023	2023-2024
Cardboard/cardstock	7.1%	6.2%	6.7%
Wood	38.2%	41.6%	42.3%
<b>Total</b>	<b>45.3%</b>	<b>47.8%</b>	<b>49%</b>

Non-renewable materials	2021-2022	2022-2023	2023-2024
HDPE	53.9%	51.5%	50.2%
PS	0.2%	0.1%	0.2%
LDPE	0.6%	0.6%	0.6%
<b>Total</b>	<b>54.7%</b>	<b>52.2%</b>	<b>51%</b>

HDPE: High density polyethylene / LDPE: Low density polyethylene

PP: Polypropylene / PS: Polystyrene / PVC: Polyvinyl chloride

BOPP: Biaxially oriented polypropylene



**GRI 303-3 | GRI 13.7.4 | SASB FB-PF-140a.1 | SASB FB-MP-140a.1**

Water extraction by source	2021-2022	2022-2023	2023-2024	Variation
Groundwater [m <sup>3</sup> /year]	2,866,727	2,743,756	2,638,483	-3.8%
Surface water [m <sup>3</sup> /year]	249,164	221,108	276,652	+25.1%*
Municipal water [m <sup>3</sup> /year]	323,085	353,405	320,943	-9.2%
<b>Total</b>	<b>3,438,976</b>	<b>3,318,270</b>	<b>3,236,078</b>	<b>-2.5%</b>

\* The difference in groundwater extraction is due to the absence of a significant contribution by the Water Treatment Unit in the previous financial year, since January, February and March 2023 were drought months and the Pintado creek had a significant decrease in its water flow to the Water Treatment Unit.

**GRI 303-1**

Currently we are not conducting life cycle analyses, scenario analyses or water footprint assessments. Calendar, scope of the assessment and tools or methodologies used: annual and according to ISO 14000.

Water extraction by source ( % )	2022-2023	2023-2024
Groundwater	83%	81.5%
Municipal water	10%	9.9%
Surface water	7%	8.6%

**GRI 303-4 | GRI 13.7.5**

Water discharge by destination	2021-2022	2022-2023	2023-2024	Variación
To sewer	584,781	572,436	566,242	-1%
To watercourse	3,230,994	2,986,889	2,749,168	-9%
Total volume of water discharge (m <sup>3</sup> )	3,815,775	3,559,324	3,315,410	-7%

Plants discharging into the sanitation network: Montevideo Industrial Complex; Rivera Plant.

Plants discharging into watercourses: Florida Industrial Complex; Rodríguez Industrial Complex; San Ramón Industrial Complex; Plant 11 (San José) and Plant 16, Mercedes.

Water discharge into fresh (or other) water streams	2023-2024	
	All areas	Water stress areas
Fresh water <sup>(1)</sup>	3,315,410	2,539,152
Other water <sup>(2)</sup>	0	0

Reference: (1) total dissolved solids ≤1000mg/l; (2) total dissolved solids >1000mg/l

Water discharge by treatment level	2022-2023	2023-2024	Variation
Untreated/Primary	0	0	0
Secondary (Biological)	258,987	223,962	-16%
Secondary (Chemical)	558,602	552,296	-1%
Tertiary (Chemical-biological)	2,741,735	2,539,152	-8%

**GRI 303-5 | GRI 13.7.6 | SASB FB-PF-140a.1 | SASB FB-MP-140a.1**

Liters of water/liters of milk			
2021-2022	2022-2023	2023-2024	Variación
2.32	2.23	2.22	-0.3%

**GRI 302-3**

Energy intensity		2021-2022	2022-2023	2023-2024	Variation
Fuel consumption by production	kWh/m <sup>3</sup> of milk entering the plant	305	293	296	+1%
Electricity consumption by production	kWh/m <sup>3</sup> of milk entering the plant	80	83	86	+3%

The increase in the indicators is mainly due to less inflow of milk; especially, in the second half of the year, something that had a direct impact on the rise in consumption. There was also increased processing at the Rincón del Pino Plant which, on account of no milk entering the plant, has had an upward impact on these indicators.

**GRI 302-1**

Electricity, heating, refrigeration and steam consumption are not accounted for separately. No self-generated energy is sold to the electric power grid system.

**GRI 305-1 | GRI 13.1.2**

Fixed combustion reach 1 emissions	2021-2022	2022-2023	2023-2024	Variation
Fuel oil	48,465	39,870	32,455	
Diesel oil	53	72	56	
Natural gas	0	0	3	
Biomass <sup>(1)</sup>	123,708	121,531	129,450	
Biogas <sup>(1)</sup>	211	109	90	
<b>Total</b>	<b>172,437</b>	<b>161,582</b>	<b>162,053</b>	<b>0.3%</b>

In CO<sub>2</sub> eq/ton.

(1) Biogenic (CO<sub>2</sub>) and Non-biogenic (CH<sub>4</sub> + NOx)

Annual produced energy values and CO<sub>2</sub> emission data supplied by the website "Balance Energético Nacional Uruguay" (National Energy Balance of Uruguay): [www.ben.miem.gub.uy/](http://www.ben.miem.gub.uy/) of the Ministry of Industry, Energy and Mining were used for emission factors.

**GRI 305-2 | GRI 13.1.3**

Reach 2 emissions / Consumed electricity	2021-2022	2022-2023	2023-2024	Variación
ECO <sub>2</sub> emissions in tons of CO <sub>2</sub> eq <sup>(1)</sup>	1,711	1,794	1,816	1.2%

(1) Considering base year E.F. The 2017 value was used. EF = 0.0144 tons of CO<sub>2</sub>/MWh

**GRI 305-3 | GRI 13.1.4**

Reach 3 emissions / Mobile combustion <sup>(1)</sup>	2021-2022	2022-2023	2023-2024	Variación
Km. covered	13,926,675	14,028,339	13,577,075	-3.2%
Tons of CO <sub>2</sub> equivalent	14,471	14,796	14,107	-2.5%

(1) Only transfer of milk from farms to plants

The 2006 IPCC, annually corrected according to national density and PCI values published by Ancap (Uruguay's government agency) is considered.

Emissions for land use change: Uruguay is a natural grassland territory; there is no native forest deforestation associated with the establishment of dairy farms.

**GRI 305-4 | GRI 13.1.5**

Emission intensity	2021-2022	2022-2023	2023-2024	Variation
Tons of CO <sub>2</sub> /million liters of milk entering the plant	116	109	112	2.8%

Includes reach 1 and 2 emissions, as well as biogenic emissions.

**GRI 305-6 | GRI 13.1.7**

Emissions of ozone-depleting substances (ODS): No significant emissions are included in the updated emission inventory.

**GRI 305-7 | GRI 13.1.8**

Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions into the air: boiler operational controls reduce undesired emissions (NOx, SOx). This is verified in fume measurement processes conducted by specialized third-party companies. The new boilers at Rodríguez feature a predictive burning control model that allows for increased efficiency.

**GRI 306-3 | GRI 306-4 | GRI 306-5 | GRI 13.8.4 | GRI 13.8.5 | GRI 13.8.6**

Non Hazardous Waste	2021-2022	2022-2023	2023-2024	Variación
<b>Valorization</b>	<b>20,826</b>	<b>20,726</b>	<b>26,366</b>	<b>27.2%</b>
Reuse	71	98	108	
Recycling	2,074	1,883	2,008	
Sludge as a soil improver	2,898	1,503	5,448***	
Other valorization operations <sup>(1)</sup>	15,783	17,242	18,802	
<b>Elimination</b>	<b>1,733</b>	<b>1,543</b>	<b>2,200</b>	<b>42.6%**</b>
Final disposal/hazardous waste landfills	1,733	1,543	2,200	
<b>Total</b>	<b>22,559</b>	<b>22,269</b>	<b>28,566</b>	<b>28.3%</b>

In tons

(1) Includes composting, energy recovery and animal food

\*\* Increased amount of waste disposed of at landfill due to decreased sales of recycled material at national level. This depends on the prices of virgin raw materials for the plastics and nylon manufacturing industry, which were lower throughout this period.

\*\*\*There was a considerable increase in the amount of sludge applied to land as soil improver on account of the expansion works at the Rodríguez Complex treatment plant.



Hazardous Waste	2021-2022	2022-2023	2023-2024	Variation
<b>Valorization<sup>(1)</sup></b>	<b>43</b>	<b>51</b>	<b>52.9</b>	<b>4.5%</b>
Recycling	13	11	10.8	
Recovery	30	39	42.1	
<b>Elimination</b>	<b>24</b>	<b>23</b>	<b>21</b>	<b>-8.7%</b>
Incineration	2	3	2.7	
Final disposal/hazardous waste landfills	18	20	18.2	
Other elimination operations <sup>(2)</sup>	4	2	2.1	
<b>Total</b>	<b>67</b>	<b>74</b>	<b>73.9</b>	<b>0.1%</b>

In tons

(1) Used oil, electronic scrap, solvents

(2) Includes on-site storage and disposal

Destination of generated waste	2022-2023	2023-2024	Variation
Reuse	98	103	5.1%
Recycling	1,894.5	2,008	6.0%
Recovery (includes composting, energy recovery and animal food)	17,281	18,865	9.0%
Incineration	2.6	2.7	3.8%
Final disposal/hazardous waste landfills	1,562.8	2,200	40.7%
Sludge as a soil improver	1,503	4,312	187%
Stored waste (less than 1 year)	1.7	2.1	23.5%
<b>Total</b>	<b>22,344</b>	<b>27,493</b>	<b>28.2%</b>

## GRI Table of Contents

**Statement of Use:** Conaprole has prepared this report following the GRI Standards for the period from August 1, 2023, to July 31, 2024.

**GRI 1 used: GRI 1: Fundamentals 2021**

**Applicable GRI Sectoral Standards:** Agriculture, Aquaculture, and Fisheries Sector Supplement GRI 13 and the Food Processing Sector Supplement GRI G4

Content	Location
<b>GRI 2: General Contents 2021</b>	
<b>1. The organization and its sustainability reporting practices</b>	
2-1 Organization details	7-9, Note 1
2-2 Entities included in the organization's sustainability report	Note 2
2-3 Reporting period, frequency, and point of contact	68
2-4 Rectification of information	If any, they are disclosed throughout the Report.
2-5 External verification	68
<b>2. Activities and collaborators</b>	
2-6 Activities, value chain, and other business relations	10
2-7 Employees	54
<b>3. Governance</b>	
2-9 Structure and composition of government	15
2-10 Nomination and selection of the highest governance body	216
2-11 Chairperson of the highest governance body	15
2-12 Highest governance body's role in overseeing management impact	15, 17
2-13 Delegation of responsibility for impact management	17-18
2-14 Highest governance body's role in sustainability reporting	Note 3
2-15 Conflicts of interest	19
2-16 Communication of critical concerns	Note 4
2-17 Collective knowledge of the highest governance body	15
2-18 Evaluation of the highest governance body's performance	Note 5
2-19 Compensation policies	Note 6
2-20 Process for determining compensation	Note 6
2-21 Total annual compensation ratio	54
<b>4. Strategy, policies and practices</b>	
2-22 Sustainable Development Strategy Statement	3-4
2-23 Regulatory commitments	15, 19-20
2-24 Incorporation of regulatory commitments	20
2-25 Process to remediate negative impacts	19-20
2-26 Mechanisms for seeking guidance and raising ethical concerns	20
2-27 Compliance with laws and regulations	Note 7
2-28 Membership in associations	13

As of the date of publication of this Report there is no official matching between the GRI standards and the Sustainable Development Goals.

Content	Location
<b>5. Stakeholder engagement</b>	
2-29 Approach to stakeholder engagement	5
2-30 Collective bargaining agreements	54
<b>GRI 3: Material Issues 2021</b>	
3-1 Process for determining material issues	11
3-2 List of material items	11

GRI Standard	Content	Location	Omission			Sector Supplement Reference
			Missing requirements	Reason	Explanation	
<b>Financial performance and profitability</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 21				13.25.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	21				13.22.2
	201-4 Financial assistance received from the government	Note 8				
GRI 206: Unfair Competition	206-1 Legal actions related to unfair competition, monopolistic practices, and against free competition	None				13.25.2
<b>Ethics and transparency</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 19-20, 39, 45-47				13.11.1/13.15.1 13.16.1/13.17.1 13.18.1/13.24.1 13.26.1
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for corruption-related risks	19-20				13.26.2
	205-2 Anti-corruption communication and training policies and procedures	19-20				16.26.3
	205-3 Confirmed cases of corruption and actions taken	Note 9				13.26.4
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers whose right to freedom of association and collective bargaining may be at risk	19				13.18.2
GRI 408: Child Labor 2016	408-1 Operations and suppliers with significant risk of child labor cases	19				13.17.2
GRI 406: Non-discrimination 2016	406-1 Cases of discrimination and corrective actions taken	39				13.15.4
GRI 13: Non-discrimination and equal opportunities	Differences in terms of employment and compensation associated with a worker's nationality or migrant condition	Note 10				13.15.5



GRI Standard	Content	Location	Omission			Sector Supplement Reference
			Missing requirements	Reason	Explanation	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers with significant risk of cases of forced or compulsory labor	19				13.16.2
GRI 410: Safety Practices 2016	410-1 Security staff trained in human rights policies or procedures	Note 11				
GRI 415: Política pública 2016	415-1 Contribution to parties and/or political representatives	Note 12				13.24.2
GRI 417: Marketing and Labeling 2016	417-1 Product and service information and labeling requirements	45-46				
	417-2 Non-compliance cases related to information and labeling of products and services	None				
	417-3 Cases of non-compliance related to marketing communications	None				
	Policies and practices for communicating to consumers about ingredients and nutrition information beyond legal requirements	45-47				FP8
GRI G4- Animal welfare	Percentage and total number of animals processed by species and breed			Not applicable	We do not process animals	FP9
	Policies and practices regarding physical alterations and the use of anesthetics, by species and race	None				FP10
	Percentage and total number of animals raised or processed by species and breed type, by type of household		FP11	Information not available	Not quantified	FP11
	Policies and practices, by species and breed, on the use of antibiotics, anti-inflammatories, hormones, and growth promotion	45				FP12
	Total number of incidents of significant non-compliance with laws and regulations and adherence to voluntary standards related to the transportation, handling, and slaughter of terrestrial and aquatic animals		FP13	Information not available	Not quantified	FP13

GRI Standard	Content	Location	Omission			Sector Supplement Reference
			Missing requirements	Reason	Explanation	
GRI 13: Animal Health and Welfare	Submit information on the percentage of production volume coming from the organization's establishments certified by third parties according to animal health and welfare standards and list such standards	45-46				13.11.2
<b>Integrated Risk Management (ESG)</b>						
GRI 3: Material issues 2021	3-3 Management of the material issue	11-12, 15-18				
<b>Cooperative Culture</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 15				
<b>Technology And Development - Sustainable Production System</b>						
GRI 203: Indirect Economic Impacts 2016	3-3 Management of the material issue	11-12, 22-26				13.22.1
	203-1 Infrastructure investments and services supported	24				13.22.3
	203-2 Significant indirect economic impacts	22-26				13.22.4
<b>Responsible Supply Chain Management</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 23-25, 45-46, Note 13				13.20.1/13.21.1 13.23.1
	204-1 Proportion of spending on local suppliers	25				
GRI 13: Supply Chain Traceability	Describe the level of traceability implemented for each product supplied	46				13.23.2
	Present information on the percentage of the volume supplied certified according to recognized international standards, which allow product traceability	45				13.23.3
	Describe improvement projects to certify suppliers following recognized international standards, which allows product traceability	23-24, 45-46				13.23.4
Food Sector Supplement GRI G4	Percentage of suppliers that comply with the company's purchasing policies	25				FP1
	Percentage purchased that is verified in compliance with internationally recognized and responsible production standards	25,45				FP2

GRI Standard	Content	Location	Omission			Sector Supplement Reference
			Missing requirements	Reason	Explanation	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that have passed evaluation and selection filters under the environmental criteria	Note 14				
	308-2 Negative environmental impacts on the supply chain and actions taken	None				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that have passed selection filters under social criteria	Note 14				
	414-2 Negative social impacts on the supply chain and actions taken	None				
<b>Commitment to the team</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 39-44, 55-56, Note 13				13.15.1/13.19.1 13.20.1/13.21.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	42				13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	42				13.19.3
	403-3 Occupational health services	43-44				13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	42				13.19.5
	403-5 Training of workers in occupational health and safety	43				13.19.6
	403-6 Workers' health promotion	43-44				13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	42-43				13.19.8
	403-8 Coverage of occupational safety and health management system	42				13.19.9
	403-9 Work related injuries	55				13.19.10
	403-10 Work related occupational diseases	55				13.19.11
GRI 404: Training and Education 2016	404-1 Average number of training hours per year per employee	56				
	404-2 Programs to improve employees' skills and transition assistance programs	40-41				

GRI Standard	Content	Location	Omission			Sector Supplement Reference
			Missing requirements	Reason	Explanation	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	54-55				
	401-2 Benefits for full-time employees that are not provided to part-time or temporary employees	41, 44				
	401-3 Parental leave	55				
GRI 13: Living Income and Living Wages	Report the percentage of employees and non-employees whose work is covered by collective bargaining agreements that establish provisions for wage levels and frequency of payment of wages	54				13.21.2
	Provide information on the percentage of employees and non-employees who are paid above the living wage, with a breakdown by gender		13.21.3	Information not available	This information is not quantified	13.21.3
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity in governing bodies and employees	55-56				13.15.2
	405-2 Ratio of basic wage and remuneration of women to men	56				13.15.3
GRI 402: Worker-Company Relations 2016	402-1 Minimum notice periods for operational changes	Note 15				
GRI 202: Market Presence 2016	202-1 Ratios between the standard starting wage of the category by gender and the local minimum wage	54				
	202-2 Proportion of senior management hired from the local community	18				
GRI G4 Food Sector Supplement	Percentage of working time lost due to industrial disputes, strikes, and/or blockades, broken down by region	Not a significant %				FP3
<b>Safe and healthy products</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 45-46, 56				13.10.1
GRI 416: Client Health and Safety 2016	416-1 Assessment of the health and safety impacts of product or service categories	45				13.10.2
	416-2 Non-compliance cases related to health and safety impacts of categories of products and services	None				13.10.3



GRI Standard	Content	Location	Omission			Sector Supplement Reference
			Missing requirements	Reason	Explanation	
GRI G4: Consumer Health and Safety	Percentage of total sales of products reduced in saturated fat, trans fat, sodium, and added sugars	56				FP6
	Percentage of total sales of products containing added nutritional ingredients such as fiber, vitamins, minerals, phytochemicals, or functional food additives		FP7	Information not available	This information is not quantified	FP7
Access to healthy food	Nature, scope, and effectiveness of any program or practice that promotes access to healthy lifestyles; prevention of chronic diseases; access to healthy, nutritious, and affordable food; and to improve the well-being of communities	45-47				FP4
Food Sector Supplement GRI G4	Percentage of production volume manufactured at sites certified by an independent third party following internationally recognized food safety standards	45				FP5
GRI 13: Food safety	Percentage of production volume from sites certified to internationally recognized food safety standards, and list such standards	45				13.10.4
	Report the number of recalls issued for food safety reasons and the total volume of products recalled	None				13.10.5
<b>Client experience and satisfaction</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 47-48				
Client satisfaction	G4 PR5 Results of surveys to measure client satisfaction and to evaluate customer service	48				
GRI 418: Client Privacy 2016	418-1 Substantiated complaints regarding violations of client privacy and loss of client data	None				

GRI Standard	Content	Location	Omission			Sector Supplement Reference
			Missing requirements	Reason	Explanation	
<b>Accessibility and affordability of products</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 47				
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	47				
<b>Involvement in community development</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 50-52				13.12.1
GRI 413: Local Communities 2016	413-1 Operations with local community participation, impact evaluations, and development programs	50-52				13.12.2
Healthy and affordable food	Programs that promote healthy lifestyles, prevention of chronic diseases, access to healthy nutritious and affordable food, and community well-being improvement	50-52				FP4
<b>Water management</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 31-33, 37, 57				13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	31-32, 57				13.7.2
	303-1 Interactions with water as a shared resource	33				13.7.3
	303-3 Water extraction	32,57				13.7.4
	303-4 Water discharge	57				13.7.5
	303-5 Water consumption	57				13.7.6
<b>Waste management and circular economy</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 34-37, 51, 56-58				13.8.1 13.9.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste related impacts	34-36				13.8.2
	306-2 Management of significant impacts related to wastes	35				13.8.3
	306-3 Waste generated	58				13.8.4
	306-4 Waste not for disposal	58				13.8.5
	306-5 Waste for disposal	58				13.8.6

GRI Standard	Content	Location	Omission			Sector Supplement Reference
			Missing requirements	Reason	Explanation	
GRI 301: Materials 2016	301-1 Materials by weight or volume	56				
GRI 13: Food Safety	Food loss percentage and total weight	35-36, 51				13.9.2
<b>Climate change risks and opportunities</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 28, 37				13.2.1
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities of climate change	28				13.9.2
<b>Energy management</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 29-31, 37, 57-58				13.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	29, 57				
	302-3 Energy intensity	57				
	302-4 Reduction of energy consumption	29-30				
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	57				13.1.2
	305-2 Indirect GHG emissions from energy generation (Scope 2)	57				13.1.3
	305-3 Other indirect GHG emissions (Scope 3)	58				13.1.4
	305-4 Intensity of GHG emissions	58				13.1.5
	305-5 Reduction of GHG emissions	31				13.1.6
	305-6 Emissions of ozone-depleting substances (ODS)	58				13.1.7
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	58				13.1.8

GRI Standard	Content	Location	Omission			Sector Supplement Reference
			Missing requirements	Reason	Explanation	
<b>Sustainable agriculture and biodiversity</b>						
GRI 3: Material Issues 2021	3-3 Management of the material issue	11-12, 36-37				13.3.1 / 13.4.1 13.5.1 / 13.6.1
GRI 304: Biodiversity 2016	304-1 Owned, leased or managed operation centers located within or next to protected areas or areas of great value to biodiversity outside protected areas	36				13.3.2
GRI 13: Conversion of Natural Ecosystems	Percentage of production volume from land owned by the organization that is deemed to be free of deforestation or conversion, by product			Not applicable	We do not have farms under our own management	13.4.2
	Report the percentage of purchased volume of origin determined to be free of deforestation or conversion	36				13.4.3
	Size in hectares, location, and type of natural ecosystems converted to land owned by the organization			Not applicable	We do not have farms under our own management	13.4.4
	Report the size in hectares, location, and type of natural ecosystems converted by suppliers or at sourcing locations	36				13.4.5
<b>Non-material issues relating to agriculture sector supplement</b>						
GRI 13.13 Rights on land and resources	Given the location of our operations and the absence of land property claims, this is not a material issue					
GRI 13.14 Indigenous peoples' rights						



# SASB Table of Contents

## (Sustainability Accounting Standards Board)

### SASB – Processed Foods 2023

Subject	Parameter	Code	Pag / Response
ENERGY MANAGEMENT	Total energy consumed	FB-PF-130a.1	29-30
	Percentage of electricity from the grid		
	Percentage of renewables		
WATER MANAGEMENT	Total water extracted	FB-PF-140a.1	32, 57
	Total water consumed, percentage of each in regions with initial high or extremely high water stress		
	Number of non-compliance incidents related to water quantity or quality permits, standards, and regulations	FB-PF-140a.2	None
	Description of water management risks and analysis of strategies and practices to mitigate them	FB-PF-140a.3	31-32
FOOD SAFETY	Global Food Safety Initiative (GFSI) audit: (1) rate of nonconformities and (2) rate of corresponding corrective actions for (a) major and (b) minor nonconformities	FB-PF-250a.1	Note 16
	Percentage of ingredients sourced from Tier 1 supplier facilities certified by a Global Food Safety Initiative (GFSI) recognized food safety certification program	FB-PF-250a.2	This information is not systematically obtained and updated
	(1) Total number of notifications of food safety violations received, (2) percentage corrected	FB-PF-250a.3	None
	(1) Number of recalls issued and (2) total number of food products recalled	FB-PF-250a.4	None
HEALTH AND NUTRITION	Revenues from products with labeling or marketing that promotes health and nutrition attributes	FB-PF-260a.1	21, 56
	Analysis of the process of identification and management of products and ingredients related to nutritional and health concerns of consumers	FB-PF-260a.2	46
PRODUCT LABELING AND MARKETING	Percentage of advertisements (1) made for children and (2) made for children promoting products that comply with dietary recommendations	FB-PF-270a.1	No advertisements were made targeting children
	Revenues from products labeled as (1) containing genetically modified organisms (GMOs) and (2) not containing GMOs	FB-PF-270a.2	Income from sale of GMO labeled products was equivalent to 0.04%

Subject	Parameter	Code	Pag / Response
PRODUCT LABELING AND MARKETING	Number of incidents of non-compliance with regulatory or industry codes for labeling or marketing	FB-PF-270a.3	None
	The total amount of monetary losses as a result of legal proceedings related to labeling or marketing	FB-PF-270a.4	None
PACKAGING LIFE CYCLE MANAGEMENT	Total weight of containers	FB-PF-410a.1	56, 58
	Percentage made from recycled or renewable materials		
	Percentage that is recyclable, reusable, or compostable		
	Analysis of strategies to reduce the environmental impact of packaging throughout its life cycle	FB-PF-410a.2	36, 49
ENVIRONMENTAL AND SOCIAL IMPACTS OF THE INGREDIENT SUPPLY CHAIN	Percentage of food purchased that is certified to third-party environmental or social standards	FB-PF-430a.1	25, 45-46
	Suppliers' social and environmental responsibility audit: (1) rate of nonconformities and (2) rate of corresponding corrective actions for (a) major and (b) minor nonconformities	FB-PF-430a.2	25
INGREDIENT SUPPLY	Percentage of food ingredients sourced from regions with high or extremely high initial water stress	FB-PF-440a.1	No information available
	List of priority food ingredients and analysis of sourcing risks due to environmental and social considerations	FB-PF-440a.2	28
<b>ACTIVITY PARAMETER</b>		<b>Code</b>	<b>Pag / Response</b>
Weight of products sold		FB-PF-000.A	214.558.460 KL
Number of production facilities		FB-PF-000.B	9

### SASB – Meat, Poultry & Dairy 2023

Subject	Parameter	Code	Pag / Response
GREENHOUSE GAS EMISSIONS	Global gross Scope 1 emissions	FB-MP-110a.1	57
	Analysis of the long- and short-term strategy or plan for managing Scope 1 emissions, emission reduction targets, and analysis of performance against these targets	FB-MP-110a.2	28, 30-31
ENERGY MANAGEMENT	Total energy consumed	FB-MP-130a.1	29-30
	Percentage of electricity from the grid		
	Percentage of renewables		

Subject	Parameter	Code	Pag / Response
WATER MANAGEMENT	Total water withdrawn	FB-MP-140a.1	32, 57
	Total water consumed, percentage of each in regions with initial high or extremely high water stress		
	Description of water management risks and analysis of strategies and practices to mitigate them	FB-MP-140a.2	31-32
	Number of non-compliance incidents related to water quantity or quality permits, standards, and regulations	FB-MP-140a.3	None
LAND USE AND ECOLOGICAL EFFECTS	Amount of manure and animal waste generated, percentage managed according to a nutrient management plan	FB-MP-160a.1	This requirement does not exist in our country
	Percentage of pasture and rangeland managed according to a Natural Resources conservation plan criteria	FB-MP-160a.2	36, 45
	Production of animal proteins from concentrated animal feeding operations (CAFOs)	FB-MP-160a.3	The widely predominant production system is pastoral; therefore, there is no penning.
FOOD SAFETY	Global Food Safety Initiative (GFSI) audit: (1) rate of nonconformities and (2) rate of corresponding corrective actions for (a) major and (b) minor nonconformities	FB-MP-250a.1	Note 16
	Percentage of supplier facilities certified under a Global Food Safety Initiative (GFSI) food safety certification program	FB-MP-250a.2	This information is not systematically obtained and updated
	(1) Number of recalls issued and (2) total weight of products recalled	FB-MP-250a.3	None
	Analysis of markets that ban the importation of products produced by the organization	FB-MP-250a.4	There are no bans in the markets of interest
USE OF ANTIBIOTICS IN ANIMAL PRODUCTION	Percentage of animal production that received (1) medically important antibiotics and (2) non-medically important antibiotics, by type of animal	FB-MP-260a.1	Note 17
WORKFORCE HEALTH AND SAFETY	Total Recordable Incident Rate (TRIR)	FB-MP-320a.1	55
	Mortality rate		
	Description of activities to assess, monitor, and mitigate acute and chronic respiratory conditions	FB-MP-320a.2	43
ANIMAL CARE AND WELFARE	Percentage of pork produced without farrowing crates	FB-MP-410a.1	Not applicable
	Percentage of sales of eggs from cage-free hens	FB-MP-410a.2	Not applicable
	Percentage of production certified to an external animal welfare standard	FB-MP-410a.3	45

Subject	Parameter	Code	Pag / Response
ENVIRONMENTAL AND SOCIAL IMPACTS OF THE ANIMAL SUPPLY CHAIN	Percentage of suppliers' livestock applying Natural Resources Conservation Service (NRCS) conservation plan criteria or equivalent	FB-MP-430a.1	Not applicable
	Percentage of supplier and contracted production facilities verified as meeting animal welfare standards	FB-MP-430a.2	45
PROCUREMENT OF FEED AND ANIMALS	Percentage of feed coming from regions experiencing high or extreme initial water stress	FB-MP-440a.1	None
	Percentage of contracts with farmers located in regions experiencing high or extreme water stress	FB-MP-440a.2	None
	Assessing our strategy, we must take into account the challenges and opportunities that come with climate change in terms of feeding and managing livestock supply	FB-MP-440a.3	28

ACTIVITY PARAMETER	CODE	PAGE RESPONSE
Number of processing and manufacturing facilities	FB-MP-000.A	9
Animal protein production by category; percentage outsourced	FB-MP-000.B	We do not have this information



## Notes to the GRI & SASB Content Indexes

### **Note 1 | GRI 2-1**

Conaprole, which stands for Cooperativa Nacional de Productores de Leche, is a cooperative that was established by Law 9,526 on December 14, 1935. Conaprole does not issue equity participation. Article No. 18, Paragraph 2 of Law 9,526 specifies the number of votes to which each voting member of the cooperative is entitled. This article specifies that no voter may have more than three votes. As at July 31, 2024, there are 1,351 members with voting capacity, and the maximum number of possible votes is 1,536. As a result, the member with the greatest voting capacity has a weight of only 0.195% (3/1,536) in the election of authorities, which is held every five years.

### **Note 2 | GRI 2-2**

The financial statements include Conaprole's interest in other companies where investments are held. These companies are not covered in this report.

### **Nota 3 | GRI 2-14**

This Report includes all the information required by articles 184.11 and 184.12 of the Compilation of Rules of the National Securities Commission (RNCV). All the contents of this document were approved by the Board of Directors at its meeting held on October 8, 2024, and submitted for the consideration of the Farmers' Meeting for approval.

### **Note 4 | GRI 2-16**

The Internal Audit Area submits monthly reports to the General Manager and the Audit and Supervisory Committee outlining opportunities for improvement.

### **Note 5 | GRI 2-18**

During the 29th Assembly, the organization's performance is reviewed with its primary cooperative partners.

### **Note 6 | GRI 2-19 | GRI 2-20**

The Board of Directors' remuneration is determined according to Law No. 16,002 of November 25, 1988, and is adjusted based on general wage increases granted to Conaprole's employees since then. The Audit and Supervisory Committee members serve as the Fiscal Commission and do not receive payment for their services. Senior personnel's compensation is determined annually by the Management. Conaprole fully complies with the agreements reached in the Wage Councils to determine employee wage adjustments.

### **Note 7 | GRI 2-27**

We understand that incidents involving non-compliance with laws and regulations are significant when they are notified by regulatory entities such as the Ministry of the Environment or departmental municipalities. However, cases where Conaprole notified regulatory bodies of specific non-compliances without any subsequent requests for action plans are not considered significant.

**Note 8 | GRI 201-4**

Financial assistance received from governments: Tax Credits for USD 16,854,848.32 (vs. USD 20,115,454 of the previous period).

**Note 9 | GRI 205-3**

Total number and nature of confirmed corruption cases: there is an ongoing process, but we consider innocence.

**Note 10 | GRI 13.15.5**

There are no differences in terms of employment and compensation associated with a worker's nationality or migrant condition.

**Note 11 | GRI 410**

Hiring companies meet the regulatory training requirements specified for guards. 100% of the staff joining Conaprole go through a general induction process on the organization's policies and practices.

**Note 12 | GRI 415-1 | GRI 13.24.2**

According to section 12.6 of the Code of Ethics, it is strictly forbidden to make any contributions, whether in cash or in kind, on behalf of Conaprole to any political institution, unless prior approval from the Board of Directors has been obtained. The policy clearly states that Conaprole will not be associated with any political party or institution.

**Note 13 | GRI 13.20.1**

Our policy and commitments regarding workers' hiring are published in our internal media and in the Code of Ethics on our website. They are written in understandable language and contain provisions prohibiting the retention of any identity documents. These issues are further dealt with by the Internal Audit Area.

**Note 14 | GRI 308-1 | GRI 414-1**

We screen and select 100% of new dairy farmers according to environmental criteria. The Cooperative's technicians visit 100% of the new farmers to be admitted, and then they are subject to an admission process made through the Board of Directors. Our suppliers comply with all employment standards and requirements related to decent work conditions.

**Note 15 | GRI 402-1**

The minimum number of weeks' notice given to employees and their representatives before the implementation of important operational changes that could significantly affect them. We always notify them in advance. Notice varies depending on the subject matter.

**Note 16 | SASB FB-PF- 250a.1 | SASB FB-MP- 250a.1**

In the August 2023 FSSC 22.000v5.1 certification audit, the following nonconformities were identified:

- Florida Industrial Complex: 6 minor nonconformities
- Rodríguez Industrial Complex: 3 minor nonconformities
- Rincón del Pino: 1 minor nonconformity
- Mercedes: 4 minor nonconformities
- Montevideo Industrial Complex: 7 minor nonconformities
- Central Administration: 1 minor nonconformity

For all nonconformities, the necessary corrective actions and corrections were proposed. The respective action plans were duly approved by the certifying body.

**Note 17 | SASB FB-MP-260a.1**

Appropriate use of antibiotics is not quantified. Their use is strictly limited to treatments of veterinary medical importance and must be administered under professional supervision. Grass Fed ensures antibiotic-free production in over 90% of the farms.

**GENERAL NOTE**

In this report, the term ‘facilities or locations with significant operations’ refers to all of our locations. If there are any cases where this definition is not applicable, we will provide a clarification along with the corresponding scope.





## Scope and Guidelines

This is Conaprole's 7th Annual Report and covers all operations for the financial year from August 1, 2023, to July 31, 2024.

Both the Report and the sustainability management rely on the guidelines below:

- GRI Standards (Global Reporting Initiative)
- GRI Sector Supplement 13: Agriculture, Aquaculture and Fisheries Sectors 2022
- Food Processing Sector Supplement GRI G4
- SASB- Sustainability Accounting Standards Board -Processed Food 2023 Standards
- SASB- Sustainability Accounting Standards Board -Meat, Poultry and Dairy Standards 2023
- Sustainable Development Goals (SDGs) and United Nations 2030 Goals. SDG Compass-Guide 2015 tool (United Nations Global Compact, GRI, WBCSD).

**Reporting period:** Annual

**External verification:** Only the financial data were externally verified.

**Publication date:** November 2024

**Our sustainability management spans across the entire business. Therefore, all areas involved in managing key issues for sustainable development contributed to this document.**

### **External facilitators**

Punto ESG | [www.puntoesg.com](http://www.puntoesg.com)

We welcome and value your feedback regarding the management outlined in this Report.









Nurturing a healthy life



[www.conaprole.com.uy](http://www.conaprole.com.uy)

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