



#GoSustainable Report

July 2019 - June 2020

Contents

Conscious Manufacturing.	04
Packaging with Care	08
Creating Healthy Products.	11
Engaging with our Supply Chain.	14
Nurturing Our People.	16
Engaging With Our Community..	18





Introduction by the CEO

We believe that all people should have access to clean, healthy and nutritious food. Now and in the future. Sustainability is thus at the heart of everything we do at Bio. Whether it is in product development, route planning of our distribution trucks or the running of our factory, we make decisions that consider the wellbeing of people and the planet.

We also believe in transparency and accountability to our customers and stakeholders. We are thus proud to present our first Bio #GoSustainable Annual Report. In this report you will read what we have achieved in terms of reductions of CO2 emissions and water consumption, making our packaging more sustainable and creating a work environment where our team can thrive. We hope you will find this report insightful.

For us this is the start of a journey. We are committed to making considerable improvements every day. We invite you to join our journey to #GoSustainable...

With best regards,

Edo Weber



01.

Conscious Manufacturing.

Contributing to SDGs:



Clean Water
and Sanitation



Responsible
Consumption
and Reduction



Climate
Action



Conscious Manufacturing

At Bio we are acutely aware that natural resources are finite and that businesses need to take actions to support the safeguarding of the planet for future generations. We continuously aim to develop operational efficiencies to reduce consumption and co2 emissions wherever possible. Over the past three years we have implemented a variety of exciting operational improvements behind the scenes to decrease the environmental impact of our operations.

Power and Fuel

- Energy efficient LED lighting has been installed across 85% of our premises.
- In July 2019 we installed a 85KWP solar system on the factory roof. This has reduced our electricity consumption by 11%.
- Cold room sensors have been fitted to ensure that our cooling facilities are functioning efficiently and not wasting electricity
- We have installed a solar water heating system which heats the water for the boiler head
- Boiler pipes have all been insulated to avoid unnecessary heat loss

Waste Management

- We work with Taka Taka Solutions to ensure that our waste is managed to the highest standard. During the 2019-20 period Taka Taka collected 51, 448kg of waste from our facilities - of this 99.3% was recycled.





Water Consumption

- We have designed a closed loop manufacturing process for our autoclave system by storing and reusing the water required to run the machinery. This has reduced our daily water consumption by more than 60,000 litres.
 - In July 2020 an effluent treatment plant was installed at the premises to ensure the safety of all our effluent water before it re-enters the Nairobi sewage system.
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Carbon Footprint

This year we made the decision to formally measure our carbon footprint. We have already invested heavily in a variety of measures to improve our efficiency and we now want to benchmark our impact and take a more strategic approach, to ensure we are investing in the best ideas. The results highlighted that our total footprint is 0.3kg per litre of production (from farm gate).

We have committed to calculating our carbon footprint per litre of production on an annual basis and we will publish these emissions. By doing this we can start to create a more transparent environment in Kenya, in which other private sector businesses also measure their emissions. We want to work together with businesses to reduce climate impact in the region.

Our target is to reduce our carbon footprint per litre production by 20% over the next 12 months! This is ambitious but something that we feel is vital to attempt.

Carbon Neutrality

We have signed up to the UN Carbon Neutral Now Initiative and have offset 100% of our carbon footprint for the period of July 2019- June 2020. We want to demonstrate our commitment to being carbon neutral. We will continually seek to improve our operations but we will always require a certain amount of fuel and electricity to run our business. Offsetting our carbon gives us comfort that we are taking responsibility and mitigating our business impact.



Next Steps

FUEL CONSUMPTION

Our carbon footprint data has drawn attention to the impact of our fuel consumption and we are establishing ways in which we can decrease fuel usage where possible. We are excited to have brought on a new Head of Logistics who will be trialing a variety of initiatives. These include strategic route

planning, driver education programmes and sustainable procurement of future vehicles and machinery. We also plan to install tracking systems on our fleet. This technology will enable us to better monitor and manage both our fuel consumption and onboard refrigeration.

POWER

We are installing an additional solar panel system which is due for completion by February 2021. This will bring our solar capacity up to 343KWP allowing for a 57% reduction in electricity consumption. We are also completing our LED light installation programme so that 100% of our premises will be lit by ultra low energy bulbs.

WATER CONSUMPTION

This year we are investigating rainwater harvesting on the small amount of roof that is not covered in solar panels! We will also be installing high pressure hoses across our facilities to further reduce water consumption as well as rolling out an educational programme for factory staff to help engage them on water stewardship.

02.

Packaging with Care.

Contributing to SDGs:



**Responsible
Consumption
and Reduction**



**Climate
Action**



Packaging With Care

As with all food and beverage manufacturers, we require packaging to safely store and transport our products to consumers. However, we are continually striving to improve the sustainability and recyclability of this packaging.

Here are some of the improvements we have already made which we are really proud of:



The plastic in our fresh milk bottles has been reduced by 25%



We have changed the bottle from opaque to semi-transparent to massively improve its recyclability.



All our yogurt pots are made from 100% recycled plastic



Our cheese packaging is 100% biodegradable and compostable



As plastic has garnered increasing negative attention both by the press and consumers, we conducted a third party review of plastic PET, glass and Tetra Pak packaging. We wanted to ensure that using PET was the best choice for our business. Following this review we believe that plastic is still the most sustainable option due to the current recycling infrastructure in Kenya. We will continue to monitor the situation on an ongoing basis to ensure that we are always using the most environmentally friendly option for our products.

We are members of PETCO Kenya in order to take full responsibility for our post consumer waste. This means we pay a levy for all packaging we use. This levy is then utilised by PETCO to incentivize recycling within the country. We also sit on the Board of KEPRO, an association established to ensure manufacturers across Kenya take responsibility for the environmental impact of their packaging going forward.

Next Steps

We are continually seeking further ways to improve and innovate our packaging. We have developed a milk bottle made from Kenyan rPET which we will be rolling out shortly and we will continue to look for more sustainable alternatives where possible, such as our compostable cheese packaging.



03.

Creating Healthy Products.

Contributing to SDGs:



Good Health
and Wellbeing



Creating Healthy Products

At Bio we are passionate about producing the healthiest and cleanest products for our customers. We have stringent rules and processes in place and our customers have come to trust that the products reaching them and their families can be consumed safely with confidence.

Milk Standards

Our farmers must conform to strict criteria; we have a zero tolerance policy for antibiotic traces and will not accept milk that breaches the World Health Organisation's aflatoxin standards of 500ppt. We also offer bonuses to incentivise best practices such as increased per litre payment for milk that scores below 100ppt for aflatoxins or that has TPC count of less than 100,000 cfu/kg.

All milk is transported from the farms to Bio in individual refrigerated compartments to avoid any cross contamination before the quality tests are done. The milk is unloaded into separate chambers at our manufacturing facilities and samples from each farm are taken to our inhouse testing laboratory. Any milk that does not conform to our strict standards is rejected.

Once the milk passes testing it is pasteurized and homogenised in our state of art facilities, stored in closely monitored refrigerated units before being loaded into our refrigerated vehicles for delivery.

All these steps ensure that, when the product reaches our customers, it is clean, cold and cared for!

We are certified by the International Organization of Standards under standard ISO 22000. This is regarded as the highest certification for food safety and demonstrates the importance we place on quality.





Product Choices

We made the decision in 2018 to no longer use any artificial sweeteners which contained Aspartame in our products. Instead we now use stevia which is a natural sweetener. We have also reduced sugar where possible to improve the healthiness of our products without compromising on taste and quality.

We have placed a particular focus on our infant range such as our Tinga Tinga Drink Yogurt. This product now has additional butterfat content, zero sweetener, reduced sugar content as well as

Vitamin A, B and D3 to support healthy growth.

We also appreciate that some of our customers are interested in dairy free products so have been developing a range of plant-based alternatives such as our coconut yogurt, allowing everyone to enjoy the Bio experience.

We hope to continue to improve the healthiness and variety of our range while still ensuring that our products delight you.

04.

Engaging with our Supply Chain.

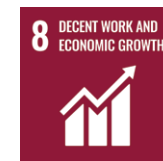
Contributing to SDGs:



Zero
Poverty



Zero
Hunger



Decent Work and
Economic Growth



Reduced
Inequality



Climate
Action



Partnership
for the Goals



Engaging with our Supply Chain

We are passionate about working with our dairy farmers to achieve a more sustainable value chain. We are aware that dairy farming is carbon intensive and can put pressure on the ecosystem. While the farms that supply us are not owned by Bio, we believe that we have a responsibility to ensure that these farms are acting sustainably and ethically.

In mid 2020 we conducted a carbon footprint at one of our supplier farms to establish the approximate co2 emissions per litre of milk (from field to gate collection). The footprint indicated that per litre of milk that we purchase from farmers, 3.2kg of co2 is emitted.

94% of this footprint is made up of methane gas emissions. We are limited in what we can do about these methane emissions - cows will be cows, gas and all! But we can help farmers ensure that every cow is happy and healthy in a bid to increase milk yields. We work with our farmers to ensure that there are high standards of cow and calf comfort including sufficient nutrition, bedding, regular access to water and the freedom to express natural behaviour.

We recently conducted a farm survey for a selection of supplier farms to collect sustainability information on a variety of issues including animal welfare, waste and manure management, fertiliser usage, water stewardship and worker conditions. We will be rolling this out to all farms this year to establish together with the farm how we can work more closely together and provide the needed support. We will also be conducting farm level sustainability training to help our partner farms understand and act upon their environmental and social impact.

As well as our supplier farms, we also engage with our other third party suppliers to ensure that sustainability and ethics are being addressed across our global and local supply chain. We recently conducted a supplier survey of our largest five suppliers to benchmark supplier conduct (both environmental and ethical). While overall we are comfortable with the conduct of our third party suppliers, in certain areas we are keen to collaborate to support further improvement particularly in the space of waste management and gender balance in the workplace.



05.

Nurturing Our People.

Contributing to SDGs:



Good Health
and Wellbeing



Quality
Education



Gender
Equality



Decent Work and
Economic Growth



Reduced
Inequality



Nurturing our People

At Bio we want happy people who develop personally and professionally as our company grows. We nurture a culture of inclusivity which we believe shows in our extremely low levels of staff turnover (6% for permanent staff).

We pay entry level workers 181% above the Kenyan minimum wage. All employees are able to collectively bargain and join unions should they wish. Our staff are also offered a variety of benefits. These include:

- Private medical insurance;
- Flexi-hours;
- Over 24 hours of training per year per permanent staff member;
- A staff canteen offering a space to relax with bread, milk and fresh drinking water;
- Product discounts and airtime;
- External career coaching.

In terms of gender equality 44% of our staff are female and at leadership level there is a 50/50% split between male and female management - this is something of which we are extremely proud. During the year of reporting all female staff that took maternity leave returned to work. We also have had zero reports of discrimination during the period.

We promote high levels of occupational health and safety. We are certified by the Occupational Healthy and Safety Directorate and conduct an annual audit to ensure that our premises are fit for occupation.

Over the next few months we are keen to develop benefits further and are looking at a variety of options including extended maternity leave, fitness sessions, counselling clinics, financial training and a more varied offering at the canteen. We are also planning on rolling out a staff satisfaction survey to see in what other ways we can support our staff and ensure voices are heard across the organisation. We truly care about our employees and want to ensure that they are happy and can prosper.

06.

Engaging With Our Community.

Contributing to SDGs:



Good Health
and Wellbeing



Quality
Education



Decent Work and
Economic Growth



Reduced
Inequality



Engaging With Our Community

As one of the fastest growing brands in Kenya we are in a position to drive positive change in our country. We believe that safeguarding Kenya takes unified action. We hope that Bio can be a catalyst for this change. Below are some of the ways that we have been working with the community:

Take back Bins

During the reporting period we installed community take back bins in seven locations to help Kenyans recycle their plastic waste. These bins will continue to be rolled out across the country over the next 12 months. We hope these bins will help our customers to recycle their post consumer waste but will also raise awareness of waste and recycling more generally within the community.

Eldoret Pilot Project

While in the main we work with larger farms, we have also been running a pilot project in Eldoret with smaller farms. We want to establish if it is possible for us to widen our milk supply chain whilst maintaining our extremely high standards.

We have set up a collection station in Eldoret where a selection of farmers deliver their milk. This milk goes through the same testing process as our supplier farms but allows farmers that might not have had the opportunity to work with us previously to partner with Bio. All these farmers go through Bio training to help maintain farm productivity and milk quality.





Next Steps

We realise that improving milk yields and farming practices is not only an issue for us at Bio but requires systemic country-wide change. We hope that once the Covid-19 situation improves we can roll out our tailored training to a wider network of farmers. By doing this we hope to spread the word about the 'Bio Way', with a focus on controlled antibiotic usage, quality feed with low aflatoxin levels and measures to improve both yield and animal welfare standards. We hope that one day the 'Bio Way' can become THE way!



Conclusion by the CEO

We hope that this report has given you insight in what Bio is doing to become more sustainable. We are proud of what we have achieved, and we are humbled by the immense journey that is still ahead of us. We are committed to make tangible steps every day towards sustainability. We will commission our new solar installation; we will introduce recycled PET and we will work closely with our farmers to name just a few of the #GoSustainable initiatives planned in 2020/21.

We sincerely hope that both consumers and industry will join the sustainability journey with us. We can make a real difference and #GoSustainable together.

Edwin Weber





Taste the Difference!

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#GoSustainable