

FOOD LOSS AND WASTE



Food loss and waste

In Arca Continental, we are well aware of the great challenge that efficient resource management represents. Therefore, aligned with our sustainable business strategy, we promote processes that minimize raw matter loss and waste.

As a fundamental part of our business strategy, we make optimal use of all our resources, and have continuously worked to develop guidelines to strengthen our ingredient efficiency.

We rely on annual targets to minimize food loss and waste, which are directly related to associate remuneration in production facilities.

Using a continuous improvement approach, we have established programs to quantify food loss and waste, reduce the total amount and give the produced waste a second use. In addition, we collaborate with our commercial partners to cope with this challenge throughout our entire value chain.

Waste reduction applying a continuous improvement approach

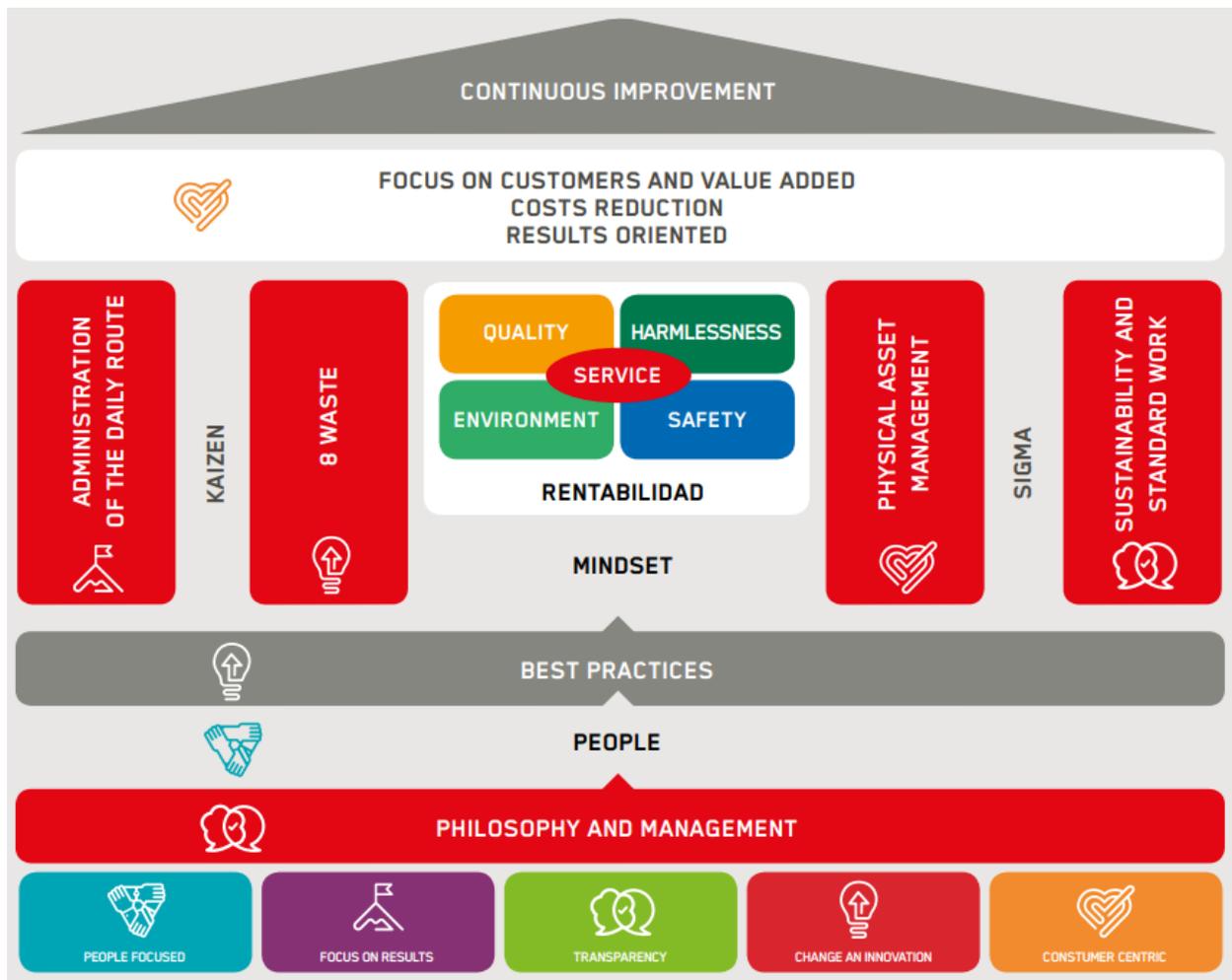
Historically, food loss and waste has been dealt-with using a cost control and reduction perspective. In collaboration with our commercial partners, covering from raw matter to non-consumed products, we identify and map food loss and waste opportunities.



We identified the food loss and waste problem as controllable and minimizable, and recognized it is generally caused by raw matter inefficiency in our processes. The main reasons for these inefficiencies are product damages result of transportation or freshness loss.

For the previously mentioned reasons, our continuous improvement approach considers waste as a fundamental focus area. It is worth mentioning that this model is aligned with the Lean

Manufacturing principles, encouraging active learning, participation, innovation and overall day-to-day improvement. It is carried out even in high organizational levels under an Executive Director's responsibility and covers all organizational levels in Arca Continental. It relies on three main pillars: executive director-generated projects, operational initiatives and financial benchmarks that allow internal and external KPI comparison.



Since this model's implementation, it has facilitated the deployment of more than 700 projects regarding raw matter efficiency and damaged product revalorization.

Targets and monitoring

In order to measure waste in our productive processes and final products, we apply several digital systems that allow resource efficiency control and monitoring.

Adequate monitoring and constant implementation of programs that contribute to waste minimization have lead our production centers to operate with low waste, reaching a 99% ingredient use efficiency.

Targets regarding food loss and waste are set annually, and they are directly related to variable manager compensation in production centers.