



## **FUNDACIÓN NUTRESA MANAGEMENT MODEL**

### **SOCIAL MANAGEMENT LINES**

#### **EDUCATION**

Contribute to improving the quality of primary, secondary and higher education nationwide, facilitating access of vulnerable groups to formal education.

#### **INCOME GENERATION AND ENTREPRENEURSHIP**

Develop and strengthen productive–option initiatives that ensure economic viability to generate employment and/or income among populations with low income and labor instability.

#### **SUPPORT TO THE ARTS AND CULTURE**

Support management that promotes entities in the artistic and cultural sector, in order to provide access to the general public to the activities and programs that these institutions develop.

#### **NUTRITION**

Contribute to improving the availability of food in the sectors of the population most in need, by supporting civil and State initiatives related to generating Food and Nutritional Safety, which is aimed at developing skills to satisfy the basic needs of the target population.

The term **FOOD AND NUTRITIONAL SAFETY** is understood as “the right of all people to enjoy timely, permanent access to the food they need, in the quantity and quality for adequate consumption and biological utilization, as well as access to drinking water, which guarantees a state of sustainable wellness, which contributes to human and social development”<sup>1</sup>.

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<sup>1</sup> Observatory for Food Safety and Nutrition, the National University of Colombia, Bogotá, D. C., 2006



## MANAGEMENT CRITERIA FOR *FUNDACIÓN GRUPO NUTRESA*

- General Criteria: Support initiatives proposed by local communities that know the context and the problem to be impacted, to empower the population of the social projects that are developed and financed by *Fundación Nutresa*.
- Request benefitted entities to present reports regularly on the development, evaluation and recommendations of the projects supported by *Fundación Nutresa*.
- The Social Projects supported by *Fundación Nutresa* must have a previously defined duration and a finalization stage for funding by *Grupo Empresarial Nutresa* (*Nutresa* Business Group) agreed upon with the benefitted entity, in which the objectives proposed in the project and its sustainability have been achieved without private intervention.
- The benefitted entity must periodically register and report evidence, such as photos, signatures, and sustainability reports, among others, to *Fundación Nutresa* on the development of the project.
- Through alliances made with other public or private entities, *Fundación Nutresa* seeks to support those issues that are key to the development of the project that is being developed, but which are not prioritized by *Fundación Nutresa*.

## CONCEPTUALIZATION

The low income of families, the cost of the products of the basic food basket, the armed conflict, forced displacement, the low level of education of the heads of household and the deficiency in basic sanitation are among many other variable conditions that hinder community access to food and limits the biological utilization of food by the vast majority of the population in Colombia.



Hunger and malnutrition are two common situations, especially among populations with a greater degree of social, economic and physical vulnerability: children, pregnant and lactating women, the elderly and ethnic minorities.

Food assistance from the private sector or civil organizations is a social–responsibility strategy that helps to solve the problem of hunger momentarily, since it facilitates public access to some of the products belonging to the minimum food for a reference family or home, although it is not the solution to the underlying problem, which is food and nutritional insecurity that is generated when States do not provide all citizens with the essential nutritional requirements for survival. Furthermore, it should be noted that, currently, there is no international or national instrument (such as the Constitution), which imposes on the State the obligation to directly meet the needs of the population, so the intervention of private enterprise is, apparently, increasingly necessary to largely ensure food for the population living in poverty.

*“The right to adequate food is realized when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food or means for its procurement.”<sup>2</sup>*

### ***Fundación Nutresa* Intervention and Support Criteria**

- Every social project proposed to *Fundación Nutresa* must present a general context of the area in which the intervention would take place, specifying: geographic location, as well as the social, cultural and economic characteristics of the population.
- A clear definition of the problem identified must be made: *What is the deficiency to be remedied?*
- Propose in detail the strategies that are designed to solve the problem identified.

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<sup>2</sup> United Nations Committee on Economic, Social and Cultural Rights (CESCR) 1996



- The response generated against the food shortages present in the population must be consistent with the dietary habits and nutritional requirements of the population, recognizing and taking advantage of the so-called food memory and the autochthonous food produced in the region, without imposing solutions unknown by the communities that will benefit from the project.
- The delivery of food or resources by *Fundación Nutresa* should always be accompanied by nutrition education strategies developed by the entity responsible for implementing the social project, to ensure adequate consumption, hygiene and food handling by the target population.
- The entity responsible for implementing the social project will identify existing resources in the community, which are available to develop the strategy supported by *Fundación Nutresa*.
- The entity responsible for developing and implementing the social project supported by *Fundación Nutresa* must plan a schedule of project activities, taking into account the stages of evaluation and finalization.
- The entity responsible for developing and implementing the social project supported by *Fundación Nutresa* must focus on the target population, defining: age, gender and socio-cultural characteristics.
- Likewise, the entity responsible shall identify the expected outcomes (performance indicators) of the social project.
- At the outset of the project, the entity responsible for developing and implementing the project shall define: *What is the finalization strategy and what skills will this project develop among the target population?*
- *Fundación Nutresa* and the entities responsible for developing and implementing the social projects will aim to manage alliances, especially with Governmental agencies or those based in the areas of intervention.
- The first activity of the project should be determining the baseline: *Who are the beneficiaries in relation to the factor that is to be addressed through the project?* Example, if the project is on nutrition education, the baseline must determine: *What does the population know in that area?* Also, if the project aims to improve the



nutritional status of the population, the baseline must also establish the nutritional status of the people.

- The project should specify what evaluation activities will be conducted by the entity responsible for implementing the project, both during the project as well as in the stage of finalization of the intervention, in which all stakeholders should be involved. The social spaces and the feedback that will be made to improve the process must be defined at the outset of the project.
- The social entities and the different operators of the actions of the projects supported by *Fundación Nutresa* must have a professional in Nutrition and Dietetics, to ensure quality in the process of nutrition education and proper food handling.

#### **Relevant Issues for the Nutrition Projects Supported by *Fundación Nutresa***

- Hold “Deworming Days” among the target population, with the support of allied health entities.
- Ensure the provision of drinking water among the beneficiaries of the social project, with the support of or through agreements made with local or regional administrations.
- Dispose of excrements and waste.
- Promote and generate training in healthy lifestyles among the beneficiaries of the social project, through different communication and public–education strategies.

#### **GRUPO NUTRESA COMMUNITY INVESTMENT ALLOCATION GUIDELINES**

These guidelines aim to standardize the processing of the Sustainability Report form and guide the investments that each Business makes directly to the communities, which will allow us to trace the information and social management and help to make the external audit process efficient and timely.



## Regarding *Grupo Nutresa*

### **Social Responsibility**

This is the voluntary commitment of our company and employees to contribute to comprehensive human development of the related parties\*, ensuring economic growth, social development and ecological balance.

### **Management Approach**

*Grupo Nutresa's* social management is focused on four management lines: Nutrition, Education, Income Generation and Entrepreneurship, and Support to the Arts and Culture. These activities are accompanied by volunteers from the *Grupo Nutresa* Businesses.

### **Intervention Criteria**

The relationship of *Grupo Nutresa* and its Business with the community is intended to contribute to its welfare and progress and is based on the concept of sustainability. Our management model is based on the development of local capabilities that promote participation, self-management and the strengthening of community leadership, which contribute to achieving positive results and greater opportunities for projection and durability. This management is done in partnership with social entities and private companies.

*Community investment will be those contributions in cash or in kind that companies make to social initiatives and comply with the following:*

### **Reason for the Allocation of Resources**

1. The contribution made by the company is voluntary, not responding to any law or regulation.
2. The resources contributed seek to benefit a population with unfavorable living conditions where the business has influence.



## How to Quantify the Community Contribution

1. The economic contribution of the company will be reported in full if it is destined for social initiatives within the framework defined by *Fundación Nutresa*.
2. The discharged product delivered by the Business to Food Banks or social entities must be reported in the *Annual Data–Collection Instrument*, in the Community sheet, centralizing the information that each Business manages directly and the information administered by the Logistics Center (*Comercial Nutresa*).
3. The discharged products or lines delivered within the company or between the different Businesses to benefit employees or their families will not be reported in the Instrument. Example, Biscuits used by a Business to celebrate the party for employees' children.
4. The investment in the product will be calculated by its cost, not its commercial value.
5. The contributions of volunteers or third parties: Example: suppliers and companies different from those of *Grupo Nutresa* will not be reported as contributions of the *Grupo Nutresa* companies.

Institution Benefitted	Management Line	Description	Number of Beneficiaries		Investment		
			Institutions	Persons	Money	Product	\$ Product Purchase

## Brand Investment or Community Contribution

1. To be a community contribution, the entity benefitted must have a CLEAR social purpose. Also, universities or governmental agencies that have defined social purposes although they do not have a specific social purpose, may be included.
2. Contributions must have a social destination; they may NOT seek recognition of a high–impact brand.



3. If the contribution has brand presence and a social contribution, only the contributions that are earmarked for social work will be taken into account. Example, the cost of a Client Loyalty Program was COP 200 million; contributions are broken down by investment category and only the contributions with social destination are included in the form:

- COP 100 million in POP or advertising material
- COP 50 million in life–project training. **Only this item is reported on the Form**
- COP 50 million in balls for the shopkeepers' clients

### Specific Cases that ARE Community Contributions

- *The purchase of brand exposure in magazines or community programs:* The reason for the economic investment is purely social and does not promote the company brand in front of a large, strategic audience. When the contribution has a commercial impact, but it also has a social purpose, a deduction of fifty percent (50%) will be made from the total cost.
- *The economic counterpart of the Business against cash contributions made by volunteers:* Only the contributions of the company on the Volunteer Cash Sheet will be taken into account. This will appear in the YELLOW area at the top of the page; the money contributed by the volunteers must be included in the RED area at the bottom of the Volunteer Cash Sheet.

Grupo nutresa		Voluntariado en Dinero   Industria de Alimentos Zenú S.A.S.				
Aporte de la compañía ▶ 10.000.000		720	17	3.636	51.611.523	
Programa	Entidad Beneficiada	Descripción	No. de Voluntarios	No. De Beneficiarios		Valor año
				Instituciones	Personas	
Comité de Solidaridad Unidos Ayudamos	Escuela RuRal de Betania, Fundación Bosconia	Apoyo a proyectos sociales en las líneas de gestión: Nutrición, Educación y Voluntariado	299	7	806	28.275.392

- *Research or consulting costs to the community:* These will be included if the purpose of the investment is to support a social project that will be for free use. Example, the Company supports an educational institution in a social research project by paying an external consultant and the laboratory costs.





- *Use of facilities and logistics for meetings:* When the companies provide the community with the use of its resources—such as rooms, equipment and photocopies—only those resources that generate an expense to the company will be considered and the value will not be the same as what the organization would pay for Catering costs at market rates.
- *Gifts or inventory products to communities:* This will be quantified by their production cost in the case of company products. If they are gifts, they will be valued as recorded in the inventory; otherwise, they should not be reported if there is no support regarding their cost. Example: Twenty (20) boxes of balls were delivered to the Food Bank. The inventory cost of each box is COP 10.000; the total value to be reported is COP 200.000.
- *Support for cultural or artistic events:* Those costs that have name recognition of the donating company will be taken into account, but they will not be part of the marketing strategy. Example: an economic contribution to a children's baseball championship with the brand of a product. If the contribution has a high brand recognition and a social contribution, the latter will be differentiated. Example: COP 100 million are invested to support a large amusement park. Of this contribution, COP 20 million are earmarked for free tickets to the people who cannot access these services; this is the value that should be reported.
- *Administrative costs invested in volunteers:* The expenses incurred by the Businesses to support the volunteer or social–responsibility activities will be taken into account in the data–collection instrument for the community as a company contribution. Example: The cost of transportation, conferences, shirts, paint, paper and food, among others.
- *Subscriptions or memberships in community organizations:* Those organizations that have a social orientation and are not directly related to the social management of the Business will be taken into account. Example: The subscription to the



disabled employee forum DOES APPLY; the subscription to the Chamber of Commerce DOES NOT APPLY.

- *Programs that promote the responsible use of products:* This includes all campaigns that are destined for the proper, safe use of the products produced by *Grupo Nutresa* and, therefore, reduce potential negative impacts due to misuse. Example: The campaign by the Chocolates Business for exercise and healthy eating.
- *Administration and supervision of interns or work experience:* This is the cost of work time spent by staff to advise school or university students who perform short-term internships in the company. Also included are the logistics costs incurred. Example: Food. NOTE: Internships that respond to staff-recruitment strategies will not be considered.
- *Social causes related to marketing:* Social causes connected with any product of the *Grupo Nutresa* Businesses that seek to promote sales will only take into account the values destined to the social cause. Example: For each product sold in a store, the Business will donate COP 200 to the Anti-Cancer League.
- *Collaborators in the social mission:* Temporary assignments of an employee for a specific task or working full time in a social organization. Example: A marketing employee works for two (2) months in a group home to help them set up their marketing strategy. The value of the employee's wages and labor benefits for these two (2) months is reported.
- *Equipment written off:* This includes those company resources that are not reported in the accounting ledgers for different reasons, and which will be quantified by the estimate of depreciation. Example: Thirty (30) obsolete computers are delivered to a children's home. There is no book value, but it has been estimated that its value as used equipment is COP 50.000.



**HOW TO IDENTIFY IF A CONTRIBUTION  
CORRESPONDS TO A SOCIAL CONTRIBUTION**

**If ALL the answers are YES, the contribution is an investment in the community**

<b>QUESTION:</b>	<b>Yes</b>	<b>No</b>
• Is the reason for the contribution in cash or in kind a community interest?		
• Are the contributions in kind quantified by their at-cost value, not the commercial value?		
• Are the contributions voluntary and that do not correspond to regulations or laws?		
• Does the contribution generate high recognition of the brand nationally or internationally?		

**Reference**

- [http://www.lbg-online.net/media/5595/lbg\\_guidance\\_manual\\_vol\\_1\\_inputs.pdf](http://www.lbg-online.net/media/5595/lbg_guidance_manual_vol_1_inputs.pdf)