

AM FRESH- Central Europe

Czech Republic, Hungary and Poland

Food waste inventory – 1st January 2019 – 31st December 2019





Company background

AM FRESH is part of the AM FRESH Group (formerly known as Munoz Group) a privately owned business that has a global footprint of farming and end to end supply chain management to many of the world's leading retailers.

The AM FRESH Group have a broad portfolio of products including ambient fruit and vegetables, juices, ice cream, flowers and fresh plant based products.

In Central Europe, AM FRESH supplies Tesco in Czechia, Slovakia, Poland and Hungary with citrus, juices and flowers.

In 2019, we delivered **27,825 tonnes of citruses** to Tesco in Central Europe, sourcing from 8 countries. Citrus products sourced from Spain and Greece were mainly delivered directly to Tesco depots. For indirect deliveries we use our operational sites where we handle, cross-dock, pack and positively release fruit to Tesco.

In addition, we delivered **2.4 million litres of fresh juice**, all under the Tesco own brand, produced in our plants in Spain and the Netherlands.

We feel we have a responsibility to our growers, their local communities, our service providers in Central Europe, and indeed Tesco customers, to reduce food waste. By supporting the Champions 12.3 group and committing to target, measure and act on reducing food waste, we are challenging ourselves to develop new ways to manage fruit in our operations and supply chain.

In 2019 we made a commitment to reduce food waste in our own operations by 50% by 2030.



What we are doing to tackle food waste

We started tackling food waste in our Central Europe operations a few years ago, and this year we are reporting on food waste in our own operations for the first time.

AM FRESH is proud of this bold move and is happy to participate by sharing our progress towards tackling food waste with Tesco over the coming years.

In 2019, our food waste was 2.1% of our total food handled. We are working closely with our sites in Central Europe and are successfully increasing awareness of tackling food waste. All our production teams have regular fruit quality updates as well as clear handling instructions.

We are working closely with Tesco's Technical Managers in each country. Throughout the season we review climatic and quality data to ensure we are able to maximise as much of the crop yield as possible. This helps to reduce waste further up the supply chain and improve both the strength and quality of the product in transit and in storage.

We also work closely with our growers all year round to improve the quality of our products, to ensure that fruit leaves the farm in as good a condition as possible.

The "Growers Harvest" citrus range helps us to use more fruit which may have a scruffy appearance. This has resulted in an extra 2.9% of our total fruit handled being sent to Tesco, rather than being wasted.

Our direct deliveries from Greece have increased by 9% and from Spain by 2.4% compared to 2018. This would equate to 318 tonnes delivered to customers with an extra 2 days of freshness.

We are seeking year on year increases of direct deliveries by using a consistent and dedicated grower's base.

Since 2017 we have been collaborating with local food banks where fruit and juice that was not of suitable quality for export, has been donated in support of local charities.

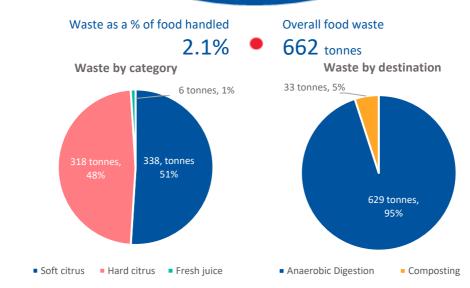
In 2019, we donated 27,600kg of citruses and 4,300 litres of juice, which would have provided 79,000 meals to people in need.





Total food handled 30,875

tonnes



Food waste data commentary

- We measured our food waste throughout the 2019 calendar year for our 4 operational sites, based in Central Europe.
- Our total food handled through our service providers in 2019 was 30,875 tonnes. Total food waste over this period was 662 tonnes, equivalent to 2.1% of total food handled.
- Our food waste is made up of 51% soft citruses (mainly satsumas and clementines), 48% of hard citruses (mainly lemons) and less than 1% is allocated to the juice category.
- The main driver for citrus waste in our business is post harvest loss due to weather issues during the growing period and harvest time.
- Delays in transit time and prolonged time spent in storage also have impacted waste figures.
 For example, citruses sourced from Turkey (mainly satsumas) with 7 days transit time have contributed to an extra 0.7% waste. Similarly, our Moroccan clementines, with 5 days shipping time and 2 further days in transit, have impacted waste by an extra 0.2%.
- As for juice, the main cause for waste is damage during transit and damage during handling by the service provider.
- In 2019, 95% of our waste was sent to anaerobic digestion and 5% went to composting.
- 32 tonnes of our total volume in the business was donated to food banks.



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