

20  
23

INTEGRATED  
ANNUAL  
**REPORT**  
**EXECUTIVE**  
**SUMMARY**

 carozzi

**125**  
años 



# Table of Contents



 carozzi

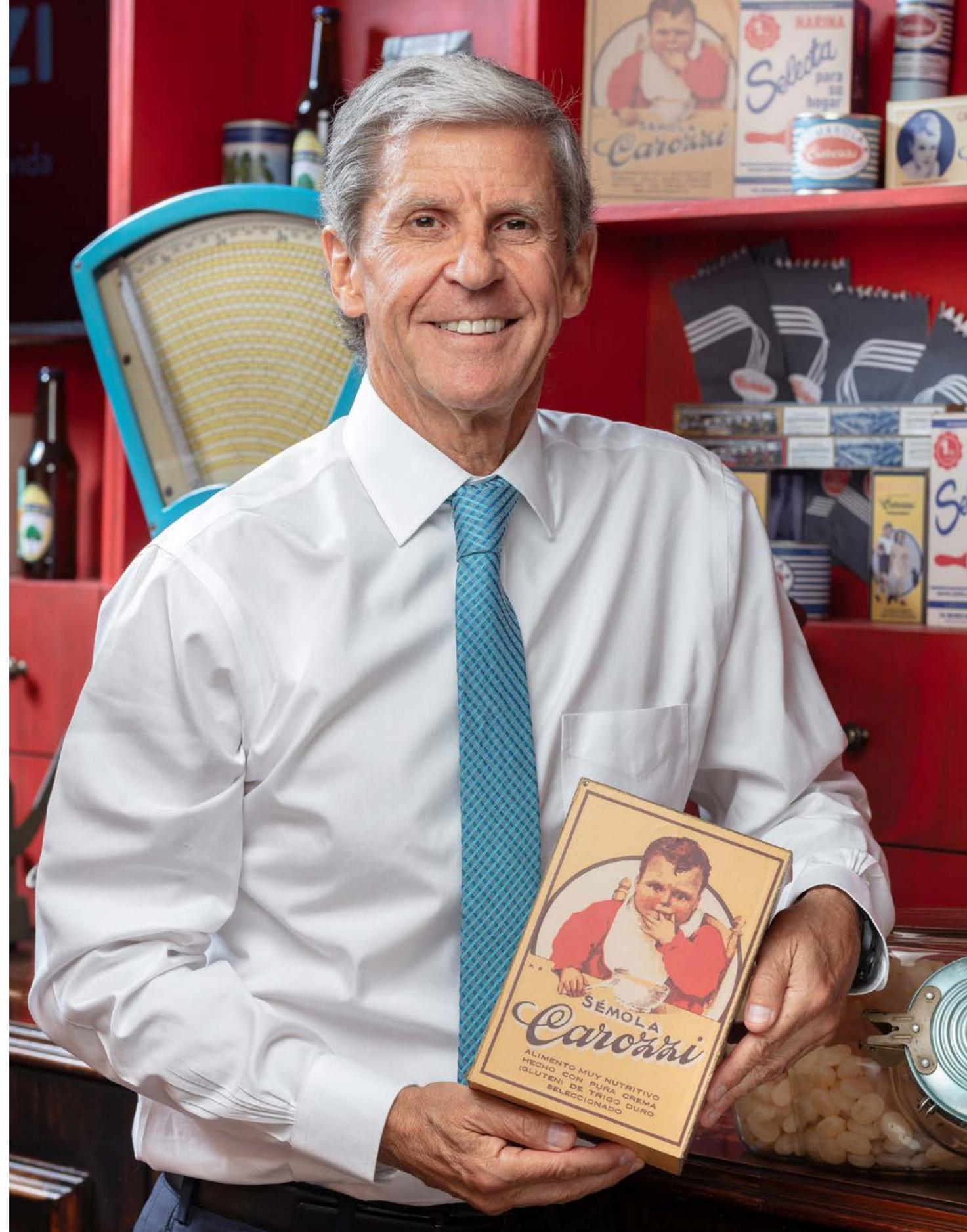
**125**  
años

“

“It is a privilege to be able to say after 125 years that we have the enthusiasm and drive to innovate and improve every day, and that we have talented, dedicated, and passionate people capable of achieving this. For these reasons, we are optimistic about our future, and grateful for the trust placed in us by our customers, the support of our shareholders, the advice and wisdom of our directors. and the insight of our directors, and the dedication of all those who have contributed and will continue contributing to making Carozzi a great company.”

”

**GONZALO BOFILL VELARDE**  
Chairman



# We are Carozzi

Empresas Carozzi is a 125-year-old company that produces and markets food products in various countries throughout Latin America. Our customers includes multinational supermarket chains, department stores, grocery stores, and international food producers.

## Our Vision

To be Latin America's most respected and valued mass consumption company.



## Our Purpose

To consistently deliver the highest quality products and services so that our customers can enjoy life more.



## Our Values

- I respect others
- I am passionate about a job well done
- I am honest
- I am committed to our company
- I act with simplicity



We develop products in 25 categories, with manufacturing facilities in three countries: Chile, Peru, and Argentina.

# 25

- ✓ Cookies
- ✓ Chocolates
- ✓ Candies
- ✓ Cereal bars
- ✓ Ice cream
- ✓ Pet food
- ✓ Cereals
- ✓ Oatmeal
- ✓ Liquid beverages
- ✓ Powdered beverages
- ✓ Compotes
- ✓ Pasta
- ✓ Rice
- ✓ Olive oil
- ✓ Flours
- ✓ Premixes
- ✓ Ethnic food
- ✓ Desserts
- ✓ Tomato sauce and paste
- ✓ Jams
- ✓ Coffee
- ✓ Fruit and vegetable pulps
- ✓ Preserves
- ✓ Biscuits and panettone
- ✓ Snacks

**We have our own commercial stores and coffee shop franchises.**



**6** industrial centers in Chile, Peru and Argentina

**16** branches and warehousing centers in Chile and Peru

**257** coffee shops

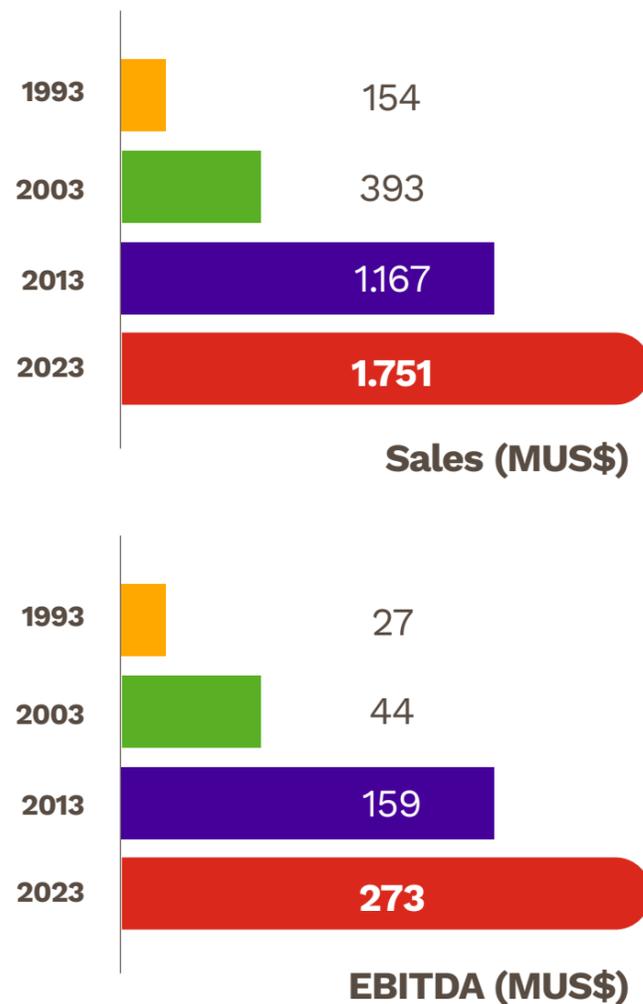
**33** plants in Chile, Peru and Argentina

**3** commercial offices in the United States, Ecuador and Paraguay

**5** continents to which we export

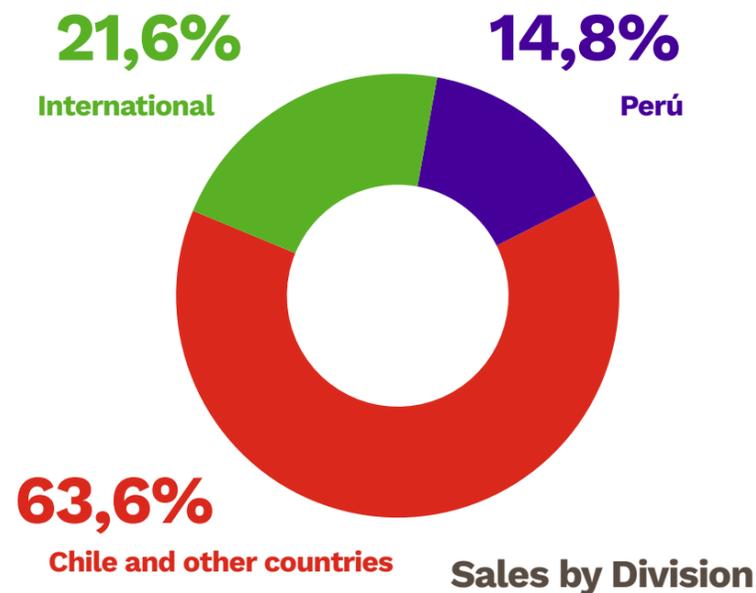


## Main economic results in 2023



Division		Percentage
Chile	41,9	70,0%
Perú	4,0	6,7%
International	13,9	23,3%
<b>Total</b>	<b>59,8</b>	<b>100%</b>

Investment (MUS\$)



We are pleased to announce that Fitch Ratings has revised the outlook on the long-term ratings of Carozzi and Empresas Carozzi to "positive" from "stable" and affirmed them at A+.

## 125 years of Carozzi

The year 2023 was a very special moment for us: we celebrated our 125th anniversary. These are years in which we showed resilience in the face of hard times, commitment to our customers and the desire to grow and become the leader in the food industry in our country and the region. These words perfectly describe our "Carozzinos" (Carozzi's employees), who played an important role in making this milestone possible.

Our long-term development is based on our sustainability strategy with its three pillars: People who inspire us, The planet we share and Brands to enjoy. This strategy is the driving force behind our day-to-day business development activities. We have developed our own century-old brands while building a track record as a buyer of local agriculture, working with nearly 3,000 farmers on more than 60,000 hectares.

To celebrate our trajectory, we carry out activities with the Carozzi family and the communities present. We work every day to promote people's well-being and encourage healthy lifestyles through physical activity and informed nutrition. The celebration activities were marked by the iconic "Pasta Móvil" (Pasta Mobile), which toured different regions of the country, offering pasta for the community. These activities were designed to support social organizations and to express our gratitude to local communities for allowing us to be present in the hearts of Chileans during these 125 years.



**CARLOS F. CÁCERES CONTRERAS**  
**Director**

Taxpayer ID No.: 4.269.405-3  
Business Administrator  
Appointment date:  
04.26.2023



**ENRIQUE IDE VALENZUELA**  
**Director**

Taxpayer ID No.: 6.117.880-5  
Naval Electronics Engineer  
Appointment date:  
04.26.2023



**JOSÉ JUAN LLUGANY RIGO-RIGHI**  
**Director**

Taxpayer ID No.: 6.318.711-9  
Business Administrator  
Appointment date:  
04.26.2023



**GONZALO BOFILL SCHMIDT**  
**Director**

Taxpayer ID No.: 13.990.222-K  
Business Administrator  
Appointment date:  
04.26.2023



**NOEL DOYLE**  
**Director**

Taxpayer ID No.: Foreign (South Africa)  
Chartered Accountant of South Africa  
Appointment date:  
04.26.2023



**ZAYD ABRAHAMS**  
**Director**

Taxpayer ID No.: Foreign (South Africa)  
Chief Marketing & Strategy Officer  
Appointment date:  
04.26.2023

## Alternate Directors

**JOSÉ ANDRÉS UNDURRAGA OSSA**  
**Alternate Director**

Taxpayer ID No.: 6.061.131-9  
Business Administrator  
Appointment date:  
04.26.2023

**CARLO ROSSI SOFFIA**  
**Alternate Director**

Taxpayer ID No.: 6.623.572-6  
Business Administrator  
Appointment date:  
04.26.2023

**PABLO BOFILL SCHMIDT**  
**Alternate Director**

Taxpayer ID No.: 16.141.554-5  
Industrial Civil Engineer  
Appointment date:  
04.26.2023

**PETER PICKETT POUND**  
**Alternate Director**

Taxpayer ID No.: Foreign (UK)  
Civil Engineer  
Appointment date:  
04.26.2023

**JORGE DELPIANO KRAEMER**  
**Alternate Director**

Taxpayer ID No.: 6.371.630-8  
Lawyer  
Appointment date:  
04.26.2023

**LUIS VALDÉS CORREA**  
**Alternate Director**

Taxpayer ID No.: 7.052.756-1  
Lawyer  
Appointment date:  
04.26.2023

**TREVOR SANDERSON**  
**Alternate Director**

Taxpayer ID No.: Foreign (South Africa)  
Engineer  
Appointment date:  
04.26.2023



**GONZALO BOFILL VELARDE**  
**Chairman**

Taxpayer ID No.: 7.003.362-3  
Business Administrator  
Appointment date:  
04.26.2023

# Our Board of Directors

# Board Committees

We have ten Board Committees to address cross-cutting and specialized issues:

- Finance and Investment Committee** 
- Risk and Audit Committee** 
- Supply Chain (Logistics) Committee** 
- Governance Committee** 
- People Committee** 
- Sustainability Committee** 
- Strategic Planning Committee** 
- Ethics Committee** 
- Operations Committee** 



# Our Management Team



**SANTIAGO VALDÉS BIRRELL**  
General Manager

Taxpayer ID No.: 9.589.775-4  
Business Administrator  
Appointment date:  
01.01.2023



**XIMENA GALLARDO UGARTE**  
Comptroller

Taxpayer ID No.: 9.798.252-K  
Certified Public Accountant  
Appointment date:  
07.31.2013



**SERGIO ESPINOZA SEGOVIA**  
Corporate Manager

Taxpayer ID No.: 12.880.382-3  
Business Administrator  
Appointment date:  
06.18.2021



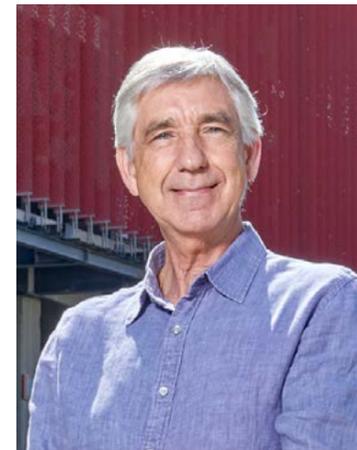
**LUZ MARÍA ROJAS SEPÚLVEDA**  
Corporate Sustainability and Marketing Manager

Taxpayer ID No.: 12.880.382-3  
Business Administrator  
Appointment date: 06.18.2021



**CARLOS ALBERTO HORMAECHEA MARÍN**  
Corporate Operations Manager

Taxpayer ID No.: 7.799.196-4  
Mechanical Civil Engineer  
Appointment date:  
01.01.2015



**JUAN LUIS IBARRA COLLADO**  
International Business Manager

Taxpayer ID No.: 7.023.041-0  
Business Administrator  
Appointment date:  
11.01.2018



**JOSÉ MANUEL MUÑOZ GODOY**  
Corporate Innovation and Digital Transformation Manager

Taxpayer ID No.: 15.638.978-1  
Biochemical Civil Engineer  
Appointment date:  
01.01.2023



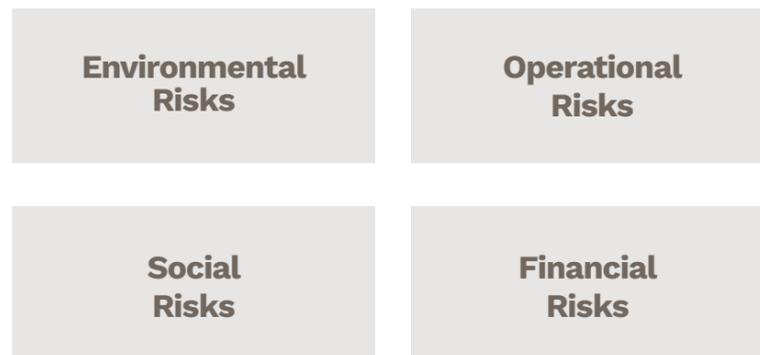
**CRISTIÁN KOLUBAKIN MUÑOZ**  
Corporate People Manager

Taxpayer ID No.: 13.434.229-3  
Business Administrator  
Appointment date:  
01.01.2011

# Strategic risk management

For years Carozzi has been using the COSO (Committee of Sponsoring Organization of Treadway Commission) methodology to identify, evaluate and manage risks. In this way, we are able to reduce the impact of adverse events that could affect the achievement of our objectives and establish specific guidelines. Each year, executives from all business units conduct an analysis to prioritize risks and create a work plan that is monitored by the Risk and Audit Committee. In 2023, risk managers continued to implement action plans, **and at the end of 2023, a new risk management governance was established to improve and strengthen the risk management model.**

Risks are divided into four categories:



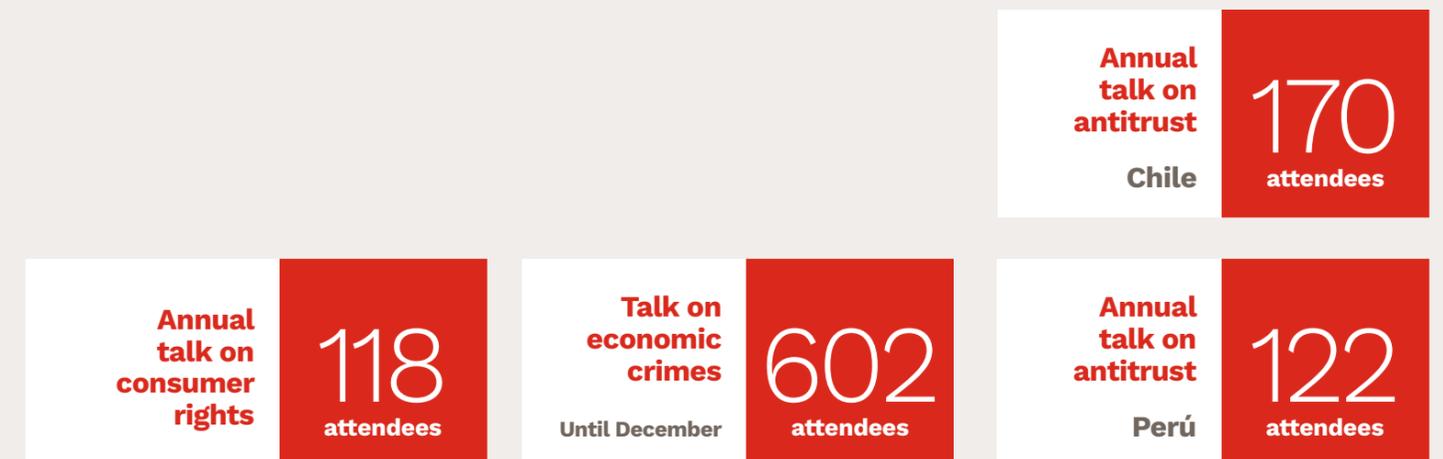
# Compliance Management

Empresas Carozzi S.A. is a closely-held shareholders' corporation, overseen by the Financial Market Commission (CMF), due to its status as an issuer of public securities. It is essential for us to comply with all applicable laws. For this reason, we have a Compliance Department that monitors key aspects such as:

- › **Anti-corruption**
- › **Antitrust**
- › **Economic Crimes Law**
- › **Corporations and Securities Market Law**
- › **Outsourcing Law**
- › **Occupational Health and Safety**
- › **Food Safety**
- › **Consumer Rights**
- › **Environment**

We manage compliance with these issues in an ethical and sustainable manner through the creation of policies, optimization of current controls, talks and courses. We are committed to training our Carozzinos and transmitting full compliance with the applicable regulations. **Between 2016 and 2023, we have held 221 training sessions attended by 3,453 people.** These talks cover all the topics of the Code of Ethics, including topics related to anti-corruption and Law No. 20,393.

In addition, for several years Carozzi has required its suppliers to comply with a Code of Ethics. This code includes chapters on principles and values such as business integrity, human rights, operational excellence and environmental responsibility, as well as information for suppliers to file complaints in the event of any situation that does not conform with the standard.



# Our Sustainability Strategy

Sustainability is at the core of Carozzi's business strategy and is inspired by a fundamental principle: **"Compartir Hace Bien" (Sharing is Caring)**. It is a cross-cutting approach to our actions, aimed at achieving sustainable growth, leaving a mark on society, and creating shared value with the stakeholders with whom we interact, aware of the role we play in the industry and in society in the broadest sense.

**Our strategy is based on three pillars:**

**The planet we share, which aims to have a positive impact on the environment.**

**Brands to enjoy, purpose-driven for every moment.**

**People who inspire us, we promote their well-being and development.**



## Our contribution to the Sustainable Development Goals (SDGs)



# Promoting a circular economy

One of our goals is to **drive a circular economy based on optimizing and recycling packaging** to maximize resource efficiency.

Since 2020, we have made progress in implementing five specific goals in this area. Anticipating the implementation of Law 20,920 on Extended Producer Responsibility (REP Law, for its acronym in Spanish), we worked with our suppliers to find recycling solutions for packaging not yet recyclable.

In November, we participated in the Nos Sports Day, where, through an alliance with Tetra Pak, we set up clean points to help neighbors recycle. The result was the collection of nearly 300 kg of containers.

## Progress on Circular Economy objectives

Objective	Term	Progress 2020 - 2023
1. Reduce the grammage of plastic, aluminum and cardboard packaging	Ongoing	591 tons
2. Apply the Carozzi Ecolabel to 100% of our products	2023	99.7%
3. Use PEFC certified cardboard in 100% of our boxes and displays	2024	96%
4. Make 98% of our packaging recyclable by 2030	2030	89%
5. Incorporate recycled materials in our packaging	2030	Regulation in process



# Industrial waste management

In 2023, we continued to make progress in the separation and valorization of waste from our production processes. **Our Nos Industrial Center is certified under the Clean Production Agreement (APL) Zero Waste to Disposal**, a public-private alliance led by Acción Empresas and Corfo, the Agency for Sustainability and Climate Change, with the support of the Ministries of Environment, Health and Agriculture and Livestock.

This is part of **our journey towards the goal of Zero Waste to Landfill by 2025**, which aims to reduce the amount of waste sent to landfills by implementing strategies to reduce, reuse and recycle. The measures taken include:

- Preventing upstream waste
- Preventing downstream waste
- Managing the impact of generated waste
- Third-party verification processes

## Non-hazardous waste per year

Non-hazardous waste per year	Tons
Valued shrinkage	11.342
Cardboard and Paper	2.351
Metals	1.286
Timber	857
Plastics	796
Composting and soil remediation	70.443
Co-processing	1.924
Landfill	7.772
<b>Total waste</b>	<b>96.772</b>
Recovery (tons)	89.000
Disposal (tons)	7.772



# Moving toward cleaner energy

For years, we have been committed to implementing measures to improve our environmental footprint, **such as the transformation of our energy matrix, the use of renewable energy, conservation and efficiency measures**, as well as the acquisition of technologies, equipment and services in line with this objective.

## Energy Matrix

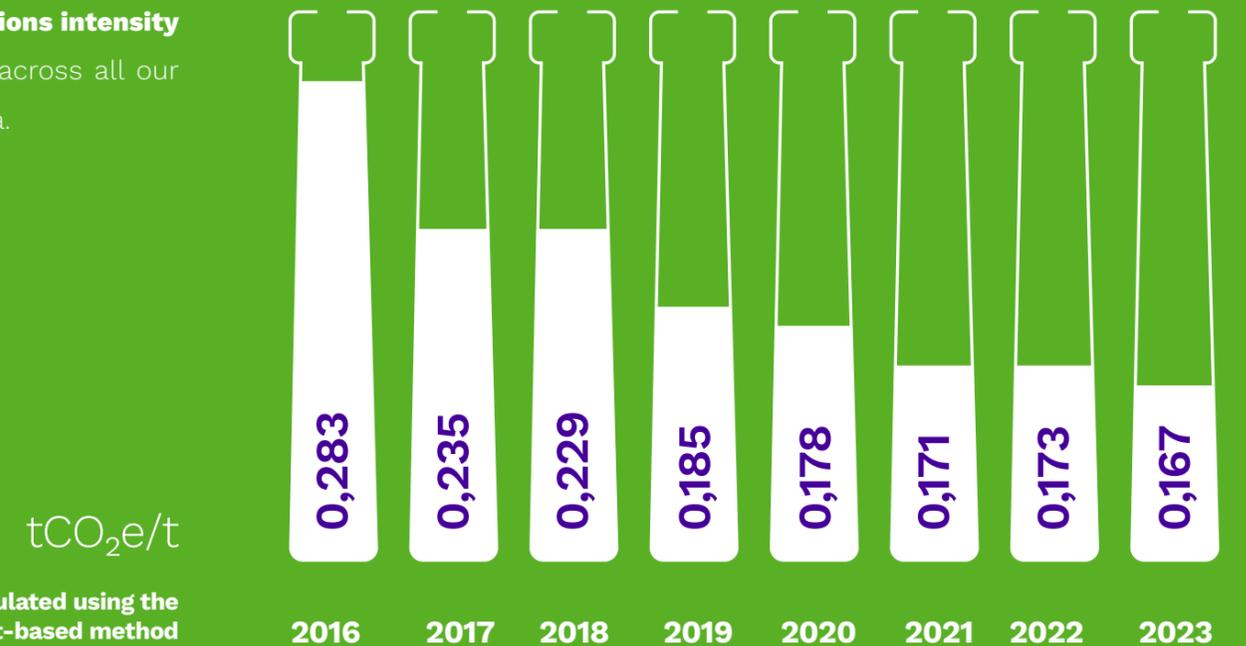
Energy consumption*	2016	2017	2018	2019	2020	2021	2022	2023
Electricity	631.368	638.244	678.557	636.150	686.016	733.392	751.320	728.292
Natural Gas	583.070	1.114.219	1.468.735	1.627.272	1.758.924	1.821.054	1.881.018	1.752.869
Fuel oil No. 6-Diesel	1.201.239	565.006	260.185	113.326	88.443	159.312	174.316	184.222
Biomass	114.375	135.369	126.450	123.107	128.490	119.134	113.349	20.835
Liquefied Gas	66.595	56.520	113.721	40.504	37.294	46.277	54.047	56.761
<b>Total</b>	<b>2.596.647</b>	<b>2.509.358</b>	<b>2.647.648</b>	<b>2.540.357</b>	<b>2.699.167</b>	<b>2.879.169</b>	<b>2.974.050</b>	<b>2.742.980</b>

## Managing our CO<sub>2</sub> emissions

In 2022, we added a new sustainability challenge: **to reduce our Scope 1 and 2 CO<sub>2</sub> emissions intensity by 50% by 2030 from 2016 levels** across all our operations in Chile, Peru and Argentina.

## Scope 1 and 2 emissions intensity\*

\*tCO<sub>2</sub>e / ton of production



## Brands to enjoy

### Innovation for our consumers

Innovation, quality and safety are an integral part of our value creation, allowing us to maintain our market position, diversify our offerings and achieve greater relevance in the categories in which we participate through brands built around a clear and meaningful purpose.

We are pleased to announce that we have been recognized by our consumers with **four 2024 Products of the Year (POY) for innovation: Carozzi Pantrucas, Crackerlet Jams, Vivo Probióticos Cereals and Costa Rama Menta Chocolate.**

Through an alliance with CORFO, under the R&D Law, we have expanded our research with innovative projects. We highlight the application of probiotics in cereal products, reflected in Vivo Probióticos Cereals, recognized as 2024 POY, research in the development of a black rice variety and the evaluation of the application of synthetic lecithin in confectionery.



# Innovation and Digital Transformation

## Impact-generating Recipes

For the first time, we implemented our Impact-generating recipes program, which gave our employees the opportunity to contribute their ideas to four challenges presented and designed by technical committees. We received 342 ideas, of which 12 were selected and presented, and four winning ideas were awarded, one for each challenge: Leading Chile's food pantries; Artificial Intelligence to generate value; Work teams with more time and energy; and A new life for our waste.



### “Key projects for 2023”

Our digital transformation program has made steady progress, enabling us to continue growing in new tools for our teams, increasing efficiency, and generating greater value for our different stakeholders.

- › **We made progress in the design and execution of advanced analytics projects**, with the goal of predicting the behavior of our traditional channel customers through a leakage model.
- › **We expanded the coverage of point-of-sale management tools in our merchandisers**, with the objective of increasing our participation and presence on the shelves.
- › **We have developed a new communication and sales channel with our traditional channel customers through WhatsApp.** This project facilitates a more fluid relationship between our customers and our merchandisers.
- › We have also focused on enhancing the process of effective product discontinuation, as well as streamlining the entry of our service providers at our sites, **and optimizing our process of invoicing and payment to our suppliers.**

# Ensuring our quality and safety

We constantly strive to maintain high standards of quality and safety to provide people with the best products. We have a robust quality and safety policy based on the most demanding national and international standards, **and in 2023 we conducted more than 300 audits related to quality and safety issues.**

We seek certification of our facilities to ensure requirements that allow us to guarantee health and safety throughout the food production and processing chain. **All of our production facilities are HACCP and/or BRC certified, strengthening the food safety framework.**

As part of our management focus, we are actively working on a number of programs, including:

## Food Defense

This is a program that we apply in all Carozzi production plants, **which aims to protect the security of production and processing sites** and to prevent unauthorized access to restricted areas. During 2023, we completed our Food Defense Plan with 100% compliance of the actions.

## Food Fraud

Program for the early detection and alerting, through specialized software and other processes, of possible food fraud, both in pricing and in the distribution of raw materials.

# People who inspire us

## Creating positive experiences for Carozzinos

**The Carozzi culture, based on respect and commitment,** inspires all our actions. We want to make Carozzi a place where we can add value to society and fulfill ourselves as human beings. This way of doing business, which encourages work well done and the formation of cohesive teams, has been the driving force behind the various stages, moments and transformations we have faced in our 125-year history.

We have **10.620** employees in Chile and other countries.

Employees by position	2023	
	Chile	Other countries
Board of Directors	7	0
Main executives	8	0
Professionals and technicians	1.433	634
Employees	6.191	2.347
<b>Total</b>	<b>7.639</b>	<b>2.981</b>

# Engagement survey results

Every year, we conduct our Engagement Survey to get an employee perspective on our work. The survey measures four areas: work, team, leadership and company. The results allow us to identify strengths and opportunities for improvement to increase the motivation and engagement of each employee.

## Chile

Percentage of engagement by dimension	2022	2023
Work	91	91
Team	88	88
Leadership	84	84
Company	85	87
<b>Overall total</b>	<b>87</b>	<b>88</b>

## Perú

Percentage of engagement by dimension	2022	2023
Work	93	94
Team	93	94
Leadership	87	90
Company	89	90
<b>Overall total</b>	<b>90</b>	<b>92</b>

“This is a prestigious company”

**96%**  
Company Dimension

“I would like to continue working for this company”

**95%**  
Company Dimension

# Training

We have a Training Policy that guides us to contribute to the development of all Carozzinos. The training needs are raised by each management, seeking to contribute to the growth of people in line with the objectives and needs of the Company.

## Training figures 2023

**5.662**  
training activities



**99%**  
of courses approved



**26,3**  
average training hours



**94%**  
of “carozzinos” trained



**200.374**  
training hours



**7.190**  
“carozzinos” trained



**ch\$2.321.809.556**  
investment in training



## Awards for years of service

Traditionally, we celebrate employees with 15 to 55 years of service to thank them for their commitment, loyalty and contribution to Carozzi's growth. **In 2023, 277 employees were recognized in Chile and 105 in Peru.** We grant this recognition for the commitment, dedication and devotion that our Carozzinos have given over the decades.



## We promote a healthy lifestyle

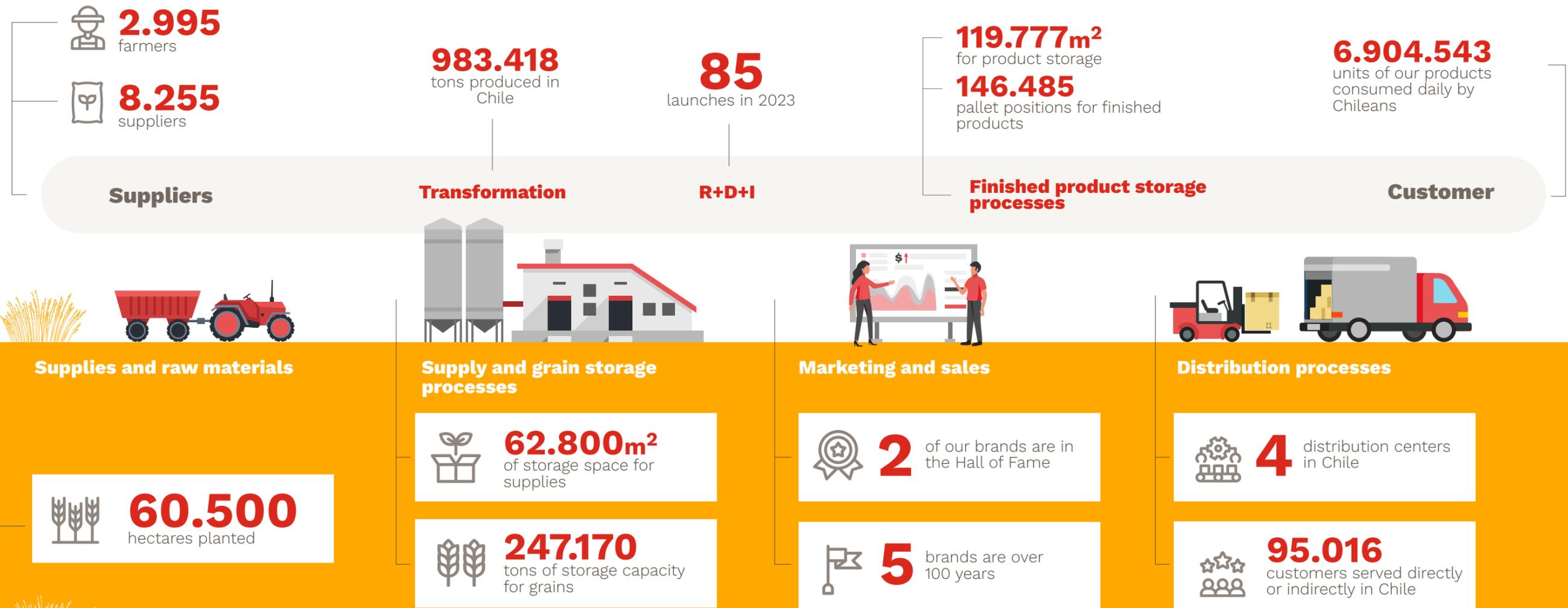
We are committed to a healthy lifestyle, encouraging physical activity and promoting a balanced diet. We want to motivate Carozzinos, the community and the environment around us to be physically active, which is why we created the 5x30 program, which aims to encourage people to exercise for 150 minutes a week. **We have more than 21,000 square meters of sports facilities in our industrial centers of Nos, Teno, Reñaca and Lontué,** open to Carozzinos and neighboring communities.

We have gyms and multi-purpose rooms, high standard and quality sports spaces where activity, sports and recreation workshops are held, as well as competitions and championships.



# Building a sustainable value chain

The responsible management of the supply chain and the development of our suppliers are key for Carozzi. We want to create shared value and guarantee good corporate and sustainable performance of our chain, always considering the economic, social and environmental impact generated in the communities and the environment.



## “Growing Together” program

Through our “Growing Together” program, we contribute to the promotion of sustainable agriculture. This program brings together all our initiatives to support and accompany our suppliers so that they can improve their productivity and achieve a competitive commercial scale in a globalized world, and develop their activities with efficient and environmentally friendly practices. The main areas of work we cover with this initiative are the following:

› **Contract farming:**

Benefits a group of farmers whom we support with technical assistance through teams of specialized agronomists, supplies for their crops and certified seeds, among other things.

› **Bonus to INDAP farmers:**

We group small-scale wheat and rice farmers affiliated with the Chilean National Institute for Agricultural Development (INDAP) so they can access commercial scale, considering their total volume as if they were buying from a single supplier.

› **Wheat and rice price discovery model:**

This method, applied to durum wheat and rice crops and developed under the support of the Chilean Office of Agricultural Studies and Policies (ODEPA), provides the farmer with predictability and certainty in the price model.

› **Assistance in obtaining financing:**

For the introduction of new technologies and automation processes in the field.

› **Support in aspects of technification, automation, fertigation and agricultural development.**

› **Technical talks for the growth of the industry.**





## Customers

Our products reach consumers through marketing companies of different sizes. These companies in turn serve different markets. These include the following:

- › **Supermarket chains:**  
Large retailers.
- › **Distributors:**  
Distribution companies for stores in the traditional channel (retail).
- › **Warehouses and small stores:**  
Minimarkets that distribute products in their neighborhoods.
- › **Food Service:**  
Food preparation and distribution companies such as hotels, restaurants and casinos.
- › **International Customers:**  
Global food production companies that use our agro-industrial inputs.

We export our agroindustrial products through international commercial agents and industrial customers in destination countries, while our consumer products are exported through a network of local distributors. In Chile, Peru, Argentina and the United States, we use our own sales force, which extensively covers both traditional and supermarket channels.

**98.016**

clients served directly or indirectly



# Communities

**This year, our family run brought together 2,700 residents, 70% of whom were from the municipality of San Bernardo.** In addition, in April 2023, we held the Third Family Physical Activity Day in the municipality of Teno, where we brought together nearly 1,200 people in the Plaza de Armas of that municipality.

Furthermore, as part of our commitment to promoting healthy lifestyle, in November we organized the 5th Carozzi Family Run, which was held at the Nos Industrial Center and where thousands of residents of San Bernardo participated in an event that was completely open to the community.

**In addition, since 2018 we have been a strategic partner of Red de Alimentos,** a private nonprofit organization that created the first food bank in Chile in 2010 and distributes the products collected to vulnerable people. **In 2023, we donated 361 tons of food,** contributing to reducing food loss and promoting the circular economy.

During the year, we continued our relationships with different organizations that adopt and protect animals and promote responsible ownership. Among the various activities related to adoption and emergency aid, we highlight the different support programs with assistance channels that allowed us to directly help 703 people through activities carried out at the Pedro Aguirre Cerda Rehabilitation Institute, the Alemana Clinic and the Courts of Justice.



Fifth Family Sports Day in Nos



 carozzi

125  
años

 carozzi