



FOOD LOSS AND WASTE POLICY

April 2017

OBJECTIVE

To define the corporate guidelines regarding the reduction in the loss and waste of food in the activities of Grupo Nutresa's businesses and operations.

SCOPE

The Food Loss and Waste Reduction Policy is applicable to all of Grupo Nutresa's companies in the strategic region, which shall timely incorporate, update and communicate it.

DEFINITIONS

The term "food loss" refers to all the food that is lost in the harvest, post-harvest, storage and industrial processing stages. The term "food waste" refers to all the food that is lost in the logistics, storage, distribution and commercialization stages of processed or finished products.

The terms "loss and waste" also refer to the human-consumption food that is lost in the aforementioned stages but, due to diverse reasons, end up its cycle being used for non-human-dietary purposes such as animal feed, bioenergy, composting, etc.

GENERAL CONSIDERATIONS AND CRITERIA

Grupo Nutresa is committed to sustainability and we understand it as a corporate capability to thrive. It is supported on the identification and comprehensive management of the risks and opportunities in the economic, social and environmental dimensions, and it is related to the possibilities of generating value in the future.

Furthermore, the Organization works on reducing waste generation and increasing waste recovery with the purpose of reducing the operating costs and mitigating the environmental impact in both the direct operations and the value chain by extending the life cycle of the materials. Approximately one third of the food produced around the world is never consumed, which brings significant risks to the sustainability of both the agricultural resources and the supplies of the organizations.

A timely management of food loss and waste allows to improve the efficient use of the resources, decrease the emissions of greenhouse gases in the value chain, improve the efficient use of water in the life cycle, increase food availability, reduce the impact of the agricultural and livestock sectors on the environment, and decrease inequalities and hunger.

Grupo Nutresa is committed to the reduction of food loss and waste in its sourcing, processing and commercialization activities, supporting the reduction of hunger in the regions where it operates, maintaining quality standards and ensuring the safety of its food products, being thus aligned with the SDG 2 (Zero Hunger) and SDG 12 (Responsible Production and Consumption).

For this purpose, the Organization has established the following general criteria to define its behavior:

1) Responsibilities

Grupo Nutresa's Business Presidents are responsible for the administration and dissemination of this policy and its inclusion into the strategy of their corresponding Business or company. Moreover, all of Grupo Nutresa's employees who intervene in the value chain are responsible for the application of the general principles of this policy.

2) Sourcing

The aim is to develop the capabilities of the suppliers so that they embrace and incorporate good agricultural and livestock practices focused on the reduction of losses in the harvest, post-harvest and transport stages of the agricultural raw materials. The purpose also includes developing the capabilities of livestock suppliers (cattle breeders, pig farmers and poultry farmers) with regard to the dairy and meat raw materials.

3) Processing

The aim is to maximize the use of raw materials in the operation, to minimize product loss and waste, and to look for human dietary alternatives through the departments of innovation and development of new products.

With regard to the by-products that are not traditionally used for dietary purposes, the aim is to promote the innovation and the alliances with the purpose of finding new dietary uses and, when that is not technically feasible, extending their life cycle. It is also necessary to foster the circular economy within all of Grupo Nutresa's companies, businesses and allies.

4) Commercialization

The aim is to ensure good practices in terms of logistics, reverse logistics and the implementation of commercial and marketing strategies in order to reduce the loss and waste of products that do not meet some specifications, as long as they are apt for human consumption.

5) Allied Institutions

Through Fundación Nutresa and after prior assessment, Grupo Nutresa supports the food banks and social organizations that assist vulnerable populations with well-defined nutrition projects. This support is focused on the development of capabilities that strengthen the adequate management of food handling and logistics, and the implementation of good manufacturing practices in order to reduce food waste. Additionally, the Organization performs monitoring and follow-up activities to ensure the safety and quality of the products.

Furthermore, Fundación Nutresa supports the identification of allies that have the necessary capabilities to fulfill the purpose of this policy across the entire value chain.

6) Implementation, Measurement and Follow-up

It is important to measure, establish goals and report the progress in the reduction of food loss and waste across the entire value chain of Grupo Nutresa's companies and businesses. Each company is in charge of designing the specific procedures necessary for the implementation of this policy.