The Sustainable Development
Grupo Los Grobo is a company that produces commodities, industrializes them, and provides services in the world’s most dynamic region for food production.

Organizational Design: Network
Business Model: Vertical integration + Diversification
Core Competencies: Quality + Innovation

SUMMARY:
- 700 million US$ in annual revenues
- 2.5 million tons of grain annually traded
- 250,000 hectares of land under production
- 1,000 employees
- 5,000 customers and 3,800 suppliers
- 45 branches in 4 countries
- Shareholders are 69 from 3 countries
Shareholders
The challenge of creating value.
If it is only for money there are some risks.

Suppliers
Business development, quality, competitiveness, integrated services, risk management and resources

Suppliers and Customers
Society

Human Resources
Employability and career development, savings and investment capacity. Feeling and being owners.

Society
There are future customers, suppliers, employees and shareholders

GG
Canc
SGR
Fron
Fun
Univ
<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>Fund of 37 million $</td>
</tr>
<tr>
<td></td>
<td>Gave cumulative guarantees for 330 million $</td>
</tr>
<tr>
<td></td>
<td>441 partners</td>
</tr>
<tr>
<td>Customers</td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>To improve the quality of small/medium family owned companies</td>
</tr>
<tr>
<td>Customers</td>
<td></td>
</tr>
<tr>
<td>Talents</td>
<td>Human Resources development program</td>
</tr>
<tr>
<td>Talents</td>
<td>Intrapreneurs development</td>
</tr>
<tr>
<td>Talents</td>
<td>Closed investment fund for Los Grobo’s employees.</td>
</tr>
<tr>
<td>Society</td>
<td>2,3 million $ in social investment</td>
</tr>
<tr>
<td></td>
<td>More than 22,000 beneficiaries</td>
</tr>
</tbody>
</table>

Initiatives for different stakeholders

CANQUEGA
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A porous Company

The Fourth Sector?

Coordinator

Customers
Suppliers
AAPRESID
INTA
AACREA
Avina
AEA
RT
RC
GDF
RAP
CIPECC
Municipality
Society
Ministry
University
CEADS
Sustainable development is a complex process that must respond to multiple interests.
• Creation of **social capital** (shared vision, common goals, trust).

• **Transparency**. "The best companies maintain their health getting x-rays and sending its results to its clients".

• **Delegation** of authority and empowerment.

• Opportunity for **learning**. The person knows what is expected from them and is rewarded on the basis and their efforts.

• **Outsourcing** must be done to win, to innovate faster, to gain market share and not to save money.

• Working in the framework of **law**.

• The best companies are those which are **collaborative**. Complexity grows and a single company can not dominate the market.

• Risk of **subcultures** must be mitigated through:
  - ✓ **Consensus** among different stakeholders
  - ✓ Participation in **collective processes**
  - ✓ Creation of common **rules, policy** of behavior, **codes** of ethics, conflict resolution manual
<table>
<thead>
<tr>
<th>LEADING VISION</th>
<th>Ability to influence and assemble people</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strategic Vision</td>
</tr>
<tr>
<td>LEADING CHANGES</td>
<td>Managing cultural change</td>
</tr>
<tr>
<td></td>
<td>Ability to make decisions in uncertainty and ambiguity</td>
</tr>
<tr>
<td></td>
<td>Execution</td>
</tr>
<tr>
<td></td>
<td>Unlearning and capitalizing on opportunities</td>
</tr>
<tr>
<td>LEADING THE ORGANIZATION</td>
<td>Glocal citizenship</td>
</tr>
<tr>
<td></td>
<td>Personal involvement in collective decisions</td>
</tr>
<tr>
<td></td>
<td>Development of synergy and networking</td>
</tr>
<tr>
<td>LEADING HUMAN CAPITAL</td>
<td>Human resources development</td>
</tr>
<tr>
<td></td>
<td>Performance Management</td>
</tr>
</tbody>
</table>
Framework for Good Governance

Responds to Millenium Goals of United Nations

Has to do with international frauds (ENRON) and guarantees transparency in the decisions of the Board of Directors

Prevents risks within the organization under an international framework

In line with the Rio de Janeiro Declaration (1992) Precautionary Principle

Framework based on a triple bottom line approach, produced to compliment financial reports

Transparent, confidential and outsourced claim management open to all stakeholders

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Relations with all stakeholders are articulated through multidisciplinary teams.
Spaces of participation and coordination for the improvement in environmental performance

1. **RTRS**
   - Round Table on Responsible Soy Protocol impact analysis

2. **INTA and Agroecoindex**
   - Improvement opportunities & local application

3. **Certified Agriculture (AAPRESID)**

4. **Observatory on social and environmental impact of agribusiness (AVINA)**

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Measuring the environmental impact is essential to objectively assess the impact of agricultural practices.

We monitor the impact of agriculture on the environment. The data are taken from the “Sistema Campos” and enter into a program called "Agroecoindex", which calculates the impact on 17 indicators. This provides complete traceability.
Quality
A management business model for excellence
Topics

PROMOTION OF LOCAL DEVELOPMENT / Potenciar Comunidades Rurales
(Strengthening Rural Communities)

EDUCATION / Escuela de Emprendedores y Escuelas del Bicentenario
(School of Entrepreneurs and Bicentennial Schools)

CORPORATE VOLUNTEERING / CampoSocial

SUSTAINABLE DEVELOPMENT / Annual Meeting

HEALTHY EATING / Nutrío

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Opportunities and Capabilities

Context
- Revitalization of rural areas
- Community Project Financing
- Local Development Vision

Local culture and identity

Organizations
- Strengthening innovative organizational models
- Networks of local institutions working towards common goals

People
- Development of skills and opportunities:
  Community leaders / local entrepreneurs

Civic engagement

Strengthening education and entrepreneurship

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### Reports

<table>
<thead>
<tr>
<th>Global Reporting Initiative (GRI)</th>
<th><img src="image1.jpg" alt="Global Reporting Initiative" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Most known international reporting model</td>
<td><img src="image2.jpg" alt="Environmental Sustainability Report" /></td>
</tr>
<tr>
<td>• Equilibrated economic, environmental &amp; social indicators</td>
<td><img src="image3.jpg" alt="Community Intervention Report" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>National Quality Prize (PNC)</th>
<th><img src="image4.jpg" alt="National Quality Prize" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>• National model for (auto) evaluation of management system</td>
<td><img src="image5.jpg" alt="External Audits" /></td>
</tr>
<tr>
<td>• Focuses on leadership system, management system, and company indicators and results.</td>
<td><img src="image6.jpg" alt="Communication Tools" /></td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Community Intervention Report</th>
<th><img src="image6.jpg" alt="Communication Tools" /></th>
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<tbody>
<tr>
<td>• Lead by the Foundation</td>
<td><img src="image5.jpg" alt="External Audits" /></td>
</tr>
<tr>
<td>• Reflects programs, actions and impacts on community.</td>
<td><img src="image1.jpg" alt="Global Reporting Initiative" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental Sustainability Report</th>
<th><img src="image1.jpg" alt="Global Reporting Initiative" /></th>
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</thead>
</table>
# New Concept of Sustainability

<table>
<thead>
<tr>
<th>CSR</th>
<th>Existing Models</th>
<th>New Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theoretical Model</strong></td>
<td>1. There are few coherent theoretical frameworks, few clear criteria related to social responsibility in a global way (many diverse definitions and theories).</td>
<td>1. A new coherent model and a clear definition of corporate social responsibility.</td>
</tr>
<tr>
<td><strong>Vision</strong></td>
<td>2. The vision of CSR as antagonistic: CSR basically generates costs for the company.</td>
<td>2. The vision of CSR as interdependent, synergistic and symbiotic of company business strategy that reinforces the economic aspects of the firm. It is not mentioned in terms of cost.</td>
</tr>
<tr>
<td><strong>Conception</strong></td>
<td>3. CSR is usually understood in isolation and not coordinated with the strategy of the company nor integrated with other business areas.</td>
<td>3. CSR emerges from the analysis of company strategy. Porter's strategic framework developed.</td>
</tr>
<tr>
<td></td>
<td>4. The initiatives are evaluated in terms of dollars spent, in people attending training but almost never in terms of impact. No indicators on social impact of programs and social responsibility activities.</td>
<td>4. CSR initiatives are evaluated in terms of capabilities, beyond the dollars spent or the beneficiaries. Allows to overcome the economic concept or theory of profits.</td>
</tr>
</tbody>
</table>
Strategic Analysis Framework for Los Grobo

CSR Programs

Programs that impact not only in the value chain but also in the competitive context
A model to quantify the capabilities generated

\[ \mathcal{J}(X_i) = \{b_i \mid b_i = f_i(c(X_i) / Z_i, Z_e, Z_s) \forall f_i \in F_i \text{ and } \forall x_i \in X_i \} \]
Some conclusions related to capability model applied to Los Grobo

<table>
<thead>
<tr>
<th>SEN GENERATION CAPABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major Impacts in EMPLOYEES</strong></td>
</tr>
<tr>
<td>in areas related to the company (business skills)</td>
</tr>
<tr>
<td><strong>Employability</strong> – score 3.45</td>
</tr>
<tr>
<td>capacity derived from the type of technical knowledge, analysis and criteria acquired which is highly valued by employees</td>
</tr>
<tr>
<td><strong>Autonomy</strong> – score 2.79</td>
</tr>
<tr>
<td>understood as the ability to achieve CSR goals for Human Development and to be seen as agents of change in their lives having an impact not only in the company but also in other areas of personal life</td>
</tr>
<tr>
<td><strong>Other capabilities</strong></td>
</tr>
<tr>
<td>• ECOLOGIC – score 3.39</td>
</tr>
<tr>
<td>• RESPONSIVENESS – score 2.37</td>
</tr>
<tr>
<td>• ENTREPRENEUR – score 1.45</td>
</tr>
</tbody>
</table>

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Some conclusions related to capability model applied to Los Grobo

SEN GENERATION CAPABILITIES

Major Impacts in OTHER STAKEHOLDERS

in areas related to the business of these stakeholders

Entrepreneur – score 2.98

capacity derived from the type of technical knowledge, analysis and criteria acquired which is highly valued by stakeholders

Autonomy – score 2.78

understood as the ability to achieve CSR goals for Human Development and to be seen as agents of change in their lives

Other capabilities

• INTEGRATIVE CAPABILITY – score 2.77
• ECOLOGIC – score 2.23
• SOLIDARITY – score 2.13
• Be NETWORK – score 1.57
• CSR in the strategic core business
• A society with more "porous“ companies that generate enthusiasm and well-being, employability and autonomy in people
• A public sector open to interact with these companies. Public policies are the result of these relationships.
Thank you

Together We Add Value

holdinglosgrobo@losgrobo.com