



## Food loss and waste

Implementing actions in both the direct operations and the value chain with the aim of reducing food loss and increasing product recovery and reutilization in order to minimize the impact on society, and reduce the pressure on natural resources, as well as on the waste disposal systems.



Employee from the Ice Cream Business in Colombia.

**Management approach**

[GRI 3-3]

**Progress achieved in 2021**

[GRI 3-3]

Obtaining the information necessary for establishing the baseline for the goal in terms of the logistics processes.

- Six training sessions carried out with the aim of achieving a deeper understanding of the context of food loss and waste and the corporate policy.
- Implementation of the data collection processes in the corporate information collection system.

Implementing actions focused on reducing food loss and waste in Grupo Nutresa's companies.

- 8,9% reduction in the food loss indicator and 24,4% decrease in the food waste indicator in the strategic region (not including Tresmontes Lucchetti, Abimar and Cameron's Coffee).

Working with the sourcing chain to decrease the losses in crops, plantations and primary logistics.

- Adoption of good agricultural practices and leading raw material conditioning practices jointly with 127 cocoa farmers in Colombia and 235 wheat growers in Chile.

Optimizing the logistics processes to ensure the timely collection of the edible products that are delivered to the food banks.

- 29 food banks were provided with support in capability development processes related to food handling, as well as food quality and safety control, in addition to the delivery of 858 tons across the entire strategic region.

Identifying alternatives of use for the by-products from the production processes and increasing their reuse rate.

- Re-purposing of wheat husks and coffee silverskin in the production processes of the Coffee and Pastas Business Units.



# 29 food

**banks were provided with support in capability development processes related to food handling, as well as food quality and safety control, in addition to the delivery of 858 tons across the entire strategic region.**

Delivery of products to the Cartago food bank in Colombia.



### Risks and opportunities [GRI 3-3]

The reduction in food loss and waste (FLW) offers multiple opportunities to the companies and the communities with which they interact. These opportunities contribute to the improvement of food security and to the reduction in greenhouse gas (GHG) emissions, and they also help to decreasing the pressure on both water sources and biodiversity.

According to the report on the impact of FLW published by the World Wildlife Fund (WWF), more than 2.500 million tons of food are thrown away around the world each year, which is possibly equivalent to 40% of all the food that is produced. In terms of the alteration regarding climate change, the equivalence of these emissions would be the following: if FLW were a country, they would be the third largest source of GHG in the world.

In several countries from the strategic region, such as Mexico, Costa Rica, Colombia, Peru and Chile, there are regulatory projects on the way that intend to decrease FLW and create opportunities for undernourished people to gain access to nutritious and high-quality food. In addition to generating benefits for the community, the *Champions 12.3* coalition estimates that the organizations that invest in strategies focused on reducing FLW receive the amount invested 14-fold in return as benefits. These initiatives may include the optimization of the use of both edible food and those that have traditionally been inedible in the existing products, as well as the creation of new products with a high nutritional value.

### Outlook

In the short term, Grupo Nutresa will focus on the development of capabilities in its multiple Business Units and geographies. The purpose is to strengthen and internalize the culture of achieving benefits by preventing FLW supported on innovation and the development of new products. Additionally, the Organization will implement improvement actions in the processes focused on consolidating the data used to monitor the goals and report on them.

Likewise, the Company will continue implementing initiatives in the direct operations and the value chain, such as leading agricultural practices, in order to reduce food loss and increase productivity with the sourcing partners. For this purpose, Grupo Nutresa will rely on the support of Fundación Nutresa and the Business Units' farming promotion departments.

The Organization will also continue working on the development of capabilities with the food banks and contributing to the mitigation of hunger in vulnerable populations.

## Practices that stood out and acknowledgments



### Reduction in waste from commercial processes

The returns of damaged, expired or substandard products resulting from the logistics and business processes amounted close to 943 tons in 2016 and were equivalent to COP 10.466 million. Thanks to the work performed by Comercial Nutresa, the Company was able to adjust the business agreement processes with the clients, who went on to be co-responsible of the value of the returns in order to ensure the compliance with adequate conditions regarding product handling, stock rotation and storage. These adjustments resulted in a decrease in food waste of 449 tons and COP 4.761 million in savings. Since the beginning of the project in 2016, savings have exceeded 1.622 tons and COP 22,4 billion.



### Reintegration of biscuit powder into the dough in the Biscuits Business in Costa Rica

The manufacturing processes in the cracker and cookie lines at the Pozuelo production plant were improved with the aim of recovering and reusing part of the discarded biscuit materials by incorporating them as powder in the dough of several biscuit products such as Soda, Cremas and Chiky. This process allowed reusing 25,4 tons of biscuit powder and generating more than COP 163 million in savings.



### Wheat bran as food supplement

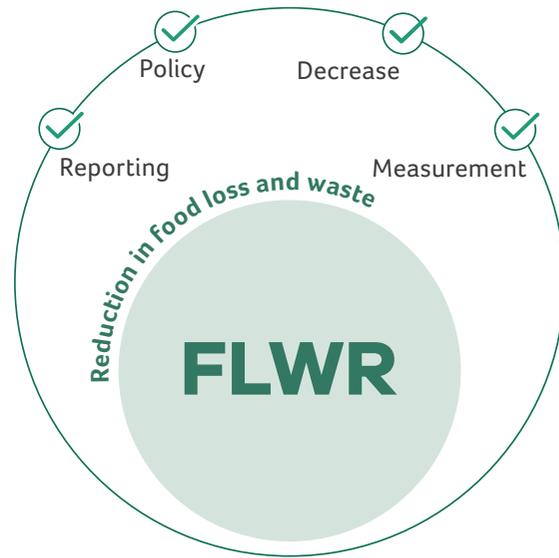
Through its “Sésamo” project, the Pastas Business intended to re-purpose and monetize the wheat bran produced as a result of the grinding process, which has been traditionally delivered to another industry for the production of animal feed. With this project, the Business created a product by improving the sensory characteristics of the bran with the purpose of enabling consumers to include it in their recipes, thus adding fiber, iron and zinc to their diet. This initiative allowed reducing food loss by 26,7 tons in 2021 and providing the market with products that contribute to healthy lifestyles.



### Material topic details

Grupo Nutresa has a policy in place that guides its actions and those of all its companies regarding the reduction of food loss and waste. This policy is aligned with the objective of improving the stakeholders’ food security, increasing the amount of food available for human consumption and search for alternatives for transforming components and by-products that are traditionally inedible into source of food for people.

The Organization has taken on three commitments for 2030: reducing food loss by 30% per ton produced in its industrial operations; decreasing food waste by 50% per COP million sold; and the maximum possible monetization of traditionally inedible food. To fulfill these commitments, the Company and its Business Units have made progress in the identification of food components or byproducts that are not being used in their products with the aim of proposing and executing initiatives that help to decrease food waste, in addition to monitoring the indicators that have been established.



**Click here to see the Food Loss and Waste Reduction Policy**



The initiatives implemented by Grupo Nutresa’s Business Units allowed achieving an 8,85% reduction in food loss per ton produced and a 25,4% decrease in food waste per COP million sold (not including Tresmontes Lucchetti). The Cold Cuts, Biscuits, Coffee, Pastas and Retail Food Business Units reduced food loss by more than 797 tons, while Comercial Nutresa reduced food waste by 449 tons.

#### Food loss and waste by type [FB-FR-150a.1]

Type of food (tons)	Loss		Waste	
	2020	2021	2020	2021
Edible	12.481,20	<b>11.191,70</b>	3.598,40	<b>3.086,9</b>
FLW prevented	11.882,20	<b>11.000,90</b>	3.598,40	<b>2.566,7</b>
Traditionally inedible	116.511,50	<b>104.194,90</b>	0	<b>0</b>

Note: The term “edible food” refers to the food included in the formulation of the products manufactured and commercialized by Grupo Nutresa. The term “traditionally inedible” refers to the food that, generally speaking, are not included in the final product; for instance: wheat husk, coffee grounds and bones.

\* Not including the operations of TMLUC, Abimar and Cameron’s Coffee.



#### Baseline and progress made in reducing food loss and waste [FB-FR-150a.1].

	Loss (kg/t.p.)		Waste (kg/COP million)	
	2020	2021	2020	2021
Cold Cuts Business	8,7	<b>8,3</b>	0,69	<b>0,56</b>
Biscuits Business	20,7	<b>19,0</b>	0,33	<b>0,46</b>
Chocolates Business	3,1	<b>3,6</b>	N/A	<b>N/A</b>
Coffee Business	1,9	<b>0,9</b>	N/A	<b>N/A</b>
Ice Cream Business	6,5	<b>7,1</b>	0,57	<b>0,47</b>
Pastas Business	3,0	<b>2,9</b>	N/A	<b>N/A</b>
Retail Food Business	8,2	<b>8,1</b>	0,06	<b>0,04</b>

Employees from the Chocolates Business in Peru.

The measurement exercise conducted in 2021 allowed the Organization to find out that the products that are lost or wasted the most are finished biscuits and the dough of both cookies and crackers, mushrooms, in-process meat products, cold cuts products and deli meats, milk ice cream products and pasta products. 87,6% of them are used for animal feed, 7,4% in aerobic processes and composting, and 4,8% are sent to the landfill and other disposal methods.

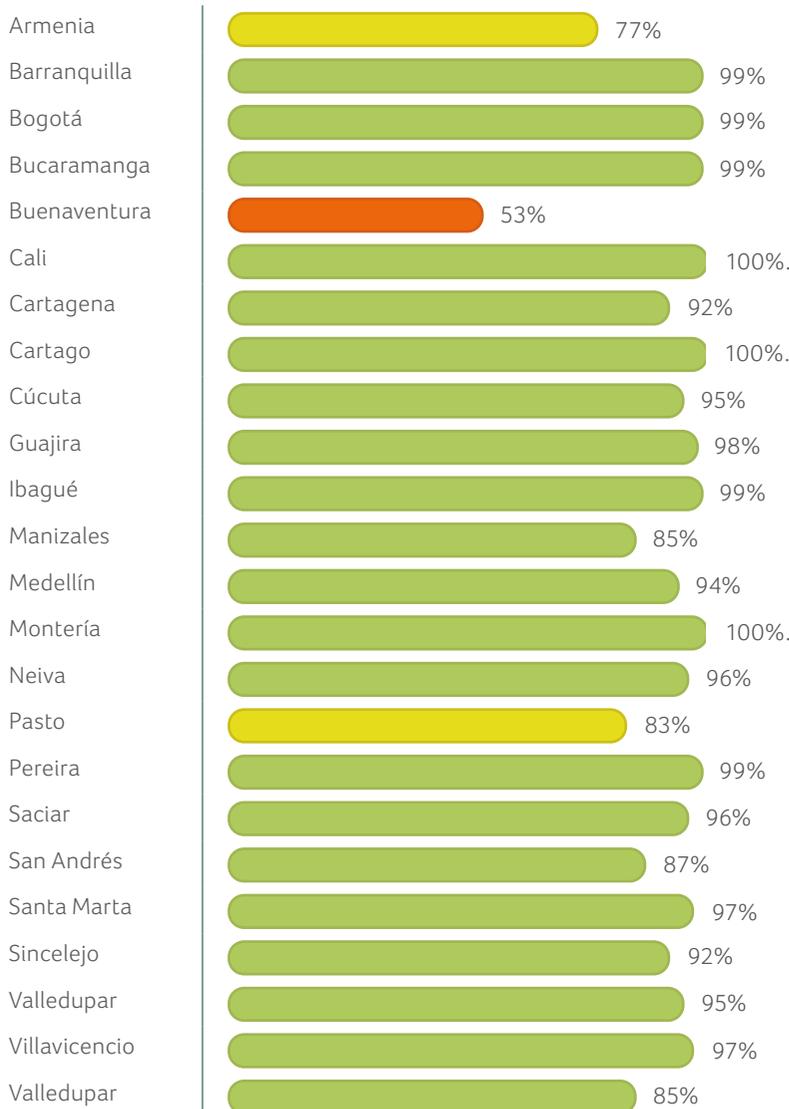
Some initiatives included improvement cycles in the production lines with higher food loss levels due to correction and streamlining procedures performed on the equipment and processes of the production plants of the Ice Cream Business in Bogotá and Manizales (Colombia), the Pastas Business in Mosquera (Colombia), the Chocolates Business in Rionegro (Colombia) and in Lima (Peru), the Cold Cuts Business in Medellín (Colombia), and the Biscuits Business in Costa Rica.

The Handbook of Good Agricultural Practices for managing durum wheat, which was developed in partnership with the National Agricultural and Livestock Research Institute (INIA), and the handbooks on Cocoa bean harvesting, processing and quality and Good agricultural practices in the cultivation, processing and commercialization of cocoa are available on Grupo Nutresa’s websites.

**Ver manual de buenas prácticas para el manejo del trigo candeal**

**Ver manual buenas prácticas agrícolas en el cultivo**

**Development of capabilities in Colombian food banks**



**Food banks, partners in the work on food security**

As part of the strategies focused on fighting hunger and the utilization of all food suitable for human consumption, the Organization continued collaborating with the Global Foodbanking Network and the Colombian Food Bank Association (ABACO) to achieve the professionalization of 29 food banks across the strategic region. The model intends to strengthen the food banks’ internal and institutional processes: project management, financial models, protection of the environment and quality management.

**Hygienic-sanitary profile (abbreviated PHS in Spanish)**

**Good:** from 85 to 100%  
**Fair:** from 60 to 84%  
**Inadequate:** from 0 to 59%

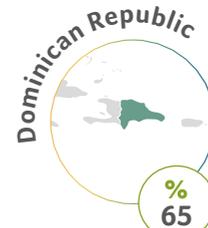
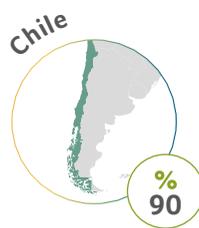
**Development of capabilities:**

1. Food-handling personnel
2. Hygienic requirements for manufacturing
3. Quality and safety assurance and control
4. Water quality
5. Cleaning and disinfection processes with an emphasis on the prevention of COVID-19

Food bank support activities in Costa Rica.



### Development of capabilities in multiple food banks in the geographies



\* For the platforms, it is expected that the food banks exceed the hygienic-sanitary profile (abbreviated PHS in Spanish) with a rating over 50%.



Delivery of products for the benefit of vulnerable communities in Chile.

858,3 tons of food were delivered to 1.138.400 beneficiaries through the food banks in Colombia, Chile, Costa Rica, the Dominican Republic and Ecuador. The actions carried out by the Organization were focused on developing capabilities regarding the hygienic handling and production of food and the adequate disposal of liquid and solid waste, thus strengthening entities and people who, with their work, contribute to reducing hunger in the strategic region.

Also in collaboration with the food banks, the Company developed capabilities related to current legal regulations for the establishments in charge of handling products in any of the food chain links. The training activities included subjects such as food handling, hygienic manufacturing requirements, quality assurance and control and food safety, water sampling, and cleaning and disinfection processes with an emphasis on COVID-19 prevention.

In addition, Grupo Nutresa's volunteer network contributed with food packages in a joint effort with the food banks in Mexico, Chile, the Dominican Republic, Costa Rica, Peru, Panama, Guatemala, Nicaragua, Ecuador and Colombia through the "Tus Pasos Contra el Hambre" (Your steps against hunger) campaign. 8.229 families benefited from this strategy with 7.941 packages delivered, and the Company also encouraged volunteering efforts with the support from 2.851 volunteers for raising awareness during the World Food Day, understanding that it is necessary to build a future with enough nutritious, safe and affordable food for everyone.



Scan the QR code to see the message of gratitude to the volunteers in the International Volunteer Day.



**Delivery of food by Business [FB-FR-150a.1].**

	Delivery of food to food banks (tons)		% of food recovered	
	2020	2021	2020	2021
Cold Cuts Business	77,40	<b>165,80</b>	6,98%	<b>6,98%</b>
Biscuits Business	108,81	<b>184,12</b>	4,90%	<b>9,60%</b>
Chocolates Business	0,00	<b>0,00</b>	58,90%	<b>-17,07%</b>
Coffee Business	13,80	<b>12,90</b>	-75,42%	<b>59,05%</b>
Ice Cream Business	0,19	<b>0,00</b>	-6,21%	<b>-5,74%</b>
Pastas Business	0,00	<b>0,00</b>	-17,60%	<b>2,71%</b>
Retail Food Business	9,60	<b>4,54</b>	-151,37%	<b>3,90%</b>
Comercial Nutresa	553,00	<b>385,70</b>	47,02%	<b>42,59%</b>
La Recetta	14,80	<b>22,20</b>	27,44%	<b>43,61%</b>
Novaventa	32,00	<b>82,76</b>	15,31%	<b>45,85%</b>
<b>Grupo Nutresa</b>	<b>809,60</b>	<b>858,03</b>	<b>6,76%</b>	<b>10,27%</b>

Employee from the Coffee Business in Colombia.


**Appreciation of by-products**

The edible parts that are not traditionally part of the formulation of products, as it is the case of industrial by-products such as coffee grounds, wheat bran or animal bones, contain bioactive components that can be used in human diets, in the generation of renewable energy or to raise animals. This also entails a drop in the disposal costs, as well as the economic sustainability of the industrial processes. The implementation of these initiatives has been useful in the alignment with the circular economy model, and the inclusion, strengthening and development of the employees' waste management capabilities.