



# PACKAGING POLICY

April 2020

## COMMITMENT

Being aware of its responsibility regarding the design, use and disposal of packaging materials and the impact they cause on the environment, Grupo Nutresa commits to ensure that 100% of its brands' packaging materials will be designed to be recyclable, reusable or compostable by 2030.

## SCOPE:

This Policy covers all of Grupo Nutresa's Businesses, operations and services.

To fulfill this commitment, the Organization takes actions regarding the following aspects:

### 1. ECO-DESIGN:

Grupo Nutresa has an internal-use eco-design manual for packaging materials that is used as guidelines for both new and existing packaging solutions with the purpose of ensuring the efficiency in the use of resources and facilitating their reutilization for manufacturing the same kind of material or other type of product. In the case of the already designed packaging solutions, optimization and eco-efficiency analyses are conducted applying the concepts contained in the eco-design manual; and in the case of new packaging solutions, said concepts are applied from the very creation and/or design phase.

By using the eco-design manual as guidelines, Grupo Nutresa promotes the replacement of materials with alternatives with a lesser environmental impact, considering the analysis of the life cycle of different materials in each one of the geographies where the Organization operates.

### 2. RECYCLED CONTENT:

Promoting jointly with the suppliers the use of recycled materials in the development of primary, secondary and tertiary packaging materials with the aim of increasing the content of recycled materials while ensuring the quality and safety of the products and complying with the regulations in force.

### 3. REDUCTION IN THE USE OF PACKAGING MATERIALS:

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Based on the DTV (Design-to-Value) methodology, the Company analyzes the different components of the packaging solutions with the purpose of optimizing their use and increasing the efficiency in the use of resources while ensuring the quality and safety of Grupo Nutresa's products.

### 4. SUPPORT TO THE RECYCLING SYSTEMS AND CIRCULAR ECONOMY MODELS:

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Grupo Nutresa actively collaborates in the collective plans and strategic alliances with the objective of improving the recycling chains and fostering circular models for the (re)utilization of packaging materials.

### 5. INVOLVEMENT IN PUBLIC POLICY FORMULATION AND PUBLIC/PRIVATE ALLIANCES:

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The Organization participates in public discussion panels in order to formulate voluntary and regulatory mechanisms for promoting circular economy and mitigating the environmental impact derived from the use of packaging materials.

In addition, the Company works with its suppliers across the entire supply chain, promoting good environmental practices and supporting cycle-closing strategies for the materials.

### 6. COMMUNICATION WITH CONSUMERS:

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It consists in implementing different channels and technologies available in order to communicate with and educate consumers about the disposal alternatives for the materials, thus ensuring a lesser environmental impact.

### DEFINITIONS:

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- ✔ **Recyclable:** For a packaging material to be recyclable, it has to be possible to reprocess it into a new product or secondary material either for the same application or for a different one, excluding energy recovery or the use of the material as fuel. In addition to the recyclability characteristics of the packaging material from the technical viewpoint, there needs to be existing, established and available solutions in the countries where Grupo Nutresa operates for the recovery, classification and treatment that ensure the packaging material actually ends up being recycled, as well as an actual market for the transformed material.
- ✔ **Recycled Materials:** Recycled materials are those that have been processed based on recovered and transformed materials to manufacture a final product or a component for their incorporation into a packaging solution.<sup>1</sup>
- ✔ **Reusable:** This term refers to the packaging materials that have been conceived and designed to complete a minimum number of circuits, rotations or uses throughout their life cycle, whether they are refilled or reused for the same purpose for which they were designed, with or without the help from auxiliary products available in the market that allow refilling such materials.<sup>2</sup>

<sup>1</sup>ISO 18604:2013, "Packaging and the environment — Material recycling

<sup>2</sup>ISO 18603: 2013, "Packaging and the environment. Reuse.

- ✓ **Biodegradable:** Biodegradable packaging materials are those that start degrading due to the action of microorganisms (bacteria, algae and/or fungi) under conditions occurring naturally.<sup>3</sup>
- ✓ **Compostable:** Compostable packaging materials are those that suffer aerobic or anaerobic degradation due to the action of microorganisms (such as bacteria, fungi and/or algae). In addition, this type of materials disintegrate into fragments in less than 12 weeks, biodegrade in 6 months and at a speed comparable to other compostable materials like cellulose, resulting in a high-quality compost that cannot contain heavy metals or toxins and enables plant growth. This entire process must be certified under international standards.<sup>4</sup>
- ✓ **Post-consumption Materials:** This term refers to the materials generated at households or commercial, industrial and institutional facilities that cannot be used for their intended purpose any longer.<sup>5</sup>
- ✓ **Single-Use or Discardable Plastics:** These terms refer to plastic materials that are designed to be used only once. This category includes plastic bags, straws, coffee stirrers, water bottles and most food wrappers and containers.
- ✓ **Eco-Design:** Eco-design is defined as the integration of environmental aspects in the design and development of products with the aim of reducing their adverse environmental impact throughout their life cycle.<sup>6</sup>
- ✓ **Life Cycle:** The life cycle of a packaging material is understood as the set of stages that includes the extraction of raw materials and components, transport processes, the corresponding manufacturing and filling or packing processes, the multiple logistics operations, distribution, the use or consumption of the product, and the management of the waste derived from the packaging material.
- ✓ **Producers' Extended Responsibility (PER or REP for its abbreviation in Spanish):** The producers' extended responsibility can be defined as the instrument that regulates the manufacturers and importers of mass consumption products in terms of organizing, developing and financing the comprehensive management of the waste originating from the packaging materials derived from the products they distribute throughout the market within the national territory once they are disposed of by end consumers. Its objective is to diminish waste generation and promote the (re)utilization of the materials through reuse, recycling and other appreciation methods, where the retail industry plays a fundamental role by supporting and working on the fulfillment of the comprehensive management of waste jointly with the producers.
- ✓ **Closed Cycle:** Cycle in which the packaging materials are recovered and recycled for subsequently using them to manufacture the same type of packaging solution. Examples: bottles into bottles and cardboard into cardboard.
- ✓ **Open Cycle:** Cycle in which the packaging materials are recovered and recycled for subsequently using them to manufacture other type of packaging solution or product.
- ✓ **Sustainable Forest Paper/Cardboard:** This type of paper and/or cardboard is certified under a standard that ensures the wood used to manufacture them was sourced from forests managed based on the FSC<sup>7</sup> or PEFC<sup>8</sup> criteria, which include sustainable forest management measures in terms of the ecological, social and economic aspects.

<sup>3</sup> ASTM D-6400, "Standard Specification For Compostable Plastics"

<sup>4</sup> ISO 18606, ISO 14201, EN 13432, ISO 17088, ASTM D-6400.

<sup>5</sup> ISO 14021:2016, Environmental statements and labels — Self-declared environmental statements (Type-II environmental labeling).

<sup>6</sup> ISO 14006, "Environmental Management Systems. Guidelines for the incorporation of eco-design."

<sup>7</sup> Forest Stewardship Council.

<sup>8</sup> Programme for the Endorsement of Forest Certification.