



MANUKA  
SUSTAINABILITY  
STRATEGY



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MANUKA'S  
SUSTAINABILITY  
PATH



## **1. Introduction: Manuka's Sustainability Path.**

In 2003 New Zealand founders of Manuka came to visit South America and were impressed by Chile; specially by the quality of its soil, climate, rainfall and engaged people they met. Being farmers themselves, they recognized the perfect conditions to implement the New Zealand pasture model for dairy production - this, is how, in 2005, Manuka was born.

The pasture model has vital elements for sustainable food production. By having animals spending almost their entire lives grazing - their natural food - with a minimum use of supplements, this model works together with nature.

The foundations of pastoral farming are grass and clover. These productive and resilient plants accumulate Carbon and Nitrogen from the atmosphere to grow, while building up precious topsoil. Clover also removes Nitrogen from the air through a symbiotic process with a soil bacteria called Rhizobia. The permanent pasture system provides most of the necessary feed for cows in Manuka.

Currently, climate change is affecting all four pillars of food security worldwide: Availability, Access, Utilization and Stability. Therefore, it is of outmost urgency to produce food in a sustainable manner. Milk is acclaimed for being a low cost nutritionally dense food, with 9 essential nutrients and for being an excellent source of protein - Manuka produces this essential product, for a constantly growing population

During the development of our company, the Corporate Governance has designed different Committees to support key areas for Manuka's development, such as Production, Finance and in 2017, Sustainability Committees

In 2019, Manuka's first Sustainability Report was launched, compiling all the initiatives, using the Dairy Sustainability Framework as a guide, and aligning its work to the UN sustainability development goals. Since then, we have consistently progressed in the development of strategies and objectives to keep moving forward on our sustainability path.

Today, after three years and three sustainability reports, we are challenging ourselves to establish a clear roadmap for our sustainability path, considering our purpose, objectives, and the pillars we will be focusing our work on.



# OUR APPROACH



## 2. Our Approach – Our Sustainability Strategy

We produce a vital product for society and the way we produce it, is equally important.

In Manuka, we want to do what we are passionate about; producing milk with a model that works together with nature. We are sure that this is the correct way of doing it, but we are also aware that we must do more to contribute to society. Therefore, establishing a valuable company sustainability purpose, is key for us.

### ***Why Sustainability?***

We strongly believe in the potential that Chilean dairy production through the pasture model can have, giving a positive impact in our country, from providing food safety, to supporting social development, environmental protection & economic growth.

As the country's largest milk producer, we have a commitment and responsibility to manage our business to the highest standards of production & sustainability.

### ***What? (Purpose)***

We want to create value as a result of our dairy operation, focusing on what matters to us most: our people, our animals, our neighbors, and our environment, all along maintaining an economically sustainable business. This, always considering the current national legal compliance as a baseline.

### ***How?***

Establishing a frame of work for our sustainability actions focused on the things that are the most important to us and where we seek to have the most impact on.



### Strategic pillars:



#### Caring for our people

Manuka's talents are the essence that drive our work and we seek to provide them with the best working conditions

Our Focus :

- Career Development
- Training Opportunities
- Benefits
- A good and safe working environment
- Involve to our staff on sustainability

#### Caring for our neighbors

We thrive on creating value for our neighbors supporting projects that target our focus areas

Our Focus:

- Education/Local development
- Promoting rural living
- Engagement with our closest communities

#### Caring for the environment

We are proud of our sustainable pasture based production model and are determined to promoting further actions

Our Focus:

- Waste Management
- Carbon Footprint
- Native Forest and watercourses care
- Soil Care and Management

#### Caring for our animals

Our cows spend their lives in our pasture land and we make sure they are treated according to all principles of animal welfare

Our Focus:

- Animal Welfare protocol and audits
- AW certifications
- Training in AW
- Preventive Health Care Management

#### Caring for our financial viability

To create value for others, we must run an economically sustainable business

Our Focus:

- Maintain an economically sustainable business
- Care for our sustainable pillars to not conflict between each other

### Sustainability Committee

The Sustainability Committee was born in 2017 due to the strategic importance of this area for the successful development of Manuka's business. We produce a necessity good, but the way in which we produce it, is equally important. Therefore, establishing a company sustainability purpose that is valuable to society and to our workers will be vital for resulting in purposeful and driven results.

The Committee was initially formed by eight members: two external specialists, three internal members and three shareholders. One of them, the Chairman, was part of Manuka's Board of Directors.

It is currently composed by seven members: three internal, two external and two Board members, one of them being the current Chairman.

### Role of the members of the Committee

According to our "Sustainability Committee -Terms of Reference", the Committee's primary objective is to promote sustainability strategies and actions at board level and to review targets and actions regarding sustainability matters along management.

### Voting members of the Committee (as of 1<sup>st</sup> of July 2022)

- Richard Kouyoumdjian (Director of Manuka and Chairman of the Committee)
- Moisés Saravia (CEO of Manuka)
- Jos van Loon (Director and Shareholder of Manuka)
- Conall Buchanan (Shareholder of Manuka)
- Brenda de Swart (Rabobank – Global Head Sustainable Business Development Wholesale & Rural)
- Jan Koster (External advisor with expertise in Native Forest)

The Committee will also be attended by members of Management dedicated to sustainability, who will execute the strategy and actions:

- Tomás Grau (Corporate Affairs and Human Resources Manager)
- Natalia Ubilla (Head of Communications & Sustainability)
- Diego Troncoso (Head of Environment)

### Role of management members of the Committee

- a. To lead & care for the sustainability strategy and company's reputation.
- b. To participate in the approval of production and young stock processes that can compromise the sustainability of Manuka as defined in its strategy.
- c. To report quarterly to the committee on all sustainability processes.

Frequency of meetings of the sustainability committee: Every 3 months or when needed.



### Sustainability Reports

To compile, follow up and communicate our challenges, current state, and path in a voluntary, public, transparent, and open way, management and board agreed to launch a Sustainability Report each year. This process would be fully supported by the Sustainability Committee.

In 2019, Manuka launched its first sustainability report, made internally, with all activities, goals and key indicators based on the Dairy Sustainability Framework - a methodology developed by six international dairy organizations, and aligned with to the UN Sustainable Development Goals. The three main topics established where:

- Product Quality & Safety.
- Environmental Impact.
- Social Value Creation.

In 2020 and 2021 Manuka launched its second and third reports respectively, developed with an external consultant and following the Global Reporting Initiative Standards (GRI) in its essential option. Also aligned to the UN Sustainable Development Goals. The main topics established where:

- The Manuka Family.
- Sustainable Production.
- Creating Social Value.
- Environmental Sustainability.

We feel that we have come a long way since the beginning of our journey, and we are ready to commit to a clear roadmap for our sustainability path going forward for the upcoming years, which can be reflected in our fourth sustainability report, issued on the 1<sup>st</sup> of December 2022.