



SUSTAINABILITY REPORT

2017 EXECUTIVE
SUMMARY

“ We are a company dedicated to production, transformation and trading of peanuts, grains and oilseeds. We are located in Ticino and Arroyo Cabral, Córdoba, in the center of the agricultural production area in the Republic of Argentina. ”

We have a peanut processing industrial plant, equipped with cutting edge technology. It is placed in a surface of 500,960 m² with 60,000 covered m², located in Ticino.

We also have an industrial plant for grains drying and storing placed in a surface of 77,590 m² and 11,900 covered m², located in Arroyo Cabral.

OUR VALUE PROPOSAL

The values adopted guide our labor: set our course, a way for our actions and a style for our relationships.

WE PRODUCE, MANUFACTURE AND TRADE

Peanuts

- Raw, Blanched and peanuts for crushing industry
- Crude peanut oil and expeller

Grains and Oilseeds

- Store and trading
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We offer supplies and services for agricultural producers

We trade farming supplies by direct sale, exchange operations and/or payment in kind. Besides, we offer services that allow guaranteeing that production gathers optimum purchase conditions.

We are a vertically integrated industry: our business comprises from seed production to the sale of our products.

GOOD CORPORATE GOVERNANCE

In the year 2017 we celebrated our **50 years anniversary**, with valuable performances: remodeling in selection and blanching plants and the construction of a renewable energy generation plant.

We also had improvements in our sustainability management, we approved a code of ethics for our company and another for our suppliers, measuring our greenhouse gas emissions (GHG), and we elaborated our first Sustainability Report according to GRI standards.

Integrity · Innovation
Quality · Teamwork · Reliability

OUR STAFF

Our code of ethics expresses the commitment of the company with labor and human rights.

Lorenzati Ruetsch staff is constituted by (74%) men and (26%) women, this latter is reduced to 12% in management positions and leaderships, and it reaches 40% when the Board of Directors is considered.

The average seniority of the employees in our company is 8 years, being 34 years old the average age. The 89% are permanent employees.

More than 519 of our employees come from Ticino and Arroyo Cabral localities, what turns us into the main employer in Ticino locality.

Rotation level is very low, reaching 9% in 2017.

45% of the employees attended more than one training course during the current year.



ENVIRONMENTAL MANAGEMENT CONTROL

We understand that our activities have impact on the environment, and this is the reason why we are committed to the constant research of the means to minimize them.

Investments on processes improvement
US\$ 8.2 millions (2016 - 2017)

Environmental investments and costs
AR\$ 95.8 millions (2017)

Energy

The 8% of the electric energy we use comes from renewable energy sources.

Focus on renewable energy

We built an electric energy generation plant which generates from peanut shell, in a venue next to the peanut plant. The generation plant began to work in 2018, and it generates enough energy to supply 8,000 households, what multiplies 10 times the quantity of housing in Ticino. The saving of energy from the interconnected system is 23,400 MW/year; furthermore, it improves energy quality in the region.

Wastes treatment

We have a written policy for the treatment of wastes. According to this document, wastes are separated in general, incinerable, metal and hazardous which are assigned a destination in accordance with the legislation.

Uses and Good Farming Practices

- We carry on crop rotation (grains and oilseeds) of winter and summer, with the aim of keeping adequate soil conditions.
- We have an updated record of the uses, implementations and farming production by lot (traceability).
- We make responsible use of phytosanitary products complying with rules in force.

Carbon footprint measurement and peanut life cycle analysis

We are pioneers in Latin-American market in measuring the environmental footprint of peanut production; using ISO 14044 standards and the product category rule for nuts without shell.



Bases for the measurement of total emissions by scopes:

Direct Emissions

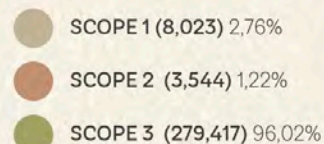


Indirect Emissions



Total emissions by scope 2017 Tn CO₂ (eq)

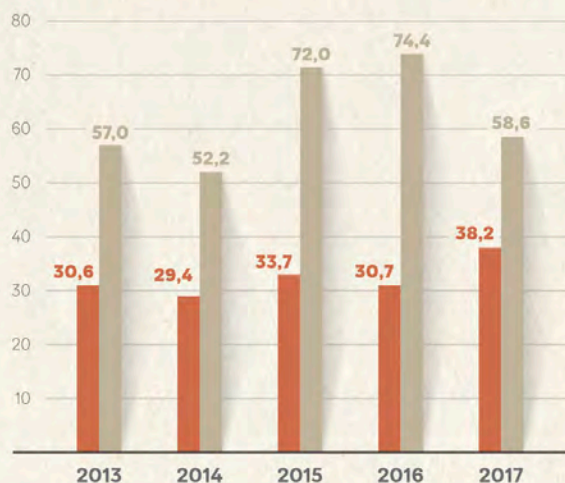
EMISSIONS (290.984)



ECONOMIC VALUE CREATION

We produce H.P.S. Kernel Peanuts, Blanched Peanuts and Peanuts for Crushing Industry.

Tons processed of peanuts (in thousands)



■ Tons processed of blanched peanuts

■ Tons processed of raw peanuts

Lorenzati Ruetsch provides itself approximately **75%** of the peanuts that enter our plant. In 2017 we have planted 40,000 hectares, from which **50%** corresponds to peanuts. **78%** of the production is exported to the most demanding countries worldwide: The Netherlands, Italy, China, Australia, Chile and USA. The remaining **22%** is sold in the local market.

From a total of 2,408 active suppliers, 74% are from Córdoba Province.

INVESTMENT IN THE COMMUNITY



CUSTOMER LOYALTIES



Our way of working

We look for excellence in all the goods and services we provide, so our clients may obtain the satisfaction expected. We guarantee the products and services offered serving with quality and quickness.

Our clients

We treat our clients according to ethics and laws in force. During this year we had commercial relationships with more than 650.

67% from the total of clients of peanut plant are from abroad. The remaining percentage corresponds to national clients.

Quality management and certifications

We pay special attention to production quality processes and strict controls that guarantee excellence levels and products safety.

We have Physical Laboratory, Microbiological Laboratory and Quality Control Laboratory. The processes and products developed in the plant are totally controlled by staff qualified in the fulfillment of ISO 22000 and FSSC 22000 standards. We also have Kosher and Halal Certifications.

- We've been committed to Education for 14 years with Fundación Juan Lorenzati.
- We create direct and indirect impact in the community, the employment and the energy.
- We have active participation in life and public space of the locality.
- We are in the position of motor of local economy and anchor of a good part of the population leaving, and other activities.



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