



SUSTAINABILITY REPORT 2023

JULY 2022 –
JUNE 2023
SEASON



TABLE OF CONTENTS

▶ **MILESTONES OF THE SEASON**

01

OUR COMPANY

- 1.1. Manuka at a Glance
- 1.2. Manuka in Figures
- 1.3. Sustainability Strategy
- 1.4. Management of excellence
- 1.5. Manuka Culture
- 1.6. Commitment to Sustainable Development Goals (SDG)
- 1.7. Governance and Ethics

▶ **MESSAGE FROM THE CHAIRMAN**

02

ENSURING OUR FINANCIAL VIABILITY

- 2.1 Financial Sustainability
- 2.2 Operating Efficiency

▶ **LETTER FROM THE CHIEF EXECUTIVE OFFICER**

03

TAKING CARE OF OUR PEOPLE

- 3.1 Professional Development
- 3.2 Training Opportunities
- 3.3 Benefit Plan
- 3.4 Occupational Health and Safety

▶ **ABOUT THIS REPORT**

04

TAKING CARE OF OUR ANIMALS

- 4.1 Animal Welfare
- 4.2 Food Safety

05

TAKING CARE OF OUR ENVIRONMENT

- 5.1 Environmental Policy
- 5.2 Environmental Good Practices
- 5.3 Carbon Footprint
- 5.4 Waste Management
- 5.5 Energy Efficiency

06

TAKING CARE OF OUR NEIGHBORS

- 6.1. Positive Impact on our Neighbors
- 6.2. Permanent Communication
- 6.3. Relationship with Stakeholders

07

GRI INDEX APPENDICES

GRI INDEX



MILESTONES OF THE SEASON



Sustainability Strategy

We established a roadmap to chart our sustainability path, defining a strategy based on five cornerstones. This meant determining a framework for our sustainability actions focused on the things that are most important to us and on which we seek to have the strongest impact.



Manuka Culture

During the season, we completed our work on Manuka Culture, defining the seven elements that determine our identity. As part of this process, we renewed our purpose, mission, vision, and values, established our rituals and main interactions, as well as the Manuka leader attributes.



Sustainability Standard for Dairy Farms

We were certified under the First National Sustainability Standard for Dairy Farms. This standard serves as a management tool for the industry, enabling us to identify and implement best practices and actions that enhance the sustainability of dairy processes. The standard focuses on 10 priority topics crucial to fostering sustainability.



Performance Management

Linked to the establishment of new leadership attributes, we are implementing the Performance Management program. This program formalizes a comprehensive evaluation structure for the entire company, based on the SMART methodology and the definitions outlined in the corporate skills dictionary.



Environmental Good Practices

To further contribute to environmental care, we have implemented an environmental protocol encompassing best practices and legal compliance across all business units. This initiative is centered around four key areas and adheres to ongoing evaluation guidelines.



HuellaChile Seal

We subscribed to this initiative that acknowledges companies for their commitment to greenhouse gas management. This recognition follows a thorough external audit conducted by ABS Quality in the field, ensuring the accuracy of emission factors, verifying the reliability of our databases, and assessing the consistency between our measurement methodologies and the achieved results.



Grass Fed Certification

After months of dedicated effort, we obtained this international certification for 100% of our dairy farms. This standard meticulously assesses the annual feeding plan for our cattle, ensuring free access to grass from weaning and maintaining the quality of feed. The certification also encourages the use of forage and supplements with a natural origin.



MESSAGE FROM THE CHAIRMAN



It's with great pleasure that we present our fifth Sustainability Report, marking the next chapter in our journey. This report recognizes the importance of our sustainability strategy aligned with our company's priorities, guided by five fundamental principles: People, Animals, Environment, Communities, and Financial Viability.

In line with the Financial Viability principle, this year we focused on improving our operational efficiencies in all aspects. We stopped our growth strategy, focusing on identifying opportunities for improvement in every area of our operations - from production, youngstock, calf rearing and services. We committed to enhancing all the benefits of our pastoral production model, the foundation of our business and the most sustainable way to produce the highest quality milk.

There has been 18 years of continuous improvement since Manuka started and has resulted in remarkable efficiency improvements. All key performance indicators show this.

Furthermore, we continue to make progress in our sustainability principles. We achieved a number of significant milestones, consolidating our effort and dedication to best practice pastoral milk production by obtaining various certifications validating our commitment to sustainable operations.

We have received the Certified Humane Animal Welfare certification, the Grass-Fed certification from the same international entity, the Huella Chile Seal from the Ministry of Environment, and the Sustainability Standard from the Ministry of Agriculture, all covering 100% of our dairy farms.

The Board has established various committees to support key areas of our company's development. Over the years, the Sustainability Committee has become fundamental in Manuka's strategy.

Today, after five comprehensive reports, we have established a clear and official path, guided by our fundamental principles that will guide our journey towards a more sustainable future.

HENRY VAN DER HEYDEN
Chairman



LETTER FROM THE CHIEF EXECUTIVE OFFICER



Throughout these five years of sharing our sustainability report, we have had the opportunity to highlight the progress and efforts made by our company. In each annual edition, we share with you our dedication to sustainability and our goals for the future.

In this regard, last season marked a significant milestone in our journey. In search of further clarity and structure, we set out to give a more concrete form to our commitment and thus chart a more defined path for us toward sustainability.

Thus, we developed and formalized our sustainability strategy, which establishes the five working cornerstones where we will focus our efforts to have a positive impact on what we value most: our people, neighbors, animals, environment and financial viability. Consequently, the strategy is the cornerstone in the structuring of this report.

In this context, different topics of internal and external interest have been highlighted in each report. This year, the “operating efficiency” was established as one of the most relevant topics, aligned with the national and international economic situation we faced during our production season, and which has remained in place up to now.

In response to these difficulties, we made the strategic decision to slow down our growth, focusing all our efforts on the search for efficiencies, the consolidation of our strengths, and the maximization of the benefits of our production model.

This process not only prompted us to make productive and operating improvements, but also opened the space for redefining our own identity. Thus, during the past season, we marked another milestone that represents a new chapter in Manuka’s history. We established a representative committee that led a participative process to determine what identifies us as a company and what unites us as a Manuka family with a new purpose and values that stand as the cornerstones that will guide our actions and the driving force that will drive us toward common objectives.

At the heart of these major milestones are our employees, people committed to a greater purpose that transcends the boundaries of our company. That is why these changes are more than an internal transformation; they represent our promise of how we want to be and the legacy we wish to leave in our environment.

Dear colleagues, I am deeply grateful for your dedication, passion and support on this journey. Together, we are shaping a brighter future for Manuka and all those stakeholders who move forward with us.

MOISÉS SARAVIA
Chief Executive Officer



ABOUT THIS REPORT



This document is our fifth reporting effort, the fourth under the GRI methodology, and has been prepared in accordance with the GRI Standards in their Essential option.

Considering that this season we defined our Sustainability Strategy, we have structured this report in accordance with our five strategic cornerstones to show our economic, social and environmental performance during the period July 1, 2022 – June 30, 2023.

Our reporting process is aimed at communicating our progress and challenges in sustainability to our stakeholders on a balanced basis, focusing on the key issues that we defined based on a collaborative approach.

The process to define the contents considered the following stages:

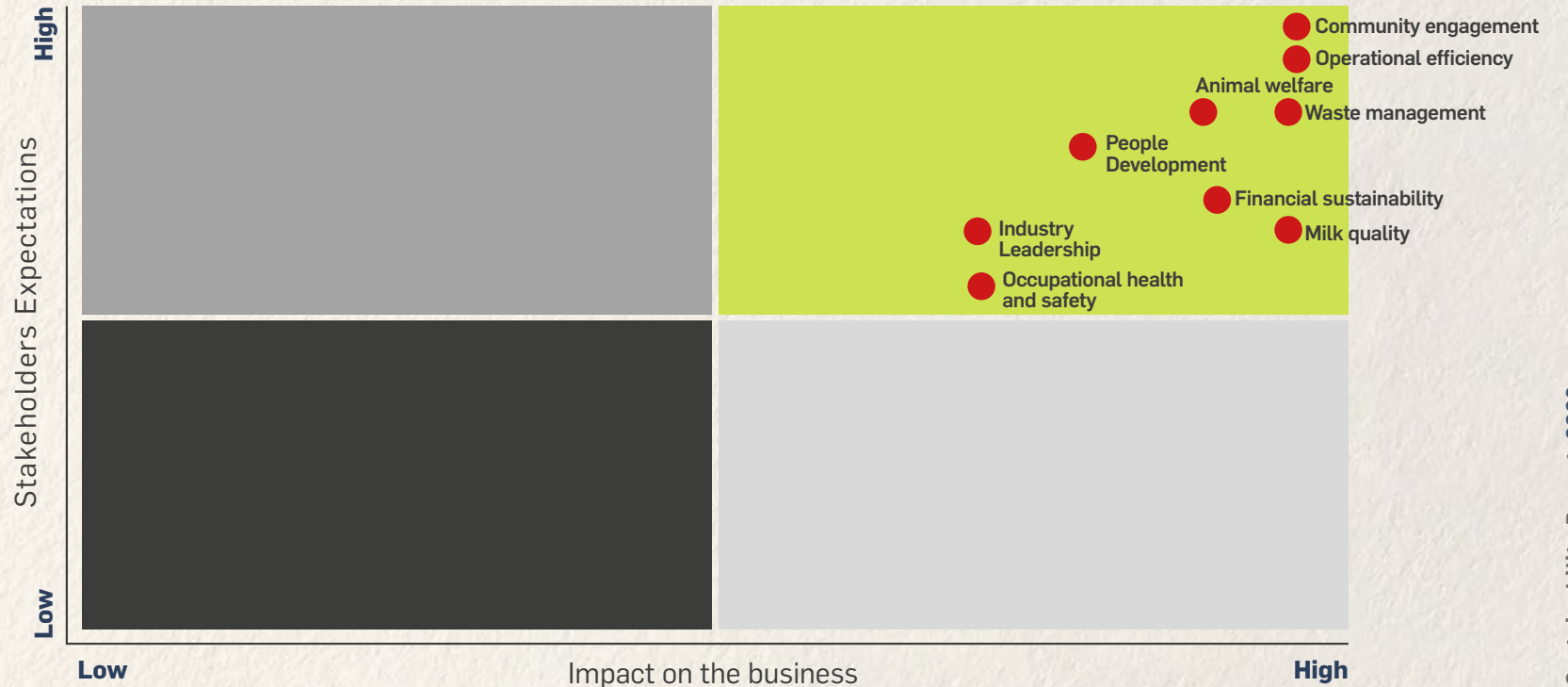
- » Assessment and context of the current situation
- » Identification of critical issues and their current and potential positive and negative impacts
- » Assessment and prioritization of the most significant impacts
- » Supervision, validation and comparison

The following methodology was used to determine the critical issues of 2023:

- » Benchmark with benchmark companies in the industry and sustainability standards related to the dairy industry
- » Interviews with key executive officers
- » Interviews with stakeholders’ representatives
- » Ranking and selection of issues based on qualitative and quantitative analyses

The final process considered a prioritized matrix of critical issues 2023, which shows the impacts generated by the company and the risks associated with its operations.

Materiality Analysis



01.

OUR COMPANY

- 1.1. Manuka at a Glance
- 1.2. Manuka in Figures
- 1.3. Sustainability Strategy
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- 1.5. Manuka Culture
- 1.6. Commitment to Sustainable Development Goals (SDG)
- 1.7. Governance and Ethics



MANUKA AT A GLANCE

We are the largest milk producer in Chile, producing a high quality and sustainable product. We are located in the heart of the south, with operations in Los Lagos and Los Ríos regions, accounting for 8% of the total domestic milk production.

Milk is known to be a nutritionally dense, low-cost food with nine essential nutrients and an excellent source of protein.

In a world increasingly concerned with sustainability and quality of food products, our certified pasture-raised milk production system stands out as a model that combines animal health, respect for the environment, and consumer satisfaction.



Certified pasture-raised milk production represents an objective and verifiable commitment to quality and sustainability.



► OUR PRODUCTION MODEL

At Manuka, the free-grazing system is the basis for milk production. Our animals spend most of the day in pastures, which allows them to feed in a natural and nutritious way, promoting their welfare and the quality of the milk they produce. In addition, free grazing generates significant savings in water resources and minimizes waste generation.

This production model, inspired by the New Zealand permanent pasture system, is based on the strategic management of pasture, which involves consistently and precisely nourishing and measuring its growth. This allows our cows to feed on this grass when it reaches its highest nutritional contribution, also stimulating their reproduction through this natural cut.

The grazing model has vital elements for sustainable food production, and works together with nature, as it allows animals to spend almost their entire lives harvesting their most natural food - grass - with minimal use of supplements.

As we work with nature, our production model requires much skill, training and efficiency to be implemented properly. This allows us to generate high quality and sustainably produced milk, which is then sent to different dairy plants for further industrialization and marketing.



MANUKA IN FIGURES



19.562

Hectares of permanent grasslands.

68.189

Head of cattle (including cows, calves and bulls).



176

Million liters of milk produced in the season.



30.470

Hectares in total.

\$75.084

Net milk sales in MM CLP.



5.866

Hectares of native forest.

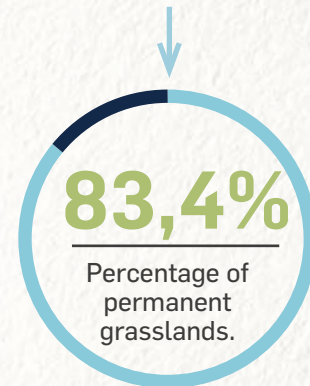
672

Employees .



12

customers



6

Breeding centers

59

Dairy farms

20

Dry areas



Sustainability as a Roadmap

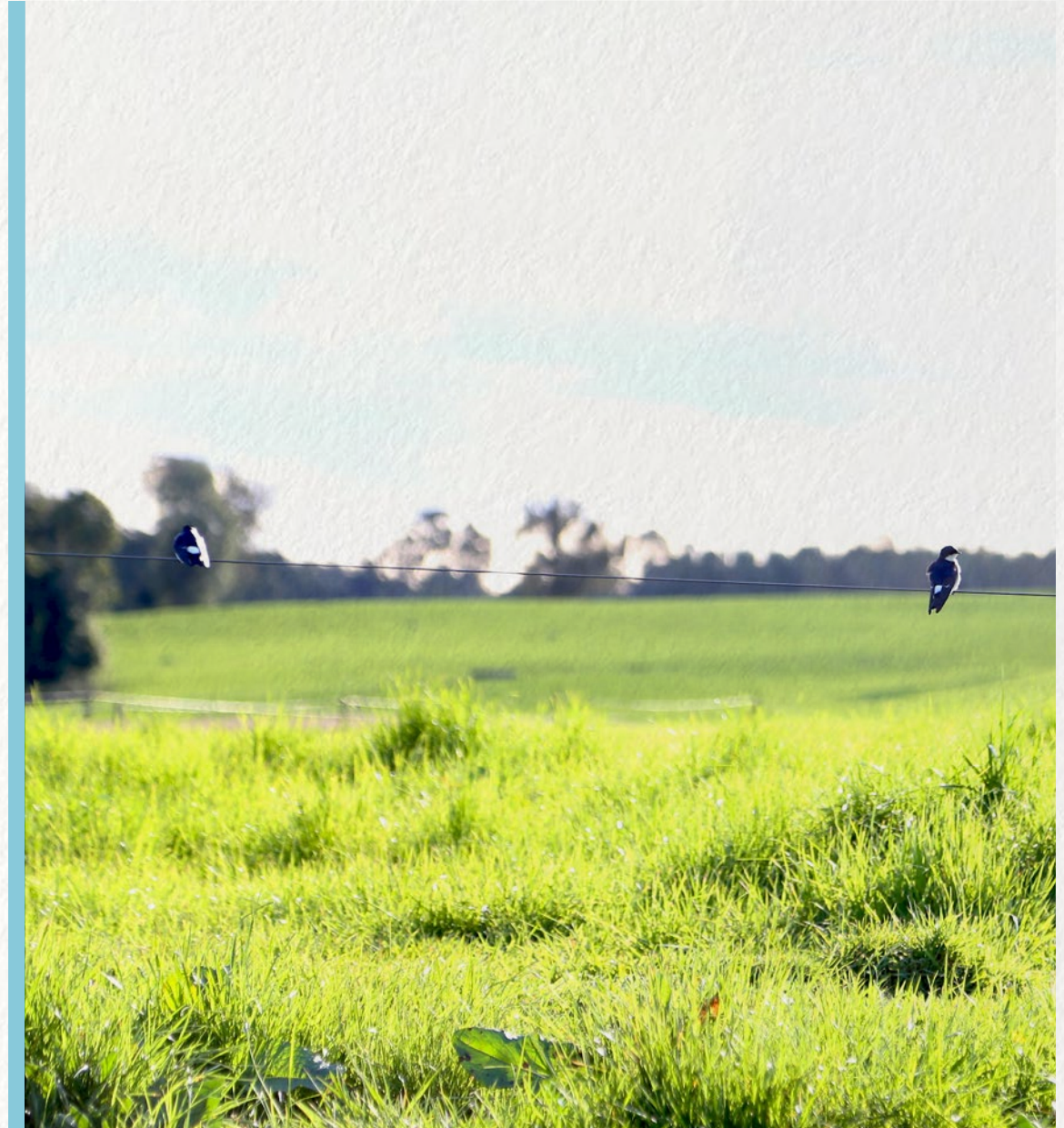
We believe that Chilean dairy production under the pastoral model can have a positive impact on our country, from providing food safety to supporting social development, environmental protection, and economic growth. Therefore, as the largest milk producer in Chile, we have the commitment and responsibility to manage our business with the highest standards of production and sustainability.

SUSTAINABILITY STRATEGY

It is with this vision that during the last season, we set ourselves the challenge of establishing a clear roadmap for our sustainability path, taking into account our purpose, goals and the cornerstones we will focus our work on. As a result of this process, we structured our sustainability strategy, establishing a framework for our sustainability actions, focused on the things that are most important to us, and where we seek to have the strongest impact.



It is key for our company to establish a corporate sustainability purpose that can add value to our business.



In our sustainability path, we have defined **five strategic cornerstones** to continue moving forward on an orderly and focused basis in the areas where we really want to have an impact. All action plans related to sustainability are based on these cornerstones.

Strategic Cornerstones



TAKING CARE OF OUR PEOPLE

Manuka's talented people are the essence that drives our work, and we seek to offer them the best working conditions.

Our purpose

- ✓ Providing professional development
- ✓ Providing training opportunities
- ✓ Providing benefits
- ✓ Creating a pleasant and safe working environment
- ✓ Getting our people involved in sustainability



TAKING CARE OF OUR NEIGHBORS

We strive to create value for our neighbors by supporting projects focused on our areas of interest.

Our purpose

- ✓ Providing local education/development
- ✓ Promoting rural recruitment
- ✓ Engaging with our closest communities



TAKING CARE OF OUR ENVIRONMENT

We are proud of our sustainable pasture-based production model, and we are determined to promote new actions.

Our purpose

- ✓ Waste management
- ✓ Carbon footprint
- ✓ Taking care of native forests and watercourses
- ✓ Care and management of the sun



TAKING CARE OF OUR ANIMALS

Our cows spend their lives in our pastures, and we ensure that they are treated according to all animal welfare principles.

Our purpose

- ✓ Animal welfare protocols and audits
- ✓ Animal welfare certifications
- ✓ Animal welfare training
- ✓ Preventive health management



ENSURING OUR FINANCIAL VIABILITY

To create value for others, we must run an economically sustainable business.

Our purpose

- ✓ Maintaining an economically sustainable company
- ✓ Ensuring that our sustainable cornerstones do not conflict with each other



SUSTAINABILITY COMMITTEE

To ensure the governance of our sustainability strategy, we have a sustainability committee that meets every three months. Its main purpose is to promote sustainability strategies and actions at board level, and review the purposes and actions in this area in conjunction with management.

Committee functions:

- Lead and care for the sustainability strategy and reputation of the company.
- Participate in the approval of production and rebreeding processes that may compromise Manuka's sustainability as defined in its strategy.
- Quarterly report on sustainability processes.

This committee is comprised by six members, namely, two external experts, a shareholder, and three members of the Board of Directors. One of these members is the current President of the Committee, Mr. Richard Kouyoumdjian.



EXCELLENCE MANAGEMENT

We continue to move forward in our sustainability principles, consolidating our efforts and dedication to the production of the highest quality pastoral milk, by obtaining various certifications that validate our commitment to sustainable operations.



Certified Humane® International Animal Welfare Certification



100% of our dairy farms and four calf raising centers have obtained the largest scale certification issued for a dairy company in the country and Latin America.

The **Certified Humane®** seal guarantees that our animals' feed come from producers who comply with objective and verifiable animal welfare requirements, based on the Humane Farm Animal Care standard for dairy cows. In Manuka's case, this is in addition to the Grass Fed certification, which evaluates the cattle's annual feeding plan, ensuring free access to pasture from weaning, the proper feeding management of the animals, and the natural origin of forage and supplements.

It should be noted that training has been fundamental in this process. We have strengthened the purposes and the joint work with the teams of each center, generating the participation of each employee in the certification process. Today we have a system for implementing concrete actions and reports on the welfare

of our animals, improving our processes and working towards an international standard in this area.

Certification scopes

- ▶ Facilities complying with specific standards of treatment of production animals.
- ▶ Producer complying with the required standards and following them in the production of animals from birth to slaughter.
- ▶ Animals living without cages, without fences, without fixed pens.
- ▶ Diet with quality feed.
- ▶ Producers complying with food safety and environmental standards.



Certified Humane® International Grass Fed Certification



100% of our dairy farms are certified

The Grass Fed certification evaluates the cattle’s annual feeding plan, ensuring free access to pasture from weaning, the proper feeding management of the animals, and the natural origin of forage and supplements.

During the season, we obtained the Certified Humane Grass Fed certification on 100% of our dairy farms.

Grazing is at the heart of our dairy production and a sign of our commitment to the environment and animal welfare, which allows our animals to spend most of the day in pastures, feeding with natural and nutritious food, which translates into milk of exceptional quality.

Sustainability Standard for National Dairy Farms



100% of our dairy prices are certified for three years. Manuka accounts for 60% of certified farms nationwide

The First Sustainability Standard for National Dairy Farms is a management tool for the industry, which allows to identify good practices and actions that have been or will be implemented to make the processes more sustainable, contributing positively in the economic, social and environmental fields through 10 priority topics.

This standard is developed under the Chile Origen Consciente program, an effort led by the Ministry of Agriculture through its Office of Agricultural Studies and Policies (ODEPA), Corfo’s Sustainability and Climate Change Agency, and the Dairy Consortium.

During the season, our 59 dairy farms were certified, obtaining the highest accreditation of 3 years by the Ministry of Agriculture and public and private organizations, which made it possible to generate the work and show that dairy production can meet the necessary standards in terms of sustainability, animal welfare, and environmental care.

This tool ensures that production is carried out under certain standards, aiming at the production chain as a whole and, as a consequence, at the delivery of an end product made under the logic of responsibility and care.

To access the audit and certification process that the sustainability standard entails, we adhered to the Clean Production Agreement (APL), Sustainability Standard for the Primary Dairy Industry, to support progress with tangible indicators.

Officially Certified Animal Breeding Stock Program (PABCO)



100% of our farms are certified, which shows our commitment to provide a product of the highest quality

The PABCO Program provides guarantees to animal production to support the certification of products fit for human consumption and the requirements established by the official services of the export destination countries or markets. In addition, it defines the information on livestock that must be available for traceability in the food chain.

The entity responsible for certification is the Agriculture and Livestock Service (SAG), the only official certification issued by the State. Its high standards allow certified products to be exported to the European Union, one of the importers with the highest food safety standards in the world.



MANUKA CULTURE



We have a corporate culture model that addresses the set of values, beliefs, standards, behaviors and traditions that characterize our company and that have an impact on the way how our employees interact with each other and with the business environment. Through this model, we define our identity, which plays an important role in decision making, in the way things are done, and the way we relate to our stakeholders.

The definition of the Manuka Culture is the result of a change management process initiated in April 2022, to account for our reality and our essence. In this context, we created a Culture Committee, comprised by 15 people from all areas of the company, seeking to give the greatest possible representativeness and transversality to the process and defining together Manuka's cultural elements.

As a way to involve our people in the installation of the Manuka Culture, we developed a survey to measure the elements of interest related to our culture, through the perceptions of all members of the organization.



Manuka Culture Process Results Seven Manuka Culture elements



Purpose

“We want to create value in people’s lives, by generating a positive social, economic and environmental impact.”

Vision

“Be leaders in sustainable milk production, giving priority to the comprehensive development of people, animal welfare, and care for the environment.”

Mission

“Provide opportunities, doing what we are passionate about, producing milk based on free grazing with the commitment, strength and excellence of our people.”



Leadership practices

Manuka’s leader must have a number of attributes that show a managerial role in the development of the team to perform a good job.

- ✓ Mobilizing attributes
- ✓ Inspiring attributes
- ✓ People shaping attributes
- ✓ Communicative attributes
- ✓ All-rounder attributes

Values

RESPECT

We value the work performed by each of the Company’s employees and we strive to generate cordial and trusting relationships.

ENTREPRENEURIAL SPIRIT

We think and act in an ingenious way, aiming at the development and profitability of our business.

COMMITMENT

We perform our duties with passion and professionalism to meet our challenges, always in line with our values.

HONESTY

We act consistently with what we agreed, being responsible for our mistakes and always improving our work.

PARTNERSHIP

We work collaboratively towards common goals, generating bonds and supporting each other.



COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS (SDG)

As members of the Pacto Global Chile, we are committed to implement the ten principles of this organization, working together to generate alliances that contribute to the fulfillment of the United Nations 2030 Agenda and its 17 sustainable development goals (SDGs). Our contribution to the SDGs is embodied in six of these goals, to which we contribute with our actions and efforts.



Pacto Global
Red Chile



OBJETIVOS DE DESARROLLO SOSTENIBLE



Goal



Manuka's Contribution



- 2.2** By 2030, put an end to all forms of malnutrition.
- 2.3** By 2030, double the agricultural productivity and incomes of small-scale food producers.
- 2.4** By 2030, ensure the sustainability of food production systems and implement resilient agricultural practices aimed at increasing productivity and production.

- » Production of 176 million quality milk (8.85% solids per liter-average RCC* 193,550 and CFU** 14,741).
- * Somatic Cell Count.
- ** Colony Forming Units.
- » Provision of training to improve milk production and product quality through Fundación Tres Hojas.

Goal



Manuka's Contribution



- 4.3** By 2030, ensure that all men and women have equal access to quality technical, vocational and higher education, including university education.

- » Training program for employees.
- » Contribute to the professional development of the dairy industry through Fundación Tres Hojas.



Goal

Manuka's Contribution

8.2 Increase economic productivity levels.

8.3 Promote development-oriented policies that support production activities, create good jobs, and encourage the formalization and growth of SMEs.

8.8 Protect labor rights and promote a risk-free and safe working environment for all employees.

- » 81 in-house promotions.
- » Development program for employees.
- » Occupational health and safety system.
- » Benefit plan.

Goal

Manuka's Contribution

11.1 By 2030, ensure that all people have access to adequate, safe and affordable housing and public utilities, and upgrade slum areas.

11.6 By 2030, reduce the per capita negative environmental impact of cities, by paying special attention to the quality of air and the management of municipal and other wastes.

11.a Support positive economic, social and environmental links among urban, peri-urban and rural areas by strengthening national and regional development planning.

- » Welfare efforts for local communities driven by Manuka along with other local stakeholders.
- » Household waste removal program.
- » Emporio Manuka.

Goal

Manuka's Contribution

12.2 By 2030, achieving sustainable management and efficient use of natural resources.

12.5 By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse activities.

- » Environmental policy.
- » Waste reduction and management program.
- » Solar collectors in dairies and homes of employees.

Goal

Manuka's Contribution

13.2 Introduce climate change measures into domestic policies, strategies and plans.

13.3 Improve education, awareness and human and institutional capacity for climate change mitigation.

- » Pastoral production model that reduces GHG emissions.
- » 19,562 hectares of permanent grasslands.
- » Measuring our corporate carbon footprint every season.



GOVERNANCE, ETHICS AND COMPLIANCE

► BOARD OF DIRECTORS



HENRY VAN DER HEYDEN

Position:
Chairman

Nationality:
New Zealander



MARK TOWNSHEND

Position:
Director

Nationality:
New Zealander



BRENDAN BALLE

Position:
Director

Nationality:
New Zealander



RICHARD KOUYOUMDJIAN

Position:
Director

Nationality:
Chilean



MOISÉS SARAIVIA

Position:
Executive Director

Nationality:
Chilean



STEVE SMITH

Position:
Director

Nationality:
New Zealander



JOHN FERRIS

Position:
Director

Nationality:
New Zealander



JOS VAN LOON

Position:
Director

Nationality:
Dutch

► BOARD COMMITTEES

During the season, eight board of directors' meetings were held.

Committee Name	Purpose	Frequency	Members
Production Committee	Productive performance and organic growth of the company; continuous improvement in the performance of this area.	Monthly	9
Sustainability Committee	Promote sustainability strategies and actions at board level, and review sustainability goals and actions along with management.	Quarterly	6
Finance, Risk and Audit Committee	Exchange ideas on the direction of the corporate financial management.	Quarterly	7



► MANAGEMENT TEAM



MOISÉS SARAVIA
Chief Executive Officer



ANDRÉS BARTHOLD
Chief Operation Officer



FRANCISCO MAYOL
Administration and Finance Manager



AUDILIO QUIÑONES
Production Manager



GONZALO GARCÍA
Dry Area Manager



JOAQUÍN LILLO
Service Manager



TOMÁS GRAU
Corporate Affairs & Human Resources Manager



CRISTIÁN CABRERA
Technical Manager



RICARDO FERRANDO
Maitenes Manager



FÉLIX SCHWERTER
La Junta Manager



MARCELO ROMERO
Coihueco Manager



JAZ PRUTZMANN
Purranque Manager



DIEGO IBÁÑEZ
Laguna Bonita Manager



PABLO VEAS
Los Ríos Manager



ANIRIAM MANRÍQUEZ
People manager



► ETHICS AND COMPLIANCE

The company's ethical guidelines are set out in a number of policies that provide behavioral guidelines and a framework of integrity for all those who are part of Manuka, including those who provide services to the company.



Click on each title to read more.

► ETHICAL MANAGEMENT INDICATORS

13

Number of governance body members **who have been informed and trained** on anti-corruption policy and/or procedure.

100%

Percentage of employees who have been informed of the anti-corruption policy and/or procedure.

0

Confirmed corruption cases.

0

Discrimination cases identified through our formal channels.



02.

ENSURING OUR FINANCIAL VIABILITY

- 2.1 Financial Sustainability
- 2.2 Operating Efficiency

*To create value for others,
we must run an economically
sustainable business.*





FINANCIAL SUSTAINABILITY

Our commitment to people also responds to a sustainable and responsible economic model that allows us to remain current and respond to market demands, both in terms of productivity and product quality.

In this sense, Manuka's financial sustainability is a determining variable when it comes to projecting the company. From this perspective, during the last season, we decided to work with a view to a limited growth, setting a great challenge, namely, the search for operating efficiencies and excellence in the operation of the company.

Thus, we have focused on strengthening our assets, with special emphasis on the efficiency of our grasslands, which represent an important part of the final results of our production model.

We have also worked to restructure the corporate financial liabilities, seeking a structure in line with the needs of the business and the future cash flows we are forecasting, so as to strengthen the corporate financial sustainability and focus on paying more attention to the management of the business.



We have paused in our expansion, focusing on identifying opportunities for improvement in every area of our operations, from production to management.



OPERATING EFFICIENCY

The pursuit of sustainable development in terms of soil management is essential for Manuka, so that our permanent pastures can deliver the highest quality feed at the lowest cost. We achieve this goal through a robust program of pasture management and maintenance, and proper feed planning.



Strategic pasture management is one of the main aspects to achieve low-cost milk production.

The effective application of the pastoral model in each field is one of the biggest challenges faced by the Manuka team every season, as this defines the ability to make the most efficient and timely use of the grass provided by the pasture.



MAIN GUIDELINES FOR SOIL MANAGEMENT EFFICIENCY

- ↗ Strictly following the pasture rotation plan established for each field according to its pasture growth rate and its stocking rate, expressed in cows per hectare.
- ↗ Leveraging the grass surplus generated in spring, being assertive in the decision to segregate paddocks for silage, ensuring the quality of the cutting and silage work, and working to ensure that these occur at the right time to ensure good silage quality and avoid compromising the future growth of the paddock.
- ↗ Generating adequate grass covering to be consumed in summer, seeking a level of careful grazing to prevent paddocks from losing their quality.
- ↗ Having high-yielding winter crops, such as sugar beet or cabbage, which are of vital importance because their results directly affect productivity and pregnancy rate in the following season.



SEASONAL EFFICIENCY FOCUSES

- Fertility and care of our pastures, measuring the fertility of the soils throughout our platform, so as to optimize the fertility of paddocks.
- Improving the management and feeding of dry cows during the winter, through the management and quality of feeding during this period, which is critical for the cow to recover well after calving and have a good milk production pick.
- Diversifying the crops to introduce grass in the winter diet, so that the cow has a good winter and calves in good health conditions.
- Optimizing and standardizing grazing techniques to take good advantage of the passage and implement precision grazing.
- Better managing resources, and improving processes and systems.
- Contributing to efficiencies that translate into lower transaction costs and enhanced analyses with added value to the business.
- Reviewing all budget lines to obtain cost adjustments in the different areas of business management.



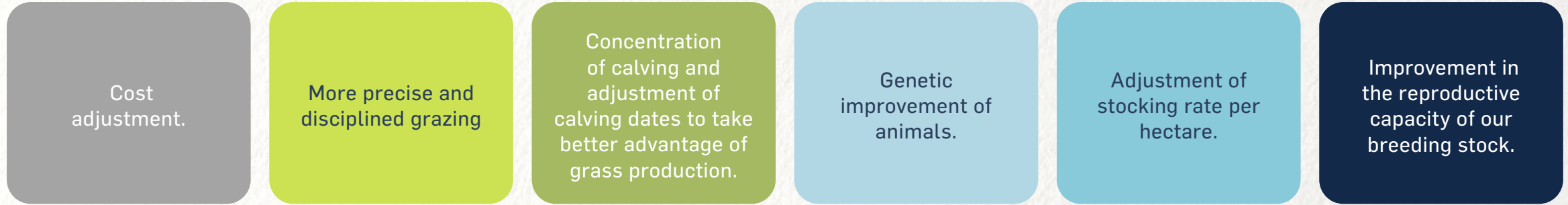
The unification of operating and production criteria, together with the sustained work to achieve the technical precision required by the production model has allowed us to reach higher levels of efficiency.

We have increased the use of grass in the diet, reaching 87%, which means an increase of eight points as compared to the previous season (75%). This has resulted in an improvement in the quality of the milk we produce. During the season, we obtained milk with a higher percentage of solids, i.e., richer in protein and fat.

87%
of the diet
based on
grass.

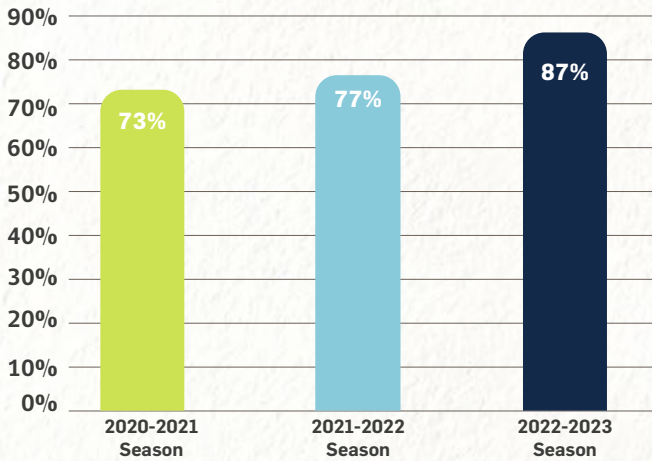


► HOW WE HAVE IMPROVED EFFICIENCY

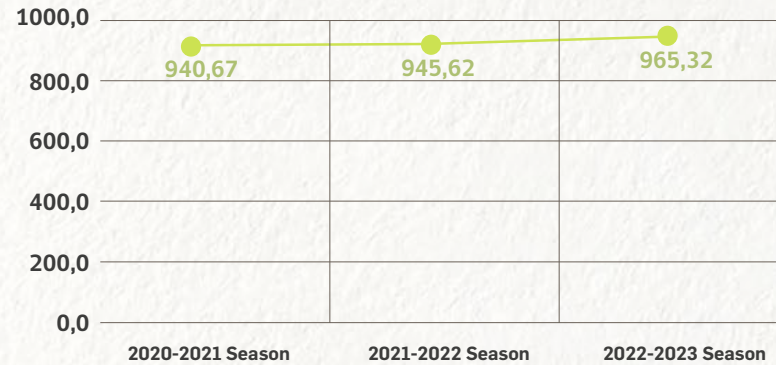


► EFFICIENCY INDICATORS

Grass-feeding evolution



Evolution of Solids/Grass per Hectare



Conversion Efficiency (Kg DM/Kg MS)

DM= Dry Matter
MS= Milk Solids



03.

TAKING CARE OF OUR PEOPLE

- 3.1 Professional Development
- 3.2 Training Opportunities
- 3.3 Benefit Plan
- 3.4 Occupational Health and Safety

Manuka's talented people are the essence that drives our work and we seek to offer them the best working conditions.



► OUR TEAM

We continue to improve our female staff. This season, we exceeded our goal by **four points**.



We are proud to have employees characterized by their skills, knowledge, responsibility, commitment, involvement and passion for what they do.



672

permanent employees



unionized employees covered by collective bargaining.



6,67

years of service
men

3,15

years of service
women



178

seasonal workers at the peak of the season



PROFESSIONAL DEVELOPMENT

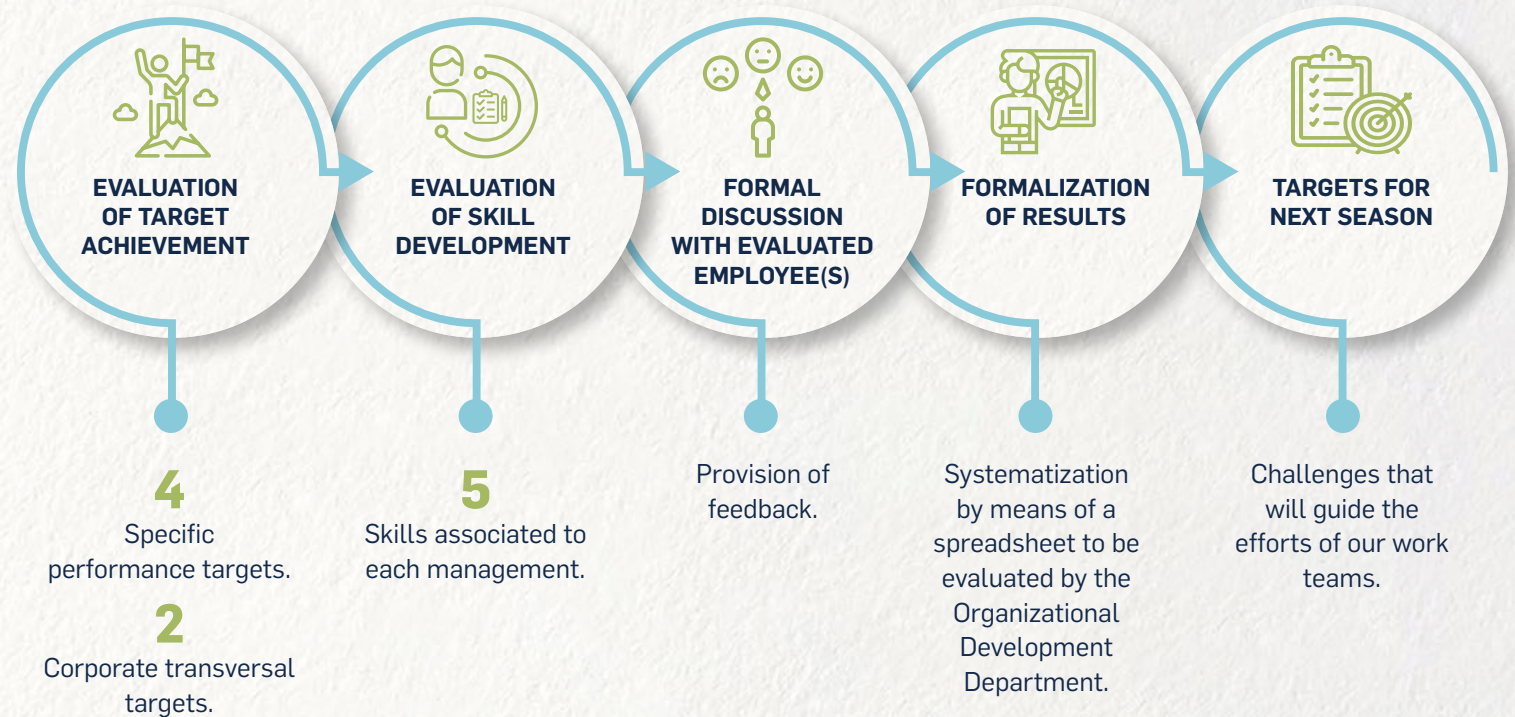
We believe in the personal development of our employees, so we strive to provide them with the appropriate opportunities and tools to promote their professional progress. In this sense, meritocracy and the professional development are some of the key principles that we promote through different initiatives and lines of work.

► PERFORMANCE MANAGEMENT

As part of professional development, during the season, we launched the Performance Management program, which constituted the formalization of a transversal evaluation structure for the entire company, associated with the configuration of the space for Manuka's new leadership.



Performance Management Structure



Performance Management Components

» **SMART Methodology.** It is aimed at organizing the establishment of specific performance targets for each evaluated employee, by means of the five concepts comprising the acronym.



» **Manuka Skill Dictionary.** Document that compiles the different skills of the company, which is aimed at defining an objective and standardized guideline of skills, aptitudes and knowledge to be measured in the employees.

PROCESS IMPACT

It allows us to formally and precisely manage the performance of our employees, making clear what has been done well, what still needs to be improved, and what will be evaluated during the coming season, while generating a space of trust among team members.

To promote its proper implementation, training sessions were held on the new evaluation instrument, inviting each team to generate its own goals, and specific training was given on feedback, a fundamental aspect in this type of process.

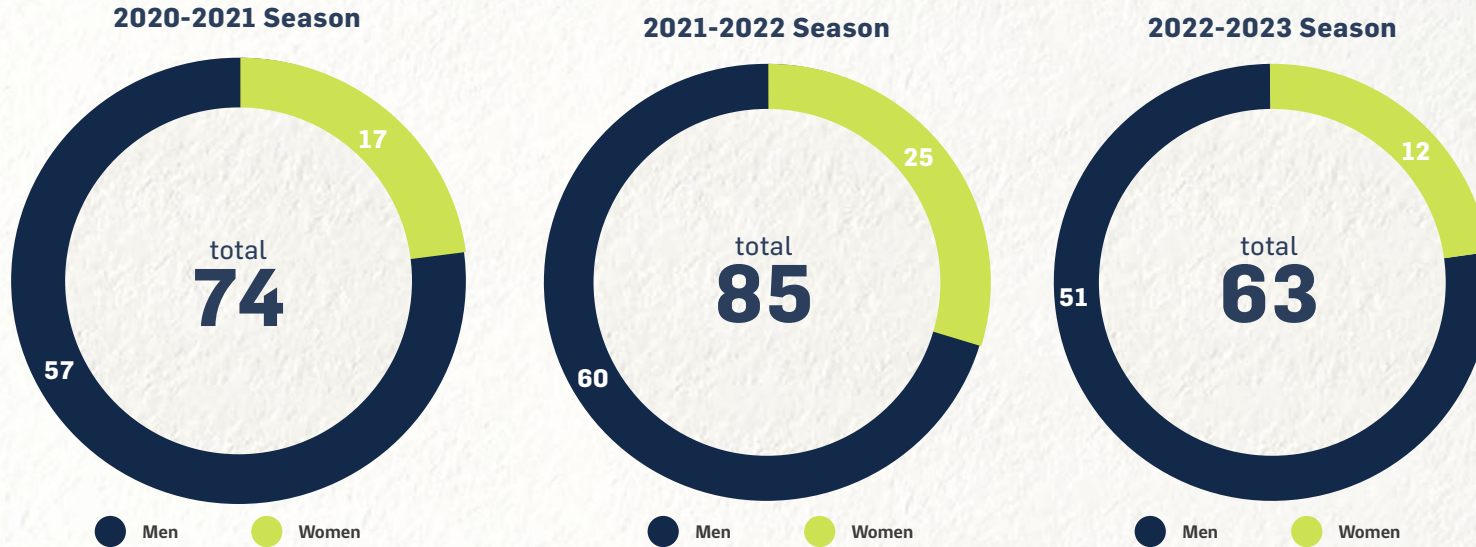


Performance Evaluation Indicators

PERCENTAGE OF EMPLOYEES EVALUATED ON THEIR PERFORMANCE	Man	Woman	Total
Managers and assistant managers.	18	1	19
Department heads and supervisors.	27	8	35
Administrators, unit heads, accountants, second in charge, sector heads, area managers, analysts, experts and sub-administrators.	97	24	121
Milkers, support staff, administrative staff, assistants, farm workers, assistants, coordinators, operators, technicians, veterinarians.	41	29	70
Total Employees	183	62	245



Evolution of In-House Promotions by Season



The reduced in-house promotions are mainly due to the opening of fewer dairy farms during the season.

Professional Development Indicators

PROMOTED EMPLOYEES	Men	Women	Mean Women	Mean Men
Managers and assistant managers.	2	0	0%	12%
Department heads and supervisors.	1	0	0%	4%
Administrators, unit heads, accountants, second in charge, sector heads, area managers, analysts, experts and sub-administrators.	23	5	11%	12%
Milkers, support staff, administrative staff, assistants, farm workers, assistants, coordinators, operators, technicians, and veterinarians.	25	7	9%	9%
Total Employees	51	12	9%	10%

► CERTIFICATION OF SKILLS

One of the most important initiatives of the season in terms of professional development was the alliance reached with Chilevalora to certify the skills associated with the profile of milker and calf raiser. This was done to recognize the knowledge acquired by these people and the trade they practice. Our purpose is to give continuity to this alliance and certify a given number of Manuka's employees each season.



► IN-HOUSE MOBILITY

People are the engine of our company, and that is why we seek to generate the appropriate instances of recognition and growth, enhancing the retention of our talented people and their promotion in the company.



TRAINING OPPORTUNITIES

We have a continuous training program that considers technical, sustainability, communication and teamwork issues, including specializations for managers and senior managers.

Training Hours by Position

	Women	Men	Mean Women	Mean Men
Managers and assistant managers.	10	228	24,0	19,0
Department heads and supervisors.	80	376	8,9	13,0
Administrators, unit heads, second in charge, area managers, analysts, sub-administrators, experts, prevention experts, and accountants.	1099	4218	22,4	21,6
Milkers, support staff, administrative staff, assistants, farm workers, auxiliaries, coordinators, operators, technicians, and veterinarians.	1496	4537	7,5	8,2
Total	2658	9359	10,4	11,9

During the last season, these training courses for our people exceeded 12,000 hours, accounting for 85.4% of our employees.



Main Training Programs

Training Programs	Target employees	Participants
Onboarding	All new employees.	572
Zoonotic Diseases	Personal in contact with animals.	337
RCP	1 representative for each work center or team (operation and support)	92
New Manuka Leader	Operating leaders (milk and dry area, except for managers)	87
Manuka Talent	Talent program participants	17
Power BI Tools	Administrative support units - reporting managers	23
English	Employees frequently in contact with managers, who have not taken the course before or who need refresher.	11

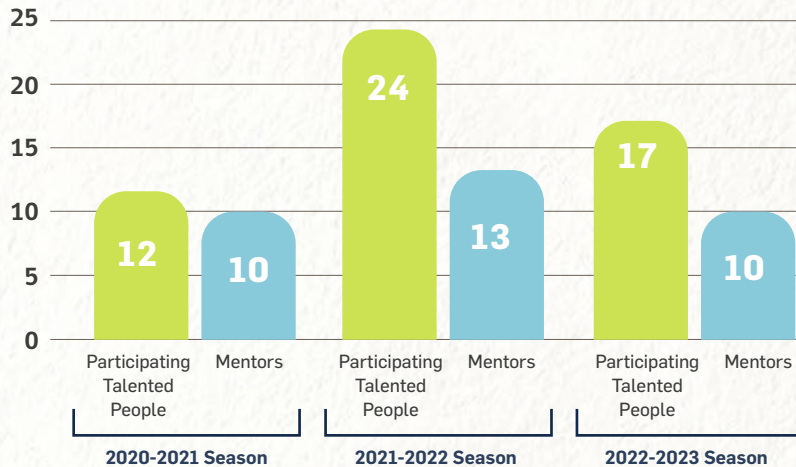


▶ MANUKA TALENT

For the third season, we conducted the Manuka Talent Training Program, aimed at empowering the outstanding talented people through a range of theoretical and practical training courses focused on the development or enhancement of different competences and skills.

This program is structured through a mechanism of knowledge transfer and retention, under a mentoring modality, with the participation of mentors (supervisors and/or managers) who accompany the participating talented people in the learning process. The technical courses are provided by Centro de Capacitación Lechero del Sur (CCLS), both in the classroom and in the field, and include grazing techniques, farm management and milking. The cross-cutting courses are led by internal and external experts on topics such as occupational health and safety, quality and environment.

Talent Program Evolution by Season



▶ IN-HOUSE SHAREMILKER PROGRAM

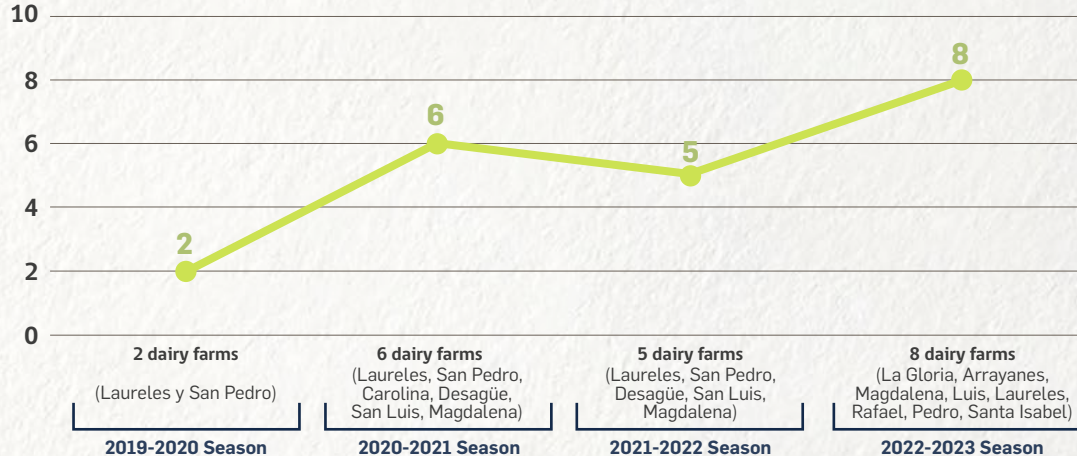
We continue to enhance the professional development of field managers, with the consolidation of the Sharemilker Intern program. In its fourth season, we continue to recognize the talent and good performance of those who lead the management of the farms, which is reflected in the income structure of the program participants.

During the season, we reached eight dairy farms and made some adjustments to the compensation forms for sharemilkers, which made the challenge become more comprehensive.

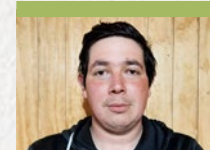
In-house sharemilkers of the 22/23 season: Pablo Parada (La Gloria), Gerardo Méndez (Arrayanes), Hernán Paredes (Magdalena), Marcos Maldonado (San Luis), Juan Estrada (Laureles), Emilio Duamante (San Rafael), Orlando Álvarez (San Pedro), and Jaime Silva (Santa Isabel).

For next season, there will be 10 sharemilkers, with the addition of Javier Barrientos (El Roble) and Alex Guarda (Canelo) to the program.

Program Evolution by Season



Javier Barrientos



Alex Guarda



Orlando Alvarez



Juan Estrada



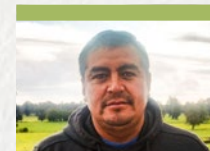
Marcos Maldonado



Hernán Paredes



Pablo Parada



Emilio Duamante



Gerardo Mendez



Jaime Silva



BENEFIT PLAN

Manuka is characterized by our constant work and bond with all our employees, which translates into a permanent search to improve and activate different initiatives and benefits that can bring the best experience for our team members.

That is why we believe that the key is to understand the needs that arise throughout the lives of all our employees, a fact that leads us to innovate and generate alliances that allow to distinguish today all Manuka family members in different areas.

This is reflected in our benefit brochure, which includes the various agreements and initiatives available to our teams and their families.



OCCUPATIONAL HEALTH AND SAFETY



Another important challenge is the occupational health and safety of our employees, the strategic value of which was reflected in the new Performance Management program, where the accident rate was established as a company-wide indicator. Thus, we focused on reinforcing the message that safety is everyone's responsibility, as each Manuka team member can help making unsafe practices visible.

Any employee who identifies a risky situation at work can channel his or her concern through his or her supervisor or directly to the Occupational Health and Safety Department or through the complaint channel (www.manuka.cl/escucha.activa).

As required by current regulations, we have Occupational Health and Safety Management Regulations certified by the Mutual Security Association, which involves all parts and areas of the company. This system provides guidelines to prevent occupational accidents and diseases, and applies both to internal employees and to outsourcing companies (contractors and subcontractors).

We are currently implementing the PEC Management System, Mutual Security Association Standard, a program aimed at promoting and supporting the efforts of companies that seek to verify legal compliance in OHS matters and control their accident rate indicators (accident and occupational disease rates, severity, and mortality, among others).

GOOD PRACTICES IN RISK PREVENTION OR MITIGATION

- ↗ Operating inspections and behavioral observations of employees through a program of visits to each work center.
- ↗ Identification of risks through monthly walks carried out by the Joint Committee in the workplaces.
- ↗ Investment in upgrading and implementing preventive signage in work areas.
- ↗ Search for continuous improvement in work clothing, such as waterproof suits, overalls and implements that prevent zoonotic diseases.
- ↗ Meetings with management of each area for continuous improvement and accident prevention in the different work sites, which include accident rate analysis, visit reports, toolbox talks and activities with employees.
- ↗ Toolbox talks in the workplace addressing topics such as the use of first aid kits and first aid, prevention of hantavirus and biological risks, use of fire extinguishers, use of Personal Protective Equipment (PPE), solar UV radiation, manual management of loads, among others.



SAFETY AND HEALTH TRAINING

↗ Zoonotic Disease Prevention

337 participants

↗ Cardio Pulmonary Resuscitation & AED

92 participants

↗ Light Vehicle Defensive Driving

33 participants

↗ Civil and Criminal Liability Workshop

26 participants

↗ Safe Motorcycle Riding

22 participants

↗ Agricultural Equipment Operation

12 participants

↗ Hazardous Substances (Contractors)

12 participants

Accident Indicators	Number of Cases
Death due to occupational accident	0
Occupational accident with major consequences (non-fatal)	0
Occupational accidents	111
Number of hours worked	1,953,000

▶ JOINT COMMITTEE

We have two Joint Committees, through which our employees participate in the development and application of the health system. Their main functions are:

» **Instruct and promote among the employees the proper use of PPE's (Personal Protective Equipment).**

» **Monitor compliance with preventive actions within the organization, conducting regular inspections.**

» **Participate in the investigation of occupational accidents and determine whether they would be covered by Law 16,744.**

» **Promote and manage the participation in training activities.**

» **Participate in monthly or extraordinary meetings of the Joint Committee.**

» **Promote activities and supervise risk behaviors of employees.**

Occupational Disease Indicators	Number of Cases
Death due to occupational accident	0
Occupational diseases	13



During the season, the Health and Safety Joint Committee obtained the Silver category certification issued by the Mutual Security Association.

* More information about this certification in the following link



04.

TAKING CARE OF OUR ANIMALS

- 4.1 Animal Welfare
- 4.2 Food Safety

Our animals spend their lives in our pastures and we ensure that they are treated according to all animal welfare principles.



ANIMAL WELFARE



The good treatment of animals and the permanent care of their welfare is an essential part of our model, and the respectful management is fundamental. That is why we invest heavily in infrastructure, training, supplies and preventive programs that allow us to manage and care for them responsibly throughout their life cycle.



HOW WE DEFINE IT

Animal's condition and the way it copes with the environmental conditions.



HOW WE MANAGE IT

With management protocols that cover all aspects for our cattle to reach a high standard of care, and with good practices in all production areas of the company.



GOOD PRACTICES IN ANIMAL WELFARE

➤ During the last season, 63 internal audits were conducted by a veterinarian who evaluates different animal welfare issues.

➤ We trained 330 employees in animal health and different livestock management issues.

➤ We have high standards in roads, dairy farms and waiting yards, which allows us to improve lameness and mastitis indicators.

➤ Our goal is to have lameness percentages of no more than 3%, and mastitis percentages of no more than 5%.

➤ We have the control, support and supervision of a team of veterinarians, some of whom are mastitis and lameness experts.

➤ During the last season, 14 inspections were conducted by the Agriculture and Livestock Service (SAG) to our company, which showed optimal results.



Animal Welfare Indicators

	2020-2021 Season	2021-2022 Season	2022-2023 Season	Goal
Mastitis percent	1.8%	1.4%	1.6%	<5%
Lameness percent	1.4%	1.2%	1.5%	<3%
Average cow lifetime	4.0 calving	4.0 calving	5 calving	



FOOD SAFETY

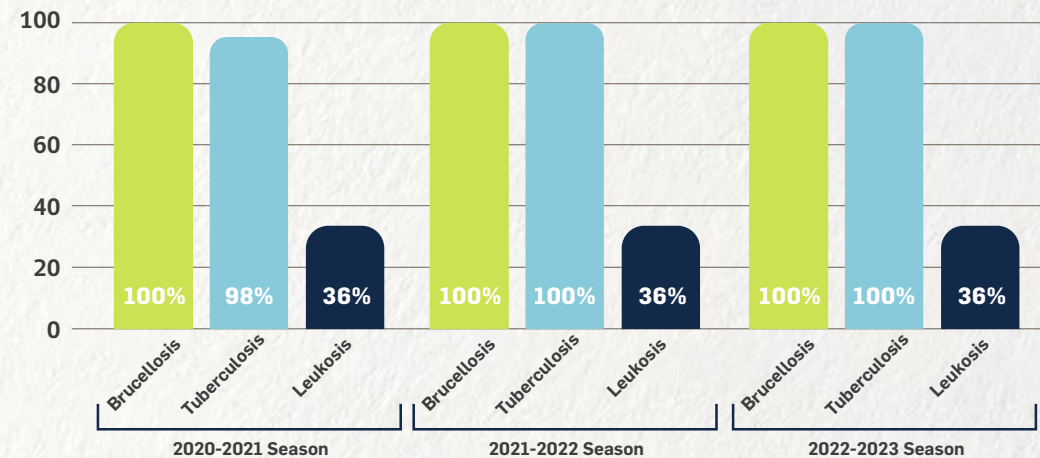
At Manuka, we are involved with the challenges of the food industry. We know that producing milk responsibly, with high operating and sustainability standards, will allow us to continue delivering a natural and highly nutritional food product to the families of our country.

In this sense, we apply strict protocols in all our production processes, working actively in the management of animal traceability and

seeking to be certified in the relevant issues for the industry, such as the PABCO certification for 100% of our farms.

On the other hand, our quality area establishes the guidelines to reduce the potential formation of bacteria in milk, as well as to comply with current legislation and health regulations, covering suppliers, production and delivery of milk to our customers.

Farms Certified as Free of Infectious Diseases



Food Health and Safety Indicators

	2020-2021 Season	2021-2022 Season	2022-2023 Season	Manuka's Goal	National Average*
Solids per liters of milk	8,56%	8,59%	8,85%	8,66%	7,6%
Average somatic cell count (cell/ml)	227.193	188.821	193.550	<180.000	250.000
Average colony-forming units (un/ml)	12.528	12.630	14.741	<10.000	27.000

* Source: Milk Industry Indicators 2022.

Our health and food safety indicators are performing well above the national industry average.



05.

TAKING CARE OF OUR ENVIRONMENT

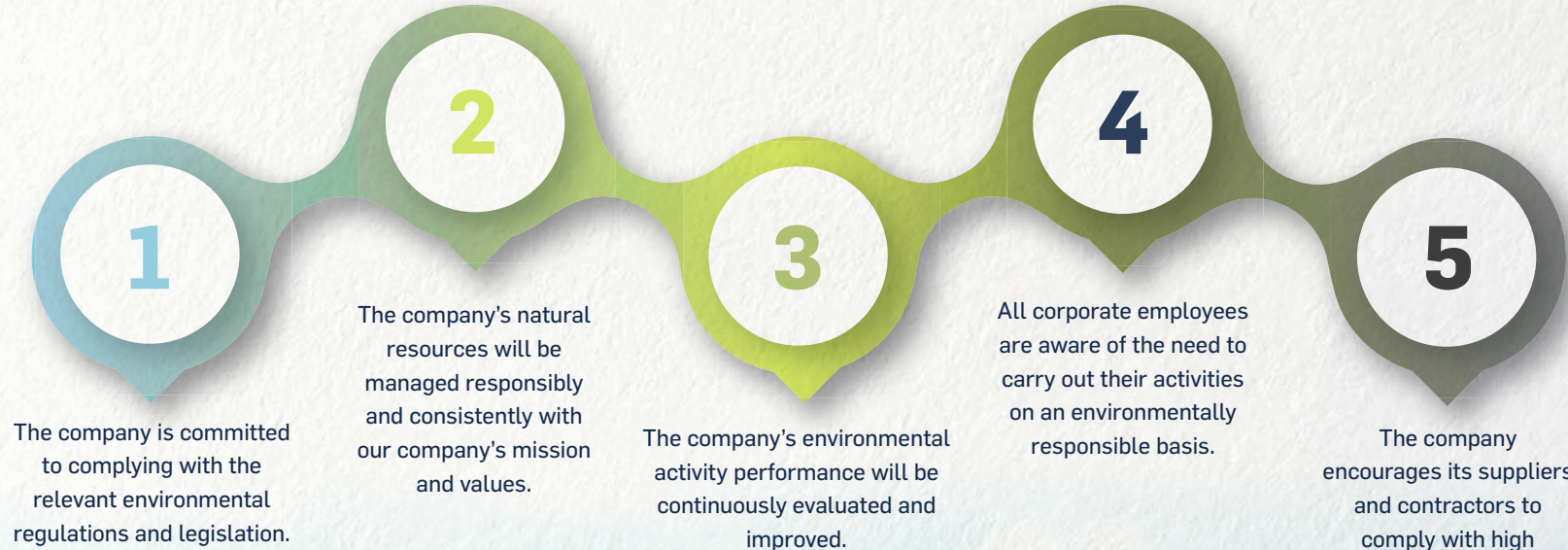
- 5.1 Environmental Policy
- 5.2 Environmental Good Practices
- 5.3 Carbon Footprint
- 5.4 Waste Management
- 5.5 Energy Efficiency

*We are proud of our sustainable
pasture-based production model,
and we are determined to promote
new actions.*



ENVIRONMENTAL POLICY

Our goal is to be the leading company in the production of sustainable milk. To this end, we have structured our work around environmental care, through our Environmental Policy, which establishes five fundamental guidelines:



ENVIRONMENTAL GOOD PRACTICES

To continue improving the company's environmental performance and mitigating any potential environmental impact, during the season, we implemented an environmental protocol of good practices and legal compliance in all business units (dairies, breeding centers, and rearing areas).



The environmental good practice protocol is aimed at avoiding incidents by complying with the established guidelines.

Protocol Attributes



FOUR MAIN GUIDELINES FOR THE IMPLEMENTATION AND MONITORING OF DIFFERENT ENVIRONMENTAL PRACTICES

1. Management of slurry to avoid contaminating surface and subsoil watercourses.
2. Hazardous waste generated in the units.
3. Non-hazardous waste (agricultural plastics).
4. Management of chemicals and fuels.

EVALUATION GUIDELINE

The protocol has an evaluation guideline that includes compliance standards, improvement mechanisms, improvement deadlines, and an evaluation, at least, once every four months.

TRAINING

The protocol is provided to the managers of the management centers. Training on the protocol contents is also provided to the managers of each site and to their teams.



CARBON FOOTPRINT

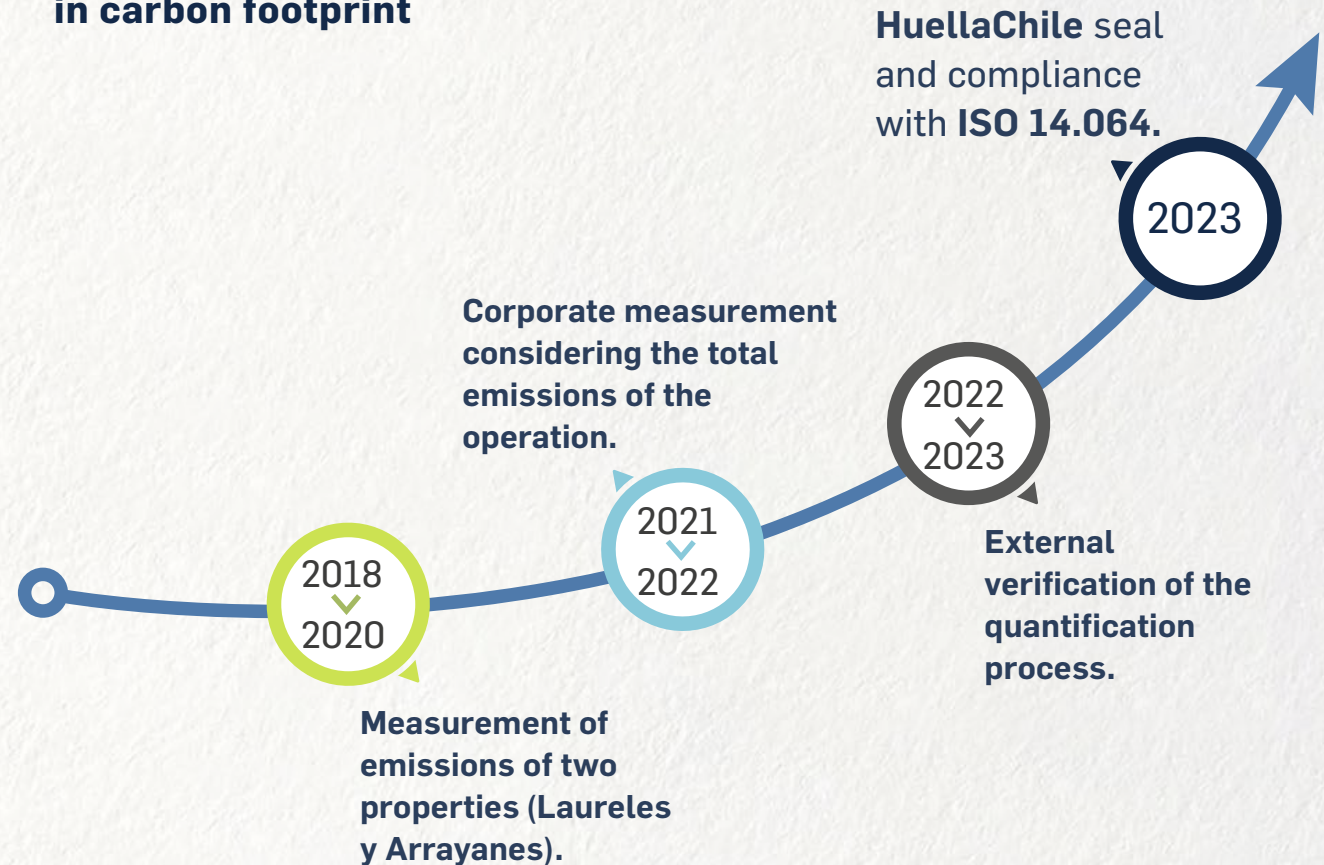
Knowing the volume of greenhouse gas emissions generated by our production activity is a way to raise awareness and care for the environment. This is why we have been evolving in the measurement of our carbon footprint, as part of our commitment to constantly implement more sustainable practices and move forward in the progressive reduction of our emissions.

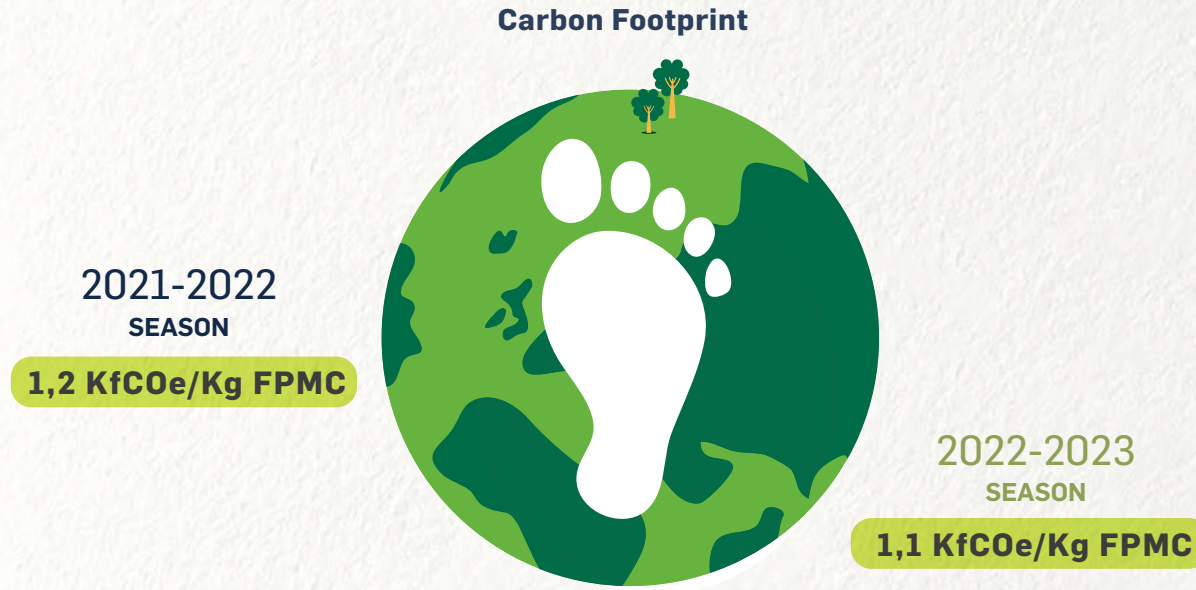
After two seasons measuring only the carbon footprint of two dairies, last season we began to measure the total emissions generated by our operations, so as to evaluate our performance in this area. The calculation considers the volume of all our production centers, as well as all the support areas, and includes an estimate of the carbon capture potential of the forest biomass of our farms.

Thus, in 2023 we took another step forward in our commitment to contribute to environmental challenges by undergoing an external audit that allowed us to obtain the seal of the HuellaChile Program of the Ministry of the Environment. During the audit, our emissions reports were carefully reviewed, the accuracy of the emission factors was verified, the reliability of our databases was assured, and the consistency between our measurement methodologies and the results obtained was evaluated.

This achievement is an important milestone for Manuka, as it shows that the quantification calculation methodology used by our company is in line with recognized standards, in accordance with ISO 14,064 guidelines, i.e., using official emission factors approved by the authority. In addition, this seal is the first step to continue moving forward in measures aimed at reducing our carbon footprint.

Our progress in carbon footprint





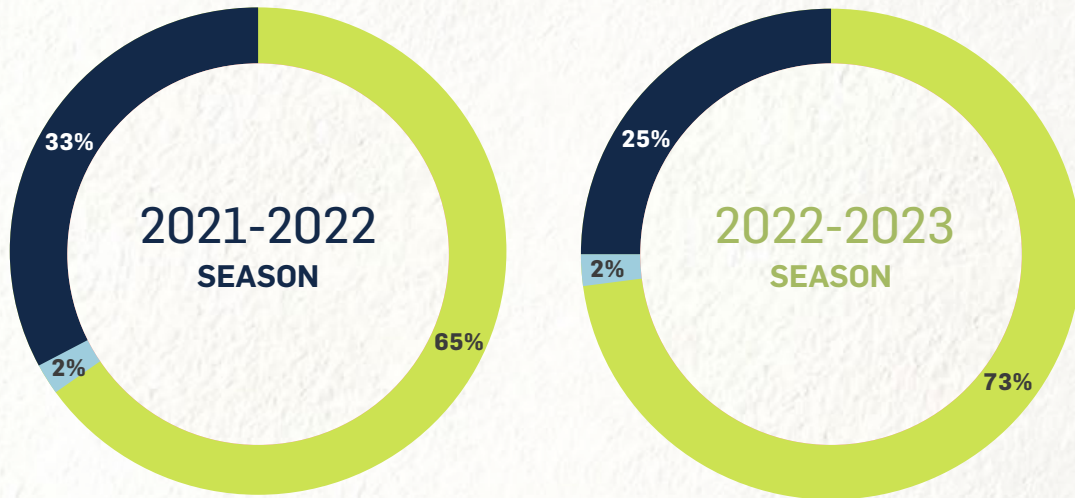
1.1 KgCO₂e / Kg FPCM* is the greenhouse gas emissions intensity of Manuka, almost 8% less than the last measurement, and well below the global average of 2.5 KgCOe/Kg FPMC, according to FAO.

This decrease is mainly related to the increase in grass consumption as compared to the previous season and the reduced use of concentrate.

*Milk adjusted for fat and protein.

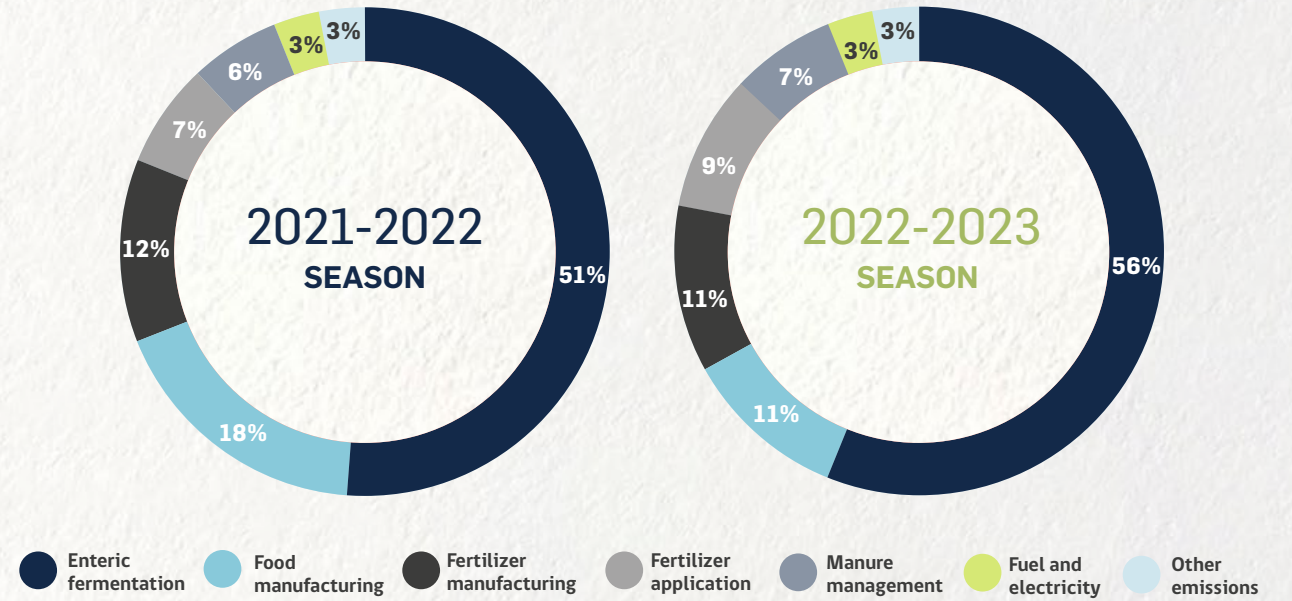


Emissions by Scope*



- **Scope 1:** Emissions directly coming from sources owned or controlled by the company.
- **Scope 2:** Indirect emissions from energy consumption and distribution, associated with the consumption of electricity and/or fumes generated by third parties.
- **Scope 3:** Other indirect emissions coming from sources that are not owned or controlled by the company.

Emissions by Source



- Enteric fermentation
- Food manufacturing
- Fertilizer manufacturing
- Fertilizer application
- Manure management
- Fuel and electricity
- Other emissions



WASTE MANAGEMENT

Our management has shown a sustained commitment to waste management, mainly plastics related to agricultural waste. In this regard, we have promoted good practices among our employees and the communities, based on recycling model.

To this end, we have developed a waste management system, incipiently involving the communities. We have generated alliances with different stakeholders to promote recycling and waste management initiatives, and we are working to generate a recycling culture in our immediate environment.

During the 2022-2023 season, we produced 1,857 tons of non-hazardous waste, 847 tons (45%) of which were sent to authorized landfills and 1,010 tons (55%) were recovered.

In addition, we generated 13,000 tons of hazardous waste, 64% of which was recycled, avoiding disposal in landfills. This waste mainly corresponds to agrochemical containers, oils, lubricants, and sharps.



► **RECYCLING AND GOOD PRACTICES IN WASTE MANAGEMENT**

As part of our commitment to environmental accountability, we have sought and implemented various recycling and waste management initiatives, developing projects that contribute to the sustainable development of our business, as well as new opportunities to reduce, reuse and recycle in our operations.

Good Practices in Waste Management

Transformation of plastic from bowling pins into garbage bags

One of our featured projects involves the transformation of plastic from the bowling pins used in our operations. Instead of discarding this material, we recycle it and transform it into strong, durable garbage bags. This effort not only reduces the amount of single-use plastic in circulation, but also encourages reuse.



Reuse of pesticide containers in construction

Another significant example in our recycling strategy is the transformation of pesticide containers into construction material. Instead of allowing these containers to accumulate as hazardous waste, we turn them into a valuable and durable resource for construction.



Pilot project for the transformation of agricultural bollard nets into plastic for rollers

Recently, we carried out an innovative pilot project to produce rollers from our own waste, transforming agricultural boll netting into plastic for the manufacture of these support items. In doing so, we are not only reducing the plastic waste we generate, but also adopting responsible and sustainable agricultural practices in our supply chain.

We are currently testing these rollers in some fences of our dairies, which stand out for their excellent level of durability and resistance to the effects of rotting due to the weather, hoping to expand their use in the future.



ENERGY EFFICIENCY

Another of our focuses related to environmental management is energy consumption, which we seek to reduce by improving the efficiency and reducing the use of fossil fuels.

One of the most effective initiatives in this regard has been the use of solar collectors in the dairies and in the homes of our employees.

19
DAIRIES

35%
OF TOTAL

The use of water heaters in dairies significantly reduces the use of electric water heaters that heat water for washing milking equipment.

30
GUEST HOUSES

42%
OF TOTAL

The use of water heaters in the homes of employees significantly reduces the use of gas to generate hot water in bathrooms and kitchens.

GOOD PRACTICES FOR ENERGY SAVINGS

- Training our employees in the proper use of energy.
- Maintaining the successful initiatives from previous years, such as cooling plates and LED lights in water-based plate precoolers for use in the milk cooling process.
- Installing LED lighting in the new dairy farms and replacing less efficient lighting fixtures.
- Implementing translucent surfaces on the roofs of the dairies to reduce the use of electricity consumption for lighting.
- Controlling the energy use in winter and adjusting the milking schedules.

Energy Indicators

	2021-2022 Season		2022-2023 Season		Variation in energy consumption kWh/m ³ of milk
	Kwh	kWh/m ³ of milk	Kwh	kWh/m ³ of milk	
Fossil Fuels	17.720.000	100	14.898.279	85	-15%
Electricity	12.240.000	70	13.587.758	78	11%
Total Consumption of Non-Renewable Energy	29.960.000	160	28.486.037	163	2%
Total Consumption of Renewable Energy	95.800	0,5	222.000	1,3	144%
Total Consumption of Energy	30.055.800	160	28.708.037	164	2%



OTHER ACTIONS TO AVOID NEGATIVE ENVIRONMENTAL IMPACTS

↗ We support the community in the removal of their household waste through a weekly program, similar to a municipal waste removal, which has a positive impact on hundreds of families in the areas surrounding Hacienda Coihueco, with a record of more than 1,000 tons of household waste removed annually. This waste is disposed of in authorized landfills.

↗ We support the community with the installation of clean points, educational spaces and training on reuse and recycling. During the season, a recycling point was established for Lago Rupanco sector, which is open to the community outside our operations.

↗ We provide ongoing training in each of our management centers on environmental issues, such as waste management, care of the environment, and good environmental practices.

▶ WATER QUALITY MONITORING

For the past two seasons, and on a completely voluntary basis, we have been conducting water quality analyses in the different surface watercourses that border our dairy farms.

For this season, sampling was conducted at more than seven locations involving important watercourses such as the Rahue River, Coihueco River and Laguna Bonita.

Additionally, we incorporated the seasonal variation of these points by sampling in both winter and summer, which were carried out by the EULA-CHILE Environmental Science Center of Universidad de Concepción.

The purpose of these studies is to monitor the environmental condition of these systems, analyzing physicochemical parameters such as nutrients (nitrogen and phosphorus), pH, dissolved oxygen, chlorophyll A, organic matter, fecal coliforms, among others. Additionally, we evaluated compliance with national standard NCh 1333, and for biological monitoring, we considered the diversity of benthic macroinvertebrates (macrozoobenthos), the samples of which were analyzed by using quantitative and qualitative methods, such as the biotic indexes ChIBF and ChSignal, respectively.

During the winter and summer analyses, the NCh 1333 standard parameters, such as aluminum, arsenic, cyanide, chromium, mercury, lead, fecal coliforms, among others, were not exceeded. On the other hand, the biological analysis determined that, for both periods, most of the sampling points had quality classes ranging from I (Very Good) to III (Fair), finding species living in sites with low or no contamination.



06.

TAKING CARE OF OUR NEIGHBORS

- 6.1. Positive Impact on our Neighbors
- 6.2. Permanent Communication
- 6.3. Relationship with Stakeholders

We strive to create value for our neighbors by supporting projects focused on our areas of interest.



POSITIVE IMPACT ON OUR NEIGHBORS

We have the constant challenge to connect and contribute to our neighboring community, seeking to have a positive impact on rural life, education and care of environment.

We want to contribute to the development of the inhabitants of all the communities where we operate, developing or supporting initiatives that improve their well-being and quality of life.

+100
visits in the season.

+35
activities and events.

MAIN INITIATIVES OF THE SEASON

PROMOTION OF RURAL LIFE

Mother's Day Celebration in Piedras Negras

We provided food for this important celebration held in Piedras Negras, a rural area far from urban areas, whereby more than 300 mothers from neighboring areas and from different neighborhood associations were celebrated.

PROMOTION OF RURAL LIFE

Christmas contributions

Our commitment is to generate or support initiatives that promote the reduction of gaps between urban and rural areas. In this context, we supported the celebration for children carried out by different neighborhood groups in Huilma, Las Quemadas and Villa del Lago de Puerto Octay, the latter being the largest. Together, they provided a moment of celebration and joy for more than 1,000 children.

ENVIRONMENTAL INITIATIVES

Rupanco islet clean point

This initiative, financed by Manuka and developed in partnership with the Environmental Protection Corporation (CPA), provided the sector with the first clean point open to neighbors. This allows the management of waste for subsequent recycling, which is removed by certified suppliers also financed by Manuka.

ENVIRONMENTAL INITIATIVES

Clean Rupanco

We participated in the fifth edition of this beach and road cleaning activity in the Rupanco sector, which brought together more than 100 volunteers in total. This activity, which involves different stakeholders from the public and private sector, managed to remove a total of 20m³ of garbage.

PROMOTION OF RURAL LIFE

Re-inauguration of La Junta headquarters

The neighborhood council of Las Juntas worked to make structural improvements to its headquarters, allowing its members to feel more comfortable during their use of this important community space. In this sense, Manuka supported the implementation of these enhancements, such as the installation of a combustion system, lighting and others, which were very significant to improve this meeting and participation place for the local residents.

PROMOTION OF RURAL LIFE

Bingo for the elderly

We took part in this initiative by contributing with food for the development of this event that had a mass attendance of neighbors. Its purpose was to raise funds so that the members of the Piedras Negras senior citizens could refurbish their headquarters.

EDUCATION

Visits from agronomy students

We were visited by 60 fifth-year agronomy students from the Universidad de Concepción, who were looking to broaden their knowledge of animal production. During their stay, they were able to see and learn first-hand, and in the field, how our production model works, as well as the processes and useful details to specialize in the animal production area.

EDUCATION

Bibliomobile

As part of our alliance with Fundación La Fuente and the Municipality of Puerto Octay, we made a financial donation to renew the book collection of the Bibliomobile, which made it possible to procure books focused and adapted for the elderly and early childhood.

EDUCATION

Jardín Sobre Ruedas

We opened the doors of Centro de Capacitación Lechero del Sur to welcome the students of Jardín Sobre Ruedas of Fundación Integra in Rupanco. In this regard, we continue contributing to early childhood education, providing a comfortable, quiet and optimal space for children to enjoy this educational space.





▶ LOCAL EMPLOYMENT AND DEVELOPMENT

We are an important provider of employment at a local level, which entails not only employability but also possibilities for growth, development and opportunities for those who live in our environment. 90% of our direct workers live in the regions where we operate (Los Lagos and Los Ríos), which favors their well-being, the management of their work, and contributes positively to the company's results.

Since 2014, we have been carrying out our annual program of donation of male calves to small farmers, from the Araucanía Region to Los Lagos Region, whereby we contribute to the development of small farmers and local indigenous communities, engaged in the breeding and fattening of cattle, giving them the possibility of having an enterprise and significantly improving their quality of life.

This is only one of the programs for the destination of male calves, among which are sales, hybridization programs, breeding programs, animal protein production for pet food, fattening programs in agreement with other farmers and institutions, pilot programs for the use of sexed semen, among others. All these programs comply with current environmental and the Agricultural and Livestock Service regulations related to animal health and welfare.

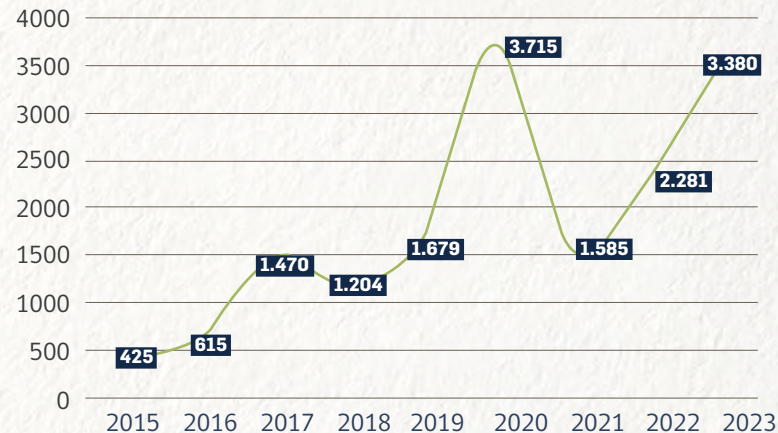
EMPORIO MANUKA

Through our store, **Emporio Manuka**, we have a meeting place for the local community around country life and nature, and through which Manuka employees have the opportunity to bring the fruits of their work to the table in their homes.

The store is recognized for the sale of Chanquito Manuka and Laguna Bonita butter cheeses, made with Manuka milk in two plants in the region, which are in the process of being audited to ensure traceability and milk segregation controls for both processed and finished products.

The average monthly sales of Emporio Manuka reached 1,500 kilos of cheese in the Jul/22-Jun/23 period, distributed in 70% consumed by employees and their families, and 30% consumed by external customers.

Bobby Calf Donation Indicator



► FUNDACIÓN TRES HOJAS AND CENTRO DE CAPACITACIÓN LECHERO DEL SUR

In 2020, Manuka created Fundación Tres Hojas to promote training for the dairy sector, provided at Centro de Capacitación Lechero del Sur (CCLS).

Since then, Fundación Tres Hojas has been focused on providing knowledge for the dairy sector through courses in grazing, animal health, calf raising, foot care, artificial insemination, mammary health, milking routine, winter crop feeding, and other types of activities, so as to contribute to the development of the environment and the communities.



SEASONAL TRAINING



Seasonal highlights

- To continue improving the teaching method, during the season, Fundación Tres Hojas received a donation from Nestlé of a life-size cow for teaching assisted calving, through which the students can learn and practice effective extraction techniques without any associated risks. In addition, a reproductive tract, donated by Rabobank, was incorporated to study and learn the entire gestation process and insemination techniques, without the need to use live cows. Both elements are available for workers in the entire dairy sector, as well as for students from technical high schools and universities.
- Fundación Tres Hojas was also accredited by the Agriculture and Livestock Service (SAG) to provide the animal welfare courses required by Law 20,380 on animal protection (Decreets 29 and 30), aimed at all dairy farm livestock managers and livestock carriers.
- Fundación Tres Hojas launched self-instruction courses to contribute to the improvement of milk quality on local dairy farms. The courses are focused on mastitis and milk quality topics.
- Fundación Tres Hojas also received a delegation of 12 small Peruvian producers from the city of Puno, who spent two days at Manuka's facilities receiving technical and practical training. A total of nine talks and two field trips were held, during which they were able to learn first-hand about Manuka's production model. The activity was attended by the New Zealand Ambassador to Chile.



PERMANENT COMMUNICATION

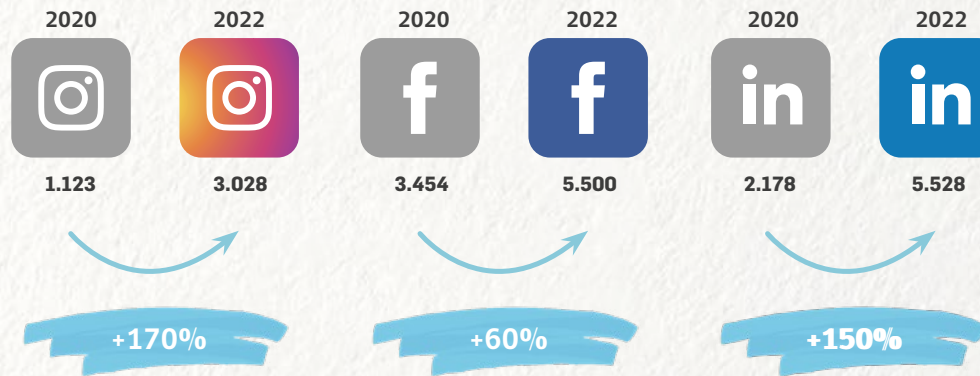
Effective communications management has become a fundamental element in the structure of our company, focused on establishing meaningful connections with our employees and stakeholders.

In response to this priority, we have progressively strengthened our internal and external platforms.

Internally, the continuous strengthening of our communications has led to the formation of a more cohesive team, committed and aligned with the goals of the company. Each team member fully understands the positive impact that our organization generates through their contribution and effort.

Externally, our communication plan has been instrumental in highlighting the positive impacts of the organization in relevant areas. By actively presenting our actions and initiatives at the local level, we have cultivated strong relationships with those who share our vision of corporate sustainability and responsibility. This strategic approach not only strengthens our position in the community, but also fosters a deeper understanding of our positive contribution to the business landscape.

Social Networks



Work focuses

- Generating and implementing an internal strategic communication plan
- Maintaining external communication guidelines
- Establishing communication protocols



RELATIONSHIP WITH STAKEHOLDERS

We orient our community relations actions in line with the concept of corporate citizenship that we have been working on for years and through which we have managed to strengthen the link with the communities. Our purpose is to generate a relationship of trust and work to maintain good communication and forge true and lasting bonds over time.



We want to know their needs, be with them, listen to them, and be seen as a close neighbor.

During the season, our relations were focused on neighborhood councils, senior citizens' groups, municipalities, institutions close to Manuka, and local authorities.

► KNOWLEDGE TRANSFER

We seek to share our experience and knowledge in dairy production. For this reason, every season, we receive national and international people who visit our fields, and are trained and accompanied by Manuka tutors in the process of learning from our model. During the season, we were visited by groups of farmers from other countries, employees from other companies, and students from different educational institutions.

Among them, we highlight the CREA group from Argentina, a civil association managed by agricultural businessmen who meet in different groups to share knowledge and experiences. The group that visited us came specifically from the Western Region of Arenoso, where 9 members, including its president, came to visit our facilities to share experiences, knowledge, strengths and opportunities about our dairy industry.



STAKEHOLDERS

Our stakeholders are defined through an evaluation that combines the variables of territoriality and the work principles established in our community relations strategy.

Stakeholder	Participation Forms	Participation Frequency	Key Topics	How to respond to these key issues?
EMPLOYEES	<ul style="list-style-type: none"> ▶ Training ▶ Corporate volunteering ▶ Special activities ▶ Events ▶ In-house communications 	<ul style="list-style-type: none"> ▶ As scheduled or needed 	<ul style="list-style-type: none"> ▶ Professional development ▶ Work environment ▶ Safety 	<ul style="list-style-type: none"> ▶ Soft and technical skills training. ▶ In-house promotions. ▶ Work environment survey and action plan. ▶ Risk prevention workshops and visits
SHAREHOLDERS	<ul style="list-style-type: none"> ▶ Annual meetings, annual visits, annual reports, participation in committees in some cases, board meetings 	<ul style="list-style-type: none"> ▶ As scheduled or needed 	<ul style="list-style-type: none"> ▶ Business returns ▶ Management 	<ul style="list-style-type: none"> ▶ Monthly board meetings. ▶ Monthly management reports. ▶ Meetings of key area committees for progress evaluation. ▶ Sustainability report
COMMUNITY	<ul style="list-style-type: none"> ▶ Neighborhood meetings. ▶ Activities. ▶ Projects. ▶ Active listening channel. 	<ul style="list-style-type: none"> ▶ As needed 	<ul style="list-style-type: none"> ▶ Education. ▶ Environmental protection. ▶ Promoting rural life. 	<ul style="list-style-type: none"> ▶ Training. ▶ Joint activities. ▶ Projects. ▶ Channel for complaints and suggestions. ▶ Corporate citizenship program. ▶ Donations.
TRADE UNIONS	<ul style="list-style-type: none"> ▶ Association and participation. 	<ul style="list-style-type: none"> ▶ As needed 	<ul style="list-style-type: none"> ▶ Dairy industry development. 	<ul style="list-style-type: none"> ▶ Joint activities and projects.
LOCAL AUTHORITIES	<ul style="list-style-type: none"> ▶ Meetings. ▶ Work plans. 	<ul style="list-style-type: none"> ▶ As needed 	<ul style="list-style-type: none"> ▶ Dairy industry development. ▶ Promoting rural life. ▶ Environmental protection. ▶ Education. 	<ul style="list-style-type: none"> ▶ Joint activities and projects.
REGULATORY AUTHORITIES	<ul style="list-style-type: none"> ▶ Meetings. ▶ Work plans. 	<ul style="list-style-type: none"> ▶ Annually 	<ul style="list-style-type: none"> ▶ Complying with high animal welfare standards. ▶ Product safety. ▶ Sustainable production. 	<ul style="list-style-type: none"> ▶ Audits, meetings with work plans.
MEDIA	<ul style="list-style-type: none"> ▶ Participation in advertising. ▶ Expert notes. ▶ Monthly columns. 	<ul style="list-style-type: none"> ▶ Monthly or as needed. 	<ul style="list-style-type: none"> ▶ Showing the management of the organization. ▶ Generating interest in the dairy industry. 	<ul style="list-style-type: none"> ▶ Monthly columns. ▶ Expert notes. ▶ Participation in special issues. ▶ Radio reports.
CUSTOMERS	<ul style="list-style-type: none"> ▶ Meetings 	<ul style="list-style-type: none"> ▶ Monthly or as needed. 	<ul style="list-style-type: none"> ▶ Product safety. ▶ Milk price. 	<ul style="list-style-type: none"> ▶ Meetings for review of mutual interest issues. ▶ Platform for suggestions and complaints.
SUPPLIERS	<ul style="list-style-type: none"> ▶ Meetings ▶ Training 	<ul style="list-style-type: none"> ▶ Monthly or as needed. 	<ul style="list-style-type: none"> ▶ Processes according to regulations. ▶ Convenient prices. 	<ul style="list-style-type: none"> ▶ Meetings for review of mutual interest issues. ▶ Platform for suggestions and complaints.
FINANCIAL ENTITIES	<ul style="list-style-type: none"> ▶ Monthly meetings. ▶ Annual face-to-face meetings. ▶ Continuous dialogs. 	<ul style="list-style-type: none"> ▶ Monthly or as needed. 	<ul style="list-style-type: none"> ▶ Growth plan financing. ▶ Business returns. 	<ul style="list-style-type: none"> ▶ Meetings



UNION ASSOCIATION

We believe that associativity and cooperation among the different stakeholders that today are part of the dairy industry is fundamental to promote good practices and move forward in the face of future challenges.

In this way, we have strengthened the union associativity with organizations such as **Aproleche**, **Aproval** and **SAGO**. As members of the latter, during the season, we became part of the board of directors of the Dairy Consortium, a corporation that brings together all the industry's stakeholders with a view to being an articulator of all the efforts made in terms of competitiveness and sustainability of the dairy business.



In addition, since 2016, we have promoted the development and consolidation of Cooperativa Agrícola y Lechera Campos Australes, of which we are founding partners. This instance brings together small and large producers from Los Ríos and Los Lagos regions, committed to associativity and improving their production practices to create sustainability of the national dairy industry and thus produce healthier food for people and the planet.

Campos Australes is currently the second largest pool in Chile and the main supplier to processing plants.

Campos Australes in Figures



Strategic Focuses 2023



07.

GRI TABLE



► GRI TABLE

Standard	Indicator	Description	Page
GRI 2: General Contents 2021	2-1	Organizational details	8 and back cover
	2-2	Entities included in sustainability reporting	6
	2-3	Reporting period, frequency and contact point	6
	2-4	Information updating	6
	2-5	External verification	Not completed
	2-6	Activities, value chain and other business relationships	8
	2-7	Employees	9 y 28
	2-8	Non-employees	28
	2-9	Governance structure and composition	19 y 20
	2-11	Chairman of the highest governing body	19
	2-12	Role of the highest governing body in overseeing impact management	19
	2-13	Delegation of responsibility for impact management	19
	2-14	Role of the highest governing body in sustainability reporting	19
	2-15	Conflict of interest	21
	2-16	Communication of critical concerns	21
	2-22	Statement on sustainable development strategy	10 y 11
	2-23	Commitments and policies	17 y 18
	2-24	Introduction of commitments and policies	17 y 18
	2-25	Processes to repair negative impacts	21
	2-26	Mechanisms for seeking advice and raising concerns	21
2-28	Association membership	58	
2-29	Approach to stakeholder engagement	57	

Continue ▼

Standard	Indicator	Description	Page
GRI 3: Critical Topics 2021	3-1	Process for determining critical issues	6
	3-2	Listing of critical issues	6
	3-3	Management of critical issues	6
GRI 203: Indirect Economic Impacts 2016	203-1	Investments in infrastructure and services supported	52
	203-2	Significant indirect economic impacts	52
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for corruption-related risks	21
	205-2	Communication and training on anti-corruption policies and procedures	21
	205-3	Confirmed cases of corruption and actions taken	21
GRI 302: Energy 2016	302-1	Energy consumption in the organization	49
	302-4	Reduction of energy consumption	49
GRI 303: Water and Effluents 2018	303-1	Interaction with water as a shared resource	50
GRI 305: Emissions 2016	305-1	Direct GHG emissions (scope 1)	45 y 46
	305-2	Indirect GHG emissions from power generation (scope 2)	45 y 46
	305-3	Other indirect GHG emissions (scope 3)	45 y 46
	305-5	Reduction of GHG emissions	45 y 46

Continue ▼

Standard	Indicator	Description	Page
GRI 306: Waste 2020	306-1	Generation of waste and significant waste-related impacts	47 y 48
	306-2	Management of significant waste-related impacts	47 y 48
	306-3	Waste generated	47 y 48
	306-4	Waste not intended for disposal	47 y 48
	306-5	Waste for disposal	47 y 48
GRI 401: Employment 2016	401-2	Benefits for full-time employees not provided to part-time or seasonal employees	34
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	35 y 36
	403-2	Hazard identification, risk assessment, and incident investigation	35 y 36
	403-4	Worker participation, consultation and communication on occupational health and safety	35 y 36
	403-5	Occupational health and safety training for employees	35 y 36
	403-6	Promotion of employees' health	35 y 36
	403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relations	35 y 36
	403-8	Coverage of the occupational health and safety management system	35 y 36
	403-9	Occupational accident injuries	35 y 36
	403-10	Occupational diseases and illnesses	35 y 36

Continue ▼

Standard	Indicator	Description	Page
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	32
	404-2	Employee skill development and transition assistance programs	32
	404-3	Percentage of employees receiving regular performance and professional development evaluations	30
GRI 405: Diversity and Equal Opportunities 2016	405-1	Diversity in governing bodies and employees	28
GRI 413: Local Communities 2016	413-1	Operations with local community participation, impact assessments and development programs	52 y 53
GRI 416: Health and Safety of Customers 2016	416-1	Assessment of the impacts of product and service categories on health and safety	40

► OWN INDICATORS

Indicator	Description	Page
M1	Average years of service of employees	28
M2	Number of internal promotions	31
M3	Work environment management	15
M4	Manuka Talent Program	33
M5	In-House Sharemilker program	33
M6	Cow lifetime	39
M7	Number of employees trained in animal welfare	39
M8	Percentage of mastitis	39
M9	Percentage of lameness	39
M10	Audit compliance results	39
M11	Certifications	13 y 14
M12	Efficiency levels in Kg. DM/Kg. SL	26
M13	Grass production	25 y 26
M14	Solids per liters of milk	40
M15	Average somatic cell count (cells/ml)	40
M16	Average colony-forming units (un/ml)	40
M17	Percentage of PABCO-certified properties	40
M18	Percentage of farms certified as free of brucellosis, tuberculosis and leukosis	40
M19	Impact of Cooperativa Campos Australes	58
M20	Results of the training center	54
M21	Emporio Manuka sales	53



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