Environmental and Social Review Summary (RRAS)
SUGAL - Chile

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1. General Information on the Project and Overview of Scope of IDB Invest's Review

Sugal, founded in 1957 in Azambuja, Portugal, is a leading international producer of high-quality tomato-based products. The company currently operates in Portugal, Spain, and Chile. In Portugal, it has two industrial plants, located in Azambuja and Bonavente, with a total processing capacity of approximately 12,000 metric tons per day; in Spain, the plant is located in Seville and has a capacity of 4,400 metric tons per day; and in Chile, it has two plants, one in Quinta de Tilcoco and another in Talca, with a combined capacity of 12,000 metric tons per day.

The company carries out integrated agricultural operations that include the provision of seeds, supervision of nurseries, plantation management, and control of its own production fields, in addition to providing technical assistance to partner farmers to ensure quality and traceability from seed to final product. At its industrial facilities, Sugal manages processes ranging from the receipt of raw materials to final packaging in various formats (metal drums, wooden and metal *bins*, and *retail* packaging). Its portfolio includes tomato paste, diced tomatoes, and extruded products for industrial and *food service* customers, as well as *ketchup*, ready-to-use sauces, and other derivative products for the end consumer.

This is BID Invest's first transaction with Sugal. This summary is based on documentation provided by the company and information gathered during the environmental and social due diligence (ESDD) visit conducted in November 2025. The ESDD process included: i) visits to several company-owned and third-party plantations, as well as the packaging plant in Tilcoco; ii) meetings with Sugal's management team, including representatives from Sustainability, Occupational Health and Safety (OHS), Human Resources (HR), Compliance, and Plant Operations; iii) a review of key documents such as the 2024 Sustainability Report, environmental and social studies, Environmental and Social Management Plans (PGAS), and operating permits for agricultural activities; iv) an assessment of OHS policies and procedures, emergency preparedness and response, and HR; v) review of water, solid waste, and pesticide management plans; vi) verification of certifications and audit schemes; vii) analysis of the Code of Conduct, the Worker Grievance Mechanism, and policies to prevent exploitation, abuse, and sexual harassment (EAAS); viii) review of employment contracts and payroll documentation; and ix) analysis of operational data on agricultural activities, including planting, harvesting, power generation, water use, and pollution prevention measures.

The Project, co-financed by IDB Invest, aims to strengthen Sugal's competitive position and improve its productivity. The financing will support the company's agricultural operations in Chile. IDB Invest's resources will be limited exclusively to increasing agricultural production and optimizing the company's working capital.

2. Environmental and Social Categorization and Rationale

In accordance with IDB Invest's Environmental and Social Sustainability (ES) Policy, the Project has been classified as Category B because the ES risks and impacts are limited and site-specific, related to tomato cultivation and the improvement of agricultural efficiency on these lands. These risks can be avoided or mitigated by following International Industry Best Practices. The main E&S risks and impacts include: i) the company's management and monitoring systems for assessing and managing E&S risks and impacts arising from its operations, as well as those related to the expansion of farms considered in the project; ii) the management of labor and working conditions and occupational health and safety (OHS) policies and practices; iii) emergency preparedness and response; iv) prevention and management of complaints related to gender-based violence (GBV); v) use, efficiency, and management of energy, water, and GHG emissions; vi) use and management of pesticides; vii) road safety; and viii) stakeholder engagement activities related to environmental and social aspects.

These impacts and risks are estimated to be of medium intensity.

The Performance Standards ("PS") activated by the Project are: i) PS1: Assessment and management of environmental and social risks and impacts; ii) PSN2: Labor and working conditions; iii) PSN3: Resource efficiency and pollution prevention; iv) PSN4: Community health and safety; and v) PSN6: Biodiversity conservation and sustainable management of living natural resources.

3. Environmental and Social Context

3.1 General Characteristics of the Project's Site

The project's industrial operations are carried out in central Chile, where Sugal operates two production plants dedicated to tomato processing and tomato paste manufacturing. Both plants are located in a peri-urban setting. The facilities have separate access points for pedestrians and freight vehicles.

The supply of raw materials (tomatoes) comes from a mixed system that combines the company's own fields, covering an area of approximately 3,000 ha, with production from local farmers, who contribute an additional 5,000 ha. In total, tomato cultivation covers about 8,000 ha, strategically distributed across the south-central region of the country, ensuring a continuous supply.

3.2 Contextual Risks

An analysis of contextual risks was conducted; at the national level, these include growing water scarcity and competition for water amid structural drought and increasing climate pressure; dependence on temporary labor, with social vulnerabilities associated with seasonality, informality, and competition with other crops; and increasing socio-environmental scrutiny, with stricter regulatory requirements, high community expectations, and potential sensitivity regarding emissions, discharges, and industrial logistics. These factors, which are external to the project, may affect operating costs, production continuity, and social acceptance in the region.

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

4.1 Assessment and Management of Environmental and Social Risks

4.1.a E&S Assessment and Management System

Sugal has a robust corporate sustainability framework, integrated into its *Sugal Business System* (SBS), which defines strategic objectives, key performance indicators, and monitoring mechanisms applicable to all its operations globally, including the Talca and Tilcoco plants in Chile. The Group's Sustainability Strategy is structured around four strategic pillars: carbon neutrality and energy transition; sustainable agriculture and food; the circular economy; and valuing human resources and community relations. This corporate approach is supported by a materiality assessment process, risk management, and centralized governance that ensures operations are aligned with the Group's environmental, social, and governance commitments.

At the operational level, Sugal Chile has obtained and maintains various relevant licenses and certifications, including the FSSC 22000 Certification for the Talca and Tilcoco plants, which guarantees food safety in its industrial processes; the ISO 50001:2018 Certification in energy management, which attests to the implementation of a system to optimize energy consumption at both plants; and the certificates under the Fourth Clean Production Agreement (APL), which validate compliance with targets for water management, energy efficiency, carbon footprint reduction, and capacity building in sustainability.

4.1.b Policy

Sugal has established an Integrated Quality, Safety, Energy, and Environmental Policy that reflects an explicit commitment to sustainability and continuous improvement across all its operations. Aligned with the mission, vision, and principles of *the Sugal Business System* (SBS), this policy guides the processing of tomatoes by ensuring the authenticity and quality of products, protecting people, and promoting efficient use of resources, while fostering responsible practices that contribute to environmental conservation. The company is committed to reducing food loss and waste, ensuring safe and healthy working conditions, eliminating hazards and controlling risks, and complying with applicable laws and industry requirements.

4.1.c Identification of Risks and Impacts

At the corporate level, Sugal has established a structured risk management approach that enables it to identify early on the main environmental, social, and operational risks associated with tomato production and processing in the various regions where it operates. Priority risks identified include climate risks—associated with extreme events and climate variability that can affect productivity—water risks—linked to the availability, efficient use, and competition for water resources—and risks associated with waste management and pollution. Additionally, the company identifies occupational risks related to employment conditions, health and safety, and compliance with labor standards; regulatory compliance risks ( ), linked to compliance with environmental permits and certifications; competitiveness risks stemming from the growing demand for sustainable products;

and supply chain risks associated with traceability, supply continuity, and supplier alignment with the Group's environmental and social standards.

In its Chilean operations, Sugal identifies and assesses the environmental and social risks and impacts associated with its agricultural and industrial operations through Risk and Impact Identification Matrices for environmental and occupational health and safety (OHS) issues. However, Sugal Chile will include the identification and assessment of environmental and social risks associated with the supply chain and community health and safety, including, among others, road safety related to the transport of inputs and products, and risks of gender-based violence.

4.1.c.i Direct and Indirect Impacts and Risks

Regarding indirect impacts, agricultural operations rely on direct labor, contractors, and temporary workers, as well as farmers on land not owned by the company (65%), which entails occupational risks associated with conflicts, strikes, and working conditions that may affect operational continuity. Additionally, changes in trade regulations, the imposition of tariffs, and other restrictions could hinder exports, reducing competitiveness and affecting the sector's profitability. Social risks arising from potential conflicts with neighboring communities are also considered; these could stem from concerns related to the use of natural resources, environmental impacts, or working conditions. Although these factors are external, they have the potential to influence the project's operational and financial stability and therefore require proactive management strategies and engagement with stakeholders.

4.1.c.ii Analysis of Alternatives

Since the Project will be carried out exclusively at the company's existing facilities—both industrial and agricultural—no alternatives regarding location, design, or technology were evaluated.

4.1.c.iii Cumulative Impacts

The main cumulative impacts associated with tomato production in Tilcoco and Talca—considering both the plantations and the processing plants—are concentrated on three fronts. The first is the pressure on surface and groundwater resources resulting from intensive agricultural use and industrial consumption during the growing season, which may contribute to a decline in seasonal availability, affect other users, and exacerbate preexisting water stress conditions. The second relates to the combined generation of organic waste, sludge, and effluents—both agricultural and industrial—which, if not properly managed, can increase the load of nutrients and solids in receiving bodies of water and agricultural soils, promoting eutrophication or degradation. The third risk stems from the cumulative increase in agricultural machinery traffic and the transport of raw materials and finished products, which can cause rural congestion, air emissions, and noise, affecting the quality of life in nearby communities and increasing road safety risks in peri-urban areas.

4.1.c.iv Gender Risks

Women account for approximately 27%–30% of the total workforce, reflecting their underrepresentation in the company's workforce. This situation is consistent with structural

patterns in the agricultural and industrial sectors, particularly in activities characterized by high seasonality and occupational segmentation.

In the context of tomato cultivation and processing in Chile, gender-based risks inherent to the sector have been identified that require specific management, including: (i) risks related to labor segmentation and wage gaps, given that women tend to be concentrated in seasonal sorting and post-harvest tasks, which are generally associated with lower incomes and less job stability compared to predominantly male roles linked to machinery, logistics, and supervision; (ii) risks of gender-based violence and harassment, particularly in temporary labor chains with varying levels of formalization, predominantly male supervision, and barriers to reporting; and (iii) limitations on equitable access to employment and professional development, associated with unpaid caregiving responsibilities, transportation constraints in rural areas, limited availability of child care services, and reduced access to technical training and promotion opportunities. These risks are material in the agricultural sector, which is characterized by high seasonality, competition for temporary labor, and sociolabor patterns specific to the region, and may affect labor compliance, productivity, and relationships with temporary workers and local communities.

4.1.c.v Gender Programs

At the corporate level, the Sugal Group has endorsed the *Ethical Trading Initiative* (ETI) Base Code and the Principles of the United Nations Global Compact, both of which are incorporated into the Sugal Group's Guide to Principles, reflecting an institutional commitment to gender equality, non-discrimination, and respect for human rights in all its operations and business relationships.

Sugal Chile will implement a gender-sensitive recruitment process to promote the hiring of women in underrepresented areas, ensuring equal conditions and non-discrimination. These measures will apply to all personnel, including contractors. In addition, it will develop a Gender Strategy and an anti-sexual harassment policy, featuring specialized training, confidential and non-retaliatory mechanisms, and monitoring through indicators to strengthen gender risk management.

4.1.c.vi Climate change exposure

Sugal Chile's operations take place in an agricultural context exposed to risks associated with natural disasters and climate change, where prolonged droughts, heat waves, frosts, and heavy rains can significantly affect crop yields and operational continuity. In particular, the company is exposed to climate threats such as drought and water scarcity, while climate change scenarios project moderate to high changes in precipitation patterns, increasing climate variability.

Water scarcity and changes in precipitation patterns affect both the processing plants and the agricultural producers that supply Sugal Chile, creating impacts throughout the supply chain. Drought events can reduce crop yields and increase irrigation costs, while extreme precipitation increases the likelihood of production losses, thereby decreasing the volumes delivered to industrial plants. Furthermore, heavy rains can disrupt the logistics and transportation activities on which operations depend and increase the risk of flooding at industrial facilities.

In line with this, the National Climate Change Adaptation Plan for Chile's Forestry and Agricultural Sector 2024–2028 identifies that water scarcity will increase due to changes in precipitation patterns

associated with climate change, recognizing the need to seek new sources and alternatives that will expand the availability of water for agricultural processes. At the corporate level, the Sugal Group also identifies water scarcity in Chile as one of the main risks to tomato production, due to its impact on crop losses and rising irrigation costs.

In this context, Sugal Chile will strengthen climate risk management by systematically identifying vulnerabilities, risks, and climate impacts in its own operations and those of its critical suppliers. As a result of this analysis, the company will identify and prioritize adaptation measures to reduce its exposure—and that of its value chain—to risks associated with climate change, thereby helping to improve operational resilience and the sustainability of its operations.

4.1.d Management Programs

The Risk Management and Environment Department is responsible for developing the Environmental Management Programs, the Occupational Safety and Health Programs, and the Annual Training Plan, ensuring that preventive and corrective actions are implemented systematically and in accordance with national regulations.

Sugal Chile has various procedures, guidelines, and operational programs for managing environmental, social, labor, and health and safety risks, including environmental management programs related to regulatory commitments, procedures for contractors, complaint-handling mechanisms, employee participation, audits, communications, and emergency response.

Sugal will develop and implement specific procedures to manage all material environmental and social risks and impacts, including those associated with the supply chain.

4.1.e Organizational Capabilities and Competencies

The Risk Prevention Department leads the coordination of occupational health and safety programs and procedures, supported by a technical team composed of risk prevention specialists and paramedical staff who provide operational support at both the processing plants and agricultural operations. This structure ensures compliance with applicable national regulations and relevant standards. At the plant level, the Plant Manager oversees the teams responsible for environmental, occupational health, and safety matters, who are in charge of implementing EHS management systems, including regulatory compliance.

To ensure the organizational capacity required for the effective implementation of the SGAS, Sugal Chile will strengthen its Risk Prevention and Environment team, both in terms of human resources and technical expertise related to environmental management. This strengthening will enable the company to adequately support the identification, management, monitoring, and reporting of environmental risks and impacts, as well as the implementation of the actions defined in the ESAP.

4.1.f Emergency Preparedness and Response

Sugal has a Safety, Occupational Health, and Environmental Emergency Plan applicable to all personnel working or conducting activities at the Company's facilities, as well as an Emergency and Evacuation Plan applicable to its industrial plants. Its primary objective is to ensure the protection of human life and the integrity of the facilities in the event of contingencies. The plan establishes

clear procedures for the rapid and safe evacuation of staff, contractors, and visitors, as well as for the initial containment of emergencies, including protocols for earthquakes, fires, liquefied gas leaks, hazardous substance spills, electrical accidents, and serious or fatal accidents. It also defines responsibilities for activating alarms, communicating with external teams, and coordinating corrective actions. The company has emergency response teams trained in fire control, first aid, and rescue; participates in periodic drills; and maintains response infrastructure such as wet pipe systems, fire hydrants, quick-response hoses, and self-contained pumping systems.

Likewise, SUGAL has developed guidelines for serious accidents, heatstroke/dehydration, pesticide spills or ingestion, electrocution, gas leaks, and fire control, among others.

Sugal Chile will update its Emergency Preparedness and Response Plans to incorporate specific measures for coordination, communication, and assistance to potentially affected communities. To this end, it will identify the communities and individuals who could be affected by emergencies associated with its operations and define mechanisms to communicate risks and response procedures in a timely manner. It will also establish formal mechanisms for collaboration with neighboring communities, local authorities, and emergency response services, especially when their participation is necessary to ensure an effective response.

4.1.g Monitoring and Review

Sugal implements monitoring and evaluation mechanisms integrated into its Environmental and Social Management System, using key performance indicators (KPIs) in its Environmental, Economic, and Social Reports to monitor water and energy consumption, waste management, emissions, and occupational health and safety performance. Sugal has an audit procedure applicable to all inspections and audits of its management systems (FSCC 22000, ISO 50001, and ISO 45001) and energy performance at the Tilcoco and Talca plants.

Sugal Chile will strengthen its environmental inspection and audit procedure to ensure systematic follow-up on the implementation of identified recommendations and corrective actions. This procedure must establish clear mechanisms for prioritizing, tracking, and closing out actions, as well as ensure the timely approval and allocation of necessary resources by management, thereby guaranteeing the effectiveness of the management system.

4.1.h Stakeholder Engagement

Sugal Chile has a Community Engagement Plan applicable to its agricultural and industrial operations in Quinta de Tilcoco and Talca, whose objective is to guide engagement with communities through a risk and impact management approach, maximization of benefits in the region, and social investment. The plan includes the identification of social impacts, the definition of areas of influence, the characterization and segmentation of stakeholder groups, permanent and ad hoc engagement mechanisms, community meetings, technical visits, communication channels, and periodic monitoring and evaluation processes. It also defines specific responsibilities for managing community relations and communication channels for receiving inquiries, suggestions, and complaints.

Sugal Chile will update its Community Engagement Plan within the Environmental and Social Management System (SGAS). The update must strengthen the analysis and prioritization of potentially affected stakeholders, incorporate differentiated measures to ensure the effective participation of vulnerable or disadvantaged groups, improve the proactive disclosure of relevant environmental and social information, and establish systematic mechanisms for monitoring commitments, inquiries, and community feedback.

4.1.i Disclosure Information

At the corporate level, Sugal periodically publishes its Sustainability Report, aligned with the Global Reporting Initiative (GRI), which details its commitments and performance in sustainability, governance, workforce, environment, communities, products, and operations. The report includes specific indicators for its operations in Chile.

4.1.i.i Informed Consultation and Participation

Sugal Chile maintains ties with the community by participating in local associations, supporting community initiatives through donations and sponsorship of local events, and providing support to its employees in personal situations, thereby helping to strengthen social capital within its sphere of influence.

At the regional level, at its processing plants, Sugal Chile organizes community meetings before and after the start of the planting season, in accordance with the Environmental Qualification Resolution. These meetings serve as a platform for dialogue on measures aimed at improving local conditions and minimizing the impacts of the production season on the community. These meetings cover topics such as odor and noise control measures, traffic routes and road cleaning, traffic flow management, communication channels, and statistics on complaints and suggestions, Furthermore, the company maintains an active dialogue with local communities during the production season, including hosting visits from community leaders to explain the environmental and logistical measures implemented, such as traffic management and noise mitigation.

4.1.j External Communications and Grievance Mechanism

4.1.j.i External Communications

At the corporate level, SUGAL has an Internal and External Communications Procedure, which establishes the criteria and responsibilities for ensuring internal communication channels and flows, as well as external communication between SUGAL and third parties. SUGAL maintains various communication channels for its stakeholders, including email, the corporate website, social media, and a reporting platform that allows for the reporting of violations and irregularities related to operational, ethical, and compliance risks. The company has identified its main external stakeholders, conducted consultation processes, and established communication channels with each one.

4.1.j.ii Ongoing Reporting to Affected Communities

Sugal Chile has a reporting channel, the Ethics Hotline, accessible to both internal and external parties, which allows for the secure reporting of irregularities primarily related to operational, ethical, and compliance risks, serving as a preventive tool aligned with the Code of Conduct. It also has a Suggestion Management and Conflict Resolution procedure applicable to all external individuals and organizations, which includes various communication channels, designated contacts, and response times.

Sugal will expand the scope of its complaint mechanism to include sensitive social and environmental issues, such as gender-based violence, environmental risks and impacts, concerns from neighboring communities, and adverse effects on vulnerable groups. Furthermore, the mechanism must guarantee accessibility, confidentiality, protection from retaliation, and a clear process for receiving, recording, evaluating, and responding to complaints in a timely manner. Sugal will demonstrate that it has effectively publicized the existence of the complaints mechanism as part of the process of engaging with social stakeholders.

4.2 Labor and Working Conditions

4.2.a.i Working Conditions and Management of Worker Relationships

Working conditions and terms of employment at Sugal Chile are established in individual written contracts signed with each employee, which detail the main aspects of the employment relationship in compliance with current labor regulations. During peak operating periods, associated with the production season, Sugal Chile employs more than 1,000 workers, while in the off-season the number drops to approximately 274 employees, of whom 205 are men and 69 are women, reflecting the seasonal nature of the company's agricultural and industrial operations.

4.2.a.ii Human Resources Policies and Procedures

Sugal Chile has a Code of Ethics and Conduct that establishes provisions related to equal opportunity, non-discrimination, the prevention of harassment, and the prohibition of child and forced labor. The Code also includes provisions regarding freedom of association and collective bargaining, and defines principles applicable to labor relations within the organization.

In addition, the company has the Sugal Group Principles Guide (GPS), which guides corporate conduct and incorporates commitments regarding human rights, labor practices, the environment, and the fight against corruption. The provisions contained in this guide apply to all employees and are communicated to suppliers and strategic partners as reference guidelines.

Furthermore, the company has a Collective Bargaining Agreement, which regulates matters related to working conditions, compensation, employee benefits, and work schedules. This framework is supplemented by the Internal Regulations on Order, Hygiene, and Safety, which are mandatory for all employees and are aligned with current national regulations.

4.2.a.iii Working Conditions and Terms of Employment

At Sugal Chile, working conditions and terms of employment are governed by current national labor legislation and formalized through individual written contracts, which establish the rights and obligations of the parties, including aspects such as working hours, compensation, statutory benefits, and enrollment in social security systems. These conditions apply to both permanent and temporary workers, taking into account the seasonal nature of agricultural and industrial operations.

Additionally, the working conditions, wages, and benefits applicable to unionized workers are regulated by the current Collective Bargaining Agreement, while the Internal Regulations on Order, Hygiene, and Safety establish mandatory provisions for all personnel, including rules on discipline, safety, and occupational health, applicable to all of the company's facilities and activities.

4.2.a.iv Worker's Organizations

At Sugal Chile, there are two formally established labor unions: the Sugal Chile Limitada Workers' Union at the Tilcoco plant and the Sugal Chile Limitada Workers' Union at the Talca plant. Collective Bargaining Agreements are currently in effect with both unions, which regulate working conditions, wages, and benefits applicable to unionized workers. Furthermore, the company maintains a structured and regular dialogue between management and union representatives, focused on negotiating and monitoring collective bargaining agreements.

4.2.a.v Non-Discrimination and Equal Opportunity

Sugal Chile has formal policies addressing non-discrimination and equal opportunity in the workplace, which are incorporated into its Code of Ethics and Conduct and the Sugal Group Principles Guide (GPS). These documents establish guidelines applicable to all employees, designed to regulate labor relations without distinction based on gender, age, nationality, or other conditions, and are generally applied in recruitment, hiring, training, and personnel management processes. Additionally, the company has a Policy on Workplace Inclusion and the Rights of People with Disabilities that promotes equal opportunity, full participation, and non-discrimination. This is complemented by a Support Protocol for People with Disabilities Newly Hired by the Company.

The organization maintains compliance with the legal inclusion quota, has a certified Inclusion Manager, and carries out training, awareness-raising, and ongoing monitoring initiatives.

4.2.a.vi Grievance Mechanism

Sugal Chile has a reporting channel, the Ethics Hotline, accessible to employees and third parties, which allows for the secure, confidential, and anonymous reporting of irregularities, serving as a preventive tool aligned with its Code of Conduct. The mechanism accepts anonymous reports and has been implemented at the corporate level. However, the current system is primarily geared toward ethical and compliance risks and does not demonstrate a specific focus as a labor grievance mechanism in accordance with ND2.

In this regard, Sugal Chile will strengthen its complaint-handling mechanism for employees, ensuring that it is accessible to direct employees, temporary workers, contractors, and subcontractors. The company must ensure that the mechanism is communicated to all workers at the time of hiring, that it allows for the submission of complaints anonymously, that it guarantees confidentiality and protection against retaliation, and that it has clear and transparent procedures for receiving, recording, evaluating, and responding in a timely manner to the concerns raised.

4.2.b Protection the Workforce

4.2.b.i Child Labor and Forced Labor

Sugal Chile has formal provisions aimed at preventing child labor and forced labor, which are incorporated into its Code of Ethics and Conduct and the Sugal Group Principles Guide (GPS). In addition, the company has implemented a Policy and Protocol to Address Child Labor, which establishes the procedures and actions to be taken if instances of child labor are identified in its operations or in those linked to the company. These provisions apply to direct employees and are communicated to contractors and suppliers as part of the corporate guidelines.

4.2.c Occupational Health and Safety

Sugal is committed to implementing an occupational health and safety management system in accordance with the ISO 45001 standard, with the goal of preventing incidents through the systematic management of workplace risks. In this context, Sugal is in the process of aligning its existing occupational health and safety management system with the requirements of the ISO 45001 standard, including the consolidation of management procedures and legal requirements, as well as the development of a comprehensive health and safety policy applicable to factories and agricultural operations, with the goal of achieving certification by 2026.

Sugal Chile has developed and implemented a procedure for identifying and assessing occupational risks, which includes hazard identification, analysis, and assessment of occupational health and safety (OHS) risks, as well as planning the necessary measures to control or eliminate risks at Sugal's workplaces.

Furthermore, Sugal Chile has implemented a process for controlling critical work, which assigns specific responsibilities for each of its stages, including permit requests, the identification of critical activities, the verification and approval of such activities, as well as the verification of compliance

with associated conditions, deadlines, and control measures. In addition, the company has a procedure applicable to contractors and subcontractors that regulates health and safety provisions for all companies performing work at processing plants or in agricultural areas. This procedure includes, among other elements, general health and safety documentation, accident and injury records, worker admission requirements, risk prevention programs for contractors, critical work permits, and alcohol testing.

Furthermore, Joint Health and Safety Committees have been established at Sugal Chile in accordance with current regulations; these committees require representatives from contractor companies to participate in monthly meetings, as scheduled by each committee. Over the past 12 months, Sugal Chile recorded an LTIFR of 11.53, above the industry benchmark (7.0 in the U.S.). Regarding road safety, over the past 12 months, Sugal Chile reported 3 vehicle collisions involving employees, 5 collisions one year ago, and 2 collisions two years ago.

SUGAL will develop and implement a heat stress prevention and management program, which will include risk assessments, the provision of shaded rest areas with drinking water, the adjustment of work and rest schedules according to weather conditions, and training for workers and supervisors to identify and respond to symptoms associated with heat stress. It will also develop and implement a monitoring system to evaluate the program's effectiveness.

4.2.d Supply Chain

Regarding the risks of child labor and forced labor in the supply chain, Sugal Chile ensures compliance with applicable national legislation and verifies that its service providers do not hire underage workers. SUGAL has a Policy and Protocol to Address Child Labor, applicable to its own operations and the supply chain. This document requires suppliers to prevent child labor, report identified cases, implement remedial measures, and provide evidence of the actions taken.

Sugal Chile will update its contracts with agricultural suppliers to include clauses prohibiting child and forced labor and will strengthen its procedures for monitoring agricultural suppliers in order to prevent identified risks related to child and forced labor in its supply chain.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

4.3.a.i Energy Consumption

Sugal's operations in Chile have made significant progress in energy efficiency and climate management. The Chilean plants operate using 100% electricity from renewable sources backed by I-REC certificates, hold ISO 50001 certification in energy management, and are fully integrated into the corporate greenhouse gas emissions inventory (Scopes 1 and 2).

4.3.a.ii Greenhouse Gases

At the corporate level, the Sugal Group has established 2030 targets aimed at reducing its greenhouse gas (GHG) emissions, which include a 35% reduction in the carbon intensity of production and a 35% reduction in absolute Scope 1 and 2 GHG emissions. These targets are part of the Group's climate strategy and are applied across all its operations.

In Chile, Sugal has reported a reduction in GHG emissions intensity per metric ton of production, from 0.42 tCO_2e/t in 2023 to 0.37 tCO_2e/t in 2024. Sugal's plants in Chile have implemented an Energy Management System in accordance with the ISO 50001 standard, with the goal of improving their energy performance and ensuring compliance with applicable legal requirements. Additionally, at the Talca plant, two coal-fired boilers were replaced with LPG-fired boilers, and a heat exchanger was installed to recover and reuse waste heat from boiler blowdown—a measure that had already been implemented at the Tilcoco plant in 2023—resulting in gas savings and associated reductions in CO_2 emissions.

4.3.a.iii Alignment with the Paris Agreement

Based on the analysis conducted using the IDB Group's Implementation Approach for Alignment with the Paris Agreement, the Project is considered aligned with the Paris Agreement.

The transaction is considered aligned with the mitigation objectives of the Paris Agreement, as it is included in the universally aligned list of activities that have a positive or neg e impact on the climate. Sugal has developed and implemented measures aimed at strengthening the water resilience of its agricultural operations, in a context of increasing pressure on water resources associated with climate change. These measures include the implementation of water reuse systems, which allow between 55% and 85% of treated water to be returned to industrial processes, as well as the implementation of advanced irrigation systems designed to improve water use efficiency in agricultural production.

4.3.a.iv Water Consumption

Sugal Chile's operations primarily use groundwater sources for tomato transportation and washing, industrial processes, and domestic use at its processing plants. The company reports operating duly authorized groundwater extraction wells, with an aggregate extraction capacity of up to 300 L/s for the Tilcoco plant and up to 150 L/s for the Talca plant; all of these wells have the corresponding extraction permits in accordance with applicable regulations.

As part of its operational practices, Sugal Chile has implemented water reuse systems that allow between 55% and 85% of treated water to be returned to industrial processes, helping to reduce the demand for fresh water. Additionally, the company provides its farmers in Chile with financing to implement advanced irrigation systems, with the goal of promoting greater water use efficiency in agricultural production.

Sugal conducted a water footprint assessment for the Tilcoco plant covering the 2024 period, using a methodology aligned with the ISO 14046 standard, with the goal of identifying the main impacts associated with water use and quality in its operations. In addition, it monitored groundwater levels

in the wells at this facility. Sugal also has a Water Improvement Plan for the Tilcoco plant, which includes initiatives aimed at reducing water consumption, increasing the reuse of treated water, controlling consumption, and improving operational efficiency.

In this context, Sugal will conduct risk assessments related to water availability for the Talca and Tilcoco plants as part of its efforts to strengthen water resource management and align with international best practices.

4.3.b Pollution Prevention

4.3.b.i Effluents

Sugal Chile reports an annual volume of approximately 1,640,000 m^3 of process wastewater, which, once treated at the wastewater treatment plants (WWTPs) at each facility, is discharged into irrigation canals in accordance with applicable regulations. Domestic wastewater, with an estimated volume of 8,000 m^3/year, is discharged into the municipal sewer system.

Monitoring reports from both plants indicate compliance with established legal limits and with the guideline values set forth in the World Bank Group's EHS Guidelines for the food and beverage industry ( ). According to available information, there are no direct industrial or domestic discharges into natural water bodies.

Additionally, the sludge generated as a byproduct of wastewater treatment at both plants is managed in accordance with a Sludge Management Plan, which provides for its use in soil conditioning or its final disposal in authorized landfills.

4.3.b.ii Waste

At the corporate level, the Sugal Group has set 2030 targets for waste management, which include achieving 0% product destruction and 100% recovery of generated waste. In Chile, Sugal has additionally set the goal of achieving 100% recycling of pesticide containers and irrigation hoses at 100% of its own farms by 2030.

Sugal has implemented waste separation and sorting procedures at all its facilities, using standardized containers and designated disposal areas. The company has procedures in place for the management of hazardous and non-hazardous waste, which regulate separation, handling, storage, and final disposal in accordance with applicable regulations. The waste management facilities are in proper condition, with practices in place for the separation, storage, and labeling of waste.

4.3.b.iii Hazardous Materials Management

Sugal Chile manages hazardous materials—including diesel fuel, liquefied petroleum gas, caustic soda, sodium hypochlorite, and other chemicals—in accordance with established procedures for their safe handling, storage, and disposal. All hazardous materials are properly labeled and stored in designated areas, in compliance with applicable regulations.

4.3.b.iv Pesticide Use and Management

Sugal Chile applies an integrated pest management approach aimed at reducing the use of pesticides and fertilizers, supported by natural, technological, and digital solutions. The company has a Pest Control Procedure, which describes the methodology for the implementation, maintenance, and control of Integrated Pest Management, establishing preventive measures and eradication procedures. It also has a Field Manual that defines guidelines for soil preparation, fertilization, agrochemical management, and safety. Pesticides classified by the WHO as Class Ia or Ib are not used. Phytosanitary applications are technically supervised, recorded in phytosanitary plans, and waiting periods are strictly monitored to prevent residues in the harvest.

Applications are carried out by trained personnel who must meet certification requirements, are required to use PPE, and undergo annual medical checkups. Continuous crop monitoring is maintained, along with support from an external company for integrated pest management and advance notification to neighbors and adjacent fields regarding applications, including the product, date, and waiting period.

Pesticide and fertilizer storage facilities comply with safety standards and are equipped with adequate ventilation, safety signage, emergency showers, and spill containment systems, in accordance with applicable requirements.

Sugal must update its Pest Control Procedure to include a prohibition by the external pest control service on the use of pesticides classified by the WHO as Class Ia and Ib.

4.4 Community Health and Safety and Security

4.4.a Community Health and Safety

Sugal Chile's plants are located in areas characterized by the coexistence of residential, agricultural, and mixed-use zones. In this context, the main risks identified for the community relate to odor emissions, operational noise, and vehicle traffic associated with production and logistics activities.

Sugal has implemented a traffic management plan, maintaining alternative transportation routes to avoid congestion and minimize impacts on the community, and performs ongoing maintenance on soundproofing panels to reduce noise generated by operations, thereby keeping decibel levels within acceptable ranges.

4.4.a.i Hazardous Materials Management and Safety

Risks to the community associated with the use of hazardous materials include localized contamination of surface water due to overuse, spills, or improper use by workers. Proper practices for the application of pesticides, herbicides, and fertilizers were identified. Likewise, an adequate level of knowledge among workers regarding the associated risks was identified, as well as the appropriate use of personal protective equipment.

4.4.a.ii Ecosystem Services

Water is a resource and service on which the project directly depends for its operation. Its use could affect the availability of this resource for the community. Therefore, Sugal will maintain close ties with neighboring communities to identify potential impacts on access to water, ensure compliance with current permits, and promote efficient use of the resource by maintaining best irrigation practices for its plantations.

4.4.a.iii Security personnel

Sugal Chile outsources security services to a single specialized company, which provides these services with a team of approximately 20 people. The security company holds the appropriate license, in accordance with applicable local regulations. Security personnel assigned to Sugal Chile's facilities are unarmed and receive training in emergency response, in accordance with the requirements defined for the operation.

To strengthen social and security risk management, Sugal will train all security personnel on human rights, as well as on prevention and response to situations involving violence, harassment, and sexual exploitation (VHS), and on principles of professional conduct, in line with applicable international standards.

4.5 Biodiversity Conservation and Sustainable Management of Living Natural Resources

4.5.a Protection and Conservation of Biodiversity

It has been determined that, within a 5-km buffer zone, the range of six species categorized as Endangered (EN) overlaps, namely: Percilia gillissi, Diplomystes incognitus, Cheirodon pisciculus, Laterallus jamaicensis, Bombus dahlbomii, and Brachygalaxias gothei.

The information provided by the company does not allow for confirmation of the existence of specific procedures to prevent land conversion or clearing, nor to ensure that any future expansions of operations are carried out outside protected areas or critical habitats. Furthermore, there is no evidence that Sugal Chile has conducted specific biodiversity assessments in the area of its current operations or in potential new areas for agricultural expansion.

To align with the requirements of ND6, Sugal Chile will develop a Biodiversity Management and Conservation Plan, which will include measures aimed at preventing, minimizing, and restoring impacts on biodiversity. Additionally, the company will implement an annual biodiversity monitoring program that incorporates sampling points in natural habitats adjacent to its operations. Finally, Sugal Chile will integrate biodiversity management into its process for selecting new agricultural sites—both owned and leased—through a screening procedure that includes specific biodiversity criteria.

4.5.a.i Natural Habitat

The project is being carried out in areas located within modified habitat.

4.5.a.ii Legally Protected Areas and Internationally Recognized Areas

No protected areas or key biodiversity areas have been identified within a 5-km radius of Sugal Chile's facilities, nor are there any Alliance for Zero Extinction (AZE) sites recorded in the area of influence.

4.5.a.iii Supply Chain

At the corporate level, the Sugal Group has established a governance structure for managing its supply chain that includes, among other bodies, the Supply Chain Committee, which reports directly to the Board of Directors and serves as a mechanism for informed decision-making and risk mitigation. In addition, the company has a Manual of Good Agricultural and Supply Practices, designed specifically to address the complexities of industrial tomato production, which establishes guidelines applicable to suppliers, customers, and business partners.

In Chile, Sugal has adopted the Farm Sustainability Assessment (FSA) tool as a framework for evaluating and improving environmental, social, and economic practices in its agricultural processes for industrial tomato production. According to information reported by the company, there are 167 farmers in Chile verified as FSA-compliant at the Silver level, covering an area of approximately 8,000 ha. The implementation of the FSA includes, among other aspects, practices such as fertilization based on soil analysis, the recycling of irrigation hoses and pesticide containers, the non-conversion of native forests for agricultural use, the conservation of perimeter tree belts, the posting of no-hunting signs, the controlled storage of pesticide products, the calibration of application equipment and the use of protective gear, maintaining a safe distance between fields and populated areas, and the recording of agricultural activities in field notebooks. Additionally, Sugal reports that 100% of the tomatoes produced in Chile have certification of origin, which ensures the traceability of raw materials and is part of the agricultural practices implemented throughout its supply chain.

5. Local access to project documentation

https://sugal-group.com/en/