

MODERNA

SUSTAINABILITY
REPORT

20
19



MODERNA
ALIMENTOS

SUSTAINABILITY
REPORT

2019





Moderna Alimentos S. A.
(102-1)

General Coordination: Corporate Social Responsibility Department

Content: Moderna Alimentos S. A.

Edition, design & layout:
Assistec Comunicación Estratégica

Photography: Gabriel Díaz /
Moderna Alimentos S. A.

Agosto, 2020

Address: San Gabriel Oe7-89
y Nuño de Valderrama

Telephone: 593 2 298 5100

www.moderna.com.ec

www.modernasostenible.com.ec

Quito, Ecuador
(102-4)

For comments and suggestions regarding the 6th edition of our Sustainability Report, write to us at:
mgomez@moderna.com.ec (102-53)

CONTENT

Presentation 06

Chief Executive Officer letter

Moderna Alimentos 09

Moderna Alimentos

- Relevant figures 2019
- Our brand and products
- Markets served

Financial management

- Economic performance
- Building positive relationships

Sustainability 21

- 2019 Sustainability Report Profile
- Stakeholder inclusiveness
- Materiality assessment
- Sustainability context

Corporate governance

- Governance structure
- Conflict of interest management
- Self-assessment mechanism

Ethics and integrity

- Anti-corruption policies
- Human Rights
- Mechanisms for advice and concerns about ethics

People 43

Our People

- Moderna Alimentos' workforce
- Fair employment standards
- Industrial Safety and Occupational Health Program

Our community

- Corporate Volunteer Program
- Contribution to economic and social development
- Relationship with the community

Product 69

- Constant innovation
- Certifications Nutrition
- Customer satisfaction

Supply chain

- Long-term relationships
- Supply chain management
- Development of local raw material providers

Planet 89

- Responsible use of raw materials
- Responsible waste management
- Energy
- GHG Emissions
- Biodiversity protection
- Initiatives to mitigate climate change

CHIEF EXECUTIVE OFFICER'S LETTER

(102-14) (102-15)

During 2019, Moderna Alimentos S.A. consistently managed to address its four priority areas of management: People, Product, Planet and Acknowledgments. This management, multiple in all aspects, should have been an adequate response and indeed it was, to a cyclical and normal development, as well as creative and brave on the threshold of the unexpected and anomalous, as were the events in October of this year.

In 2019, Moderna Alimentos generated more than seven hundred direct jobs and 2,892 indirect jobs. 98.16% of the workforce received more than 14 thousand hours of training to reinforce their knowledge and aptitudes, as well as for its personal and self-esteem growth.

It is fulfilling to share that, 15% of employees contributed with 1,885 volunteer hours which benefited 118 children, more than a thousand elderly and three families of our employees. In Colta county, in the Community Development Center Ñukata Kuyay that the company sponsors, 121 children acquired new abilities and strengthened their character through workshops: Music, Painting, *Encuentro con la Palabra* and *Jugando con Números*.

Through our *Cultiva* Program, the company acquired more than 2,900 tons of national wheat. This quantity represents 37% of the national wheat harvest destined for the milling industry. Through the program, Moderna benefitted 401 farmers in Ecuador both with the purchase of their wheat and with assistance in sowing and harvesting.

During 2019, we worked seamlessly across areas to achieve \$158.5 million in sales which represents 5.01% growth compared to 2018.

This year, we invested more than \$7,3 million in innovation and development of our production plants. With that, we want to ensure the continuity of nutrition and the exceptional quality of our products. We also incorporated ingredients rich in fiber, vitamins and minerals to contribute to the nourishment and health of families, and launched eight new products in the Industrial business, three in the Packaged Bread business, and four in the Packaged Flour and Premix businesses. In 2019, we launched a total of 15 new products of outstanding quality for our customers. We are proud to claim that 89% of our portfolio has green and yellow light indicators, without any red one as ranked by the Ecuadorian food traffic light system. This means that, the total content of sugar, salt and fat is lower than 15%, 0.6% and 20%, respectively. Furthermore, 100% of our production plants have quality certifications like: GMP, HACCP, FSSC 22000 and *"Sellos de Calidad INEN"*.

In Moderna, we have managed to keep pace with the care, appreciation and esteem for nature and our planet. Over the past year, we reduced our energy intensity by 9.7% vs 2018 through the incorporation of technological tools to optimize production. We delivered 93,000 kg. of recyclable materials to qualified local waste processors and adequately managed 6,777 kg of hazardous waste.

Our outstanding quality products were granted important distinctions during this year. Our YA Brand received **the recognition "2019 Brand of the Year"** by the Kantar World Panel National Award. This award was granted based on the brand valuation, market research and direct rating from the public.

Our **Panettone Pacari** received two gold stars for the best flavor by the Superior Taste Awards, organized by the International Taste Institute in Brussels.

Additionally, Moderna received four **"Puntos Verdes"**, Environmental National Certification, for the implementation of Clean Production Projects, focused in energy efficiency and control; optimization of packaging materials; by-product generation and proper waste management.

I want to conclude this message by pointing out that, all the efforts we do in Moderna are reflected in our **AAA Rating in the securities and exchange market in Ecuador**; which validates the excellent capacity of capital and interest payment in the agreed terms and deadlines, as a solid, capable, responsible and sustainable company.



Rodrigo López
Chief Executive Officer



Moderna Alimentos S. A.

Moderna

Alimentos

(102-2) (102-5)

We are an Ecuadorian¹ food company that, for 110 years, has contributed to the development of the country through a sustainable model that generates a comprehensive well-being to all its stakeholders.

Location

(102-3) (102-4)

We have activities in nine cities of the country; seven production plants and eight distribution centers from where we dispatch our products, nationwide.



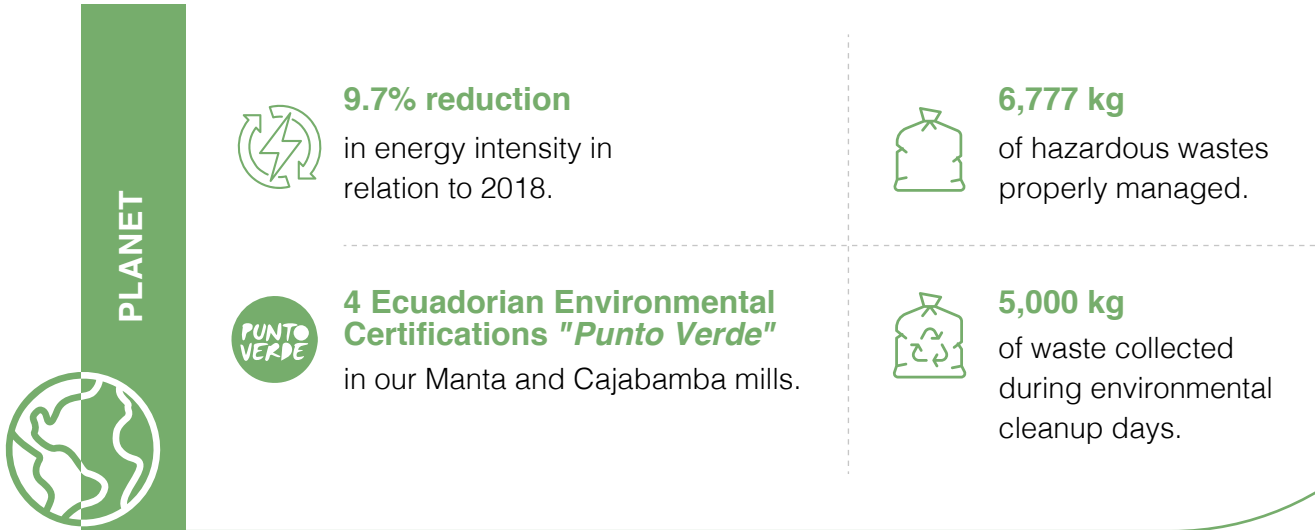
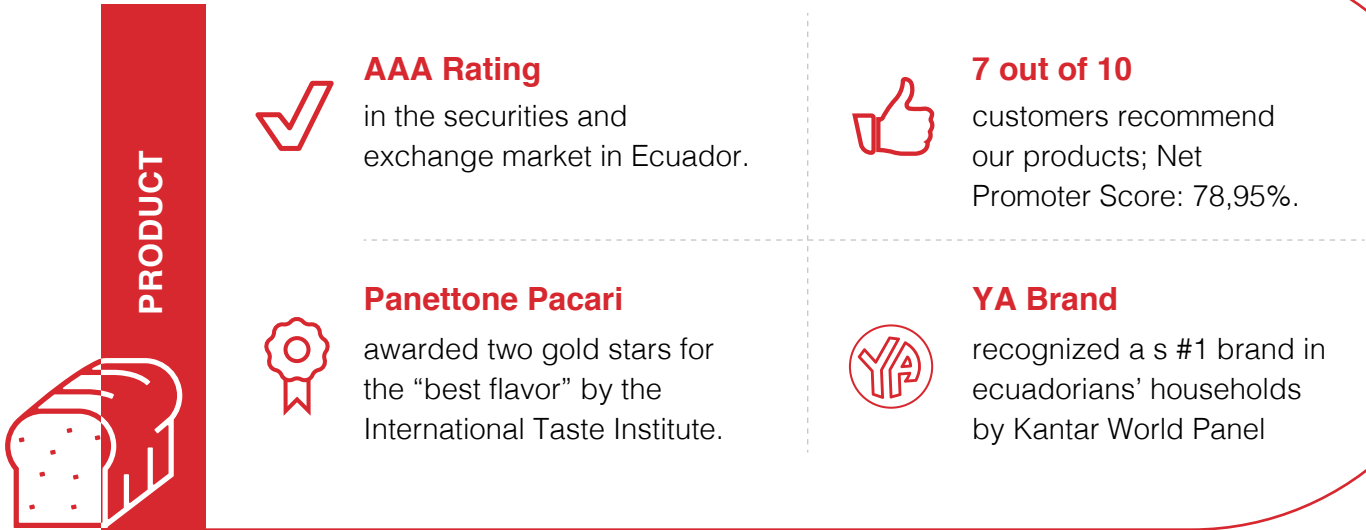
Geographic Coverage

Location	Packaged Bread Plant	Mills	Pasta Plant	Extruder Plant	Distribution Center
Manta		📍			📍
Cajabamba		📍			📍
Cayambe		📍	📍		📍
Quito*	📍				📍
Calderón					📍
Amaguaña				📍	
Guayaquil					📍
Santo Domingo de los Tsáchilas					📍
Cuenca					📍

* Headquarter

¹ Our share capital has a 51% of national participation and 49% of foreign participation, with natural and legal persons. (102-5)

Relevant figures 2019



Our brands and products

(102-2)

We develop and offer high quality products that comply with national and international standards which nourish and delight our consumers.



B2C: CONSUMER BUSINESS UNITS

This business unit include those products that are purchased by the final consumer such as: packaged flours, packaged breads, noodles, pasta, premixes and oats produced under high quality standards, endorsed by the reached certifications.

B2B: INDUSTRIAL BUSINESS UNIT

We produce the best bakery flours in the market: whole-meal, pastry, biscuit and for pastas; with a selective mixture of wheat grain technically processed with machinery and equipment of the latest technology under strict quality standards.

Our flours have nutritional components such as: proteins, vitamins B1, B2, B3, folic acid, iron and fiber.



MAIN PRODUCTS	2019 HIGHLIGHTS
<ul style="list-style-type: none">PaniPlus FlourGalli Top FlourEstrella de Octubre FlourTomebamba FlourManta Especial FlourTrébol Rojo FlourSúper Panadera Flour	NPS ² : 79,85 %

²NPS: Net Promotor Score.

YA BUSINESS UNIT: PACKAGED FLOURS, PREMIXES AND OATS



MAIN PRODUCTS	2019 HIGHLIGHTS
<p>Packaged Flours:</p> <ul style="list-style-type: none">Y.A. Flour with baking powderY.A. Flour without baking powder <p>Corn Flour</p> <ul style="list-style-type: none">Y.A. Yellow Corn Flour <p>Premixes</p> <ul style="list-style-type: none">Chocolate cake,Vanilla cake,Orange cake,Red Velvet cake,Pancake,Y.A. Vanilla whipped cream <p>Oats</p> <ul style="list-style-type: none">Oats Flakes	<p>Recognized as the # 1 brand in the flour category for the 5th consecutive year according to EKOS Magazine.</p> <p>Absolute leaders in the category of packaged flours (63% of Market Share)</p>

PACKAGED BREAD BUSINESS UNIT

The combination of ingredients makes our packaged bread line exquisite. The key of our flavor is the texture, softness and fusion of ingredients with unique recipes.



MAIN PRODUCTS	2019 HIGHLIGHTS
<p>Benefit Line</p> <ul style="list-style-type: none">• Rye and Linseed Bread• Collagen Bread• Chia and Green Tea Bread <p>Gourmet Line</p> <ul style="list-style-type: none">• Brioche Bread• Apple and Macadamia Bread• Nuts and Blackberry Bread• Red Fruits and Almonds Bread <p>Family Line</p> <ul style="list-style-type: none">• White Sandwich Bread• Whole-meal Bread <p>Kids Line</p> <ul style="list-style-type: none">• Chocopan Bread• Caramelized Milk Bread <p>Fiesta Line</p> <ul style="list-style-type: none">• Hot Dog Bread• Burgers Bread <p>Artisanal Line</p> <ul style="list-style-type: none">• Artisanal White Bread• Artisanal Brioche Bread <p>Panettone Moderna Pacari</p>	<p>Two gold stars for the best flavor in the Superior Taste Award event, organized by the International Taste Institute (ITI) in Brussels, a world leader in evaluations and certifications of products in the food Industry.</p> 

PASTAS BUSINESS UNIT

The pasta products are manufactured in our own semolina mill which has the versatility to make *Premium* pastas with perfect consistency, absorption and color. We focus on providing delicious and nutritional options, elaborated with 100% *Durum* wheat semolina.



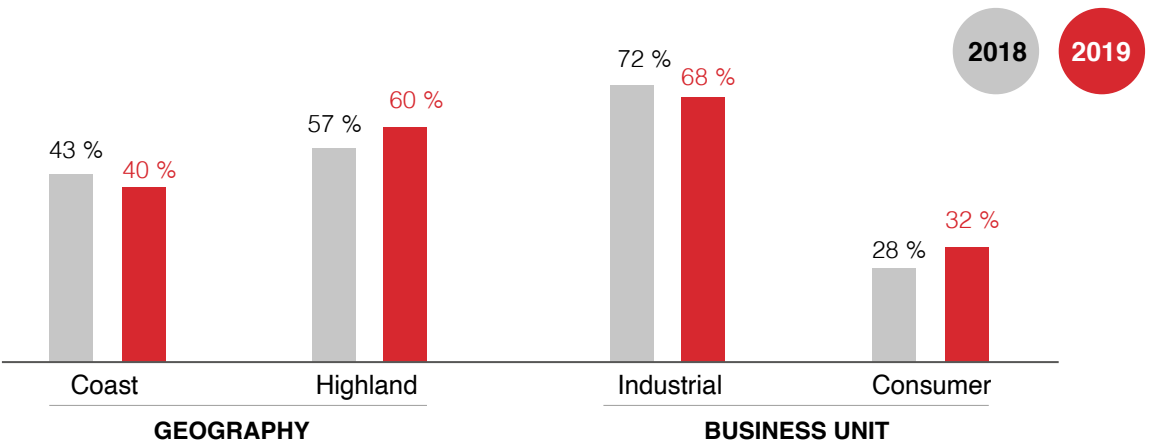
MAIN PRODUCTS	2019 HIGHLIGHTS
<p>Cayambe Line</p> <ul style="list-style-type: none">• Tagliatelle• Angel Hair• Rotini• Farfalle #3• Fettuccine• Small Farfalle• Children's line	<p>Brand positioning, with its new concept: "Tailored to your life". We adapt to consumer demands, with yielding, cheap and quick-to-cook products that save time and money.</p>
<p>Whole-wheat Santorino Pasta</p> <ul style="list-style-type: none">• Spaguetti #5• Fusilli <p>Original Santorino Pasta</p> <ul style="list-style-type: none">• Spaguetti #5• Penne Rigate #73• Fusilli	<p>Brand positioning through social networks, with the slogan: "Less time in the kitchen, more time with your friends / family / more adventures / etc.".</p>



Markets served

(102-6)

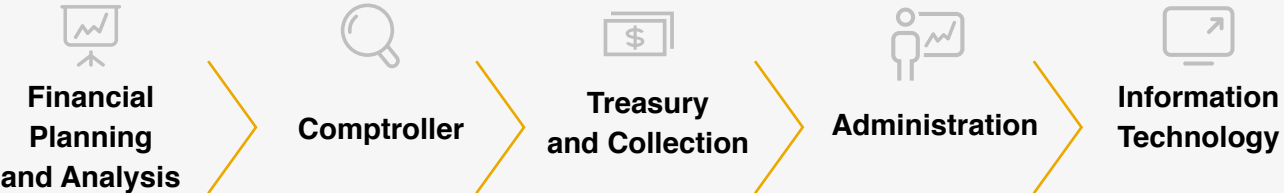
Sales Breakdown



Financial management

(103-1) (103-2)

During 2019, the area updated its management model, restructuring itself in five subareas which act as key management pillars:



Economic performance

(102-7) (102-10) (102-45) (201-1) (103-3)

We contribute to social and economic development through the payment of obligations generated by the company's activities in accordance with current Ecuadorian legislations.

We promote equal opportunities and encourage the hiring of local suppliers and contractors.



We invest in projects with significant impacts for the development of the communities in our areas of influence.

The results of these reports, declarations and annexes are publicly accessible as these have been presented to different regulatory agencies as well as to external users (e.g. financial entities).

Financial management

(102-7)(201-1)

Item (USD)	2017	2018	2019
Net Revenue	147'467.190	150'981.086	158'524.268
Operating Expenses	117'912.817	121'866.702	127'254.240
Employee Wages and Benefits	18'820.583	18'435.893	19'789.269
Financial Expenses	1'779.821	1'349.431	752.700
Payments to government	3'140.640	3'132.602	4'348.101
Community Investment	249.836	206.861	144.799
Retained economic value (according to the formula "direct economic value generated" minus "distributed economic value")	5'563.493	5'989.597	6'305.509

In 2019, we increased the share capital by 5.01% compared to 2018.

Support to vulnerable sectors

(102-13)

In 2019, we invested \$144,799 in the implementation of projects with a sustainable approach as detailed below:



Cultiva program:

We promote the production of national wheat, contributing to the development of agriculture and the value of farmers' work with the generation of better income for their families.



Ñukata Kuyay - Cajabamba:

We operated the Community Development Center located in Colta county, designed to strengthening the intellect and character of 120 boys and girls.



Corporate Volunteer:

We implement actions that improve housing conditions of our employees, promote the wholesome development of boys and girls, improve the quality of life of the elderly and promote environmental care.



Donations:

Contribute with the nourishment of more than 2,200 people, from 26 foundations in: Quito, Cayambe, Riobamba, Manta, Cuenca and Guayaquil through the donation of our products.



Entrepreneurships:

We contribute with the technical and economic development of vulnerable sectors in the locations where we operate with the generation of ventures that are inserted in our chain value.

Representative investments

(203-1)

2019 investments were focused on the innovation of materials, processes optimization, reduction of environmental impacts and mitigation of occupational risks.

The main investments were in: machinery, facilities, computer equipment, land and vehicles for a total of \$7'328,393.



Building positive relationships

(102-12) (102-13)

We actively and voluntarily participate in ³:

- Human Management Association of Ecuador.
- Ecuadorian Millers Association.
- Food and Beverage Manufacturers National Association.
- Ecuadorian-American Chamber of Commerce.
- Italian Chamber of Commerce in Ecuador.
- Chimborazo Chamber of Industry.
- Ecuadorian-German Chamber of Commerce and Industry
- The Official Spanish Chamber of Commerce and Industry in Quito
- Ecuadorian Social Responsibility Consortium
- Ecuadorian Federation of Exporters
- United Nations Global Compact - Global Compact Network Ecuador



In order to strengthen our sustainability strategy, we are part of the **Ecuadorian Social Responsibility Consortium (CERES)** which brings together companies and organizations that promote the concept and practices of social responsibility in Ecuador.



Since 2018, we have been part of the **United Nations Global Compact - Global Compact Network Ecuador**, the world's largest alliance in favor of sustainable development.



In 2019, we were part of the working groups of the SDG 1: "End of Poverty", and of SDG 8: "Decent Work and Economic Growth", part of the national initiative *"Leaders for the SDGs"* aimed to share sustainable good practices and to generate synergies through joint work between public and private organization in order to achieve the 2030 Agenda's goals

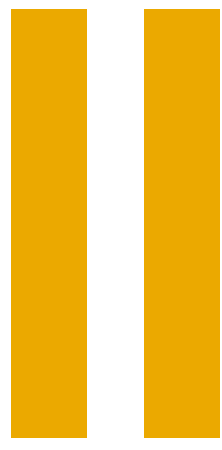
As a signatory member of the United Nations Global Compact, we generate a Progress Report which shows evidence and transparency of the commitment and progress made by Moderna Alimentos in the implementation of the Ten Principles of the Global Compact.



³In these organizations we do not hold positions in government bodies, the collaboration provided is through the payment of annual memberships. (102-13)



| Sustainability





Sustainability

2019 Sustainability Report profile

(102-32) (102-48) (102-49) (102-50) (102-51) (102-52) (102-54) (102-56)

For the sixth consecutive year, we produce our annual Sustainability Report, drawn up on the basis of the last report (2018). *'This report has been prepared in accordance with the GRI Standards: Comprehensive option'*. We also integrate the GRI "Food Processing Sector Supplement"- G4 version.

The information in this report corresponds to the period from **January 1 to December 31, 2019**. It has been reviewed and approved by the **Corporate Social Responsibility Director and the Chief Executive Officer**.

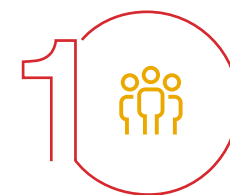
During the preparation of this report, no restatements of information from the previous year were detected; no significant changes were identified in the coverage or scope of the material topics to be reported.

This year, the company will not carry out an external verification of this document.

Reporting principles of the Sustainability Report

(101)

For the production of this report, we consider the principles established by the GRI methodology:



Stakeholder inclusiveness:

To identify key actors, impacted or related to or by our operations, a fundamental element for the organization.



Materiality:

Through this analysis, we identify and prioritize the material topics (of greater relevance) for the company and our various stakeholders.



Sustainability context:

Our management model embrace sustainability as part of the corporate strategy, guided by a triple management approach called "3P" (People, Product and Planet).



Completeness:

We collect and analyze different sources of information that allow us to evaluate the impacts, risks or opportunities related to our sustainable model.

Stakeholder inclusiveness

(102-21) (102-42)

We consider that a constant and a two-way communication with **our stakeholders (shareholders, employees, suppliers, consumers, customers, community and regulatory agencies)** is essential for business sustainability.



Stakeholders and their interaction with the company

(102-33) (102-34) (102-40) (102-43) (102-44)

Stakeholders	Interaction
 Employees	<p>Each department has periodic meetings to plan, evaluate and communicate strategic and operational results.</p> <p>Employees actively participates in the assessment and implementation of material topics.</p>
 Shareholders	<p>There are resources and participation in the materiality analysis.</p>
 Suppliers	<p>Supplier Qualification guarantees the quality of inputs and raw materials of our products.</p>
 Customers and Consumers	<p>Through our customer service center (PQRS for its acronym in Spanish) we record and service our customer's Complaints, Claims and Suggestions using our SOS MODERNA line 1800 200 300</p>
 Community	<p>We understand the reality of the communities around us; We seek to bond, mainly with vulnerable sectors, to implement social and environmental development programs.</p>
 Regulatory Agencies	<p>We comply with current regulations and legislation, and have certified information of audits and inspections made by regulatory agencies.</p>

Through the available communication channels, internal and external stakeholders can notify their concerns to the highest governance body so these can be managed accurately.

Materiality assessment

(102-29) (102-46) (102-47)

In 2017, we hired the consultancy services of a company tasked with approaching the stakeholders to understand and record their perceptions and expectations about our partnership. In this way, we can guarantee the gathering of information and attention of key issues of each group.



Identification of relevant topics within and outside the organization based on the sustainability context principles and the inclusion of all stakeholders as well as the impact on the business, with specific questions.



Prioritization of the identified topics with the application of the Five Part Test methodology, Accountability and Topics by sector of the Global Reporting Initiative (GRI).



Validation of the prioritized list of topics by the highest governance body which actively participates, ratifying the results obtained.

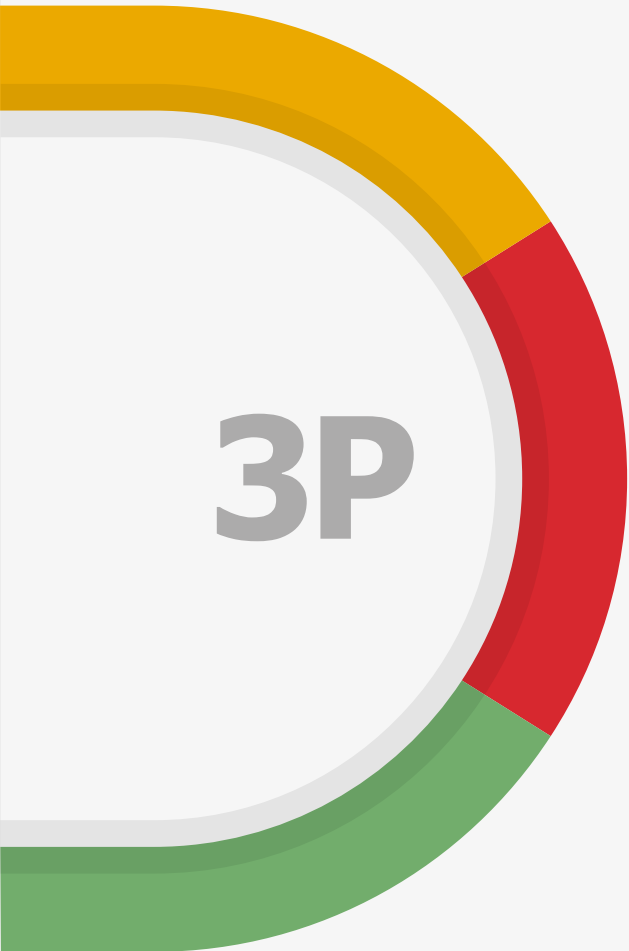
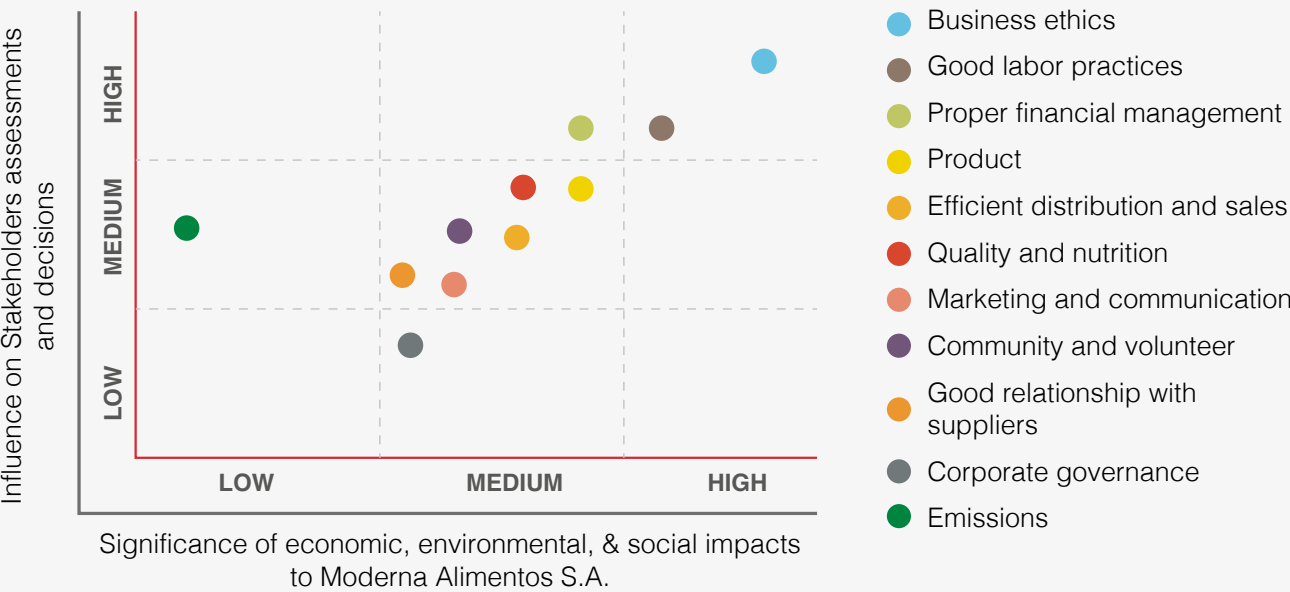


Review of the material topics to define whether or not there is a need to carry out a new study to improve the materiality management processes.



The Materiality Matrix was the result of this exercise in which is reflected the eleven most relevant topics identified.

Materiality Outcome



PEOPLE

We know that true development is one that is shared; that is why we focus our management approach on helping to improve the quality of life of employees and the communities where we operate.



PRODUCT

We elaborate and commercialize quality products with high nutritional value as a result of a comprehensive care of our value chain, starting from the wheat sowing until the final product reaches our consumers.



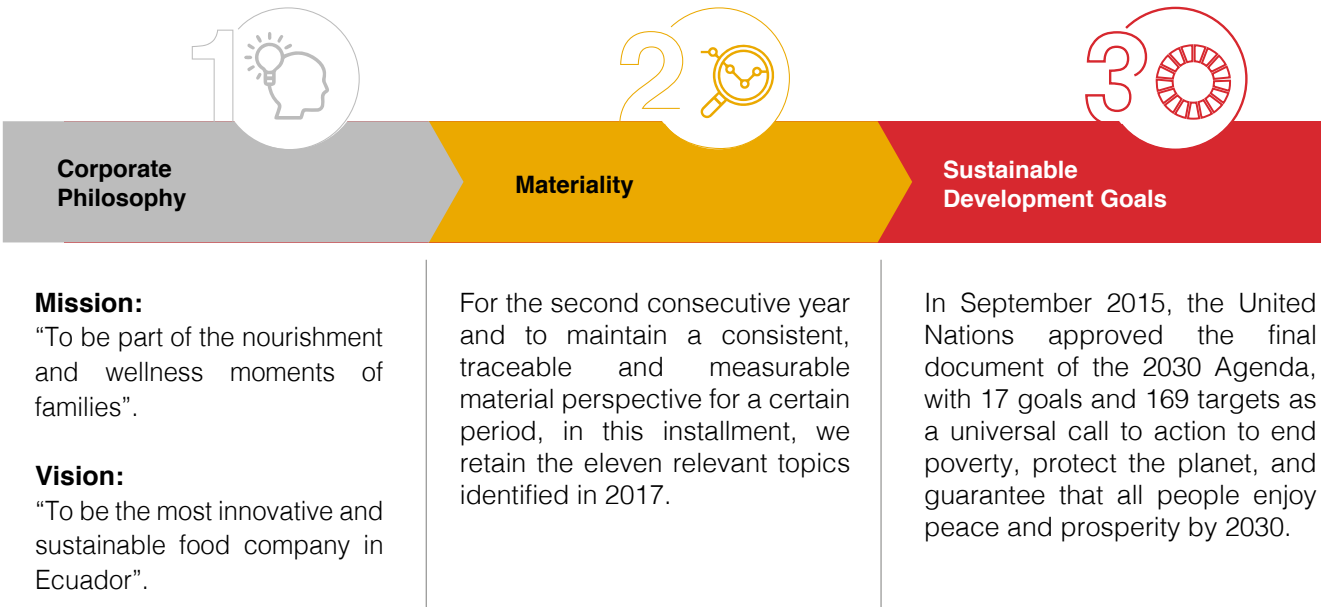
PLANET

We develop clean production initiatives aimed at mitigating and reducing our environmental impact; and to conserve and protect natural resources.

Sustainability Context

(102-20)

Our sustainability strategy consider three reference sources:



Management of material topics

(102-19) (102-20) (102-27) (102-29) (102-33) (102-34)

An efficient and sustainable business model arises from the participation of the highest governance body in identifying and managing the impacts and opportunities of economic, environmental, and social issues; as well as its partnership with the stakeholders.

The CEO delegates the five area directors with managing, according to their areas of responsibility, the different material topics. In addition, they are responsible of reporting to the Corporate Government the status and progress of each topic.



Management by material topic and stakeholder

Linked stakeholders	Department involved	Material topic	Actions
Suppliers Employees Community Regulatory Agencies	CAD Human Resources	Business ethics Corporate governance	<ul style="list-style-type: none"> • Code of Conduct and Ethics for Employees, Internal Regulations • Dual-track communication channels with our stakeholders in order to get to know and manage their concerns or needs in a timely manner. Reference: Chapter 2 – Sustainability
Shareholders Suppliers Employees Community Regulatory Agencies	CAD Finance, Management & IT	Proper financial management	<ul style="list-style-type: none"> • We generate financial information with the best technical standards (IFRS/US-GAAP) in a reliable and analytical manner, ensuring strict adherence to the applicable regulatory framework and a robust environment control. • We provide technical and relevant advice through financial projections (budget and rolling forecast) that facilitate the business decision making of operations/strategy. Reference: Chapter 1 – Moderna Alimentos
Shareholders Suppliers Regulatory Agencies	Human Resources	Good labor practices	<ul style="list-style-type: none"> • Policies for employees' selection and recruitment processes that guarantee equal opportunities, without discrimination in any of its manifestations (disability, gender, age, ethnicity, political position, religion, etc.). • We pay decent and fair wages based on a technical system of valuation and performance, that avoids gaps between men and women in similar positions. • Continuous employees' training according to their profile, development plan, skills and competencies. • We foster a balance between personal and work life. We implement actions such as: flexibility of schedules and licenses; back-up hiring to cover holiday periods and sick leave. Reference: Chapter 3 – People
Suppliers	Supply Chain Corporate Social Responsibility	Good relationship with suppliers	<ul style="list-style-type: none"> • We impartially qualify our suppliers through an external company based on compliance standards of quality, environment, safety, occupational health, social responsibility and legal regulations. • We support the country's productive growth through our <i>Cultiva</i> program with which we promote the national wheat production, farmer progress and agricultural development. Reference: Chapter 4 – Product
Employees Community	Corporate Social Responsibility	Community and volunteering	<ul style="list-style-type: none"> • With our corporate volunteer program "<i>Si somos más, ayudamos más</i>", we carry out actions to: improve housing conditions of our employees; promote the integral development of boys and girls; enhance the quality of life of the elderly and encourage environmental care. • We promote the formation and operation of productive ventures in vulnerable sectors of the population, to foment stable working conditions and improve the quality of life of the participants. Reference: Chapter 3 – People
Customers and consumers	Commercial	Product nutrition	<ul style="list-style-type: none"> • We constantly research trends and innovate with the incorporation of new ingredients and/or reformulation of our products, considering nutritional and organoleptic aspects. All our products are subjected to physical, chemical and microbiological analysis that guarantee their quality and safety. Reference: Chapter 4 – Product
Customers and consumers	Supply Chain Commercial	Efficient distribution and sales	<ul style="list-style-type: none"> • We strengthened the delivery service of our products nationwide with the Drive-In system which accurately measures the delivery time and noteworthy events reported by customers when receiving our products. • We implemented a centralized packaged bread distribution system with one of our main customers. Reference: Chapter 4 – Product
Customers and consumers Regulatory Agencies	Commercial	Marketing and communication	<ul style="list-style-type: none"> • We inform about our products' nutritional benefits with campaigns, promotions or events that could support sustainable development. • We comprehensively improve our customer service by giving personalized attention by type of client. We receive and respond to all petitions, complaints, claims and suggestions received, through the PQR system - SOS Moderna Reference: Chapter 4 – Product
Customers and consumers	Supply Chain	Product quality	<ul style="list-style-type: none"> • We have national and international food safety and management certifications such as: Good Manufacturing Practices (GMP); Hazard Analysis and Critical Control Points (HACCP); Food Safety System Certification (FSSC 22000); Organic and Sellos de Calidad INEN, audited and validated by the competent regulatory agencies. Reference: Chapter 4 – Product
Shareholders Employees Community Regulatory Agencies	Supply Chain	Emissions	<ul style="list-style-type: none"> • We acquire machinery with better performance and efficiency that allow us to reduce GHG emissions. • We monitor and analyze energy consumption for the implementation of energy efficiency projects. Reference: Chapter 5 – Planet

Contribution to the fulfillment of the SDGs

SDGs	UN Global Compact Principles	Initiatives
<div>1 NO POVERTY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div>	Labor Human Rights	<p>We generate more than 700 direct jobs and around 2,000 indirect ones.</p> <p>We support the formation of productive ventures:</p> <ul style="list-style-type: none">Noble Pan Ayora in Cayambe.Development of Local Suppliers: Construction services and others, and cleaning services, in Cajabamba.
<div>2 ZERO HUNGER</div>	Human Rights	<p>Around 26 foundations, in six cities, were benefited from the donation of more than 25 tons of food.</p>
<div>3 GOOD HEALTH AND WELL-BEING</div>	Anti-Corruption Labor Human Rights	<p>We promote a preventive health culture with our employees. Through the HSE area, substandard conditions are identified and managed to guarantee safe working environments.</p> <p>We carry out activities that enhance the quality of life of the elderly through our Caring Wisdom program.</p>
<div>4 QUALITY EDUCATION</div>	Labor Human Rights	<p>Our Secondary Education Program provide assistance to our employees to finish their education.</p> <p>With our Growing Together volunteering program, we contribute to the comprehensive development of children in Cajabamba, Quito and Manta through playful learning workshops.</p>
<div>5 GENDER EQUALITY</div>	Labor Human Rights	<p>We ensure equity in working conditions always seeking the well-being of employees.</p> <p>We implement non-discrimination and anti-harassment policies.</p>
<div>7 AFFORDABLE AND CLEAN ENERGY</div>	Environment	<p>We promote the auto-generation of renewable energy as part of our commitment to sustainable development.</p>
<div>10 REDUCED INEQUALITIES</div>	Human Rights	<p>We directly and permanently contribute to children' progress in Cajabamba by helping them enhancing their nourishment, breaking schemes of social exclusion and generating a life project at <i>Nukata Kuyay</i> Community Development Center.</p>
<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>	Human Rights	<p>We promote the production of national wheat with a profitable agricultural business model that improves farmer's quality of life, contributes to agricultural-productive development and food sovereignty.</p>
<div>13 CLIMATE ACTION</div> <div>14 LIFE BELOW WATER</div>	Environment	<p>Our Go Green program promotes reforestation activities, proper waste management and the cleaning of rivers and beaches.</p> <p>We carry out actions aimed at energy efficiency and production improvement.</p> <p>We implement cleaner production projects. We have four "<i>Punto Verde</i>" ecuadorian environmental certifications for the proper management of our resources.</p>

Corporate governance

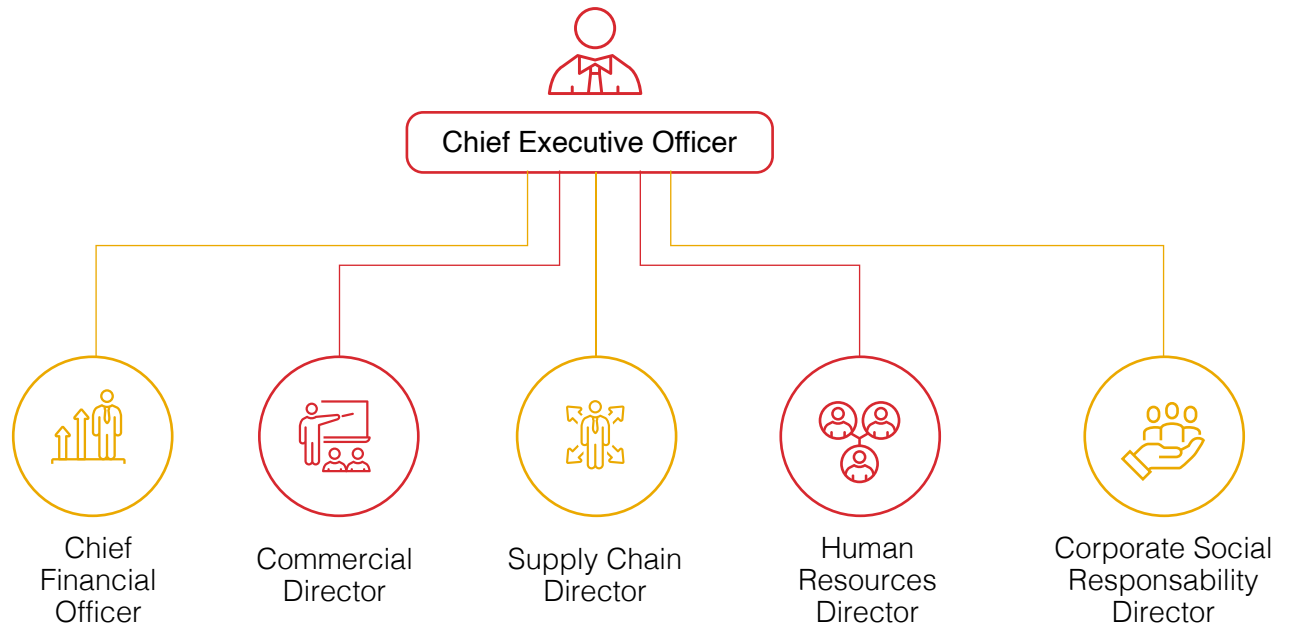
We have policies, procedures and practices that guarantee a good corporate governance, responsible for ensuring the company's sustainability through the search of new markets, the research and development of nutritional products, operational efficiency, and strict compliance with standards and principles, transparent governance which equitably benefits our stakeholders.

Governance structure

(102-18) (102-22) (102-23) (102-26) (202-2)

The Management Alignment Committee (CAD as for its acronym in Spanish) is in charge of defining the mission, vision, values and strategy of the company, instruments that are presented to the Shareholders Assembly (Board), the company's regulatory body, for approval.

CAD Structure



Regarding gender composition, two of its members are women and four are men; while by origin, 83% of managers are nationals (5) and 17% are foreigners (1). Their ages range from 34 to 65 years.

CAD management is supported by the activities of various thematic committees.

The committees that the company has are:

Company’s Committees

Type	Meeting frequency
Executives	
Management Alignment Committee	Weekly
Audit Committee	Biannual
Financial Committee	Bimonthly
Plant Operations Committee	Weekly
Commercial Committee	Quarterly
Functional committees of each area	Weekly
Non-Executives	
Joint Committee, Central Committee and Subcommittee on Industrial Safety and Occupational Health	Monthly

Remuneration policies

(102-35) (102-36) (102-37) (202-1)

Employees' salaries are based on their job positions, level of impact, responsibilities, experience, education and skills required. It does not distinguish gender, age or minority membership, since it is based on equal opportunities between people without any type of discrimination.

The allocation of the highest governance body's remuneration is made on the basis of market studies, salary bands and sector comparative analysis.

Conflict of interest management

(102-25)

To ensure impartiality in a decision-making process, it is necessary to manage possible conflicts of interest. To this end, Human Resources issues, annually, the declaration form to prevent a possible conflict of interest and each employee fills it out in accordance with the policies contemplated in the Code of Conduct and Ethics for Employees.

If an employee fails to fill out the form or omits relevant information, the organization may apply disciplinary measures that deems appropriate and may even terminate the employee relation with the company.



Selection process

(102-24)(405-2)

To have the best employees in the company, the selection and appointment of directors and their committees, is carried out based on technical and leadership skills, aligned to their positions, closely observing their performance and abilities.

To preserve the sustainability of the company, directors must be experts in their area, with related academic knowledge and with at least ten years of experience. In addition, other criteria are considered such as: gender equity, diversity and independence since they do not form part as shareholders.



Evaluating the highest governance body's performance

(103-3) (102-28) (102-30) (102-31)

Once the company's strategy has been defined, each director has assigned strategic and area objectives based on the Balanced Scorecard and the Business Plan. With these parameters its performance is evaluated, according to the fulfillment of the established goals and plans, in accordance with a risks and opportunities analysis.



Self-assessment mechanism

As part of the company's commitment to excellence and as an evaluation assessment tool, we applied our projects through calls for recognition of good sustainable practices.

In 2019, we achieved the following distinctions:

Product

Recognition to our Panettone PACARI with two gold stars to the best flavor in the Superior Taste Award, an internationally renowned competition that selects the best products from around the world, organized by the International Taste Institute (ITI) in Brussels.



Planet

• Cajabamba Production Plant

1 Ecuadorian Environmental Certification "Punto Verde".



• Manta Production Plant

3 Ecuadorian Environmental Certification "Punto Verde".

This certification is an initiative from the Ministry of Environment to encourage companies in the country to implement Clean Production projects and tools to mitigate environmental pollution.



Ethics and **integrity**

(103-1) (103-2) (103-3) (102-16)

The successful operation and the prestige earned by the company depends on a daily, professional, honest, fair and respectful work with its employees, shareholders, customers, consumers, suppliers and community.

Our corporate culture is based on ethical principles that are the pillars for success throughout the years.



PASSION

We love what we do. We are eager for achievement.



EMPOWERMENT

We make things happen.



EXCELLENCE

We do things the right way, with the best standards and efficiently.



INTEGRITY

We keep promises. There is coherence in what we say and do.

We have standards, policies and procedures such as the Code of Conduct and Ethics for Employees, Conflict of Interest Management Procedure, Internal Regulations and Code of Ethics for Suppliers / Contractors.

The Human Resources Department is in charge of ensuring strict compliance with the provisions of current regulations and strengthening internal controls to manage possible risks associated with business ethics.

Anti-corruption policies

(205-1) (205-2) (205-3) (102-17)

We are aligned with international standards such as the Foreign Corrupt Practices Act, procedures related to payments, interaction with government officials and third-party liability, to combat bribery and corruption in company transactions.

We permanently communicate our Labor Code, Internal Work Regulations and the Code of Conduct and Ethics to all employees in each of our locations. Additionally, every employee who starts working at the company receives training against bribery and how to avoid conflicts of interest in virtual modules through a platform managed by an independent provider.

We evaluate 100% of our production plants and distribution centers with periodic audit examinations applied to the different areas in charge of managing the corporate values; this is how we mitigate the risk of unethical practices.

In 2019, we identified a violation of the Internal Work Regulations and the Code of Conduct and Ethics for Employees, by not declaring a conflict of interest between the employee and a supplier. In line with our values, principles and policies, we proceeded to unilaterally and immediately terminate the contract of the offender and the offending company.



Financial assistance

(201-4)

We do not receive any type of monetary aid from the National Government understood as tax relief or credits, investment aid, subsidies, royalties exemptions, financial incentives or any other similar.

Additionally, no type of government (national, provincial or county level) form part of the company's shareholder structure.

Non-discrimination and anti-harassment policies

(406-1)

We are committed to prevent discrimination and harassment.

Our policies provide a formal and confidential mechanism to report complaints safely through the Internal Complaint Form. During 2019, no incidents of harassment or discrimination were reported.



Freedom of association, child labor eradication and forced or compulsory labor

(102-41) (402-1) (407-1) (408-1) (409-1)



We comply with current labor legislations. We respect the right of freedom of association, collective bargaining and notice periods for operational changes. In addition, we support the eradication of child, forced or compulsory labor.

In all contracts that we sign with suppliers and contractors, the parties commit to respect Ecuadorean laws and international agreements, ensuring to not contain or promote any form of child exploitation, forced or non-consensual labor, non-compliance with labor rights, contempt freedom of association or of entering into collective agreements.

Political independence

(415-1)

In accordance with our internal policies, we do not make financial or in-kind contributions, directly or indirectly, to any political organization or national entity.

Human Rights

(412-1) (412-2) (412-3)

Nationwide, we comply with all the regulations, norms and principles related to land-use planning and resolutions of local people recognized in the Universal Declaration of Human Rights and in main international agreements in this regard.

In 2019, 100% of our production plants: Amaguaña, Quito, Manta, Cajabamba and Cayambe received the visit of regulatory agencies such as: Ministry of Labor, ARCSA, Ministry of Environment, Fire Department, municipalities; entities that validate and supervise the compliance with labor and human rights aspects: freedom of speech and thought, social security, workers' rights, decent work, non-discrimination. In all cases we show compliance.

In 2019, no contracts or significant investment agreements were registered or analyzed with the national government to have tax benefits with human rights clauses.



Employee training

(412-2)

During 2019, we trained 631 employees, representing 89% of our administrative and operational staff nationwide, who completed 2,651 hours of training in human rights policies and procedures.

Employee training related to human rights

Teamwork workshop
Code of Conduct and Ethics Internal Regulations
Savings and family financial planning
Health and Occupational Safety Protocols
Sexual and reproductive health / family planning
Prevention of alcohol, tobacco and drug consumption
First aid
Private medical insurance
Personal hygiene – Hand-washing

Mechanisms for advice and concerns about ethics

(102-17)

We have reliable and safe reporting mechanisms in relation to unethical, illicit behavior or issues related to the integrity of the organization.



Emails, private or anonymous, addressed to Human Resources department or to the company's directors.

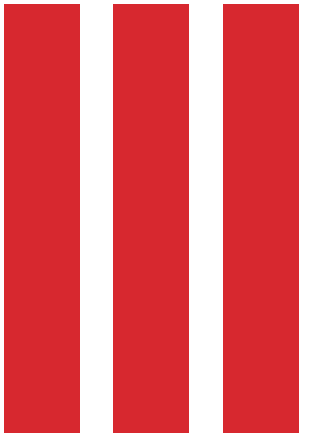


Electronic messages through our website: **www.moderna.com.ec** or **www.modernasostenible.com.ec**.



Calls to the company's call center: **1800 200 300**.





| PEOPLE



Our people

(103-1) (103-2) (103-3)

We are committed to provide our employees with an attractive place to work with guaranteed equal opportunities based on objective assessments of merits within a framework of non-discrimination and free communication.

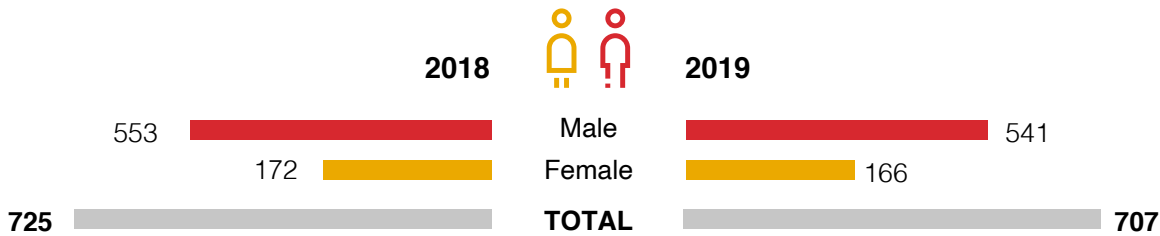
We consider that fostering diversity, promoting employees' work-life balance, respecting fundamental human rights and career development plans for all workers are distinctive elements that allow the company to improve productivity.



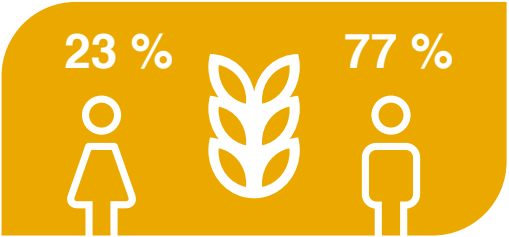
Moderna Alimentos' workforce⁵

(102-8) (405-1)

Workforce by gender



23% of employees are women and 77% are men. This is due to areas such as production and logistics that tend to be less attractive to female workers;



Workforce by type of contract and gender

Category	Female	Male	Total
Temporary	4	11	15
Permanent	159	522	681
Youth Programs	1	8	9
Part-time	2	--	2
TOTAL	166	541	707

⁵ The Human Resources department does not establish any minority indicator since the selection, hiring, remuneration and promotion processes are based on a Competency-based Management that prioritizes the assessment of the ability and suitability of skills, knowledge and measurable skills of workers.

Workforce by region, location, gender and age group

Region	Area	Female	Male	Total	Under 30 years old	From 30 to 50 years old	Over 50 years old	Total
Highland	Amaguaña	3	14	17	2	13	2	17
	Cajabamba	17	50	67	21	35	11	67
	Calderón	5	18	23	-	18	5	23
	Cayambe	7	79	86	33	50	3	86
	Cuenca	1	8	9	1	7	1	9
	Ibarra	-	3	3	-	3	-	3
	Quito	82	222	304	84	201	19	304
Coast	Guayaquil	35	55	90	28	58	4	90
	Manta	12	86	12	14	77	7	98
	Santo Domingo de los Tsáchilas	3	6	9	1	8	-	9
Amazon	Lago Agrio	1	-	1	-	1	-	1
TOTAL		166	541	707	184	471	52	707

Workforce by position, gender and age group

Position	Female	Male	Under 30 years old	From 30 to 50 years old	Over 50 years old
Director	1%	1%	-	5	1
Top Management	4%	4%	-	22	6
Middle Management	22%	11%	9	83	5
Analyst	25%	12%	28	74	5
Assistant	14%	10%	24	43	8
Salesperson	28%	10%	31	56	14
Operative	6%	52%	92	188	13
TOTAL	100%	100%	707		



CAD workforce by gender and age

Position	Gender		Under 30 years old		from 30 to 50 years old		Over 50 years old	
	Female	Male	Female	Male	Female	Male	Female	Male
CAD	33%	66%	-	-	40%	60%	-	100%

Hiring and employee turnover

(401-1)

The turnover rate, accumulated as of December 2019, was 24.39%. This indicator was affected in the last quarter of the year due to temporary hiring of staff at Quito production plant during Christmas season.

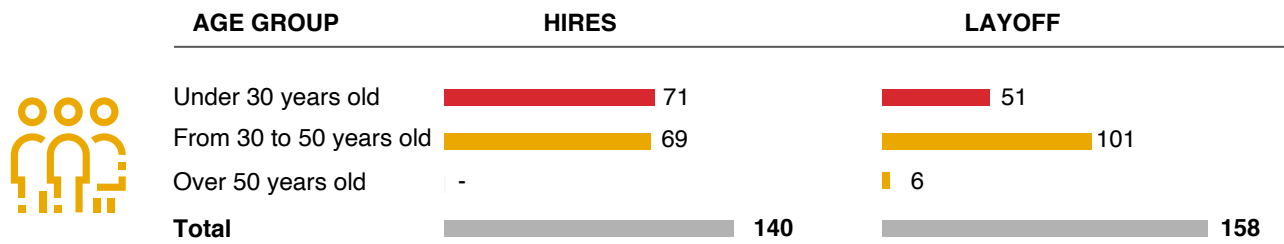
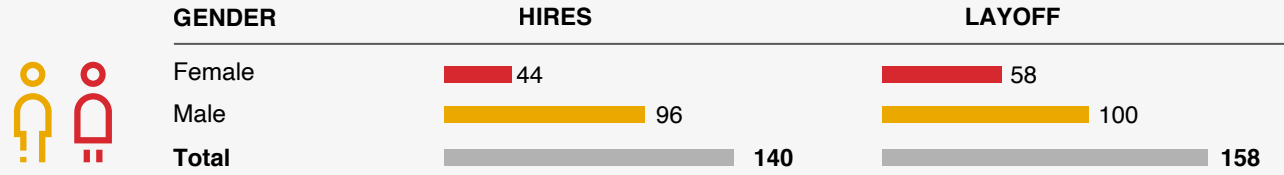
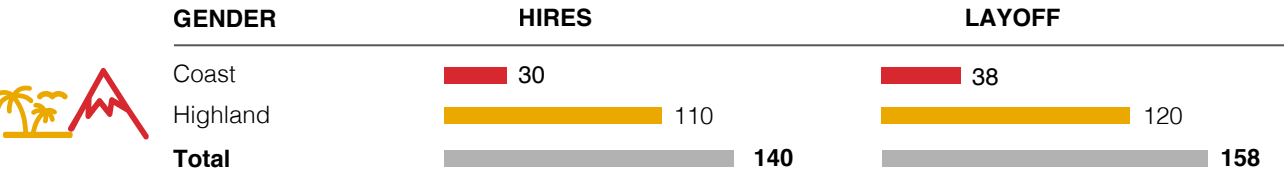
Employee turnover index

	2016	2017	2018	2019
Employee hires	131	147	148	140
Employee layoff	133	181	146	182
Employee turnover rate	17,45 %	22,16 %	20,30 %	24,39 %








Employee hires and layoff 2019



During 2019, we hired 140 people; we work to attract, recruit, and retain staff from both genders and different age ranges. **Of the new hires, 31.43% were women.**

Contracts for complementary services

Employee by type of complementary services

Type of service	 Security	 Catering	 Cleaning	Total
Number of people	33	21	11	65

Fair employment standards

Employee benefits

We offer our employees social and corporate benefits that allow them to successfully perform their working activities.

All workers, regardless of their type of contract, share the same treatment and benefits.

(401-2)





Parental leave

(401-3)

All our employees enjoyed their parental leave as stipulated by the law; 100% of employees returned to work after parental leave.

INDICATOR	2019		
	Female	Male	Total
Number of employees who were entitled to parental leave	17	31	48
Number of employees who exercised their right for parental leave	17	31	48
Number of employees that returned to work in the reporting period after parental leave ended	17	31	48
Number of employees that returned to work after parental leave ended that are still employed 12 months after their return to work	17	31	48



Retirement plan

(201-3)

At the beginning of the year, the Human Resources Department and the general managers of each location, identify employees who are about to be or have been in the company for over 25 years in order to advise and guide them through the retirement process. Then, the calculation of the corresponding assets as dictated by the law is carried out. Finally, a farewell tribute takes place as an acknowledgment of their effort and commitment.

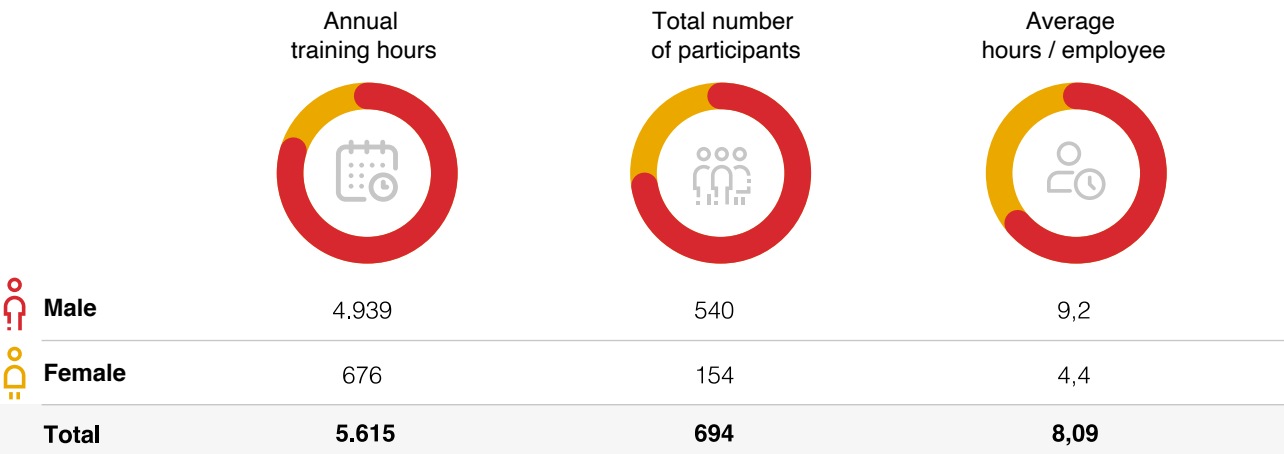
Training & Education

(404-1)

• Internal training:

In 2019, our staff provided physical and online training focused on subjects of quality, industrial safety, occupational health and social work:

2019 Internal Training Indicators

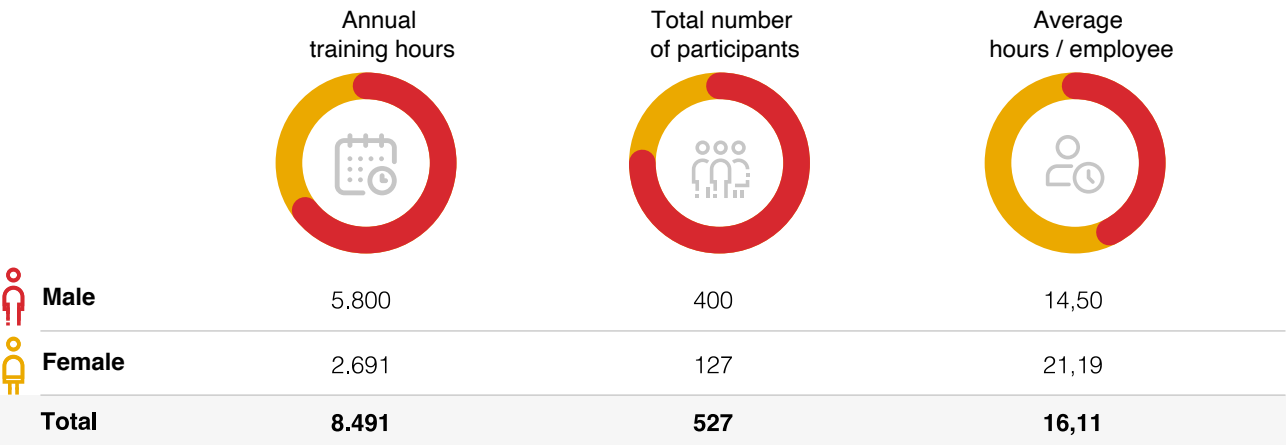




• External training:

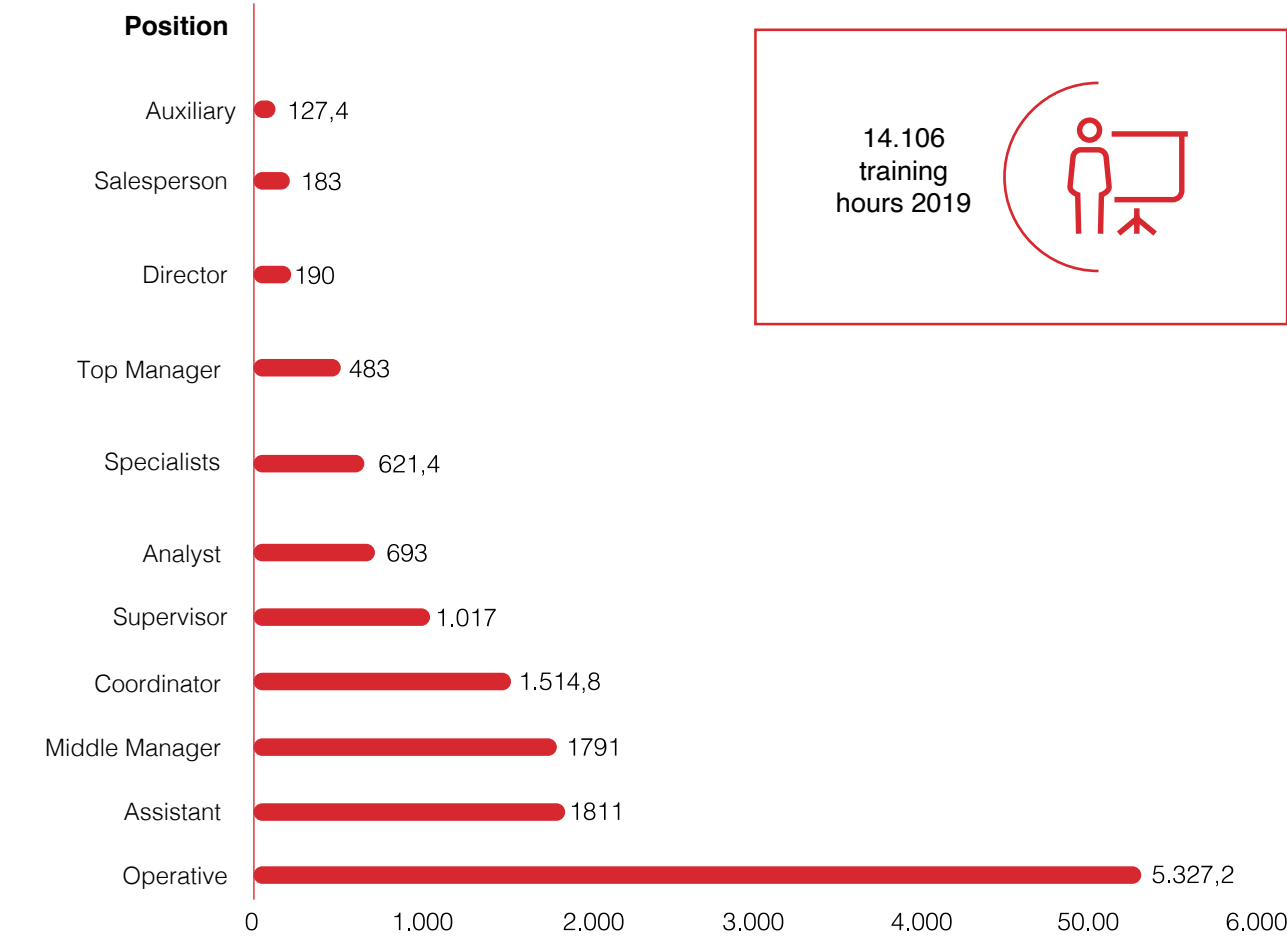
Courses, workshops and training programs taught by external facilitators, aimed at strengthening skills and acquiring new knowledge.

2019 External Training Indicators



60% of the training in 2019 was external which shows the company's commitment to reinforce knowledge and skills of employees.

Number of training hours per position



Note: For the calculation, the total number of employees (166 women and 541 men) was considered.

Secondary Education program

(404-2)

Through the Secondary Education Program, we motivate our employees to finish and obtain their high school education to promote their personal and professional growth.

Secondary education program⁶

N° participants	Gender	Training hours	% per	City	Job Position
1	Female	200	17 %	Quito	Operative
5	Male	2.840	83 %	Quito/Cajabamba /Cayambe	Operative Supervisor
N° participants	2019 -2020 GRADUATES				
1	Male	384	100 %	Guayaquil	Operative

⁶ Initially, the Secondary Education Program considered only high school studies; however, out of business necessity, two exceptions were accepted in authorizing a line manager and a supervisor to complete their technical studies at a higher education institute.

Continuous improvement assessment

(404-3)

In 2019, we implemented a personnel performance evaluation platform, “PerforMia”. Through which we effectively measured our employee’s performance concerning the set goals from each department at the beginning of the year.

2019 performance evaluation

Job Position	Gender		Total	Percentage
	Female	Male		
Analyst	28	28	56	20 %
Middle Management	17	37	54	20 %
Coordinator	19	19	38	14 %
Supervisor	10	27	37	14 %
Assistant	19	13	32	12 %
Top Management	7	21	28	10 %
Warehouse personnel	2	19	21	8 %
C-Suite	2	5	7	3 %
Auxiliary	0	1	1	0,4 %
TOTAL	104	170	274	100 %

We assessed 39% of the employees (38% women and 62% men), according to the company's employees roster.



Industrial Safety and Occupational Health Program

(403-1) (403-4)

We comply with current occupational health and safety regulations. We have a Central Committee and Joint Subcommittees on Occupational Health and Safety (OHS), in addition with OHS Delegates depending on the number of people in each location.

The representatives are elected annually in a general assembly and, subsequently, registered in the Ministry of Labor. The committees and subcommittees represent a 100% of the company's employees.





Occupational Health and Safety Management Indicators⁷.

(403-2) (403-3)

As part of our OHS model, we keep a detailed record of accidents, an input with which we calculate accident rates, to implement preventive and corrective actions that guarantee the health and safety of our employees.

We classify work-related accidents into two categories: **those that occur within the production plants and those that occur outside them**, denominated as community incident (accidents while commuting from work-home and service commission).

Accident index

Location	Number of Accidents			Days lost
	Female	Male	Total	
Amaguaña	-	-	-	-
Cayambe	6	-	6	70
Cuenca	-	-	-	-
Guayaquil	-	3	3	10
Manta	4	-	4	114
Quito	6	1	7	49
Cajabamba	-	-	-	-
Santo Domingo	-	-	-	-
TOTAL	16	4	20	243

⁷At Moderna Alimentos there are no unions, which is why health and safety issues are handled directly with employees.



Frequency index, IF: The number of accidents that occurred for every 200,000 man-hours of risk exposure.

$$IF = \frac{\# \text{ of injuries}}{\# \text{ hours worked}} \times 200.00 = \frac{20}{1.593.625,5} \times 200.000 = 2,51$$



Severity index, IG: Number of days lost due to workplace accidents that occurred in the company in 2019, for every 200,000 worked man-hours.

$$IG = \frac{\# \text{ days lost}}{\# \text{ worked hours}} \times 200.00 = \frac{243}{1.593.625,5} \times 200.000 = 30,50$$



Risk rate, TR: Average number of days lost that occurred for each work-related accident that occurred in 2019.

$$TR = \frac{\# \text{ days lost}}{\# \text{ of injuries}} = \frac{IG}{IF} = \frac{243}{20} = 12,15$$

We identify, evaluate, and mitigate risks associated with the tasks that our employees perform inside and outside the different locations. This way, we guarantee that employees are not exposed to high impact conditions that may affect their physical or psychological well-being.





Additionally, we organized several activities to motivate job security:

- Practical training and theory instruction for the safe execution of their activities. In 2019, we covered 80% of employees, nationwide.
- Active breaks, short exercises that help improve posture, promote concentration and decrease the risk of occupational illness.
- Physical and aquatic therapies aimed at preventing and reducing the incidence of musculoskeletal disorders.
- Periodic occupational health examinations to all employees.
- Random inspections in the work areas.
- Hydration program in the packaging and logistics areas in the Cajabamba plant, and in the production and drawers cleaning areas in the Packaged Bread Plant to avoid thermal stress.
- Implementation of the LOTO Locking-Tagging System ("Log-Out / Tag-Out") which disconnects the energy source during the handling of machinery and equipment.



Our community

(103-1) (103-2) (413-1)

We are committed to the social and productive development of the communities where we operate:

- Promote effective and transparent communication with all stakeholders to meet and manage their concerns about the company's operation.



- Implement sustainable projects in 100% of our plants, aiming for progress and well-being of the community in matters of education, employment, health and environmental care.

- Promote the generation of ventures with vulnerable sectors of the population to develop and strengthen their skills, and improve their income.



All our efforts are aligned with the company's strategy, material topics and the SDGs.



Corporate Volunteer Program

(103-3) (203-2)

- Contribute with time and knowledge to the improvement of vulnerable sectors.
- Develop skills.
- Strengthen their leadership.
- Work in multidisciplinary teams in environments other than work which generates mutual benefits between volunteers and beneficiaries.

In 2019, 104 volunteers actively contributed with over 1,885 hours to the implementation of the following projects:

Building Dreams

We help improve critical housing conditions of our employees and their families through the adequacy of their houses, providing them with a more comfortable, calm and safe environment which translates into greater emotional stability and better work performance.

Indicators:

- 9 families benefited between 2014 and 2019.
- 100% of beneficiaries strengthened their commitment and sense of belonging.
- \$3,830 approximate savings for each beneficiary.



Growing Together

We contribute to the intellectual and soft skills development of children from Cajabamba, Manta and Quito through the implementation of educational and recreational workshops that facilitate learning of: robotics, reading, art, theater, cinema, music, making bread and pizza.

Indicators:

- 118 children benefited in Cajabamba, Manta and Quito.
- 100% of the children acquired new knowledge and improved their skills.
- \$8,828 in savings for beneficiaries.



Caring Wisdom

We contribute to a happy and healthy life of the elderly by nourishing both their minds and bodies through the donation of food products and recreational activities such as music, dance, painting, and games that improve their motor skills and overall well-being.

Indicators:

- More than 1,000 elderly benefited.
- 3,312 food-kits delivered.
- \$ 10,928 in savings for beneficiaries.



Go Green

We carry out actions for the protection and conservation of natural resources. We participate in the cleaning of the Guachalá river banks, waste collection on Puerto Cayo beach and planting trees in the Colta lagoon.

Indicators:

- 139 motivated volunteers committed with environmental issues.
- 80 trees planted that will provide 32,000 liters of oxygen per day.
- More than 4.9 tons of solid waste were collected and properly managed.



Contribution to economic and social development

(103-3) (203-2) (413-1)

We are drivers of growth in the places where our production plants operate. We generate indirect employment as some businesses such as shops and restaurants have settled at the surroundings of our facilities whose clients are people related to our company.



Productive ventures and shared community development

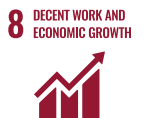
Noble Pan Ayora - Cayambe:

Bakery and Pastry productive venture implemented with the members of the People with Disabilities Association "Sin Límites" Ayora.

For the implementation of this project, we provide legal advice on the formation of the business, contributed with training in bakery and pastry, food safety, GMP, security and finance.

Indicators:

- 8 people trained in bakery and pastry subjects.
- 100% of the beneficiaries improved their self-esteem.
- 100% of the participants will have access to a source of income that allows them to improve their quality of life.
- More than 200,000 breads produced monthly.
- \$9,189 in savings for beneficiaries.





Development of local suppliers - Cajabamba:

Construction services and others - entrepreneurship:

In our production plant, there are tasks such as cleaning of the flour pallets, minor masonry work and, occasionally, stowage of commercialized products. Such activities must be performed by external staff. Since they do not require special skills, the probability of finding formalized suppliers is very low.

For this reason, we approached a local young man, who did not have a permanent job, and trained and supported him with the legalization and formalization of his venture.

The start-up, operation and profitability of his project was the entrepreneur's direct responsibility, as an opportunity for growth and improvement for him, his workmates and their families.



Cleaning services - entrepreneurship:

This is the case of a 53-year-old housewife, who did not have a permanent job, whom we helped to generate a life project associated with the implementation of a cleaning service entrepreneurship for private homes, companies and commercial sites.

Indicators:

- 7 families have a fixed economic income.
- 100% of the beneficiaries improved their self-esteem and leadership.
- \$450 average income per beneficiary.



Community Development Center
"Ñukata Kuyay" - Cajabamba:

The Cajabamba production plant has been located in Colta county for 110 years which has allowed us to strengthen the relationship with our neighbors and learn about their harsh reality.






In the community, 93% of families survive with less than \$340 a month; 62% of children have anemia; 66% of children do not have access to education.

With this background and over the years, we consider that as a company, we could contribute permanently and directly to children development, helping them to break schemes of

social exclusion and to generate a life project. Thus, the idea of the **Ñukata Kuyay Community Development Center** was born which goal is to: "Strengthen the intellect and character of children, to transform their future."

Through the teaching of playful, artistic and technical subjects such as music, painting, reading comprehension and math; we contribute to improving self-esteem, fostering the adoption of values and to the development of skills and talents of children who attend the center.

Courses indicators:

	Music	44 children developed musical skills for singing, playing guitar, piano, and violin; understanding their differences and abilities.
	Drawing & Painting	31 children strengthened their creativity and learned new drawing and painting techniques by designing and sculpturing.
	Encuentro con la Palabra	13 children improved their communication and language skills through oral and written expression workshops.
	Jugando con Números	19 children strengthened their logical-mathematical thinking to improve their cognitive skills and school performance.
	Dance	14 children improved their body expression and ability in movement.
	Reading Comprehension	38 children acquired new knowledge and can associate it with values such as friendship, creativity, perseverance, and joy.



Donations - National:

In 2019, we donated 25,990 kg of products to more than 2,200 people in vulnerable situations, contributing to the fulfillment of SDG 2 goal: Zero Hunger.



Relationship with the community:

(411-1) (413-2) (G4-FP3)

As a result of our transparent, responsible and objective performance, during 2019, we did not record any incident related to the violation of indigenous people' rights in our locations. Nor do we receive any claims, complaints or demands from members of the community.





| Product

IV





Constant innovation

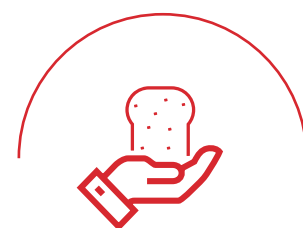
(103-3)

Innovation is one of the pillars of our vision since it allows us to take advantage of business opportunities and face the changing challenges of the sector.

From the Research and Development department, we focus on listening, understanding and satisfying the nutritional and organoleptic⁸ requirements of consumers.

Product

(103-1) (103-2)

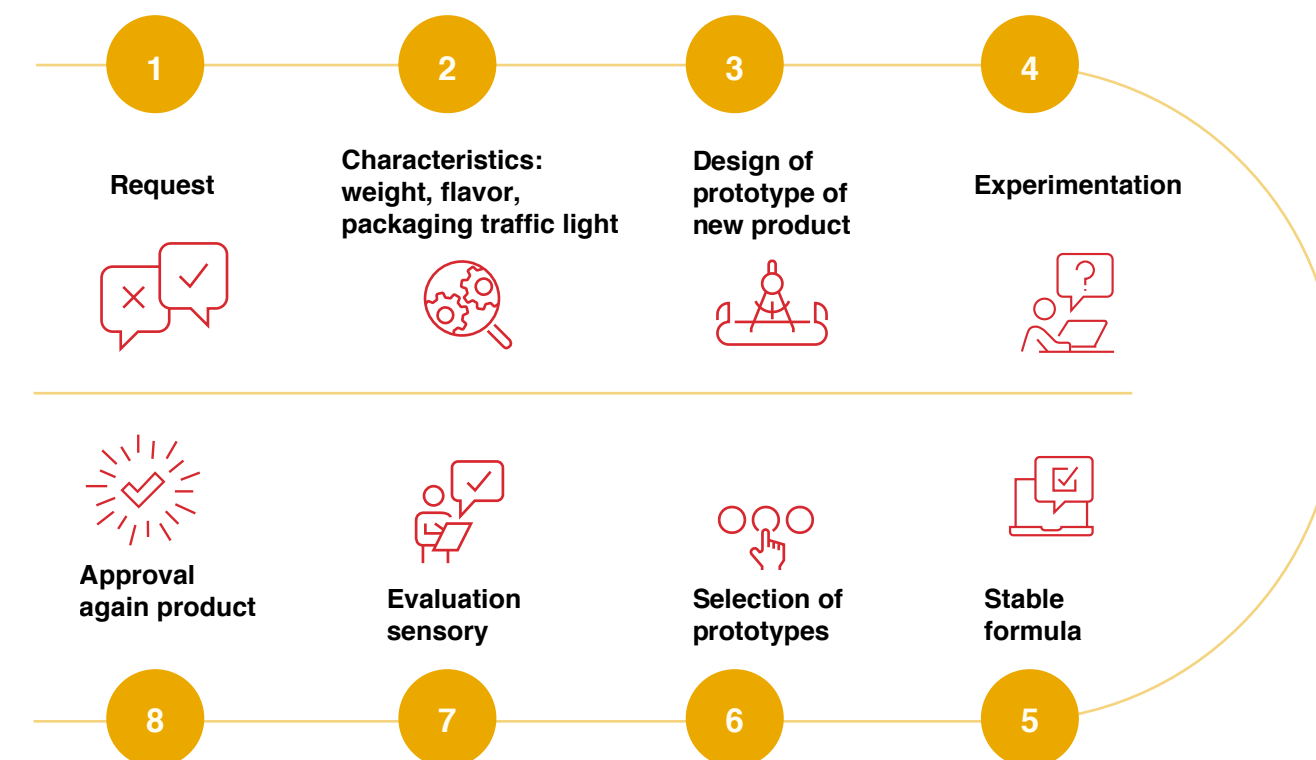


Our commitment is to contribute to the nourishment of Ecuadorian families; therefore, we produce and commercialize wholesome foods; made from the best wheat, with the optimal combination of: innovation, technology, human talent and quality assurance in all processes.

We comply with regulations established by the surveillance and regulatory agencies as well as with the rules and regulations for the preparation and labeling of food products.



R & D methodology



⁸ Organoleptic: corresponds to all descriptions of the physical characteristics of matter, for example: taste, texture, smell, color and temperature.



In 2019, we launched the following products to the market:



Industrial Business Unit

- Flour for Animal Feed 50 kg
- Chiffon Premix 1 kg
- Quequex Double Chococolate Premix 1 kg
- Tres Leches Powdered Premix 1 kg
- Andean Grain Kernel Premix 5 kg
- Soft Granulated Chocolate 1 kg
- Chocolate Pastelerax 1 kg
- Caramel Pastelerax 1 kg

Packaged Bread Business Unit

- Natural Roscas
- Whole-meal Roscas
- Panettone Manicho 80 g & 360 g



Packaged Flours and Premix Business Unit

- YA Multi-Seed Flour
- Special Bread Flour
- Original Pancake
- Milk Pancake



Certifications

(103-1) (103-2) (103-3) (G4-FP5)

All our production plants have national and international certifications which guarantee that 100% of products are processed under quality and safety food standards. These certifications are audited and validated by competent regulatory agencies according to ISO 19011 standard.



2019 Quality certifications

Production plant	GMP	HACCP	FSSC 22000	Sellos INEN
Amaguaña	✓	✓	—	—
Cajabamba	✓	✓	✓	✓
Cayambe Mill	✓	✓	✓	✓
Cayambe Pasta Plant	✓	—	✓	✓
Quito	✓	✓	—	✓
Manta	✓	✓	✓	✓
Certification percentage	100 %	83 %	66 %	83 %

In 2019, we obtained 44 *Sellos de Calidad INEN* which confirm the effectiveness of controls, technical competence and management system.





Quality nutrition and responsible communication

(206-1) (416-1) (417-1) (417-2) (419-1) (G4-FP6) (G4-FP7) (G4-FP8)

We are convinced that informing consumers about the properties of the products enhances conscious purchasing decisions, improving consumer's consumption habits and prevents high-incidence diseases (such as overweight and obesity) caused by an inadequate nourishment.

To ensure that the information on the label is accessible and easily understandable, we abide by rules and regulations such as: NTE INEN 1334 "Labelling of Food Products for Human Consumption"; RTE INEN 022 "Labeling of Processed and Packaged Food Products", and "Labeling of Processed Foods for Human Consumption Regulation" enforced by ARCSA.

98% of our portfolio is for human consumption and is governed by the quality and labeling standards described above. The remaining 2% includes by-products for animal feed which are not linked to specific labeling regulations by the consumer segment.

Additionally, we have the Ecuadorian Food Traffic Light System to indicate the levels of sugar, fat and salt (sodium) based on portions of 100 grams of processed foods.

89% of our portfolio consists of green and yellow light labeled products, showing that the content of sugar, salt and total fat is less than 15%, 0.6% and 20%, respectively.

It should be noted that labeling regulations does not apply to flour, pasta or oats.

13% of processed products are low in total fat; 1% have low sugar formulas and 10% are low in sodium, in accordance with the NTE INEN 1334 standard "Labeling of Food Products for Human Consumption – Requirements for Nutritional and Healthy Declarations".

Only 1% of the products' portfolio have high level of fiber content.

Regarding products' packaging, since they are food for free-consumption, they do not require information regarding handling, instructions for intake or consumption.



Consumer satisfaction

(102-43)

Adequate and timely customer service is a priority. As an input to identify and know their perspectives and requirements, we apply measurement and monitoring tools, such as:

Net Promotor Score (NPS):

This process starts from a key question to customers: "Using a scale from 1 to 10, how much would you recommend our products?"

After consulting 6,280 clients, we reached a result of 78.95% which indicates that 7 out of 10 clients recommend our products.



PQRs System – SOS Moderna:

A customer service system that allows Moderna to process and solve all Requests, Complaints, Claims and Suggestions satisfactorily.

In 2019, we received 1,659 cases; of which, we manage the 100%. The average response time was 3 days and 17 hours.



Personalized Advice:

The sales team is a key factor for good customer service. In addition to tracking orders, the product and quantity requested, they offer support and guidance on the characteristics and benefits of our brands.



Consumer services

(416-2) (417-3) G4-FP4) (418-1)

We constantly launch campaigns and events to promote the well-being of consumers through more informed purchasing decisions, enabling them to have access to a balanced diet and adopt healthy lifestyles.

During 2019, there were no claims for leaking client or consumer information, that could affect their privacy and normal performance.





With the Drive-in system, we monitor 96% of product orders, nationwide, to accurately measure the delivery time and track relevant updates from our customers, when receiving the product.

Supply chain

(103-1) (103-2) (103-3)

Through the Supply Chain department, we manage customer requirements within the value chain with flexibility and speed.

We create transparent and ethical relationships with suppliers based on the Ethical Trading Initiative, Procurement Procedure, Code of Conduct and Ethics for Suppliers/Contractors and the Supplier Qualification, Evaluation and Dismissal Procedure.

In 2019, we evaluated 75% of our suppliers of raw materials, packaging and related products, using criteria of quality, environment, labor practices, human rights and social responsibility

To guarantee objectivity and transparency, the process was created and implemented by an external and independent company. The goal for 2020 is to meet the 100% rating of this group.

Supply chain overview

(102-9) (102-10)



Purchasing department:

It is responsible for the provision of raw materials, packaging and additives as well as commercialized products by ensuring optimal levels of quality and cost.

Planning:

It is business units that we offer to the market.

It leads the production planning and the transfer of finished product to the distribution centers.

Logistics:

It is in charge of the efficient and sustainable distribution of products to our clients.



Long-term relationships

(103-1) (103-2) (103-3) (308-1) (308-2) (407-1) (408-1) (409-1) (414-1)
(414-2) (G4-FP1) (G4-FP2)

We consider suppliers as valuable allies to meet customer expectations. We establish long-term commercial, civil and trade relationships with them, based on mutual dependence, shared goals and the win-win principle. In this way, we achieve the best purchasing conditions for the company.

Everyone interested in becoming our supplier must comply with the requirements established in the Code of Conduct and Ethics for Suppliers/Contractors, a document that contains the ethical guidelines for the management of commercial partnerships.

To guarantee and facilitate access, this document is found on the company's supplier portal and has been socialized with 100% of our business partners.



To develop existing business allies, we implemented a Supplier Qualification System, implemented by an external contracted company aiming to make information transparent. This process analyzes, investigates, evaluates and validates –in a comprehensive way– the production capacity of the goods and services offered, according to the following criteria:



Graphic. Supplier qualification process





In 2019, 307 suppliers were evaluated according to the following details:

2019 Supplier evaluation

Type	Description	Percentage
A	Suppliers of goods that intervene in the production or commercialization process.	27,36 %
B	Suppliers that offer complementary goods and services or provide supporting services to the production, storage, distribution and sales areas.	67,10 %
C	Suppliers that provide administrative goods and services.	5,54 %
TOTAL		100 %



100% of new suppliers must comply with environmental, labor, safety and human rights criteria as part of the requirements for their qualification.

During the audits, no negative social or environmental impacts were identified nor cases in which the freedom of association or the right to collective bargaining could be infringed or threatened; or that there is a significant risk of children, forced or compulsory labor cases.

In case that suppliers might have difficulties, our team is prepared to support them and help them acquire the necessary skills. However, if they do not want support or cannot meet the required standards, they risk being excluded from the supply chain.

After performing the evaluations and in accordance with the Purchasing Policy, the amount in dollars acquired from qualified suppliers that comply with international norms and standards (ISO 22000, ISO 9001, ISO 18001, ISO 45001, GMP, DDHH, Ethical Trading Initiative), as well as Corporate Social Responsibility, represents 100% of the volume of acquisitions made.



Supply chain management

Security staff

(410-1)

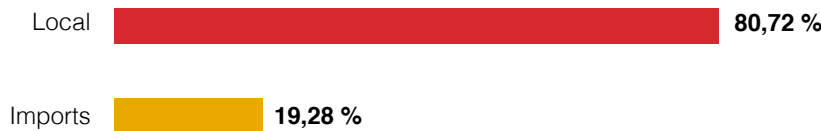
We guarantee appropriate training of the security staff. Through a signed contract with the contractor company, we request the comprehensive training of agents in human rights.

As evidence of this compliance, the supplier must send us proof of the monthly training provided.

Purchasing distribution

(204-1)

Purchasing distribution



Local purchasing distribution



Development of local raw material suppliers

(203-1) (203-2)

As of 2010 and as part of our sustainability strategy, beyond offering high quality nutritional products to the public, we generate added value and local growth in the country's agricultural sector through the implementation of our Cultiva program.

Through the production of national wheat, we promote the availability of raw materials and we contribute with the recognition of farmers' work, the generation of income for their family and strengthen the Ecuadorian productive matrix.



We highlight three points that confirm its sustainability:

1. Farmer development:

In 2010, the milling industry made a commitment with the Ministry of Agriculture and Livestock (MAG) to acquire the entire national wheat production at the price stipulated by the entity.

Since then, not only we purchase national wheat but we also actively stimulate its production by supporting:



74 small farmers



14 industrial producers



6 associations



401 farmers' families benefited





2. Agro-development:

We support the agricultural development through the following:

- Delivery of certified seeds and fertilizers: In order to guarantee an excellent grain and ensure the final product, we acquired certified seeds by the National Institute for Agricultural Research (INIAP) and delivered them to the producers as an advance payment-purchase of the harvest.



Delivery of seeds and fertilizers

Year	Seed		Fertilizer	
	kg	USD	kg	USD
2014	26.100,00	18.675,00	26.235,00	19.859,32
2015	103.860,00	77.895,00	125.912,10	78.601,51
2016	58.500,00	43.895,00	97.500,00	61.899,50
2017	119.430,00	89.741,00	-	-
2018	92.930,00	66.972,50	-	-
2019	81.000,00	56.700,00	-	-
Total	481.820,00	353.858,50	249.647,10	160.360,33

- Seed Evolution: In coordination with the INIAP, we contribute to the development and improvement of the seed.

Wheat Seed Evolution

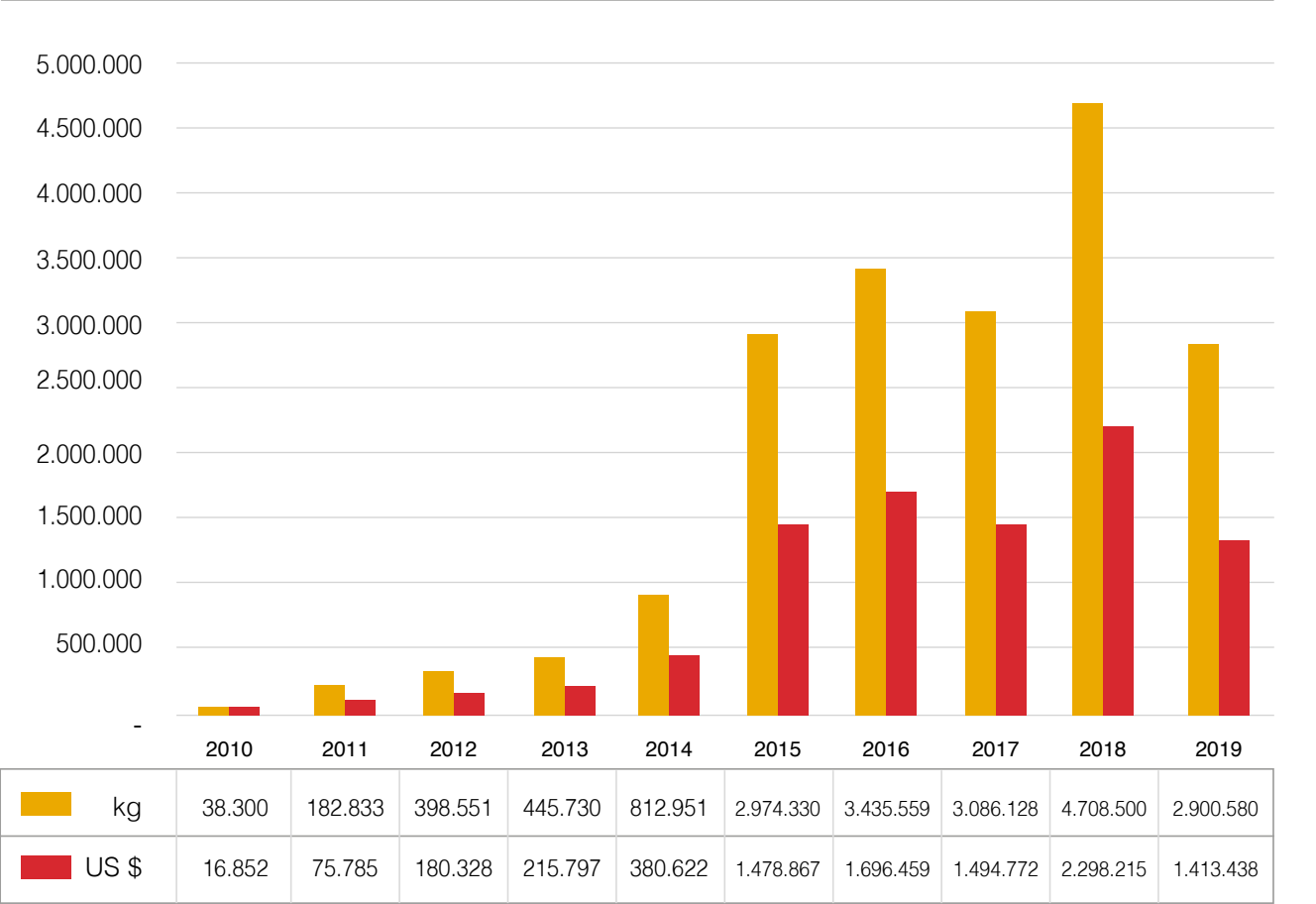
Factor / year	2013	2017	2019
Falling Number (seconds)	242,00	237,00	234,89
Test weight (kg/hl)	76,72	78,76	80,10
Humidity (%)	14,30	13,98	13,50
Impurities (%)	3,75	1,29	2,16
Gluten (%)	22,94	22,33	26,56

These actions have allowed to increase the number of hectares (ha) cultivated from 21 hectares (ha) in 2010 to 1,074.3 ha in 2019 yielding 2.7 t / ha.

3. National wheat purchase:

In recent years, wheat purchases have significantly increased as shown in the following graph:

National wheat purchase



In 2019, we acquired 2,900.58 tons of national wheat which represent 37% of the total national harvest for the milling industry.





| Planet

V



Responsible use of raw materials

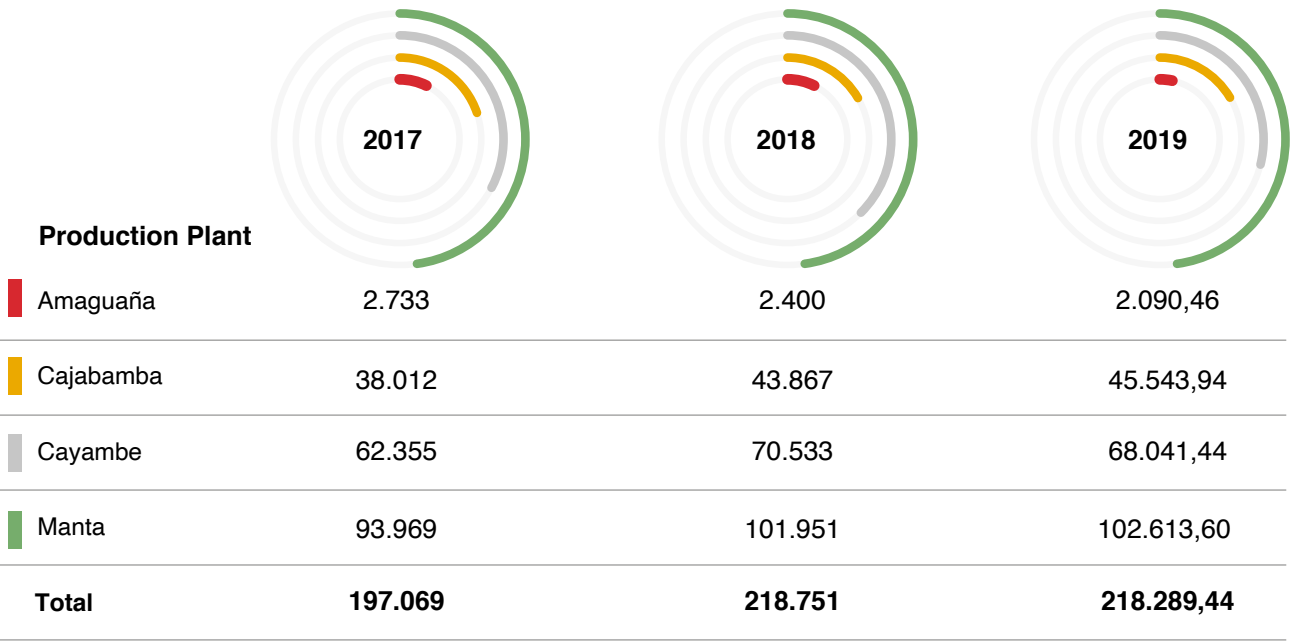
Raw materials

(301-1)

The main raw material used in our production process is wheat to make flour, bread, semolina and pasta.

Raw materials volume

Acquired wheat from external suppliers (t)



Planet

(103-1) (103-2)

Environmental protection is an essential aspect in all the activities we perform. We efficiently manage the natural resources used, promote good environmental practices among employees, implement clean production projects and circular economy strategies to reduce, mitigate and compensate Greenhouse Gases (GHG) emissions and other adverse environmental impacts that may be generated during our operations.

Environmental legal compliance

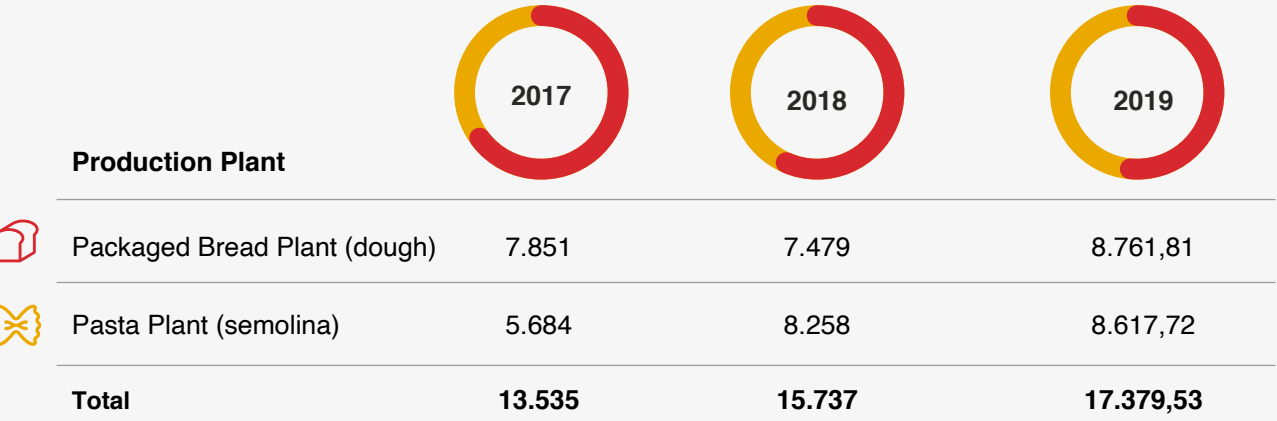
(102-11) (307-1)

We comply with current regulations in each of the locations where we operate. In addition, we have the corresponding environmental permits for which we have Environmental Management Plans aimed at preventing, controlling, correcting and amending the possible negative effects caused by production processes.

During 2019, no significant penalties or fines have been applied for non-compliance with environmental legislation.



Dough and semolina produced internally (t)



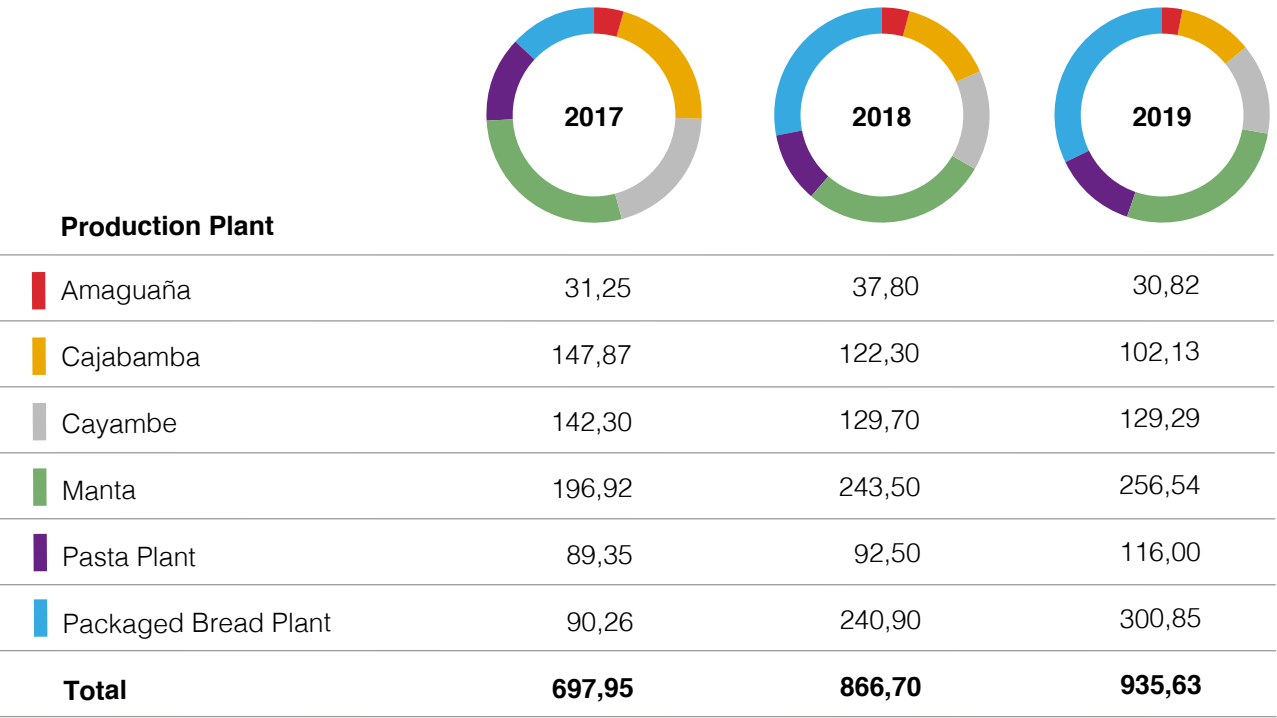
Packaging materials

The most common packaging materials used are polypropylene sacks and sheets, stretch film and thread used for flour packaging.

Plastic bags and cardboard are used to a lesser extent in the Pasta and Packaged Bread Plants.



Packaging material (t)



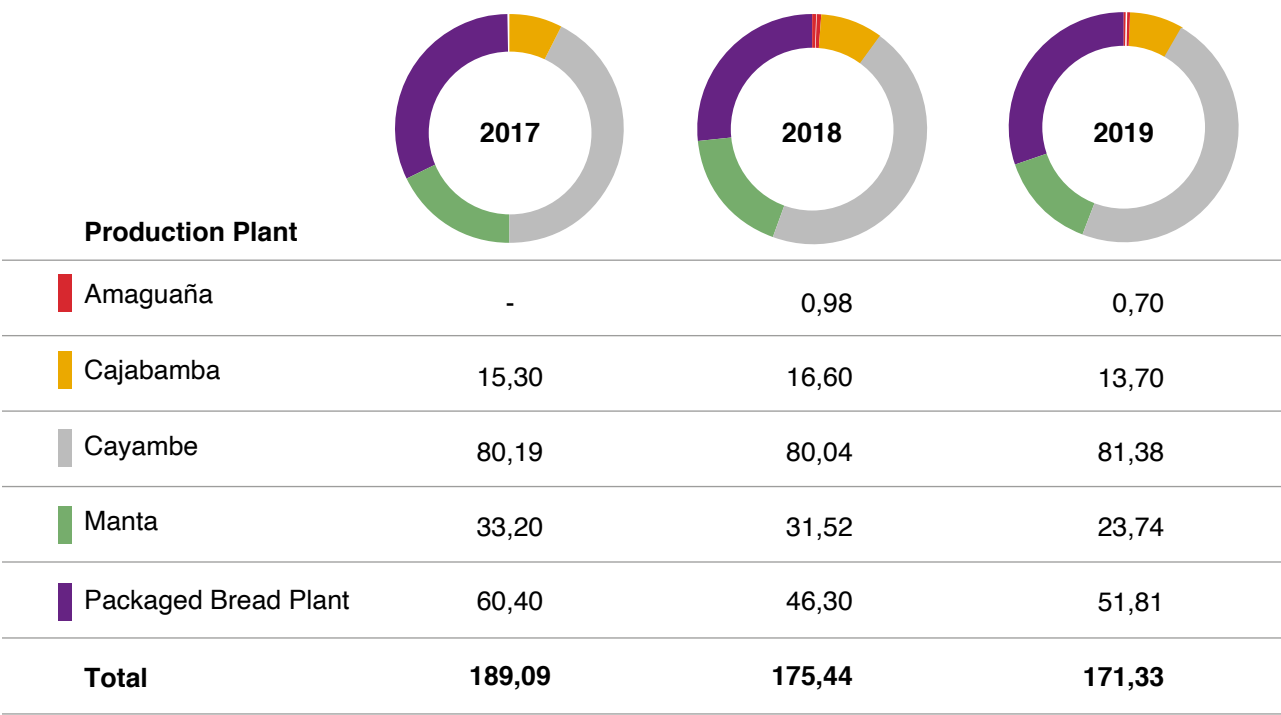
We increased the use of packaging materials nationwide by 7.9%; This is mainly due to an increase in production. In the specific case of Cajabamba, we decreased the amount of materials purchased due to an optimization of these.



Additives

The enzymes and oxidizing agents used comply with the General Standard for Food Additives - Codex Alimentarius: obtained from renewable sources through biotechnological processes.

Additives (t)



We reduced 2.34% the use of additives compared to 2018; since we developed new recipes with fewer enzymes, preserving the same bread-making characteristics without affecting quality.



Recycled input materials, reused products and packaging materials

(301-2) (301-3)

Since we are a food processing business, we must guarantee the food safety of our products; For this reason, we do not incorporate recycled inputs or recovered packaging materials within processes. However, we work with suppliers in the implementation of recycling strategies in the life-cycle of their products, without affecting quality standards established; (This is the case of pallets made with eco-friendly resin).



Renewable materials:

The raw materials (wheat, dough and semolina) and the additives incorporated in production processes come from 100% renewable sources.



Non-renewable materials:

The packaging materials used come from non-renewable sources. We are constantly looking for innovative and environmentally friendly options.

Responsible waste management⁹

We implement good environmental practices for proper waste management in our production plants. We classify the waste as:



Hazardous waste:

Materials that contain any substance with corrosive, reactive, toxic, flammable, biological-infectious and / or radioactive characteristics, that represent a risk to human health and the environment.



Non hazardous waste:

Materials that can be recycled, for example: cardboard, plastic, scrap metal, among others, that do not present dangerous characteristics for people and the environment.

In 2019, we generated 6,777 kg of hazardous waste that was managed by a qualified environmental processor for its final disposal in accordance with current regulations.

In addition, we promote the recycling of materials such as: paper, cardboard, packaging plastic and scrap metal; collecting more than 93,000 kg of recycled materials delivered to local waste managers.

⁹ In compliance with current environmental legislation and international treaties for the movement of hazardous waste, we not treat, transport, import or export any type of hazardous waste.



Resources

Energy

For the production, storage and distribution of the products we use energy from a hydroelectric power plant and fossil fuels, such as diesel and LPG (Liquefied Petroleum Gas).

Total LPG consumption⁽³⁰²⁻¹⁾

At the Packaged Bread Plant, we use LPG to run ovens. In other locations, we use it to a lesser extent as fuel for forklift.

Total LPG Consumption¹⁰ (TJ)

Production Plant	2017	2018	2019
Amaguaña	0,74	0,43	0,22
Cajabamba	0,76	0,91	0,87
Cayambe	0,11	0,26	0,35
Manta	0,60	1,81	0,99
Pasta Plant	0,02	-	-
Packaged Bread Plant	12,40	13,16	14,61
Total	14,63	16,57	17,04

¹⁰ In compliance with current environmental legislation and international treaties for the movement of hazardous waste, we not treat, transport, import or export any type of hazardous waste.

Total diesel consumption¹¹
(302-1)

Diesel is mainly used in drying ovens at the Pasta plant. It is also used in the Packaged Bread Plant for boilers and secondary ovens. Additionally, this fuel is used to powered on electric generators in the event of power outages. ⁽³⁰²⁻¹⁾

Total diesel consumption (TJ)

Production Plant	2017	2018	2019
Amaguaña	0,12	0,11	0,05
Cajabamba	-	0,76	-
Manta	1,02	1,16	0,44
Pasta Plant	8,74	11,33	12,18
Packaged Bread Plant	5,27	6,45	5,86
Total	15,15	19,81	18,53

Total electricity consumption¹²
(302-1) (302-2)

Most of the electricity consumed in the production plants comes from the Interconnected National System of Ecuador (51.78% renewable and 48.22% non-renewable).

The consumption data expressed in (TJ) are those from the monthly Electric Energy Bills and are detailed in the following table:

External energy consumption (TJ)

Production Plant	2017	2018	2019
Amaguaña	1,22	0,83	0,55
Cajabamba	8,73	10,10	10,54
Cayambe	17,59	17,50	16,14
Manta	25,36	27,28	26,69
Pasta Plant	6,06	7,34	7,95
Packaged Bread Plant	3,33	3,36	3,38
Total	62,29	66,41	65,25

¹¹ The calculation of the energy was carried out according to the diesel calorific power: 146.520.000 J/gal
¹² Conversion factor: 1 kWh= 3.6x106J 1TJ = 1x 1012J



Energy intensity

(302-3) (302-4) (302-5)

The energy intensity is the result of the relationship between the consumption of electricity expressed in terajoules (TJ) with the quantity of raw material processed in each production plant in tons (t).

Energy intensity (x 10⁻⁴ TJ/t)

Production Plant	2018	2019	Increment	Reduction
Amaguaña	4,9	2,9	-	2,0
Cajabamba	2,3	2,3	-	-
Cayambe	2,5	2,4	-	0,1
Manta	2,7	2,6	-	0,1
Pasta Plant	8,9	9,2	0,3	-
Packaged Bread Plant	4,5	3,9	-	0,6
Total	25,8	23,3	0,3	2,8

Water

(303-1) (303-3) (306-1)

The proportion of water consumption is directly related with the type of product elaborated: at the Pasta and Packaged Bread Plant, it is an indispensable ingredient in the process of transforming the raw material into doughs. In the mills, it is used for wheat tempering in an amount that is absorbed in the process so no effluents are generated.

Water consumption (m³)

Production Plant	2017	2018	2019
Amaguaña	589,98	499,71	526,85
Cajabamba	1.332,30	1.721,60	1.438,70
Cayambe	5.620,80	5.674,82	5.028,17
Manta	6.127,15	6.876,00	6.341,46
Pasta Plant	2.066,54	2.477,46	2.515,99
Packaged Bread Plant	13.284,00	15.340,00	13.233,00
Total	29.029,77	32.589,59	29.084,17





Effluents generation

(303-2) (306-5)

We strictly comply with current environmental regulations; therefore, we do not generate any type of adverse impact to the water sources that we use.

At the Cayambe production plant, effluents from administrative areas are treated in septic tanks. Before being discharged, we make sure that the physicochemical properties are within the permissible limits; For this, we contract an accredited external environmental laboratory that performs the corresponding monitoring of these.

At the Packaged Bread Plant, industrial wastewater is originated from the water used for cleaning drawers; These receive a primary pre-treatment to meet the applicable discharge parameters. In 2019, we treated 9,979.78 m³ which corresponds to 100% of the amount generated.

Significant spills

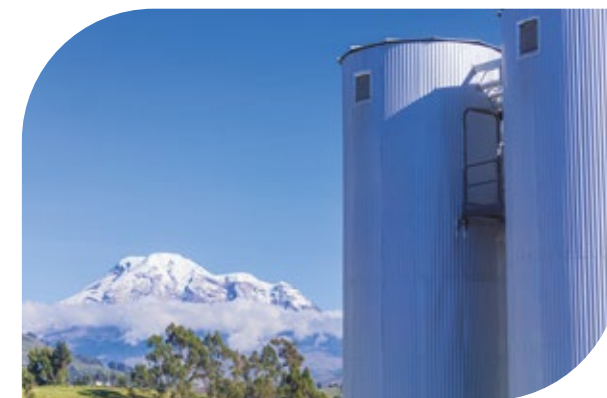
(306-3)

In all locations, we have contingency plans to reduce or even eliminate the risk of spills; Furthermore, we train brigades to identify and respond immediately to this type of event. In this way, we guarantee the control of the situation and the minimization of the effects that might be produced. During the reported period, no spills were recorded.



GHG Emissions

Since 2017, we have kept a record of GHG emissions related to the company's activities in accordance with the provisions of the GHG Protocol and ISO 14064-1, "specification with guidance, at the organization level for quantification and reporting of GHG emissions and removals".

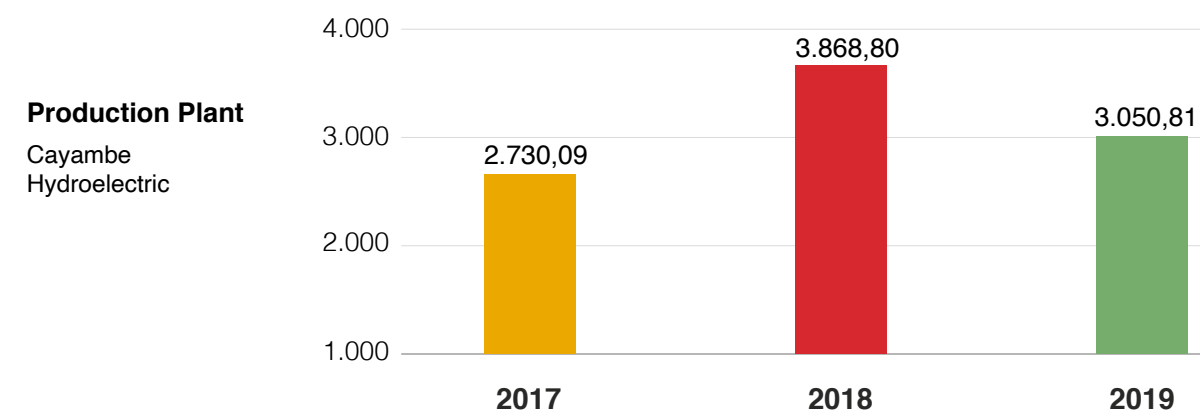


Scope 1 Emissions

(305-1)

GHG emissions report - Scope 1, we measure it based only on the amount of energy produced by the hydroelectric plant in Cayambe; We do not consider the transportation of materials, products, waste, workers and passengers since they do not correspond to activities controlled by the company.

Scope 1 Emissions (tCO₂)












Scope 2 Emissions

(305-2)

For the calculation of GHG Emissions – Scope 2, we take the data of electricity purchased by each location. As it is energy from the public network, we use the conversion factor published in the 2013 Interconnected National System Report of the Ministry of Environment. The factor 0.506 tCO₂ / MWh is typical of Ecuador's electricity system and could vary from country to country.

Scope 2 Emissions (tCO₂)

			
Production Plant			
 Amaguaña	171	171	78
 Cajabamba	1.227	1.420	1.482
 Manta	3.565	3.904	3.752
 Packaged Bread Plant	468	472	475
Total	5.431	5.967	5.787

Scope 3 Emissions

(305-3)

For this report, we do not consider indirect emissions resulting from the extraction and production of raw materials and inputs, work trips made through external transportation services nor the transportation of materials, fuel and products made by third parties.



It is important to note that the calculation of these emissions is recommended, but not mandatory, in accordance with the provisions of the GHG Protocol and ISO 14064.

GHG Emissions intensity

(305-4) (305-5)

GHG Emissions intensity (tCO₂/t)

Production Plant	2018	2019	Reduction
Amaguaña	0,05	0,04	0,01
Cajabamba	0,03	0,03	-
Cayambe	0,05	0,04	0,01
Manta	0,04	0,04	-
Packaged bread plant	0,06	0,05	0,01
Total	0,23	0,20	0,03

We decreased the GHG emissions intensity by 13% compared to 2018.





ODS¹³ Emissions

(305-6)

The development of our activities does not involve the production, use, import or export of ozone-depleting substances (ODS).

Ambient Air Quality Emissions

(305-7)

2019 Ambient Air Quality Emissions

Parameters	CO	NOx	SO ₂	O ₃	PM 10	PM 2.5
Unit	ppm	ppm	ppm	ppm	ug/m ³	ug/m ³
Cajabamba	2.055	24	26	27	96	44
Cayambe	2.110	35	32	20	47	20
Manta	1.690	29	26	20	16	9
Maximum allowable limits *	10.000,00	200	125	100	100	50

¹³ ODS – Ozone-depleting substances

Biodiversity protection

(304-1) (304-2) (304-3) (304-4)

All owned or leased facilities are located outside protected areas, restored habitats or highly valued spaces in terms of biological diversity. There are also no species included in the IUCN Red List or national conservation records; This is based on the information provided by the certificates of intersection of the environmental regularization process.



• Good environmental practices training:

We raise awareness among employees regarding the efficient use of water, energy saving, waste management, recycling and reuse of paper.



• Guachalá River

We cleaned the river banks with the participation of 106 corporate volunteers, collected 1,930 kg of waste, mitigating river pollution.



• Puerto Cayo Beach:

With our corporate volunteers in Manta, we contributed with the cleaning of the beach by collecting 567 kg of solid waste.



• Colta Lagoon:

We collaborated in the cleaning and reforestation of the lagoon, collecting 2,503 kg of garbage and planting 80 native trees to help mitigate contamination and improve the landscape.



Initiatives to mitigate climate change

(201-2) (307-1)

To minimize the impacts and improve performance, in 2019, we developed the following strategies:

Environmental monitoring:

We invested \$22,396.69 in monitoring environmental noise, ambient air quality, emissions from fixed sources and waste management to quantify the environmental impact of our processes in order to implement contingency plans in case of needing to control environmental pollution.

Clean production projects:

Through the implementation of policies and procedures to prevent, mitigate and control the possible environmental impacts that our operations could generate, in 2019 and in different locations, we obtained the Ecuadorian "Punto Verde" Environmental Certification, in the following categories:

Energy:

- 74.19% reduction in energy consumption due to the implementation of an electric speed shifter in the wheat reception area - Manta.

Optimization of inputs:

- 5.12% reduction in the consumption of polypropylene sacks used for flour packaging - Manta.

Waste – By-products - Air:

- 71.1% of waste recovery due to the implementation of a new wheat reception and pre-cleaning system - Cajabamba.
- Reincorporation of 9,092.58 kg of wheat dust in the production process due to a dust extraction hood - Manta.



Waste circularity:

As part of our environmental responsibility, we implemented a circular economy project which consisted in the separation, collection and recycling of the used polypropylene sack from Quito plant so that - through a process of industrial symbiosis - they could be transformed into chipboards of 2.44 mx 1.22 m in thicknesses from 2 to 35 mm, with synthetic wood characteristics.

These boards were donated to Raíz Foundation for the construction of bathrooms, within its CAEMBA project "CAsitas EMergentes de Bambú", which aims to provide a decent roof, at low cost and quickly to low-income families:

Indicators:

- 31.914 collected polypropylene sacks.
- 6,500 kg of CO2 not emitted into the atmosphere, thanks to proper waste management.
- 10 bathrooms built with the donated boards, benefiting more than 40 people who lived in overcrowded conditions.
- \$1,460 invested in the implementation of the project.



USE



CREATE



RECYCLE





| GRI Standards Index

VI



GRI Standards	GRI Disclosure	Disclosure Title	Chapter		Page	Omission	UN SDGs Goals	SDGs Targets	UNGC Principles	Internal Check
GRI STANDARDS INDEX										
GRI 101 Foundation			2		23					✓
GENERAL DISCLOSURES										
GRI 102 General Disclosures	102-1	Name of the organization	1		4					✓
	102-2	Activities, brands, products, and services	1		12					✓
	102-3	Location of headquarters	1		10					✓
	102-4	Location of operations	1		10					✓
	102-5	Ownership and legal form	1		10					✓
	102-6	Markets served	1		16					✓
	102-7	Scale of the organization	1		17					✓
	102-8	Information on employees and other workers	3		17		8	8,5		✓
	102-9	Supply chain	4		79					✓
	102-10	Significant changes to the organization and its supply chain	1 4		79					✓
	102-11	Precutionary Principle or approach	5		90				7,8,9	✓
	102-12	External initiatives	1		19					✓
	102-13	Membership of associations	1		19					✓
	102-14	Statement from senior decision-maker	1		6,7					✓
	102-15	Key impacts, risks and opportunities	1		6,7					✓
	102-16	Values, principles, standards, and norms of behaviour	2		36		16	16,3	10	✓
	102-17	Mechanisms for advice and concerns about ethics	2		41		16	16,3	2,10	✓
	102-18	Governance structure	2		31					✓
	102-19	Delegating authority	2		27					✓
	102-20	Executive-level responsibility for economic, environmental, and social topics	2		27					✓
	102-21	Consulting stakeholders on economic, environmental, and social topics	2		23		16	16,7	10	✓
	102-22	Composition of the highest governance body and its committees	2		31		5	5,5		✓
	102-23	Chair of the highest governance body	2		31		16	16,6		✓
	102-24	Nominating and selecting the highest governance body	2		32		16	16,7		✓
	102-25	Conflicts of interest	2		33		16	16,6	10	✓
	102-26	Role of highest governance body in setting purpose, values and strategy	2		31					✓
	102-27	Collective knowledge of highest governance body	2		27		4	4,7		✓



GRI Standards	GRI Disclosure	Disclosure Title	Chapter		Page	Omission	UN SDGs Goals	SDGs Targets	UNGC Principles	Internal Check
GRI STANDARDS INDEX										
GENERAL DISCLOSURES										
GRI 102 General Disclosures	102-28	Evaluating the highest governance body’s performance	2		34					✓
	102-29	Identifying and managing economic, environmental, and social impacts	2		27		16	16,7	10	✓
	102-30	Effectiveness of risk management processes	2		34					✓
	102-31	Review of economic, environmental, and social topics	2		34					✓
	102-32	Highest governance body's role in sustainability reporting	2		22					✓
	102-33	Communicating critical concerns	2		27				10	✓
	102-34	Nature and total number of critical concerns	2		27				10	✓
	102-35	Remuneration policies	2		33					✓
	102-36	Process for determining remuneration	2		33				6	✓
	102-37	Stakeholders’ involvement in remuneration	2		33		16	16,7	6	✓
	102-38	Annual total compensation ratio				Confidentiality constraints			6	
	102-39	Percentage increase in annual total compensation ratio				Confidentiality constraints			6	
	102-40	List of stakeholder groups	2		24					✓
	102-41	Collective bargaining agreements	2		40		8	8,8	3	✓
	102-42	Identifying and selecting stakeholders	2		23					✓
	102-43	Approach to stakeholder engagement	2		24					✓
	102-44	Key topics and concerns raised	2		24				10	✓
	102-45	Entities included in the consolidated financial statements	1		16					✓
	102-46	Defining report content and topic boundaries	2		25					✓
	102-47	List of material topics	2		25					✓
	102-48	Restatements of information	2		22					✓
	102-49	Changes in reporting	2		22					✓
	102-50	Reporting period	2		22					✓
	102-51	Date of most recent report	2		22					✓
	102-52	Reporting cycle	2		22					✓
	102-53	Contact point for questions regarding the report	1		4					✓
	102-54	Claims of reporting in accordance with the GRI Standards	2		22					✓
	102-55	GRI content index	Index		22					✓
	102-56	External assurance	2		22				10	✓



GRI Standards	GRI Disclosure	Disclosure Title	Chapter		Page	Omission	UN SDGs Goals	SDGs Targets	UNGC Principles	Internal Check
GRI STANDARDS INDEX										
MATERIAL TOPIC 1: Ethics and Integrity										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	2		36					✓
	103-2	Management approach and its components	2		36					✓
	103-3	Evaluation of the management approach	2		36					✓
GRI 205 Anti-corruption	205-1	Operations assessed for risks related to corruption	2		37		16	16,5	10	✓
	205-2	Communication and training about anti-corruption policies and procedures	2		37		16	16,5	10	✓
	205-3	Confirmed incidents of corruption and actions taken	2		37		16	16,5	10	✓
GRI 406 Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	2		38		5; 8; 16	5.1; 8.8; 16.b	6	✓
GRI 402 Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	2		39		8	8,8	3	✓
GRI 407 Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2		39		8	8,8	3	✓
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	2		39		8;16	8.7;16.2	5	✓
GRI 409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2		39		8	8,7	4	✓
GRI 415 Public Policy	415-1	Political contributions	2		39		16	16,5	10	✓
GRI 412 Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessment	2		40				1	✓
	412-2	Employee training on human rights policies or procedures	2		40				1	✓
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	2		40				1,2	✓
MATERIAL TOPIC 2: Good labor practices										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	3		44					✓
	103-2	Management approach and its components	3		44					✓
	103-3	Evaluation of the management approach	3		44					✓
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	3		45		5;8	5.1;5.5;8.5		✓
	405-2	Ratio of basic salary and remuneration of women to men	2		32		5;10	5.1;10.2	10	✓
GRI 401 Employment	401-1	New employee hires and employee turnover	3		47		5;8	5.1;8.5;8.6	4,5,6	✓
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3		49		8	8.5	6	✓
	401-3	Parental leave	3		50		5;8	5.1;8.5	6	✓

GRI Standards	GRI Disclosure	Disclosure Title	Chapter		Page	Omission	UN SDGs Goals	SDGs Targets	UNGC Principles	Internal Check
GRI STANDARDS INDEX										
MATERIAL TOPIC 2: Good labor practices										
GRI 201 Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	3		51				6	✓
GRI 404 Training and Education	404-1	Average hours of training per year per employee	3		52		4;5;8	4.3, 4.4; 4.5; 5.1; 8.5		✓
	404-2	Programs for upgrading employee skills and transition assistance programs	3		53		8	8,5		✓
	404-3	Percentage of employees receiving regular performance and career development reviews	3		54		5;8	5.1; 8.5		✓
GRI 403 Occupational Health and Safety	403-1	Occupational health and safety management system	3		55		8	8,8	6	✓
	403-2	Hazard identificacition, risk assessment, and incident investigation	3		53		3;8	3.3; 3.4; 3.9; 8.8	4,6	✓
	403-3	Occupational health services	3		53		3;8	3.3; 3.4; 3.9; 8.8	4,6	✓
	403-4	Worker participation, consultation, and communication on occupational health and safety	3		55		8	8,8	4,6	✓
MATERIAL TOPIC 3: Proper financial management										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	1		16					✓
	103-2	Management approach and its components	1		16					✓
	103-3	Evaluation of the management approach	1		17					✓
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	1		17		2	2a		✓
	201-4	Financial assistance received from government	1		38				10	✓
GRI 203 Indirect economics impacts	203-1	Infrastructure investments and services supported	1		18		9	9,1		✓
MATERIAL TOPIC 4: Efficient distribution and sales										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	4		79					✓
	103-2	Management approach and its components	4		79					✓
	103-3	Evaluation of the management approach	4		79					✓
MATERIAL TOPIC 5: Product										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	4		70					✓
	103-2	Management approach and its components	4		70					✓
	103-3	Evaluation of the management approach	4		70					✓
MATERIAL TOPIC 6: Quality and nutrition - Marketing and communication										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	4		73					✓
	103-2	Management approach and its components	4		73					✓
	103-3	Evaluation of the management approach	4		73					✓

GRI Standards	GRI Disclosure	Disclosure Title	Chapter		Page	Omission	UN SDGs Goals	SDGs Targets	UNGC Principles	Internal Check
GRI STANDARDS INDEX										
MATERIAL TOPIC 6: Quality and nutrition - Marketing and communication										
GRI 206 Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4		74		16	16.3	10	✓
GRI 416 Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	4		74					✓
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4		76				10	✓
GRI 417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	4		74		12	12.8		✓
	417-2	Incidents of non-compliance concerning product and service information and labeling	4		74		16	16.3	10	✓
	417-3	Incidents of non-compliance concerning marketing communications	4		76		16	16,3	10	✓
GRI 419 Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	4		74		16	16.3	10	✓
G4 Sector Disclosures Food Processing	G4-FP4	Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need).	4		76					✓
	G4-FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	4		74				10	✓
	G4-FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fat, sodium and added sugars	4		74					✓
	G4-FP7	Percentage of total sales volume of consumer products, by that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives	4		74					✓
	G4-FP8	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements	4		74					✓
GRI 418 Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4		76		16	16.3; 16.10	10	✓
MATERIAL TOPIC 7: Community and volunteer										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	3		59					✓
	103-2	Management approach and its components	3		59					✓
	103-3	Evaluation of the management approach	3		60,67					✓
GRI 413 Local Communities	413-1	Operations with local community engagement, impact assesments, and development programs	3		62					✓
	413-2	Operations with significant actual and potential negative impacts on local communities	3		67		1	1.4		✓
GRI 203 Indirect economics impacts	203-2	Significant indirect economic impacts	3		62		10	10.1		✓

GRI Standards	GRI Disclosure	Disclosure Title	Chapter		Page	Omission	UN SDGs Goals	SDGs Targets	UNGC Principles	Internal Check
GRI STANDARDS INDEX										
MATERIAL TOPIC 7: Community and volunteer										
GRI 411 Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	3		67		2	2.3	1.2	✓
G4 Sector Disclosures	G4-FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs, by country	3		67					✓
MATERIAL TOPIC 8: Good relationship with suppliers										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	4		80					✓
	103-2	Management approach and its components	4		80					✓
	103-3	Evaluation of the management approach	4		80					✓
GRI 308 Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	4		80				7, 8, 9	✓
	308-2	Negative environmental impacts in the supply chain and actions taken	4		80				7, 8, 9	✓
GRI 407 Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4		80		8	8.8	3	✓
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	4		80		8;16	8.7; 16.2	5	✓
GRI 409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4		80		8	8.7	4	✓
GRI 414 Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	4		80		5; 8; 16	5.2; 8.8; 16.1	7, 8, 9	✓
	414-2	Negative social impacts in the supply chain and actions taken	4		80		5; 8; 16	5.2; 8.8; 16.1	2, 4, 5, 6	✓
G4 Sector Disclosures Food Processing	G4-FP1	Percentage of purchased volume from suppliers compliant with company’s sourcing policy	4		80					✓
	G4-FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard	4		80					✓
GRI 410 Security Practices	410-1	Security personnel trained in human rights policies or procedures	4		84		16	16.1	2	✓
GRI 204 Procurement Practices	204-1	Proportion of spending on local suppliers	4		84		12	12,7		✓
GRI 203 Indirect economics impacts	203-1	Significant indirect economic impacts	3		85		10	10,1		✓
MATERIAL TOPIC 9: Corporate Governance										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	2		31					✓
	103-2	Management approach and its components	2		31					✓
	103-3	Evaluation of the management approach	2		34					✓
GRI 202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3		33		1	1.1	6	✓
	202-2	Proportion of senior management hired from the local community	2		31		8	8.5	6	✓

GRI Standards	GRI Disclosure	Disclosure Title	Chapter		Page	Omission	UN SDGs Goals	SDGs Targets	UNGC Principles	Internal Check
GRI STANDARDS INDEX										
MATERIAL TOPIC 10: Emissions										
GRI 103 Management Approach	103-1	Explanation of the material topic and its boundary	5		90					✓
	103-2	Management approach and its components	5		90					✓
	103-3	Evaluation of the management approach	5		90					✓
GRI 307 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	5		90		16	16.3	7	✓
GRI 301 Materials	301-1	Materials used by weight or volume	5		91		8	8,4	8,9	✓
	301-2	Recycled input materials used	5		94		8; 12	8.4; 12.2; 12.5	8,9	✓
	301-3	Reclaimed products and their packaging materials	5		94		8; 12	8.4; 12.2; 12.5	8,9	✓
GRI 306 Waste	306-1	Waste generation and significant waste-related impacts	5		99		3; 6; 12; 14	3.9;6.3;6.6;12.4;14.1	7, 8, 9	✓
	306-2	Management of significant wast-related impacts	5		95		3; 6; 12	3.9; 6.3; 12.4	7, 8, 9	✓
	306-3	Waste generated	5		100		3; 6; 12; 14; 15	3.9;6.3;6.6;12.4;14.1;15.1	7, 8	✓
	306-4	Waste diverted from disposal	5		95		3; 12	3.9; 12.4	7, 8	✓
	306-5	Waste directed to disposal	5		100		6; 14; 15	6.6;14.2;15.1;15.5	7, 8, 9	✓
GRI 302 Energy	302-1	Energy consumption within the organization	5		96		7; 8; 12; 13	7.2;7.3;8.4;12.2;13.1	7, 8, 9	✓
	302-2	Energy consumption outside of the organization	5		97		7; 8; 12; 13	7.2;7.3;8.4;12.2;13.1	7, 8, 9	✓
	302-3	Energy intensity	5		98		7; 8; 12; 13	7.3;8.4;12.2;13. 1	7, 8, 9	✓
	302-4	Reduction of energy consumption	5		98		7; 8; 12; 13	7.3;8.4;12.2;13. 1	7, 8, 9	✓
	302-5	Reductions in energy requirements of products and services	5		98		7; 8; 12; 13	7.3;8.4;12.2;13. 1	7, 8, 9	✓
GRI 303 Water and Effluents	303-1	Interactions with water as a shared resource	5		99		6	6,4	7, 8, 9	✓
	303-2	Management of water discharge-related impacts	5		100		6	6,4	7, 8, 9	✓
	303-3	Water withdrawal	5		99		6; 8; 12	6.3;6.4;8.4;12.2	7, 8, 9	✓
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	5		101		3;12;13;14;15	3.9;12.4;13.1;14.3;15.2	7, 8, 9	✓
	305-2	Energy indirect (Scope 2) GHG emissions	5		102		3;12;13;14;15	3.9;12.4;13.1;14.3;15.2	7, 8, 9	✓
	305-3	Other indirect (Scope 3) GHG emissions	5		103		3;12;13;14;15	3.9;12.4;13.1;14.3;15.2	7, 8, 9	✓
	305-4	GHG emissions intensity	5		103		13; 14; 15	13.1; 14.3; 15.2	7, 8, 9	✓
	305-5	Reduction of GHG emissions	5		103		13; 14; 15	13.1; 14.3; 15.2	7, 8, 9	✓
	305-6	Emissions of ozone-depleting substances (ODS)	5		104		3; 12	3.9; 12.4	7, 8, 9	✓
	305-7	Nitrogen oxides (Nox), sulfur oxides (Sox), and other significant air emissions	5		104		3; 12; 14; 15	3.9;12.4;14.3;15.2	7, 8, 9	✓
GRI 304 Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5		105		6; 14; 15	6.6; 14.2; 15.1; 15.4; 15.5	7, 8, 9	✓
	304-2	Significant impacts of activities, products, and services on biodiversity	5		105		6; 14; 15	6.6; 14.2; 15.1; 15.4; 15.5	7, 8, 9	✓
	304-3	Habitats protected or restored	5		105		6; 14; 15	6.6; 14.2; 15.1; 15.4; 15.5	7, 8, 9	✓
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	5		105		6; 14; 15	6.6; 14.2; 15.1; 15.4; 15.5	7, 8, 9	✓
GRI 201 Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	5		106		13	13,1	7, 8	✓



This is our communication regarding the progress made towards the application of the United Nation Global Compact Principles.

We welcome comments about the content in this report - write us to mmoreno@moderna.com.ec



moderna.sostenible.com.ec