

SUSTAINABILITY REPORT 2019 / 2020



SUSTAINABILITY REPORT

2019 | 2020

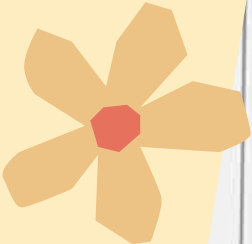


TABLE OF CONTENTS



| | | | |
|---|----|---|----|
| LETTER FROM THE GENERAL MANAGER | 07 | INDIRECT ECONOMIC IMPACT | 40 |
| OUR IDENTITY | 08 | OUR MATERIALS | 42 |
| MISSION AND VISION | 10 | Outstanding Value Chains 2019 and 2020 | 47 |
| OUR HISTORY | 12 | Our Suppliers - Procurement Practices | 50 |
| NUESTROS REPORTES DE SOSTENIBILIDAD | 14 | ENERGY | 56 |
| OUR CONTRIBUTION TO THE UNITED NATIONS | | WATER AND EFFLUENTS | 60 |
| SUSTAINABLE DEVELOPMENT GOALS | 16 | BIODIVERSITY | 64 |
| MAIN RESULTS IN 2019 AND 2020 | 20 | VOLUNTARY AND MANDATORY STANDARDS | 66 |
| Identifying materiality and coverage | 22 | WASTE MANAGEMENT | 67 |
| CORPORATE MANAGEMENT | 24 | ENVIRONMENTAL COMPLIANCE | 69 |
| Our Organization | 25 | EMPLOYMENT | 70 |
| ECONOMIC PERFORMANCE | 28 | Our Hiring Policy | 71 |
| Products and Services | 30 | Social Benefits for Collaborators Hired for Specific and On-going Periods of Time | 71 |
| Production | 30 | Business Ethics | 73 |
| Product presentations | 31 | Turnover | 73 |
| Trademarks | 32 | MANAGEMENT OF LABOR RELATIONS | 75 |
| Services | 32 | Performance Assessment | 76 |
| Affiliations | 32 | Working Environment | 76 |
| Markets | 32 | Occupational Health and Safety | 82 |
| Sales | 33 | Our Collaborators | 85 |
| Total sales | 33 | CUSTOMER HEALTH AND SAFETY | 90 |
| Sales by countries | 33 | GRI CONTENT INDEX | 93 |
| Sales by Types of Clients | 34 | PARTIES RESPONSIBLE FOR ELABORATING | |
| Sales by products | 34 | THE PRESENT SUSTAINABILTY REPORT | 97 |
| Marketing | 37 | | |

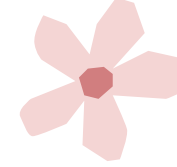




| ESPAÑOL | INGLÉS |
|---|---|
| ADEX = Asociación de Exportadores del Perú | Association of Peruvian Exporters |
| AFP = Administradoras de Fondos de Pensiones | Pension Fund Administrators |
| ANA = Autoridad Nacional del Agua | NWA = National Water Authority |
| APPCC = Análisis de Peligros y de Control Crítico | HACCP = Hazard Analysis and Critical Control Points |
| BPM = Buenas Prácticas de Manufactura | GMP = Good Manufacture Practices |
| B2C = Business to Consumer | B2C = Business to Consumer |
| BRC = British Retail Consortium | BRC = British Retail Consortium |
| BTU = Unidad de Energía Inglesa | BTU = British Thermal Unit |
| CCL = Cámara de Comercio de Lima | Chamber of Commerce of Lima |
| CITES = Convención sobre el Comercio Internacional de Especies Amenazadas de Fauna y Flora Silvestres | CITES = The Convention on International Trade in Endangered Species of Wild Fauna and Flora |
| CO2 = Dióxido de carbono | CO2 = Carbon dioxide |
| CTS = Compensación por Tiempo de Servicio | CS = Compensation Service |
| DNI = Documento Nacional de Identidad | National Identity Document |
| DJ = Declaración Jurada | Sworn Declaration |
| DS = Decreto Supremo | Supreme Decree |
| DIGESA = La Dirección General de Salud Ambiental | Directorate General for Environmental Health |
| EC = Empresa Comercializadora | Marketing company |
| EPP = Equipos de Protección Personal | PPE = Personal Protective Equipment |
| EO-RS = Empresa Operadora de Residuos Sólidos | Solid Waste Services Company Provider |
| E.U.A = Estados Unidos de América | USA = United States of America |
| ESSALUD = Seguro Social de Salud del Perú | Social Health Insurance |
| GLP = Gas Licuado del Petróleo | LPG = Liquid Petroleum Gas |
| GN = Gas Natural | Natural Gas |
| GRI = Iniciativa del Reporte Global | GRI = Global Reporting Initiative |
| INEI = Instituto Nacional de Estadísticas e Informática | NISI = National Institute of Statistics and Informatics |
| INLOG = Instituto Peruano de Logística Aplicada | Peruvian Institute of Applied Logistics |
| IPER = Identificación de Peligros y Evaluación de Riesgos | HIRA = Hazard Identification and Risk Assessment |
| JAS = Sistema Agrícola del Japón | JAS = Japanese Agricultural Standard |
| Kg = Kilogramos | Kg = Kilogram |
| m2= metros cuadrados | m2= Square meter |
| m3= metros cúbicos | m3= Cubic meter |
| MINAGRI = Ministerio de Agricultura y Riego | Ministry of Agriculture and Irrigation |
| MINAM = Ministerio de Ambiente | Ministry of Environment |
| MINSAL = Ministerio de Salud | Ministry of Health |
| MTPE = Ministerio del Trabajo y Promoción del Empleo | Ministry of Labor |
| OSS = Sistema de Esterilización Orgánico | OSS = Organic Sterilization System |
| ODS= Objetivos de Desarrollo Sostenible | SDG = Sustainable Development Goals |
| ONP= Oficina de Normalización Previsional | Office of Social Security Standardization |
| PRODUCE = Ministerio de la Producción | Ministry of Production |
| PROMPERÚ = Comisión de Promoción del Perú para la Exportación y el Turismo | Exports and Tourism Promotion Board of Peru |
| RIT = Reglamento Interno de Trabajo | Internal Work Regulation |
| RTPO = Reglamento Técnico para los Productos Orgánicos | Technical Regulation for Organic Products |
| SA = Sociedad Anónima | PLL = Public Limited Liability Company |
| SAC = Sociedad Anónima Cerrada | CLL= Closed Limited Liability Company |
| SCTR = Seguro Complementario de Trabajo de Riesgo | Complementary Risk Work Insurance |
| SEDAPAL = Servicio de Agua Potable y Alcantarillado de Lima | Lima Potable Water and Sewer System Service |
| SENASA = Servicio Nacional de Sanidad y Calidad Agroalimentaria | National Service of Health and Food Quality |
| SIICEX = Sistema Integrado de Información de Comercio Exterior. | IFTIS = Integrated Foreign Trade Information System |
| SST = Salud y Seguridad en el Trabajo | OSH = Occupational Safety and Health |
| SUNAFIL = Superintendencia Nacional de Fiscalización Laboral | National Superintendence of Labor Inspection |
| SUNAT = Superintendencia Nacional de Aduanas y Administración Tributaria. | National Superintendence of Customs and Tax Administration |
| SUNARP = Superintendencia Nacional de Registros Públicos | National Superintendency of Public Records |
| UE = Unión Europea | EU = European Union |
| UIT = Unidad Impositiva Tributaria | Tax Unit (Perú) |
| USD = dólares americanos | USD = American dollars |
| USDA = Departamento de Agricultura de Los Estados Unidos | USDA = United States Department of Agriculture |

PERUVIAN NATURE S&S SAC





LETTER FROM THE GENERAL MANAGER



To our stakeholders and readers in general:

We are pleased to present a new edition of the Sustainability Report corresponding to the period 2019 to 2020 aligned with the standards of the Global Reporting Initiative. Through this report, we wish to reiterate our commitment to sustainable performance, which is manifested in the most relevant economic, social and environmental activities of Peruvian Nature. It goes without saying that we were and still are confronting difficult times due to the “global economic crisis” in 2019, which was worsened in 2020 with one of the most detrimental health crises due to the spread of Covid-19. This pandemic has impacted the business model across the board and demanded an equally impactful response given that, beyond what the numbers tell us, Peruvian Nature represents people whose physical and emotional well-being is paramount.

Within this context, I highlight 2019 as a year of many challenges, such as, a decrease in the demand for products in our portfolio. However, thanks to the knowledge and social capital that we have acquired throughout the years, we have been able to subsist and propose strategies to offset this reduction in demand. This required us to maintain our presence in international exhibitions, but at the same time, explore new spaces, such as Expo East, a fair that we attended as visitors. In addition, we remain aligned with the standards that build bridges to our main markets, such as the approval of BRC v8. Stricter regulations also appeared vis-à-vis pesticides in Europe and the United States, which - thanks to our quality control unit already specialized in the subject - we were able to respond without major inconvenience, collaborating with accredited laboratories and, of course, with our suppliers.

As was the case with all other companies, we could not have foreseen to what degree the pandemic would impact our business model or even our

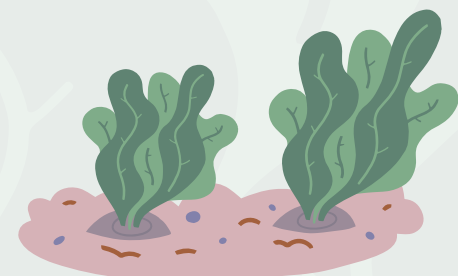
lives. However, I must accept that we are privileged to form part of a sector that has not been exponentially impacted like others and, above all, that we were prepared in terms of controls and prevention through our quality systems: BPM, HACCP and BRC. It should be noted, however, that we have seen - beyond this cloud - an opportunity to promote products that strengthen the immune system, such as camu camu and cat's claw, in the face of the international and, surprisingly, national response to this health crisis. In this respect, we have already initiated the upcoming introduction of B2C (“Business to Consumer”) products to the Peruvian market, which represents the new awakening of our South Garden brand.



We are also aware that the preparation of this report will encourage us to continue working diligently and continue with our improvements, but also for the people we represent and try to fulfill the expectations of those who regard us as leaders in the sustainable promotion of SuperFoods and of native Peruvian biodiversity.

We hope that this exercise in transparency contains information of interest to you. We are also aware that the preparation of this report will encourage us to continue working diligently and continue with our improvements, but also for the people we represent and try to fulfill the expectations of those who regard us as leaders in the sustainable promotion of SuperFoods and of native Peruvian biodiversity.

Damian Silva Cevallos
CEO



OUR IDENTITY





PERUVIAN NATURE – WHO ARE WE?

We are Peruvian Nature (102-1), a Peruvian company that supplies, processes and commercializes, at both the national and international levels, SuperFoods and products of native Peruvian biodiversity. (102-2)

We work based on respect for ourselves, respect for nature, and respect for our peers. We are committed to a job well done. We operate in alignment with the different value chains of our products, thus seeking to offer quality products to our customers.

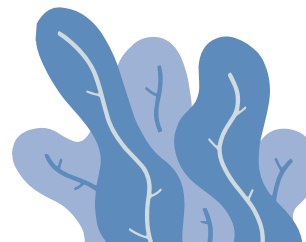
In short, we believe in doing things well so that a balance is stricken between the environment in which we operate and on which we exert an impact, and the resources we use, and those representing our interest groups. (102-2)

<https://peruviannature.com/es/>



MISSION AND VISION





Mission

Make the wealth of Peruvian SuperFoods known to the world and offer them based on work undertaken with respect and passion.

Vision

Become a globally relevant agent of change, inspiring people to feed and live in a more conscious manner in harmony with the world and with themselves.

Values (102-16)

Respect

- Towards ourselves, nature and towards our peers.

Commitment

- Understand the consequences of our actions so that we may commit to a job well done, that which brings us satisfaction and allows us to sleep soundly at night.

Awareness

- We work as a team, always conscious of the changes in our environment. We are demanding of ourselves in order to build the trust of others.

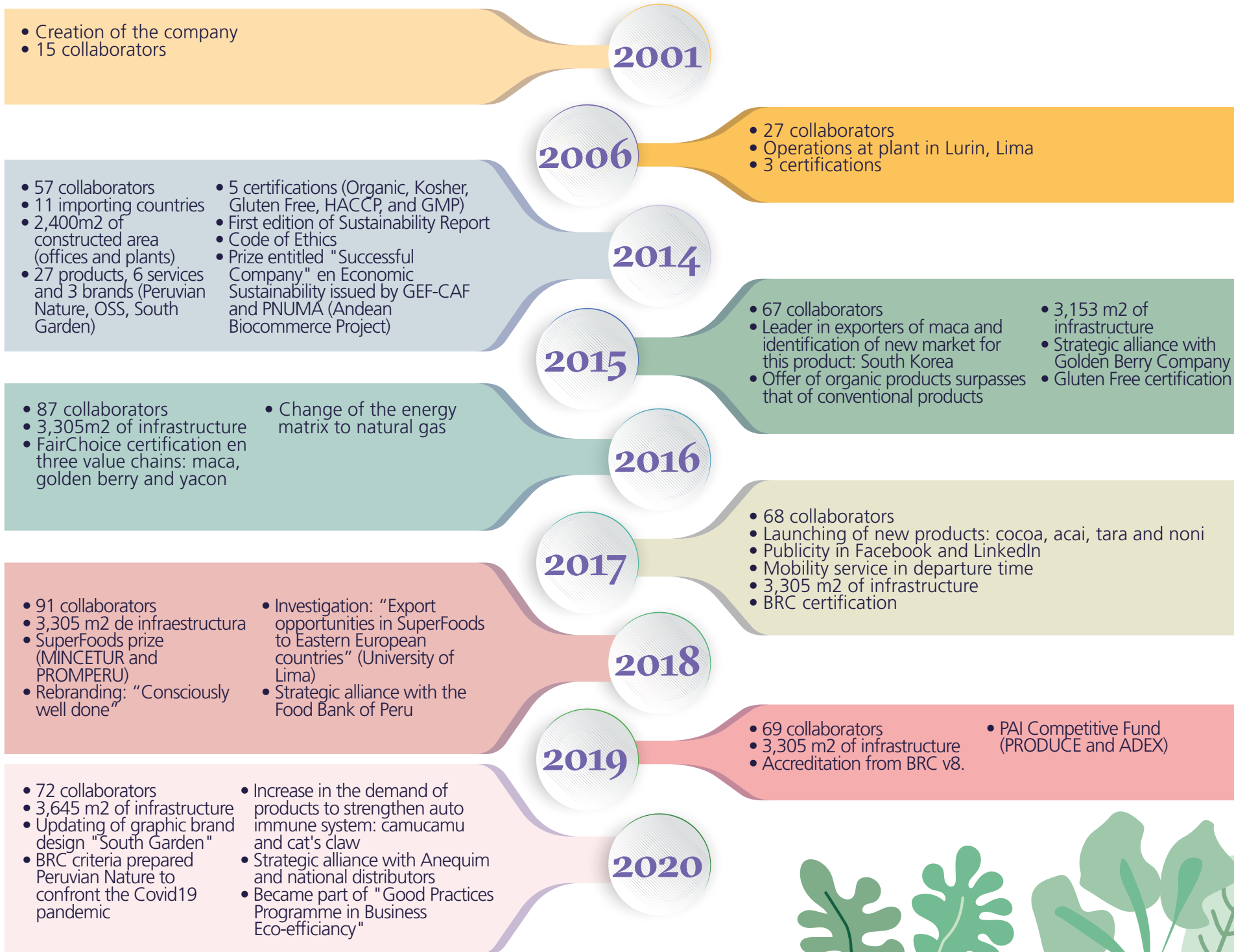
Warmth

- We believe in warmth as the basis for good relationships among human beings, always giving our best.

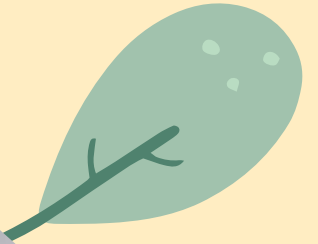


OUR HISTORY





OUR SUSTAINABILITY REPORTS





In 2014, we began work to demonstrate our economic, environmental and social performance through sustainability reports, allowing us to systematize all the activities that our company carries out from the economic, social and environmental aspects, as well as to evaluate, in a comprehensive and specific manner, the various areas of the company, resulting in concerted actions towards improvement. Without a doubt, it provides us with the opportunity to publicize the progress we make each year, and, in this way, we can demonstrate to our stakeholders that Peruvian Nature is committed - with great responsibility and impetus - to grow as a company, complying with national and international regulations, as well as implementing sustainable and quality voluntary standards. (102-31)

To date, we have published five sustainability reports corresponding to the years 2014, 2015, 2016, 2017 and 2018, which have been prepared under the requirements of the Global Reporting Initiative (GRI) and are available on the website of this organization: <https://database.globalreporting.org/organizations/9589/>. (102-31, 102-51, 102-52, 102-54)

In 2019, we focused our efforts and economic investment to face the global economic recession (e.g., modifications in the processing plant), hence we made the decision to merge the 2019 and 2020 sustainability reports. (102-49, 102-50, 102-52)



OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS





In addition to promoting transparency in our economic, social and environmental performance, we are also aware that we contribute to the Sustainable Development Goals, which represents the basis of the sustainability approach of various types of organizations, such as the agribusiness sector of which we form part.



Goal 1. End poverty in all its forms everywhere

At Peruvian Nature, we provide fair working conditions to all our collaborators¹ (See Goal 8) with which we join, together with other companies from various economic sectors and that work under social responsibility standards, to combat poverty at the local community level, as is the case in the district of Lurin from where half of our collaborators come (55% -2019, 47% -2020), followed by Villa María del Triunfo (6% -2019, 14% -2020). [Both districts are ranked 10 and 15², respectively, with the highest incidence of monetary poverty with respect to the total amount of districts evaluated \(43\) at the level of the province of Lima.](#)

Likewise, we are contributing, together with other companies from various economic sectors to economic growth and therefore, fighting poverty in the various regions of Peru, where we work hand in hand with our suppliers who are our strategic allies and who work in rural areas in which [the incidence of poverty is higher than in urban areas](#). Our main suppliers of raw materials, by monetary value (\$USD) and volume (Kg), come from the following regions: maca (Junin and Huancavelica), lucuma (Huanuco), sweet potato (Lima), camu camu and cat's claw (Ucayali), goldenberries (Huanuco, Ancash, Cajamarca) and yacon (Huanuco). Among these regions, Huancavelica and Cajamarca are within the group (bottom

1st quintile) of regions with the highest incidence of monetary poverty (%), followed by Huanuco (2nd quintile), Junin (3rd quintile), Ancash, Ucayali and Lima (4th quintile). The regions within the 1st and 2nd quintiles (Huancavelica, Cajamarca and Huanuco) together cover approximately [70% incidence](#) (2019) of poverty in the country, so our attention is focused on our suppliers that form part of these regions that - at the same time - represent our main supply chains: maca, goldenberries, lucuma and yacon.



Goal 2. Good health and wellbeing

Our commercial offer is based on healthier foods guaranteed by standards (e.g., organic) or the very nature of the product (e.g., SuperFoods) in response to new consumption patterns worldwide. At the level of our plant, the "BRC v.8 Foods" certification also guarantees the safety during the manufacturing of our final products. As well, we also have technology that helps to maintain the nutritional properties of these products.



Goal 5. Gender equality

Our commitment to promoting gender equality and prohibiting all types of discrimination is reflected in our Code of Ethics, as well as in our figures (as of 2019, 49% of all collaborators were women and by 2020, this number increased to 61%). In addition, our "Salary Equity Policy" of our Internal Work Regulations promotes job opportunities in our company based on merit. In addition, our compliance with Law No. 30709 of the Ministry of Labor, the new salary structure defines criteria for the creation and characterization of jobs and their respective salaries.

1. According to GRI language, the term "collaborators" refers to the company's personnel.

2. Arranged from highest to lowest according to the percentage of total monetary poverty of a certain district (INEI, 2020).



Goal 8. Decent work and economic growth

As in the previous Goal, the new salary structure defines criteria for the creation and characterization of jobs and their respective salaries based on merit and on elements aligned with the role to be performed. In addition, the minimum salary we offer is higher than that required by the Labor Productivity and Competitiveness Law. We also have an Occupational Health and Safety System that guarantees that all our collaborators work under conditions in which their health and safety is not affected.

As in Goal 1, at the level of our local community and the regions of our main supply chains, we are contributing, together with other companies from various economic sectors to the economic growth of these areas either by providing job opportunities at an operational level at our headquarters, or by working with raw material suppliers who - in turn - source from a variety of individual or organized farmers.



Goal 9. Industry, innovation and infrastructure

Having decided to enter the B2C market sector, we are interested in introducing new product formulations intended for the final consumer in Peru, through the next relaunch of our brand South Garden, and in the United States through our new company Nature 360. At the plant level, we improve processes in order to be more efficient in energy consumption, such as the implementation of a capacitor bank (2020), the acquisition of new technologies (mill), and the increase in the volume capacity of raw material at the level of the chopping and selection area by placing two choppers in one single space and implementing a centrifugal sieve, respectively.

On the other hand, by 2020, our infrastructure has been extended by 340m² compared to the previous year due to the construction of a second level for administrative offices, a new raw material warehouse, a new maintenance workshop, a new line for the processing of dry products, a new area for retail products, a new dehydration area for fresh products and a new cold store for fresh products. This extension of our headquarters' operations responds to an increase in the demand for our product portfolio and therefore, a greater requirement of operations to respond to said demand.



Goal 12. Responsible consumption and production

Our alliance with the Food Bank in 2018 maintained our commitment to reducing food loss since all food that is not oriented to final sale is sent to the Food Bank. On the other hand, the final products for sales contribute to the promotion of a commercial offer that responds to the demand of responsible consumers. By purchasing a certified organic product, this consumer recognizes that his/her purchase decision contributes to the maintenance or increase of the natural fertility of the soil from which the product comes. On the other hand, when acquiring a certified product in FairChoice, the consumer recognizes that said product has been elaborated in a socially responsible environment respecting all collaborators, with fair working conditions and wages.



Goals 6, 7 and 13. Take urgent action to combat climate change and its impacts; Ensure availability and sustainable management

of water and sanitation for all; Ensure access to affordable, reliable, sustainable, and modern energy for all

By using water and energy in a more efficient and sustainable manner, we are reducing emissions and thus fighting, alongside various organizations of various natures and economic sectors, against climate change. The latter has been impacting rural areas with longer and more intense droughts and rains and, in turn, impacting our supply of raw materials. Therefore, by 2020, we decided to form part of the "Good Practices Program Business Eco-efficiency" proposed by the Sustainable Trade Department of PROMPERÚ, which aims to train in the internalization of criteria for the production of goods and services using less materials, water and energy and thus reducing the emissions generated throughout the productive chain of our commercial offer. Upon completion of the program, an external audit will validate the internalization of these criteria by our company and, if so, we will obtain a "Certification of Good Eco-efficiency Practices" aligned with the eco-efficiency criteria and international standards: ISO 9001 (systems quality management), ISO 14001 (environmental management systems) and ISO 45001 (occupational health and safety management systems). Through this program, we hope to place on the agenda the incorporation of new tech-



nologies or adaptations in our plant that can provide us with the efficiency we seek, but also reduce emissions that negatively impact the environment.

This program is aligned with the Green Pact of the European Commission, which has as its main pillar the slogan “From Farm to Fork”. This seeks a safe food production, which is environmentally and socially sustainable. Since our beginnings, we have been contributing to the Green Pact with an offer of certified organic products with which the reduction of pesticides and specific fertilizers in agriculture that pollute the soil, water and air is guaranteed. This type of organic farming that forms part of our business model maintains our economic performance and, with that, other programs (e.g., FairChoice and SMETA), all along our supply chain.

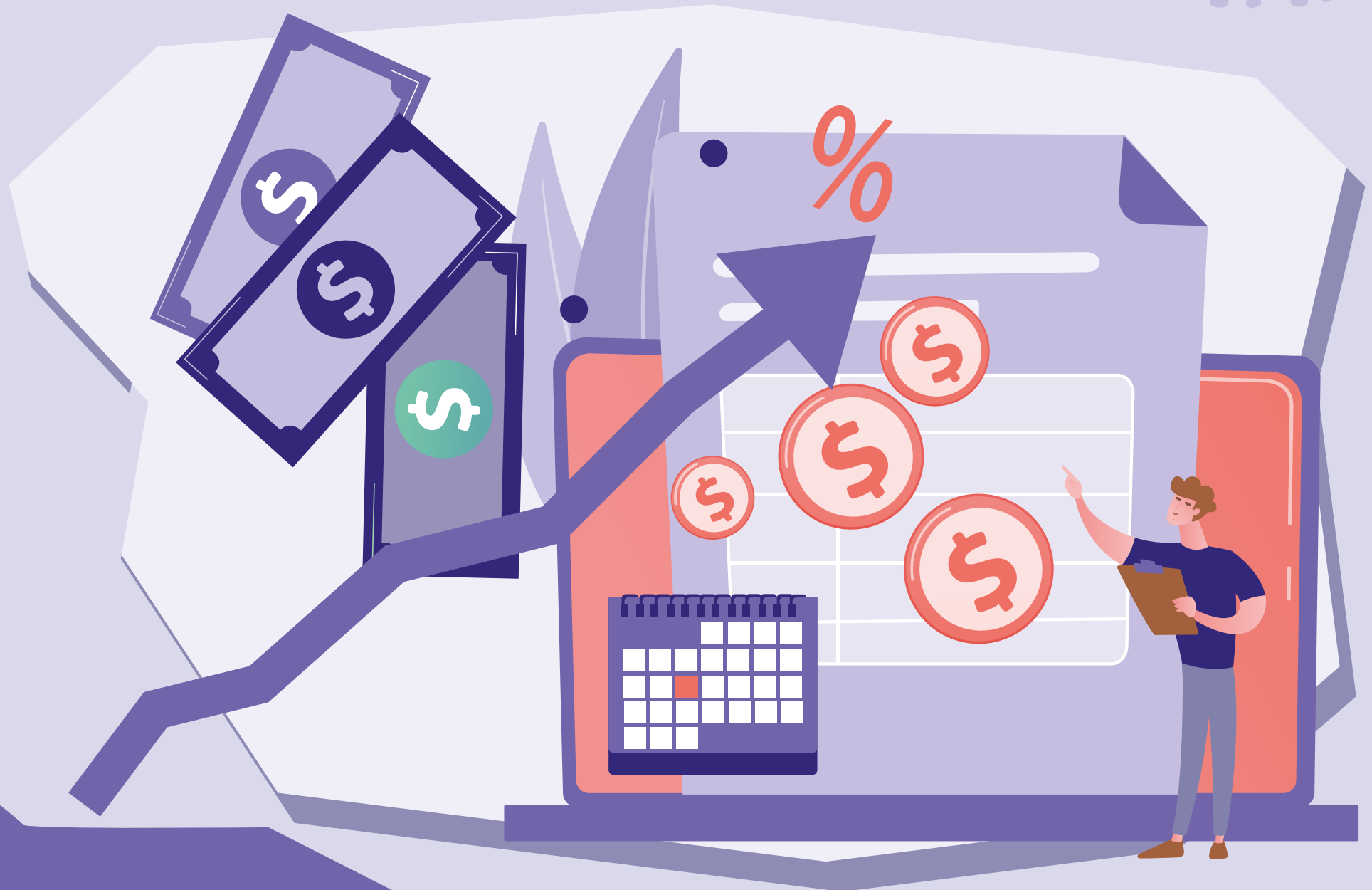


Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

We are a company that depends on the native Peruvian biodiversity since part of our commercial offer derives from it. Hence, the nature of our operations, by default, does not imply damage in areas of great biodiversity value since these are concentrated at the level of the processing plant within an industrial park in Lurin, Lima. However, we also seek to ensure that the operations of our main suppliers do not harm the biodiversity of the ecosystem related to these operations. To this end, the organic certifications of our suppliers, whether implemented on their own or with our support, guarantee a supply under sustainable practices in the field of the supply areas (e.g. soils for crops, or forests for harvest products).



MAIN RESULTS IN 2019 and 2020





1. Economic growth (Retained Economic Value) of 31% and 42% in 2019 and 2020, respectively.
2. We were able to offset the drop in sales in 2019 due to a global economic recession with a growth of 13% (\$USD 832,736) by 2020, led by the growth in sales of our flagship product, maca, and products that strengthen the immune system in response to the current global health crisis: camu camu and cat's claw.
3. The salary band structure has led to the creation of one new job in 2019 and three new jobs in 2020. Over the last year, five jobs were also relocated due to promotions.
4. As of 2019, of the eight fairs Peruvian Nature participated in, we managed to generate four new clients and finalize two negotiations that same year (\$USD 19,943). In February 2020, we participated in Biofach in Germany prior to the global pandemic, then after Expo West in the US, the fairs were gradually canceled. Some organizations tried to organize fairs using online platforms, including the Expoalimentaria, held annually in Lima. Despite the fact that these platforms were not entirely successful, they did provide us with the opportunity to take on a new client and initiate negotiations with other possible clients with whom we are still in discussions.
5. As of 2020, we remain the national leader in exports³ of maca derivatives, reaching \$USD 3,915,646 (a growth of 26% compared to 2019) and a representation of 19% among the entire group of exporting companies of this product.
6. By 2020, camu camu and cat's claw have responded to the demand of national and international consumers for products that strengthen the immune system to face the health-related impacts of the Covid19 pandemic.
7. Accreditation by the BRC v8 standard - Food. Since 2018, the implementation of the guidelines of this standard in our operations headquarters prepared us for the Covid19 pandemic in 2020, therefore, our operations have not been affected.
8. In 2020, we worked on updating the graphic guidelines of our South Garden brand and creating its "brandbook", preparing ourselves to enter the B2C market segment at national and international levels to respond to the growing demand of natural products for general health care and offering products that boost the immune system.

OUR SUSTAINABILITY REPORT (2019 and 2020)

Identifying materiality and coverage

The Report (2019 and 2020) is prepared in line with the “Standards” methodology published by the GRI. Accordingly, the following stages have been carried out (102, 46, 103 -1):

Stage 1: Criticality of Impacts and Stakeholder Expectations

Identification of the economic, social and environmental impacts, and estimation of their “criticality”, which translates into the contribution and influence of the company in the improvement or deterioration of the economic, environmental and social conditions in the local, regional and international contexts in which it is operating. The impacts identified in the 2018 Sustainability Report are maintained for the temporary scope (2019-2020) of this new report. (102-15, 102-29)

Interest groups (collaborators, clients, suppliers and support entities) were identified, and virtual surveys were prepared to learn of their expectations, reasonable interests and/or information needs vis-à-vis the economic, social and environmental performance of the company for which a survey is carried out aimed at a sample of the identified interest groups. The expectations, reasonable interests and/or common information needs of the stakeholders identified in the 2018 Sustainability Report are maintained for the temporary scope (2019-2020) of this new report. (102-40, 102-42, 102-43, 102-44, 102-48)

Stage 2: A prioritization of the aspects and issues of the economic, social and environmental performance of the company is carried out. For the 2018 Sustainability Report, 23 aspects were prioritized, which are called

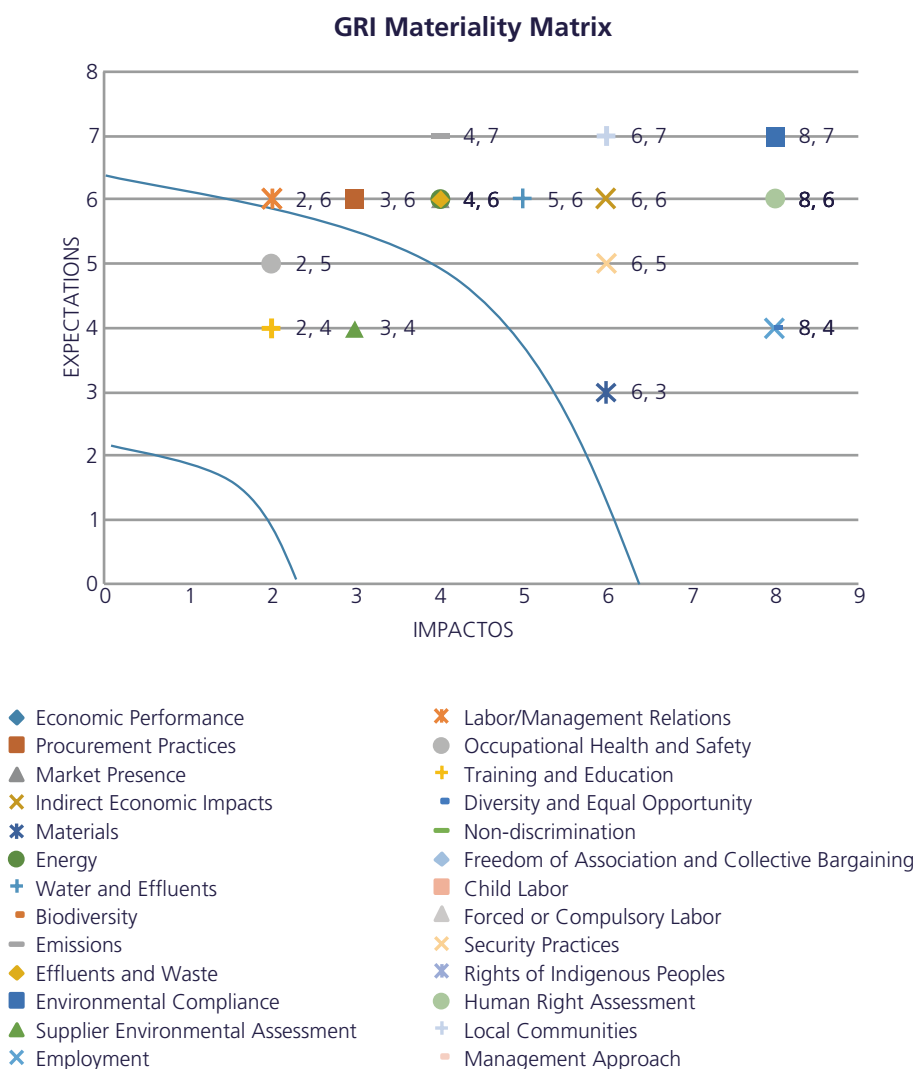
“materials” and, therefore, the process for their prioritization would be called “materiality”. (103-1)

For the temporal scope (2019-2020) of this new report, these 23 prioritized aspects remain, which are (102-44, 102-47):

1. Water and effluents
2. Biodiversity
3. Local communities
4. Environmental conformity
5. Economic performance
6. Diversity and equal opportunities
7. Effluents and waste
8. Emissions
9. Employment
10. Energy
11. Management approach
12. Human rights assessment
13. Indirect economic impacts
14. Freedom of association and collective bargaining
15. Management of labor relations
16. Marketing and labeling
17. Materials
18. Non-discrimination
19. Acquisition practices
20. Security practices
21. Market presence
22. Client privacy
23. Customer health and security



Figure 1. Peruvian Nature’s Materiality Matrix for the 2019-2020 Sustainability Report



Stage 3: Information gathering and measurement of indicators of management approaches (DMA) to be reflected in the Sustainability Report as part of the drafting of the report itself. In this way, information was requested from representatives of the following areas: General Management, Administration, Quality Assurance and Control, Purchasing, Commercial, Marketing, Production, Maintenance, Human Resources and Legal, through semi-structured surveys and online interviews due to the current health situation. (102-37)

Stage 4: Final review of the Sustainability Report by the General Management regarding the content and by the Marketing Management for approval of the layout and style of the document. (103-32)



CORPORATE MANAGEMENT





We are a company represented as a Sociedad Anónima Cerrada (Closed Corporation) under the General Companies Law (Law No. 26887). The shareholders are owners of the company through registered shares and their liability is limited to their contributions in the share capital. (102-5)
We carry out our operations in the district of Lurin, Lima - Peru, where the processing plant and the commercial and administrative offices are located. (102-3, 102-4)

The company is led by the General Manager and the Assistant Manager who are responsible for making decisions vis-à-vis economic, social and environmental matters in a transversal way concerning all areas of the company (102-19, 102-20).

Damián Silva, General Manager, has been president of the company since 2011, while Gabriela Llontop has been the Assistant Manager since 2018. Ms. Llontop is also in charge of the Marketing Department. Both positions are independent in their actions and are responsible for the strategies, monitoring and control of the implemented strategies. Their roles are aligned with achieving the general objectives of the company.

Subsequently, the Commercial Management, Operations Management, and Administration follow in terms of the organizational hierarchical level. The Commercial Management oversees everything related to sales and marketing; while the Operations Management⁴ is in charge of controlling production, maintenance, continuous improvement, storage and supply. The Administrative Unit ensures the quality economic and financial performance of the company. In the same way, these are executive bodies that attend to economic, environmental and social issues that are transversal to their specific areas and which must inform the personnel of which they are in charge concerning new strategies, objectives and deci-

4. The Operations Manager position is currently vacant, hence the responsibilities linked to this position are delegated among other areas.

sions that affect the operations of their specific areas. (102-18, 102-20, 102-19, 102-21, 102-22, 102-23, 102-26, 102-27)

Management Committee

Since 2013, the mission of the Management Committee it is to define annual objectives and propose improvements for the different areas within a given period. In 2019, this Committee was comprised of 11 members, representing an increase of four collaborators compared to the previous year. Of the total, four are women. It should be noted that it is the first time that people under 30 years of age participate (2). The majority (6) are between the ages of 30-50 years, which are the average ages of the administrative staff. The following year, it only decreased by one collaborator (10) and the participation of collaborators under 30 years of age increased (3) compared to the previous year. This Committee is led by the General Manager. (102-18, 102-22, 102-26, 102-27)



Our Organization

In 2019 and 2020, new jobs were created to meet the needs of the workload and the activities requiring greater specialization, in addition to promoting a career path within the company. (102-18)

Table 1. Types, Names and Purposes of Positions at Peruvian Nature, 2019 and 2020

| Year | Type of Position | Name of Position | Purposes |
|------|-----------------------|--------------------------------|--|
| 2019 | New | Sales Assistant | Support the sales area. |
| 2020 | New | Maintenance Planner | Tend to the specific activities in the maintenance area, such as: control of plant equipment and infrastructure, plan and schedule preventive and corrective maintenance activities of plant equipment and machinery in a systematic, organized and efficient manner through a computer system for maintenance management (FRACCTAL ⁵). |
| | | Warehouse Operator – Level 3 | Provides administrative support to the Warehouse Supervisor. |
| | Promotion Replacement | Nurse | Due to the Covid19 pandemic and in order to cover the guidelines of the Plan for the Surveillance, Prevention and Control of Covid19, established by MINSA and supervised by SUNAFIL, an occupational nurse joined the company who is in charge of monitoring, and providing first aid medical attention to staff before referring them to a medical centre, if required. The Nurse also conducts scheduled trainings for various health-related topics related to Covid19 symptoms and diseases at increased risk of acquiring the Covid19 virus. |
| | | Warehouse Supervisor | Position created as part of the changes made at the level of the logistics area in 2019, which identified the need for a collaborator to control the storage of products (in all warehouses) through the registration of information in real time. The "warehouse analyst" was promoted therefore to "warehouse supervisor". |
| | | Export Assistant | Due to the termination of the contract and the increase in the functions of the logistics intern ⁶ , it was necessary to promote him to Export Assistant and maintain his support at the level of logistics operations and documentary management. |
| | | Purchasing and Project Manager | Tends to specific activities in the Purchasing Unit, such as managing national and international supply operations, seeking to permanently optimize quality, costs and opportunities. Likewise, this position is responsible for leading projects related to the development of new products in all its forms of consumption, crop development agreements, the optimization or change of inputs, raw materials and/or suppliers. |

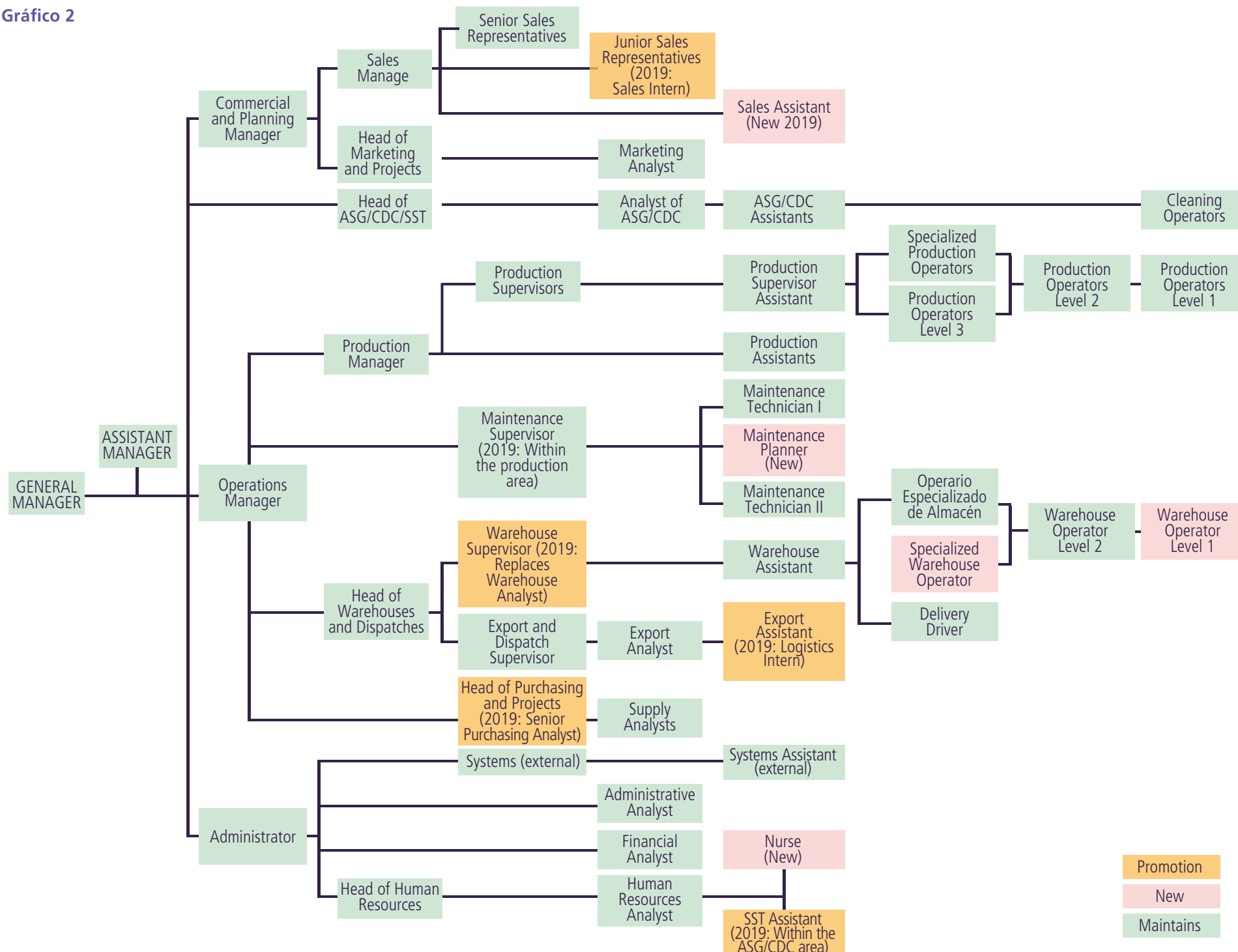
5. This tool allows for the management of maintenance deriving from a request (which could be made by anyone within the organization), the elaboration of work orders (scheduled by the planner), the implementation (performed by the technician or a supplier), and the completion of the work (which could be done through the planner or the supervisor). In addition to maintenance operation, the tool also contains control modules pertaining to the warehouse, suppliers, documentation of interest and budget. 6. This intern joined Peruvian Nature as part of a strategic agreement with the Peruvian Institute of Applied Logistics (INLOG) in 2018. However, in 2019 and 2020, there were no collaborators as part of this agreement seeing as there is no requirement on the part of our company aligned with INLOG's offer of students.





ORGANIZATION CHART 2020

Gráfico 2



- Promotion
- New
- Maintains

ECONOMIC PERFORMANCE





Every year, we strive to remain a leader in SuperFood exports, for which we use various analytical tools (e.g., commercial intelligence) to understand trends and face changes in a current context characterized by being volatile, uncertain, complex and ambiguous. Likewise, the evaluation of our economic performance is also a constant practice, for which the Management Committee is responsible. This Committee meets monthly to present the progress of our management indicators, review financial statements, as well as budget and production controls. On the other hand, we also work hand in hand with financial institutions for financial leverage and thus mitigate risks of this kind. (103-2, 103-3, 201-2)

The Economic Value Generated⁷ in 2019 represented a drop (-10%) compared to the previous year, which is proportional to the reduction in total sales as a result of the global economic recession that has impacted the demand in our main markets. However, the Retained Economic Value, which represents the difference between the Generated Economic Value and Distributed Economic Value (total company expenses) has grown by 31%. This is due to a reduction in the Distributed Economic Value, influenced by a decrease (-9%) in Operating Expenses, which are the largest in the company (78% of total expenses in 2019). Within Operating Expenses, the reduction in the monetary value (\$USD) of the supply of raw materials is the factor of greatest magnitude. This is due to a drop in product demand of our commercial supply due to the global economic recession and, therefore, in the purchase prices of these products. In addition, the two choppers were placed into a single space ("plant 2") and a centrifugal sieve was implemented for the selection line in this same space with a view to increasing the performance of the chopping operation, as well as reducing time and defects in manual labor (102-10, 103-2, 201-1).

7. The Economic Value Generated is represented by the total invoiced by the company for the sale of products and services.

Operating Expenses are followed by "Collaborators' Salaries and Benefits" (-7%), "Payments to Capital Suppliers" (-84%), and "Investments in Communities" (going from an investment of \$USD 56,465-2018 to \$USD 5,500-2019). The latter was characterized only by the payment of organic certification to our lucuma supplier in 2019.



Likewise, the evaluation of our economic performance is also a constant practice, for which the Management Committee is responsible.

On the other hand, by 2020, there was a growth in the Economic Value Generated of 4%, despite the fact that the pandemic represented a challenge throughout our supply chain and operations, we seized the opportunity to capture [a growing demand for products that strengthen the immune system](#), such as camu camu and cat's claw, as well as having worked hand in hand with our maca suppliers in order to increase the supply and thus the sales of these products. (201-1, 103-2)

This increase in the Economic Value Generated impacted the Retained Economic Value since the latter increased by 2% compared to the previous year. It should be noted that on the Operating Expenses side, investments in communities expressed considerable growth (+ 86%), compared to 2019, due to the implementation of Covid19 prevention measures for all our collaborators, such as: transportation to pick up and drop off workers at their homes, medical care in the polyclinic, Covid19 tests, occupational psychologist (due to the stress generated during the health situation), and training and procurements in the plant as part of the preventive measures against this virus. (201 -1)

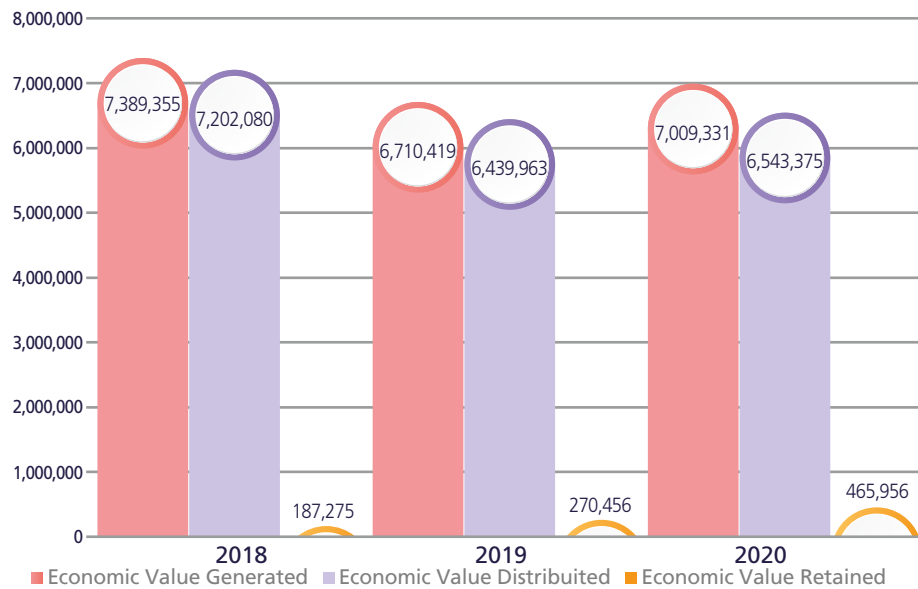
However, the operating expenses also increased by the extension of our company's operations headquarters (+ 340m2 by 2020) with the construction of a second floor for a new office area, a new raw material

warehouse, a new maintenance workshop, a new line for the processing of dry products, a new area for retail products, a new dehydration area for fresh products and a new cold store for fresh products. (102-10)

Table 2. - Economic Value Generated, Distributed and Retained from Peruvian Nature from 2018-2020 (USD\$)

| US\$ | 2018 | 2019 | 2020 |
|--------------------------------|-----------|-----------|-----------|
| Economic Value Generated | 7,389,355 | 6,710,419 | 7,009,331 |
| Income | 7,389,355 | 6,710,419 | 7,009,331 |
| Economic Value Distributed | 7,202,080 | 6,439,963 | 6,543,375 |
| Operational Costs | 5,453,303 | 4,994,699 | 5,476,347 |
| Salaries and Loans for Workers | 1,184,115 | 1,110,668 | 745,763 |
| Payment to Capital Providers | 416,942 | 227,191 | 196,782 |
| Payment to Governments | 91,254 | 101,905 | 84,307 |
| Investments in Communities | 56,465 | 5,500 | 40,177 |
| Economic Value Retained | 187,275 | 270,456 | 465,956 |

Figure 3. Economic Value Generated, Distributed and Retained (USD\$) 2018-2020



It should be noted that we also mapped out and applied to competitive funds, such as the Internationalization Support Program (PAI, acronym in Spanish), sponsored by PRODUCE and the operating consortium ADEX

and Swisscontact, with which non-reimbursable resources of up to \$USD 38,500 were obtained and with which we are planning the extension of our business model in the United States through the creation of a new company: Nature 360. (201-4, 203-2)



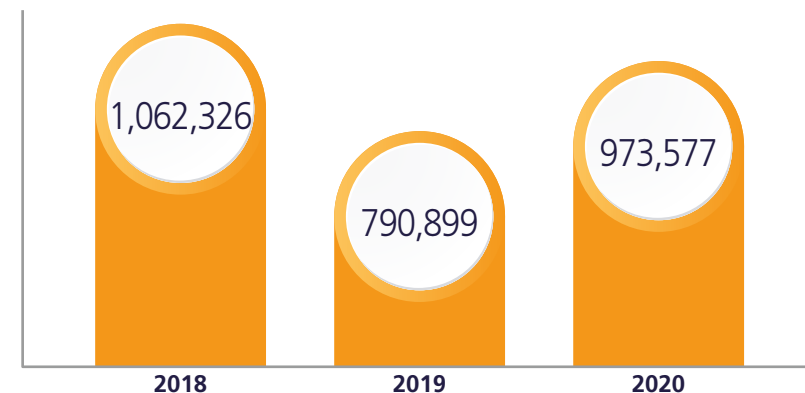
Products and Services

Production

During 2019, we produced 791 MT of products at the plant, which represents a reduction of almost 34% compared to the previous year. As mentioned in the previous section, this reduction is due to a drop in demand for the products of our commercial supply due to the global economic recession and, therefore, in the purchase prices of these products.

By 2020, this value had increased to 974 MT, representing a growth of 19% led by the increase in demand for products to strengthen the immune system and the coordinated work with our maca suppliers to maintain the supply of this product during the pandemic. The main production processes are heat treatment using our OSS (Organic Sterilization System) to reduce bacterial load, then dehydration, grinding, packaging and packaging.

figure 4. evolution of kg produced, 2018-2020





Product presentations

In 2019 and 2020, the same list of products is maintained with respect to 2018. This will be updated in 2021. (102-2).

| PRODUCT LIST 2018 | | | | | | | | | | | | |
|-------------------|----------------|---------------------------------|---------------------|-----------|--------|--|-------|-------------------------------|-----------------------|--------|---------|------------|
| # | Raw Material | Botanical Name | Category | Superfood | Powder | Nibs/ Crushed/ Pieces / Tea cut | Whole | Oil / Concentrate Juice | Spray Dry/ Extract | Kosher | Organic | FairChoice |
| 1 | Maca | <i>Lepidium meyenii</i> | Roots & pods | o | o | o | | | o | o | o | o |
| 2 | Yacon | <i>Smallanthus sonchifolius</i> | Roots & pods | o | o | o | | o | | o | o | o |
| 3 | Sweet Potato | <i>Ipomea batatas</i> | Roots & pods | o | o | o | | | | o | | |
| 4 | Mesquite | <i>Prosopis pallida</i> | Roots & pods | o | o | | | | | o | o | |
| 5 | Tara Protein | <i>Caesalpinia spinosa</i> | Roots & pods | o | o | | | | | | o | |
| 6 | Golden Berry | <i>Physalis peruviana L.</i> | Fruits & vegetables | o | o | o | o | o | o | o | o | o |
| 7 | Lucuma | <i>Pouteria lucuma</i> | Fruits & vegetables | o | o | | | | | o | o | |
| 8 | Camu Camu | <i>Myrciaria dubia</i> | Fruits & vegetables | o | o | | | | o | o | o | |
| 9 | Noni | <i>Morinda citrifolia</i> | Fruits & vegetables | o | o | o | | | o | | | |
| 10 | Cat's Claw | <i>Uncaria tomentosa</i> | Medicinal herbs | | o | o | | | o | o | | |
| 11 | Graviola Leaf | <i>Annona muricata</i> | Medicinal herbs | | o | | | | o | o | | |
| 12 | Stone Breaker | <i>Phyllanthus niruri</i> | Medicinal herbs | | o | o | | | | | | |
| 13 | Chuchuhuasi | <i>Maytenus macrocarpa</i> | Medicinal herbs | | o | | | | o | | | |
| 14 | Huanarpo Macho | <i>Jatropha macrantha</i> | Medicinal herbs | | o | | | | | | | |
| 15 | Purple Corn | <i>Zea mays</i> | Grains & seeds | o | o | | | | o | o | o | |
| 16 | Cacao | <i>Theobroma cacao L</i> | Grains & seeds | o | o | o | o | | | o | o | |
| 17 | Quinoa | <i>Chenopodium quinoa Willd</i> | Grains & seeds | o | o | | o | | | | o | |
| 18 | Amaranth | <i>Amaranthus caudatus L.</i> | Grains & seeds | o | o | | o | | | o | o | |
| 19 | Cañihua | <i>Chenopodium pallidicaule</i> | Grains & seeds | o | o | | o | | | | o | |
| 20 | Sacha Inchi | <i>Plukenetia volubilis</i> | Grains & seeds | o | o | o | | o | | | o | |
| 21 | Maca / Cacao | BLEND | BLEND | o | o | | | | | o | o | |

Trademarks

In 2019 and 2020, our main brands were: Peruvian Nature, Organic Sterilization System (OSS) and South Garden.

Services

We also offer third-party product processing services (OSS, dehydration, grinding and packaging) that meet the requirements of its implemented quality system and its certifications; that is, the processing of products containing allergens, gluten, pesticides, etc. is not accepted. (102-2)

Affiliations

Every year, Peruvian Nature receives the support of PROMPERU for the coordination and management of the company's participation in national and international fairs. We also have a membership in ADEX to receive training, calls for projects and dialogue platforms for the SuperFoods sector. Thus, by 2019, we approved a non-refundable competitive fund for the PAI, sponsored by PRODUCE and the operating consortium ADEX and Swisscontact, with which the business model expansion project has been designed at the international level. (102-13)



In 2019 and 2020, our main brands were: Peruvian Nature, Organic Sterilization System (OSS) and South Garden.

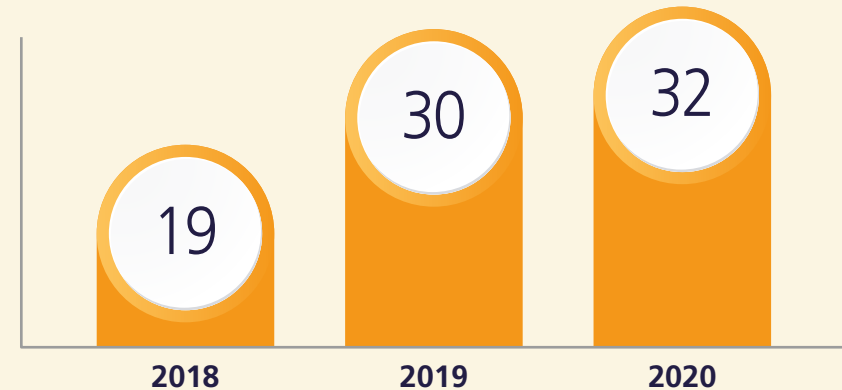
The following year, the State of Emergency declared as a preventive measure against Covid19 resulted in regional authorities restricting the inter-provincial transit of goods, allowing only those of first necessity. Hence, we coordinated a request with the SuperFoods sector union and ADEX so that the products pertaining to our commercial offer could be considered a priority and thus maintain the supply of our raw materials from various regions of the country. (102-13)

Markets

In 2019 and 2020, sales have been made to 30 and 32 countries, respectively, which represent an increase of approximately twice the number of countries that sales were directed to in 2018. Among these new countries are (102-6):

- Europe: Belgium, Poland, Serbia and Russia.
- Latin America: Colombia, Chile, Ecuador, Costa Rica and Guatemala.
- Asia: United Arab Emirates, India, Philippines, Malaysia, Taiwan (China) and Turkey.
- Oceania: Indonesia.

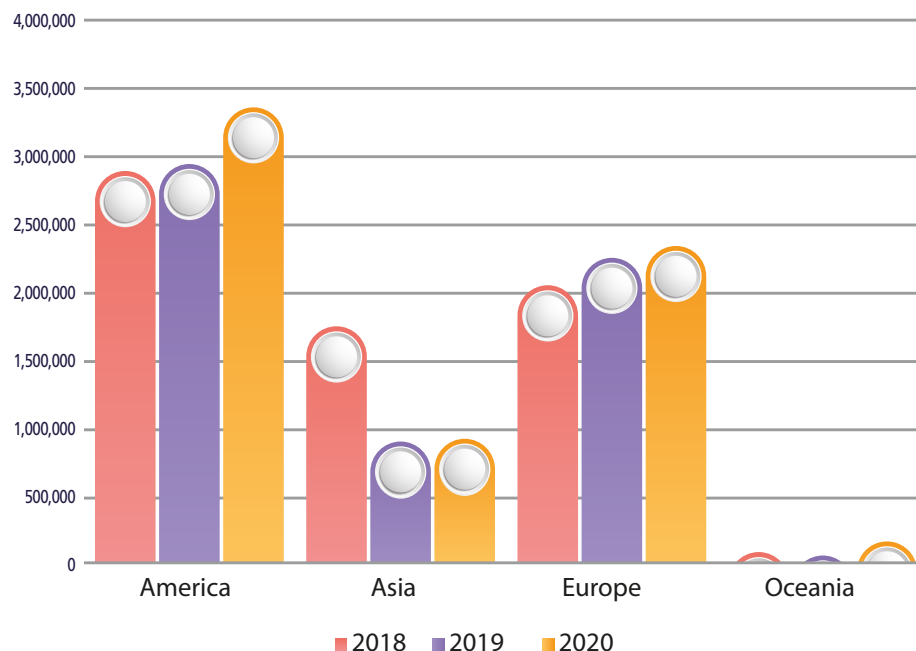
Gráfico 5. Número de Países vs Ventas 2018-2020



America and Europe represent the regions that encompass the largest share of the company's sales in 2019 and 2020, which have been increasing since 2018 in both regions. This increase in America was mainly due to the increment in exports to the United States (+ 21%), which went from 23% (of the company's total sales) to 32% in 2019 and 2020. On the other hand, the increase in Europe was mainly driven by the growth of exports to the United Kingdom by 18% in 2019 and 38% in 2020, going from a share of total sales of 8% (2018) to 11% in 2019 and 16% in 2020. (102-7, 102-13)



Figure 6. Participation in Sales (USD\$) per Continent, 2018-2020



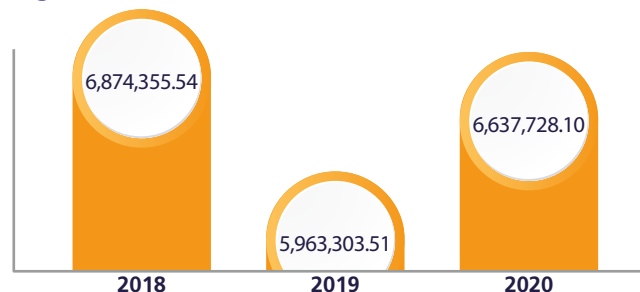
Sales

Total sales

In 2019, the company's total sales decreased by 15% compared to the previous year (from \$USD 6,874,356 to \$USD 5,963,304), which have been mainly influenced by a drop in exports to South Korea, from \$USD 1,286,953 (2018) to \$USD 70,088 (2019). This drop is explained by the outcome of the noni consumption trend in the Asian market in 2019. (102-7)

Despite the health crisis the following year in 2020, these sales rose by 10% compared to the previous year due to the increase in sales targeting - in addition to our main market (United States) - to various markets, which have an important share in the total sales (\$USD) of the company and can be seen in the next section. It should be noted that the health crisis has impacted food consumption patterns worldwide, which has led to an increase in demand for products to strengthen the immune system (e.g., camu camu and cat's claw). (102-7)

Figure 7. Evolution In Total Sales (Usd\$) 2018-2020



Sales by countries

As of 2019, the United States remained our main market, increasing sales over the previous year by 21%, as well as its share in total sales (going from 23% -2018 to 32% -2019). These sales increased in this market by 9% (\$USD 2,107,041) by 2020, but their participation was maintained with respect to total sales by 2020 (32%). This is due to the fact that by 2020 (vs. 2019), sales to other markets have increased and, consequently, their share of total sales: United Kingdom (+ 38%), Peru (+ 13%), Japan (+ 78% to 2020), Canada (+ 32%), Australia (+ 55%) and France (+ 50%), among the most representative by sales volumes (\$USD). (102-7)

Figure 8. Evolution Of Sales Per Country (Usd\$) 2018-2020

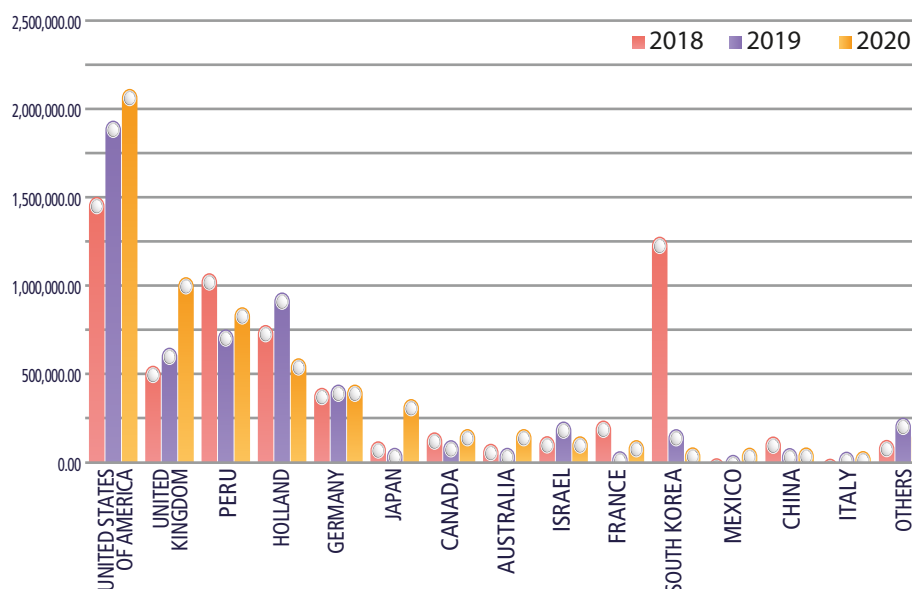


Figure 9. Percentage Of Sales Per Country, 2019

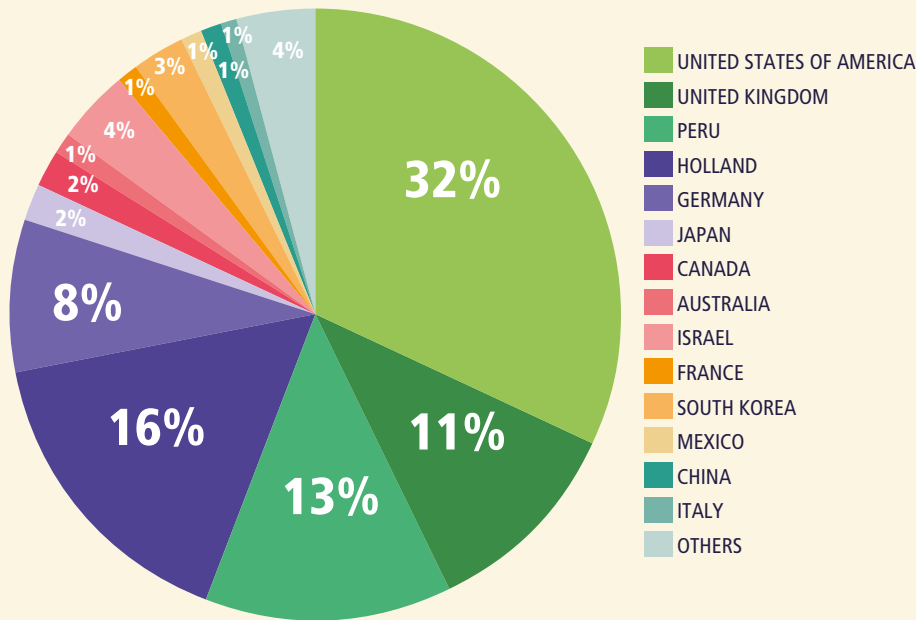
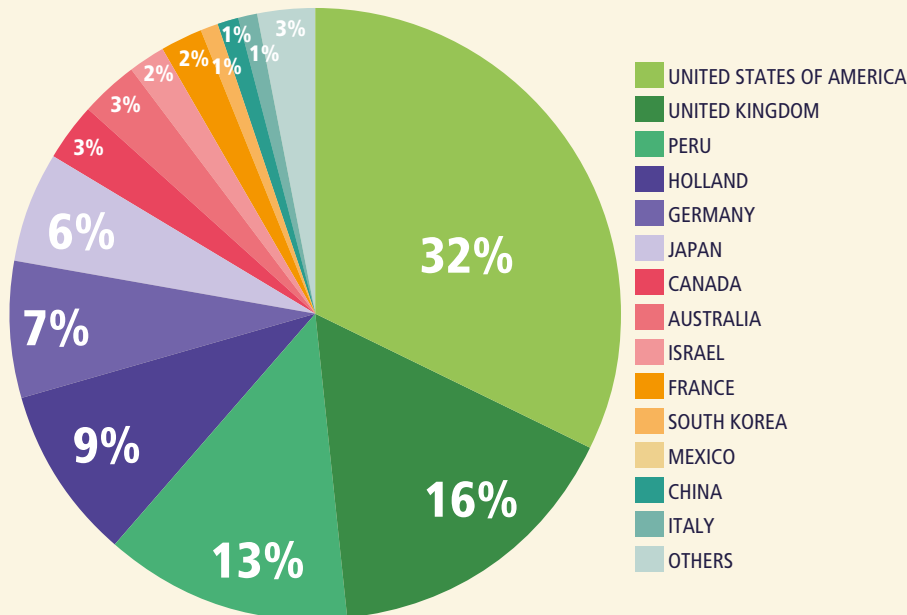


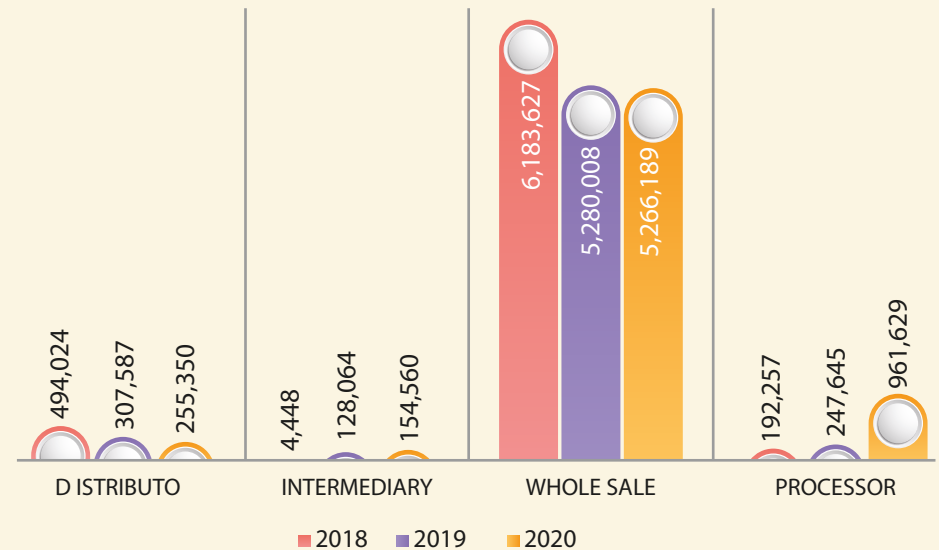
Figure 10. Percentage Of Sales Per Country, 2020



Sales by Types of Clients

In 2019, our clients were characterized, for the most part, by wholesalers (89% of total sales), followed by distributors (5%) and processors (4%) from the natural ingredients and SuperFoods sectors. However, in 2020, processors (15%) surpassed distributors (4%) in the participation of our sales, because the former have begun to buy larger quantities of SuperFoods, in response to the growing trend in the consumption of healthier products, thus avoiding distributors who fulfilled the role of intermediaries. (102-7)

Figure 11. Sales (Usd\$) By Type Of Client, 2018 - 2020



Sales by products

The fall in sales by markets in 2019 is also reflected in the fall in sales by products (15% or \$USD 911,052) compared to the previous year. From this perspective, this decrease is due to the drop in sales (\$USD) of our products of greater commercial magnitude. Noni (Morinda citrifolia), which had a commercial participation of 18% of total sales (\$USD) in 2018, suffered a fall the following year, going from \$USD 1,234,264 to \$USD 64,881, which represents a loss of \$USD 1,169,383 or 17% of the total value of sales for the year 2018. (102-7)



This is followed by the concentrate or syrup of yacon (*Smallanthus sonchifolius*), cat's claw (*Uncaria tomentosa*) and maca (*Lepidium meyenii*) with a decrease in sales (\$USD) of 78%, 105% and 4%, respectively, up to the year 2019. Despite presenting strong losses, maca continues to be the product with the highest participation (50% -2019) with respect to total sales. On the other hand, other products in our company's portfolio that, with a participation of between 1% - 10% of total sales in 2018, demonstrated an increase and participation (%), such as: goldenberries (*Physalis peruviana*) (+ 19%), camu camu (*Myrciaria dubia*) (+ 13%), lucuma (*Pouteria lucuma*) (+ 46%), graviola (*Annona muricata*) (+ 38%), cocoa (*Theobroma cacao*) (+ 37%) and chancapiedra (*Phyllanthus niruri*) (+ 23%). (102-7)



Despite presenting strong losses, maca continues to be the product with the highest participation (50% -2019) with respect to total sales.

2020 reflects a 10% increase in total sales (or \$USD 674,425) over the previous year. This absolute growth is reflected in the 26% increase in sales of maca derivatives in 2020, compared to the previous year, and which covered 59% of total sales by products. Hence, in 2020, we remain the national leader in exports of maca derivatives according to the Integrated Foreign Trade Information System (SIICEX), reaching a participation of 19% among the entire group of exporting companies of this product and an increase of 37% over the previous year. It is important to note that the growth in sales of maca is followed by those of camu camu (+ 56%) and cat's claw (+ 53%) in 2020, which compensates for the fall that most of our products have suffered in that same period. As we mentioned throughout this document, the sale of these products has increased due to the fact that they satisfy a growing demand for natural products that strengthen the immune system in response to the Covid19 pandemic. (102-7)

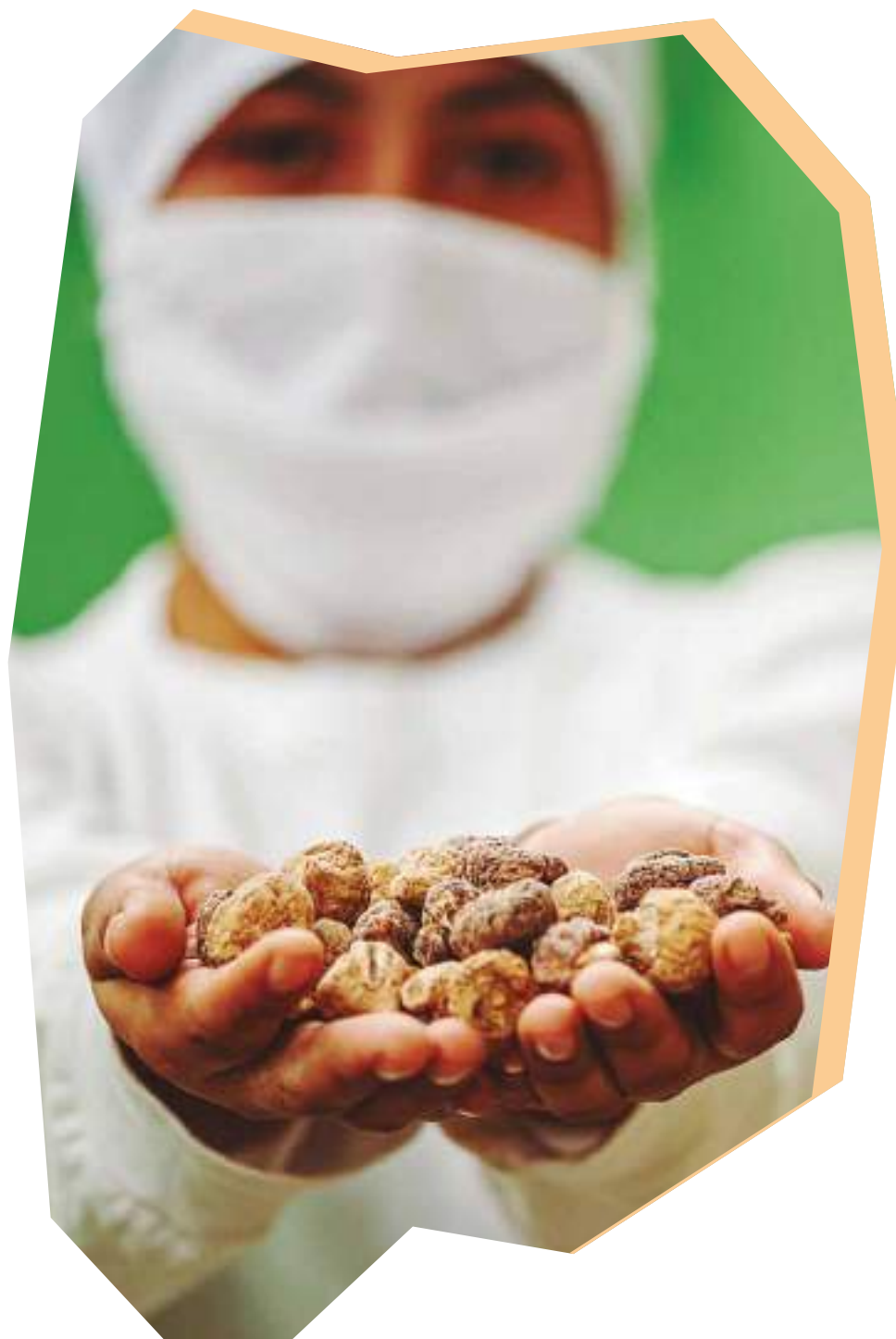


Figure 12. Sales (Usd\$) By Raw Material Derivates, 2018-2020

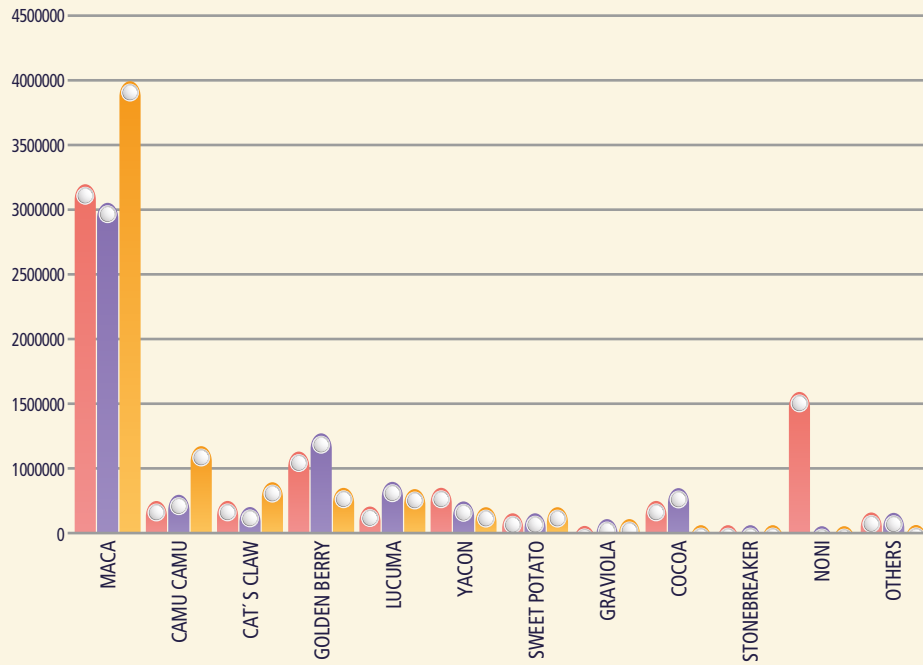


Figure 13. Participation (%) Of Sales Of Derivates, 2019

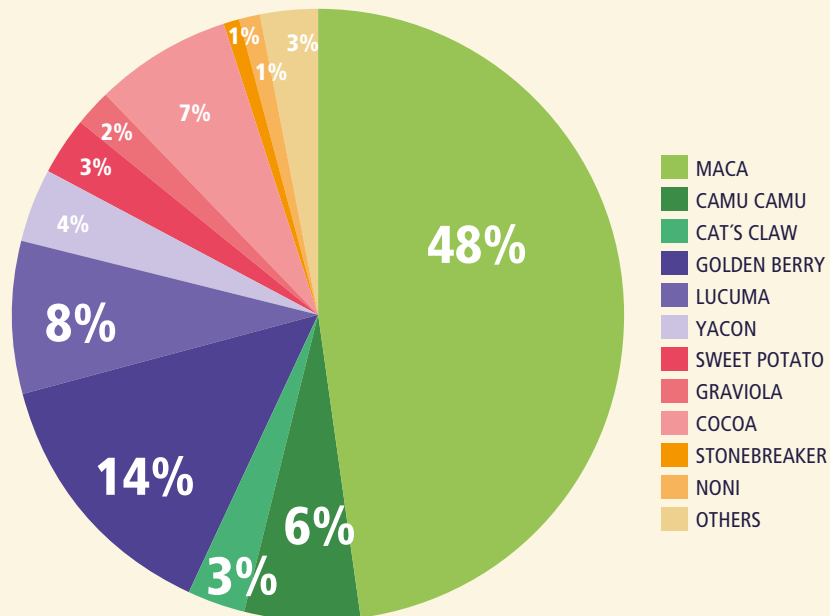
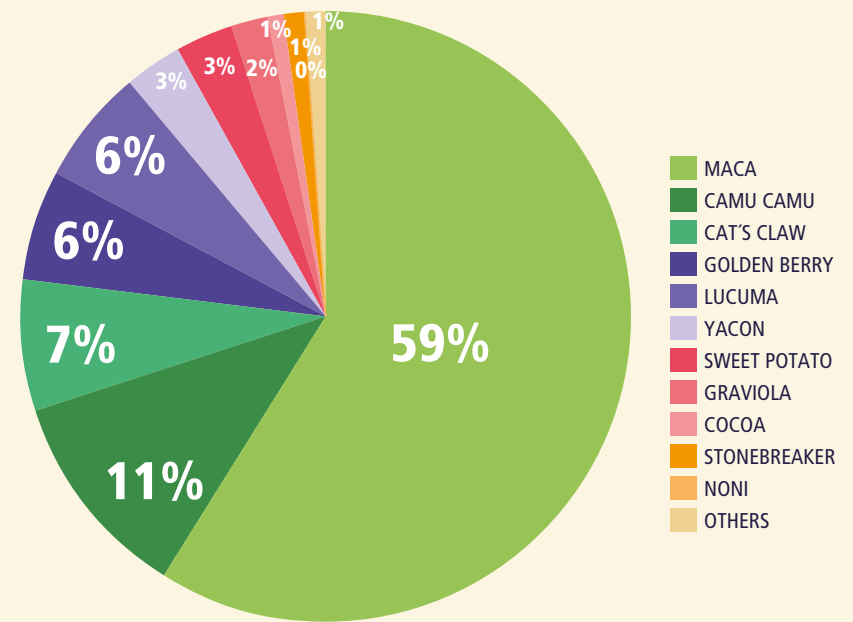


Figure 14. Participation (%) Of Sales Of Derivates, 2020





MARKETING



Peruvian Nature Trademark

In 2019 and 2020, the main communication tools to disseminate the information of our company's products and services are the website, social networks, email marketing, participation in fairs, social networks, brochures and labels for each product. In both years, all tools were aligned with the brand concept updated in 2018. (103-2, 417-1)

Website, email marketing and social networks

Every year, on the website, you can verify information about the benefits and characteristics of each product, our services, certifications and relevant news, which are also disseminated through email marketing and social networks (Facebook, Instagram and LinkedIn). The latter became a fundamental tool for the promotion of Peruvian Nature, the search for new talent, and served as a communication channel updated weekly pertaining to: recipes, use of product, awards received, renewal of certifications, collaborator achievements, important dates and any news that may be of relevance to our followers, customers, suppliers or the general public. We must also highlight that, in 2020, the potential clients identified through our web service represented one of the main sources to attract new sales and new destinations, replacing the contacts that would have otherwise been identified at national and international face-to-face fairs prior to the pandemic.

Fairs

An important pillar in terms of commercial strategy is the promotion of our products in trade fairs and missions organized around the world, in which we participate independently or with the support of government or private entities such as: Promperú, ADEX and the Chamber of Commerce of Lima (CCL).



In 2019, we participated as exhibitors in eight fairs (seven international and one national), of which we participated in Expo East[®] - United States for the first time as visitors. Thanks to the participation in these fairs, a

total of 573 new contacts have been made, of which four became new clients. Two negotiations were also finalized for an amount of \$USD 19,943 during said participation.

In 2020, the year in which the Covid19 pandemic began, we only managed to participate in person in one international fair (Biofach-Germany), which was held in February 2020. We participated virtually in the Expoalimentaria Fair-Peru, as well as in a business conference under the concept of "SuperFoods", organized by ADEX. Participation in the business round resulted in a new client, and some prospective clients with whom negotiations are ongoing.

In both 2019 and 2020, the most requested products at the fairs mentioned by new contacts and/or potential clients were:

2019: Maca (powders and extracts) and lucuma (organic powder).

2020: Camu camu (powder) and cat's claw (powder).



8Natural Products Expo East is a natural and organic fair aimed at the food and cosmetics industry: <https://www.expoeast.com/en/home.html>



Table 3. Evolution of finalized negotiations as a result of participation in fairs from 2018-2020

| Año | Número de negociaciones cerradas | Monto de negociaciones cerradas |
|------|----------------------------------|---------------------------------|
| 2018 | 4 | US\$ 62,455 |
| 2019 | 2 | US\$ 19,943 |
| 2020 | 1 | US\$ 56,700 |

Product brochure

On the other hand, we have another important sales tool: the brochures of each product that were updated in 2019. These documents contain detailed information on the origin, active ingredients, benefits, presentations, seasonality, uses, applications and recipes pertaining to each product. However, by the end of 2019, due to the influx of national contacts, it was necessary to create a brochure with information on the services we offer, the purchase process, minimum sales quantities, and presentation of our products in order to accelerate and minimize doubts about our production and marketing process. That same year, they were distributed only to clients and prospective clients who visited the plant or in meetings at exhibitions. In 2020, they were distributed digitally to the same audience.



These documents contain detailed information on the origin, active ingredients, benefits, presentations, seasonality, uses, applications and recipes pertaining to each product.

Labels

As part of the internationalization fund of the company (Association of Exporters and Ministry of Production) obtained in 2019 in order to extend the business model of the company in the United States, with a new office and commercial brand, the launch of new products (formulations) was contemplated targeting the B2C segment in that market in 2020 through an E-commerce platform ("Shopify") and a showcase on the company's website. For this, labels were designed to showcase the origin of the products (origin of the raw material), the SuperFoods brand, and the tacit

benefits ("Vegan", "Gluten Free" and "Organic"). Given the health situation the same year, which impacted the [consumption patterns of the Peruvian population](#), the opportunity was seized to introduce this same line of B2C products in the national market through a strategic alliance with national distributors.

South Garden Brand

South Garden is a sub-brand of Peruvian Nature, which was created in 2003 in order to position itself in the B2C market segment. However, during that time, the national market for the consumption of natural products was incipient and did not represent a profitable business unit. Hence, this brand was withdrawn from the market in 2013. However, with a market for organic and conventional natural products growing in recent years and changes in consumption patterns (e.g., health care, healthy eating and reinforcement of the immune system) among Peruvian society as a response to the Covid19 pandemic, we decided to update the graphic guidelines of this sub-brand and relaunch it in the national market in 2020 with new product formulations. To this end, the marketing area managed this update, developing a brand manual (brandbook), which collates all the information regarding the graphics, logo, isotype, color palette, and fonts. Subsequently, realistic simulations ('art') of the mono-product presentations and formulations were created. Finally, a basic web page was created independent from that of Peruvian Nature, but still aligned with its visual concept.

Evaluation of Communication Activities

Irrespective of the information to be disseminated, a preliminary evaluation is carried out by the Marketing, Sales and Human Resources areas. As part of this evaluation, the Marketing area is in charge of defining the communication channels to disseminate this information. In the specific case of labels, their evaluation is more detailed, involving other areas and even customers, unlike digital communications, which can be amended without incurring any expenses (103-3). It should be noted that there were no cases of non-compliance related to information and labeling of products and services, or to marketing communications, in either 2019 or 2020 (417-2, 417-3).

INDIRECT ECONOMIC IMPACT



Indirect Economic Impact

Our indirect economic impact - as part and parcel of our operations - are mainly directed at the level of the supplier and our collaborators (103-1, 203-1):

- We are promoting the regional economy by working with suppliers, represented by individual farmers, producer organizations, and processing companies, from: Junín, Huanuco, Ancash, Huancavelica, Ayacucho, San Martín, Cajamarca, Amazonas, Ucayali and Lima. As presented in the Sustainable Development Goals section, we contribute to Goal 1, which seeks to reduce poverty in the groups of regions with the highest incidence of poverty, such as Huancavelica, Cajamarca and Huanuco (together they represent approximately [70% incidence of poverty in the country \(2019\)](#) and that - at the same time - represent the origin of our main supply chains: maca, goldenberry, lucuma and yacon. (103-1, 103-2, 203-2)
- We work with suppliers in the transition from their conventional (non-organic) crops to organic crops. As of 2019 and 2020, we reached 926 and 904 organic hectares, which represent better prices paid by suppliers and especially those that are certified by FairChoice. (103-1, 103-2) We know that the drop in the number of hectares compared to 2018 is gigantic and represents the impact of international regulations, especially for cocoa, as stricter maximum pesticide limits have been imposed for the entry of this product into Europe.
- Particularly, in 2019, we made an alliance with a lucuma supplier based on the adaptation of their cultivation practices and documentation, with a view to obtaining the organic certification of their farm. For this, we

carried out field visits and consultancies for the implementation of the criteria of said certification. (103-1, 103-2)

- In 2020, no activities were carried out in the field level due to the restrictions implemented by the authorities at the national level to face the pandemic, preventing the displacement of our personnel to the interior of the country.
- At the level of our production plant located in Lurin, we are promoting the growth of said district where the largest number of our personnel comes from due to the proximity to the plant. In 2019 and 2020, 55% and 47% of the total collaborators come from Lurin, respectively; however, the balance (%) comes from other districts that in total add up to 12 and 11 in each year, respectively. (103-1, 103-2, 203-2)



OUR MATERIALS

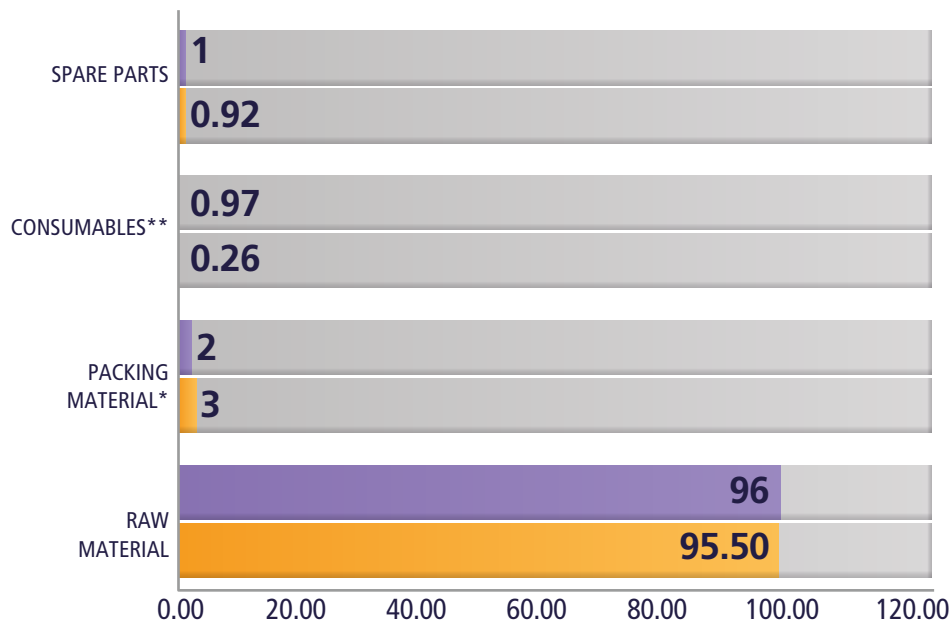




Materials

In 2019, the total acquisition of materials was \$USD 3,516,584, which represents a reduction compared to the previous year by 21%. This is mainly due to the decrease in the acquisition of raw materials in said year, which is linked to the drop in sales. The following year, there was an increase in this acquisition by 16%, reaching \$USD 4,208,083 and therefore, there has been a growth in the acquisition of raw materials (+ 17%). In fact, raw materials represent the largest share (96%) with respect to total material acquisitions (\$USD). Therefore, packaging materials, consumables and spare parts represent a small part of this participation. (301-1)

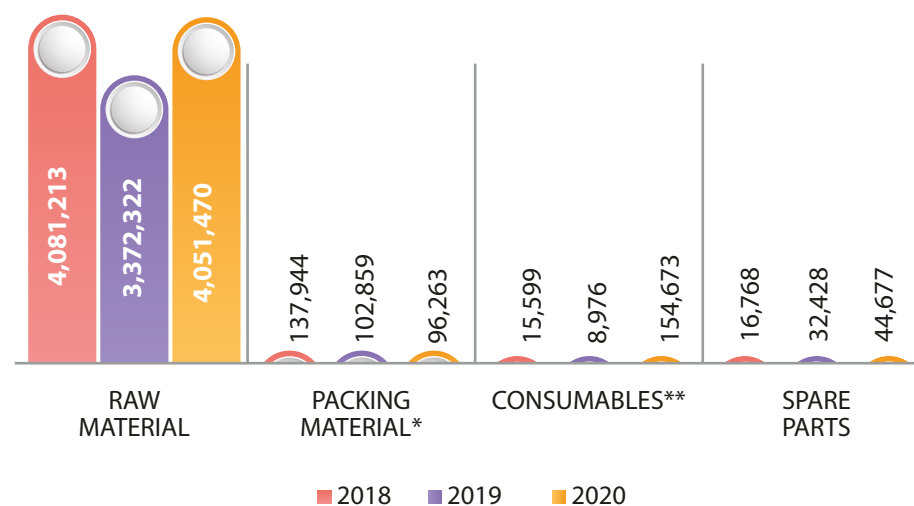
FIGURE 15. Participation (%) of Acquired Material by Monetary Value (USD\$) 2019-2020



Note: Consumables and spare parts cannot be compared by weight (KG) since they are purchase units that vary in quantities, weights, contents, among others.
* Packaging material includes the acquisition of bags and boxes.

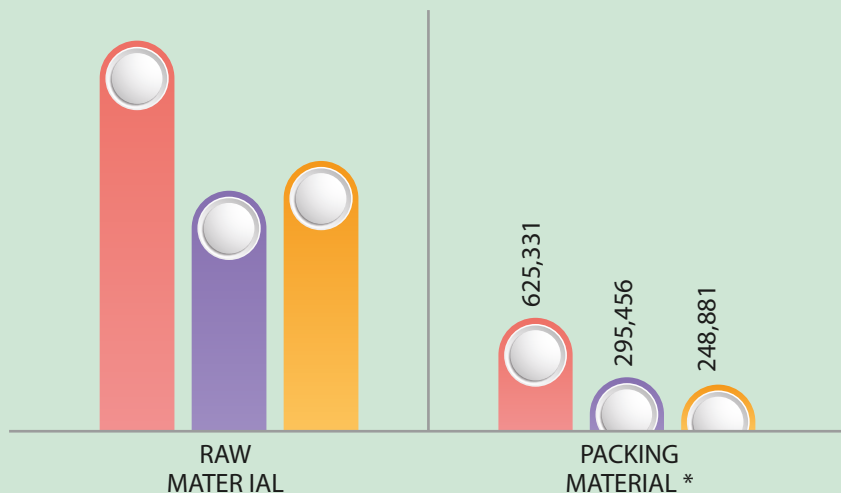
One can witness a decrease in the acquisition of raw materials by monetary value (21%) and volume (63%) in 2019, which is aligned with a drop in demand due to the global economic recession during said year. Consequently, there was a decrease in the acquisition of packaging material and consumables due to the reduction in plant production. However, the following year, there was an increase in the acquisition of raw materials (+ 17%) due to a growth in the demand for health care products and immune system reinforcement. This growth is also reflected in the acquisition of consumables (+ 43%), but not with respect to packaging material (-7%) since certain raw material acquired has been dehydrated and was kept in stock, without resorting to other levels of processing and its subsequent packaging. (301-1)

Figure 16. Evolution Of Material Purchases By Monetary Value (Usd\$) 2018-2020



* Packaging material includes the acquisition of bags and boxes.
** Cleaning supplies required by the quality area (soaps and detergents).

Figure 17. Evolution Of Material Purchases By Volume (Kg) 2018-2020



*Material de embalaje contempla adquisición de bolsas y cajas.
 Nota: Los consumibles y repuestos no forman parte del análisis por Kg ya que su adquisición se da por unidades de producto final.

National Context and the Material Supply Chain

There is uncertainty in the supply volume that can be acquired due to the extreme climatic changes of recent years (e.g., droughts and floods), which forced us to acquire the largest quantity of certain raw materials to secure sales. (103-2, 201-2) In particular, the Covid19 pandemic and the actions taken by governmental authorities for its prevention represented a challenge for the efficient and timely supply of the raw materials that we require. At the municipal level, the transfer of basic necessities (e.g., food from the family basket) was only allowed at the interprovincial level. Hence, the business union of SuperFoods with ADEX obtained permission from MINCETUR so that the raw materials that we offer can be transferred between provinces. Thus, we coordinated directly with our suppliers to obtain the permit from the provincial municipalities and thus ensure the transfer of these raw materials from their origins to our plant in Lurin. (103-2)

In fact, local prevention measures also had an impact on access to supplies and labor by some of our suppliers, generating an impact on the purchase price of the products in our portfolio. Similarly, the acquisition of personal protective equipment against the virus, as part of these measures, also

impacted their production costs and therefore, the sale price of these products. This information has been corroborated as part of the coordination that has been carried out with our suppliers and which we have also witnessed in our operations in Lima. At the end of 2020, agrarian labor also represented a huge challenge as protests at the provincial level led to road closures; however, we anticipated the events by supplying raw materials before the road closures. (103-2)

Raw Materials

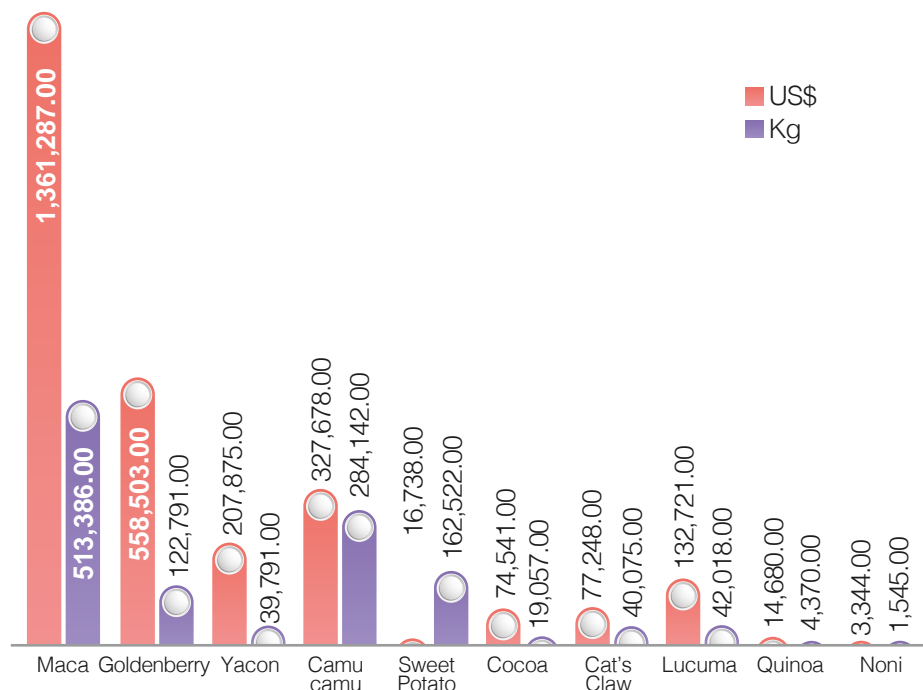
At Peruvian Nature, our raw material is made up of 100% pure material⁹ that can be organic or conventional. As of 2019, the maca root (*Lepidium meyenii*) represented the highest acquisition volume (kg) with a 42% share of the total supply. It is followed by camu camu (23%), sweet potato (13%) and goldenberry (10%). In monetary terms (\$USD), maca also maintained its participation, followed by goldenberry (20%), camu camu (12%) and yacon (8%). This difference between the volume (kg) and the monetary value of the purchases (\$USD) is due to the product prices; for example: goldenberries despite having a participation in volume purchases (10%) after maca (42%), camu camu (23%) and sweet potato (13%), in monetary terms, it had a participation (20%) higher than camu camu (12%) and sweet potato (0.6%). This same year, the acquisition of most of the products, both in volume and monetary value, was reduced with the exception of goldenberry, camu camu, sweet potato and quinoa. In the case of goldenberry and sweet potato, they had an increase in the supply by volume of 38% and 91%, respectively, yet with a reduction in the monetary value compared to the previous year, which translates into a reduction in the purchase prices of both raw materials. In the case of sweet potatoes, the growth of its supply is influenced by its growing demand, for which a search was made of various suppliers in order to select those that meet our requirements in volume, price and quality. (103-2) In the case of camu camu, both the supply in volume and monetary value increased by 77% and 73%, respectively. To increase this supply, an advance payment was made for the volume of product requested that helped this supplier to renew its organic certification. (103-2) And finally, quinoa experienced a considerable reduction in volume (-149%), yet an

9. 100% pure material refers to the correspondence between the acquired raw material and the botanical species to which it belongs. To this end, botanical analyses are carried out on samples of the raw material acquired by the Quality Assurance and Control Area.



increase in its monetary value (66%), which is interpreted as an increase in its acquisition price. (301-1)

Figure 18. Purchases Of Raw Material By Volume (Kg) And Monetary Value (Usd\$) 2019



In 2020, maca represented the highest purchase volume (kg) with a 58% share of the total supply, followed by sweet potato (14%), camu camu (10%) and lucuma (9%). In monetary terms (\$USD), maca also maintains its participation, followed by camu camu (13%), lucuma (9%) and goldenberry (9%), among the most representative. Unlike 2019, the share (%) of the main products by volume (kg) and monetary value of purchases (\$USD) is proportional; that is, the supply increased, but also its purchase price. This trend occurred with the exception of sweet potato, which, despite having a participation in volume purchases (14%) only after maca (58%), in monetary terms (\$USD) its participation did not reach 1% of all purchases of raw materials due to its price. (301-1)

The increase in the price of these products was due to the local authorities restricting the operation of the business apparatus as part of the preventative measures against the Covid19 pandemic. Among these companies are

those that trade in agricultural inputs, reducing their availability in the rural market and thus increasing their purchase prices. Manual labor also decreased due to the absence of personnel for agricultural and industrial activities owing to the panic generated by the pandemic and subsequently, by people falling sick to the virus. The preventative regulations against Covid19 resulted in our suppliers having to acquire personal protective equipment, which implied extra production costs. On the other hand, public entities also limited their operation, as was the case with the National Water Authority (ANA), thus reducing the water supply for various crops and with it, the loss of fields. In summary, the limitation in the provision of agricultural inputs and labor, and the implementation of prevention supplies against Covid19 at the level of our suppliers, generated an increase in the purchase prices of the crops that form part of our commercial offer. However, our suppliers and strategic allies played a vital role in adding other local suppliers that met our requirements and thus maintained the required offer; above all, in a scenario in which the demand for health care products increased and represented a commercial opportunity. For our part, we make payment conditions more flexible so that our suppliers can have cash flow and thus acquire raw material from other annexed and selected suppliers under the quality parameters that we demand. (103-2)



In 2020, maca represented the highest purchase volume (kg) with a 58% share of the total supply.

On the other hand, in 2020, there was an increase in the acquisition, both in volume and monetary value, of certain raw material that dropped in 2019, such as: maca (+ 44% Kg / + 39% US \$), sweet potato (+ 20% Kg / + 19% US \$), cat's claw (+ 40% Kg / + 42% US \$), and lucuma (+ 63% Kg / + 66% US \$). In the case of camu camu, it decreased in volume (-104%), but increased its monetary value (+ 34%), which suggests that there was an increase in the price of the product due to an increase in demand in response to the health crisis. As for noni, due to the fact that there was no demand in 2020 on the part of the Asian market, we did not stock up on this product. (301-1)

Figure 19. Purchases Of Raw Material By Volume (Kg) And Monetary Value (Usd\$) 2020

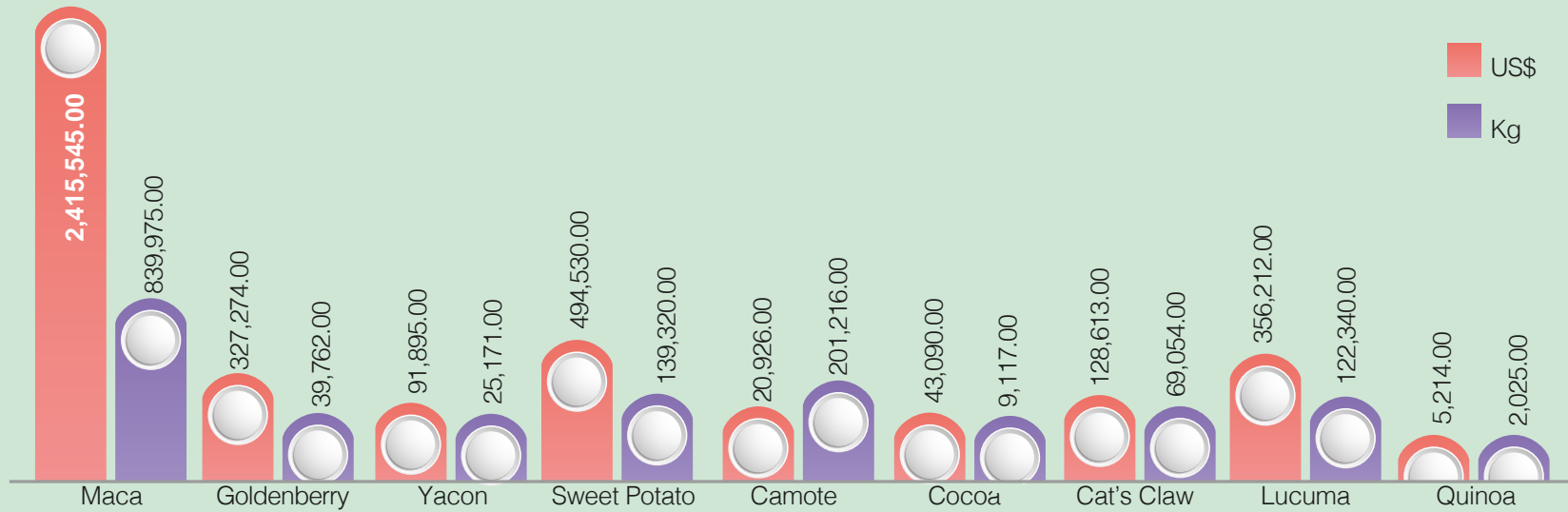


Figure 20. Evolution Of Purchases Of Raw Material (Usd\$) 2018-2020

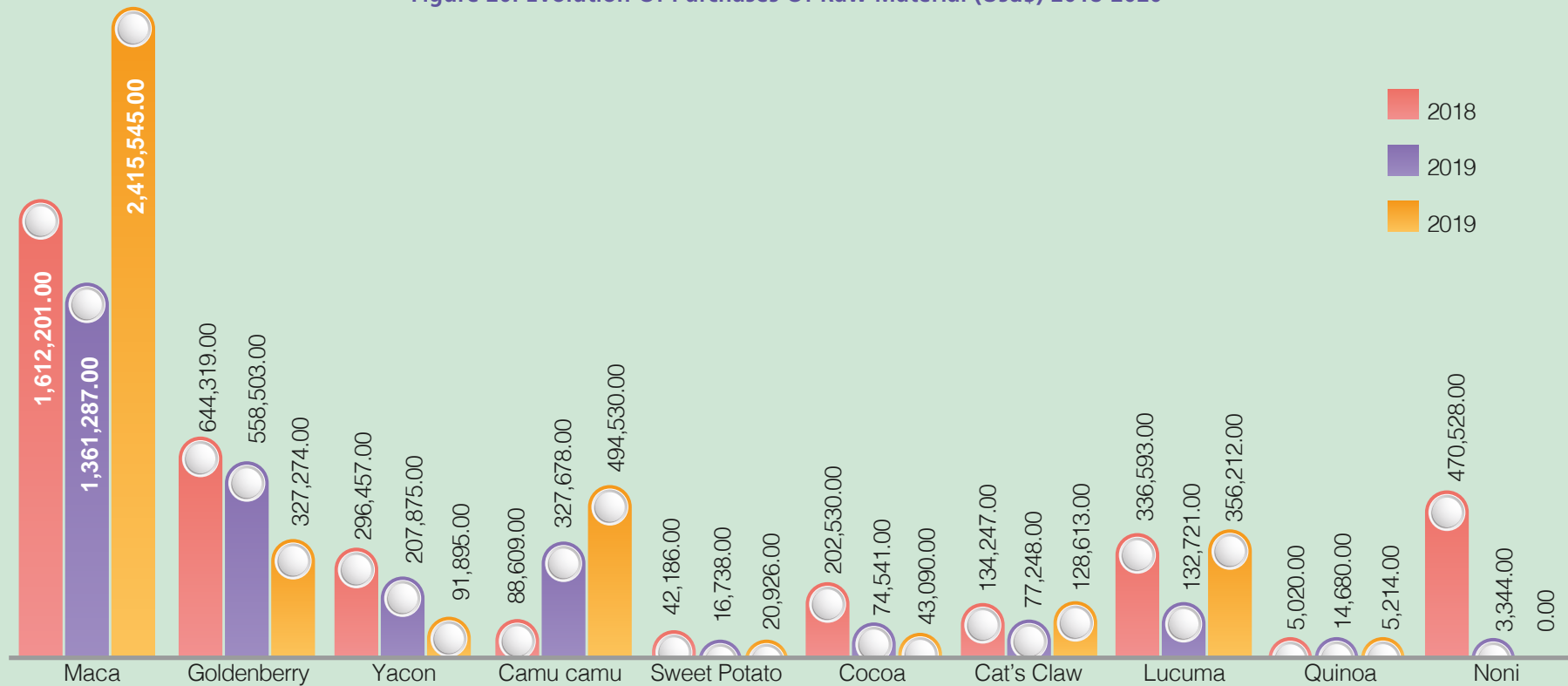
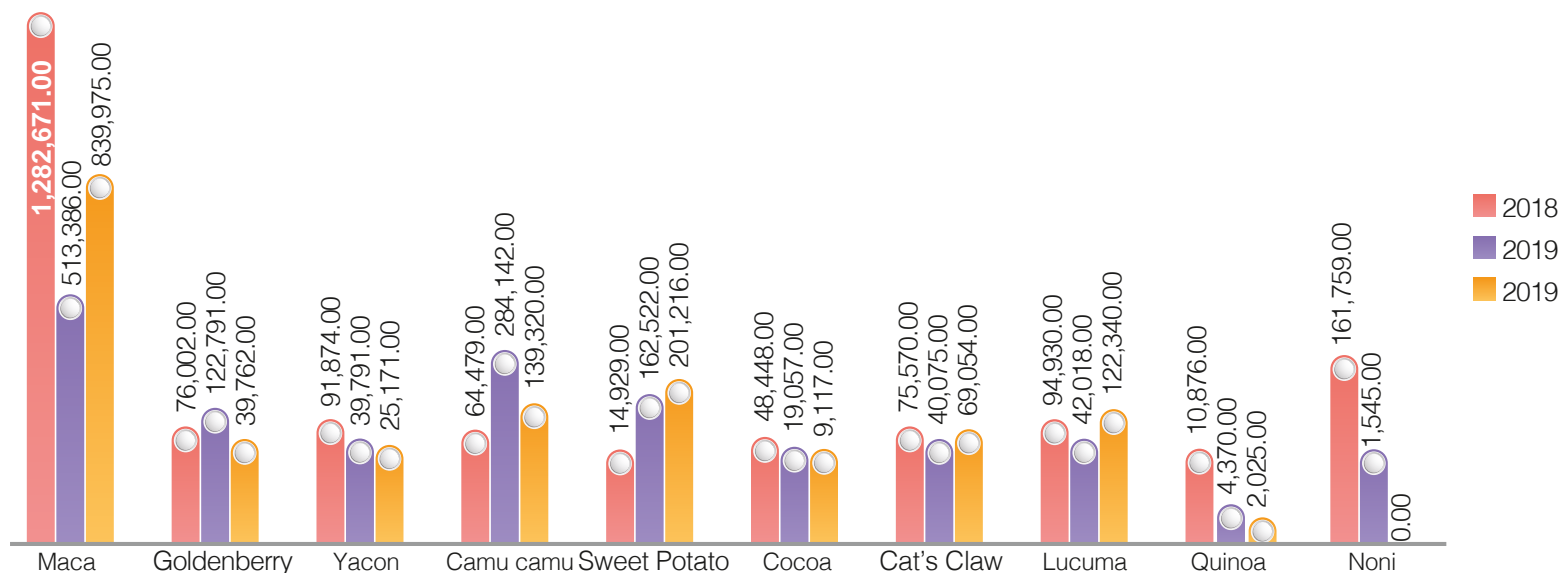




Figure 21. Evolution Of Purchases Of Raw Material (Kg) 2018-2020



OUTSTANDING VALUE CHAINS 2019 AND 2020

1.- Value chain of Camu Camu

The value chain of camu camu begins with its production in certified organic fields, which are located in Yarinacocha (Ucayali) and belong to a formal company, which collects from individual producers. The activities in the field include: sowing, harvesting, storage and transportation until it is delivered to the plant. 100% of the volume of this production is directed to our plant. For sowing and harvesting, three people are required per hectare and a single person is required to maintain the fields. For their entry into the plant, they previously had to meet physical and quality parameters, such as size, color and specific maturity. Once in the plant, the activities of washing (cleaning), cutting, dehydration, grinding, spraying, bagging and storage are carried out, under standardized parameters that allow them to maintain their organoleptic characteristics. Subsequently, they are sent to the international market (aimed at distributors and manufacturers in the USA) and national (exporters), which increased their demand due to their ability to strengthen the immune system thanks to their high vitamin C content, thus responding to the impact that the

Covid19 pandemic has had and continues to have as has been commented throughout this document. (102-9)

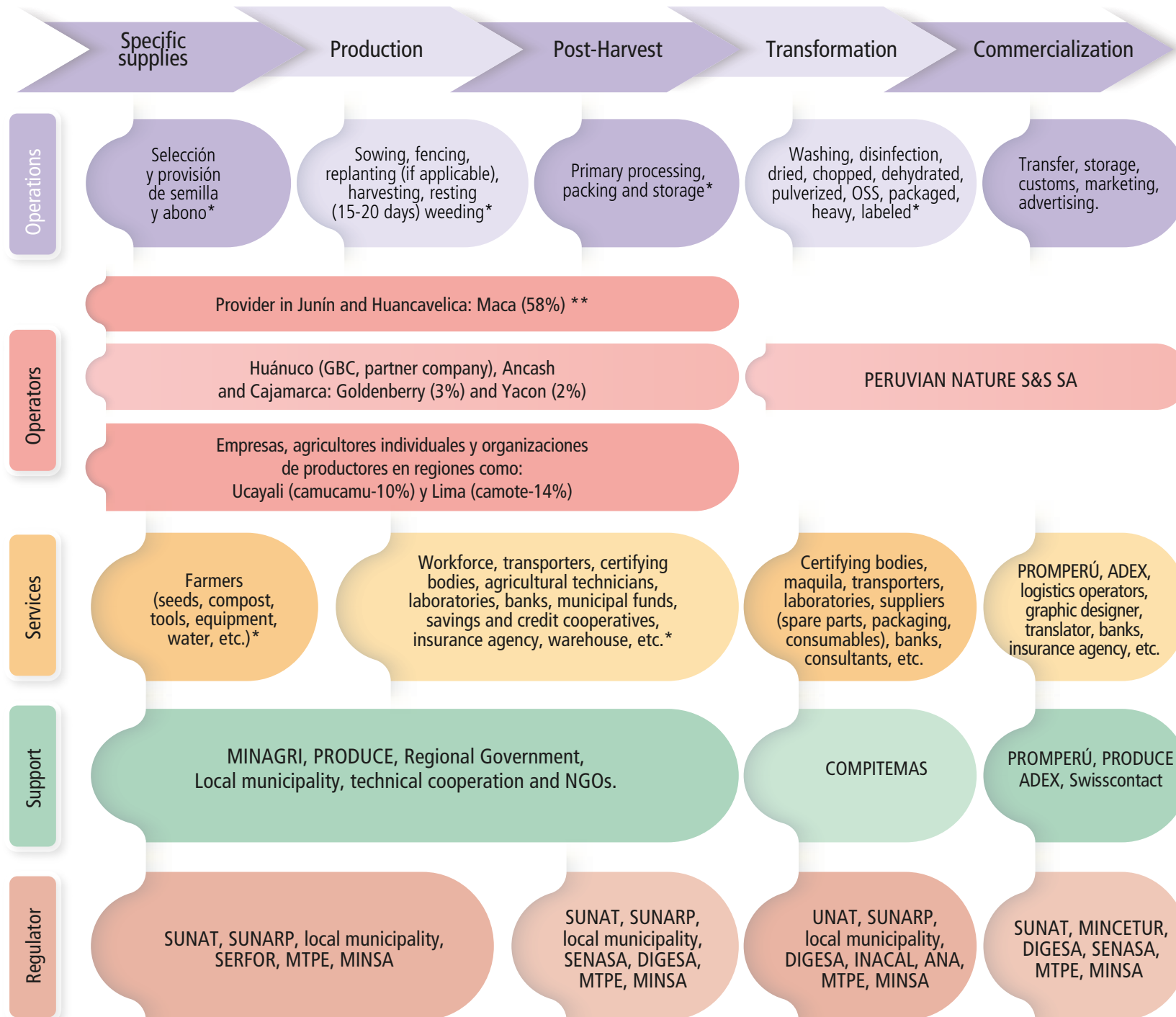
2.- Value chain of sweet potato

The sweet potato value chain begins its production in fields located in Huaral, Huacho and Barranca (Lima), an area also known as "Norte Chico", and that belong to an individual farmer (formal company), which also collects from other individual producers. The activities in the field include: planting, harvesting, storage and transportation until it is delivered to the plant. As in the case of camu camu, 100% of the total volume of production is directed to Peruvian Nature. For sowing and harvesting, 10 people are required per hectare and four people are required to maintain the fields. To enter the plant, they must previously meet the physical and quality parameters indicated. Once in the plant, the activities of washing (cleaning), cutting, dehydration, grinding, spraying, bagging and storage are carried out, in other words, processing activities that do not alter the organoleptic characteristics of the product. The final product, sweet potato flour, is basically aimed at meeting the demand of national and international markets and supermarkets, which establish prices based on specific calibers (sizes). (102-9)





Figure 22. Mapping of Peruvian Nature's value chain 2020 (GRI-102-9)



* It will depend on the type of product.
 ** Percentage of the total supply volume.

OUR SUPPLIERS - PROCUREMENT PRACTICES



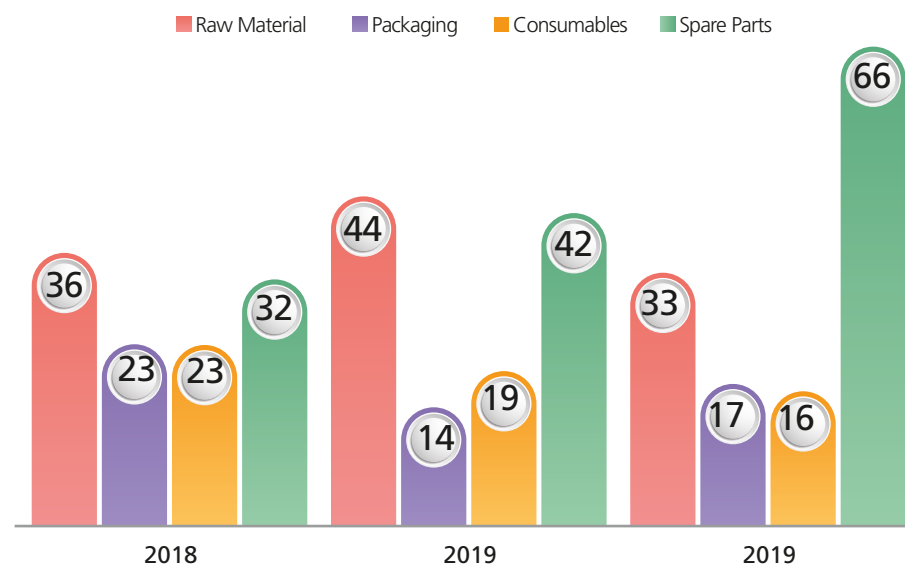
Suppliers

Each area of the company has specifically approved suppliers to meet its requirements. The "expenses" account of the Administration area includes suppliers of financial, legal, human resources, minor purchases, accounting, representation expenses, patents, per diem, transportation, information technology, among others, which add up to a total of 396 suppliers, representing 62% of the company's total suppliers, followed by the area of Maintenance (15%), Exports (9%), Logistics (5%), Marketing (5%), Production (3%) and Quality Assurance and Control (2%). These proportions are repeated every year.

In terms of the type of suppliers by expense (\$USD), raw material purchase suppliers, in 2019, are those that occupy the largest share (67%) of the total suppliers, followed by administration and human resources (10 %), maintenance (6%), exports (5%), assets and others (5%), logistics (3%), production (2%), quality (2%) and marketing and sales (1%). This participation (%) of suppliers by expense is repeated in 2020. The Production, Quality Assurance and Control, and Maintenance areas request the acquisition of production materials, such as raw materials, packaging, consumables and spare parts, from the company's Purchasing area since the magnitude of the expenditure (\$USD) of raw materials represents the largest of all the company's acquisitions.

Regarding production materials, raw material suppliers represented the largest in number in 2019. The following year, there was a reduction in this number, due to the health situation, which forced the abandonment of fields of cultivation owing to the increase in the costs of agricultural inputs and lack of labor (source: corroborated information and from our own suppliers). On the other hand, spare parts suppliers doubled (66) the number of raw material suppliers (33), which is due to the expansion of the plant and the mobilization of administrative areas. (103-2, 308-1, 413-1)

Figure 23. Evolution Of Number Of Suppliers By Production Material 2018-2020



Commodity Suppliers: Features

To better visualize the analysis, we will focus on the suppliers of the ten main raw materials according to their acquisition volume (kg) over the past years, these being: maca, cocoa, lucuma, noni, tara, sweet potato, cat's claw, camu camu, goldenberry and yacon. The suppliers of these products come from different regions of the country, such as Junin, Huanuco, Ancash, Huancavelica, Ayacucho, San Martin, Cajamarca, Amazonas, Ucayali and Lima. (204-1)

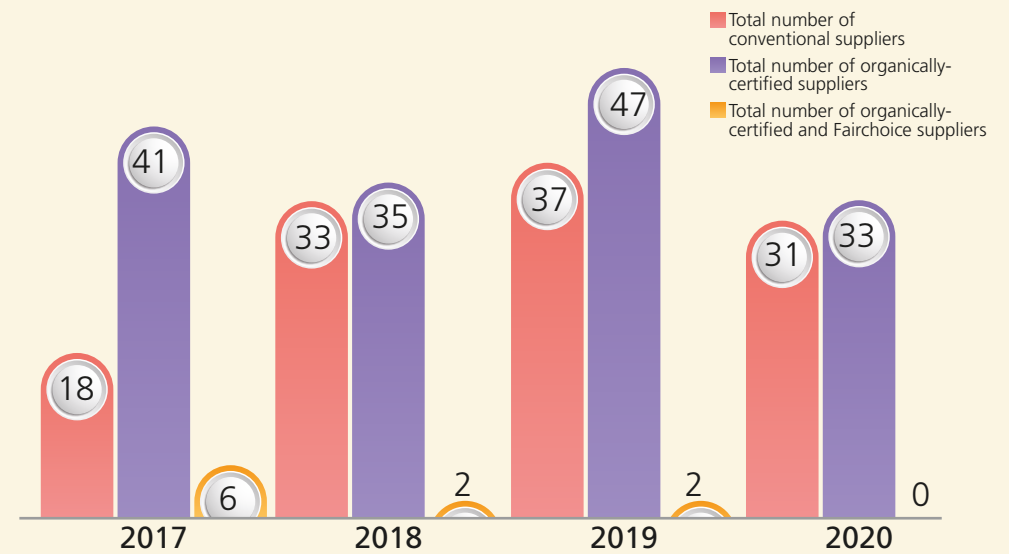


Figure 24. Location of supply areas of main products, 2019 and 2020



Since 2017, the number of certified organic suppliers has been oscillating, ranging from between 33 and 47 suppliers with a maximum peak in 2019. In 2020, there was a reduction of 14 of these suppliers, due to the health situation that forced the abandonment of cultivated fields, due to the increase in the costs of agricultural inputs and lack of labor, and thus stopping the payment for organic certification in said fields. As for suppliers with FairChoice, these remained in 2019 compared to the previous year; however, currently none of these are being worked on due to new customer requirements, such as the SMETA program. (103-2, 308-1)

Gráfico 25. Evolución del número de proveedores certificados 2017-2020



The cultivated hectares with organic certification add up to 2,647 in 2019, representing a reduction of 17,114 hectares compared to the previous year (19,760). This reduction was led by a fall in the number of organic hectares of cocoa, which went from 18,211 hectares (2018) to 926 (2019) due to the fact that the United States and the European Commission established stricter national regulations for the importation of products related to the maximum importation limit of products of certain pesticides and heavy metals, which forced us to analyze cocoa samples from our suppliers in accredited laboratories. The analysis demonstrated that said product did not comply with the standard and thus, we could not continue working with these suppliers. (308-1)



In 2020, the fall in hectares of cocoa continued (-2%), but also those of other crops, such as maca (-18%) and lucuma (-112%) due to the health situation as explained above.

Figure 26. Evolution In Number Of Organic Hectares Of Raw Material Suppliers, 2018-2020

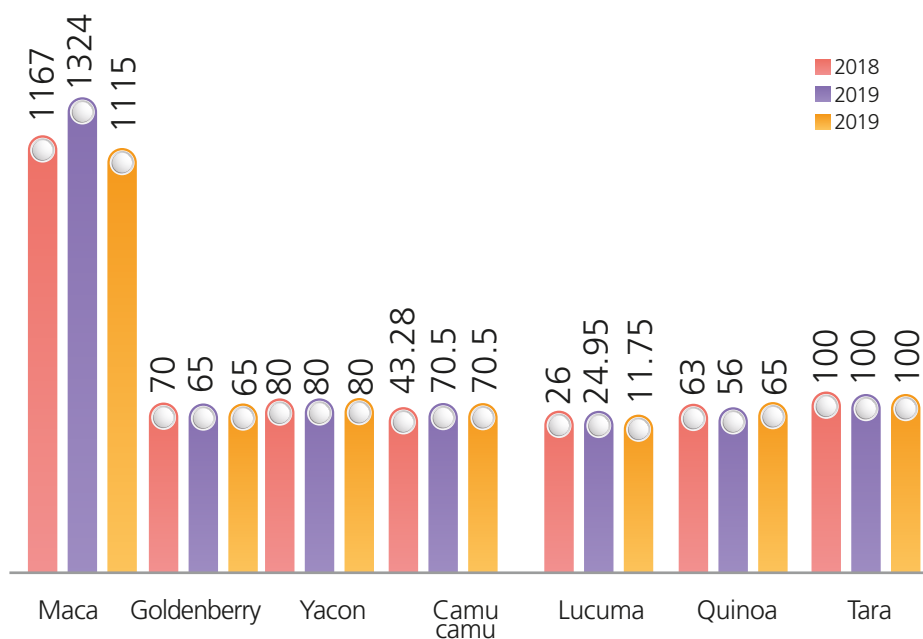
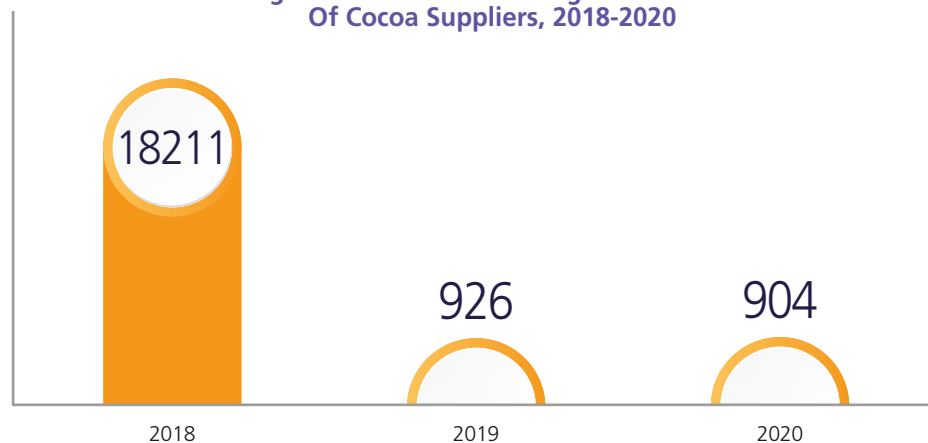


Figure 27. Evolution Of Organic Hectares Of Cocoa Suppliers, 2018-2020



Note: To improve visualization, the evolution of the organic hectares of cocoa has been separated from the other products.

Procurement Practices

Procurement Procedures:

The Peruvian Nature procurement procedure was updated in 2018 and implemented the following year. The changes made seek the optimization of the procurement process through the reduction of service time (from 28 to 16 days for regular purchase products) based on a projection of sales (according to the season), as well as on the opportunity cost of provisioning in charge of the Procurement area. (102-10, 103-2)

Policies and/or Standards at the Procurement Level

In 2019 and 2020, the policies and standards of quality assurance and social responsibility of the purchased materials and delivered products are maintained throughout the supply chains (103-2) as follows:

a. Food safety:

- Affidavit: a document that guarantees the commitment of each of our suppliers to maintain the production and transformation processes under food safety standards. Suppliers sign these declarations prior to initiating operations with us. These documents are renewed annually. (416-1)

- Food safety requirements as part of the BRC standard. (416-1)

b. Organic:

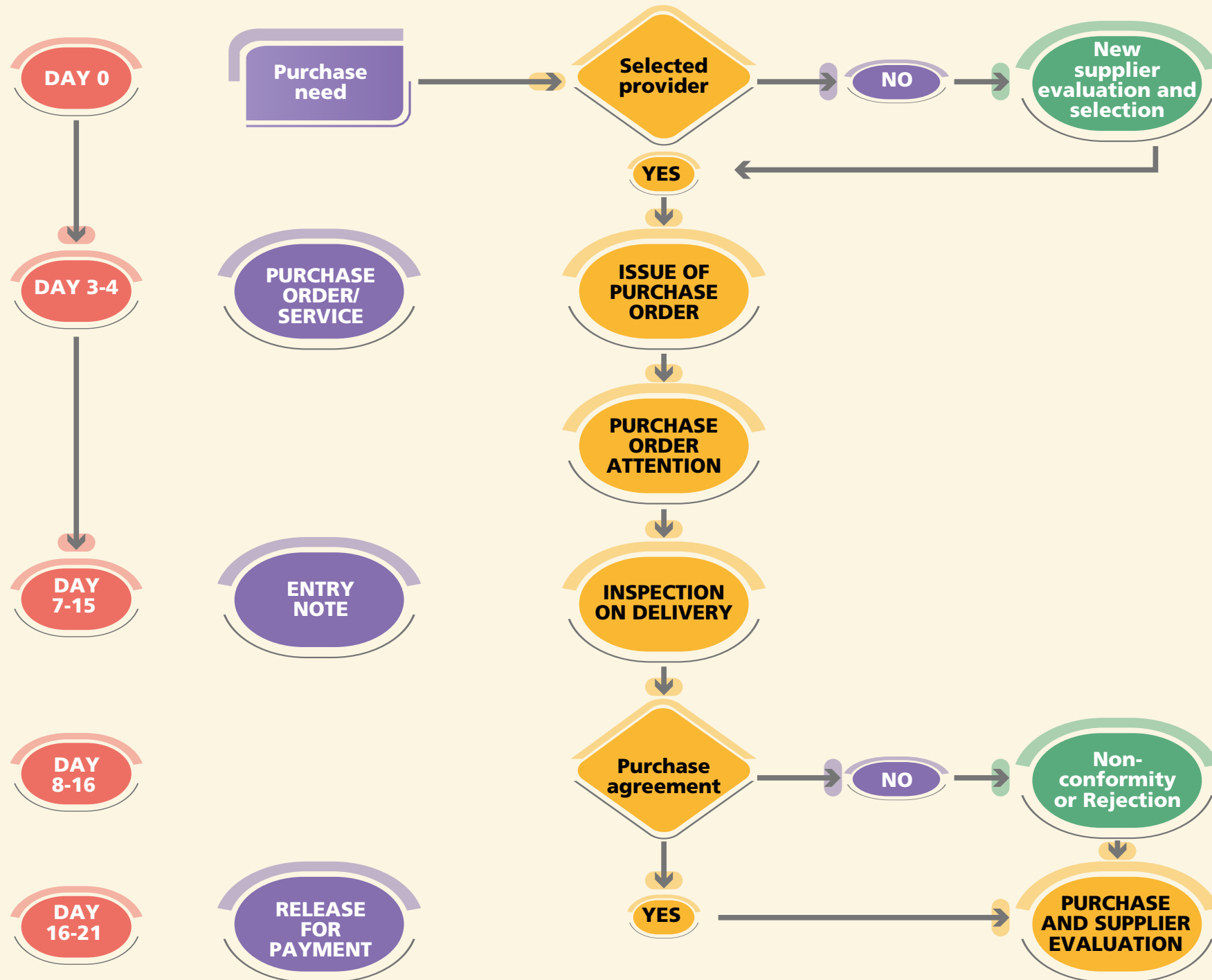
- Certificate of Transaction: our suppliers of organic products must guarantee that they apply the organic standard (USDA, EU, JAS and RTPO). To do so, they share their transaction certificates with us, which confirm that the inspection was approved by a third-party certification body and, thus, provide products with organic certification. (308-1)

c. Social Responsibility and Fair Trade:

- Affidavit: document signed by our suppliers, which guarantees that they prohibit all child exploitation and forced labor in their operations. Likewise, it is signed before the start of operations with us and renewed annually. As far as possible, we carry out inspection visits of the operations of our suppliers. (308-1, 408-1, 409-1)

PROCUREMENT PROCEDURES:

Figure 28





ENERGY





Electric power

In 2019, the ratio of electrical energy consumption (kg produced per US dollars of electricity) and total electricity consumption in kilowatt-hours and monetary value increased by 36% (from \$USD 0.062 per kg produced-2018 to \$USD 0.098 per kg produced-2019), 2% (going from 524,890 KHW to 534,080 KHW) and 5% (going from \$USD 64,832 to \$USD 68,023), respectively. This is due to the fact that there was a greater volume of fresh raw material that entered the plant in 2019 (137 MT) compared to the previous year (31 MT), which requires a greater amount of electricity in the dehydration processes as they are products with a higher level of humidity. However, despite having increased the acquisition of fresh raw material (160 MT) and therefore electricity consumption in kilowatt-hours (626,598 KHW) by 2020, this ratio decreased by 49% (reaching \$USD 0.070 per kg produced on average that year), as well as the annual electricity consumption (-3%) in monetary value (reaching \$USD 65,814). (302-1) This was due to the following factors (302-4, 302-5):

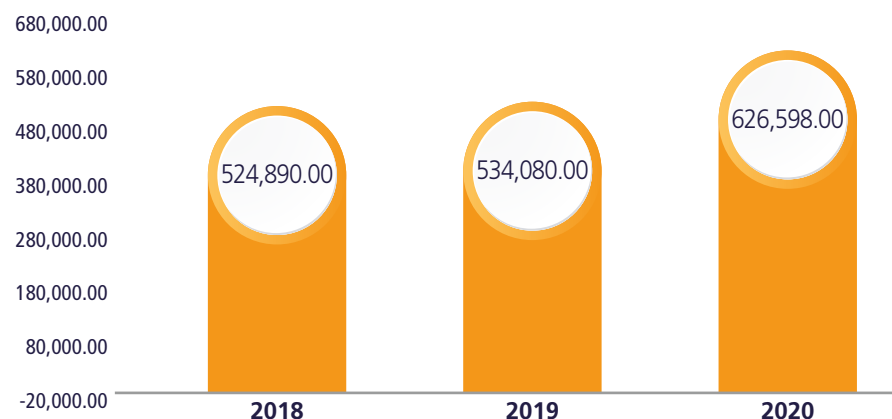


We are working with a new electricity supplier (103-2), which has a different form of billing that positively impacts our electricity consumption.

- We are working with a new electricity supplier (103-2), which has a different form of billing that positively impacts our electricity consumption (\$USD). Previously, the former provider calculated an increase or decrease in the rate according to the hours and day of consumption, and the maximum peak generated in a month's period. The new vendor's rate is based on a uniform cost throughout the day and a "matching power".

- The COVID19 "curfew" limited the operation of the plant to certain days and times; for example: Monday through Friday, the plant closed at 4 pm; and, on Saturdays, it was not fully operational. Thus, the reduction in the use of machines led to a decrease in electricity consumption (\$USD).
- In 2020, a bank of capacitors has been implemented to compensate for the reactive energy generated in our plant and thus avoided any overheating in the substation providing electricity. (103-2) When such damage occurs, our supplier issues a fine that translates into cost overruns for electricity consumption.

Figure 29. Evolution of Energy Consumption (KWH) 2018-2020



10. Fresh raw material contains an amount of moisture ranging from 76%-86%, with respect to another category of raw material from which the company supplies itself (7%-14%).
 11. The previous supplier builds a rate based on the cost per consumption of KWh during "rush hour" (Monday to Saturday, from 6:00 p.m. to 11:00 p.m.), which is higher than the consumption in "off-peak time" (other times). Hence, the cost of electricity consumption also depends on the day of greatest demand ("maximum power") during the month (it does not matter that during a particular month - as a whole - less amounts were consumed, because the peak demand will always be paid).
 12. The "coincident power" is the consumption generated when the national peak occurs each month. In other words, the new supplier calculates the customer's power charge based on the day of "national peak power", regardless of its maximum power on that day.

Figure 30. Electric Energy Consumption vs/ Volume Of Fresh Raw Material, 2018-2020

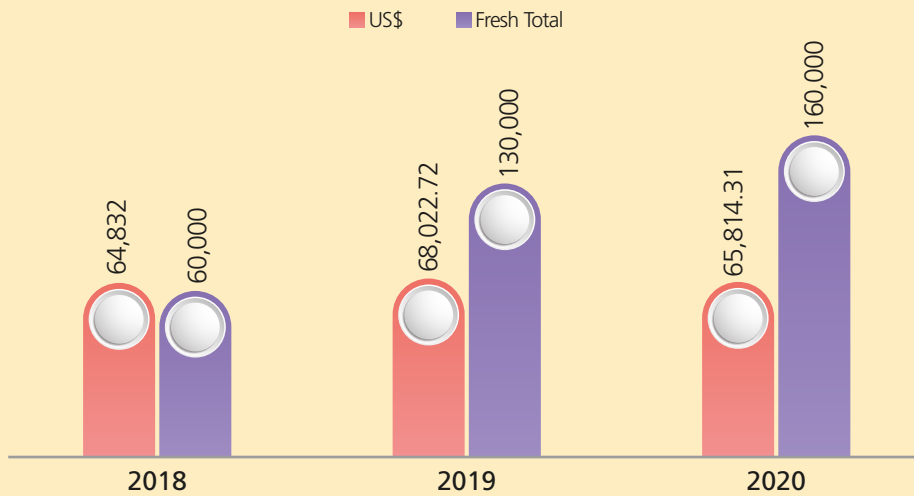
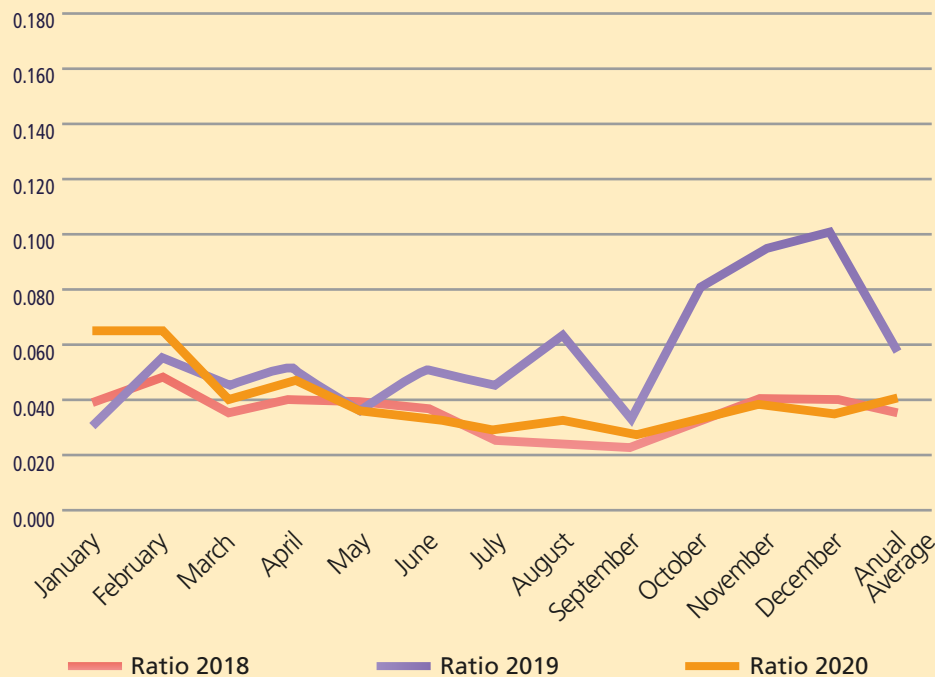


Figure 31. Evolution Of Electric Energy Consumption (Kg Produced By Usd\$ Of Electricity) 2018 - 2020

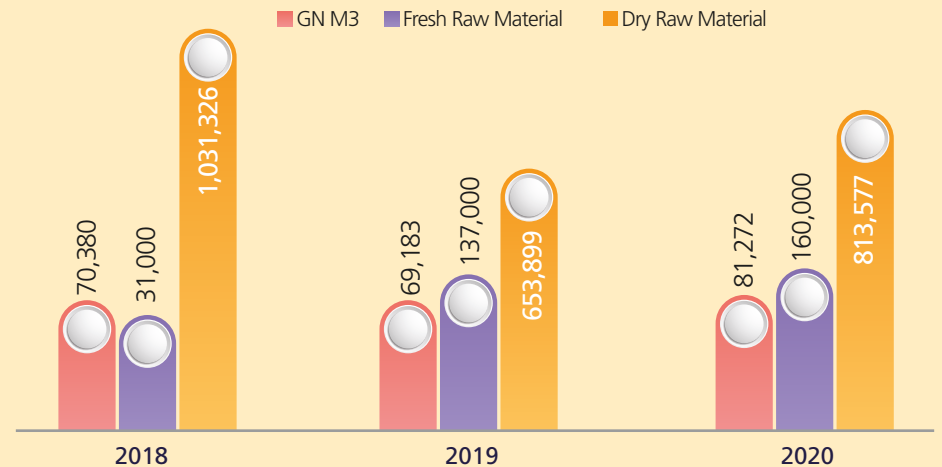


In the previous sustainability report, the need was raised to have a system that controls the high energy variations generated when turning mill 1 (plant 1) on and off in order to reduce electricity consumption and, at the same time, continue with our processes. This mill must be constantly turned off to clean the filter and to try to maintain its performance throughout the day.¹³ However, the acquisition of a new one has been proposed in 2021, which would not require the constant cleaning of the filter and would provide a constant and improved performance throughout the day. (103-2)

Natural Gas Consumption

The consumption of natural gas reduced by 2% in 2019 compared to the previous year due to a considerable decrease (-58%) in the consumption of pre-dried raw materials (e.g., grains, lucuma, roots, herbs and barks in powder), which require less dehydration time in the plant compared to fresh raw materials. In fact, the volume of pre-dried raw materials was higher compared to fresh materials, despite the fact that the latter increased their acquisition by 77% in said year. However, this natural gas consumption increased by 14% by 2020 due to a greater purchase of pre-dried (+ 20%) and fresh (+ 14%) raw materials compared to the previous year. (302-1)

Figure 32. Evolution In Natural Gas Consumption (M3) 2018-2020



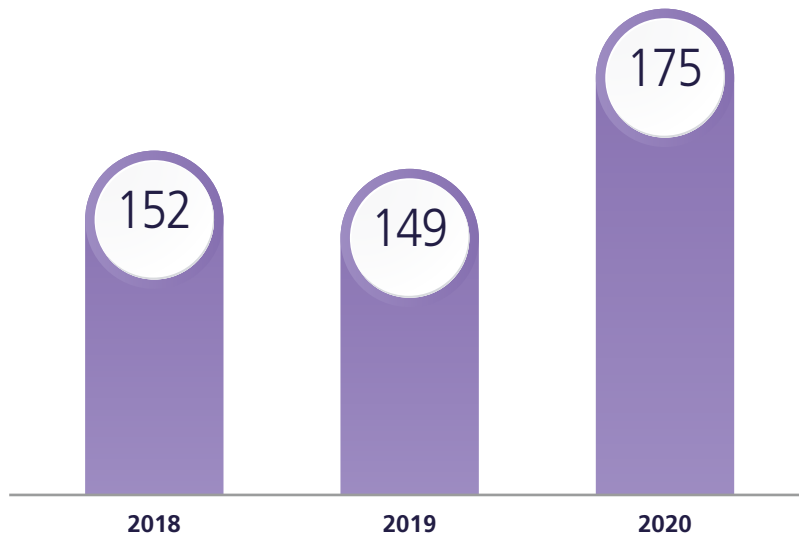
13. Despite the constant cleaning of mill 1's filter, its performance capacity decreased at the end of the day.



Emissions

The CO2 emissions resulting from the company's operations are proportional to the consumption of natural gas, for which, by 2019, 149.3 MT of CO2 have been generated, representing 4% less than in 2018. However, by 2020, the increase in natural gas consumption therefore generated an increase in CO2 emissions (+ 46%). As part of the "Program of Good Business Eco-efficiency Practices" (PROMPERÚ), we seek to achieve greater efficiency in the coming years ("produce more with less") and reduce emissions from our processes that contribute to Global Warming. (103-2, 305-1)

Figure 33. Co2 Emissions (Mt) By Natural Gas Consumption (M3) 2018-2020



The conversion factor from natural gas (m3) to kg of CO2 is the one used by the Department of Agriculture, Livestock and Environment of the Government of Aragon (Spain) in which:

$$\text{m}^3 \text{ of natural gas} \times 10.7056 = \text{Amount of KHW.}$$

$$\text{Therefore: } 1 \text{ kg of CO2} = \text{Amount of kWh} \times 0.2016 \text{ (305-1)}$$



WATER AND EFFLUENTS





Water supply

In 2019, the water supply used by Peruvian Nature comes entirely from the daily purchase of groundwater from a single supplier, which meets the requirements of the Regulation of Water Quality for Human Consumption DS N °. 031-2010-SA, such as: Authorization for the operation of the well (local municipality), authorization for water extraction (National Water Authority-Ministry of Agriculture), proof of authorization and disinfection of the tank truck that transports the water to the plant (every six months) and results of physicochemical and microbiological analysis (annually) by a laboratory accredited by INACAL (under the ISO/IEC 17025: 2017 standard) at the national level; in order to demonstrate that the water supplied and used during all our processes is below the permissible limits. These requirements are also constantly monitored and inspected by our Quality Assurance and Control area as part of our quality system.

In addition, we carry out monthly microbiological and physicochemical analyses (chlorine content) in our laboratory as part of the internal controls of the company and, in line with said regulation, once again, microbiological (covering all the microorganisms indicated in this regulation), parasitological, organoleptic, chemical inorganic and organic samples from our well (where the supplied water is stored) on an annual basis. On the other hand, since August 2020, we are working with a new provider who, in addition to all the aforementioned requirements, is being requested the sanitary authorization of DIGESA. (103-2, 303-1, 303-3)

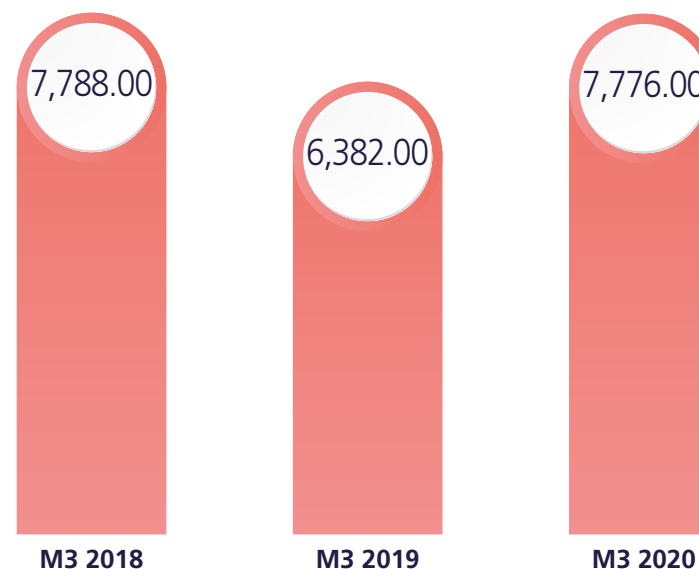
Water consumption

In 2019, water consumption reached 6,382 m3, 22% less than the previous year (7,788 m3). This is due to a decrease in the total volume of raw materials purchased and processed (790,899 kg) compared to the previous year (1,062,326 kg).¹⁴ Likewise, the consumption ratio reached 0.092 soles per kg of water, which represents an increase of 28% with respect to the previous year. This difference between the total water consumption and the ratio in said year is due to the fact that the latter depends on the amount of fresh raw material treated (137 MT) in the

plant compared to the previous year (31 MT) for which a greater amount of water was used in its disinfection. (303-5)

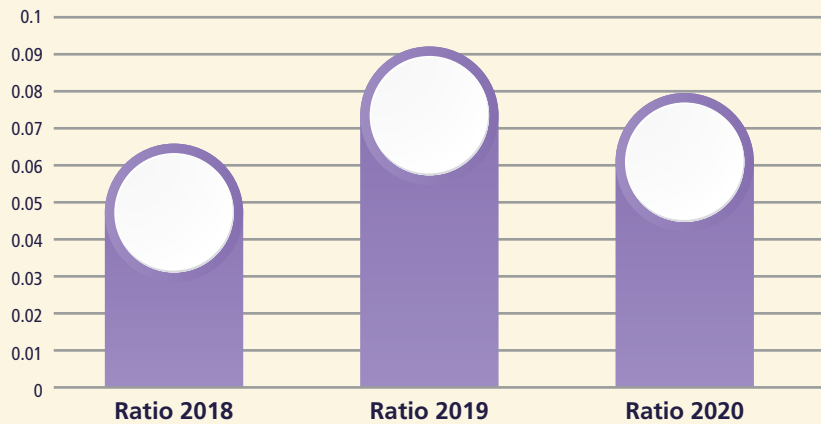
In 2020, consumption increased by 14%, reaching 7,776 m3. This is due to an increase in the total volume of raw material acquired, reaching 973,577 kg in said year. Similar to 2019, the water consumption ratio decreased by 15%, resulting in a consumption of 0.08 soles per kg of water. This is due to the fact that, despite an increase in fresh raw material that year (160 MT), currently less machine washing is required (product change in process) due to adjustments at the level of the processing line compared to the previous year. (103-2) In other words, previously, one day of washing of these machines was required for one week of use, yet currently, only one day is required for every two weeks of use, thus achieving an increase in the supply of raw materials. (303-5)

Figure 34. Annual Water Consumption (M3) 2018-2020



14. The water consumption is proportional to the kg manufactured and the variety of products since the more diverse the production, the more the machines will be washed and therefore, more water will be consumed. Certain products also have to be washed, which will again influence the amount of consumption.

Figure 35. Ratio Of Annual Consumption (Usd\$) Of Water Per Kg Of Product, 2018-2020



Technology and Water Use

In 2019 and 2020, we maintained the 50% optimization in a cistern as “hard water” (untreated water) for cleaning the production areas. The other 50% is directed to a cistern that is used specifically for reverse osmosis treatment, generating “soft water” (lower degree of salinity), which is - in turn - directed to the production areas. In the osmosis process, 20% of water is lost (“rejection water”), which is directed to bathrooms, changing rooms and the footbath (cleaning boots) thanks to an exclusive cistern that works with a pumping system. (103-2, 303-2, 303-5)



In 2019 and 2020, we maintained the 50% optimization in a cistern as “hard water” (untreated water) for cleaning the production areas.

Water Effluent

Regarding effluents, every year, we pass SEDAPAL controls, which consist of analyses to determine that the water quality is within the permissible physicochemical parameters. (103-2, 303-4) The very nature of the company's production facilitates that these parameters are not exceeded, because the raw material that enters the plant is only transformed in terms

of its form, without adding any chemical element that could alter its organic load. In this way, the water effluents only correspond to the washing carried out on certain products and machines (adding liquid detergents for the food industry approved by DIGESA). (303-4, 306-1) However, in 2019, there was a notification from SEDAPAL for exceeding the Maximum Admissible Values of suspended solids, established by Supreme Decree No. 021-2009-Ministry of Housing, which we have corrected by implementing grids, a trap with filters and a percolator for the retention and separation of these solids. The solids-free effluent has been directed to a specific point for sampling and corroboration that said effluent does not contain organic waste that may impact sanitary conditions at the local level. (103-2, 103-3, 303-2, 306-3)





BIODIVERSITY



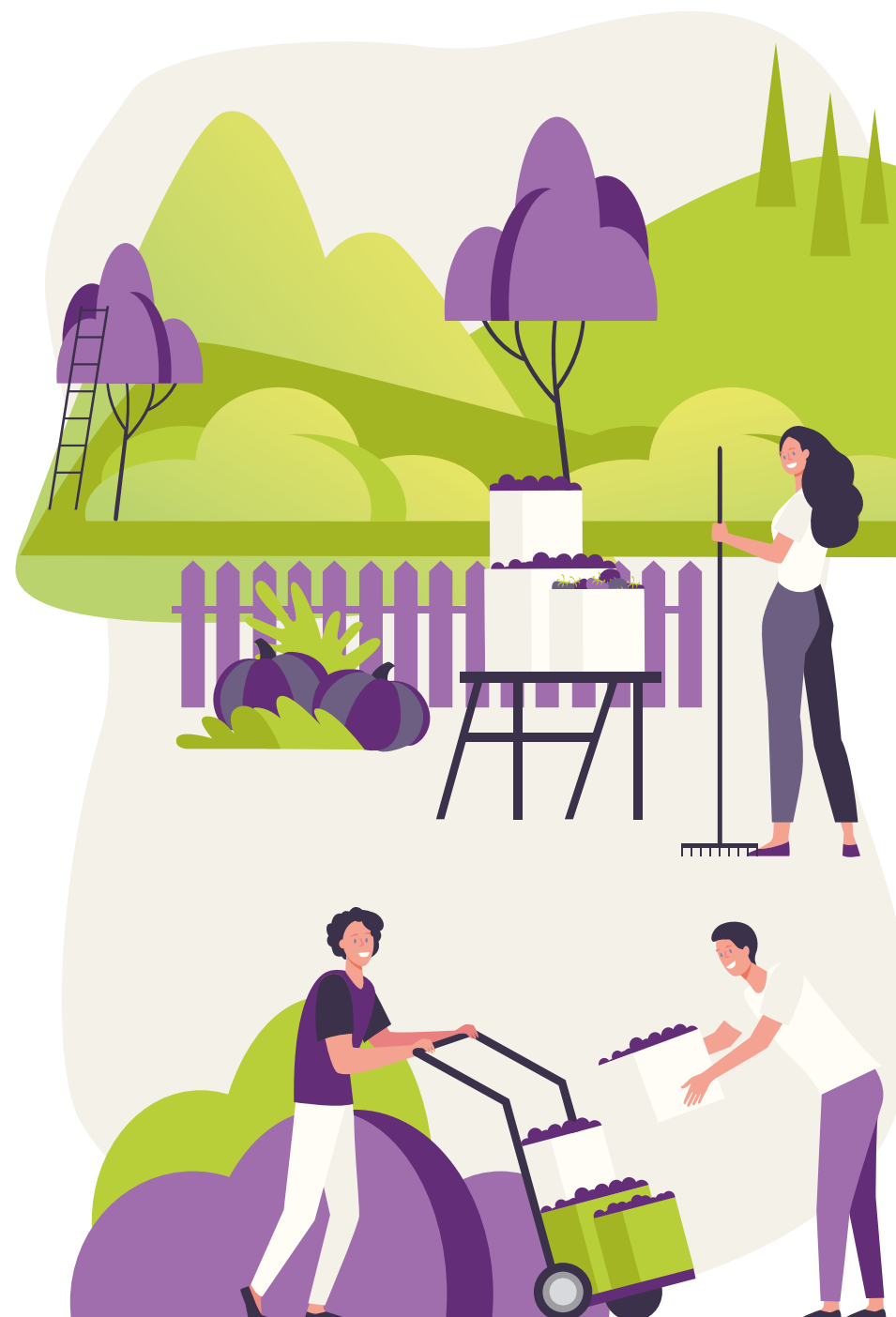
At Peruvian Nature, we are aware of the great importance that biodiversity represents in our business model since there are 17 products¹⁵ of our total portfolio of raw materials and that come from Peru's biodiversity, and they do not represent threatened species (contained in the red list IUCN), from which we source and process to satisfy the requirements of our national and international clients. Previously, we participated in Biotrade projects, such as Perubiodiverso (GIZ & SECO), Trade, Climate and Environment Program (International Trade Center), and Biocomercio Andino (GEF & CAF & PROMPERU) with which we promoted these products and likewise we were evaluated in the Biotrade Principles and Criteria (UNCTAD) to participate in these projects. As part of these evaluations, it was confirmed that our operations and suppliers of our main product of Peruvian biodiversity, such as maca, are based on conservation and sustainable practices, in addition to promoting an equitable distribution of economic benefits along this value chain. Currently, we maintain these practices and seek to approve a new inspection of these principles and criteria by PROMPERU to continue guaranteeing a management model based on a Biotrade approach.¹⁶ (102-11, 103-2, 103-3, 304-2, 304-4)



In 2019 and 2020, the segregation system is maintained to classify, quantify and dispose of a collection area for solid waste, both recyclable and non-recyclable, as part of the requirements of the BRC criteria.

15. According to PROMPERU (2014), the Peruvian native biodiversity products of form part of our commercial offer include: maca, yacon, algarrobo (carob), tara, goldenberries, lucuma, camu camu, cat's claw, chanca piedra, chuchuhuasi, huarnapo macho, maíz morado (purple corn), quinua, kiwicha, cañihua, cocoa and sacha inchi.

16. Biotrade or sustainable trade in biodiversity is a business model that takes into account the three fundamental pillars of sustainability: economic profitability, biodiversity conservation and consideration of social aspects. It has as its main pillar native biodiversity, which is defined as the richness of a great variety of species, genes and ecosystems that exist in a given area and that is used as input for the production of both goods and services in different sectors, such as food, health, textiles, and ecotourism, among others (PROMPERU, 2014).



VOLUNTARY AND MANDATORY STANDARDS

For the legal and formal operation of any company, we comply with all national and international regulations on various issues, as can be seen throughout this report. (103-2) On the other hand, in order to access markets that demand certain specifications (e.g., quality and sustainability), we also comply with voluntary standards. (103-2) At the same time, we are promoting certain modern consumption patterns, such as healthy, safe, “gluten-free”, organic, socially and environmentally responsible eating. Among these standards we have (102-12):

Quality, Labor and Food Safety

BRC Alimentos (edition 8), HACCP and GMP

Orgánico

USDA, JAS, EU and RTPO

Social responsibility

FairChoice and SMETA (coming soon)

Specific

Kosher and Gluten Free





WASTE MANAGEMENT

In 2019 and 2020, the segregation system is maintained to classify, quantify and dispose of a collection area for solid waste, both recyclable and non-recyclable, as part of the requirements of the BRC criteria. All the company's collaborators are in charge of directing the various solid waste in their respective containers. Once these are full, the quality analyst verifies that the solid waste corresponds to each container so that the cleaning operators can transfer them to the respective collection area. (103-2, 103-3, 301-3, 306-2) In addition, both segregated wastes are transferred to the company that provides services for the segregation of solid waste (EO-RS), authorized by the Ministry of the Environment, for their respective treatment (103-2, 306-4). To reinforce solid waste management, trainings on the subject are conducted for all collaborators, also highlighting the importance and benefits of this practice. (103-2)

Photo 1. Ecological Point for the Separation of Solid Wastes at Peruvian Nature



Table 4. Characteristics of the wastes and disposal types, 2018-2020

| Type of waste | DESCRIPTION | COLOR | MARKETABLE | DISPOSAL | 2018 (Kg) | 2019 (Kg) | 2020 (Kg) |
|----------------|------------------------------------|----------|------------|-------------------------|-----------|-----------|-----------|
| Recyclable | PAPER AND CARDBOARD | AZUL | YES | EO-RS | | | |
| | CYLINDER AND/OR GALLONS OF PLASTIC | BLANCO | YES | EO-RS | 12,361.00 | 11,895.00 | 5,015.00 |
| | GLASS | PLOMO | YES | EO-RS | | | |
| | METALS | AMARILLO | YES | EO-RS | | | |
| Non-recyclable | ORGANIC | MARRON | NO | Municipality (landfill) | N.A | N.A | N.A |
| | GENERAL | NEGRO | NO | EO-RS & landfill | 21,840.00 | 18,790.00 | 7,920.00 |
| | DANGEROUS | ROJO | NO | EO-RS & landfill | 0.00 | 180.00 | 0.00 |
| | TOTAL | | | | 34,201.00 | 30,865.00 | 12,935.00 |

The waste generated as part of the company's operations is solid and classified as Recyclable and Non-Recyclable. The first is divided into: a. Paper and cardboard, b. Plastic, c. Glass, d. Metals. The second is comprised of: a. Organic, b. General and c. Dangerous. The organics come from the toilets, offices and the dining room, which are transferred to the municipal garbage collection truck daily. General waste consists of utensils, materials and office and plant equipment, such as: safety boots, disposable masks and gloves, paper towels, cardboard boxes, drums, security strips, adhesive labels, pens, highlighters, rags, glasses, cleaning utensils, among others. Hazardous wastes are those items that can contain flammable, sharp, reactive and even infected material, such as: ink cartridges, fluorescent, batteries (AA, AAA, C, D, 9V, 6V, and button), paint residues, and swab tests used (detection of Covid19).

General and hazardous waste are separated and transferred to the contracted service provider company. (306-2, 306-4)

The total volume of solid waste in 2019 was 30,865 kg of which the "non-recyclable" comprised 62%, whereas the "general" type comprised 61% and less than 1% corresponded to the "hazardous" category. Organic waste did not form part of this calculation since it is separated daily through the municipal garbage collection truck. On the other hand, 39% of total waste corresponds to "recyclables". (306-2)

The following year, the total volume of solid waste was 12,935 kg of which the "non-recyclable" comprised 61% and are represented in its entirety by the "general" type waste since the "hazardous" waste will be accounted for in the year 2021 (due to a standstill in the plant's operations in December 2020 as part of the expansions at our headquarters). As in previous years, organic waste does not form part of this calculation as it is separated daily. On the other hand, again 39% of the total waste corresponds to "recyclables". As can be seen, the amount of solid waste segregated in 2020 was reduced compared to the previous year (-138%) due to the decrease in the presence of administrative staff in offices due to preventative measures against Covid19. The information previously presented and analyzed has been compiled through the certificates delivered by EO-RS. (306-2)

Strategic Alliance with Aniquem

In 2020, a strategic alliance was made with the Non-Governmental Organization, Aniquem, in order to direct a specific volume of solid recycling waste (e.g., cardboard, paper and plastic bottles), for the purposes of its sale and thus generate income that can contribute to education vis-à-vis preventing burn injuries and for medical treatment of children burn victims living in vulnerable situations. Donations of this waste will begin to be provided to said organization as of 2021. (103-2, 203-1, 413-1)





ENVIRONMENTAL COMPLIANCE

Due to the aforementioned, Peruvian Nature has not incurred penalties, fines or serious misconduct in environmental matters. (103-2, 103-3, 307-1)



EMPLOYMENT





Our Hiring Policy

Types of Contracts

Peruvian Nature has three types of annual contracts: (102-8)

1. Specific time contracts: full-time collaborators with a duration of participation in the company measured in months (from three to 12 months), with the option of renewal. This contract covers the largest number of collaborators at the company:

- 2019: 43 (65%) of a total of 66 collaborators.
- 2020: 44 (64%) of a total of 69 collaborators.

2. Stable contracts: full-time collaborators whereby their contract has been constantly renewed every three years, culminating in their retirement or separation.

- 2019: 23 (35%) of a total of 66 collaborators.
- 2020: 25 (36%) of a total of 69 collaborators.

3. Receipts for fees (fourth category): external personnel in charge of carrying out specific jobs. As is the case every year, the various areas of the company hire various service providers to carry out specific jobs, which are paid under this modality.

Entry-level Work Requirements

In 2019 y 2020, the entry-level work requirements include the following:

1. Minimum age of 18 years (verified through presentation of identity document) (408-1);
2. Police records;
3. Updated resume;
4. Copy of national identity card;
5. Copy of rights-holders (ID of under-age children);
6. Copy of water or electricity bill;
7. Opening of an account to deposit salary;
8. Health card for the handling of food (only for production, warehouse and cleaning operators, and clerks who have direct contact with the product); and
9. In mid-2020, a negative Covid19 test was included, which is paid for by the company.

Social Benefits for Collaborators Hired for Specific and On-going Periods of Time

We provide our collaborators with social benefits based on the Labor Productivity and Competitiveness Law (Legislative Decree No. 728) (103-2, 401-2), such as:

- Holidays;
- Compensation for time of service; and
- Bonuses in the months of July and December.

However, in 2019 and 2020, new benefits have been incorporated, in accordance with new national regulations, but also voluntary benefits. (103-2) Both are aimed at all collaborators and are entirely covered by the company:



Table 5. Mandatory and Voluntary Social Benefits, 2019 y 2020

| Type of social benefit | 2019 | 2020 |
|---|--|---|
| Mandatory | | |
| Life insurance | Up until 2019, the collaborator was provided with (private) life insurance only after the fourth continuous year of work with the company. | As of January 2020, all collaborators have (private) life insurance from the moment they enter the payroll, which is paid for by the company. |
| Health insurance | EsSalud: Consultations or medical attention for common diseases (general medicine). Complementary Risk Work Insurance (SCTR): Covers health care and pension in case of work-related accidents. | |
| Incapacity or disability coverage | Both the EsSalud and SCTR insurances cover the care of all collaborators in the event of incapacity or disability, either due to common illnesses or work-related accidents. Hence, the worker receives his/her regular remuneration for up to a maximum of 360 days (assumed by the employer for the first 20 days. As of day 21, the company receives a subsidy from EsSalud to cover these costs for the remaining 11 months and 10 days). In case the collaborator is declared permanently disabled by the EsSalud Medical Committee or the SCTR insurance company, the pension of said collaborator is processed. | |
| Retirement provision ¹⁷ | Options of pension systems for retirement with different discounts (%) on monthly remuneration (201-3): ONP: 13% AFP: Approximately 12% | |
| Shareholding or profit sharing | Distribution of 10% of the profits obtained from the previous year to all collaborators who worked during that period (Legislative Decree N 677). | |
| Parental leave | Maternity leave: 49 days of prenatal rest and 49 days postnatal. Paternity leave: Since 2019, this has been extended from four to ten days based on Law No. 30807. In special cases, it is extended to 30 days as shown below: • 20 consecutive calendar days for premature births and multiple deliveries. • 30 consecutive calendar days for birth with terminal congenital illness or severe disability. • 30 consecutive calendar days for serious complications in the mother's health. Number of beneficiaries by sex (401-3): 2019: Four women and two men. Of this total, a woman finished her maternity leave in August 2019 and withdrew from the company in February 2020. In the absence of support, the collaborator turned all her attention to caring for her baby. 2020: A male, terminated his contract at the beginning of 2019, and retired from the company at the end of the same year. | |
| Voluntary (Benefits and Incentives) (GRI 402) | | |
| Agreement with local polyclinic (Virgen de Guadalupe - Lurin) | Monthly medical visit service (general medicine) to the company. | Medical appointments are made in the same polyclinic and only once for each collaborator. In case of Covid19, the agreement covers evaluations, treatment and discharge. |
| On site occupational nurse | | Preliminary attention to our collaborators before being referred to the polyclinic, if necessary. The nurse also makes presentations to all collaborators about prevention practices against the Covid19 virus (e.g., proper use of the mask, correct hand washing, importance of social distancing, among other issues), as well as the measurement of the Body Mass Index (BMI) in order to provide informed recommendations regarding healthy eating habits that can contribute to weight reduction and thus, the risk of contracting more severe symptoms in case of contagion of this virus. |
| Fees above minimum wage | New salary structure. | |
| Over time | Compensation for overtime or after hours according to the Internal Work Regulations (Chapters 36-43: "Overtime Work"). | |
| Sales commissions | Sales commission scales with the aim of increasing incentives for salespersons. | |
| Bonuses for meeting objectives | Annual objectives for each area of the company. The respective heads of each area are responsible for meeting the objectives set out for his/her respective area. If they are met, the leader will receive remunerative recognition. | |
| Coupons – free hours and food coupons | Two coupons for four hours off, a coupon for half a day off for birthdays, a voucher for a KFC "Family Bucket", a voucher for a whole chicken from Norkys and two Cineplanet coupons per year for each collaborator. They were implemented in 2019 and are still in effect to date. | Only coupons for hours off and food vouchers until before the pandemic. |

17. There are two social security protection systems that function in parallel, one is the National Pension System – SNP (in its Spanish acronym), which is public and administered by the Office of Social Security Standardization – ONP (in its Spanish acronym); and the other is the Private Pension System – SPP (in its Spanish acronym), which is managed by the Pension Fund Administrators – AFP (in its Spanish acronym), supervised by the Superintendency of Banking and Insurance - SBS (in its Spanish acronym). Either option seeks to ensure a retirement pension to those contributors at the end of the cycle of their working life with our company.



Business Ethics

Internally

Since 2014, Peruvian Nature’s Code of Ethics reflects its commitment and action vis-à-vis the strict prohibition of all types of exploitation (e.g., children), forced labor, threats, coercion, harassment, abuse, violence, corruption and conflict of interests both in the work environment and in any other environment that may compromise the company. In addition, all collaborators are free to resign with prior notice to their direct manager and the Human Resources area. (103-2, 102-16, 102-25, 402-1, 408-1, 409-1). On the other hand, although there is currently no collective agreement, the company allows the labor condition of "free association" and collective bargaining, as well as the strict rejection of the application of reprisals or hostile actions. (102-41, 407-1). By 2021, the implementation of the SMETA standard will begin, which will involve updating the code of ethics in which the aforementioned elements will be made explicit and will be complemented with new ones that can improve the ethical approach of our actions.

On the other hand, the internal work regulation was updated until 2019 at the request of the Ministry of Labor, which evaluated and approved its new version. This new version includes three new policies: "Pay Equity Policy", "Sexual Harassment" and "Workplace Harassment Policy". The latter has been created of the company's own volition as it is not required by the Ministry of Labor. (103-2, 102-16)

Externally

As is the case every year, we guarantee that our suppliers are aligned with these practices under an affidavit that makes the prohibition of child exploitation, hazardous work and risk of forced labor explicit.¹⁸ This procedure is maintained every year, because we are aware of cases of child labor, including its forms of danger and risk of forced labor, in the harvest of some of our products, which mainly come from the rural highlands¹⁹ (103-2, 408-1, 409-1):

- Natural organic black maca root, natural organic fresh maca root, natural organic maca root, natural root maca, natural root maca and organic fresh maca root: Junin and Huancavelica.
- Natural yellow sweet potato: Lima



As is the case every year, we guarantee that our suppliers are aligned with these practices under an affidavit that makes the prohibition of child exploitation, hazardous work and risk of forced labor explicit.

Turnover

In terms of the total number collaborators of the company, the turnover rate has been decreasing over the last three years (From 75% in 2018 to 26% in 2020). This could represent the impact of our work climate activities and the voluntary social benefits that we are incorporating. However, we still have high turnover rates at the operative level, which has gone from 63% (2019) to 72% (2020). Yet, in terms of the turnover of administrative collaborators, this has decreased from 38% (2019) to 28% (2020). (401-1)

Table 6. General turnover percentages, 2019 and 2020

| 2018 | | 2019 | | 2020 | |
|---------------------|------|---------------------|-----|---------------------|-----|
| Total Collaborators | 75% | Total Collaborators | 44% | Total Collaborators | 26% |
| Administrative | 22% | Administrative | 38% | Administrative | 28% |
| Operators | 118% | Operators | 63% | Operators | 72% |

The turnover percentage is calculated as follows:

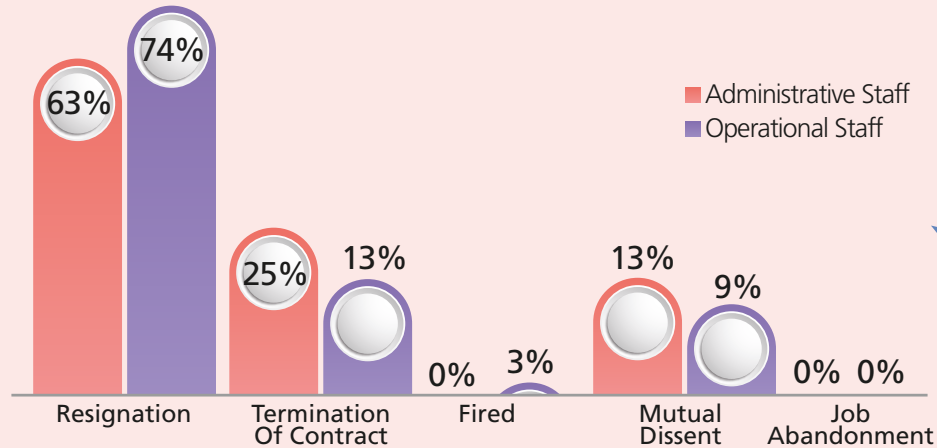
$$\text{Turnover \%} = \frac{(\text{Number of employees dismissed during year X})}{(\text{Total number of employees working during year X})} * 100$$

18. Magnitude and characteristics of child labor in Peru: 2015 Report - Analysis of the National Household Survey (ENAHU) and the Child Labour Survey (ETI) / International Labor Organization; Fundamental Principles and Rights at Work (FUNDAMENTALS); Ministry of Labor and Employment Promotion of Peru (MTPE) - Geneva: ILO, 2016.

19. According to the International Labor Organization and the Ministry of Labor and Employment Promotion of Peru (2016): "The number of children between 5 and 17 years of age working amounts to 1,619,200 at the national level, representing a rate of 21.8%. Child labor affects boys more than girls (24.1% and 19.2%, respectively). According to place of residence, child labor is 3.7 times higher in rural areas than in urban areas. By natural region, child labor is a phenomenon that is concentrated in the Sierra and Selva, while its presence on the coast is relatively minor (34.4%, 31.5% and 8.9%; respectively). By age range, child labor is 1.6 times higher for adolescents aged 14 to 17 compared to children aged 5 to 13"

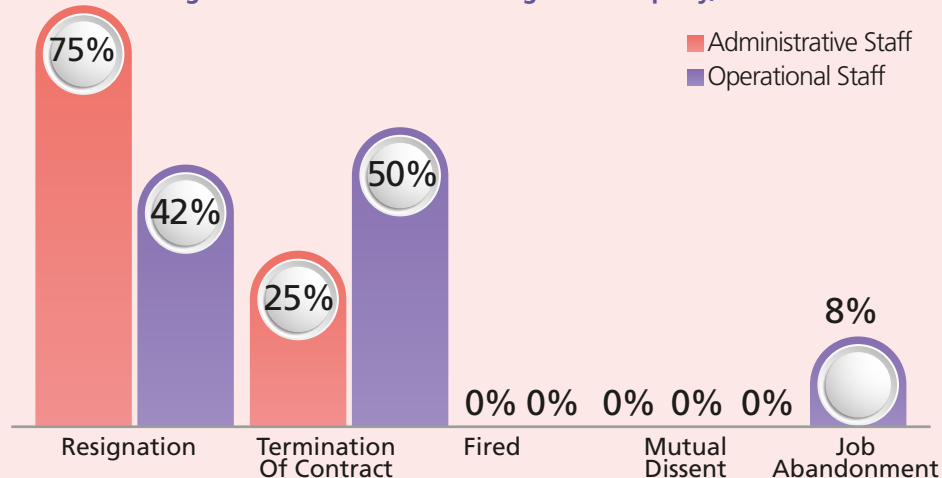
In 2019, of a total of 35 workers who left the company, 74% was by their own volition (resignation). Followed by 14%, 9% and 3% of the total number of workers who left the company due to the termination of the contract, mutual dissent and dismissal, respectively. In the same year, of the total number of administrative staff who left the company (16), 63% resigned, 25% terminated their contract and 13% left the company due to mutual dissent.

Figure 36. Reasons For Leaving The Company, 2019



In 2020, of a total of 26 workers who left the company, 13 (50%) of these left the company due to finalization of his/her contract. Another 11 resigned and there were two cases of job abandonment. On the other hand, of the total number of administrators who left the company (eight), six resigned and two ended their contract.

Figure 37. Reasons For Leaving The Company, 2020





MANAGEMENT OF LABOR RELATIONS



Performance Assessment

Competency Assessments

Every year, Peruvian Nature carries out evaluations by competencies and compliance with objectives in order to measure the work performance of 100% of the collaborators and thus seek strategies to promote motivation and professional satisfaction. In 2019 and 2020, the competency evaluation criteria were maintained. However, as of 2019, the result of the evaluation by competence has become an indicator for the evaluation of salary increase and/or promotions within the company. (102-28, 102-35, 102-36, 103-2, 103-3)

Evaluations of Compliance with Objectives

The evaluation of compliance with objectives is only aimed at the heads of the various areas of the company who define annual objectives for each area, aligned with the general objectives of the company. These are defined at the beginning of each year and are monitored three times throughout the year to gain insight into the degree of progress of the respective objectives. In December of each year, the "Management Committee" validates whether the planned objectives in each area were achieved. And it is according to this that the delivery of benefits is also granted. (102-28, 103-2, 103-3, 401-2)

Working Environment

Actions to Improve the Working Environment

In 2019, the following actions were undertaken to improve the work environment and promote the integration of collaborators (103-2, 401-2):

- **Christmas Fellowship Breakfast:** Prior to the celebration of Christmas Parties and taking advantage of the occasion to generate an activity of solidarity among collaborators, it was proposed to hold a Christmas breakfast in which 26 prizes were raffled, including baskets, electrical appliances and drinks which were donated by our suppliers. 86% of all collaborators participated. In addition, the "Secret Friend" game was played, with almost 50% of collaborators participating (34 out of a total of 71). The latter was not mandatory, so the remaining 36% of collaborators who participated in the breakfast did not participate in this game.

- **Christmas Chocolate for the Children of Collaborators:** The Christmas Chocolate event for the children was held in the Peruvian Nature dining room and aimed to create a bond between the worker, his/her family and

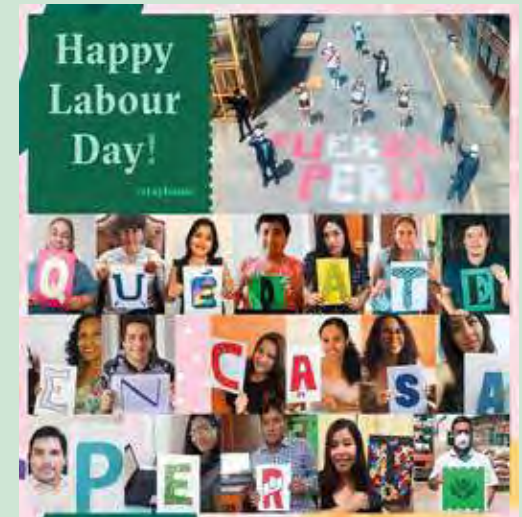
the company. Both administrative and operational staff participated, achieving the attendance of 75% of the sons and daughters of the collaborators (22 out of 29 children). During this event, the V Drawing Contest and its awards were held; in addition to a Christmas family photo that was physically delivered to the collaborators.

On the other hand, despite the limitations of prevention measures against Covid19, in 2020, various activities were carried out to improve the work environment. These were organized respecting social distancing, the use of masks and with the proper disinfection practices in place. The activities included the following (103-2, 401-2, 403-5, 403-6, 403-7):

- **Friendship Day:** a potluck held in the company dining room for which an ice cream delivery cart was made available and there were group photographs that decorated the walls for the occasion.

- **Healthy Eating:** in order to promote healthy eating among collaborators, fresh seasonal and dehydrated fruit salad was distributed, adding one of our products: yacon syrup. The objective was to promote this product for its nutritional and health-related attributes.

- **Labor Day:** To avoid the crowding of collaborators, a photo was taken with the help of a drone, forming the phrase "Fuerza Perú" ('Force Peru') in response to the efforts made in the country to face this health crisis. Likewise, each teleworker was asked for a photo with one of the letters to form the phrase: "Quédate en Casa Perú" ('Stay at Home Peru'). The photos of the collaborators in the plant were made into a collage, such as that of the "teleworkers", which was uploaded onto our social networks.





- **Mother's and Father's Day:** A collage of photos of all the moms and dads of the company was put together, and a message was sent to each one of them for their special day. Both collages were uploaded onto our social networks on these commemorative days.

- **Virtual Consultations with the Psychologist:** In order to support the emotional state of the collaborators due to the stress generated by the health crisis, consultations with the psychologist were resumed virtually.

- **Management Skills:** with the aim of preparing heads of managers to assume the responsibilities of the highest positions, workshops on "Management Skills" were delivered. These were also designed in response to the feedback from the 2020 Work Climate survey where it was identified that supervisors and heads of some areas showed difficulties in the leadership of their team.

- **Christmas Tree of Gratitude:** A vinyl Christmas tree was assembled and placed in the company dining room and cards were written by the collaborators that were placed on the tree citing expressions of gratitude, despite being a complex year full of uncertainties due to the pandemic.

- **Christmas Get-together:** A small get-together was held with the collaborators for Christmas. On this occasion, the three refreshment shifts, which were implemented as a result of the pandemic, were used to avoid overcrowding. During this get-together, each worker was given: a Christmas dessert, a voucher for a turkey, a basket and gifts for all our collaborators, including for their sons and daughters. All of these deliveries represented gifts from our suppliers. The gifts were raffled to avoid an imbalance in size and quantity. In addition, the awarding of the children's drawing contest was held for the best drawings.



In December of each year, the "Management Committee" validates whether the planned objectives in each area were achieved.

Work environment survey

Every year, the work environment survey is carried out to measure the relationship and interaction of the collaborators in the different areas of the company, their satisfaction with their daily responsibilities and the company in general. (102-17, 103-3, 405-1, 405-2, 406-1)

As can be seen in the following graphs, in 2019 and 2020, more than 50% of the collaborators, including administrators and operators, affirm that they feel proud of the company, that there is equal treatment and without distinctions or preferences of any kind, that there exist clear and fair promotion opportunities, that they would never or at least change their workplace within a period of no less than five years, that resources are at their reach to properly carry out their responsibilities, that there is efficient communication within each area, that teamwork is promoted within each area, that their functions are clearly known and that their direct leader provides support in times of difficulties in the workplace, as well as promoting motivation and explicitly valuing their work. Previously, there was a concern about the perception of our collaborators regarding equal opportunities, where almost half (49%) agreed that was indeed equality, but there is 26% that indicate that they do not agree and 18% that "do not know". By 2019 and 2020, 61% and 63% of our collaborators, respectively, claim to perceive such treatment. However, the Human Resources area is planning various activities in 2021 in order to continue improving the work environment.

The survey options in 2019 were categorical multiple choice in five levels: never, almost never, sometimes, almost always and always. In 2020, it was decided to change to other types of categories with the same number of levels of affirmation and denial: totally disagree, disagree, not sure, agree and totally agree. This change was carried out to facilitate increased understanding by collaborators.



Figure 38. Results Of Work Environment Survey, 2019

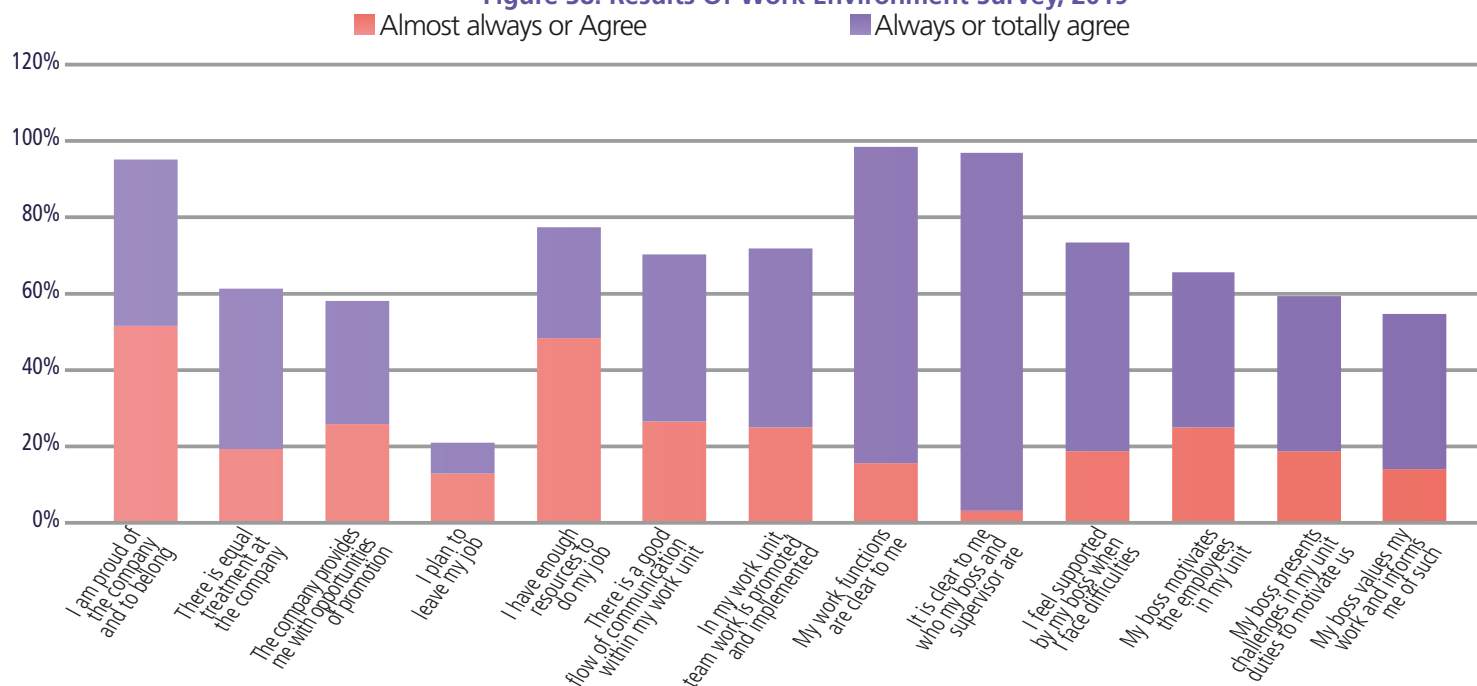
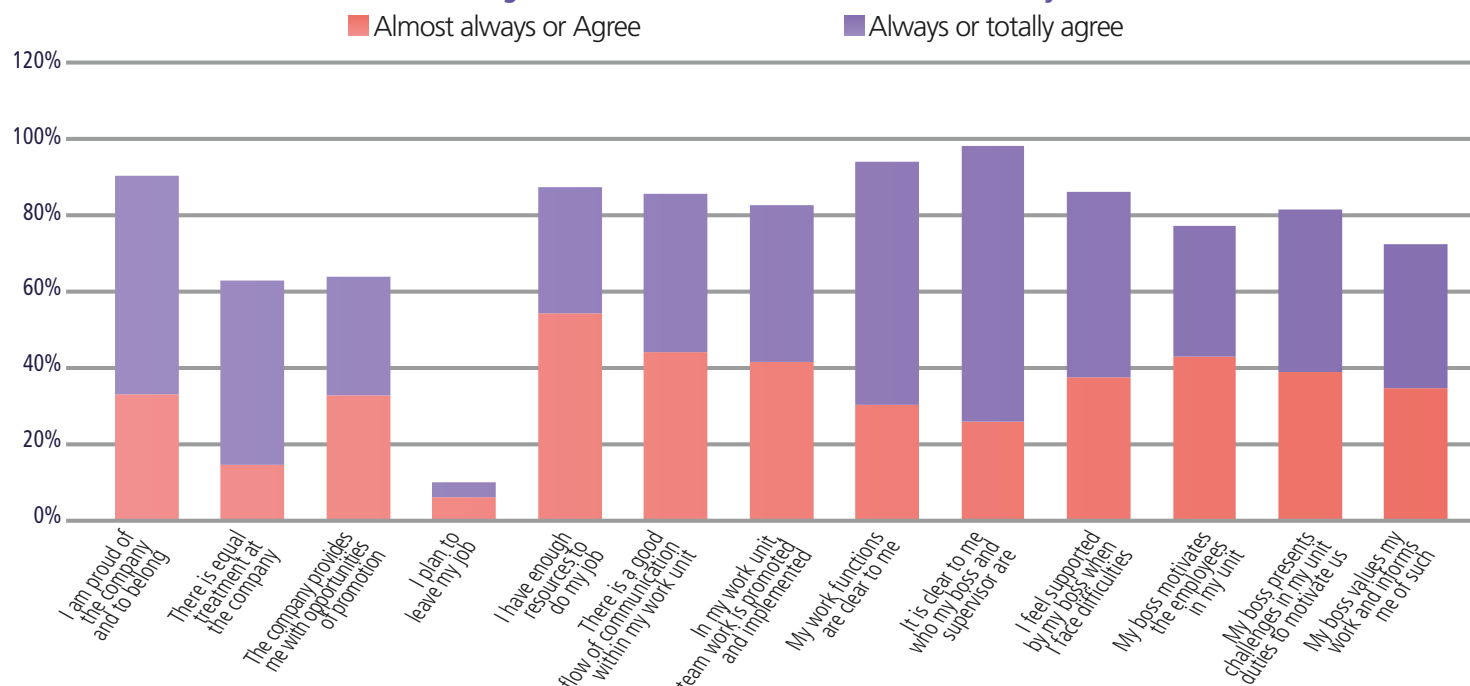


Figure 39. Results Of Work Environment Survey, 2020



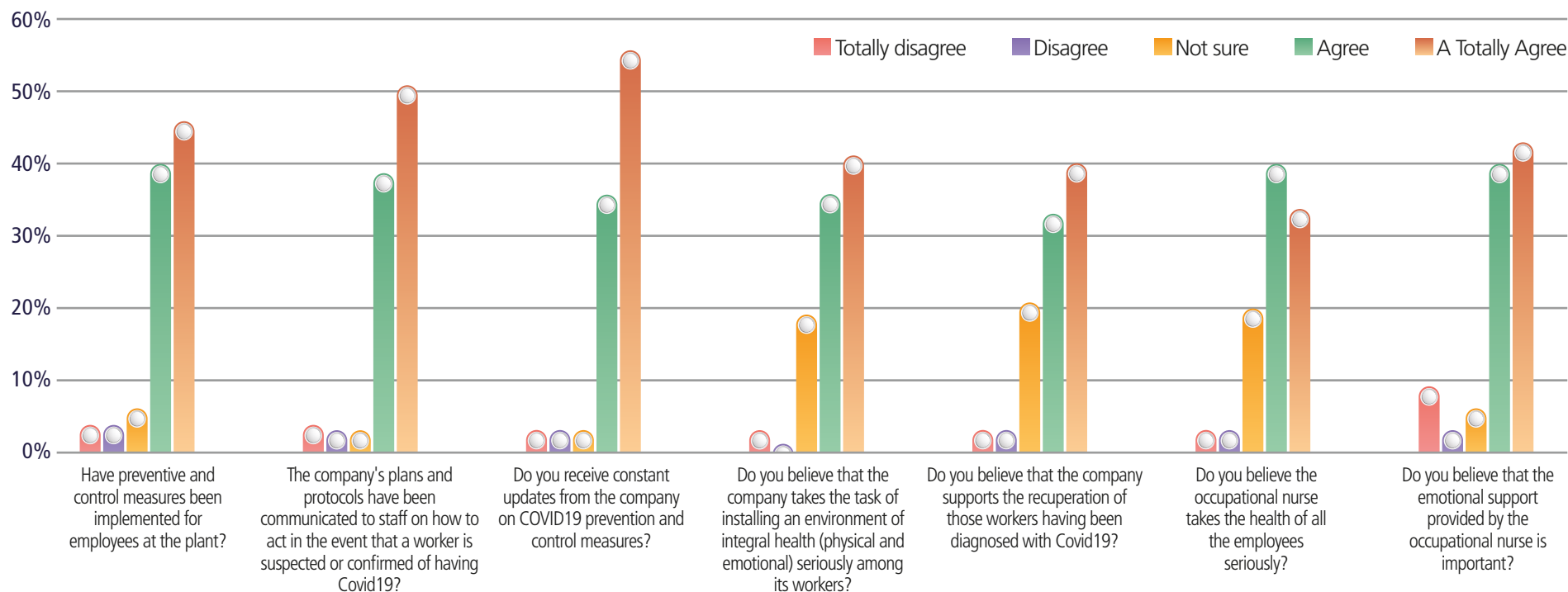


Particularly in 2020, questions were added regarding the perception of health measures in the workplace vis-à-vis the Covid19 pandemic (103-3, 403-5, 403-6, 403-7). As can be seen in the results, more than 70% of collaborators affirm that the company has implemented prevention and control measures against Covid19 for collaborators in the plant (which were also maintain at the operations headquarters); that the plans and protocols in place in case of suspicion or confirmation of an infected collaborator have been reported; that constant internal communications are received on prevention and control measures; that the company is concerned with fostering a culture of integral health (physical and mental); that the company supports the recovery of infected collaborators; that the occupational nurse cares about the health of the collaborators and that the emotional support of the occupational psychologist is necessary. In light of these results, we are committed to continuing to maintain the trust of our collaborators in the actions taken to anticipate and control the spread of the virus inside and outside the work environment. To do this, we propose that by 2021 (103-2, 403-5, 403-6, 403-7):

- An information graphic will be prepared detailing all the actions carried out vis-à-vis Covid19 from March 2020 to date, including the number of topical care cases in the polyclinic, the rapid tests acquired, among other elements.
- The nurse will guarantee that the Covid19 prevention newsletters reach all collaborators and will hold a monthly presentation at the plant, taking into account prevention measures, and emergency protocols in case of suspicion and/or contagion in the company.
- The content of the talks on both healthy eating and prevention against Covid19 will be reviewed in order to vary and improve the content of the information provided.
- The psychologist will attend the plant twice a month.



Figure 40. Results of Work Environment Survey Related to Covid19, 2020



Communication regarding operational changes

In terms of mechanisms in place to communicate significant changes that occur in the company to staff, in 2019, face-to-face meetings were held with supervisors and managers who, in turn, must inform their team about these changes at their respective team meetings. In addition, the Human Resources Unit sends emails to communicate these changes. These communications are carried out 15 days prior to implementing the changes. (102-33, 102-34, 402-1)

In 2020, due to the obligatory social distancing, face-to-face meetings were replaced by virtual meetings (Zoom) to communicate significant changes to all administrative staff. In turn, these changes were communicated to the operators through the administrative staff (supervisors and direct managers) at team meetings. The Human Resources Unit in addition to e-mails, uses group "WhatsApp" instant messaging for these communications. Unlike the previous year, our communications and decisions in

the implementation of prevention measures have gone hand in hand with the communications of the Peruvian Government, which sometimes have been overnight; however, as much as possible, we anticipate and inform the collaborators. (102-33, 102-34, 103-2, 402-1)

In all the mentioned means of communication, be they face-to-face or virtual meetings, not only are significant changes reported; but also, feedback meetings were held with collaborators to give them a chance to share their suggestions and clarify their concerns. A clear example was the meeting held with collaborators when the pandemic began in Peru, which resulted in the implementation of a transportation service for collaborators that brought them from their homes to the plant, and vice versa, respecting their shifts. Another suggestion was to use the most appropriate mask in terms of comfort and protection against contagion. (102-33, 102-34, 103-2, 103-3, 402-1)

Occupational Health and Safety

In 2019 and 2020, the Occupational Health and Safety Management System-OHS is still in place, which is implemented as part of the Occupational Health and Safety Plan of our company, which in turn is based on the Regulation of Occupational Health and Safety (Law No. 29783 of MINTRA and its amendment No. 30222). (103-2, 403-1) This system consists of procedures to prevent, control or minimize the probability (risk²⁰) of the occurrence of a hazard²¹ associated with the health and safety of all collaborators of the company. (403-8) The procedures of this system include: 1. Hazard Identification and Risk Assessment, 2. Occupational Health and Safety Committee, 3. Incident and Accident Investigation, 4. Annual Training, 5. Third Party Work, 6. Audits Planned Safety, 7. Ergonomics, and 8. Occupational Health and Hygiene.

The Quality Unit is in charge of managing the OHS, however, there is also an Occupational Health and Safety Committee, led by the head of the Quality Assurance and Control Area, whose specific objective is to supervise and ensure that the OHS and the Quality Management Systems remain operational (HACCP and BRC). (103-2, 102-22, 403-1) These are reviewed annually and, if necessary, are updated. Only in 2020 has the system been updated due to the current health situation, having incorporated the Surveillance, Prevention and Control Plan for Covid19 to the OHS Committee, which has been approved by the Ministry of Health and includes the following measures for company collaborators (103-2, 103-3, 403-3, 403-4, 403-5, 403-6, 403-7):

- Incorporation of an occupational nurse.
- Covid19 tests (as of 2020, 213 tests performed, of which nine were positive).
- Personal Protective Equipment (PPE) against contagion (e.g., masks and face shield).
- Training (in person and at the plant for operational personnel and via zoom for administrative staff) and controls on preventive measures against possible contagion.
- Protocols for the entry of suppliers and/or visits to the plant.
- New attendance registration system: biometric facial recognition and temperature control.

- Disinfection footbaths for entry.
- Private transportation for all company collaborators.

Hazard Identification and Risk Assessment

For the prevention or mitigation of risks or dangers in company operations that negatively impact health and safety at work, there is a procedure for Hazard Identification and Risk Assessment (HIRA) for each job. Therefore, the proper prevention or mitigation measures for the identified hazards are determined. These measures consist of: correct use of PPE, machinery and equipment, among others. (403-2, 403-7)

Any collaborator who has identified risks or hazards can freely notify their supervisors or members of the OHS committee. Notification is a procedure within the Health and Safety Regulations at Work. In addition, the "Policy against Harassment", as part of the Internal Work Regulations, protects collaborators against retaliation for communicating their concerns. Every collaborator is also free to withdraw from work situations that they consider risky or dangerous (e.g., injury, illness or disease). Again, the "Policy Against Harassment" protects this collaborators from possible retaliation. (103-2, 403-2, 403-3, 403-4)

Committee on Health and Safety at Work

In 2019, a new Committee on Health and Safety at Work was formed, consisting of four main members, two representatives of the company appointed by the General Management and two representatives of the collaborators elected by secret ballot with 100% of collaborators involved in the voting process. The head of the Quality Assurance and Control Unit is the leader of this Committee. It operates through monthly meetings in order to supervise and ensure that the OHS system, and the HACCP and BRC systems, are operational. The monthly work plans defined in these meetings are agreed upon through meeting minutes. (102-22, 103-2, 403-4)

20. For our company, a "risk" as this relates to occupational health and safety is any probability that a "danger" materializes in certain conditions and is a generator of damage to collaborators, company assets and the environment.

21. For our company, a "danger" as this relates to occupational health and safety is the intrinsic characteristic of a situation with the capacity to cause damage to collaborators, equipment, processes and the environment.



Incident and Accident Investigation

This action seeks to identify the causes that led to an incident or accident²² and implement corrective measures to avoid its repetition. These measures include modifications at the plant or office level (e.g., the relocation of a tool, utensil or the use of gloves to handle equipment), as well as the respective training of the collaborators involved in the area where said modification was made. (403-2, 403-9)

Training in Health and Safety at Work

OHS trainings and activities are carried out throughout the year targeting all collaborators with the aim of anticipating or mitigating health hazards (e.g., respiratory diseases due to moisture exposure) and safety (e.g., a physical accident due to improper use of a machine) on the part of the collaborator. Below is a breakdown of the types of trainings, topics and the collaborator target group that are addressed. (403-5, 403-10)

Table 7. Training in Health and Safety at Work, 2019 y 2020

| Types of trainings | Topics | Target group |
|----------------------------------|---|---|
| Specific | Induction, inspections and audits, unsafe acts and conditions, First Aid, fire prevention, security and evacuation. | Aimed at area chiefs and brigade members (first aid, firefighting and evacuation), with the exception of induction (all personnel). |
| General* | Contingency plan, ergonomic risk, order and cleanliness, and behavior-based safety. | All personnel |
| Occupational health and safety** | Respiratory hazards, harmful effects of noise (hearing loss), musculoskeletal disorders, skin diseases in the work environment, Ergonomics and active breaks. Basic First Aid, psychosocial risks in the work environment | Operational staff Administrative All personnel |
| Operaciones | Use of PPE and existing risks in the areas of chopping, grinding, dryers, and OSS equipment. | Collaborators working in the mentioned areas. |
| Warehouse | Safety in mobile equipment, use of PPE, UV risks, supplier safety. | Warehouse workers. |

*Obligatorias por Ley de Seguridad y Salud en el Trabajo (Ley N° 29783, Art. 35).

** A partir del 2020, estas capacitaciones fueron dirigidas a todo el personal

2020, these trainings continued, but - due to the global health context - incorporated prevention measures against a possible contagion of the Covid19 virus, which were carried out from March to December of that year, to be replicated in 2021. The topics of these trainings include inter alia: prevention, disinfection (correct hand washing and its importance), personal hygiene habits, correct use of masks, Covid19 in the food industry, prevention measures and disinfection protocols at home, identification symptoms, and social distancing. (403-3, 403-5)

The topics and contents of the trainings are designed and programmed based on the risk assessment (103-3) in order to make collaborators aware of the importance of preventing them. External personnel trained in OHS are hired to teach these courses, which are free for all collaborators and are held during working hours. In the case of health, the external doctor conducts the training, while other specialists are in charge of delivering different thematic topics (e.g., a firefighter when it comes to fire prevention and evacuation or an accredited expert in OHS). (403-3, 403-5)

Third Party Work

These are the requirements defined in collaboration with the different areas for the authorization of entry to the facilities of contractor companies²³ of jobs or services. These requirements include: a. List of contractor personnel that will enter (names, surnames and ID), b. Complementary high risk work insurance, c. List of PPE according to the work to be performed, d. List of tools that will enter the premises. These requirements will be sent to the contractor company by the requesting area together with the service order. Third parties may only enter accompanied by a person from the area requesting their services who will be responsible for them while they are performing their duties at the company. Upon entering, they are provided with an induction on safety regulations. (403-4, 403-5, 403-8)

22. For our company, an "incident" is a situation that may or may not cause damage to collaborators or material at the level of the company's operations. An "accident" is the damage caused by such a situation. 23 For Peruvian Nature, the contracting companies provide services for the construction or remodeling of buildings, maintenance of equipment and facilities, cargo transportation, suppliers of raw material or various other services.

Ergonomics

This seeks to identify, analyze, reduce or eliminate ergonomic risk factors (damage to skeletal muscle) in all collaborators of the company. To this end, talks are given on the correct handling of loads, appropriate postures, protection measures with lumbar bands, active breaks, among others. (403-2, 403-4, 403-5, 403-10)

Occupational Health and Hygiene

The company seeks to identify the risks to the health of the collaborator due to inappropriate hygiene within the framework of the company's operations. It also provides mechanisms for the control and evaluation of possible health damage through periodic medical evaluations, equipment (e.g., dust masks and protective glasses, hearing protectors, etc.), and training on their appropriate use, equipment and monthly weight checks by the nurse, in addition to providing recommendations for healthy eating. (403-2, 403-3, 403-5, 403-6)

Health and Safety Audits at Work

Internal (annual) and external (every three years) audits are carried out on health and safety at work. Regarding the former, it was carried out only in 2019 by the head of the Quality Assurance and Control Unit, resulting in the updating of the HIRA. However, this audit was not carried out the following year, due to the global health situation, and has been rescheduled for the year 2021. These audits aim to review the OHS to identify errors, if applicable, and propose improvements. Regarding the latter, they are carried out by an accredited auditor and mandated by MINTRA. This was originally scheduled for 2020, but was also rescheduled for the following year due to the pandemic. (102-30, 103-3, 403-1)

Company security personnel

In 2019 and 2020, third-party security personnel are still in place. These are two external collaborators with each one working a different shift. In 2019, they were trained on internal company policies and, in 2020, they were included in trainings for Covid19 prevention. It is envisioned that they will be trained in 2021 on Human Rights and its application in company security. (102-17, 403-5, 403-8, 410-1)

Medical Evaluations

Medical evaluations are offered to all company collaborators. In the case of administrative personnel, a basic evaluation is carried out that includes physical (motor), blood (hemogram and leukocytes), urine, glucose, ophthalmology and chest X-rays. In the case of operators, it includes, in addition to the basic evaluation, a baseline spirometry and audiometry examination, as the hearing and lung risks are the most critical in the areas of chopping and grinding. There are two types of medical evaluations, pre-occupational and periodic. The first is carried out on each person before entering the company to work to validate their aptitude in the role he/she will be assuming as part of their work-related tasks. The second is carried out every two years (periodic evaluation) as of the beginning of the work period of each collaborator and based on the modification of article 101 of Law 29783 of MINTRA (Supreme Decree No. 016-2016-TR). Thus, in 2019 and 2020, the following evaluations were carried out (103-3, 403-3, 403-7):

Table 8. Number of occupational medical evaluations undertaken by type, 2019 and 2020

| Medical Evaluations | 2019 | 2020 |
|-----------------------------|-----------|-----------|
| Pre-occupational Evaluation | 9 | 10 |
| Periodic Evaluation | 31 | 3 |
| Total | 40 | 13 |

Due to the current health situation, not all the periodic evaluations could be completed as planned. According to the medical records, there is no evidence of pulmonary or hearing impairments in any collaborator in 2019 and 2020. However, in 2020, the participation of the external doctor has been vital for the detection through the use of the discard tests within the framework of the Covid19 Prevention and Control Surveillance Plan, treatment and discharge of the disease caused by the Covid19 virus. The results of these evaluations are kept confidential and are only handled and reported by medical personnel. Human Resources only receives a summary of the results of the evaluation to know if the collaborator is apt to work at the



company. These evaluations are carried out by external medical personnel specialized in occupational medicine to guarantee quality in the provision of occupational health services. (403-3, 403-7, 403-10)

Access to medical services and health care (physical and/or mental) not related to work

In 2019, there were fortnightly visits (for four hours) by an external doctor and a psychologist who offered general and mental health visits, respectively. However, in 2020, these visits were only offered until the month of March. The company maintained the "Fe Salud" insurance that provides health care services in the most recognized clinics and is extended to direct and indirect relatives of all collaborators. (403-6)

In 2020, consultations were held virtually to safeguard the mental health of the collaborators due to the stress generated by the health crisis and the optional insurance "Fe Salud" as part of the company's benefits. Likewise, since before the pandemic (2019), we have an agreement with the Virgen de Guadalupe Polyclinic, in Lurin, which also provided evaluations, treatment and discharge of Covid19, which is covered 100% by the company, to all our collaborators. (403-6)

Our Collaborators

Collaborators' characteristics by occupational level

In 2019, the occupational roles are broken down as follows: operators (55%), this continues to represent the majority, due to the nature of the company's business model; followed by analysts (16%), assistants (13%), supervisors (7%), managers (6%) and managers (3%). As well, in 2019, the number of supervisors is greater than that of heads unlike the previous year. In 2020, the same proportions are maintained with the exception of the number of assistants (15%) that exceeds that of analysts (13%) compared to the previous year. (102-8)

Figure 41. Percentage of collaborators per occupational level, 2019

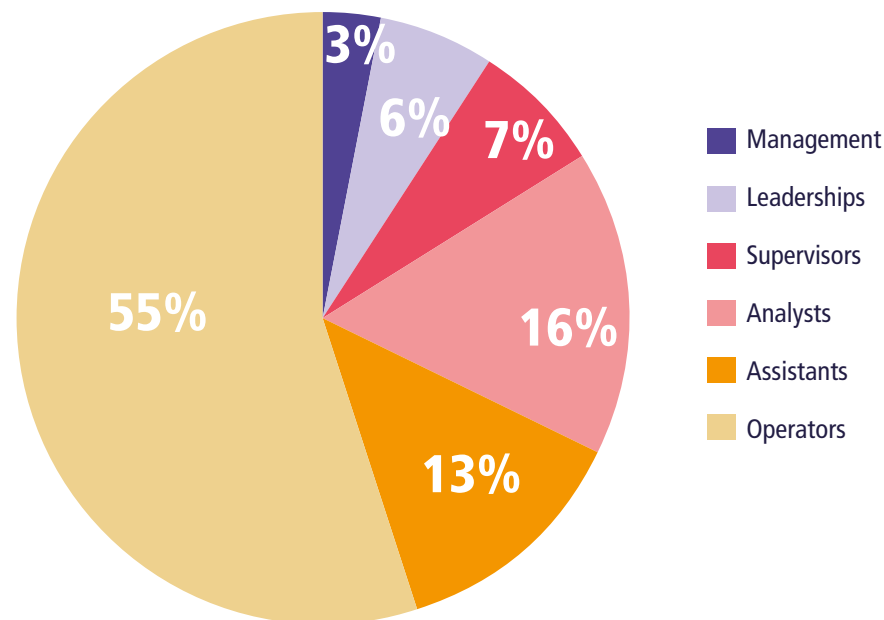
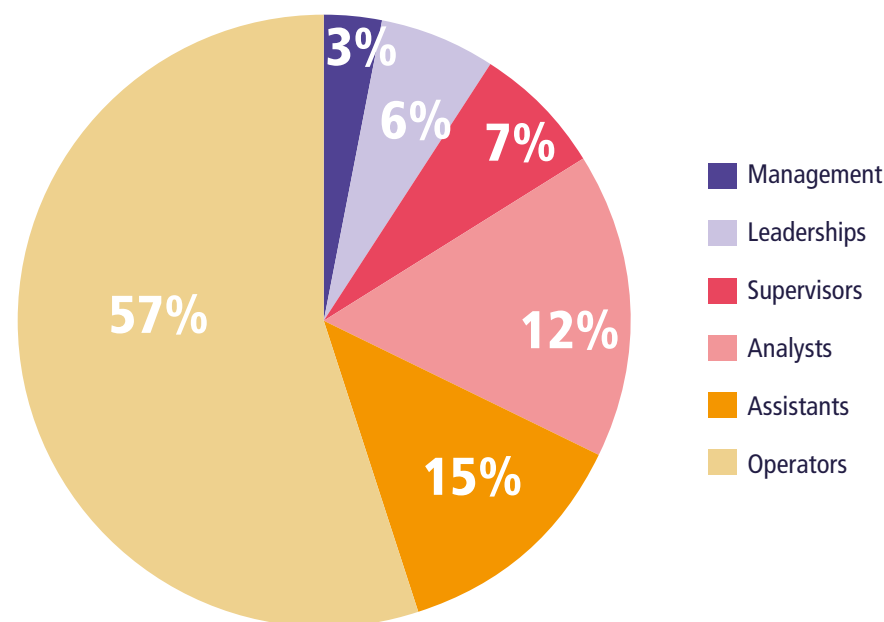


Figure 42. Percentage of collaborators per occupational level, 2020



Characteristics of collaborators by occupational level and gender

In 2019, the participation of men (51%) and women (49%) with respect to the total number of collaborators at the company, was almost the same, however, this proportion varied in 2020 whereby the participation of women (61%) increased considerably. This can be explained due to the increase in the participation of women (56%) at the operational level for 2020 compared to 2019 (47%); area with the largest number of collabo-

rators in the company. The participation of women in the management, assistant and analyst levels was higher compared to men in 2019 and 2020. In 2019, the participation of men and women was the same in terms of leadership roles, but the following year, men had the highest participation (75%). Regarding the level of supervisors, the participation of men is higher in both years. (102-8, 405-1)

Figure 43. Percentage Of Collaborators Per Occupational Level, 2019

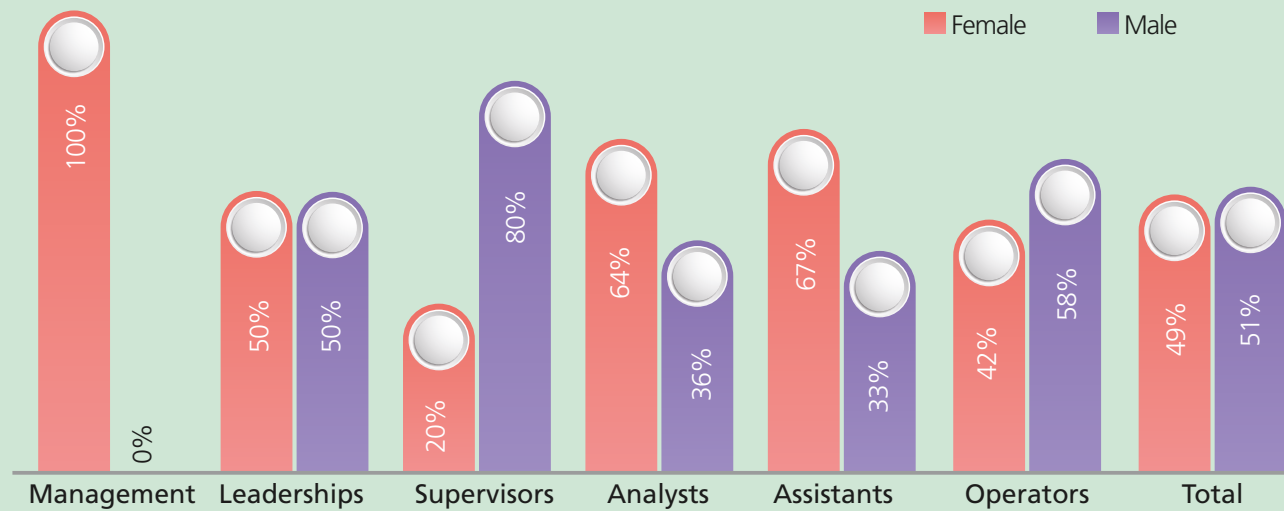
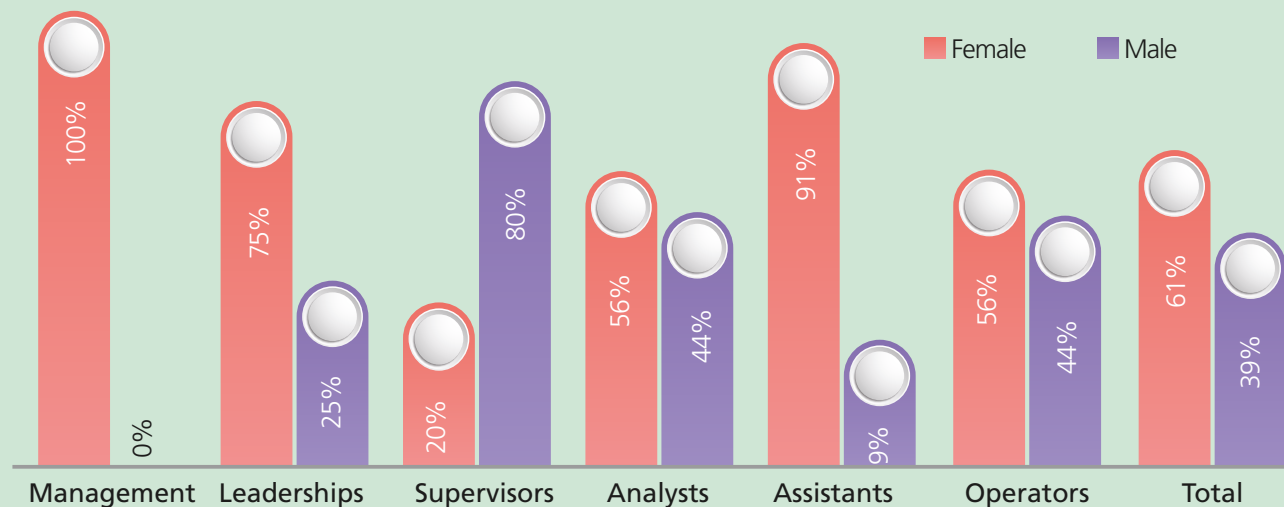


Figure 44. Percentage Of Collaborators Per Occupational Level, 2020





Characteristics of collaborators by occupational level and ages

Regarding the ages of our collaborators, the majority are under 30 years of age and are concentrated at the operational level where there is the largest number of collaborators. At this level, operators under 30 years of age represent the highest participation by age in the years 2019 (50%) and 2020 (59%). Despite having a smaller number of collaborators, the

levels of analysts and supervisors also have a greater number of collaborators under 30 years of age in the years 2019 and 2020, a trend that has been repeating since 2018 and has occurred without any intervention on the part of the company. Collaborators between the ages of 30 and 50 are distributed in all positions of the company and those who are older than 50 are occupying positions of heads and operators for both years. (102-8)

Figure 45. Percentage Of Collaborators Per Occupational Level And Age, 2019

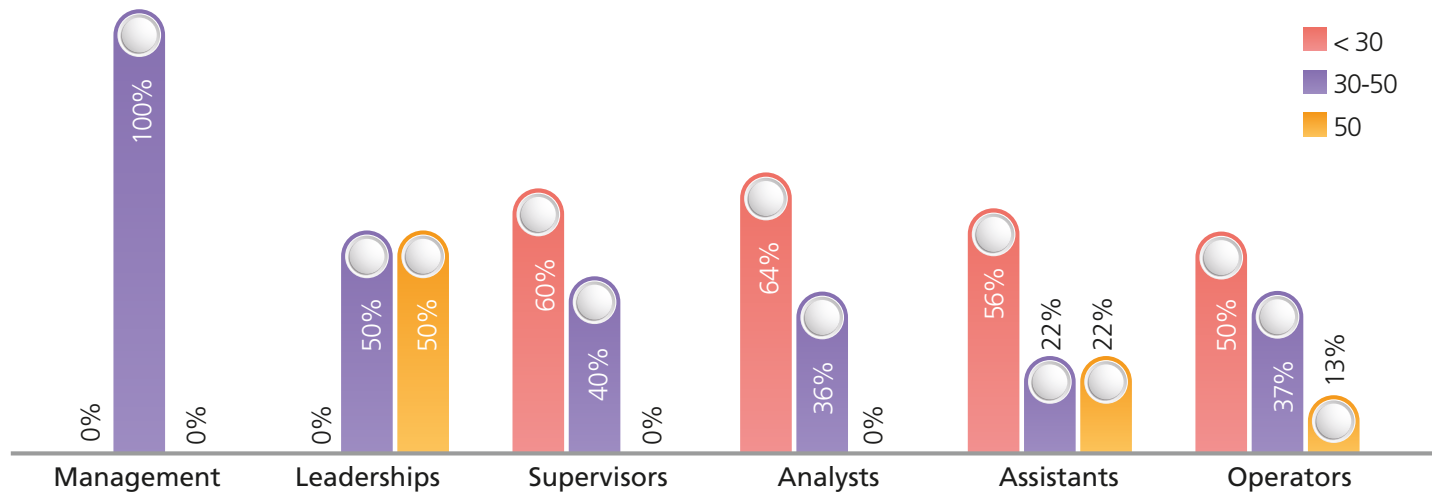
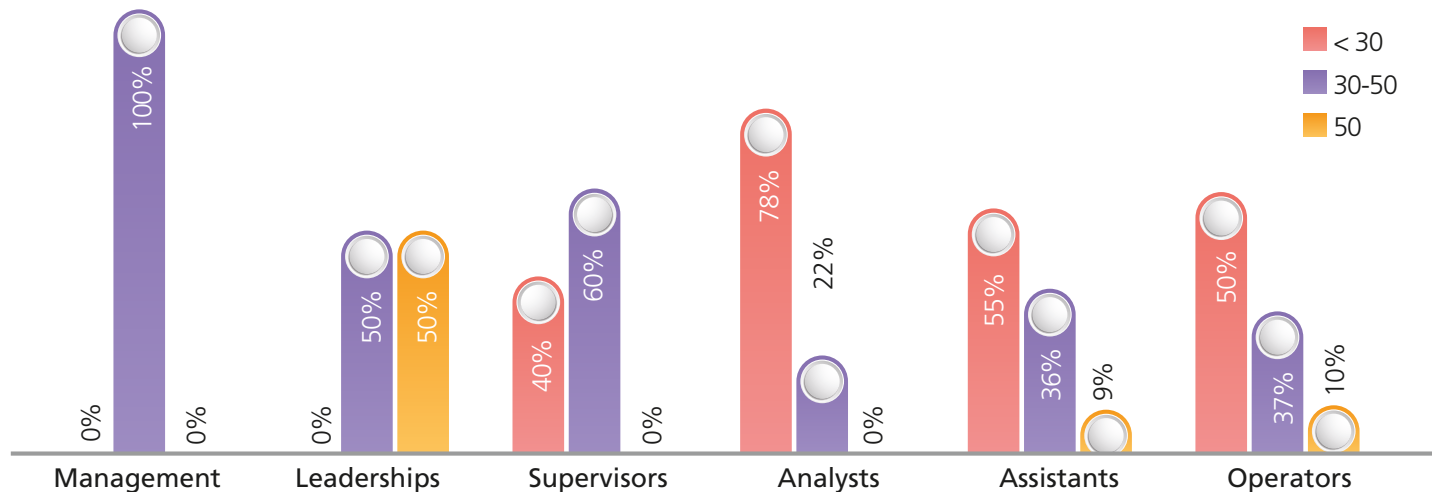


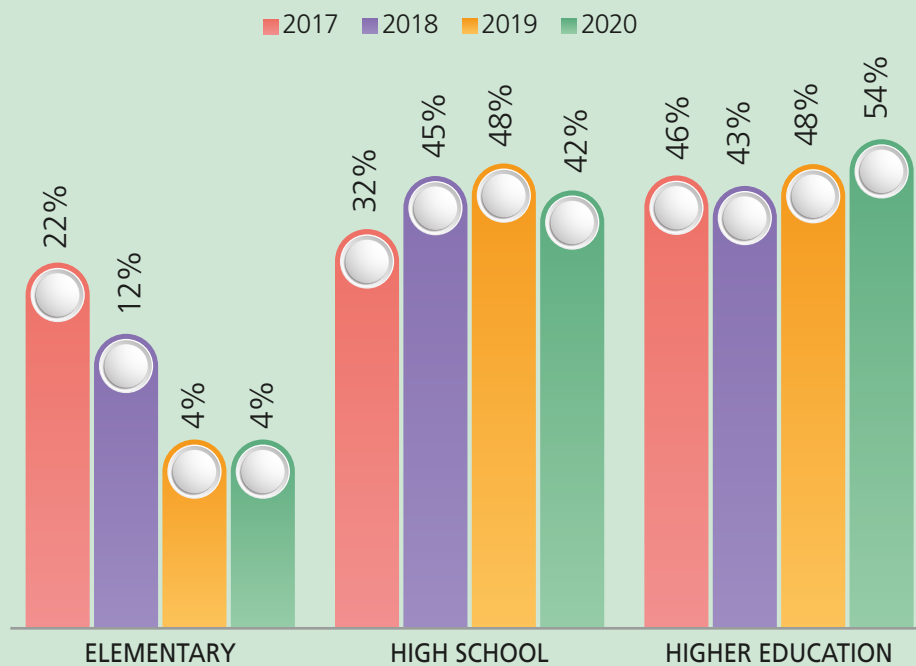
Figure 46. Percentage Of Collaborators Per Occupational Level And Age, 2020



Characteristics of collaborators by occupational and educational levels

Over the past three years, the number of collaborators with higher education in our company has been increasing; going from 43% in 2018 to 54% in 2020. This is due to the fact that the number of administrative staff has also increased in which higher education is a requirement to be considered for these positions. The staff with completed secondary education has been maintained in the last three years (42% -45%). And the number of collaborators with only primary education has been decreasing: From 22% in 2017 to 4% in 2020. This is because at Peruvian Nature we require collaborators to have carried out university studies so that they are better prepared and qualified for the various positions. (102-8)

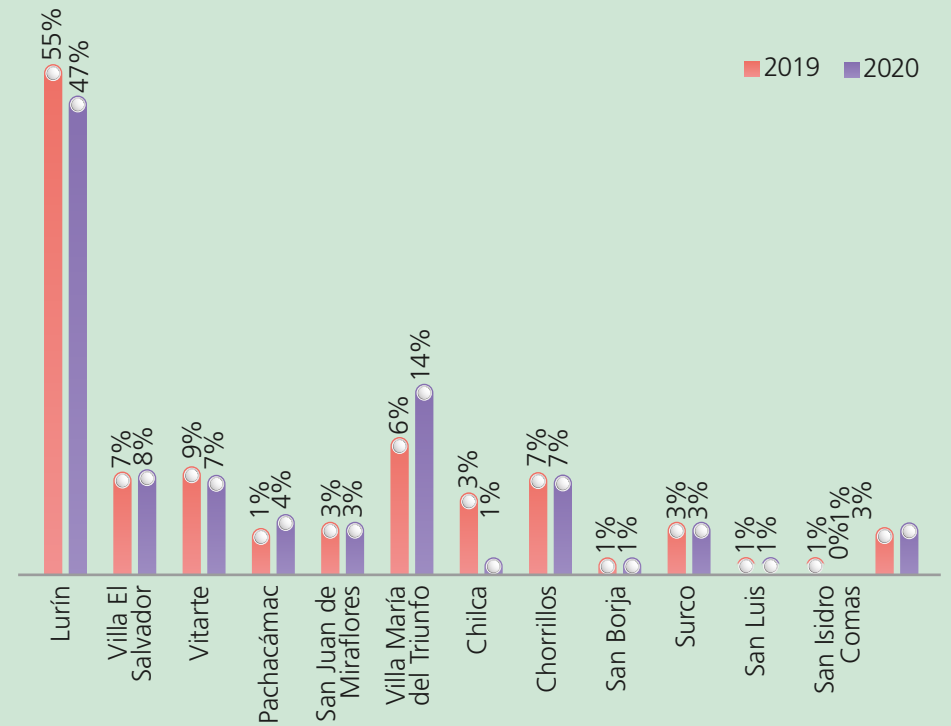
Figure 47. Evolution Of Educational Level Of Collaborators, 2017-2020



Characteristics of collaborators by district of origin

In fact, most of our collaborators come from the district of Lurin since this is where our headquarters of operations is located; followed by surrounding and nearby districts such as: Villa El Salvador, Villa María del Triunfo and Chorrillos. (102-8)

Figure 48. Distribution (%) Of Collaborators By District Of Origin, 2019-2020



As we mentioned in the [social benefits](#) section, all our collaborators have access to labor benefits. Likewise, the minimum salary that we offer at the company is higher than that required by the Labor Productivity and Competitiveness Law (Legislative Decree No. 728). (103-2, 202-1)

Non-Discrimination Policies

At Peruvian Nature, each position is held based on merit, as part of our "Salary Equity Policy" within the Internal Work Regulations, and without any type of discrimination (e.g., race, color, sex, religion, political opinion, national ancestry or social condition according to the ILO definition, among other forms) or linked to the collaborators' performance. Since 2014, our Code of Ethics reflects our commitment to combat all forms of discrimination and opens the door to anyone who wishes to form part of the Peruvian Nature family. It is envisioned that this Code will be updated in 2021 within the framework of the implementation of the SMETA standard. (102-16, 103-2, 103-3, 405-2)



Subsequently, based on Law No. 30709 of MINTRA, which prohibits all types of remuneration discrimination, since 2018, we have the new salary structure, which defines qualitative²⁴ and quantitative²⁵ evaluation criteria for the creation and characterization of jobs and their respective salaries based on the complexity and impact of the functions at all levels of the company. This salary structure will help us to transparently identify the criteria for promotions, salary increases and the creation of new salary positions. For the years 2019 and 2020, personnel who have entered the company to work have been hired based on this new structure, which offers salaries above the minimum wage.²⁶ And for this last year, a new evaluation of salary increases has been carried out directly related to the fulfillment of objectives and to an analysis of competencies. The design and implementation of the salary band has been carried out through our Human Resources Unit. (102-35, 102-36, 103-2, 103-3, 202-1, 405-2)

It should be noted that for the years 2019 and 2020, no case of discrimination²⁷ was reported among the company's collaborators. If it were the case, the procedure for its communication and management is that of "Complaint Resolution", which is a confidential system that presents claims or complaints for breaching Human Rights. Any collaborator who feels harassed, mistreated or attacked in any way (e.g., by discrimination) either by superiors or peers, presents their complaint verbally or in writing to the Human Resources Unit. The complainant must present their complaint, accompanied by evidence, if any. Human Resources, within a period of three days, must notify the accused of the complaint against him/her by sending a copy of it with any supporting documentation so that he/she can present the written discharge within a period of five working days, including the evidence that is deemed appropriate. After five days of the investigation period, the Human Resources Unit issues a report describing - or not - the responsibility of the person involved. If there is liability, the company will impose disciplinary sanctions of a work-related nature, the same ones that, taking into account the principle of proportionality and the seriousness of the offense, may be reprimand, suspension without pay or dismissal. (406-1)



Any collaborator who feels harassed, mistreated or attacked in any way (e.g., by discrimination) either by superiors or peers, presents their complaint verbally or in writing to the Human Resources Unit.



24. Hierarchical or Simple Comparison Method: list of positions in increasing or decreasing order, highlighting the characteristics that compare one position with another. 25. Factors and Points Method: 2.1. Education, 2.2. Work experience, 2.3. Level of responsibility in the management of company's money or assets, 2.4. Responsibility for relations with entities external to the company, 2.5. Responsibility for relationship with the different areas of the company. 2.6. Complexity of tasks or functions, 2.7. Autonomy or decision-making. These are valued within a numerical scale whose intensity or weight reflects the importance of each of these factors, resulting in the total score (sum of the score of all factors). 26. Since 2018, MINTRA set the minimum wage at PEN s/. 930, which was maintained throughout 2020. (202-1). 27. "Case" refers to a legal action or registered complaint made to the reporting organization or the competent authorities through a formal process or a situation of non-compliance identified by the company through established procedures (GRI 406).

CUSTOMER HEALTH AND SAFETY





Safety

In 2019, we prepared and approved the updating of the eighth version of the British Retail Consortium standard (BRC Alimentos v.8), which was launched in August 2018. BRC provides a comprehensive framework for the management of security criteria, legality and quality of the product, as well as operational controls at the level of processing and packaging of the final product, taking these criteria into account. In this version, the strengthening of capacities vis-à-vis a culture of food quality and safety was promoted. Therefore, by 2020, a programme, which included a series of talks (weekly) and workshops (bimonthly), was implemented and delivered by staff working in the Quality Assurance and Control Unit; including the topic of prevention against Covid19. In addition, an environmental surveillance program was included based on the risk of pathogens and decomposing agents, for which, by 2020, analyses (surface swabbing) of these agents have been carried out. The standard also includes four internal audits, carried out by an external entity, which guarantees the production of safe food under quality management. In this way, we are complying with the requirement to access more specialized markets and, at the same time, ensuring that our final product will not cause harm to the health of our clients. (103-2, 103-3, 416-1)

To maintain the safety of our products, random samples from each batch are used to perform microbiological analyses at a laboratory located within the company, based on the ISO 2859 standard within the BRC framework, and later, with an externally-accredited laboratory, based on the ISO 17025 standard, to validate our results. Likewise, biannual inspections are received by DIGESA, which verify compliance with the requirements and sanitary conditions of Infrastructure, Good Manufacturing Practices (GMP), Hygiene and Sanitation Program, and the validation of the HACCP Plan. The last inspection was canceled due to the pandemic and has been postponed until 2021. (103-2, 103-3, 416-1)

Pesticides

To guarantee that our products are below the permissible limits of pesticides established by international regulations, all organically certified raw material: 1. must comply with all purchasing and quality procedures to enter the plant and, subsequently, is also 2. analyzed for pesticide levels in two accredited international laboratories. (103-2, 416-1)

In 2020, the new European regulations (CE, pesticides, on 5-7.2020) defined stricter limits for the chemical molecules of chlorate and perchlorates, on which analyses of these pesticides were carried out in accredited laboratories of their most representative products with a market in Europe, such as dried maca, camu camu and dehydrated goldenberry, both at the supplier's plant and at ours. It is proposed that, by 2021, these analyses will be extended to other products in the commercial offer, such as sweet potato and camu camu powder. (103-2, 416-1)

Covid19

The Covid19 pandemic generated a clear impact on the productivity of operations due to absences of infected staff members, delays in the arrival of raw materials, or limitations in the operation of the plant due to restricted hours as part of the prevention measures adopted by the State.

The MINTRA Surveillance, Control and Prevention Plan against Covid19 establishes guidelines that, by default, are aligned with the control and prevention measures of food contamination during processing, as part of the BRC standard framework, involving aspects such as: cleaning, equipment sanitation, social distancing, use of masks, among others. The same year as the pandemic, BRC Alimentos v.8 also launched an annex on prevention measures against the spread of this virus in companies. (103-2, 403-2, 403-7)

Customer complaints

In 2019 and 2020, all customer complaints were handled according to the "Request for Corrective and Preventive Actions" procedure within the Quality Management System and, likewise, the BRC standard (Clause 3.7 Corrective and Preventive Measures), in which - through a "root cause analysis" - the reason for the complaint is determined in order to conclude whether or not it proceeds. If it proceeds, the corresponding corrective actions are taken (e.g., refund of money, credit note or replacement of the merchandise) in agreement with the client. If the claim does not proceed, we send a report of the "root cause analysis" including the respective support (e.g., certificates, photos, etc.) to said client. Complaints have been classified by intrinsic quality (e.g., physico-chemical, sensory, microbiological aspects, identification of foreign

material, etc.) and logistics (e.g., incomplete weight and shipping documents, improperly stacked merchandise, etc.) of the final product. at destination. (103-2, 103-3, 416-2)

Table 9. Types of customer complaints, 2019 y 2020

| Types of Complaints | 2019 | 2020 |
|------------------------|------|------|
| Complaints – intrinsic | 15 | 11 |
| Complaints – logistic | 5 | 5 |
| Total | 20 | 16 |
| Proceeds | 12 | 4 |
| Does not Proceed | 8 | 12 |

CUSTOMER PRIVACY

At Peruvian Nature, we strictly review all official communication of an informative, educational and promotional nature, before its publication, through an external collaborator who is a lawyer and the Quality Assurance and Control Unit. Thus, we attempt to avoid any damage to our company and interest groups as has been defined in our Code of Ethics. In addition, we make sure that all information published on any platform, such as Facebook, LinkedIn or email marketing is reviewed by the Deputy General Manager. Likewise, the information obtained from both clients and potential new clients is not disseminated or shared; it is only used internally for prospective sales and for establishing business relationships. (102-17, 103-2, 103-3, 418-1)

No claim has been filed for having violated customer privacy, private data leakage, unfair competition, monopolistic or anti-competitive practices, or for any type of information issued by the company. (206-1, 418-1)





GRI CONTENT INDEX





| GRI | ASPECT | LOCATION IN THE DOCUMENT |
|---------|---|--------------------------|
| GRI 102 | General Contents | |
| 102-1 | Company name | Page 9 |
| 102-2 | Activities, Brands Products and services | Page 9, 31, 32 |
| 102-3 | Headquarters location | Page 25 |
| 102-4 | Location of operations | Page 25 |
| 102-5 | Property and legal form | Page 25 |
| 102-6 | Markets served | Page 32 |
| 102-7 | Organization size | Page 34 |
| 102-8 | Collaborator information | Page 71, 85, 86, 87,88 |
| 102-9 | Supply chain | Page 47, 48 |
| 102-10 | Significant changes in the organization and its supply chain | Page 29, 30, 53 |
| 102-11 | Precautionary Principle | Page 65 |
| 102-12 | External Initiatives | Page 65 |
| 102-13 | Affiliations or Associations | Page 32 |
| 102-14 | Statement from senior decision-makers | Page 7 |
| 102-15 | Main impacts, risks and opportunities | Page 22 |
| 102-16 | Values, principles, standards and norms of conduct | Page 11, 73, 88 |
| 102-17 | Advice mechanisms and ethical concerns | Page 78, 84, 92 |
| 102-18 | Governance structure | Page 25 |
| 102-19 | Delegation of authority | Page 25 |
| 102-20 | Executive level responsibility for economic, environmental and social issues | Page 25 |
| 102-21 | Consultation with interest groups on economic, environmental and social issues | Page 25 |
| 102-22 | Composition of the highest governance body and its committees | Page 25, 82 |
| 102-23 | Chairman of the highest governance body | Page 25 |
| 102-25 | Conflicts of interest | Page 73 |
| 102-26 | Role of the highest governance body in selection of objectives, values and strategy | Page 25 |
| 102-27 | Collective knowledge of the highest governance body | Page 25 |
| 102-28 | Performance evaluation of the highest governance body | Page 76 |
| 102-29 | Identification and management of economic, environmental and social impacts | Page 22 |

| GRI | ASPECT | LOCATION IN THE DOCUMENT |
|---------|--|--|
| 102-30 | Effectiveness of risk management processes | Page 84 |
| 102-31 | Evaluation of economic, environmental and social issues | Page 15 |
| 102-32 | Role of the highest governance body in the preparation of sustainability reports | Page 23 |
| 102-33 | Communication of critical concerns | Page 81 |
| 102-34 | Nature and total number of critical concerns | Page 81 |
| 102-35 | Remuneration policies | Page 76, 89 |
| 102-36 | Process for determining remuneration | Page 76, 89 |
| 102-37 | Stakeholder involvement in remuneration | Page 23 |
| 102-40 | List of stakeholders | Page 22 |
| 102-41 | Collective bargaining agreements | Page 73 |
| 102-42 | Identification and selection of stakeholders | Page 22 |
| 102-43 | Approach for stakeholder participation | Page 22 |
| 102-44 | Key issues and concerns mentioned | Page 22 |
| 102-46 | Definition of the contents of the reports and the Coverage of the topic | Page 22 |
| 102-47 | List of material topics | Page 22 |
| 102-48 | Period Object of the Report | Page 22 |
| 102-49 | Changes in reporting | Page 15 |
| 102-50 | Period covered by the report | Page 15 |
| 102-51 | Last report date | Page 15 |
| 102-52 | Reporting cycle | Page 15 |
| 102-53 | Contact point for questions about the report | Page 94 |
| 102-54 | Statement of reporting in accordance with GRI Standards | Page 7, 15 |
| 102-55 | GRI Content Index | Page 3 |
| 102-56 | External Verification | Page 94 |
| GRI 103 | Management approach | |
| 103-1 | Explanation of the material topic and coverage | Page 22, 41 |
| 103-2 | Management approach and its components | Page 29, 38, 41, 44, 45, 51, 52, 53, 57, 58, 59, 61, 62, 65, 66, 67, 68, 69, 71,73, 76, 80, 81, 82, 88, 89, 91, 92 |





| GRI | ASPECT | LOCATION IN THE DOCUMENT |
|---------|---|---|
| 103-3 | Evaluation of the management approach | Page 29, 39, 62, 65, 67, 69, 71, 76, 78, 80, 81, 82, 83, 84, 88, 89, 91, 92 |
| GRI 201 | Economic performance | |
| 201-1 | Direct Economic Value Generated and Distributed (VEGD) | Page 29 |
| 201-2 | Financial implications and other risks and opportunities derived from climate change | Page 29, 44 |
| 201-3 | Obligations of the defined benefit plan and other retirement plans | Page 72 |
| 201-4 | Assistance received by the government | Page 30 |
| GRI 202 | Market presence | |
| 202-1 | Ratio of standard entry-level salary by sex to minimum wage | Page 88, 89 |
| 203-1 | Investments in infrastructure and supported services | Page 41, 67 |
| 203-2 | Indirect economic impacts (consequences) | Page 30, 41 |
| GRI 204 | Acquisition practices | |
| 204-1 | Proportion of spending on local suppliers | Page 51 |
| GRI 206 | Unfair competition | |
| 206-1 | Legal actions related to unfair competition and monopolistic practices against free competition | Page 92 |
| GRI 301 | Materials | |
| 301-1 | Materials used by weight or volume | Page 43, 45 |
| 301-3 | Repurposed products and packaging materials | Page 47, 67 |
| GRI 302 | Energy | |
| 302-1 | Energy consumption within the organization | Page 57, 58 |
| 302-4 | Reduction of energy consumption | Page 57 |
| 302-5 | Reduction of energy requirements for products and services | Page 57 |
| GRI 303 | Water and effluents | |
| 303-1 | Interaction with water as a shared resource | Page 61 |
| 303-2 | Management of impacts related to water discharges | Page 62 |
| 303-3 | Water extraction | Page 61 |
| 303-4 | Water spill | Page 62 |

| GRI | ASPECT | LOCATION IN THE DOCUMENT |
|---------|--|--------------------------|
| 303-5 | Water consumption | Page 61, 62 |
| GRI 304 | Biodiversity | |
| 304-2 | Significant impacts of activities, products and services on biodiversity | Page 65 |
| 304-4 | Species that appear on the IUCN red list and national conservation lists, whose habitats are in areas affected by operations | Page 65 |
| GRI 305 | Emissions | |
| 305-1 | Direct GHG emissions | Page 59 |
| GRI 306 | Effluents and waste | |
| 306-1 | Water discharge according to its quality and destination | Page 62 |
| 306-2 | Waste by type and disposal method | Page 67, 68 |
| 306-3 | Significant spills | Page 62 |
| 306-4 | Hazardous waste transportation | Page 37 |
| GRI 307 | Environmental compliance | |
| 307-1 | Non-compliance with environmental legislation and regulations | Page 69 |
| GRI 308 | Supplier environmental assessment | |
| 308-1 | New suppliers that have passed evaluation and selection filters in accordance with environmental criteria | Page 51, 52, 53 |
| GRI 401 | Employment | |
| 401-1 | New employee hires and staff turnover | Page 73 |
| 401-2 | Full-time employee benefits that are not provided to part-time or temporary employees | Page 71, 76 |
| 401-3 | Parental leave | Page 72 |
| GRI 402 | Management of labor relations | |
| 402-1 | Minimum notice periods for operational changes | Page 73, 81 |
| GRI 403 | Occupational health and safety | |
| 403-1 | Occupational health and safety management system | Page 82, 83, 84, 85 |
| 403-2 | Hazard identification, risk assessment and incident investigation | Page 82, 83, 84, 91 |
| 403-3 | Occupational health services | Page 82, 83, 84, 85 |
| 403-4 | Participation of collaborators, consultations and communication on health and safety at work | Page 82, 83, 84 |



| GRI | ASPECT | LOCATION IN THE DOCUMENT |
|---------|--|-----------------------------|
| 403-5 | Employee training on health and safety at work | Page 76, 80, 82, 83, 84 |
| 403-6 | Promotion of employee health | Page 76, 80, 82, 84, 85 |
| 403-7 | Prevention and mitigation of impacts on health and safety of employees directly linked to business relationships | Page 76, 80, 82, 85, 85, 91 |
| 403-8 | Occupational health and safety management system coverage | Page 82, 83, 84 |
| 403-9 | Work accident injuries | Page 83 |
| 403-10 | Occupational diseases and illnesses | Page 83, 84, 85 |
| GRI 405 | Diversity and equal opportunities | |
| 405-1 | Diversity in governing bodies and employees | Page 78, 86 |
| 405-2 | Ratio of base salary and remuneration of women compared to men | Page 78, 88, 89 |
| GRI 406 | Nondiscrimination | |
| 406-1 | Cases of discrimination and corrective actions taken | Page 78, 89 |
| GRI 407 | Freedom of association and collective bargaining | Page 39 |
| 407-1 | Operations and suppliers whose right to freedom of association and collective bargaining could be at risk | Page 73 |
| GRI 408 | Child labor | |
| 408-1 | Operations and suppliers with significant risk of child labor cases | Page 53, 71, 73 |
| GRI 409 | Forced labor | |
| 409-1 | Operations and suppliers with significant risk of cases of forced or compulsory labor | Page 53, 73 |
| GRI 410 | Security practices | |
| 410-1 | Security personnel trained in human rights policies or procedures | Page 84 |
| GRI 413 | Local communities | |
| 413-1 | Operations with the participation of the local community, impact evaluations and development programs | Page 51, 68 |
| GRI 416 | Customer health and safety | |
| 416-1 | Assessment of impacts on health and safety of the categories of products or services | Page 53, 91 |

| GRI | ASPECT | LOCATION IN THE DOCUMENT |
|---------|--|--------------------------|
| 416-2 | Cases of non-compliance related to the impacts on health and safety of the categories of products and services | Page 92 |
| GRI 417 | Marketing and labeling | |
| 417-1 | Requirements for information and labeling of products and services | Page 37 |
| 417-2 | Cases of non-compliance related to information and labeling of products and services | Page 39 |
| 417-3 | Cases of non-compliance related to marketing communications | Page 39 |
| GRI 418 | Customer privacy | |
| 418-1 | Substantiated complaints regarding violations of customer privacy and loss of customer data | Page 92 |



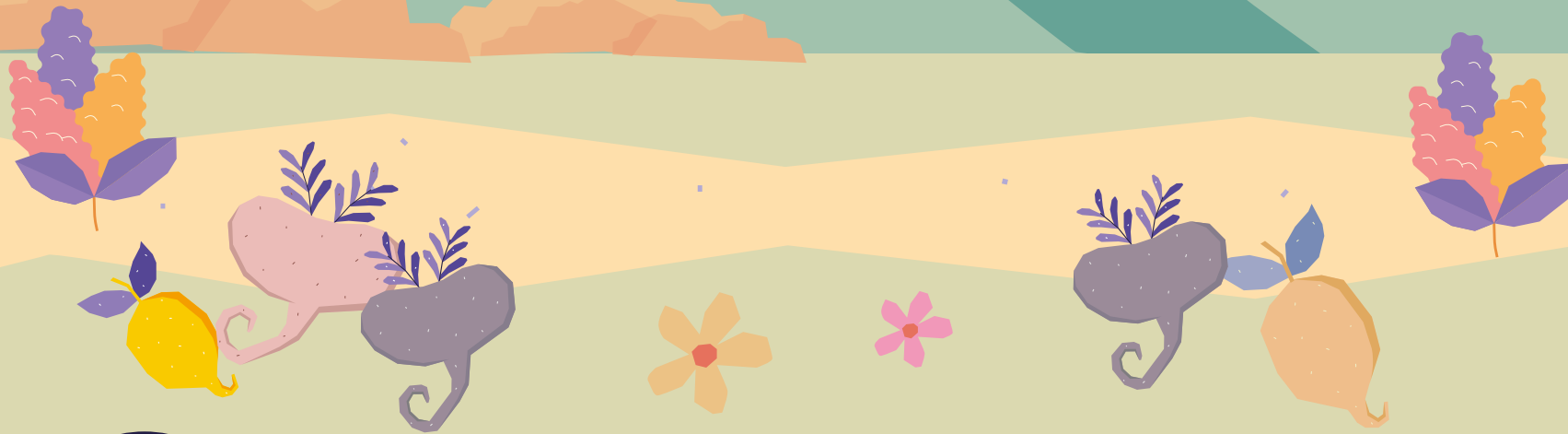
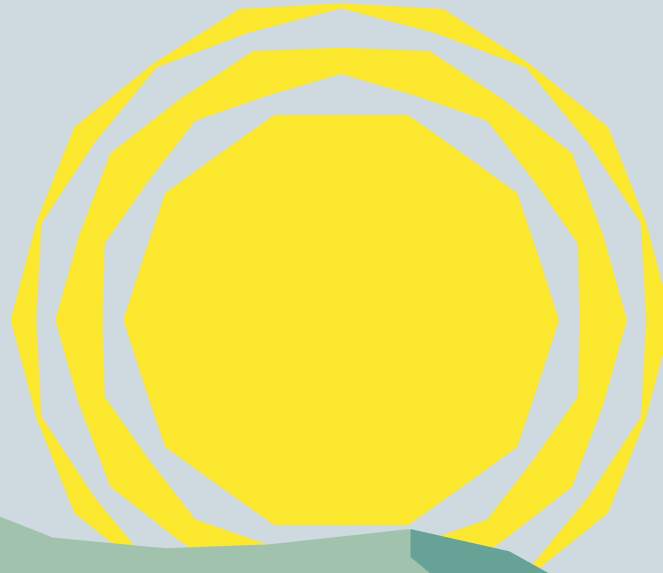


PARTIES RESPONSIBLE FOR ELABORATING THE PRESENT SUSTAINABILITY REPORT



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