



One planet
inform with care

Sustainable Latin American Chocolate

Sector: Food

Location: Colombia



The Cordillera brand is part of the Compañía Nacional de Chocolates (a subsidiary of the Nutresa Group), offering chocolate ingredients including semi-elaborated chocolate, “royal” chocolate, coatings and glazings for the business-to-business (B2B) market. It has 5 manufacturing plants in: Colombia (2), Mexico (1), Peru (1), and Costa Rica (1). It markets its products in more than 14 countries and buys 51% of the national cocoa production in Colombia. Cordillera is a leader in the cocoa value chain and the pillars of its proposal are the following: **experience since 1920** in the production of top-quality chocolate with a distinctive flavor and aroma; **sustainability**, ranked 1st most sustainable food company by the Dow Jones Sustainability Index in 2019 (Nutresa Group); Latin American cocoa supply from Colombia, Ecuador and Peru, and **reliable service**. The brand established a sustainability program for all its product portfolio based on three axes: (1) Quality of life of cocoa farmers, (2) Well-being of the cocoa communities, and (3) Protection of the planet. Under this program, Cordillera has promoted rural development and productivity in the cocoa sector through, for example, training for over 20,000 cocoa farmers and the implementation of production processes that optimize resource consumption. Under these initiatives, Cordillera publicizes the following textual claim in packaging, advertising pieces and communication channels:

Sustainable Latin American Chocolate

The sustainability paradigm

Life cycle approach: Compañía Nacional de Chocolates developed a Life Cycle Analysis to apply throughout its value chain with an allocation in CO2 emissions for several of its brands, including Cordillera. This LCA was carried out together with the consultancy firm Gaia Servicios Ambientales.

Critical points analysis: According to the results of the LCA, the raw material and transformation links are the largest contributors to CO2 emissions with 58% and 30% respectively. Initiatives such as technical support and reforestation were implemented to reduce raw material emissions. In terms of transformation, the brand's production plants have developed cleaner production initiatives such as reducing water consumption, generating renewable electricity and using more than 95% post-industrial materials.

Integrating sustainability: Within Grupo Nutresa, Cordillera is the standard bearer of the action for the well-being of the cocoa communities, with a strong differentiation of Latin American chocolate cultivated and processed in its origin.

Principle 1: Reliability



Cordillera's claim to sustainability is reliable as it has been internally and third party validated by institutions such as the Colombian Agricultural Institute -ICA and the Colombian Institute of Technical Standards and Certification – ICONTEC.

As an internal validation, the company has an integrated management system that evaluates the reduction of the consumption of resources, such as water and energy, and the generation of waste and Greenhouse Gas (GHG) emissions.

This system follows GRI 4.0 guidelines, the GHG protocol and PAS 2050 methodology and is externally audited by KPMG.

Cordillera has third party certifications in raw materials, processing and in its products. In raw material, the Yariquíes Farm is certified in Good Agricultural Practices - GAP by ICA and two cocoa associations hold organic cocoa certifications.

In processing, the Company has been granted the Carbon Neutral certification of the Colombian Institute of Technical Standards and Certification - ICONTEC in its commercial operation and certification for the Chocolate Plant in Costa Rica. Some of the products in its portfolio are also Fairtrade and Non-GMO certified.

Principle 2: Relevance



The sustainability messages highlight the superior performance of the brand at material points in the cocoa value chain.

In terms of raw materials, in 2019, the company organized 392 cocoa tours and meetings, with around 5,500 training sessions and 154 projects to provide technical, commercial and socio-environmental support to more than 20,000 cocoa farmers in Colombia, in order to build the capacity of agribusinesses and boost competitiveness in the sector. Cordillera promotes productivity and land use through reforestation with more than 4 million units of plant material.

In transformation, Cordillera implemented solar panels in the Rionegro production plant in Colombia that provides 15% of energy consumption. It reduced water and energy use by 38.7% and 34.9% in 2019, with a base year of 2010, as well as 54.2% of its GHG emissions.

Principle 3: Clarity



In 2019, Cordillera formed a work team between the areas of Agricultural Promotion, Communication and Marketing to clearly specify their sustainability claims in simple language. The resulting messages are accessible and easy to understand.

ENERGÍAS LIMPIAS

Nuestro chocolate es producido con energías limpias. Contamos con cerca de 8.000 paneles solares en nuestra planta de producción que equivalen a sembrar un bosque de un sistema agroforestal de 40 hectáreas.

"Chocolate producido con energías limpias"
"Chocolate que protege el planeta"

CADENA DE ABASTECIMIENTO CORTA

Nos relacionamos directamente con el agricultor cacaotero a través de asociaciones y cooperativas generando mayor calidad de vida para él y su comunidad, permitiendo que el valor agregado se quede en sus manos y garantizando la trazabilidad del cacao.

"Chocolate que mejora la calidad de vida de los cacaoteros"

Principle 4: Transparency



Cordillera publishes relevant information to deepen its sustainability messages on its website and social networks. In the Sustainability tab, it presents information about the progress made in the three dimensions of sustainability and the indexes at Grupo Nutresa level.

In its *100 años de experiencia chocolatera* tab, it presents the milestones in the brand's trajectory. Progress in sustainability is set out in categories (1) Seed to ingredient, (2) Eco-efficiency, (3) Flexibility and productivity, and (4) Integrated quality management system. This last category presents a list of certifications organized as socio-environmental, manufacturing, logistics and product.



Cordillera uses tools such as 4D videos to recreate the cocoa production process and QR codes, in point-of-sale materials and in finished product packaging, which allow for more in-depth information about its advances in sustainability in each stage of the chain.



Principle 5: Accessibility



Cordillera publicizes its sustainability messages on websites, packaging, trade shows, events, and social networks. As a B2B business the main ambassadors of the sustainability messages are the brand's commercial executives and chefs.

The company makes explicit and textual mention of its website on its packaging and social networks, promoting access to each product's sustainability message.



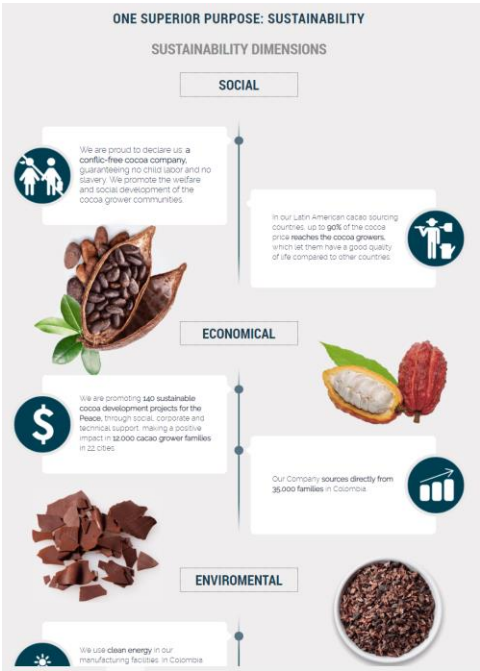
Cordillera graphically and visibly displays the sustainability initiatives it has developed on its stands at trade fairs and events.



Environmental: Cordillera has developed initiatives of technical and commercial support to farmers for better agricultural practices, development of reforestation projects and eco-efficiency in their production process.

Socioeconomic: The brand has made efforts to ensure that 90% of the price of cocoa is paid directly to the farmer and has established a purchasing program that buys 35% of cocoa from 160 cocoa associations. Cordillera has developed projects such as the implementation of Nurseries for Peace in post-conflict areas and centers of agricultural innovation.

In its web page, Cordillera implemented a sustainability section where the main initiatives on environmental, social and economic dimensions are explained and their main results highlighted.



Principle 7: Behaviour change and long-term impact



Cordillera is committed to raising awareness about the sustainability of its chocolate ingredients through interaction with its clients and through them with the final consumer.

In partnership with restaurant clients, Cordillera has taken part in events, such as Dulcemanía and País Gourmet, designed to educate consumers about its initiatives in sustainability, biodiversity, and species conservation in Colombia.

Principle 6: Three dimensions of sustainability



Cordillera's statement explicitly alludes to the three dimensions of sustainability. Growing and processing chocolate in Latin America promotes the social component involving producers, the environmental component through its cultivation and processing initiatives, and the economic component by generating value-added products in the region.



Principle 8: Multi-channel and Innovative approach



Cordillera established two Agricultural Innovation Centers that promote community development through capacity building, research, and distribution of cocoa seedlings.

The brand has organized events to publicize its sustainability strategies, such as the "La Barra" awards for chocolate experts, "Lives" on Instagram with influencers such as chef Juliana Álvarez, and weekly YouTube webinars with nearly 25,000 attendees. The brand has also made its initiatives known at fairs and events throughout Latin America (Mexipan, Expopan, Chocoshow, Alimentec and Expoalimentaria).

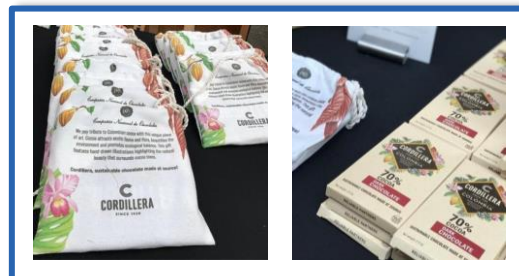
Cordillera interacts with its clients individually on Innovation Days where it annually presents its innovation and sustainability strategies.

The brand holds annual internal events such as its Sustainability Days to publicize its improvement initiatives.

Principle 9: Collaboration



In order to promote a sustainable and inclusive cocoa chain that encourages reforestation, in 2019, Cordillera joined the Cocoa Forest Initiative and participated as a speaker at the World Cocoa Foundation.



Cordillera has worked on agricultural research programs on cocoa varieties with partners such as the International Center for Tropical Agriculture.

Cordillera undertakes voluntary work in sustainability as a signatory of the Water Fund EPM - Cuenca Verde and CEO Water Mandate, the Zero Deforestation Agreement, and has been awarded the Inclusive Business Seal by Colombia's National Association of Entrepreneurs - ANDI.

Principle 10: Comparability



Cordillera does not seek to draw explicit comparisons within the sector. However, its statement on chocolate grown and processed at origin is a differentiating factor from the traditional cocoa sector, where raw materials are processed and value is added in continents other than where the crop is grown.