

INTEGRATED
REPORT
2017



Profitable Growth [GRI 102-7]

Growth
 Decreased

Cold Cuts



Biscuits



Chocolates



Coffee



Tresmontes Lucchetti



Retail Food



Ice Cream



Pasta



TOTAL SALES

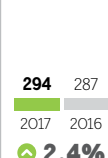
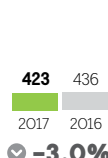
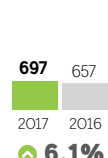
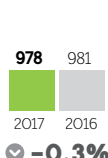
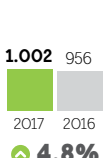
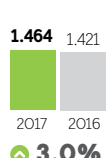
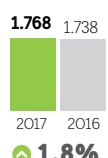
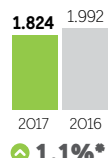
COP billion

8.696

2016: 8.677

Growth **2,4%***

*Excluding Venezuela since October of 2016



EBITDA

COP billion

1.044

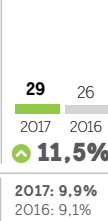
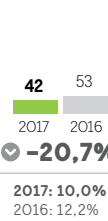
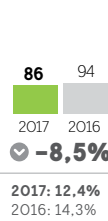
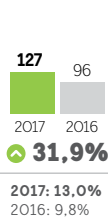
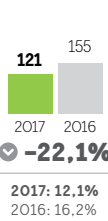
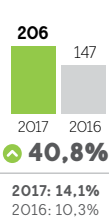
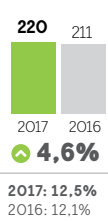
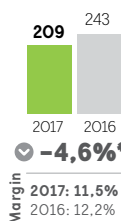
2016: 1.029

Growth **3,9%***

Margin 2017 **12,0%**

Margin 2016 **11,9%**

*Excluding Venezuela since October of 2016



SALES IN COLOMBIA

COP billion

5.495

2016: 5.363

Percentage of total sales: **63,2%**

Growth **2,5%**

Volume 2017:

-2,6%

Price 2017:

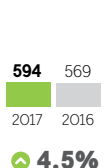
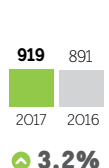
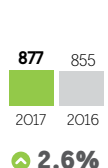
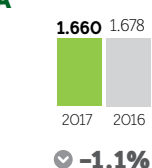
5,2%

Volume 2016:

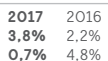
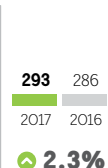
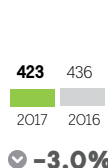
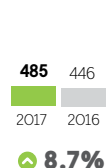
0,2%

Price 2016:

7,8%



N/A



N/A



INTERNATIONAL SALES

USD million

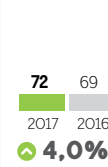
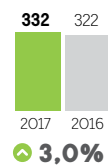
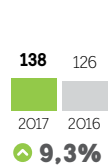
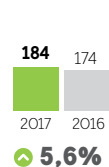
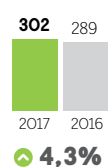
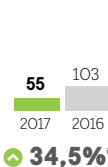
1.084

2016: 1.087

Percentage of total sales: **36,8%**

Growth **5,7%***

*Excluding Venezuela since October of 2016



N/A

N/A

INNOVATION-DRIVEN SALES

(% of total sales)

20,2%

2016: 17,9%

EXPORTS FROM COLOMBIA

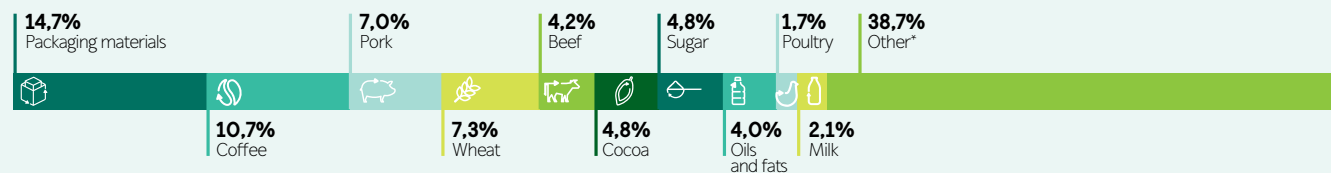
(% of total sales)

19,4%

2016: -0,9%

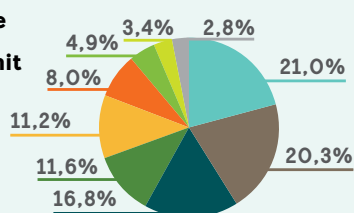
Diversification of commodities

Production cost %

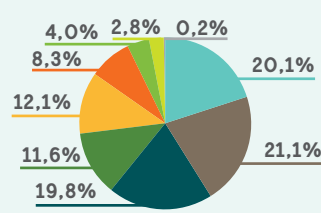


*Includes direct labor, IMC (Indirect manufacturing costs) and other minor commodities.

Percentage of sales by business unit



Percentage of EBITDA by business unit



Cold Cuts
 Biscuits
 Chocolates
 TMLUC
 Coffee
 Retail Food
 Ice Cream
 Pasta
 Other

Presence in our Strategic Region

[GRI 102-4]

[GRI 102-7]

46

production facilities

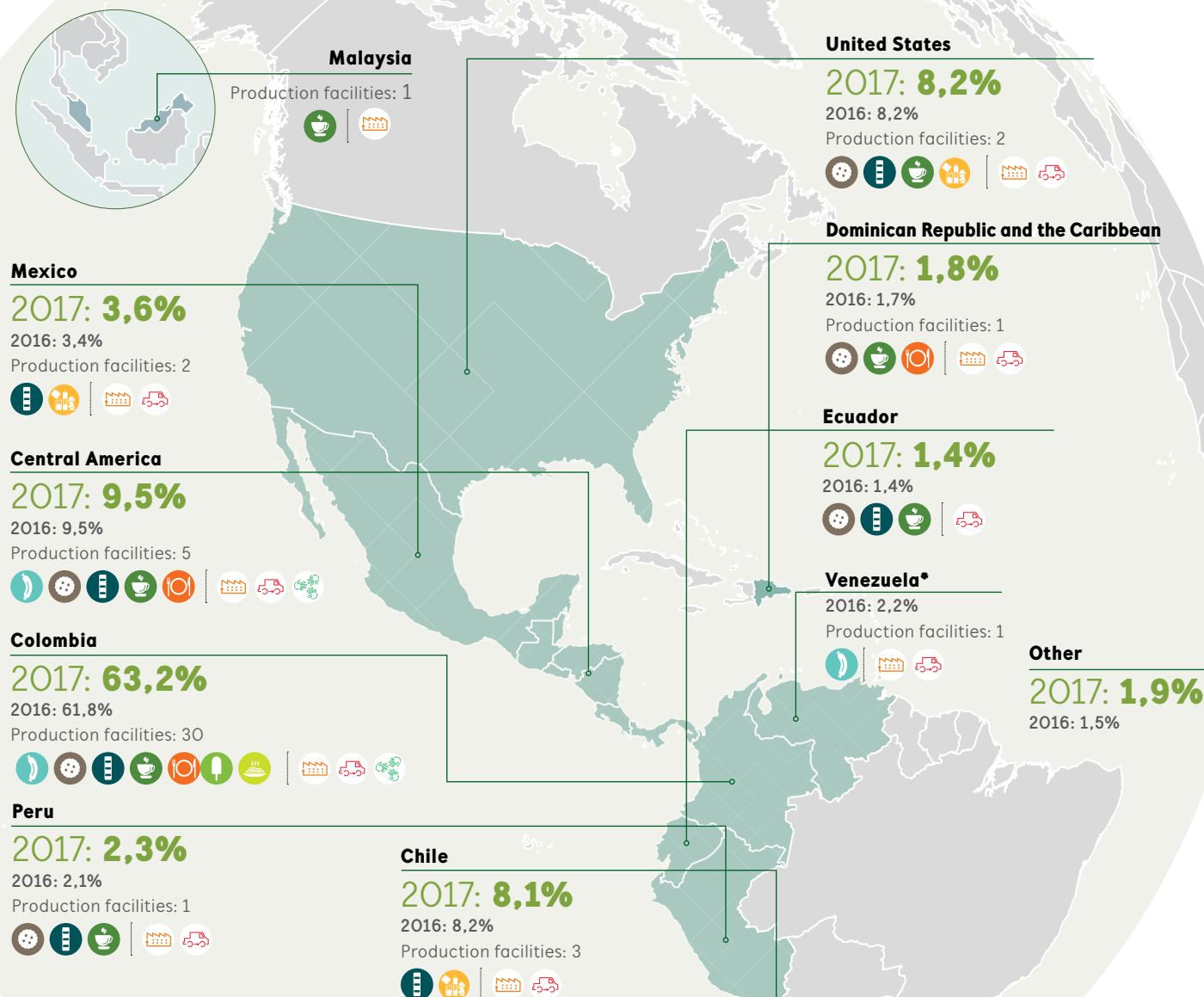


14

Total number of countries with distribution network and production facilities



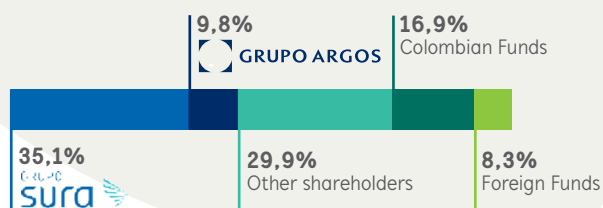
DISTRIBUTION AND SALES



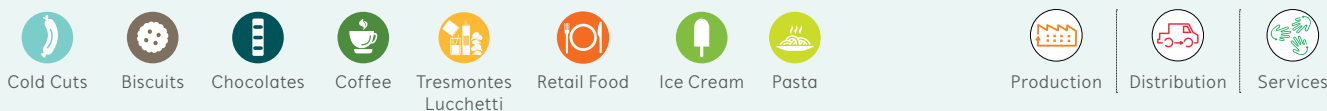
SHAREHOLDING STRUCTURE

Source: Deceval

11.900 Shareholders



LEYEND



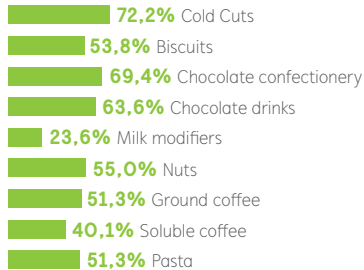
*Since October 2016, Grupo Nutresa has classified its investment in Venezuela as a financial instrument based on the currently applicable International Financial Reporting Standards (IFRS).

MARKET SHARE Source: Nielsen

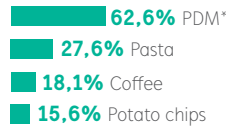
In Colombia

59,8%

Grupo Nutresa's consolidated market share in Colombia



In Chile



In Mexico



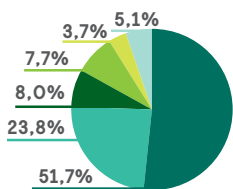
Retail Food

#1

In hamburgers and steakhouse categories in Colombia.

In ice cream shops in Costa Rica and the Dominican Republic.

GRUPO NUTRESA'S SALES BY CHANNEL



POINTS OF SALE:

1.363.940
Sales Force: **13.574**

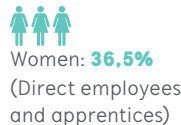
NOVAVENTA NETWORK:

150.170
Mom-entrepreneurs

EMPLOYEES:

46.577
Colombia: **72,4%**
Abroad: **27,6%**

(Direct employees, indirect employees and apprentices)



OUR LONG-TERM COMMITMENT



Our goal: between **12%** and **14%** of the EBITDA margin

To achieve this goal, we offer our consumers food products and experiences from highly recognized and appreciated brands. Our products nourish, generate well-being and pleasure, have the best price-value ratio, are widely available in our strategic region, and are managed by talented, innovative, committed and responsible people who contribute to a comprehensive sustainable development.

Business Structure [GRI 102-24]



General Counsel

CEO

CFO



DIGITAL STRATEGY

For Grupo Nutresa, the digital transformation is an essential part of an assertive, proactive and innovative corporate model aimed at building a Future Together.

We strive to constantly offer better experiences to shoppers and consumers. Therefore, through our Digital Strategy transformation we are focusing on three key dimensions: digitalization of processes, channels and business units.



DIFFERENTIATORS OF OUR BUSINESS MODEL



Our people

We promote participative environments, the development of skills focused on both being and doing, the acknowledgment of achievements, the construction of a leading brand, and a balanced lifestyle for our people.



Our brands

Our brands are leaders in the markets where we participate as they are widely recognized and cherished; they nourish, generate well-being and have become a part of people's daily lifestyle, with an excellent price-value ratio.



Our distribution networks

Our wide distribution network, which is organized by channels and segments and includes specialized service teams, allows us to have an excellent product availability in terms of frequency, as well as a close relationship with our customers.

MAIN RISKS OF OUR BUSINESS MODEL

- Volatility of the prices of commodities and exchange rates.
- Negative impact of a highly competitive environment on the Businesses.
- Regulations related to both nutrition and health in the countries where we operate.

FIND MORE INFORMATION AT: 2017report.gruponutresa.com/

The information included in this executive summary is consistent with the information contained in the Grupo Nutresa S.A. Integrated Report, which is available at: http://2017report.gruponutresa.com/pdf/integrated-report_2017.pdf

With the purpose of forming a broader and deeper opinion on the actions carried out and the results obtained by Grupo Nutresa S.A. in relation to its economic, social and environmental performance, please read the Grupo Nutresa S.A. Integrated Report as well.

The scope and the results of our work are described in the assurance report, which can be found at this website: http://2017report.gruponutresa.com/pdf/verification_report.pdf

KPMG Advisory Services S.A.S. | March 2018

2017 Results

Of Our Strategic Goals for 2020



Acting with integrity

Training in sustainability matters to the Board of Directors

Employees from the strategic region trained in risk, crisis and business continuity management
+1.000

Awareness and training of employees in ML/TF (Money laundering and terrorist financing)
+9.600

90 Workshops on risk management and business continuity

Promoting a healthy lifestyle



Products with GDA labeling
2017: 86,3%
2016: 85,8% ▲

Products processed in certified centers
2017: 79,2%
2016: 79,3% ▼

Volume of sales that meets Nutresa's nutritional profile
2017: 63,6%
2016: 63,0% ▲



Building a better society

Capability-development projects
2017: 789
2016: 694 ▲

Employees with any type of disability
2017: 288
2016: 251 ▲

Volunteers
2017: 13.002
2016: 11.862 ▲

Investment in communities
2017: 62.367
2016: 55.272 ▲
COP million

Fostering profitable growth and effective innovation



Variation in productivity
2017: 0,7%
2016: +2,5% ▼

Innovative success stories per employee
2017: 0,22
2016: 0,22

Sales of innovative products
2017: 20,2%
2016: 17,9% ▲

Brands with sales over USD 50 million
2017: 18
2016: 18



Managing the value chain responsibly

Accident frequency rate
2017: 2,02
2016: 2,11 ▲

Customer satisfaction indicator in Colombia
2017: 88,3%
2016: 88,8% ▼

Investment in quality of life, training and work aids
2017: 101.814
2016: 98.387 ▲
COP million

Sourcing from local suppliers
2017: 80,0%
2016: 84% ▼

Organizational climate
2017: 83,3%
2016: 83,4% ▼

Energy consumption reduction*
2017: -17,3%
2016: -17,1% ▲

Packaging materials reduction*
2017: -2,4%
2016: -5,4% ▼

Greenhouse gas emission reduction*¹
2017: -41,4%
2016: -21,0% ▲

Investment in environmental management in Colombia
COP million
2017: 27.022
2016: 20.401 ▲

Water consumption reduction*
2017: -28,1%
2016: -25,8% ▲

Base 2010 *Per ton of food produced in Colombia
¹ Reduction due to the procurement of certified green electricity, considered zero emissions.

*The Issuers Recognition (IR) granted by the Colombian Stock Exchange is neither a certification of the goodness of the securities inscribed nor of the solvency of the issuer.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



ROBECOSAM
Sustainability Award
Silver Class 2018





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About this Integrated Report

Based on Grupo Nutresa's engagement model, it is a priority for the Organization to disclose its management of both risks and opportunities to its stakeholders by means of a transparent and timely information delivery, demonstrating the creation of value for the Company.

That is why Grupo Nutresa has prepared its Integrated Report 2017 [GRI 102-1], [GRI 102-50], to exhibit the Organization's progress in the most material topics for its sustainable growth.

This report includes the purposes, the main progress achievements in the implementation of the strategy and the outlook for the short, medium and long term. In this reporting exercise, it is worth highlighting the special emphasis put on how the Organization contributes to the fulfillment of the Sustainable Development Goals (SDGs) based on the six strategic priorities: Acting with integrity, Fostering profitable growth and effective innovation, Building a better society, Managing the value chain responsibly, Promoting a healthy lifestyle, and Reducing the environmental impact of the operations and products [GRI 102-12].

Furthermore, this report includes the ninth communication on progress regarding the fulfillment of the ten principles established in the United Nations Global Compact and the fourth communication on progress to the CEO Water Mandate, which account for the initiatives related to water resource management.

This report was prepared in accordance with the new GRI standard (Comprehensive option) and with the food sector supplement of the G4 guide [GRI 102-54] and it incorporates the principles and elements of the framework established by the International Integrated Reporting Council. Therefore, it covers 21 relevant topics from all the countries where Grupo Nutresa has significant operations, except for Venezuela, for which only the financial data and the number of employees were included [GRI 103-1]. For this report, the data of two GRI indicators were restated, [GRI 201-1] because of a change in the methodology to calculate operating expenses and [GRI 302-1] was updated because it did not include refrigerant leaks.

[GRI 102-48] [GRI 102-49] and it does not include information from the Retail Food Business related to reliable food, responsible sourcing, nutrition and healthy lifestyle.

The financial information of Grupo Nutresa and its subordinated companies is prepared in accordance with the International Financial Reporting Standards (IFRS) approved in Colombia and with all other legal provisions issued by the surveillance and control bodies. The companies follow the accounting practices and policies that the Parent Company has adopted, which for the subordinate companies located outside Colombia do not substantially differ from the accounting practices used in the countries of origin or their practices and policies have been standardized in the case of those that have a significant impact on the consolidated financial statements. All this information has been audited by PriceWaterhouseCoopers (PWC).

The non-financial information is verified by KPMG Advisory, Tax & Legal S.A.S. [GRI 102-56], an independent auditing firm that abides by the guidelines of the ISAE 3000 international standard, whose report has concluded that the information is presented in an adequate way according to the GRI standard. Likewise, KPMG has conducted an analysis of the consistency between the information described in the chapter about the "Self-diagnosis" of the Incorporation of the Integrated Reporting Principles and Elements, which is available on the Report's website.

For the sake of clarity and an easier reading experience, a specific legend has been defined with the purpose of enabling a clear identification of the basic GRI contents in relation to each material topic and the Sustainable Development Goals with which they are connected.

Reading guidance:

General contents [GRI 101-1]

Material topics [GRI 301-1]

Sector specific supplement [G4 FP1]

Sustainable Development Goals [SDG 16]

Further information about the the GRI Index:
http://2017report.gruponutresa.com/pdf/gri_content_index.pdf

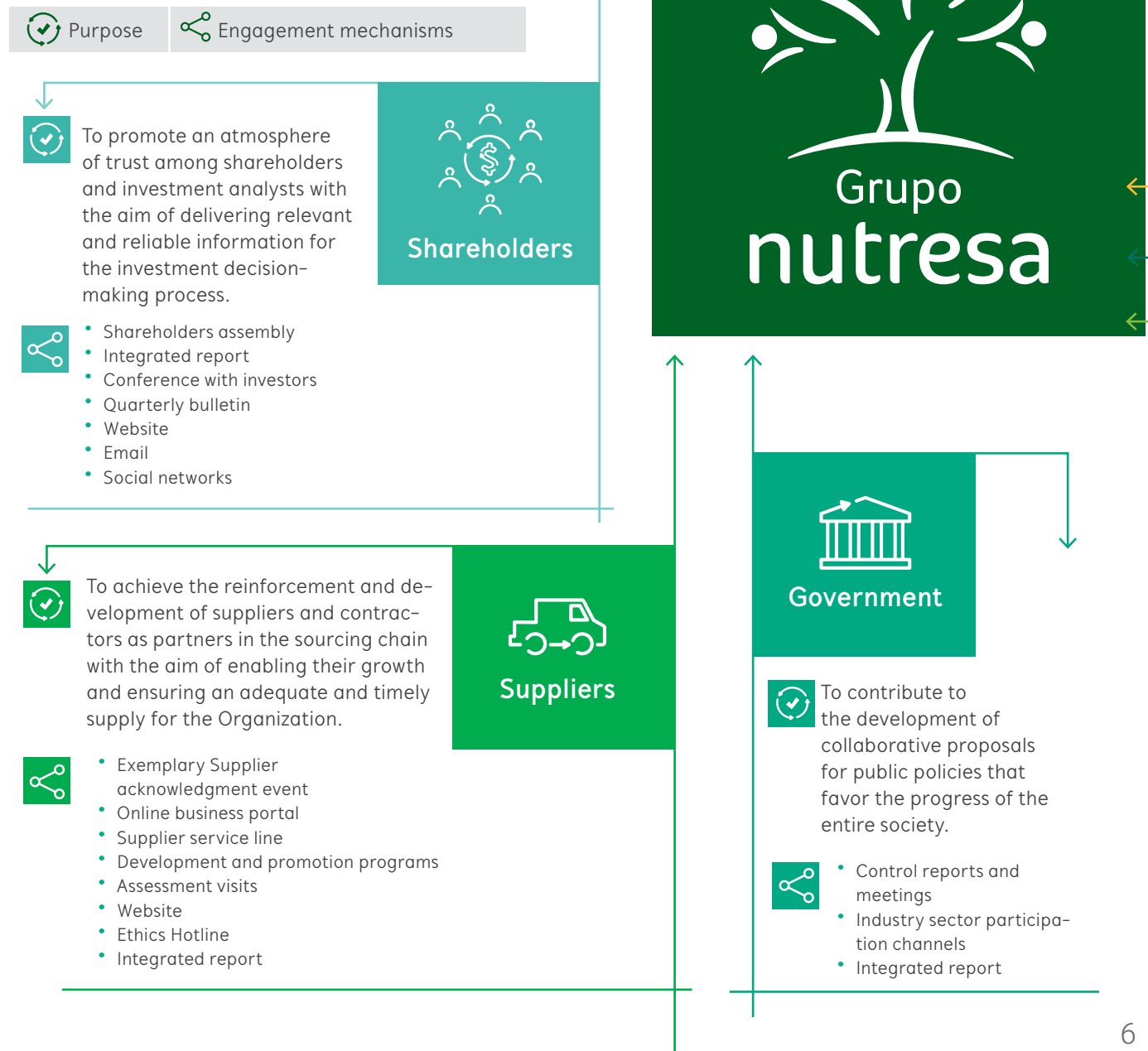


Stakeholder engagement model

[GRI 102-21] [GRI 102-40] [GRI 102-42] [GRI 102-43]

Grupo Nutresa fosters the construction of trustworthy relations with its stakeholders by delivering clear and transparent information and using channels that allow to understand their needs and expectations in order to incorporate them into the Organization's management processes on a timely manner.

The following are the purposes and main mechanisms of this engagement:





Customers



To offer our customers differentiated value propositions consisting of reliable products and leading brands that enable their growth, satisfaction and loyalty.



- Commercial network
- Customer School
- Satisfaction and loyalty measurement
- Meetings with businesspeople from alternative channels
- Customers web portal
- Loyalty and engagement programs
- Service line
- Ethics Hotline
- Website
- Email
- Social networks
- Integrated report



Employees



To promote environments of adequate communication and participation that strengthen trustworthy relations and contribute to the improvement of organizational practices that favor the employees' quality of life in the workplace, as well as their development and productivity.



- Discussion sessions focused on Human Rights
- Organizational climate survey
- Intranet, bulletins, bulletin boards, email
- Occupational health peer committees
- Retirement interview
- Cohabitation committees
- Suggestion boxes
- Ethics Hotline
- Psychosocial risk measurement survey
- Leadership measurement
- Collective bargaining processes



Consumers and shoppers



To contribute to the improvement of their quality of life by means of memorable brand experiences and differentiated value propositions that meet their nutrition, well-being and enjoyment needs, creating thus a connection with their motivations and purposes in a sustainable way.



- Consumer service line
- Social networks
- Ethics Hotline
- Websites of our brands and companies
- Email
- Communication through mass media
- Points of sale
- Integrated report



Communities

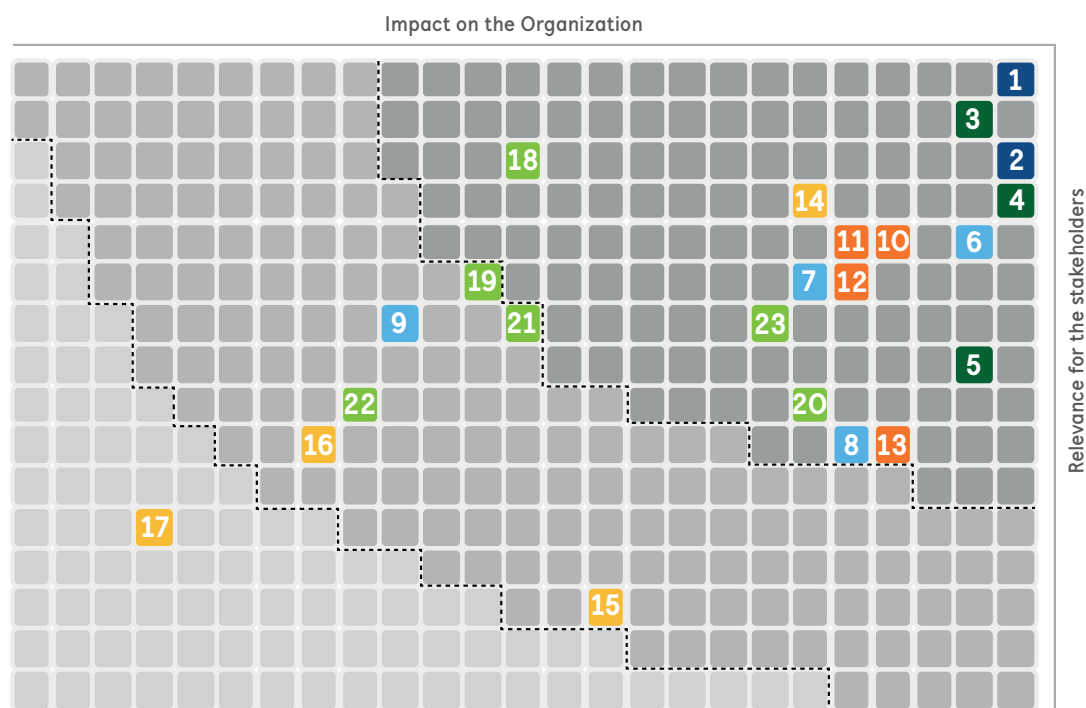


To ensure the development of capabilities as a tool for achieving their sustainability, and to support their well-being by means of the allocation of tangible and intangible resources.



- Training groups
- Large-scale meeting with farmers
- National Education Congress
- Meetings with Education Secretaries
- Public-private committees and networks
- Integrated report
- Email
- Ethics Hotline
- Website

Materiality *analysis* [GRI 102-46] [GRI 102-47]



Relevant topics



Acting with integrity

- 1 Corporate governance
- 2 Risk and compliance



Fostering profitable growth and effective innovation

- 3 Profitable growth in the markets
- 4 Reliable brands with an excellent price-value ratio
- 5 Effective innovation



Promoting a healthy lifestyle

- 6 Nutrition and healthy lifestyle
- 7 Responsible marketing
- 8 Reliable food
- 9 Food security



Managing the value chain responsibly

- 10 Development of our people
- 11 Quality of life
- 12 Responsible sourcing
- 13 Responsible sales



Building a better society

- 14 Human Rights
- 15 Development of collaborative proposals for public policies
- 16 Quality of education
- 17 Externalities



Reducing the environmental impact of the operations and products

- 18 Water resource management
- 19 Energy
- 20 Climate change
- 21 Air quality
- 22 Waste management
- 23 Packaging and post-consumption

Grupo Nutresa carries out its materiality analysis with the purpose of identifying the topics that contribute the most to its ability to create value in the short, medium and long term.

This analysis considers the opinions of its most relevant stakeholders, as well as the global risks and the emerging trends from trends from the food and restaurants sectors, and companies with omnichannel model. Additionally, a benchmark was conducted based on international industry peers and on the assessment criteria established by multiple sustainability monitoring and ranking agents.

In 2017, Grupo Nutresa supplemented its understanding of the relevant topics in the strategic region by making a more detailed analysis in Panama, the Dominican Republic and Peru. Additionally, the Organization reviewed the work previously done in Colombia, the United States, Mexico, Costa Rica and Chile.

Grupo Nutresa **supplemented its materiality exercise** by broadening the scope to Panama, Peru and the Dominican Republic in 2017.

As a result of this process, the following changes were made:



"Air quality" emerges as a material topic due to the increase in the operational and reputational risks, as well as the interest of the stakeholders in this issue. Said risks and interests are related to the changes of the atmospheric conditions in the locations where Grupo Nutresa operates.



The topic titled **"Food security and nutrition"** was moved to the strategic priority titled **"Promoting a healthy lifestyle"**, with the purpose of addressing, based on this priority, the challenges related to nutrition and food security, focusing not only on consumers but also on the communities of influence.



The topic titled **"Development of capabilities and education"** was restructured into a new topic titled **"Quality of education"** with the objective of promoting a more inclusive high-quality education with a greater emphasis. The aspect called **"Development of capabilities"** becomes an management approach addressed through multiple material topics.



"Food safety" was re-named **"Reliable food"** in order to provide more clarity and an easier understanding for stakeholders.



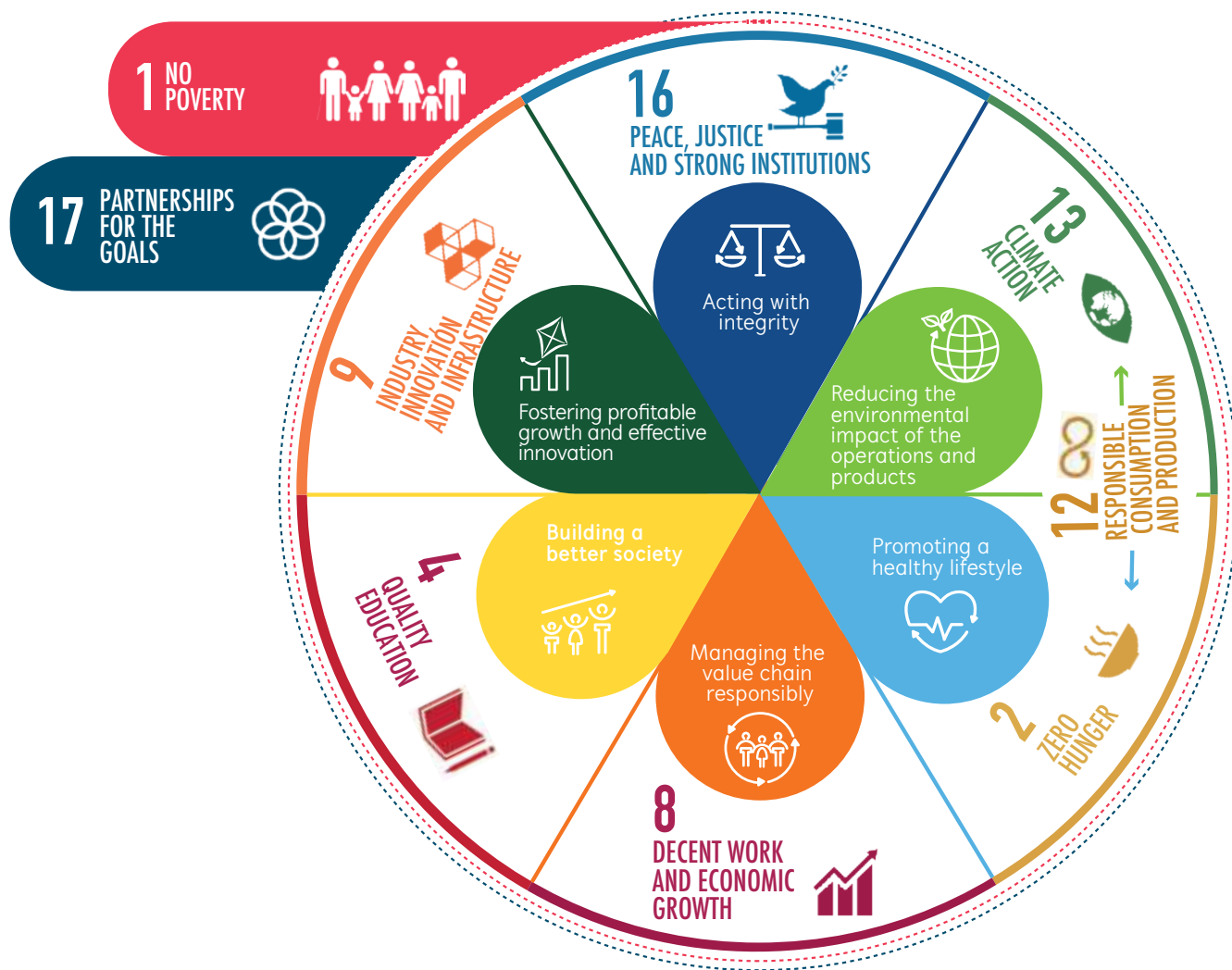
The topic titled **"Externalities"** was moved to the strategic priority called **"Building a better society"**, because this perspective allows to address the measurement and reduction of the dependence and of the impacts on the society in a broader manner.

Contribution to the Sustainable Development Goals

Grupo Nutresa firmly believes that in order to contribute to the fulfillment of the Sustainable Development Goals, the Organization must work in a collaborative way with its stakeholders. Therefore, the Company is fully committed through each one of its strategic priorities to design and implement actions that enable said contribution.

This is the alignment of Grupo Nutresa's priorities with the SDGs, as well as the main indicators that show the progress achieved in 2017 for the fulfillment of the 2030 goals.

Grupo Nutresa focuses its management activities on nine SDGs, **contributing to their achievement by means of the Organization's strategic priorities in terms** of sustainability and by working jointly with its stakeholders.



In order to steer its management and ensure the significance of its contribution, Grupo Nutresa has prioritized several SDGs and its goals by focusing on them in terms of its actions and measurement. The numbers accompanying the indicators included in this document indicate said goals as follows: **[1.1]**

<div>1</div> <div>NO POVERTY</div> <div>[1.1] 812,8 COP Million</div> <div>Average annual income of producer associations from sales to Grupo Nutresa</div> <div>[1.6] 62.367 COP Million</div> <div>In social investments for the communities</div> <div>13.002 Volunteers</div> <div>32.128 Hours invested in volunteer work</div>	<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div>[8.3] 35</div> <div>Community organizations developing socio-entrepreneurial capabilities</div> <div>Employment generation</div> <div>29.155 Direct employees and apprentices</div> <div>17.422 Indirect employees</div> <div>[8.5] 32,3</div> <div>Average training hours per employee</div> <div>COP 101.814 million</div> <div>Invested in quality of life, education /training and aids</div> <div>[8.7] 22,0%</div> <div>Risk situations in suppliers assessed in sustainability</div> <div>Safe work environment</div> <div>9,2 LTIFR¹</div> <div>0,7 OIFR²</div>	<div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>[12.2] -28,1%</div> <div>Reduction in water consumption*</div> <div>-17,3%</div> <div>Reduction in energy consumption*</div> <div>COP 27.002 million</div> <div>Environmental management investment in Colombia</div> <div>[12.3] 943,2 ton</div> <div>Of products delivered to food banks</div> <div>[12.5] 80,8%</div> <div>Closed-cycle packaging materials used</div> <div>-2,4%</div> <div>Reduction in the consumption of packaging materials*</div> <div>90,3%</div> <div>Waste recovery*</div>	<div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>[16.5] +9.600</div> <div>Training of employees in pre-vention of ML/TF (Money laundering and terrorist financing)</div> <div>123,0</div> <div>Incidents against the Code of Corporate Governance</div> <div>27,0</div> <div>Incidents of discrimination</div>
<div>2</div> <div>ZERO HUNGER</div> <div>[2.1] 301</div> <div>Families in food assistance programs</div> <div>5.000 m²</div> <div>Area of productive community crops built:</div> <div>COP 646.405 million</div> <div>Sales of products enriched with macro and micro-nutrients lacking in the strategic region</div>	<div>[8.5] 32,3</div> <div>Average training hours per employee</div> <div>COP 101.814 million</div> <div>Invested in quality of life, education /training and aids</div> <div>[8.7] 22,0%</div> <div>Risk situations in suppliers assessed in sustainability</div> <div>Safe work environment</div> <div>9,2 LTIFR¹</div> <div>0,7 OIFR²</div>	<div>[12.3] 943,2 ton</div> <div>Of products delivered to food banks</div> <div>[12.5] 80,8%</div> <div>Closed-cycle packaging materials used</div> <div>-2,4%</div> <div>Reduction in the consumption of packaging materials*</div> <div>90,3%</div> <div>Waste recovery*</div>	<div>[16.6] 5.565 COP million</div> <div>Social investment for post-conflict matters</div> <div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> <div>[17.16] Indicator under construction</div> <div>Resources pooled through alliances / resources invested by Grupo Nutresa</div>
<div>4</div> <div>QUALITY EDUCATION</div> <div>[4.1] 468</div> <div>Schools where Grupo Nutresa's programs have been implemented</div> <div>205</div> <div>Intervened schools that obtained a satisfactory performance in national tests</div> <div>[4.10] 73,5</div> <div>Average institutional quality performance</div> <div>281</div> <div>Trained teachers who reached the desired technological capabilities level</div>	<div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>[9.4] 17</div> <div>Patents and industrial designs</div> <div>0,5%</div> <div>Of sales invested in R&D+i</div> <div>204</div> <div>People exclusively assigned to R&D+i</div> <div>20,2%</div> <div>Innovation-driven sales</div>	<div>13</div> <div>CLIMATE ACTION</div> <div>[13.1] -41,4%</div> <div>Reduction in GHG emissions*</div> <div>99,3%</div> <div>Use of cleaner energy</div>	<div>[17.16] Indicator under construction</div> <div>Resources pooled through alliances / resources invested by Grupo Nutresa</div>

* Baseline: 2010. Per ton of food produced

¹ Lost Time Injury Frequency Rate² Occupational Illness Frequency Rate

Management Report

[GRI 102-10] [GRI 102-14] [GRI 102-54]

In Grupo Nutresa, every day we seize the opportunity of improving the quality of life of millions of consumers, of building capabilities for the development of the communities we interact with, and of generating a positive change for the environment by means of the responsible management of our Company. This opportunity is also a major commitment we take on with a people-centered, sustainable, competitive, and transparent business model.

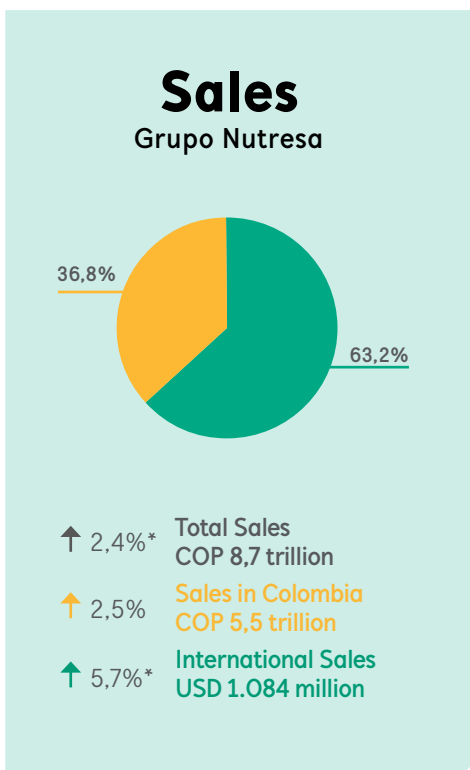
For Grupo Nutresa, 2017 was a year of both significant challenges and great satisfactions. We confronted a challenging consumption environment in Colombia and other countries of our strategic region, a situation that drove us to make prompt decisions in order to retain the preference of consumers, shoppers, and customers for the products and experiences we offer. We also implemented important innovation and productivity programs that consolidated new capabilities which have become deep-rooted in the Organization and will strengthen it from now on.

We are glad to report that Grupo Nutresa continues to be part of the global group of companies leading in terms of corporate sustainability. For the seventh consecutive year, we have been included in the Dow Jones Sustainability Index as the second most sustainable company in the food sector in the world and the only one from an emerging market to be part of such index. In addition, the Organization was awarded, for the fourth consecutive year, RobecoSAM's Silver Class honor in its latest Sustainability Yearbook. Along the same line, the Company was included in a new sustainability index in the region: the Dow Jones Sustainability MILA Pacific Alliance Index. This Index focuses on assessing and measuring the performance of the companies in the Latin American Integrated Market (MILA for its name in Spanish) in terms of corporate sustainability.

These acknowledgments reflect once again our progress in the achievement of our strategic goals, which require a sustainable-management approach of our businesses, and enable us to create value in the long term with the collaboration of a team of employees who are committed to our vision.

The results presented in this integrated report have been prepared in accordance with the framework of the International Integrated Reporting Council (IIRC), and with the new GRI standard (comprehensive option). Consequently, this report has been prepared according to the global reporting guidelines and it was also developed based on Grupo Nutresa's materiality matrix, considering the most relevant matters for the Organization and its stakeholders.

We invite you to review in full detail the printed document and the supplementary information available on our website.



*Excluding Venezuela since October of 2016.

Increasing Value Generation

Grupo Nutresa's consolidated sales in 2017 amounted to COP 8,7 trillion in sales, a 2,4% growth compared to 2016 after excluding, for comparison purposes, the sales in Venezuela for the same period. It should be noted that as of October 1, 2016, the investment in Venezuela is treated as a financial instrument in our consolidated results.

Sales in Colombia totaled COP 5,5 trillion, growing 2,5%, and representing 63,2% of Grupo Nutresa's consolidated sales.

Sales abroad, after the aforementioned exclusion, grew 5,7% in dollars with respect to the previous year, totaling USD 1.084 million, which represents 36,8% of total sales. When expressed in Colombian pesos, these revenues are equivalent to COP 3,2 trillion, representing a growth of 2,4%. We would also like to report the outstanding performance of exports from Colombia, which increased by 19,4% in dollars during the period.

These results, in both our local and international markets, are supported by an improvement of our product mix, sound innovation management, and a strong sales network that allowed us to bring our brands to more than 1,3 million points of sale throughout our strategic region.

As a reflection of a responsible commodities purchasing strategy, favorable prices for some of these commodities, and the execution of productivity programs, the gross profit improved by 3,5% during the year and amounted to COP 3,8 trillion.

The lower administrative and production expenses, in alignment with the increase in gross profit, allowed us to partially counteract the impact of the greater effort required during the year in terms of sales expenses, which led to an operating margin of 8,9%.

In terms of profitability, the Organization reports a consolidated EBITDA of COP 1,04 trillion, a margin of 12,0% of sales, representing an increase of 1,5% when compared to 2016. This result is interpreted, to a large extent, by moderate sales dynamics in our local market, the positive effect of both the efficiency and productivity programs executed, and a price management strategy focused on protecting sales volumes.

The net post-operative expenses totaled COP 251.338 million, 6,9% less than those in 2016, which are mainly explained by a reduction in financial expenses and the treatment given to the investment in Venezuela.

Consequently, the consolidated net profit amounted to COP 420.207 million, 6,2% greater than the net profit recorded in 2016, and it represented 4,8% of the sales.

We offer products that make a positive contribution to the health, nutrition and well-being of the consumers. **Bénet, the nutritional beverage, and the Tosh snacks** were some of the new products we launched into the market.

In the Statement of Financial Position, it is worth highlighting the 4,5% growth in total assets, which closed the year at COP 14,3 trillion. This increase is largely explained by a notable cash generation during the period, and the higher valuation of our investments in Grupo Sura and Grupo Argos.

Total liabilities exhibited a growth of 0,8%, closing the year at COP 5,4 trillion, mainly due to the increase in working capital liabilities.

The equity closed at COP 8,9 trillion, representing an increase of 6,7%.

In a demanding macroeconomic context, that continually proposes changes and challenges, it becomes essential for Grupo Nutresa to be even more consistent with its value generation strategy, adequately balancing its financial commitments with its stakeholders and the long-term investment required to ensure the sustainability of the business. With this in mind, we implemented multiple initiatives focused on improving the return on invested capital while continuing to boost effective innovation in order to keep growing profitably.

In 2017, our brands reached more than **1,3 million points of sale** across our strategic region.

Grupo Nutresa S.A. Individual Results

In compliance with Colombian regulations, we report Grupo Nutresa's S.A. separate results for the period: we recorded a net operating income of COP 434.312 million, from which COP 380.108 million correspond to the profit from the equity method of our investments in food companies and COP 54.204 million correspond to dividends from the investment portfolio. The net profit totaled COP 430.279 million.

Nutrition, Health and Well-Being

In 2017, we confirmed our commitment to make a positive contribution to the improvement of the quality of life of our consumers by means of products and experiences that meet their nutrition, health and well-being aspirations. With this purpose in mind, in 2017 we consolidated strategies for the promotion of healthy lifestyles and informed decision-making processes for our consumers.

We are happy to report that we have made significant progress in product reformulation, with 119 items adjusted over the past year, in addition to the products reformulated in previous years, which makes a substantial contribution to our goal of multiplying by 2,5 the products adjusted to our nutritional profile by 2020. We also advanced in the strategy of providing detailed front-label nutritional information, with 86,3% of our portfolio covered with this strategy. We continued to foster an active promotion of healthy lifestyles by means of multiple

alliances with both public and private sectors involving organizations such as UNICEF (United Nations International Children's Emergency Fund) and the WFP (United Nations World Food Programme). Along the same line, we continued to support the school and academic communities with healthy kiosks and various educational programs.

Supported on our innovation programs, we continued the expansion of our product portfolio by offering new nutritionally-dense alternatives such as a nutritional beverage under the brand Bénet, and the baked snacks category under our good-for-you brand, Tosh.

Furthermore, we voluntarily adhered to the advertising self-regulation standard for the food industry established by the Andi (National Association of Colombian Companies) and implemented it in all the countries of our strategic region. This standard considers the application of universal conducts and principles aimed at the transparency and honesty in the communication with the consumers.

The constant changes in our consumers' health and nutritional habits, along with new regulations for the food sector, give rise to risks and opportunities that we are managing thoroughly, and continue to be of high priority for our Company.

Innovation and Other Relevant Projects

With the challenge of constantly surprising consumers who are increasingly informed and demand high value in their products and experiences, effective innovation continues to be a primary pillar of growth for Grupo Nutresa and a compelling and engaging alternative to drive changes in our society. In our Organization, we foster innovation through the expansion and incorporation of new categories, with dynamic and resilient business models, with the introduction and implementation of new technologies, the transformation of processes, and the development of alternative channels that represent an agile and differentiated growth platform.

As of the closing of 2017, Grupo Nutresa's innovation sales represented 20,2% of total sales.

Special Report Of The Business Group

By the end of 2017, the Grupo Nutresa was formed by 73 companies, grouped as follows, for administrative purposes: i) eight food divisions and their production platforms in Colombia and abroad; ii) an international distribution network; iii) three distribution companies in Colombia; and (iv) three companies that render administrative, logistical, and transport services, providing the corresponding support to the Group's companies.



In compliance with the Article 29 of Act 222 of 1995, we inform that Grupo Nutresa S.A., as the parent company of the Group, received from its subordinates the sum of COP 2.575 million for the sale of goods and services, and the sum of COP 203.237 million in the form of dividends. In 2017, Grupo Nutresa S.A. endorsed financial obligations of its subordinate companies totaling USD 42 million in their own interest. The subordinates, for their part, did not carry out operations for third parties by influence or in the interest of the parent company.

Moreover, in 2017, Grupo Nutresa S.A. did not make or stopped making decisions to address the interest or by influence of any of its subordinate companies, and none of them made or stopped making decisions to address the interest or by influence of Grupo Nutresa S.A.

Legal Provisions

Grupo Nutresa and its subordinates strictly complied with all intellectual property and copyright regulations, having their trademarks duly registered, owning the respective licenses of the software installed at all facilities and keeping the corresponding evidence that allows to verify such compliance.

In 2017, the Organization did not receive any notices of lawsuits and there were no judicial rulings that could affect the Company's financial condition. No fines or significant penalties were imposed on Grupo Nutresa's companies or their executives.

The Note 17 of Grupo Nutresa's Separate Financial Statements, which are published on our website, contains all the details of the operations with shareholders and persons addressed in the Article 47 of Act 222 of 1995 and other concordant regulations. All such operations were carried out under market conditions.

The Company declares that it did not hinder the free circulation of invoices issued by the Business Group's vendors or suppliers. Additionally, the Company certifies that the financial statements and other relevant reports do not contain any flaws, inaccuracies or errors that would impede finding out the true equity situation of the Company, pursuant to the provisions of the Article 46 of Act 964 of 2005.

Assessment of the Performance of the Financial Information Disclosure and Control Systems

The Company's internal control system includes, among other components, the necessary resources to guarantee the accuracy and reliability of the information required to plan, direct, control and measure the performance of its businesses, and to ensure an adequate disclosure of information to its shareholders, other investors, the market, and the general public. These resources include comprehensive risk management processes, accountability systems, control plans and programs,

**Consolidated
market share**

Grupo Nutresa
in Colombia

59,8%

tools for budgets and costs, accounts charts, standardized policies and procedures, integrated information systems and templates for documenting and recording operations, as well as dashboards that allow the Administration to continuously monitor these processes. The Internal Audit Department, through an independent and comprehensive management, based on the international framework for the professional practice established by The Institute of Internal Auditors – IIA Global, verifies the achievement of the Company's goals and objectives in all processes and watches over the adequate protection, use, and conservation of the assets. The Tax Auditor, for its part, is responsible for verifying and certifying relevant aspects such as the Company's compliance with legal, statutory and administrative standards, the reasonableness of its financial statements and the information disclosed therein.

The results of the Administration's continuous monitoring and those of the independent assessments carried out by the Internal Audit Department and by the Tax Auditor were communicated in each case in a timely manner to the corresponding bodies, including the

Finance, Audit and Risks Committee. This communication allowed to confirm that the performance of the financial information disclosure and control systems of the Company and its Businesses are adequate. These systems ensure the adequate and timely delivery of such information, which must be verifiable through accounting methods, as it refers to operations that, due to their nature, must be reflected and disclosed in the financial statements, or in accordance with the expectations, projections, cash flows or budgets in the case of business initiatives or projects. All of this must be done within the restrictions imposed by the law, confidentiality contracts or agreements related to the disclosure of this type of operations. Based on the aforementioned activities, it is further reported that there were no significant deficiencies in the design and operation of the internal control measures that could have kept the company from adequately recording, processing, summarizing and presenting the financial information of the corresponding term. No cases of fraud were identified with an effect on the quality of such information, nor were there changes in its assessment methodology.

Sustainability in Grupo Nutresa

Sustainable development is an installed capacity in our Organization and it has been, for many years now, fully embraced by its leaders. This allows us to address the material topics from a holistic and proactive perspective. Listening to, understanding, and reporting back to our stakeholders contributes to acknowledging them in the formulation of our strategy, and it focuses our management on the matters that are a priority for them and for the achievement of our corporate objectives.

Innovation-driven Sales

In Grupo Nutresa

20,2%
of Total Sales

The Sustainable Development Goals defined by the United Nations for 2030 have established a road map that invites to incorporate, in a global agenda, the most pressing needs of our society for it to become fairer and more inclusive, as well as equitable and more harmonious with the environment. Being aware of the private sector's role in the fulfillment of these purposes, Grupo Nutresa maintains its focus and prioritization of initiatives, and aligns them with the Company's goals and capabilities in order to ensure a positive impact on these global objectives.

As a result of the consistent work of the entire Organization, our management continued to be globally acknowledged by the Dow Jones Sustainability Index in 2017 as the second best company from the food sector in the world. Additionally, the Company was included in the "Change the World" List published by Fortune Magazine, which recognizes the best efforts in the global business sector in terms of corporate sustainability.

EBITDA

**COP
1,04
trillion**

Our Planet

We find ourselves dealing with the challenge of preserving the climate as a global public asset, essential for the development of countries, institutions and the society as a whole. Grupo Nutresa, as all the industry players, is experiencing constant pressure derived from global agreements that are generating a higher level of awareness, while also observing changes in the preferences of consumers resulting from their own interpretation of consumption behaviors and practices.

These challenges drive us to innovate on a continuous basis in order to find alternative methods for carrying out our operations in an increasingly eco-efficient manner. They also drive us to integrate our allies from the value chain as an extended part of our management, and to understand our impact with the aim of mitigating the risks of our products throughout their entire life cycle. As result of this, we must highlight the strengthening of our clean energy strategy with the implementation of photovoltaic and biomass-use projects, as well as the purchase of certified green energy for 100% of our production plants' energy requirements. These actions allowed us to achieve our 2020 greenhouse gas reduction goal in advance, with an indicator of -41,4% per ton produced in relation to 2010.

In 2017, the initiatives we implemented contributed to a reduction of 17,3% of the energy consumption in Colombia, 28,1% in water consumption, and 2,4% in the use of packaging materials per ton produced (in all three cases) in relation to 2010. In Chile, Peru, Costa Rica, Mexico and the Dominican Republic, we made major progress in the environmental field, achieving reductions of 3,1% in energy consumption and 11,2% in the emissions of greenhouse gases compared to 2016. However, we know the challenge is even greater, which is why we will continue working fiercely on achieving the goals we set for year 2020.



« The end of armed conflicts, the economic recovery, and the constant progress toward the reduction of poverty in our strategic region are **part of the context that inspires us to look into the future with great strands of hope »**.

In 2017, the Organization actively participated in the strategic committee of the Green Growth Mission in Colombia, as representative from the private sector. The purpose of our involvement in this endeavor is to support the Government in the development of public policies that allow to build an economic growth path with an increasingly smaller carbon footprint in a more inclusive context, and to simultaneously generate economic, social and environmental development. Moreover, we worked jointly with worldwide-recognized environmental organizations with the purpose of achieving a better understanding of our global value chains, which allows us to establish new practices and action measures that enable us to have a greater positive environmental impact.

Building a Better society

In 2017, we continued to strengthen and to incorporate talent management practices, which increased the consistency between the actions of the leaders and their work teams along with our corporate philosophy.

The balance in the family, professional, and personal life of our employees, the development opportunities, the inclusion and an engaging and challenging work environment have been the pillars of our talent strategy. That is why we were acknowledged by Merco Talento as the second best company (and the best overall from the food sector) at attracting human capital and building its loyalty in Colombia. It is also why we were awarded Portafolio's Award for the Best Company in Human Talent Management in Colombia. Additionally, according to the results of the last measurement performed in the companies located in the countries where we operate, we maintained our level of excellence in terms of organizational climate and high commitment in 2017.

The purpose for 2020 is to incorporate the Familiarly Responsible Company standards in all our Colombian companies. In 2017, ten of our companies were certified on these standards, and Servicios Nutresa achieved the level of excellence, which is the highest acknowledgment in this field and it is currently held by only five companies around the world.

Furthermore, we keep on expanding the best labor practices in our value chain by developing diverse capabilities among suppliers and specialized service providers. It is also worth highlighting that we have achieved a high level of maturity in the Human Rights management system by means of training, risk identification, and the management of the situations reported through the multiple channels available for such purpose.

Also over the year, we developed capabilities for the improvement of the quality of education, the increase of income, and the solidification of entrepreneurship among customers and suppliers, and we implemented strategies focused on improving food security and mitigating malnutrition issues in our strategic region. Our programs benefited more than 4.234.413 people with an investment of COP 62.367 million. Along the same line, we combined efforts and created alliances with the objective of developing capabilities and expanding the solidarity with a network of more than 13.000 internal volunteers, who invested approximately 32.128 hours and contributed COP 872,8 million for the benefit of the communities.

We are truly convinced that the talent and commitment of our employees, as well as their comprehensive approach based on a framework of principles and values, are the main strengths of the Organization. Therefore, we always look to establish respectful and constructive work relations based on a culture that fosters human development and growth, in which we collectively face the necessary transformations for being more productive and sustainable every day.

Acknowledgments

We would like to sincerely thank our employees for their determined and unwavering commitment to Grupo Nutresa. Their effort and dedication allows us to fulfill the objectives we have set for ourselves as an Organization. We would also like to express our profound gratitude to our customers, consumers, suppliers and shareholders for their constant support and preference, but most of all, for their conviction about our Company's ability to continue to build A Future Together.

Outlook

Grupo Nutresa recognizes the need to constantly know and understand the ever-changing needs of customers, shoppers and consumers. Our MEGA 2020 continues to be the guidepost that marks the path for greater and better expansion along with sustainable development initiatives that increasingly generate value for our stakeholders.

The end of armed conflicts, the economic recovery, and the constant progress toward the reduction of poverty in our strategic region are part of the context that inspires us to look into the future with great strands of hope.

The execution of our capabilities in these conditions, the permanent effort to constantly be more efficient and productive, accompanied with greater and more effective innovation, will allow us to keep confronting the transformations of our context and environment in a positive way. It is only through this strategy that we will be able to continue delivering results, based on a framework of responsibility, integrity and respect for the future generations.

- > **Antonio Mario Celia Martínez-Aparicio**
Chairman
- > **David Emilio Bojanini García**
- > **Gonzalo Alberto Pérez Rojas**
- > **María Clara Aristizábal Restrepo**
- > **Jaime Alberto Palacio Botero**
- > **Mauricio Reina Echeverri**
- > **Cipriano López González**
- > **Carlos Ignacio Gallego Palacio**
CEO of Grupo Nutresa

Corporate Model





**A FUTURE
TOGETHER**

Board of Directors [GRI 102-18] [GRI 102-22]

➤ MAURICIO REINA ECHEVERRI 2007*

Finance, Audit and Risks Committee.
Appointment and Remuneration Committee.
Corporate Governance and Board Matters Committee.
Strategic Planning and Sustainability Committee.

Associate Researcher, Fedesarrollo

➤ PRIOR EXPERIENCE

Associate Director, Fedesarrollo.
Colombian Vice-Minister of Foreign Trade.

➤ ACADEMIC BACKGROUND

Degree in Economics,
Universidad de los Andes.
Master's degree in Economics,
Universidad de los Andes.
Master's degree
in International Relations,
Johns Hopkins University.

➤ OTHER BOARDS

OCENSA – Oleoducto Central S.A.

➤ JAIME ALBERTO PALACIO BOTERO 2005*

Finance, Audit and Risks Committee.
Corporate Governance and Board Matters Committee.

CEO, Coldeplast S.A.S.
and Microplast S.A.S.

➤ PRIOR EXPERIENCE

Associate Executive Director,
Microplast S.A.

➤ ACADEMIC BACKGROUND

Degree in Business Administration,
Universidad Eafit.
Management studies focused
on marketing at Wharton,
University of Pennsylvania.
Advanced training in packaging
at the JICA, Japan.

➤ OTHER BOARDS

Acoplásticos – Colombian Association
of Plastic Industries.

➤ CIPRIANO LÓPEZ GONZÁLEZ 2016*

Finance, Audit
and Risks Committee.

CEO, Industrias Haceb

➤ PRIOR EXPERIENCE

Chief Commercial Operations Manager,
Industrias Haceb.
Sales and Negotiation Executive Director, Bavaria S.A.
Negotiation Director, Danone.
Chief Planning and Control Director, IMUSA.

➤ ACADEMIC BACKGROUND

Master's degree in Business Administration,
Bordeaux Business School.
Degree in Mechanical Engineering,
Universidad Pontificia Bolivariana.
Senior Management and Strategic Leadership,
Universidad de los Andes.
Advanced studies at Dartmouth College, Stanford
University, Harvard University, Notre Dame Uni-
versity, Wharton, University of Pennsylvania, Johns
Hopkins University and Singularity University.

➤ OTHER BOARDS

Tuya S.A., National Business Association of Colom-
bia's Chamber of Electrical Appliances, National
Business Association of Colombia's Antioquia
Branch, Proantioquia, Eafit's High Council.

Average years on the Board: 8,7 years.

1. Antonio Mario Celia Martínez-Aparicio
2. Jaime Alberto Palacio Botero
3. Mauricio Reina Echeverri
4. Cipriano López González
5. David Emilio Bojanini García
6. Gonzalo Alberto Pérez Rojas
7. María Clara Aristizábal Restrepo

1 | 2 | 3 | 4 | 6

Finance, Audit and Risks Committee

1 | 3 | 5

Appointment and Remuneration Committee

1 | 2 | 3 | 5

Corporate Governance and Board Matters Committee

1 | 3 | 5 | 7

Strategic Planning and Sustainability Committee

● Independent
Members

● Non-Independent
Members



➤ **ANTONIO MARIO CELIA MARTÍNEZ-APARICIO**
2005*

Finance, Audit and Risks Committee.
Appointment and Remuneration Committee.
Corporate Governance and Board Matters Committee.
Strategic Planning and Sustainability Committee.

CEO, Promigas S.A.

➤ **PRIOR EXPERIENCE**

Executive Manager, Terpel del Norte.

➤ **ACADEMIC BACKGROUND**

Degree in Engineering,
Worcester Polytechnic Institute.
Executive studies at the MIT, Wharton,
University of Pennsylvania, Universidad de Los Andes and London School of Economics.

➤ **OTHER BOARDS**

Gases del Caribe S.A. E.S.P., Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A., Pies Descalzos Foundation, Universidad del Norte Foundation, Entrepreneurs for the Education ExE Foundation, Colombian Natural Gas Association Naturgas, Foundation for the Development of the Caribbean Region, Fundesarrollo, La Cueva Foundation, Foundation for the Higher Education and Development, Fedesarrollo, Private Council of Competitiveness.

1

➤ **MARÍA CLARA ARISTIZÁBAL RESTREPO**
2013*

Strategic Planning and Sustainability Committee.

Head Real Estate Business,
Grupo Argos S.A.

➤ **PRIOR EXPERIENCE**

Assistant to the CEO and Investor Relations Executive Director, Grupo Argos S.A.
Corporate Strategy Executive Manager, Grupo Argos S.A.
Economic Research Executive Director, Bolsa y Renta S.A.

➤ **ACADEMIC BACKGROUND**

Master's degree in Business Administration, New York University.
Specialized studies in Finance and Law, New York University.
Specialized studies in Finance, Universidad Eafit.
Degree in Economics focused on Mathematical Economics, Universidad Eafit.

➤ **OTHER BOARDS**

EPSA – Empresa de Energía del Pacífico Pactia S.A.S., Eafit's High Council.

5

➤ **DAVID EMILIO BOJANINI GARCÍA**
2005*

Appointment and Remuneration Committee.
Corporate Governance and Board Matters Committee.
Strategic Planning and Sustainability Committee.

CEO, Grupo de Inversiones Suramericana S.A.

➤ **PRIOR EXPERIENCE**

CEO, Fondo de Pensiones y Cesantías Protección S.A.
Actuarial Manager, Suramericana de Seguros S.A.

➤ **ACADEMIC BACKGROUND**

Degree in Industrial Engineering, Universidad de los Andes.
Master's degree in Management focused on Actuarial Studies, University of Michigan.

➤ **OTHER BOARDS**

Bancolombia S.A., Sura Asset Management S.A., Suramericana S.A., Grupo Argos S.A.

➤ **ADVISORY BOARDS**

Proantioquia, CPC (Private Competitive-ness Council), CCI (International Colombia Corporation), ExE (Entrepreneurs for the Education), El Cinco Foundation.

6

➤ **GONZALO ALBERTO PÉREZ ROJAS**
2007*

Finance, Audit and Risks Committee.

CEO, Suramericana S.A.

➤ **PRIOR EXPERIENCE**

Insurance and Capitalization Executive Director, Suramericana de Seguros S.A.
Corporate Business Executive Director, Suramericana de Seguros S.A.

➤ **ACADEMIC BACKGROUND**

Law Degree, Universidad de Medellín.
Specialized insurance studies, Swiss Re.

➤ **OTHER BOARDS**

Bancolombia S.A., Sura Asset Management S.A., Celsia S.A., Seguros de Vida Suramericana S.A.

* Year in which the Member joined the Board of Directors.



Management Team [GRI 102-18] [GRI 102-19] [GRI 102-20]

CARLOS IGNACIO GALLEGO PALACIO Chief Executive Officer

Prior Experience

- » President, Chocolates Business.
- » Vice President, South Strategic Region.
- » President, Servicios Nutresa
- » General Director, Fundación Nutresa
- » Industrial Vice President, Compañía Nacional de Chocolates S.A.

Academic Background

- » Degree in Civil Engineering, Universidad Eafit.
- » Master's degree in Business Administration, Universidad Eafit.

JAIRO GONZÁLEZ GÓMEZ Vice President Corporate Secretary General Counsel

Prior Experience

- » Founder and Chairman, González Gómez Abogados.
- » External Legal Adviser, Grupo Nutresa.
- » Law firm member, Ignacio Sanín Bernal & Cia.

Academic Background

- » Degree in Law and Political Sciences, Universidad Pontificia Bolivariana.
- » Specialized studies in Commercial Law, Universidad Pontificia Bolivariana.



CORPORATE TEAM

JOSÉ DOMINGO PENAGOS VÁSQUEZ Chief Financial Officer

Prior Experience

- » Chief Financial Officer, Banca de Inversión Bancolombia.
- » Chief Planning Director, Confecciones Colombia (Everfit).

Academic Background

- » Degree in Administrative Engineering, Escuela de Ingeniería de Antioquia.
- » Specialized studies in Corporate Finance and Capital Market, Universidad Pontificia Bolivariana.



The transverse units support the operations of **Grupo Nutresa's eight business units.**

BUSINESS UNITS TEAM



DIEGO MEDINA LEAL President, Cold Cuts Business Vice President, Logistics

Prior Experience

- » Vice President Finance, Inverlimenticias Noel S.A.
- » Financial Engineering Manager, Corfinsura S.A.
- » Cali Region Manager, Corfinsura S.A.

Academic Background

- » Degree in Electrical Engineering, Universidad Tecnológica de Pereira.
- » Specialized studies in Finance, Universidad Eafit.



ALBERTO HOYOS LOPERA President, Biscuits Business International Vice President

Prior Experience

- » Chief Executive Officer, Compañía de Galletas Pozuelo DCR S.A.
- » International Business Manager, Compañía de Galletas Noel S.A.
- » Procurement Manager, Compañía de Galletas Noel S.A.

Academic Background

- » Degree in Mechanical Engineering, Universidad Pontificia Bolivariana.
- » Master's degree in Business Administration focused on International Business, Universidad Eafit.



JUAN FERNANDO CASTAÑEDA President, Chocolates Business Vice President, Marketing and Sales - Commercial Networks

Prior Experience

- » Marketing Manager, Compañía de Galletas Noel S.A.
- » Marketing Director, Procter & Gamble, Latin America.
- » Manufacturing and Operations Manager, Procter & Gamble, Brazil.

Estudios:

- » Degree in Production Engineering, Universidad Eafit.
- » CEO Management Program, Kellogg School of Management.



MIGUEL MORENO MÚNERA President, Coffee Business

Prior Experience

- » Chief Executive Officer, Fehr Foods.
- » Chief Business Development Director, Fehr Foods.
- » Financial Manager, Compañía de Galletas Noel.
- » Corporate Finance Director, Grupo Nutresa.

Academic Background

- » Degree in Business Administration, Universidad Eafit.
- » Master's degree in Finance, EADA (Spain).

The Management Team ensures the Organization's capabilities **to achieve the Mega 2020** and to guarantee a sustainable and profitable growth.

TRANSVERSE UNITS TEAM



» **SOL BEATRIZ ARANGO MESA**
President, Servicios Nutresa
Vice President, Sustainable Development; General Director, Fundación Nutresa

Prior Experience

- » President, Chocolates Business.
- » Vice President, South Strategic Region.
- » Vice President Corporate Planning, Grupo Nacional de Chocolates S.A.
- » Vice President Finance and Systems, Industrias Alimenticias Noel S.A.
- » Industrial and Financial Manager, Susaeta Ediciones S.A.

Academic Background

- » Degree in Production Engineering, Universidad Eafit.
- » Specialized studies in Finance, Universidad Eafit.
- » Specialized studies in Strategic Management, Pace University (New York).



» **JUSTO GARCÍA GAMBOA**
President, Tresmontes Lucchetti
Vice President, Chile and Mexico Strategic Region

Prior Experience

- » Chief Executive Officer, Tresmontes Lucchetti.
- » Commercial Department Leader, Tresmontes Lucchetti.
- » Mass food consumption companies in Chile.

Academic Background

- » Degree in Commercial Engineering, School of Economics, Universidad Adolfo Ibáñez.
- » Degree in Administration, Universidad Federico Santa María.



» **JUAN CHUSÁN ANDRADE**
President, Retail Food Business

Prior Experience

- » Chief Executive Officer, Negocios Internacionales Gastronomía y Negocios (GyN).
- » New Business Director and CEO, Brazil YUM Brands.
- » Consultant, McKinsey & Co.

Academic Background

- » Degree in Mechanical Engineering, University of California, Los Angeles (UCLA).
- » Master's degree in Business Administration focused on Strategy and International Business, Anderson School, UCLA.



» **MARIO ALBERTO NIÑO TORRES**
President, Ice Cream Business
Vice President, Innovation and Nutrition

Prior Experience

- » President, Meals de Colombia S.A.
- » Financial Manager, Meals de Colombia S.A.
- » Marketing Manager, Meals de Colombia S.A.

Academic Background

- » Degree in Business Administration, Universidad de La Sabana.
- » Specialized studies in Strategic Marketing, Colegio de Estudios Superiores de Administración, CESA.



» **FABIÁN ANDRÉS RESTREPO**
President, Pasta Business

Prior Experience

- » Special Commercial Project Manager, Servicios Nutresa.
- » General Manager, Pastas Comarrico.
- » Customer Development Coordinator, Compañía Nacional de Chocolates S.A.

Academic Background

- » Degree in Systems Engineering, Universidad Eafit.
- » Specialized studies in Systems and Database Management, Universidad de Antioquia.
- » Master's degree in Business Administration focused on E-Commerce, Tecnológico de Monterrey.

Strategy for our first Century 1920-2020

"Our centenarian strategy is aimed at **doubling our 2013 sales by 2020**, with a profitability maintained between 12% and 14% of the EBITDA margin.

$$2 \times \$5,9 \text{ trillion} = \$11,8 \text{ trillion}$$

To achieve this goal, we offer our consumers **food products and experiences from highly recognized and beloved brands**. Our products **nourish, generate well-being and pleasure, have the best price-value ratio**, are widely available in our strategic region, and are **managed by talented, innovative, committed and responsible people who contribute to a comprehensive sustainable development.**"



Mission











The mission of our Company is the increasing generation of value, achieving a return on investments greater than the cost of the capital used.

In our food businesses, we always seek to **improve the quality of life of the consumers and the progress of our people.**

We look for **profitable growth with leading brands, a superior service, and excellent distribution networks.**

We manage our activities based on our commitment to sustainable development, with the best human talent, outstanding innovation and an exemplary corporate behavior.

Corporate philosophy and performance [GRI 102-16]

- | | |
|---|--|
|  Autonomy with strategic coherence |  Development of our people |
|  Good corporate governance |  Ethics |
|  Responsible corporate citizenship |  Participation and collaborative management |
|  Productivity and competitiveness |  Respect |
|  Innovation |  Reliable food and a healthy life |

Differentiators of our business model



Our people

We promote participative environments, the development of skills focused on both being and doing, the acknowledgement of achievements, the construction of a leading brand, and a balanced lifestyle for our people.

Organizational climate at a level of excellence:

83,3%



Our brands

Our brands are leaders in the markets where we participate as they are widely recognized and cherished; they nourish, generate well-being and have become a part of people's daily lifestyle, with an excellent price-value ratio.

**18
brands**

**with sales over
USD 50 million.**

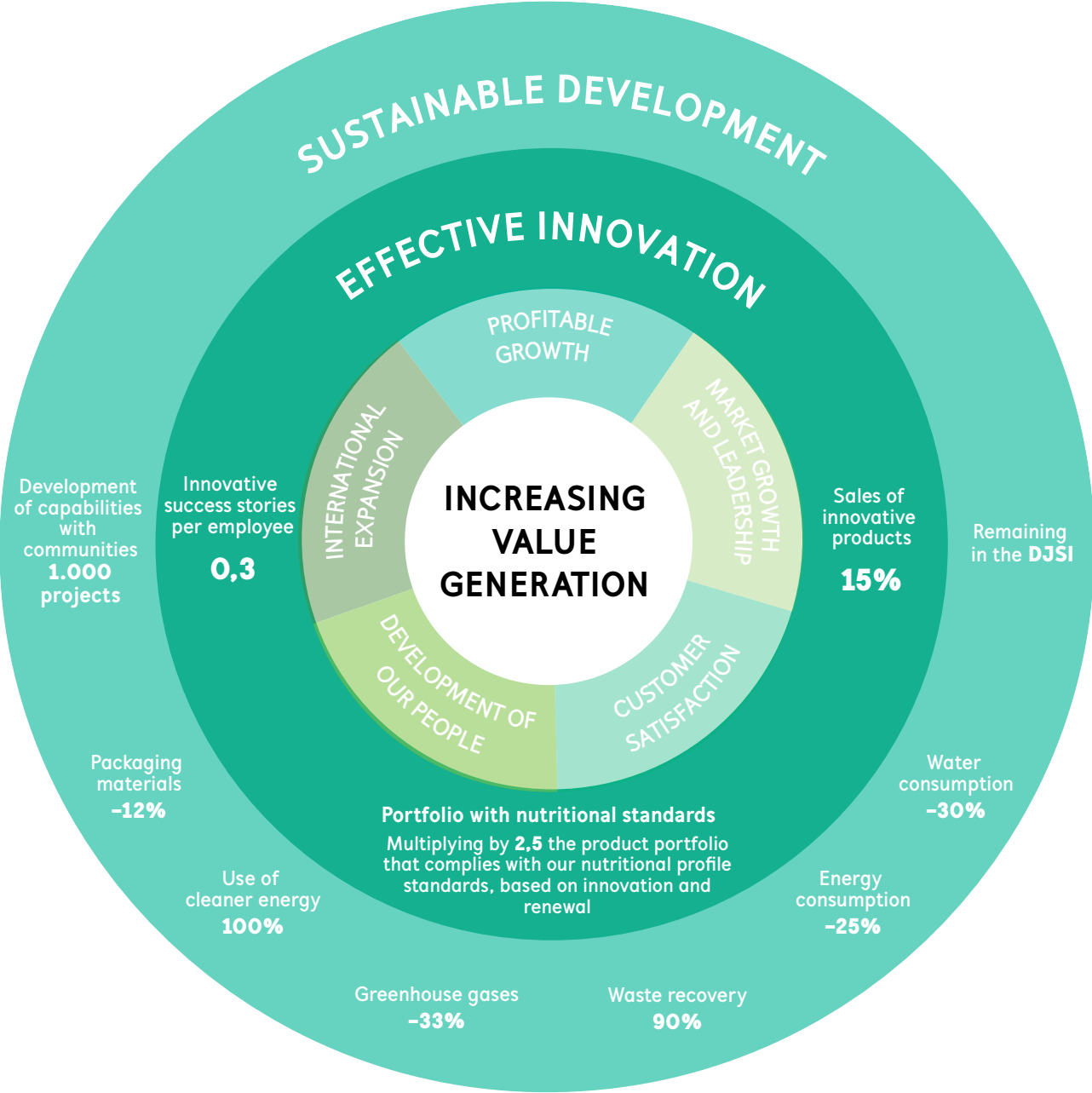


Our distribution networks

Our wide distribution network, which is organized by channels and segments and includes specialized service teams, allows us to have an excellent product availability in terms of frequency, as well as a close relationship with our customers.

1.363.940
points of sale.

Strategic Goals **for 2020**

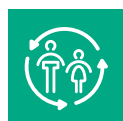


The following are the results for 2017, the goals for 2018, and the objectives for 2020:



Economic dimension

Doubling the 2013 sales by 2020 (COP trillion) 2020: 11,8 • 2017: 8,7	Sales abroad (USD million) 2020: 2.000 • 2017: 1.084	EBITDA margin 2020: between 12% and 14% 2017: 12,0%
Sales of innovative products: 2020: 15% • 2017: 20,2%	Innovative success stories per employee: 2020: 0,3 • 2017: 0,22	Productivity (kg/Hdl) 2020: +5% per year 2017: 0,7%
Multiplying by 2,5 the product portfolio that complies with Grupo Nutresa's nutritional profile. 2020: 3.140 SKUs 2017: 2.984 SKUs	Level of customer satisfaction 2020: Maintaining the level of excellence 2017: Colombia 88,3 Strategic region 87,0	



Social dimension

Accident frequency rate 2020: 1,7 • 2017: 2,02 • 2018: 1,90	Organizational climate 2020: 83,3% • 2017: 83,3% • 2018: Maintaining the level of excellence	Capability-development projects 2020: 1.000 • 2017: 789 • 2018: 879
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Environmental dimension

Water consumption (m³/t.p.) 2020: -30% • 2017: -28,1% • 2018: -28,7%	Use of cleaner energy 2020: 100% • 2017: 99,3% • 2018: 99%	Waste generation 2020: -20% • 2017: -9,6% • 2018: -4,7%
Energy consumption (kWh/t.p.) 2020: -25% • 2017: -17,3% • 2018: -16,7%	Packaging materials (kg of P.M./t.p.) 2020: -12% • 2017: -2,4% • 2018: 0,8%	Waste recovery 2020: 90% • 2017: 90,3% • 2018: 90%
Greenhouse gases (CO₂e/t.p.) 2020: -33% • 2017: -41,4%* • 2018: -33%		

* Reduction due to the procurement of certified green electricity, considered zero emissions.

Find more information about the indicators at:
http://2017report.gruponutresa.com/pdf/goals_for_2020.pdf

Digital Strategy

For Grupo Nutresa, the digital transformation is an essential part of an assertive, proactive and innovative corporate model aimed at building a Future Together.

We strive to constantly offer better experiences to shoppers and consumers. Therefore, through our Digital Strategy transformation we are focusing on three key dimensions: digitalization of processes, channels and business units.



For this purpose we have established accelerating measures that strengthen our market-focused culture:



This is how we generate radical and customized innovations, ensuring a better and closer experience.



Integrated risk management and **main business risks** [GRI 102-11] [GRI 102-27]

Risk Assessment

In 2017, Grupo Nutresa strengthened its comprehensive risk management model focusing on the tactical and operative levels. This effort allowed to consolidate the assessments at the strategic level under a standardized methodology that promotes the self-management by the process leaders in the businesses.

The assessments included the analysis of the strategic, operational, financial, climate-related and nature-related risks, as well as the studies on emerging risks. Additionally, they covered the eight business units, the commercial net-

works, the cross-sectional companies, the international operations and the main operating centers in Colombia, considering the current 24 corporate risks and the catalog of emerging riesgos de riesgos asociados.

Workshops on risk management and business continuity	90
Employees trained	+1.000
Assessments of risks at the strategic, tactical and operative levels	17.500

MAIN RISKS

Volatility of the prices of raw materials and exchange rates.

MITIGATING ACTIONS

- > Coverage policies with clearly defined risk levels and aligned with market changes and managed by a specialized committee.
- > A highly trained team dedicated to monitoring and negotiating supplies.
- > Permanent search for new opportunities and models for an efficient and competitive raw materials sourcing at a worldwide scale.
- > Diversification of raw materials.
- > Risk analytics applied to the quantification of impacts in complex scenarios.

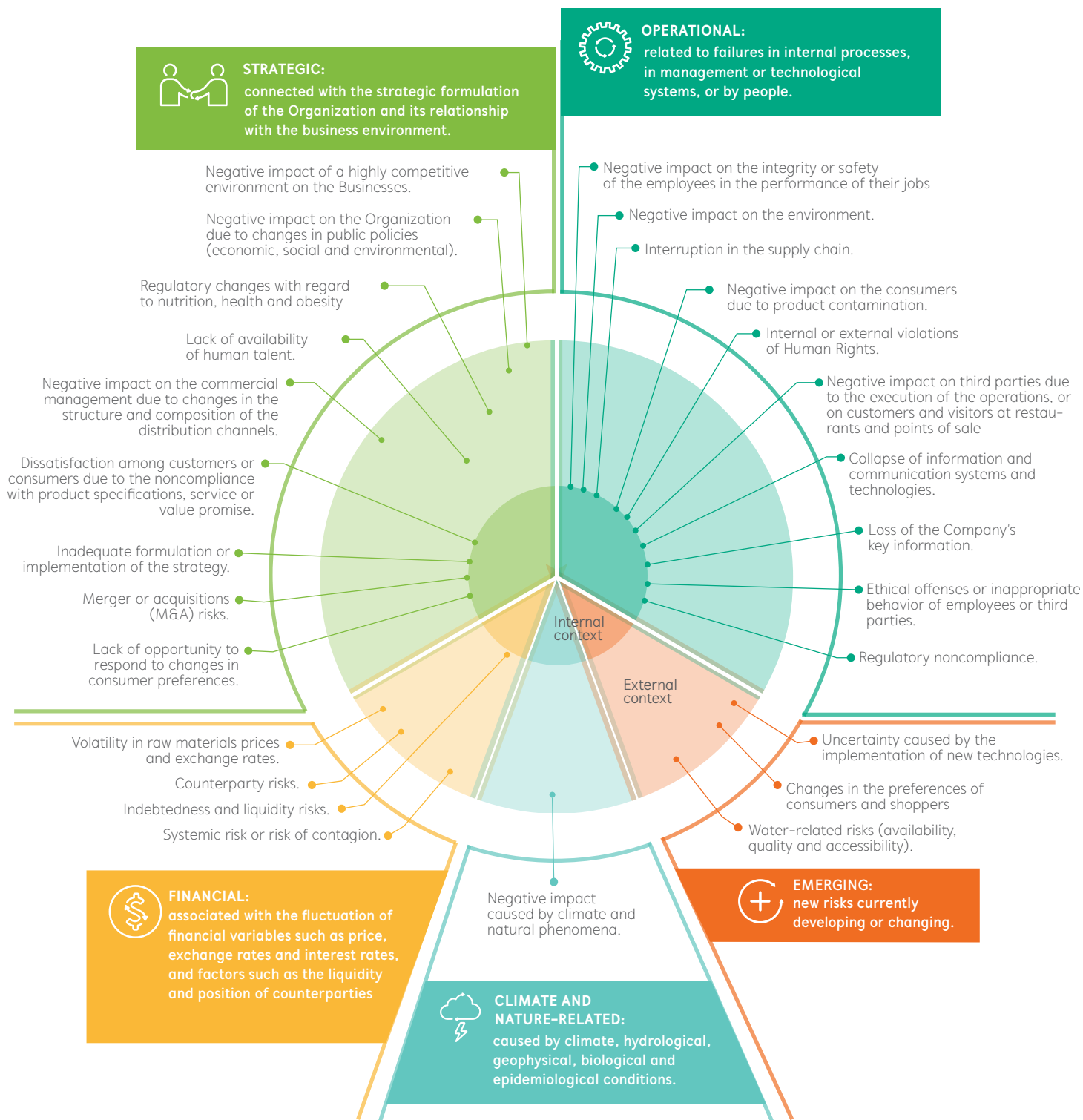
Negative impact of a highly competitive environment on the Businesses.

- > Brands and Networks Management Model based on the deep and integrated understanding of the market: consumers, shoppers and customers.
- > Leading brands that are highly recognized and appreciated.
- > Broad distribution network with value propositions differentiated by customer segment.
- > Attractive propositions with an excellent price-value ratio
- > High-value innovation and portfolio differentiation.
- > Profitable market development based on consumer segmentation.
- > Identification of opportunities and threats caused by cultural changes.

Regulations regarding nutrition and health in the countries where the Organization operates.

- > Monitoring the Organization's business environment to study the situation of both nutrition and health in the strategic region. Anticipating the needs of the communities to offer improvement alternatives for malnutrition situations. Learning about the regulatory processes and participating in their definition.
- > Compliance with applicable standards and preparation for those that are being developed.
- > Adoption of the nutrition policy defined by Grupo Nutresa.
- > Development of health and nutrition research that allows to improve the quality of life of the population through innovative food propositions.
- > Support to and participation in programs that promote healthy lifestyles.
- > Vidarium: center for research on nutrition.

Corporate Risks



Learn more about the risk management model and its connection with Grupo Nutresa's material topics.

Business Model [GRI 102-6] [GRI 102-9] [GRI 102-15]

Input

Financial capital

- Working capital
- Funding
- Capital from investors

Industrial capital

- Ports
- Roads
- Infrastructure for public utilities
- Points of sale

Human capital

- Competent people

Intellectual capital

- Patents
- Knowledge (associations, protocols and standards)

Natural capital

- Energy
- Water
- Commodities

Social capital

- Communities
- Customers
- Consumers
- Suppliers

Value Chain



175
Farms and plantations



33
Supplier development projects



80%
Local purchases



COP 15.290 million
Social investment in suppliers



46
Production plants



COP 101.814 million
Investment in quality of life, training and work aids



914.877
Hours invested in training



11.578
Performance assessments



19
ISO 14001-certified production plants
Comercial Nutresa and Servicios Nutresa



18
Brands with sales over USD 50 million



46.576
Employees



95
Distribution centers



13.574
Vendors



COP 25.073 million
Social investment in customers



388
Restaurants



488
Ice cream shops



24
Coffee shops*

* Starbucks coffee shops in Colombia, a business in which Grupo Nutresa holds a 31% share.

[GRI 302-1] [GRI 303-1] [GRI 305-1] [GRI 305-2]

Strategic sustainability priorities

Results

Output



Promoting a healthy lifestyle by means of the production of nutritious and safe food, and an adequate communication that builds trust and allows to make conscious and informed decisions.



2,984
Product items fulfill the Nutresa nutritional profile.



1,1%
Sales of innovative products with increased nutritional components.



18,0%
Products with reduced critical components.



Managing the value chain responsibly by means of the comprehensive development to improve the productivity and quality of life, incorporating social and environmental variables in the sourcing chain, and reinforcing the distribution network.



83,3%
Organizational climate



41,2 kg/Hdl
Productivity



COP 190.432 million
Sales of socially innovative products



Building a better society by strengthening the competitiveness and education quality in the communities and promoting the respect for the Human Rights.



1.477
Small farmers trained in socio-entrepreneurial matters.



856.286
Customers trained.



789
Capability-development projects (2013-2016).



Reducing the environmental impact of the operations and products by means of an adequate water management and the reduction in emissions, waste, energy consumption and packaging materials.



-17,3%
Energy consumption reduction*



-28,1%
Water consumption reduction*



-41,4%
Greenhouse gas emission reduction*

* Reductions based on the 2010 baseline.



Acting with integrity by promoting behaviors based on ethics and good conduct, identifying and managing the risks, and assuring the compliance with the regulations and standards that govern the operation.



Seventh consecutive year included in the Dow Jones Sustainability World Index.



Fifth consecutive year being awarded the Investor Relations "IR" acknowledgment.



Third consecutive year being awarded the ALAS20 acknowledgment.



Fostering profitable growth and effective innovation by means of the generation of a differentiated offer of products, brands and experiences in its multiple market segments, based on an innovative culture in terms of processes, products and business models.



COP 8.696 billion
Sales



COP 1.044 billion
EBITDA



59,8%
Market share



Food production *

994.526
Tons produced*
3,2 million m³
Water consumption*
876,6 GWh
Energy consumption*
141.011 tCO₂e
GHG emissions *

* Data from Colombia, Mexico, Costa Rica, Peru, Chile, the Dominican Republic and Panama.

- ✔ Cold Cuts
- ✔ Long shelf-life products
- ✔ Sweet biscuits
- ✔ Crackers
- ✔ Self-care products
- ✔ Candies
- ✔ Bar chocolate
- ✔ Milk modifiers
- ✔ Snacks
- ✔ Ground coffee
- ✔ Pastas
- ✔ Snacks
- ✔ Ground coffee
- ✔ Soluble coffee
- ✔ Ice creams
- ✔ Refrigerated beverages



Distribution and commercialization

212,5 MWh
Energy consumption in distribution operations **
51.309 tCO₂e
GHG emissions from distribution operations **

** Includes the distribution performed by both the Organization itself and third parties.

- ✔ Storage
- ✔ Distribution
- ✔ Sales



Retail Food

- ✔ Burger bars
- ✔ Steakhouses
- ✔ Pizza shops
- ✔ Ice cream shops
- ✔ Coffee and doughnut shops

Acting with **integrity**



For Grupo Nutresa, acting with integrity is synonymous with building trust among stakeholders. Therefore, it founds the processes on behaviors based on ethics and good conduct, on clear procedures to identify and address risks, and on the assurance of the compliance with the regulations and standards that govern the operation.



Corporate Governance

To establish a framework of transparent behavior, integrity and ethics for Grupo Nutresa by developing management, information disclosure and control policies, which are aligned with the highest international standards of corporate governance, thus having a positive impact on the company's reputation for the benefit of shareholders and other stakeholders.

Strategy

[GRI 103-2]

Updating the Organization's corporate governance practices.

Progress

[GRI 103-3]

- > The Business Ethics Program was implemented with the purpose of promoting transparency and ethics in all companies.
- > The Board of Directors and senior management backed this program by rejecting all types of corruption and bribery, and adopting measures to ensure its fulfillment.

Socializing the good governance practices and raising awareness among employees.

- > The Code of Corporate Governance was modified to include rules against corruption and bribery.
- > The in-person and virtual socialization of the "Actúo Íntegramente" (I act with integrity) strategy began. This strategy promotes ethical behavior and transparency among employees and third parties, and encourages them to avoid and declare conflicts of interest.
- > Among the practices adopted, the following stand out: inclusion of guidelines about the acceptance and offering of hospitalities, guidelines about how to address meetings with government employees, and the prohibition to hire agents, lobbyists or intermediaries.

Watching over the compliance with the governance practices incorporated by the Company.

- > The Committee of Ethics, Transparency and Conflicts of Interest analyzed and decided upon the cases of possible conflicts of interest reported by employees and third parties.
- > The Organization appointed the Compliance Officers, who are in charge of supervising compliance with the Business Ethics Program and the Anti-fraud, Anti-Corruption and Anti-Bribery Policy.

Strengthening the reporting mechanisms for ethics and conduct issues.

- > Grupo Nutresa defined a template for declaring conflicts of interest that all employees must sign on a regular basis. In this template, employees must report the absence or existence of situations that may constitute conflicts of interest.
- > The implementation of phone lines for the operation of the Ethics Hotline in international operations was socialized.



Employees from
the Chocolates
Business, Colombia

Risks and opportunities

[GRI 103-1]

The Organization focuses on maintaining corporate governance aligned with the highest international standards. This allows it to ensure transparency and integrity in the administration and control of its operations, enabling an optimal performance from the governance bodies and the fulfillment of its strategic goals.

The Company delivers unabridged, clear and timely information to its shareholders and all other stakeholders with the purpose of ensuring transparency and promoting integrity and ethics by means of the implementation of policies, programs and behavioral guidelines that must be complied with by the governance bodies, employees, customers, suppliers and shareholders.

One of the most significant risks currently related to this matter is corruption. This risk is managed on a preventive basis by means of the establishment of policies and awareness-raising and training initiatives, and with permanent audits. Through these mechanisms, the Organization generates value and trust among its stakeholders, retaining and attracting local and foreign investors, customers and employees.



Employee from Servicios
Nutresa, Colombia.

Outlook

Grupo Nutresa's commitment for 2020 is to maintain the excellence of its corporate governance management by means of the implementation of advanced world-class practices.

In search for higher levels of corporate transparency, ethical behavior and integrity, the Organization focuses its efforts on keeping its internal policies and guidelines updated according to worldwide trends in the field, and on strengthening the interaction with its diverse stakeholders through the timely delivery of unabridged information.

The short-term objective consists in continuing to monitor compliance with the Code of Corporate Governance and with the Bylaws, and following up on the policies implemented in previous years. Furthermore, it is a priority to ensure that implemented changes are being executed in practice and in the Organization's daily activities, influencing Grupo Nutresa's culture and having a positive impact on sustainable management.

The Organization will keep on socializing the Code of Corporate Governance among employees and related audiences. With focus on generating value in the long term, the Company will continue to strengthen ethical behavior and transparency by embracing and internalizing organizational values and clarity with regards to observable behaviors in the matter.



Employees from
the Biscuits
Business,
Colombia.

The Company delivers **complete, clear and timely** information to its shareholders and all other stakeholders with the purpose of ensuring transparency and promoting integrity and ethics.

Success stories and acknowledgments [GRI 103-3]

For the fifth year, Grupo Nutresa received the Investor Relations (IR) acknowledgment, which is awarded by the Colombian Stock Exchange to companies that have voluntarily adopted the best practices in terms of information disclosure and relations with investors. The Organization was selected as a leading company in the following categories: IR Issuer with the highest content standards, IR Issuer with the highest corporate governance standards, and most evolved IR Issuer.

ALAS20 acknowledged Carlos Ignacio Gallego as a Leading CEO in Sustainability. This category is reserved for company leaders who, according to the perception of diverse stakeholders, show leadership in integrating sustainability into the businesses they direct, and who stand out due to their ability to create teams that are focused on sustainability.

Risk and **compliance**

Supporting the decision-making process and guiding the implementation of prevention, risk mitigation and crisis management actions which, along with the activities of compliance, are aimed at protecting the resources, the corporate reputation, the continuity of the operations, the legal and regulatory compliance, the safety of all employees, and the generation of trust and two-way communication with the stakeholders.

Strategy

[GRI 103-2]

Progress

[GRI 103-3]

Integrating risk management into the corporate strategy.

- > The Board of Directors continued to monitor the Organization's risk management strategies and risk levels.
- > Risk analytics studies were realized, with initial estimates for appetite and tolerance, as well as key risk quantification.
- > The risk maps of the Businesses were updated and the tactical matrices were consolidated.
- > The Reputation Management Committee was created.

Strengthening the Organization's risk management culture.

- > Grupo Nutresa implemented the "Actúo Íntegramente" strategy (I act with integrity), which is focused on preventing the risks related to money laundering and terrorism financing, promoting the respect for Human Rights, and avoiding corruption in the operations.
- > More than one thousand employees were trained through 90 risks, crisis and business continuity workshops.
- > More than 17.500 risk assessments were managed by means of the integrated risk management software.
- > More than 14.600 employees and third parties participated in awareness-raising and training activities on the prevention of money laundering and terrorism financing, as well as 179 leaders of this specific risk from all the Organization's Businesses. [GRI 205-2]

Increasing the organizational resilience.

- > The business continuity management system was expanded, and the system leaders from all Businesses received training in this methodology.
- > The crisis management manual was updated, as well as its guidelines for addressing events that have an impact on the corporate reputation.

Monitoring and ensuring the legal and regulatory compliance.

- > The Organization diagnosed the compliance with the implementation of the system of self-control and management of risks related to money laundering and terrorism financing in the Colombian companies, and preventive control measures were automated.
- > The Business Ethics Program was implemented in the Colombian companies.



Employee from the
Coffee Business in
Bogotá, Colombia.



TPM team from the Biscuits Business production plant in Medellín, Colombia.

Risks and opportunities

[GRI 103-1]

The alignment of the integrated risk management system with both the decision-making process and the definition of the organizational strategy is a key challenge. The standardization of the risk assessment methodology has been essential in overcoming said challenge. However, this methodology should be complemented with an adequate monitoring of the effectiveness of the control measures and a supervision plan.

Furthermore, the dynamics of the Organization's context makes it necessary to deepen the knowledge and the management of the emerging risks. The consolidation of this management, as well as the strengthening of the risk management culture focused on achieving self-management, constitute a front of opportunities that is currently in development by the Company. Furthermore, the development of Grupo Nutresa's operations and its relations with its environment

generate exposure to reputational risks. In order to assess and mitigate these risks, the Organization has established protocols in all its Businesses and, at the corporate level, Grupo Nutresa formed the Reputation Management Committee. This Committee is in charge of providing guidelines for the most sensitive situations and monitoring them.

Important or significant risks for the reputation and competitiveness may arise from the regulatory compliance, which is why the Company consolidates legal surveillance activities focused on the effective management and mitigation.

Finally, the reinforcement of the system of self-control and management of risks related to money laundering and terrorism financing will continue to boost the management of the reputation and the compliance with the current regulations in this field.

Employee from
Operar's
Central Facility,
Colombia.



Outlook

The consolidation of a plan for the overseeing and monitoring of the strategic risks that includes the levels of risk appetite and tolerance will be the Organization's intervention focal point in the short term. In addition to this, the Organization is also working on the structured management of the emerging risks related to its prospective planning exercises. All the foregoing is based on the Three Lines of Defense model.

With regard to the business continuity system, Grupo Nutresa will strengthen its implementation and the international expansion that was started in 2017, along with the consolidation of crisis management capabilities based on an updated version of the corresponding manual.

In terms of the management of the reputation and its associated risks, the Company intends to effectively direct its communication and engagement efforts to the stakeholders. This action will be based on an initial assessment of Grupo Nutresa's main reputational features and variables, which will be conducted by the Reputation Management Committee.

In the short term, with the implementation of the Business Ethics Program that is focused on strengthening ethical behavior and transparency in the Organization, the purpose is to be part of the Active Anti-Corruption Companies program led by the Transparency Secretariat of the Colombian Government.

Moreover, regarding compliance management, the regulatory surveillance of the risk of money laundering and terrorism financing will be updated in certain critical locations. And, finally, the Organization will also work on the plan for the management of the opportunities identified in 2017 to ensure the reliable performance of the system.

Success stories and acknowledgments [GRI 103-3]

For the third consecutive year, **Grupo Nutresa obtained the top worldwide score** in the food sector in terms of risk and crisis management in the Dow Jones Sustainability Index.

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

In 2017, the Organization achieved **an 88% progress in the business continuity management system** with respect to the goal of the maturity level proposed for 2020 based on international standards.

Another aspect worth highlighting is the **16.900+ risk assessments self-managed** by means of the integrated risk management software, as well as the training of more than 10.600 employees in matters related to risks, business continuity and the prevention of money laundering and terrorism financing [GRI 205-2]

Performance of the **Business Units**





Cold Cuts Nutresa

RELEVANT ASPECTS FROM 2017



Diego Medina Leal | President

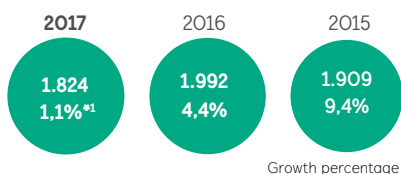
[Part of Nutresa since 1997]

56 years old

- The brands continued to strengthen their role and positioning. Zenú celebrated its 60th anniversary and as part of the health and nutrition strategy, the brand reduced the sodium content of its products by 25%. Pietrán entered the snacks market to address a new consumer moment; Ranchera strengthened its disbursement strategy and Rica and Cunit adjusted their portfolios to achieve a higher level of affordability for all markets.
- We reinforced the market-entry processes with the update of the Go-to-Market model in the main five Colombian cities.
- We carried out actions focused on generating efficiency throughout our entire value chain, from the sourcing of raw materials to the delivery to our customers.
- We continued to strengthen the sourcing of cattle by amounting to 35.000 head of cattle integrated and adding the new slaughter node in Aguachica, state of Cesar, to the supply processes. Along the same line, we continue to consolidate the fresh meat exports process.
- We secured the OHSAS (ISO 18000) certification for the Bogotá and Barranquilla facilities and the BASF re-certification for the Setas production plant.
- In Panama, we made progress on the reinforcement of our brands and on our consumer engagement, increasing thus our market share. In addition, we started the direct distribution of our Setas products.

SALES COP billion

Total Sales



CAGR 4.2%*¹

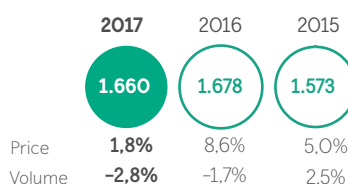
*Compound Annual Growth Rate

The Cold Cuts Business represents



of Grupo Nutresa's total sales.

Sales in Colombia



CAGR 2.7%

The sales in Colombia represent



of the total business unit sales.

International Sales

USD million



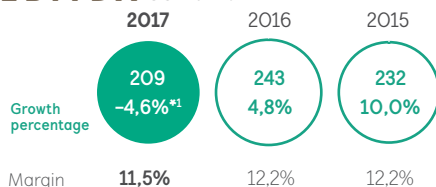
CAGR 19.7%¹

The international sales represent



of the total business unit sales.

EBITDA COP billion



CAGR 2.4%¹

Represents



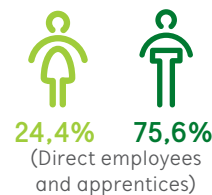
of Grupo Nutresa's ebitda.

¹Excluding Venezuela since October of 2016

EMPLOYEES



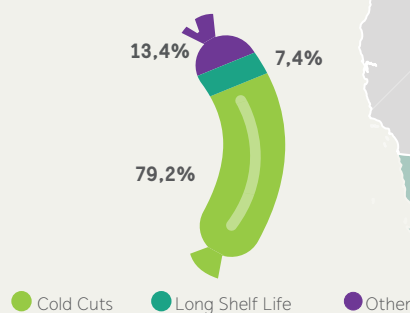
(Direct employees, indirect employees and apprentices)



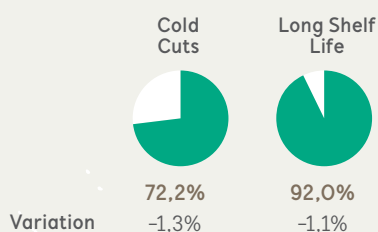
DIRECT PRESENCE IN 3 COUNTRIES

MAIN CATEGORIES

(total sales %)



Market share in Colombia



OUTLOOK FOR 2018

- We will maintain our commitment to strengthen our brands by effectively managing the prices of our products, and developing nutritious and comprehensive solutions for our consumers.
- We will expand our portfolio by incorporating new product lines in order to address the health and nutrition trends.
- We will foster innovation as a key element for ensuring market differentiation and increasing our competitiveness.
- We will continue consolidating our efficiency throughout the entire value chain by reinforcing the integration plans for the production of beef and pork.
- In Panama, we will continue to focus on the profitable growth, centering it on the strengthening of our brands, the distribution and the efficiency throughout our entire value chain.

RAW MATERIAL AND OTHER

(Production cost %)

36,4%
(includes direct labor, IMCs and other raw materials)

Other



7,6%
Poultry



31,3%
Pork



16,1%
Packaging material



8,6%
Beef

Other countries
Sales: 2,6%

Central America
Sales: 6,4%
Production facilities: 1



Venezuela
Production facilities: 1



Colombia
Sales: 91,0%
Production facilities: 9



Presence of our main brands
[GRI 102-2]



Brands with sales over USD 50 Million



Production facilities



RELEVANT ASPECTS FROM 2017

- We launched the Baked Tosh Snacks, which supplement our value proposition in the healthy segment of the snacks category. With this launch, we reached more than 65.000 consumers and achieved a 15% growth of the brand.
- The portfolio profitability enhancement process was performed by means of the prioritization of the segmentation, innovation and investment in brands exhibiting a higher growth rate and a greater gross margin.
- We achieved a two-digit growth rate in the exports from Colombia. We highlight the improvement in the dynamics of the South American and African markets.
- We made progress in the research on raw materials and processes in Colombia and developed competitive advantages that can be migrated to our operations in Central America and the United States.
- We coded new value propositions focused on health and well-being in specialized chain stores in the United States by improving the price per kilo and generating differentiation in relation to local competitors.

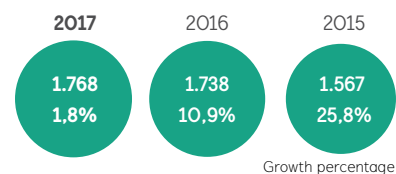
Alberto Hoyos Lopera | President

[Part of Nutresa since 1993]

53 years old

SALES COP billion

Total Sales



CAGR 6,2%* 

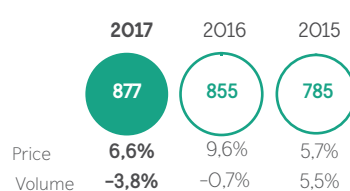
*Compound Annual Growth Rate

The Biscuits Business represents



of Grupo Nutresa's total sales.

Sales in Colombia



CAGR 5,7%

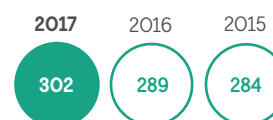
The sales in Colombia represent



of the total business unit sales.

International Sales

USD million



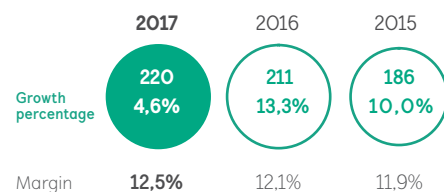
CAGR 3,1%

The international sales represent



of the total business unit sales.

EBITDA COP billion



CAGR 8,8% 

Represents



of Grupo Nutresa's ebitda.

EMPLOYEES



5.789

(Direct employees, indirect employees and apprentices)

Local International



63,4% 36,6%

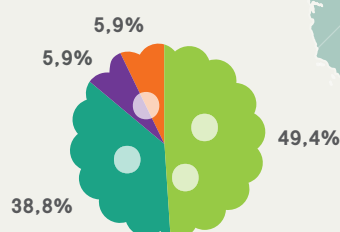


28,4% 71,6%
(Direct employees and apprentices)

DIRECT PRESENCE IN 10 COUNTRIES

MAIN CATEGORIES

(total sales %)



● Sweet Biscuits ● Crackers ● Self-care ● Other

Market share in Colombia

Biscuits



53,8%

Variation -1,3%

OUTLOOK FOR 2018

- We will concentrate our growth initiatives and investment in our ten main brands.
- The Baked Tosh Snacks market coverage will be expanded.
- We will take advantage of the development of the distribution of Grupo Nutresa in stores in the United States, particularly in its northeast region, in order to strengthen the presence of brands such as Dux, Festival and Chiky.

- We will continue to boost the regional platforms with differentiated value propositions focused on products with a greater value added for our consumers.
- The productivity plans and programs will be strengthened to maximize the eco-efficiency initiatives and minimize our environmental impact in all our platforms.

RAW MATERIALS AND OTHER

(Production cost %)

Other

43,1%

(includes direct labor, IMCs and other raw materials)



18,2%

Wheat



17,7%

Packaging material



9,5%

Sugar



11,5%

Oils and fats

United States of America

Sales: 19,5%

Production facilities: 2

Dominican Republic and the Caribbean

Sales: 2,5%

Other countries
Sales: 2,0%

Central America

Sales: 23,6%

Production facilities: 1

Colombia

Sales: 49,6%

Production facilities: 4

Ecuador

Sales: 2,8%

Presence of our main brands [GRI 102-2]



Brands with sales over USD 50 Million



Production facilities

RELEVANT ASPECTS FROM 2017



Jorge Eusebio Arango López
President until 2017

[Part of Nutresa since 1991]

62 years old

- We increased the sales in the chocolate confectionery with products of greater value added, which allowed us to get a greater market share.
- We made our Business' operations more profitable with a better portfolio, productivity adjustments, market optimization, expenditure efficiency and rationalization of the promotional activity.
- We achieved a significant growth in the snacks and cereal bars category in the international markets, and we had an increase in the exports dynamics of industrial products, especially to the United States.
- We strengthened our leadership among customers and consumers by means of innovation strategies.

- We achieved an excellent organizational climate level, consolidating the organizational culture and the employment relations with warmth, closeness and productivity.
- We consolidated the programs focused on productive alliances and cooperation with the participants from the cocoa chain.
- We completed the biggest installation of solar panels at a food production plant in Colombia, using the roofs of our Rionegro factory with the purpose of generating clean energy to cover 15% of our consumption.



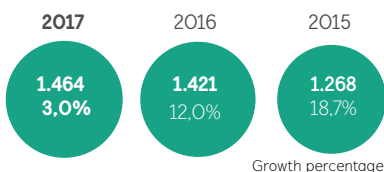
Juan Fernando Castañeda Prada
Chocolates Business President from 2018

[Part of Nutresa since 2011]

50 years old

SALES COP billion

Total Sales



CAGR 7.4%* 

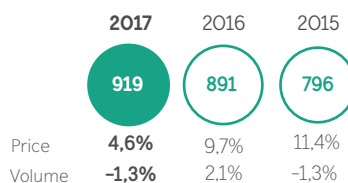
*Compound Annual Growth Rate

The Chocolates Business represents



of Grupo Nutresa's total sales.

Sales in Colombia



CAGR 7.5%

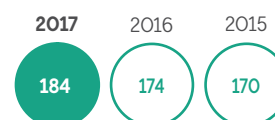
The sales in Colombia represent



of the total business unit sales.

International Sales

USD million



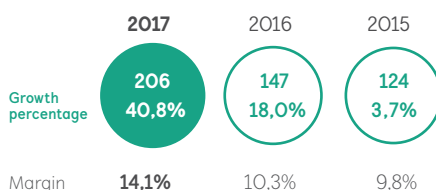
CAGR 4.1%

The international sales represent



of the total business unit sales.

EBITDA COP billion



CAGR 28.9% 

Represents



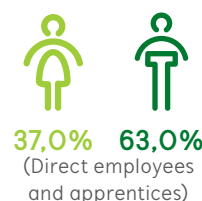
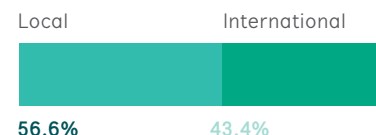
of the total business unit sales.

EMPLOYEES



3.910

(Direct employees, indirect employees and apprentices)



(Direct employees and apprentices)

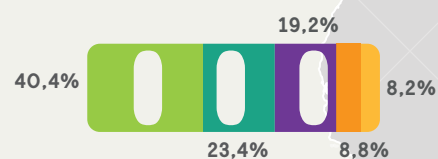
DIRECT PRESENCE IN 12 COUNTRIES

RAW MATERIALS AND OTHER

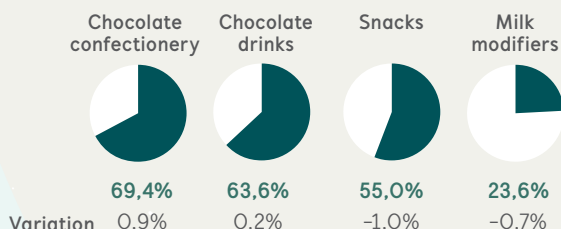
(Production cost %)

MAIN CATEGORIES

(Total sales %)



Market share in Colombia



OUTLOOK FOR 2018

- We will continue to boost our growth in the chocolate drinks category with product innovation, preparation convenience, health and nutrition.
- The value proposition of chocolate confectionery will be maximized in order to increase the consumption per capita and promote the development of new segments with products based on innovation and technological differentiation.
- We intend to implement a widespread growth strategy for the snacking category based on chocolate, cereal and nuts bars, and prioritizing the international market penetration.
- The portfolio development will be sped up with nutritional standards that address the nutrition, functionality and health trends.
- We will boost the growth of the industrial products category under the Cordillera brand in the strategic region, prioritizing the United States, with a value proposition focused on Latin-origin cocoa and commitment to sustainability.
- We will keep on reinforcing the cocoa production sustainability programs and their projection as a support strategy in the Colombian post-conflict stage.

Other

39.1%
(includes direct labor, IMCs and other raw materials)

25.8%
Cocoa

13.5%
Packaging material

5.0%
Milk

5.3%
Oils and fats

11.3%
Sugar

Mexico

Sales: **8.3%**
Production facilities: 1

Central America

Sales: **7.6%**
Production facilities: 1

Colombia

Sales: **62.8%**
Production facilities: 2

Peru

Sales: **11.5%**
Production facilities: 1

Other countries
Sales: 9.8%

Presence of our main brands
[GRI 102-2]

Brands with sales over USD 50 Million

Production facilities



RELEVANT ASPECTS FROM 2017

- Our brands exhibited a positive performance in Colombia, and building equity.
- We made progress in the development of our brands abroad, achieving an outstanding performance in South America and identifying capitalization opportunities in the United States and in some Central American markets.
- We maintained our positive dynamics in our industrial and B2B activities, generating growth and differentiation for the Business.
- There was an increase to the prices of our main raw material.
- We consolidated appreciated innovation propositions, such as Nutresa Express Pods, Tosh Infusions and Diversa, which made a positive contribution to the strategic development of the Business.
- We worked on building the best organizational climate and safe work environments for our people.

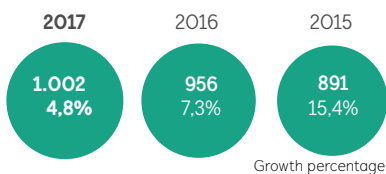
Miguel Moreno Múnera | President

[Part of Nutresa since 2003]

40 years old

SALES COP billion

Total Sales



CAGR 6,0%*[▲]

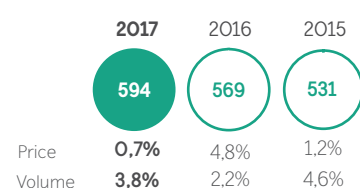
*Compound Annual Growth Rate

The Coffee Business represents



of Grupo Nutresa's total sales.

Sales in Colombia



CAGR 5,8%

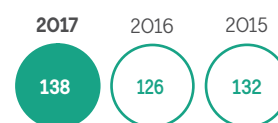
The sales in Colombia represent



of the total business unit sales.

International Sales

USD million



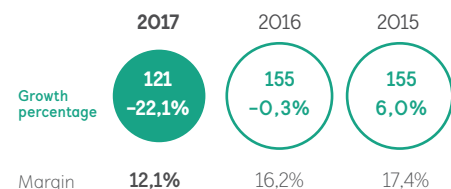
CAGR 2,5%

The international sales represent



of the total business unit sales.

EBITDA COP billion



CAGR -11,9%[▼]

Represents



of Grupo Nutresa's ebitda.

EMPLOYEES



1.882

(Direct employees, indirect employees and apprentices)

Local International
100% 0,0%

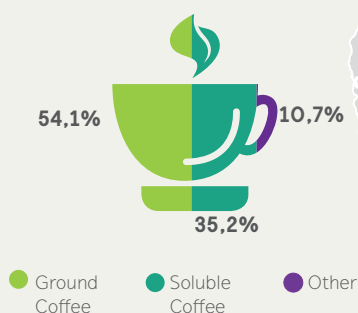


17,7% 82,3%
(Direct employees and apprentices)

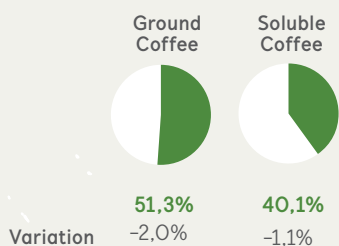
DIRECT PRESENCE IN 11 COUNTRIES

MAIN CATEGORIES

(Total sales %)

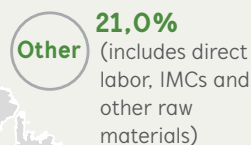


Market share in Colombia



RAW MATERIALS AND OTHER

(Production cost %)



21,0%
(includes direct labor, IMCs and other raw materials)

Other countries
Sales: 40,7%

Colombia
Sales: 59,3%
Production facilities: 4



Malaysia
Production facilities: 1

OUTLOOK FOR 2018

- We will continue to develop our brands both in Colombia and abroad, looking to achieve an increased appreciation for the beverages.
- The international B2B activities will be strengthened in order to achieve the growth of key accounts and the development of new differentiated opportunities.
- We will look for initiatives that would boost our productivity in

accordance with the Organization's strategy.

- We will maintain a control over costs and expenses, along with an optimal management of the working capital focused on the return on equity and profitable growth.
- We will work on ensuring an organic growth, supplementing it with related businesses and new strategic opportunities.

Presence of our main brands
[GRI 102-2]

Brands with sales over USD 50 Million

Production facilities



Tresmontes Lucchetti



RELEVANT ASPECTS FROM 2017

Chile

- We focused on profitability.
- We consolidated our position in the coffee market by focusing on Gold Premier brand.
- We entered the cereal bar market with our Livean brand.
- We opened and started operations in our new distribution center in Enea, Santiago de Chile.
- We improved all the

performance variables of the Kryzpo potato chips.

- The profitability of our powdered drink mixes was increased and competitive containment was achieved in the pasta market.

Mexico

- Our profitability in the beverage market was increased.
- We made significant

progress in the industrial pasta product market.

- We achieved growth and consolidation in the distribution of third-party supplementary products.
- Our productivity was optimized, securing thus better profitability ratios.

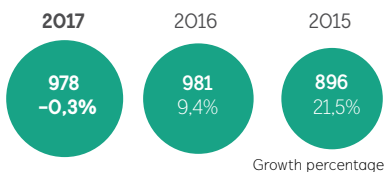
Justo García Gamboa | President

[Part of Nutresa since 2013]

55 years old

SALES COP billion

Total Sales



CAGR 4,5%*

* Compound Annual Growth Rate

Tresmontes Lucchetti represents



of Grupo Nutresa's total sales.

International Sales

USD million



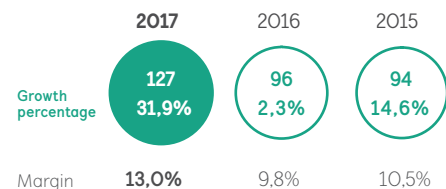
CAGR 0,7%*

The international sales represent



of the total business unit sales.

EBITDA COP billion



CAGR 16,2%*

Represents



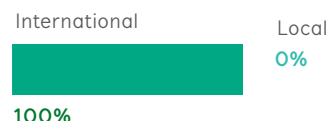
of Grupo Nutresa's ebitda.

EMPLOYEES



4.795

(Direct employees, indirect employees and apprentices)

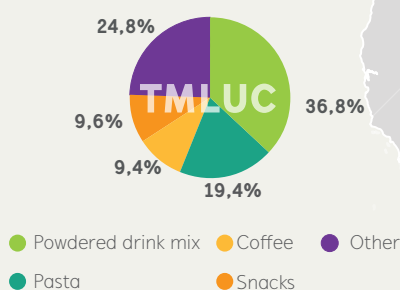


33,3% 66,7%
(Direct employees and apprentices)

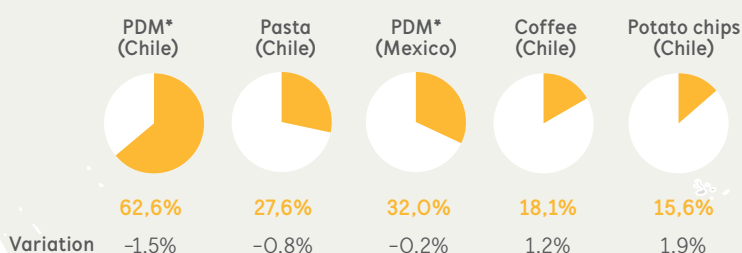
DIRECT PRESENCE IN 5 COUNTRIES

MAIN CATEGORIES

(Total sales %)



Market share



*Powdered drink mix

OUTLOOK FOR 2018

Chile

- Venture into a new category of the Group to deliver more power to the portfolio
- The new cereal bar category will be consolidated to boost Grupo Nutresa's portfolio.
- We will ensure the progress, consolidation and profitability enhancement of our coffee and potato chips categories.
- We will maintain the monitoring of our performance in the powdered drink mix market in order to ensure the profitability and boost the demand.
- We will foster the consolidation

and development of the food service segment.

- The working capital will be optimized.
- We will put emphasis on the productivity variables.

Mexico

- We will continue to boost the powdered drink mix category by means of an effective innovation.
- We will strengthen the industrial pasta product department.
- Our service will be consolidated with the new distribution alliances.
- The working capital will be optimized.

RAW MATERIALS AND OTHER

(Production cost %)

53,8%
(includes direct labor, IMCs and other raw materials)

28,7%
Packaging material

10,0%
Wheat

3,6%
Coffee

1,0%
Oils and fats

2,9%
Sugar

Mexico
Sales: 18,1%
Production facilities: 1

Other countries:
Sales: 9,9%

Chile
Sales: 72,0%
Production facilities: 3

Presence of our main brands
[GRI 102-2]

Brands with sales over USD 50 Million

Production facilities

Retail food



RELEVANT ASPECTS FROM 2017

- We consolidated the "Cultura Hamburguesa" (Hamburger culture) in El Corral and we continued to work on the renovation of assets and to launch new products.
- We focused on customer support to provide a differentiated service to our customers.
- The Beer Station and Papa Johns' service coverage was broadened in Colombia.
- We reinforced the new point-of-sale information platform for Leños y Carbón, Leños Gourmet and Corral Gourmet.
- We launched the new organizational culture strategy called "Restauranteros de Profesión" (Professional restaurantmen), with the purpose of increasing the sense of belonging and commitment of our people.
- In Pops, we continued to work on the expansion plan to increase our presence in the region.
- In Bon, we consolidated the customer service and experience model. This consolidation produced positive results with regard to sales.

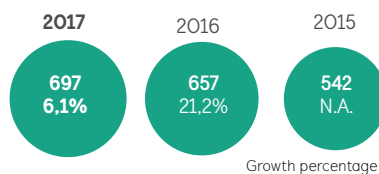
Juan Chusán Andrade | President

[Part of Nutresa since 2013]

53 years old

SALES COP billion

Total Sales



CAGR 13,4%[▲]

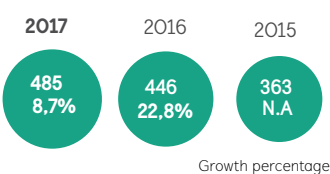
*Compound Annual Growth Rate

The Retail Food Business represents



of Grupo Nutresa's total sales.

Sales in Colombia



CAGR 15,6%

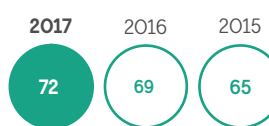
The sales in Colombia represent



of the total business unit sales.

International Sales

USD million



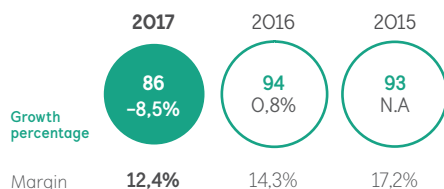
CAGR 5,2%

The international sales represent



of the total business unit sales.

EBITDA COP billion



CAGR -3,8%[▼]

Represents



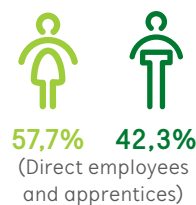
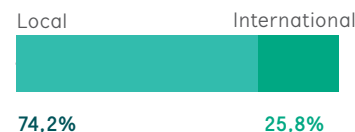
of Grupo Nutresa's ebitda.

EMPLOYEES



7.428

(Direct employees, indirect employees and apprentices)



DIRECT PRESENCE IN 6 COUNTRIES

Market share

#1



In hamburgers and steakhouse categories in Colombia



In ice cream shops in Costa Rica and the Dominican Republic

OUTLOOK FOR 2018

- We will continue to work on renovating El Corral's assets and opening points of sale.
- The new launches and campaigns will be strengthened.
- We will expand the Beer Station and Papa Johns' brands in both new and existing markets in Colombia.
- We will develop and implement technological platforms that would allow us to increase our sales and improve our productivity in multiple departments. We will also broaden the point-of-sale information platform in Beer Station and Papa Johns.
- We will strengthen the current model of ice cream parlors, both in Costa Rica and the Dominican Republic, and will continue with the expansion of the model in the geographies in which we participate.

RAW MATERIALS AND OTHER

(Production cost %)

Otros

35,6%

(includes direct labor, IMCs and other raw materials)



29,4%

Meat (includes beef, pork and chicken)



10,9%

Packaging material



14,7%

Milk



6,7%

Oils and fats

2,7%

Sugar

Centroamérica

Ventas: 17,2%
Points of sale: 195



República Dominicana y el Caribe

Ventas: 13,3%
Points of sale: 293



Colombia

Ventas: 69,5%
Points of sale: 388



yogen früz



Presence of our main brands
[GRI 102-2]



Brands with sales over USD 50 Million



Points of sale

Ice Cream Nutresa



RELEVANT ASPECTS FROM 2017

- We started the implementation of our new market entry model.
- We achieved a positive management of the key raw materials, which allowed us to have an outstanding performance in the cost of sales over the second semester of the year.
- We opened new distribution centers in Cartagena, Pasto and Montería, which allows us to be closer to our customers and to improve our service levels in the corresponding regions.
- The wastewater treatment systems were expanded and improved in the Bogotá production plant.

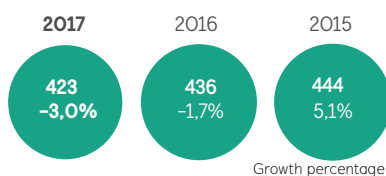
Mario Alberto Niño Torres | President

[Part of Nutresa since 2006]

51 years old

SALES COP billion

Total Sales



CAGR -2,3%* ✓

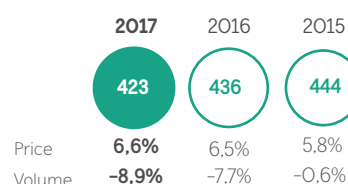
*Compound Annual Growth Rate

The Ice Cream Business represents



of Grupo Nutresa's total sales.

Sales in Colombia



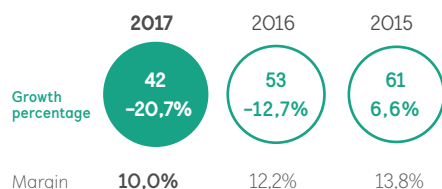
CAGR -2,3%

The sales in Colombia represent



of the total business unit sales.

EBITDA Miles de millones de COP



CAGR -16,8% ✓

Represents



of Grupo Nutresa's ebitda.

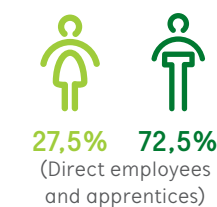
EMPLOYEES



2.424

(Direct employees, indirect employees and apprentices)

Local International
100% 0,0%



(Direct employees and apprentices)

DIRECT PRESENCE IN ONE COUNTRY

RAW MATERIALS AND OTHER

(Production cost %)

Other

55,2%

(includes direct labor, IMCs and other raw materials)



16,5%

Packaging material



18,3%

Milk



4,1%

Oils and fats

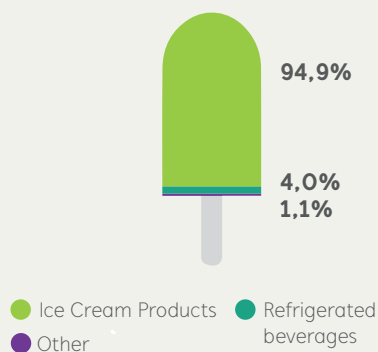


5,9%

Sugar

MAIN CATEGORIES

(Total sales %)



Outlook for 2018

- The market entry model will be consolidated, ensuring better customer satisfaction levels and a greater profitability.
- We will continue to improve our understanding of consumers in order to guarantee effective innovations for the market.
- Our brand portfolio will be optimized with the purpose of focusing our investment, and ensuring our leadership and the preference of both consumers and customers.
- We will implement the productivity and efficiency projects to improve the profitability indicators of the Business.
- The organizational structure will be managed in accordance with the specific challenges of the Business.



Presence of our main brands
[GRI 102-2]



Brands with sales over USD 50 Million



Production facilities



RELEVANT ASPECTS FROM 2017

- We obtained positive results in sales thanks to our innovation work and our effective brand management.
- Doria, the leading brand in the Colombian market, maintained its growth based on effective innovation and differentiation, and it ventured into the ready-to-serve sauces for pasta.
- We increased our production capacity focusing on a higher efficiency. This increase was achieved by using technologies that demand a lower energy consumption and improve the performance of the final product, supporting our profitable growth in sales.

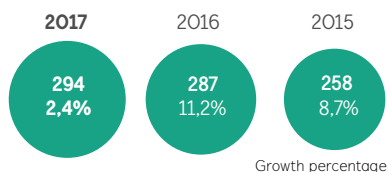
Fabián Andrés Restrepo Zambrano | President

[Part of Nutresa since 1996]

43 years old

SALES COP billion

Total Sales



CAGR 6.7%* 

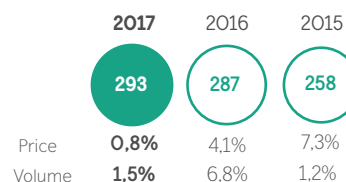
*Compound Annual Growth Rate

The Pasta Business represents



of Grupo Nutresa's total sales.

Sales in Colombia



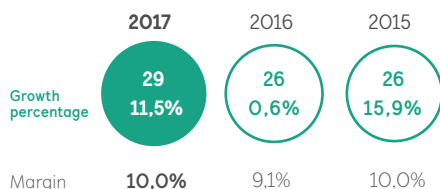
CAGR 6.5%

The sales in Colombia represent



of the total business unit sales.

EBITDA COP billion



CAGR 5.9% 

Represents



of Grupo Nutresa's ebitda.

EMPLOYEES



724

(Direct employees, indirect employees and apprentices)

Local International
100% 0.0%



28.7%



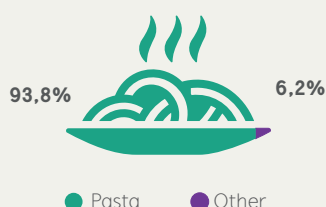
71.3%

(Direct employees and apprentices)

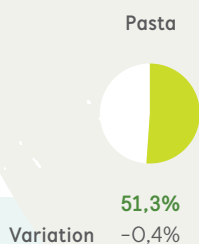
DIRECT PRESENCE IN 4 COUNTRIES

MAIN CATEGORIES

(Total sales %)



Market share in Colombia

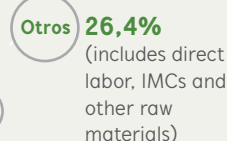
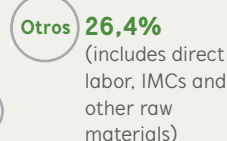
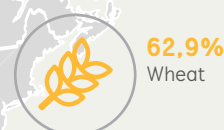


OUTLOOK FOR 2018

- We will continue to grow in the category and to strengthen the role for each brand in the segments they are aimed at, putting the emphasis on the affordability and on an adequate price-value ratio.
- We will increase the profitability of the Business, strengthen the value of our brands, look for new operational efficiencies, and explore new markets and categories.
- We will work on achieving growth in the international markets where we operate and we will venture into new territories.

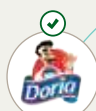
RAW MATERIALS AND OTHER

(Production cost %)



Other countries
Sales: 0,3%

Colombia
Sales: 99,7%
Production facilities: 2



Presence of our main brands
[GRI 102-2]

✓ Brands with sales over USD 50 Million

🏭 Production facilities



Commercial Networks

RELEVANT ASPECTS FROM 2017



Álvaro Arango Restrepo
President until 2017

[Part of Nutresa since 2001]

57 years old

- We made progress with the Brands and Networks Management Model, and we deepened our knowledge on consumers, shoppers and customers to keep on strengthening the value proposition of our key brands.
- We continued to refine our processes and tools for market follow-up and analysis in order to have a positive impact on the decision-making process and to make progress on our strategic price management.
- We aligned the portfolio, the service methods and the commercial management elements

with the specific needs of each customer segment.

- We expanded the coverage of the fidelity plans for the mini-market customers by supporting their sustainability and increasing their loyalty.
- We reinforced the direct consumer support channels, which led to making progress on the number of households reached.
- We promoted new brands, line extensions and new presentations of existing brands in the market to address consumer segments in which we were not participating before, as well as shopping

missions with nutrition, well-being and pleasure solutions.



Juan Fernando Castañeda Prada
Vice President, Marketing and Sales
-Commercial Networks from 2018

[Part of Nutresa since 2011]

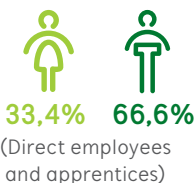
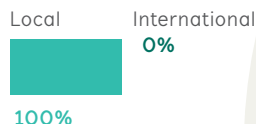
50 years old

EMPLOYEES



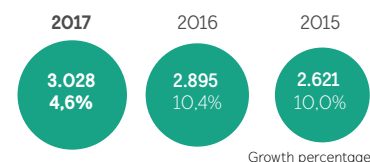
6.992

(Direct employees, indirect employees and apprentices)



TOTAL SALES

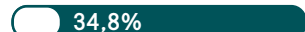
COP billion



CAGR 7,5%*

*Compound Annual Growth Rate

Commercial Networks represents



of Grupo Nutresa's total sales.

Commercial Networks sales includes Comercial Nutresa, Novaventa and La Recetta

OUTLOOK FOR 2018

- We will continue to advance with the customer-focused organization model, prioritizing the customer segmentation process in order to be able to strengthen our value propositions, our service model and our portfolio of proposals.
- We will make progress in the Brands and Networks Management Model by boosting our marketing investment follow-up and analysis tools for our key brands.
- We will continue to consolidate our knowledge on customers, consumers and shoppers, and integrating such knowledge into the design of proposals, strategies and activities that generate the preference and a higher value for our brands.

- We will strengthen the understanding of the strategies of our priority customers from the major supermarket chains, minimarket and wholesaler channels in order to evolve the collaboration model and find better value propositions and solutions suitable to their needs.
- We will reinforce the specialized and alternative channels with the aim of expanding their scope to households and institutional customers.





RELEVANT ASPECTS FROM 2017

- We performed an effective cost-to-serve management and strengthened the strategic sourcing model, causing a positive impact on the expenditure of the businesses.
- We ventured into new free-economic-zone processing capabilities, boosting the services rendered from said platform and contributing to the new business models that are being developed.
- We achieved a higher level of satisfaction in the survey of our clients attitude to our service, as our score went from 79 in 2016 to 79.8 in 2017.
- We were re-certified as a Familiarly Responsible Company, achieving a level of excellence in labor conciliation practices. This achievement allowed us to become the leaders in this field in Latin America.
- We were an essential part of the chain of trust and secure commerce of the export products from the businesses in Colombia and Costa Rica to other countries.

Sol Beatriz Arango Mesa | President

[Part of Nutresa since 1992]

56 years old

EMPLOYEES



936

(Direct employees, indirect employees and apprentices)



47,9%



52,1%

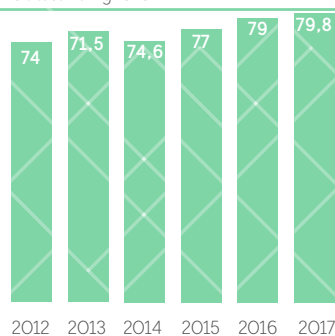
(Direct employees and apprentices)

Local International



Client satisfaction measurement evolution

Outstanding level



Types of services

Shared services

- Administrative and real-estate
- Financial
- Risk and control
- Human and Organizational
- Development
- Technological

Corporate services

- Innovation, Markets Intelligence,
- Media and Sustainability

Transverse support

- Fundación Nutresa, Vidarium and Gestión Cargo

OUTLOOK FOR 2018

- We will incorporate new digital transformation projects and technologies that would boost the innovation and productivity in the shared services and in Grupo Nutresa's businesses.
- New categories and geographies will be explored for the strategic sourcing in order to reduce costs, improve the competitiveness opportunities, identify new synergies and maintain an effective expenditure management.
- We will provide tools for risk management and contribute to the creation of master plans focused on growth and business continuity.
- We will continue to develop practices that make a positive contribution to the productivity of the human resources and that promote a balance in the employees' personal, family and work life.



Fostering profitable growth *and effective innovation*



Grupo Nutresa focuses its efforts on the generation of a differentiated offer of products, brands and experiences in multiple market segments, based on an innovative culture in terms of processes, products and business models.



**A FUTURE
TOGETHER**

Profitable growth in the markets and reliable brands with an excellent price-value ratio

Developing strategic markets profitably with brands, distribution networks and value propositions that deliver memorable and differentiated experiences fulfilling consumer, shopper and customer needs, motivations and purposes in life.

Simultaneously, understanding markets', cultures' and societies' new realities through the Brands and Networks Management Model, and a brand and products portfolio based on consumers' everyday pursuit of a higher quality of life, identity and lifestyle.

Strategy

[GRI 103-2]

Strengthening the differentiated value propositions of brands and networks.

Progress

[GRI 103-3]

- > Grupo Nutresa deepened its knowledge of customers, shoppers and consumers throughout the entire strategic region, aligning the value propositions, the processes and a market-centric Organization culture.
- > The Organization worked on specializing networks' value propositions based on the understanding and segmentation of customers to ensure their satisfaction and loyalty.

Managing brand and product portfolio in accordance with market needs.

- > The strategies and resources were focused on the most powerful brands.
- > A special emphasis was made on products and consumer experiences, keeping in mind the Consumer Segmentation Model.

Strengthening commercial networks and generating customer loyalty.

- > Looking to improve customers' experiences and ensuring their loyalty value propositions were modified including differentiating elements for each segment.
- > In the Retail Food Business, thirty restaurants were renovated to improve the consumer experience.

Strengthening the internationalization model.

- > The Brands and Networks Management Model was extended to the strategic region, incorporating best practices regarding price, communication and portfolio, among platforms and new markets.



Minimarket
channel
marketer from
Comercial
Nutresa,
Colombia.



Employees from Pops, Retail Food Business, Costa Rica.

Risks and opportunities [GRI 103-1]

Grupo Nutresa identified the following aspects as key opportunities in order to dinamize sales in the strategic region: developing value propositions that capture consumers' and shoppers' attention by offering a more intimate experience, the use of distribution networks and logistical capabilities to broaden access to households, and differentiation through innovation to face new low price retail and private labels.

For the Organization, there's always a risk of losing its market share against competitors due to price differences and more relevant value propositions for consumers or customers. Therefore, the Company needs to consider key aspects such as: ensuring consumer preference by offering differentiated experiences and improving nutritional profiles in order to work through consumption barriers; offering new alternatives, especially options related to a healthier diet; strengthening the distribution network by integrating the online and offline worlds, and venturing into new production technologies and contract manufacturing.

Grupo Nutresa also needs to continue its preparation to mitigate the risks related to the new regulations and market and consumer demands in terms of healthier products and more transparent information, the economic slowdown, the exchange rates volatility in some countries, and consumption taxes increase in other countries.

Outlook

Grupo Nutresa will keep evolving as a market-centric organization. Value propositions are created to respond to consumer, shopper and costumer need states based on our understanding of them in order to in order to create differentiated experiences and sustainable relations with them.

Brands will continue to work based on the organization's consumer segmentation model. This model is based on food and beverages consumption and purchase motivations allowing opportunities to be identified minimizing redundancy efforts and strengthening mega-brands throughout all productive units.

Also, developing new category innovations, value propositions improvements, expansion to other countries, maximizing coverage and taking advantage of opportunities where Grupo Nutresa's brands have low presence are to be achieved leveraged by the market understanding based on this model. This based on an adequate price management and on efficient investments, both of which guarantee profitability increase and growth.

The distribution networks will continue to support the presence and brand market share. Market entry models will be adjusted according to customer segments searching for coherency. The specialization of service methods and improvements in visibility are differentiating aspects that will boost brand presence in retail stores.

Success stories and acknowledgments [GRI 103-3]



Cold Cuts launched the new 35g Pietrán Snack with only 40 calories per portion, which is a good protein source, is 97% fat free and has a 25% reduced sodium content. This new product totaled COP 1,26 billion in sales over just three months, representing more than 4% of the brand's sales. This sum exceeded the sales expectations by 20%



Tosh brand was awarded the Gold Effie Trophy in the Sustained Brand Success category, which acknowledges brands that have been able to maintain their success in time, evaluating their performance over the past three years.



Chocolates entered the spreadable product category with Jet Crema, attracting new consumers and increasing consumption frequency. With more than COP 7,0 billion in 2017, the total sales for this new product amounted for three times the sales budget.



Strengthening of the Nutresa Express Pods in 2017: A 15% market share was achieved over the first year.



Biscuit's Saltín Noel brand was ranked as one of the top 10 most-often chosen brands by Colombians, according to the Kantar World Panel "Brand Footprint" study (2016), which was published in 2017. In the food sector, it is the fourth most often chosen brand in the country, with the highest market penetration level among the top 10 brands.



Ice Cream launched the "Artesanos del postre" (Dessert artisans) campaign, which reinforced the Company's position in the artisan ice cream market with a 13,2% growth rate.



Pasta launched the Doria Sauces, which enabled the brand to enter the sauce product category with a differentiated value proposal and leveraged the brand's value, boosting the brand's growth.



Tresmontes Lucchetti in Chile attained an accelerated growth of its Café Gold brand with a 24% increase in the revenue in comparison with 2016, and it consolidated its share in the granulated coffee in glass containers category, with a 90% growth by Gold Premier.

Effective **innovation**

Supporting the achievement of the Organization's strategic goals transversely by using innovation as a results-boosting capability and as an engine of growth.

For Grupo Nutresa, effective innovation consists in the correct understanding of the needs of both customers and consumers, which translates into products, services, processes and business models that contribute solutions and add value.

Strategy

[GRI 103-2]

Implementing the innovation strategy and structuring the governability model.

Progress

[GRI 103-3]

- > Grupo Nutresa presented the evolution of the Imagix model to the Directive Committees of the Organization's Businesses.
- > The 2018-2020 strategic innovation plan was defined on each one of its fronts, and it was approved by the Corporate Innovation Committee.

Strengthening the innovation programs: "Éxitos Innovadores" (Innovative Success Stories), "Prácticas Ejemplares" (Exemplary Practices), "Soluciones Innovadoras" (Innovative Solutions) and Out of the Box.

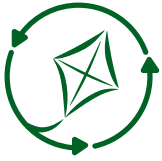
- > Nine challenges for Innovative Solutions were launched.
- > Bénet, the second Out of the Box project was scaled, with excellent results in the market.
- > The third Out of the Box call for entries was launched.
- > 4.606 Innovative Success Stories were acknowledged.
- > Four Exemplary Practices were rewarded.

Building Grupo Nutresa's innovation projects portfolio.

- > The Organization developed an indicator dashboard that will allow to manage the projects of the portfolio to ensure the contribution of innovation to growth.

Consolidating the knowledge management culture.

- > Grupo Nutresa created a strategy for strengthening the synergy communities and developed the action plan.



Grupo Nutresa promotes innovation environments that enable co-creation and the generation of ideas.

Risks and opportunities

[GRI 103-1]

Grupo Nutresa's engine of innovation is its human capital and its main challenge is to strengthen the implementation and achieve the evolution of its innovation programs. For this purpose, the Company organizes acknowledgment events and awards, such as the Exemplary Practices program, which have the purpose of highlighting the results of outstanding projects that are replicable in other businesses and countries.

For the Organization, it is a priority to be aligned with the dynamics of its environment and context, and to understand innovation beyond the product. Therefore, Grupo Nutresa develops forward planning processes that enable it to operate in advance, maintain its leadership in the food sector, and be at the forefront of the industry. Additionally, the Company identified the main gaps in order to boost the capabilities and bring innovation to other fields, which is why it is important to review the forward planning exercises

and adjust their direction if necessary.

There is a great opportunity to articulate the culture, the processes, the resources and the ecosystem in order to generate intra-entrepreneurship capabilities and build an ideal innovation portfolio based on the talent, on the knowledge and on indicators that allow to perform a timely management. All these actions will be conducted by means of the implementation of the Imagix Innovation model in the strategic region.

Grupo Nutresa has identified risks related to the implementation of the effective innovation, one of which is not reading the changes in the Organization's environment and context at the right time. Such changes could consist in legislations, provisions regarding packaging, intensive use of resources, price and availability of raw materials and commodities, among other, for which the Organization has monitoring and prevention mechanisms.

Outlook

Grupo Nutresa gets ready to deal with the multiple challenges of the industry at the right time, maintaining its leadership in the region and getting prepared to face any other challenges posed by the market. That is why for 2020, the Organization has set the goal of achieving innovation-driven sales equivalent to 15% of the total sales and seeks to achieve 0,3 Innovative Success Stories per employee.

The Company will continue to gather efforts for the application of the new innovation strategy and the articulation of the Imagix model in order to ensure the comprehensive management of both innovation and the portfolio of short, medium and long-term projects. A greater emphasis will be laid on the innovation that is focused on social and environmental aspects, and the innovation-related incentives and acknowledgments for employees will be reassessed.

It is a great challenge to create strategies that allow to operate in alignment with the evolution of the legislations in the regions where Grupo Nutresa runs its businesses, which is why intra-entrepreneurship will be incorporated and

The second **Out of the Box project – Bénet**— was started, with excellent results in the market

the relation with the ecosystem will be strengthened in the management of innovation. A global vision will be developed with local operations and additional expert capabilities will be created for the development and incubation of disruptive long-term projects.

In search for a better profitability in all Businesses, technological and differentiating alternatives will be integrated to reduce the dependence on high-fluctuation raw materials.

Finally, the Organization will have a better understanding of the lifestyles, consumption trends, aspirations and needs of both customers and consumers, enabling thus the generation of new value propositions.

Launch of the Granuts product innovation, Chocolates Business.



Success stories and acknowledgments [GRI 103-3]

Bénet is highlighted as a successful case for being a disruptive innovation project from Grupo Nutresa's Out of the Box program. With this new brand, which was launched in June, the Company enters the "Specialized Nutrition" market. This powdered nutritional beverage with 26 vitamins and minerals, 10 g of protein, fiber and vitamin B complex can be found in all the big supermarket chains, self-service stores, main drugstore chains and in Novaventa's catalog. In its first five months, it has been very well received and it has surpassed the expectations with figures that reaffirm the validity of its purpose: **making the difference in the nutrition of Colombians with comprehensive and affordable nutritional formulas and a broad availability.** Furthermore, this innovation has generated a new productive capability in Gestión Cargo's service portfolio.

Granuts is another success story as it stands out for offering mixes of peanuts, nuts and dried fruits. In less than two years Granuts has reached 18 countries and, for 2018, a 152% sales growth is expected with regard to the previous year. To get these results, the Organization implemented actions with several approaches, in different geographies, with a locally implemented global vision and an agile execution when responding to the market as a competitive advantage

Another success story worth highlighting is the work of the **Cold Cuts Business' research and development team, whose members designed a thermal process simulator.** This tool has allowed them to optimize one of their critical processes, product pre-cooking, and it has enabled them to define the most important parameters of the process based on mathematical algorithms that simulate their behavior in the multiple stages. With said parameters, it has been possible to reduce the design times by 80%, decrease the testing costs by 60% and free production line times. This tool is protected with copyrights because it is an initiative achieved with the knowledge developed by the Cold Cuts business as part of its research work, and it is not commercially available

Promoting a **healthy lifestyle**



The wellbeing of the consumers is a priority for Grupo Nutresa, which is why it works on promoting healthy lifestyles, producing nutritious and safe food, and ensuring an adequate communication that builds trust and allows to make conscious and informed decisions.



Nutrition, healthy lifestyle and responsible marketing

Offering products and menus that provide the consumers with alternatives that meet their nutrition and well-being expectations, and actively promoting healthy lifestyles by means of awareness-raising and education campaigns and programs.

Grupo Nutresa's imperative commitment is to encourage responsible consumption through clear labeling and unabridged advertising that allow the consumer to make informed decisions.

Strategy

[GRI 103-2]

Progress

[GRI 103-3]

Adjusting the nutritional profile of the products.

- > A total of 2.984 products adjusted to the Nutresa nutritional profile were consolidated, achieving 95% of the goal set for 2020.
[G4- FP6] [G4-FP7] [SDG 2.1]

Implementing the front-panel nutritional label in all the products.

- > 86,3% of the portfolio complies with the front-panel labeling requirements.

Promoting healthy lifestyles.

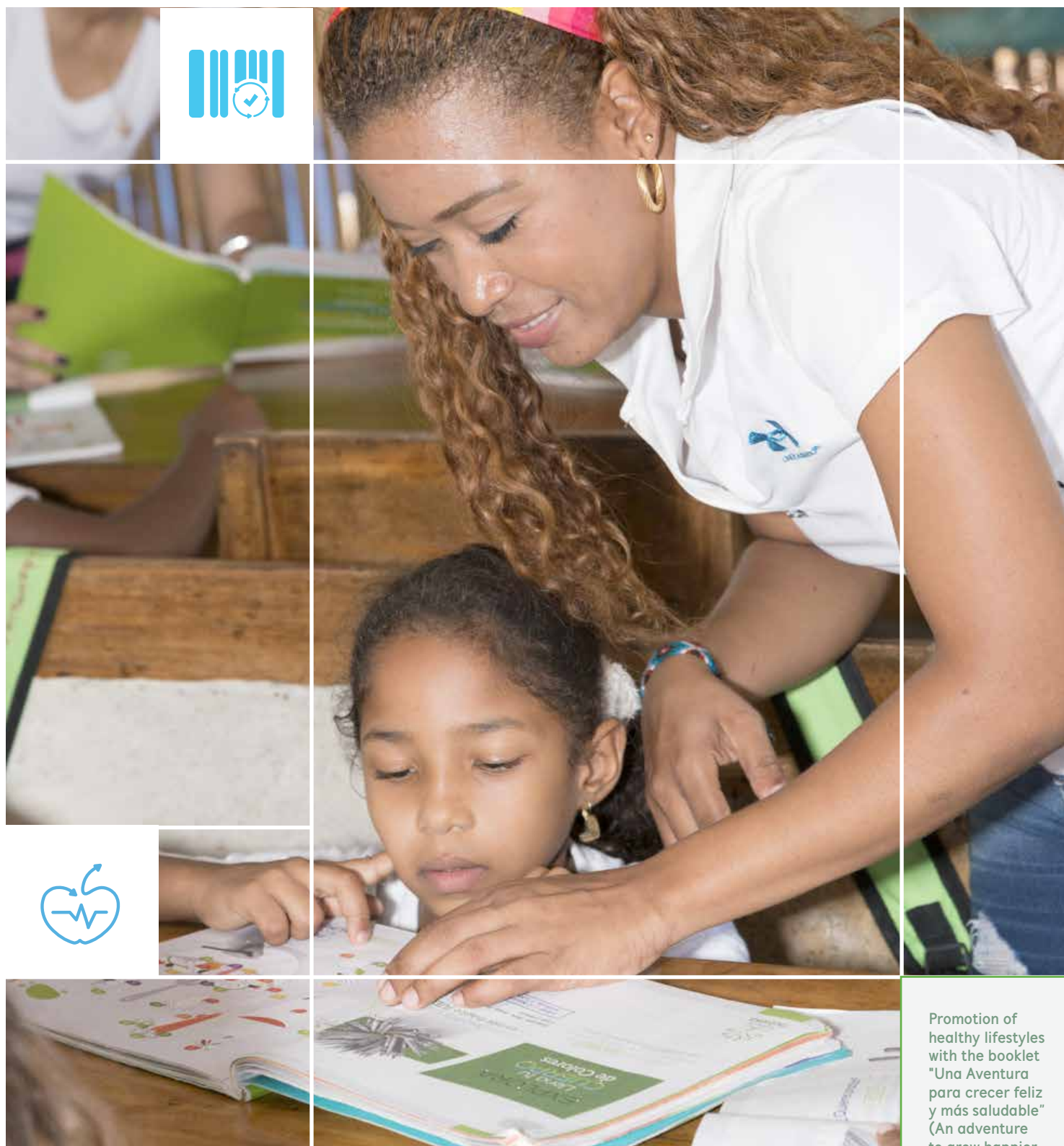
- > The Organization continued to work on the program of training in habits of a healthy diet, physical activity and hygiene practices in 22 education institutions and 20 district entities in Colombia.
- > Progress was also made in the Espacios Saludables (healthy environments) program in Acatlán de Juárez, Jalisco, benefiting 1.834 children from three public primary schools.

Reducing the nutrients of interest in public health.

- > In the last three years, 236 products have been reformulated in sodium, 100 in sugar and 80 in saturated fat.
- > The Cold Cuts Business worked on the reduction of nitrites in 69 meat products.

Managing the advertising responsibly.

- > The Company performed self-regulation actions with regard to the advertisement for kids between the ages of six and twelve according to the self-regulation criteria agreed upon with the Colombian National Business Association's Chamber of Food.



Promotion of healthy lifestyles with the booklet "Una Aventura para crecer feliz y más saludable" (An adventure to grow happier and healthier) at the Barbacoas education institution in Cartagena.



Grupo Nutresa promotes healthy lifestyles and physical activities in rural communities in Colombia.

Risks and opportunities

[GRI 103-1]

The global public health conditions indicate that malnutrition is increasing. United Nation's annual report about food security and nutrition, published in 2017, points out that hunger increased around the world, affecting 815 million people, 11% of the world's population, which represents an increase of 38 million with regard to 2016. Furthermore, obesity is a reason for concern because 641 million adults are obese and 41 million kids younger than five are also overweight. This fact confirms the nutrition and healthy lifestyle promotion challenge for the food sector, increasing the pressure in terms of obesity and chronic diseases.

The foregoing drives governments to adjust their regulatory frameworks by determining the composition of food products, marketing and advertising, the product offering areas and the tax measures. It also causes alerts among the social groups that deal with health issues.

Grupo Nutresa is aware of obesity's multi-causality and of its capacity to contribute to the improvement of the health conditions of the population in the strategic region through its products, clear nutritional information and the promotion of healthy lifestyles. Its contribution is focused on supporting consumers' decision-making process to enable them to transform their eating habits.

Outlook

Grupo Nutresa set the 2020 objective of multiplying by 2.5 its portfolio of products that meet its healthy profile standards. To achieve this goal, the strategy is based on delivering quality of life to the consumers by means of product and menu alternatives that meet their nutrition, health and well-being aspirations, and on promoting strategies for the promotion of healthy lifestyles and an informed decision-making process.

The Organization will maintain its product reformulation, front-panel labeling, advertising self-regulation and healthy lifestyle promotion programs. In the long term, the Nutrition, Health and Wellbeing Research Center (Vidarium) will work on understanding, from the scientific point of view, the health issues with the purpose of proposing new ways of nourishment that allow to contribute to the consumers' quality of life.

Additionally, the Healthy Lifestyles strategy in Mexico, Colombia and Chile will allow to

have a proven model for the implementation of healthy practices in the education community by 2020. Moreover, the public-private alliances established with entities such as the Colombian Ministry of National Education, UNICEF, the Worldwide Food Programme, the National Institute of Public Health of Mexico, Universidad de Chile's INTA (Institute of Nutrition and Food Technology) will strengthen Grupo Nutresa's participation in the preparation and improvement of public policies for the implementation of the strategy.

Success stories and acknowledgments

[GRI 103-3]

As a success story, Grupo Nutresa highlights the 25% reduction in the sodium levels and the "good source of proteins" statement in half of the portfolio of the Cold Cuts Business' **Zenú and Pietrán brands**. This achievement has been possible thanks to the research work conducted by the Organization about sodium in the food matrix, and to the use of fat, which has allowed to replace animal fats **with vegetable** fats, reducing the **saturated fat** and cholesterol contents.

Grupo Nutresa has a differentiated product portfolio focused on meeting the needs of consumers.



Food security

Designing and undertaking initiatives focused on the eradication of hunger, which create possibilities of nutrition and development of capabilities for communities in the strategic region. Also, implementing actions focused on the reduction of food loss and waste in Grupo Nutresa's value chain

Strategy [GRI 103-2]

Implementing food security actions in rural and urban communities in Colombia.

Progress [GRI 103-3]

- > The implementation of healthy nourishment systems was continued in the Colombian departments of Chocó, Córdoba, Bolívar, Magdalena and Meta.
- > 301 families received training in organic agriculture, implementation of irrigation systems, seedbed and bio-factory construction, and healthy lifestyles.

Reducing food loss and waste in Grupo Nutresa's companies.

- > The Company socialized the Food Loss and Waste Reduction Policy at the strategic level with the purpose of standardizing their knowledge and ensuring the implementation of the policy at all levels.
- > The Organization participated in the technical workgroup for the construction of the national guidelines for the Prevention and Reduction of Food Loss and Waste in collaboration with Prosperidad Social (Social Prosperity) and the Food and Agriculture Organization of the United Nations.
- > Grupo Nutresa also remained in the board of directors of the Colombian Food Bank Network and actively worked to develop the capabilities of people from the entire network.
- > 19 food banks in the strategic region have improved their rating of the Sanitary Hygienic Profile with respect to the previous year.



GERMINAR
Markets in Chocó,
Colombia.



Grupo Nutresa supports the nourishment of kids and adolescents in school cafeterias in Colombia.

Risks and opportunities [GRI 103-1]

Climate change and the deterioration of the environment have an impact on both biodiversity and food production. This puts food security at risk, especially in low-income populations, including the one in Grupo Nutresa's value chain. That is why implementing actions aimed at mitigating the malnutrition problems and increasing the sustainability of the food production systems in this communities becomes a top priority.

The mitigation of hunger becomes a priority in the areas where Grupo Nutresa operates because it puts the quality of life of both its human capital and the community in general at risk. The Company implemented strategies focused on developing the necessary capabilities for the adoption of practices that allow to increase the conservation and improve the distribution of food in the communities. Therefore, said strategies contribute to the mitigation of the risk related to the access to a balanced and healthy diet in those communities.

Finally, the development of our allies' capabilities becomes a priority due to the reputational risks that might be caused by an inadequate handling and final disposal of the products, and in order to ensure the quality and safety of the food.

Outlook

As part of its 2020 goal, Grupo Nutresa will implement one thousand capability development projects, including the construction of more than 7.000 square meters of healthy nourishment system facilities in rural and urban communities. The Organization will also provide technical advisory support to ensure the learning of matters such as alternative crop operation, healthy and balanced consumption of the food produced, the implementation of good agricultural practices for the adequate use of the soil, and the management of drought situations and floods caused by climate change.

The Company will continue to strengthen the food banks and other organizations that receive our products with the purpose of ensuring the safety in the handling of the food. Grupo Nutresa will also keep developing their administrative, infrastructure-related, quality-related, logistical and innovative capabilities by providing tools that allow them to achieve their self-management and sustainability.

Grupo Nutresa will implement the Food Loss and Waste Reduction Policy to improve the efficiency of the processes and to prevent the loss and waste of resources and products. In turn, the Organization will contribute to the reduction of hunger in the regions where it operates by maintaining the quality standards and ensuring the safety of its food products, which are actions aligned with the Sustainable Development Goals 2 and 12 (Zero Hunger, and Responsible Production and Consumption).

301 families
received training in
organic agriculture,
 implementation
 of irrigation systems,
 seedbed and bio-factory
 construction
 and healthy lifestyles.

Success stories and acknowledgments

[GRI 103-3]

As a success story, it is worth highlighting **the start-up of the GERMINAR Markets**. In this project, more than 301 farmers from the Chocó and Montes de María regions participated in community training and empowerment activities focused on relevant matters such as the preparation of small productive gardens, implementation of irrigation systems, and seedbed and bio-factory construction, among other. This achievement led to the consolidation of eight healthy nourishment systems for the benefit of rural and urban communities, through which more than 1.900 kg of healthy products were obtained.

Another success story is **the implementation of a bio-garden in Peru's Aldeas Infantiles SOS Callao** by the Chocolates Business. One hundred square meters of nourishment systems were built with the purpose of improving the quality of life and well-being of 47 children and adolescents who are now able to have access to their own fresh and organic vegetables. The Organization also trained more than one hundred people in construction and maintenance of organic crops, resource and biodiversity conservation, and solid waste management.

Healthy
 nourishment
 systems of the
 GERMINAR
 project in Chocó,
 Colombia.



Reliable **food**

Ensuring the satisfaction, well-being and nutrition of consumers with safe and high-quality products under a strict compliance with the legal framework, and with an excellent service supported by quality management and food safety systems.

Strategy

[GRI 103-2]

Consolidating the implementation, certification and maintenance of the management systems.

Progress

[GRI 103-3]

- > **The following certifications were maintained:**
 - ISO 9001 Quality:** 30 operation centers.
 - BPM (Good Manufacturing Practices):** 10 operation centers.
 - HACCP (Hazard analysis and critical control points):** 23 operation centers.
 - ISO 22000:** 1 operation center.
 - Standards recognized by the GFSI –Global Food Safety Initiative– (IFS, BRC, FSSC 22000, SQF):** 11 operation centers.
 - Product certifications:**
 - Kosher:** 9 operation centers.
 - Halal:** 5 operation centers.
 - Fair Trade:** 2 operation centers.
 - Orgánico:** 1 operation centers.
 - Rainforest Alliance:** 1 operation centers.
 - Commercial security:** 8 operation centers are BASC certified.
 - In the agricultural sector:** 92% of the pig farms are certified in good livestock breeding practices and animal well-being under the Resolution 2640 of 2007 granted by the ICA (Colombian Institute for Agriculture and Livestock).
- > **New certifications were obtained:**
 - ISO 9001:** Setas de Colombia and Servicios Nutresa Costa Rica.
 - BRC, Global food safety and quality standard:** Tresmontes Lucchetti, Valparaíso production plant.
 - Sedex Members Ethical Trade Audit (SMETA):** Coffee Business, Medellín.
 - UTZ – Sustainable Agriculture:** Coffee Business, Medellín.

Model for the comprehensive protection of food.

- > Grupo Nutresa reinforced the product authenticity chapter by incorporating (into all its Businesses) practices that prevent the tampering with economic purposes, especially in all aspects related to the raw materials.

Ensuring the compliance with the legal regulations for materials that make contact with food and beverage products.

- > Both the suppliers and the Businesses conducted the diagnosis to ensure the compliance with the regulations for materials, objects, containers and appliances destined to make contact with food and beverage products.



Quality laboratory
of the Coffee
Business in Ibagué,
Colombia.



Production line in Abimar, Biscuits Business, United States.

Risks and opportunities [GRI 103-1]

With the purpose of consolidating its legal monitoring and surveillance processes, Grupo Nutresa has identified the tacit risks associated with food safety both in Colombia and in the international platforms to avoid regulatory noncompliance in the countries where it operates and commercializes its products. The risks assessed by the Organization are: contamination, non-compliance with specifications and product tampering. Failure to control them could cause events that would affect the health of consumers and the Company's reputation.

The foregoing becomes an opportunity not only to comply with the provisions of the regulations, but also to actively participate in the preparation, discussion and review of public proposals related to quality and safety matters in the countries where Grupo Nutresa operates.

Additionally, another aspect that represents a challenge for the Organization is to maintain trustworthy relations and constant communication with its customers, because an inadequate management of this matter could cause reputational crises and loss of trust from consumers.

The Organization will continue to establish control measures in the productive processes that **prevent the contamination and tampering of the products** and promote the compliance with the specifications.

Outlook

With the purpose of preventing and eliminating the risks assessed by the Organization in the short and medium term, the plans will be focused on evaluating, selecting and developing trustworthy suppliers. Another focal point of the plans is to establish control measures in the productive processes that prevent the contamination and tampering of the products and promote the compliance with the specifications. Grupo Nutresa will continue with the training in matters such as process knowledge, products and quality control measures, HACCP, Food Defense and safety-focused preventive control measures, among other.

In 2018, the Company will disclose and socialize the

Corporate Manual for Crisis Situations both in Colombia and in the platforms of all Businesses. Finally, the Organization will continue to work on the consolidation of the integrated management system model to capitalize the knowledge of the Businesses in terms of regulations and standards related to all the management systems and the human, technical and lab infrastructure resources. The purpose of the foregoing is to identify synergies and to harness savings and the best practices in order to boost Grupo Nutresa's competitive and leading position.



Hamburger preparation in the Retail Food Business, Colombia.

Success stories and acknowledgments [GRI 103-3]

The Chocolates Business, in its Rionegro production plant, **received for the third consecutive year the AA rating as part of the certification in the global food safety standard, BRC V7**. This is the highest acknowledgment under this standard, which is recognized by the GFSI, demonstrating the Organization's strong commitment toward the quality, legality and safety of its products.



The Pasta Business' Monticello brand received the **Superior Taste Award 2017** from the Belgian International Taste & Quality Institute (iTQi) for the Pesto alla Genovese and Napoletana sauces due to the superior taste of these products. This achievement exhibits the Company's care in every single detail and strict commitment to the quality standards.

Managing the *value chain responsibly*



Grupo Nutresa manages the comprehensive development of employees to improve their productivity and quality of life, and also includes social and environmental variables in the supply chain and strengthen the distribution network with sales channels that allow an adequate offer of products in the market.



Development of **our people**

Promoting the comprehensive development of the human capital with the purpose of achieving the availability, commitment and productivity of the employees, guaranteeing their capabilities and talents in the short, medium and long term to secure the achievement of the Organization's goals.

Strategy

[GRI 103-2]

Progress

[GRI 103-3]

Strengthening the talent recruitment and attraction channels and actions.

- > Grupo Nutresa's brand as an employer was strengthened, facilitating the identification and incorporation of key talent. 1,5% of the candidates were recruited through social networks.
- > 779 call for entries were published, enabling equal opportunities for employees and third parties.

Consolidating practices to plan, train and develop the human talent.

- > The Organization implemented plans for training activities through the Servicios Nutresa school in the fields of innovation, sustainability, leadership, business ethics and bilingualism, getting the participation of 2.466 employees.
- > The map of key positions and talents in Grupo Nutresa was updated to ensure the availability of talented people who contribute to the fulfillment of the Company's long-term objectives.
- > 211 internships and 439 internal promotions were executed across all Businesses both in Colombia and abroad. These practices contribute to the preparation of the best talent and ensure the retention and satisfaction of employees.

Managing the employees' performance and productivity.

- > The employee results management process was consolidated and new talent productivity measurement indicators were defined. These indicators provide valuable information for the decision-making process and contribute to the competitiveness of the companies.

Managing the organizational climate, the commitment and the psychosocial risks.

- > 24 companies carried out the measurement of organizational climate, commitment and psychosocial risk. The goal for 2017 in terms of organizational climate was 83,2% and the consolidated result of the measurement was 83,3%. However, low levels were obtained in the results for psychosocial risk.

Developing capabilities for the supply chain.

- > 94 people (suppliers and contractors) were trained in matters of business continuity and workplace safety and health management, strengthening thus the development of capabilities in the supply chain.

Strengthening the volunteer service as a scenario for the development of the human capital

- > 13.002 employees organized and carried out 21.912 volunteer actions with the purpose of mobilizing the solidarity, cooperation and talent.



Employees
from Servicios
Nutresa,
Colombia.



Employees from
Opperar, Colombia.

Risks and opportunities [GRI 103-1]

The identification of key talent to ensure the availability of ideal professionals is a permanent challenge on guaranteeing the fulfillment of the strategic goals, as well as having development plans and retaining strategies aimed at securing their permanence and commitment. Additionally, several generations currently interact in the work environments, which is a reality that demands the variation and incorporation of proposals suitable to all lifestyles, preferences and expectations.

The organizational design and the working styles become opportunities to boost the development of people. Therefore, the hierarchical structures need to be reconsidered in order to reinforce the collaborative work, by projects and as a network, achieving thus a lighter and swifter organization. Furthermore, the employees' self-development and the professional growth represent a challenge that must be faced by means of more effective strategies, such as the virtual training and the digital culture, which boost the development of a global organization.

Finally, poverty and inequality are variables that remain in Grupo Nutresa's strategic setting and that have a negative impact on negotiation, operation and human talent development scenarios. That is why performing volunteer actions represents, in the long term, an opportunity for the development of the employees' talents through strategies that favor the social and economic improvement of the territories.

Outlook

The main employee development actions will be focused on bridging gaps and improving the capabilities of the human talent through the continuity of the training programs and by means of development scenarios such as internships and project assignments. This development scenarios will allow them to experience practical learning situations that will enable them to take on new challenges and responsibilities.

The Organization will continue to develop capabilities in the fields of innovation, sustainability, prioritization of the customers and consumers, digital skills, bilingualism and leadership. In the same way, the Company will keep consolidating management systems that promote the balance in the employees' personal, family and work life.

Moreover, the Organization will focus on measuring the performance and productivity of people using tools that allow to identify the roles and employees who contribute the most to the business. The measurement of the organizational climate will evolve into a more comprehensive measurement that not only will consider the perception of people's satisfaction regarding the Company, but that will also allow to identify the level of maturity of the processes, the culture, the leadership and the structure in search of a balanced Organization.

Finally, the corporate volunteer service will be fostered as a scenario for the strengthening of the talent and as a tool to attract and retain ideal professionals, offering development opportunities to the human talent of both the Company and the communities Grupo Nutresa interacts with.



Graduation ceremony of employees from the Chocolates Business, Mexico.

Success stories and acknowledgments [GRI 103-3]



Grupo Nutresa was acknowledged as the best company in the field of human talent management in Colombia in the first Portafolio Awards held in 2017. Additionally, Merco Talento acknowledged the Organization as the second best company to work for in Colombia and the first from the food sector.

The **Chocolates Business in Peru** was granted the **Good Employer** certification by the Association of Good Employers, which is sponsored by Peru's American Chamber of Commerce. This accolade highlights the respect, care, recognition and development of the employees in a harmonious work environment.

The **Chocolates Business** in Mexico was acknowledged by the Mexican National Government for its contribution to the improvement of the people's quality of life and for being a role model in the business sector. This acknowledgment was related to the graduation of 92 employees from basic education, secondary education or technical programs.

Quality of life

Promoting safe and healthy work environments that contribute to the reinforcement of a self-care culture and to the well-being and balance of the employees, positively influencing thus their productivity and commitment to the Organization.

Strategy

[GRI 103-2]

Managing the workplace safety and health based on world-class standards.

Progress

[GRI 103-3]

- > The Organization conducted the maturity diagnosis regarding workplace safety and health management of Sura (occupational risk insurance administrator) in 16 of Grupo Nutresa's Colombian companies. The results of this diagnosis showed an average of 79,84% in terms of the progress in the level of excellence.
- > The Company obtained the OHSAS 18001 certification for the Cold Cuts Business' production plants in Bogotá and Barranquilla, and for Novaventa's facilities in El Carmen de Viboral.
- > There was an improvement in the indicators of accidents suffered by direct employees as the accident frequency rate went from 2,11 in 2016 to 2,02 in 2017.

Mitigating the occupational illness risk in Grupo Nutresa's companies.

- > The Organization consolidated the relocation of 381 employees who perform high occupation risk jobs.

Strengthening the management model for workplace safety and health for suppliers and contractors.

- > Positive results were achieved in the indicators of accidents suffered by contractors as the accident frequency rate went from 4,44 in 2016 to 4,27 in 2017.

Promoting the balance in the employees' work, personal and family life.

- > Three companies attained the Familiarly Responsible Companies certification (abbreviated EFR in Spanish) in 2017.
- > From the seven companies that were re-certified, Servicios Nutresa was scored with the A level, becoming the only company with such a high rating in Latin America.

Measuring and managing the psychosocial risk.

- > The psychosocial risk measurement was conducted in Colombia. The results show that 70,3% of the employees are free of this risk.



Grupo Nutresa promotes the balance in the employees' work, personal and family life.



Employees from the Chocolates Business, Colombia.

Risks and opportunities [GRI 103-1]

One of the factors that affect the development of the workplace safety and health management is the absenteeism caused by common illnesses and occupational illnesses, which hamper the productivity and the quality of life of all employees. Therefore, Grupo Nutresa executes programs focused on developing capabilities related to employee relocation, repetitive process automation, employee rotation (to ensure employees do not remain in the same role for long periods of time), continued prevention to minimize the risks identified for each job, as well as the permanent execution of health promotion and illness-injury prevention programs.

A positive component of the quality of life management is the balance in the employees' work, personal and family life, which allows to increase their sense of belonging. Therefore, the Organization has been incorporating (Familiarly Responsible Company) management systems and practices such as flexible hours, telecommuting, time bonuses and internships, which generate commitment, satisfaction, a higher level of retention of the human talent, increase in the productivity, improvement of the organizational climate and consolidation of the organizational culture.

Grupo Nutresa has established guidelines to connect the Familiarly Responsible Company model with the Organization's strategic planning, which is also consistent with the mission, vision and corporate values promoted among all employees. Moreover, the leaders act in an exemplifying manner as promoters and facilitators of the model, taking it to all the levels of the Company.

Outlook

The Organization will continue to work on reducing the accident frequency rate with 1,7 as a goal for 2020, and will strive to prevent the growth of occupational illnesses. Additionally, the Company will make sure that all of the employees who have work restriction are reassigned to roles where their condition does not intensify. Furthermore, Grupo Nutresa will establish a base line to be able to define a goal for the reduction of the rate of absenteeism due to occupational illness. This challenge will be extended to suppliers and contractors, who will continue to be audited in aspects related to sustainability and monitored to check on their management plans.

The Organization will also continue to implement actions focused on maintaining the level of excellence achieved in the 2017 Excellence Management measurement performed by Sura (occupational risk insurance administrator) in the fields of health, safety, balance and equality. For this purpose, the Company will implement the gap-bridging plan that has already been defined.

Grupo Nutresa will continue to manage the psychosocial risk to make sure it is maintained at low levels and to ensure the consolidation of the illness/injury prevention and healthy lifestyle promotion plans with the aim of reducing the cardiovascular and overweight risks among all employees. This will allow to contribute to the Company's productivity and to minimize the absenteeism.

Finally, the Organization will work on achieving that, by 2020, all its companies will have incorporated the criteria of the Familiarly Responsible Company management model, ensuring thus the implementation of practices that promote the life balance and contribute to the construction of Grupo Nutresa's brand as an employer.

Success stories and acknowledgments [GRI 103-3]

The Colombian Heart Foundation awarded **Servicios Nutresa** the 2017 Responsible Hearts Award in the certified company category for its culture plan named **"Organizaciones Saludables del Programa Activa tu Corazón"** (Healthy Organizations from the Activate your Heart Program), which seeks to transform the life of the employees through the promotion of healthy lifestyles.



Servicios Nutresa was rated **A+** for its level of excellence in the **Familiarly Responsible Company** re-certification process. This is the highest level for the Latin American companies which are certified. Additionally, Alimentos Cárnicos, Zenú and Molino Santa Marta were certified under the Familiarly Responsible Company standard

Familiarly Responsible Company –efr in Spanish– acknowledgment awarded to Servicios Nutresa.

The company of the Biscuits Business in Costa Rica, **Pozuelo**, was granted the **ProNutri** certification due to its commitment to the health of its employees as it improved their nutritional health and made sure they learn the necessary knowledge in a healthy environment, enabling them to have a better quality of life.



ProNutri Certification granting ceremony, Pozuelo, Costa Rica.

Responsible **sourcing**

Ensuring the continuity of the business, capitalizing opportunities and managing the risks which are not directly controlled by the Company by incorporating economic, social and environmental variables in the management of the supply chain.

Strategy

[GRI 103-2]

Improving and broadening the coverage of the strategic sourcing model.

Progress

[GRI 103-3]

- > 65 employees from the negotiation department were trained in the strategic sourcing methodology.
- > The implementation of the strategic sourcing model was started in the marketing services and media categories with savings close to COP 1,2 billion.
- > 457 initiatives were executed based on the strategic sourcing methodology with savings totaling COP 86,23 billion in Chile, Peru, Dominican Republic, United States, Central America and Colombia.

Bridging sustainable sourcing gaps.

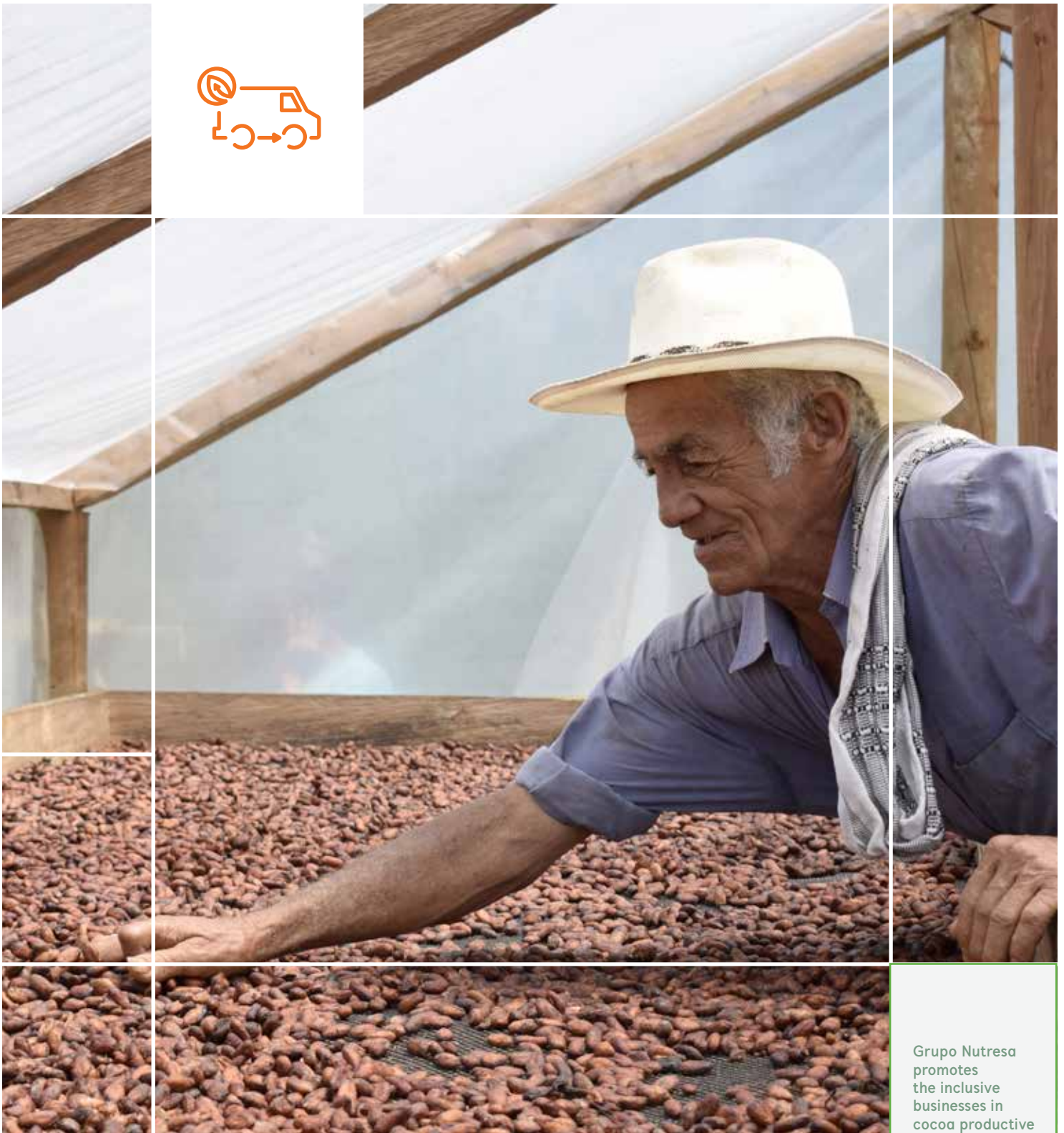
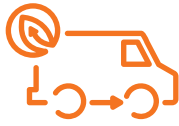
- > The project consisting in the diagnosis of the palm oil production chain conducted jointly with the World Wildlife Fund (WWF) was completed. This collective work allowed to identify the main risks that must be managed. The Organization has already started the same diagnosis in the livestock field and it will be completed in 2018.

Promoting the implementation of inclusive businesses and the development of organizational capabilities among farmers.

- > 462 hours of training were invested in 32 community organizations from productive projects, strengthening their organizational model for the benefit of 1.477 Colombian farm families.

Incorporating sustainability-focused audits.

- > The Company audited 45 goods and service suppliers in sustainability, generating improvement actions that supplement the gap-bridging plans.
- > 54 training sessions were organized and held for suppliers to deal with matters related to sustainability.



Grupo Nutresa promotes the inclusive businesses in cocoa productive chains in Colombia.

Risks and opportunities

[GRI 103-1]

The sustainable management of the negotiation and sourcing processes enables Grupo Nutresa to address risks such as the high volatility in the prices of direct raw materials; the shortage caused by climate change; the practices related to quality, sustainability and animal well-being; the generational replacement intensified by the migration of farmers to the cities; Human Rights violations; and the management of critical level-2 suppliers.

For this purpose, the Organization has incorporated, in the selection and hiring stages, environmental and social criteria and it has developed conduct policies and codes that ensure their implementation throughout the entire supply chain. Additionally, the Organization has been consolidating the

responsible sourcing model with the aim of fulfilling the needs and expectations of its diverse stakeholders.

Finally, the risks in the palm oil production chains have been identified, which enabled the Organization to define strategies to address them. Moreover, it is an opportunity to capitalize the analysis of the value chains of the main raw materials and thus work jointly with the suppliers on the reduction of both the social and environmental impacts.

Outlook

Grupo Nutresa will work on equipping its sourcing process with the best digital procurement by means of initiatives such as virtual purchase catalogs and electronic invoicing processes based on an effective implementation plan. Furthermore, the contract management, internal information analysis and purchase processes will intensively use support systems designed for ensuring the traceability of the entire supply chain and boosting the negotiation processes.

The Organization will continue to work on the development of capabilities in community organizations that produce goods used by the Company, increasing thus their socioeconomic level and income generation, and improving the quality of life of all people involved. Additionally, Grupo Nutresa ensures the continuity of the sourcing, the quality of raw materials and the efficient use of the resources.

The Organization will continue to use open innovation and co-creation as collaborative work strategies with stakeholders in order to assure the quality of the products and to look for new supplies or sourcing models with value added. The purpose of these actions is to respond to the challenges of the growing demand for new products and to make sure they fulfill high nutritional profiles.



In 2017, Grupo Nutresa supported the cashew productive communities with training meetings and the GERMINAR project.



Winner of the Exemplary Supplier Award in the SME category: Astek

Winner of the Exemplary Supplier Award in the Large Company category: Johnson & Johnson S.A.



Success stories and acknowledgments [GRI 103-3]

Program for the Development of Small Durum Wheat Suppliers in Chile. This program was developed by the Tresmontes Lucchetti Business in alliance with the Agricultural and Livestock Research Institute and the Agricultural and Livestock Development Institute in search for the productive integration of small producers. This integration is achieved through the generation of capabilities and a social-technical support network, the promotion of short commercialization circuits, the transfer of research, and by incorporating small farmers who get a full seed purchase subsidy.

Winners of the third edition of the Grupo Nutresa Exemplary Supplier event held in 2017. In this edition, 23 accolades were awarded to 20 of approximately 200 suppliers that participated in Colombia, Costa Rica and Peru. This program is aimed at systematically identifying and recognizing practices, projects and initiatives related to the economic, social and environmental sustainability of the suppliers.



The full list of winners can be found at the following website:

[CLICK HERE](#)

Responsible *sales*

Providing customers with differentiated value propositions that contribute to their growth, profitability and sustainability, and that allow Grupo Nutresa to harness value through their satisfaction and loyalty, and to contribute to the development of the communities by means of their commercial relations.

Strategy

[GRI 103-2]

Designing and delivering differentiated and sustainable value propositions to ensure customers' satisfaction and loyalty.

Progress

[GRI 103-3]

- > Grupo Nutresa continued to develop value propositions in order to deliver differentiating elements to the customers and to tackle the challenges of a changing market.
- > The annual satisfaction measurement was carried out, obtaining an 88,3 score in Colombia and 88,7 in the international operations.
- > Loyalty was measured, resulting in a 75,0 score for Colombia and 77,5 for the international operations, which represent levels of excellence in both measurements.

Implementing loyalty and engagement strategies to develop and strengthen customers' capabilities.

- > More than 15.000 customers were benefited with the customer loyalty and engagement programs.

Developing and aligning processes to ensure memorable experiences for the customers.

- > Simple, agile, efficient and flexible service models were designed in alignment with the needs of the customers in order to ensure the delivery of an adequate value proposition.
- > Consistent, differentiated and value-generating service experiences were developed.

Consolidating inclusive and sustainable business models that contribute to the development of customers.

- > The Organization worked on bridging gaps in the following four inclusive businesses that involve base-level communities: the Ice Cream Business, Comercial Nutresa, Novaventa and the Biscuits Business in Costa Rica.



Minimarket
channel marketer
from Comercial
Nutresa, Colombia.

Risks and opportunities

[GRI 103-1]

In a market where products are increasingly commoditized, the growth of commercialization formats focused on low prices and own brands can be observed. Furthermore, the increasing regulations and demands for healthier products challenge Grupo Nutresa to keep strengthening value propositions that generate differentiation and experiences that ensure the sustainability in time for both the Organization and the customers. The small Colombian businesses are the most affected by this reality, which is why the Company implements support and development strategies to ensure they remain being competitive.

Customers, consumers and buyers becoming increasingly informed and demanding the technological changes that make powerful real-time communication and interaction channels available, represent a latent risk for Grupo Nutresa. Therefore, the Company needs to be prepared in order to provide said stakeholders with mechanisms for communicating their needs, generate service experience, assure brands' reputation, and promote the innovation of products and experiences that fulfill the stakeholders' needs.

Finally, due to the complexity of the distribution networks operation, the management of the distributors network becomes a key opportunity for the Organization to capitalize. They have an essential role in the delivery of value proposition to the customers. For this purpose, Grupo Nutresa has established a model for the development, alignment and strengthening of their capabilities, which is focused on ensuring their sustainability and the delivery of a flawless service.



Novaventa's Mom-entrepreneurs celebrating during the "Día Diamante" (Diamond Day) event.

Outlook

Grupo Nutresa set the goal for 2020 of maintaining the levels of excellence in the satisfaction and loyalty of the customers from the networks in both Colombia and the strategic region. The Organization plans to attain this goal by means of the knowledge and understanding of customers, consumers and buyers, which allows to identify the segments that present the highest level of opportunity and thus adjust the value propositions and boost their growth.

The Company will continue to work on the implementation and evolution of the customer-centered organization, adapting the processes and adjusting cultural elements so meet the needs and expectations of both customers and consumers through value propositions.

Moreover, the digital strategy will be consolidated to guarantee the customers' experience through the implementation of omnichannel technological platforms and the redefinition of agile, efficient and customer-centered processes. Grupo Nutresa is also exploring the creation of environmentally-friendly visibility elements and the optimization of the transport routes with the purpose of reducing its environmental impact.

The Organization will also continue to consolidate its strategy of inclusive businesses that involve small base-level customers with the aim of implementing and executing comprehensive actions focused on improving the customers' quality of life, mitigating the environmental impact generated in the process, and ensuring the return of the benefit of the investment to the Company.



Strengthening the commercial networks, La Recetta, Colombia.

Success stories and acknowledgments [GRI 103-3]

The company of the Biscuits Business in Costa Rica, Pozuelo, was awarded two acknowledgments due to its 2017 management work: the first one was granted by **Canacodea (National Chamber of Traders, Retailers and the Like)** recognizing the company as a **supplier of excellence**; and the second accolade was granted by Walmart, recognizing the company as one of its top suppliers.

La Recetta received the **"Trabajo en Equipo" (Teamwork)** award from its customer **Compass Group** in recognition for its support in the development, service quality and compliance with requirements.

In 2017, Comercial Nutresa developed the **"Provincia Fuente de Riqueza" (Provinces, sources of growth)** project, managing to get the participation of more than **180 customers** from remote Colombian populations. The objective of this project was to improve their competitiveness by implementing commercial initiatives, transferring knowledge and organizing activities focused on the attraction of business traffic to their businesses.

Building a **better society**



Grupo Nutresa focuses on the empowerment of teachers and teaching directors, in order to promote competitiveness in the community and the educational quality. In addition to promoting respect for human rights with stakeholders.



Human rights

Consolidating an inclusive and diverse work culture by means of a management system that promotes the respect for the Human Rights and good labor practices, and that contributes to the innovation, attraction and commitment of the human talent.

Strategy

[GRI 103-2]

Ensuring the effectiveness of the Human Rights management system.

Progress

[GRI 103-3]

- > The Human Rights risk assessment was updated in all the Businesses in Colombia and in ten international operations.
- > Seventeen discussion sessions led by the Strategic Human Rights Committee were organized and held. Based on these discussion sessions, the Organization assessed the 2017 plan and identified opportunities to continue consolidating the management system in 2018.
- > The complaints mechanisms were consolidated with 113 cases managed by the Cohabitation Committees through the Ethics Hotline and 18 reports of possible Human Rights violation cases in issues related to discrimination.

Raising awareness and providing training in Human Rights.

- > Human Rights management was included in the "Actúo Íntegramente" strategy (I act uprightly).
- > 8.164 employees received training in matters related to Human Rights.

Consolidating diversity-related and inclusion practices.

- > The Organization consolidated the incorporation of 288 people with any type of disability in the Cold Cuts, Biscuits, Coffee, Retail Food and Ice Cream Businesses.

Developing capabilities among the leaders in order to enable them to promote and manage the respect for Human Rights, developing a mentality open to diversity and inclusion.

- > Grupo Nutresa implemented the Transformative Leadership Program, which promotes the respect for people, the importance of the eradication of prejudices, and the capability to work with diverse teams. 54 employees from all of the Company's Businesses participated in this program.

Developing Human Rights management capabilities among suppliers and contractors.

- > The Organization provided training in matters related to Human Rights, diversity, inclusion and good labor practices to 115 people within the framework of the cocoa producers meetings in the Caribbean and Chocó regions in Colombia.

Promoting the freedom of association and collective bargaining.

- > 14 agreements were signed with unions and employees, consolidating thus a total of 37.



Grupo Nutresa fosters the respect for Human Rights and values diversity in its work teams.



The sessions included awareness-raising activities regarding matters of diversity and inclusion.

Outlook

By 2020, Grupo Nutresa's Businesses will work on being at the forefront in terms of diversity-related and inclusion practices, and they will strive to ensure the incorporation of global talent, the strengthening of policies that promote gender equality and a broader participation of minorities in the workforce.

Additionally, the Organization will intensify its work with allies from the value chain to make sure that suppliers, contractors and customers also incorporate the best practices in this regard. The Company will continue to develop the capabilities of its leaders by means of training and empowerment so that they become the main promoters of a culture that values diversity in all its forms. Grupo Nutresa will also continue to promote participation and discussion mechanisms with both employees and third parties in order to identify improvement opportunities.

Another challenge is to maintain the relevance of the complaints and reporting channels and mechanisms, and to encourage employees to use them, in order to demonstrate the effectiveness of the strategies and the trust with regard to the management of said mechanisms.

For this purpose, the Organization will implement strategies focused on developing leaders, incorporating gender equality practices in all the companies, bridging gaps in the management of suppliers and contractors, and strengthening the programs aimed at the incorporation of people with disabilities.

Risks and opportunities [GRI 103-1]

Grupo Nutresa sees a great opportunity to attain a high level of differentiation in the market and to boost its results by effectively managing Human Rights and promoting diverse and inclusive environments. By attracting differentiated human talent, the Company fosters innovation and the certainty of making the most out of the employees' potential. Therefore, Grupo Nutresa focuses its efforts on complying with the Human Rights Policy and ensuring the alignment of the actions of its leaders and employees with it.

The Organization has a tactical Human Rights committee that lays out the strategies for bridging the gaps identified on the risk matrices, in the audits to suppliers and contractors, in the discussion sessions on Human Rights and the ones reported through the complaints mechanisms. Its work is approved and assessed by the Strategic Human Rights Committee, which directs and establishes the guidelines regarding the work priorities.

The Company has focused its work over the past years on addressing the risks that have the possibility of affecting its operation the most. Said risks are the violations against the right to freedom of association and collective bargaining, the violations against Human Rights by contractors and suppliers, the conditions of safety and health in the workplace and work harassment. The identified risks are minimized by means of cultural strategies, training activities for leaders and actions implemented by all Grupo Nutresa companies.



Global Compact awards event. From left to right: Margarita Ducci, Executive Director of Red Pacto Global Chile (Chile's Global Compact Network); Felipe Lira, Tresmontes Lucchetti's Manager of Corporate Matters; Silvia Rucks, United Nations Representative in Chile; Hans Eben, Chairman of the Global Compact Network.

Grupo Nutresa will continue to intensify its work **with allies from the value chain** to make sure that suppliers, contractors and customers also incorporate the best practices regarding the prevention of contamination and tampering.

Success stories and acknowledgments [GRI 103-3]

The Tresmontes Lucchetti Business in Chile received an **acknowledgment in the Human Rights category for its promotion of and respect for the fundamental rights within the company.** This accolade was granted within the framework of the study that measures the level of integration of the United Nations Global Compact principles into the management of companies.

Quality of **education**

Developing pedagogical, leadership and management capabilities among teachers and academic directors by implementing pertinent, effective and sustainable initiatives that have an impact on the improvement of learning and boost competitiveness in the community in order to contribute to the reduction of inequality.

Strategy

[GRI 103-2]

Progress

[GRI 103-3]

Developing leadership and school management capabilities in the direction, academic, administrative, community and co-existence departments.

- > The academic improvement processes of 408 education institutions were developed established and supported in Colombia.
- > The school climate was measured in 162 schools with the participation of almost 65.000 teachers, directors, students and parents, evidencing a satisfaction level of 68,4% among the school community.

Strengthening the digital capabilities of the school communities.

- > The technological capabilities of 535 teachers and 46 academic directors were reinforced. The teachers and directors belong to 19 education institutions from the Colombian departments of Antioquia, Bolívar, Cauca, Cundinamarca and Valle del Cauca.
- > 243 classroom projects involving digital tools were designed and implemented.

Developing pedagogical and management capabilities focused on the promotion of healthy lifestyles.

- > The Organization delivered school kits containing 18 elements that favor and promote the learning process of 5.925 kids. The kits also include the "Una aventura para crecer feliz y más saludable" (An adventure for growing happy and healthy) booklet.
- > The Healthy Lifestyles promotion methodology was implemented focusing on the development of capabilities in 41 education institutions. This effort benefits 1.461 students.



Fundación Nutresa supports several communities in Colombia to strengthen the pedagogical, leadership and management capabilities of teachers and academic directors.

Risks and opportunities

[GRI 103-1]

To mitigate the risks associated with low competitiveness among the human capital and insecurity in the strategic region where Grupo Nutresa operates, the Organization promotes education as an opportunity to strengthen the country's human talent with the purpose of increasing the competitiveness and improving the well-being. Furthermore, the Company intends to create a strengthened social capital capable of efficiently addressing the inherent risks of poverty and inequality in the economic and social contexts.

Striving to improve the quality of education constitutes an opportunity to strengthen the countries' human capital and to boost their economies, as it ensures the availability of competitive, participative and innovative people.

The signing of the Peace Agreement is a first moment that engages the entire society to keep on contributing in order to make it a lasting and sustainable peace. However, traces of insecurity and distrust can still be found, which is why Grupo Nutresa is getting prepared in aspects such as diversity management, conflict resolution, Human Rights, education for peace and the promotion of inclusive projects, which are necessary capabilities for the new challenges that Colombia faces.



The Healthy Lifestyles strategy strengthens the capabilities of both the kids and the school community to ensure an adequate decision-making process regarding a healthy diet.

The Company delivered school kits containing 18 elements that favor and promote the learning process of **5.925 kids**.

Outlook

In order to fulfill its goals for 2020 and through Fundación Nutresa, the Organization will continue to develop projects that allow to reinforce the leadership capabilities in education institutions throughout the entire country, as well as the technological and digital capabilities in education environments. Lastly, the "Nutresa Quiere a los Niños en Colombia" (Nutresa cares for children in Colombia) program will be the platform used to support education institutions in boosting the capabilities of more students regarding healthy lifestyles.

In the light of the results from the education line impact assessment, there are short-term actions that allow to adjust the strategies, programs and projects intended to ensure a greater efficiency and a deeper impact of said actions. These actions will be focused on ensuring, in an increasingly improved fashion, a reinforcement of school leadership as an element that boosts a sustainable improvement which can be observed in an increased learning level among the students.

Moreover, the Organization will organize the first experience focused on strengthening peace and co-existence capabilities in post-conflict territories. The education institutions, and particularly the youth, will be the focal point of this intervention.

Success stories and acknowledgments [GRI 103-3]

As a success story, Grupo Nutresa highlights the work performed by Fundación Nutresa in alliance with the Cavalier Lozano Foundation and the Education Secretariat of Cajicá (in the Colombian state of Cundinamarca). The work consisted in supporting the development of leadership and school management capabilities in six education institutions, benefiting more than 8.000 students. Thanks to this effort, all the municipality's public schools ranked high in the Saber 11 (state-organized) tests and in the Education Quality Synthetic Index.

The 21st Century Leaders program contributes to the achievement of the Sustainable Development Goal No. 4 by strengthening the quality of the school management in Colombia.



Reducing the environmental **impact of the operations and products**



Grupo Nutresa works on increasing the eco-efficiency of the supply chain and reducing the environmental impact of the operations and products throughout their life cycle by means of an adequate water management and the reduction in emissions, waste, use of energy and packaging materials.



Water resource **management**

Reducing the direct and indirect impact on the water resources across the entire value chain and mitigating the risks associated with shortage situations or deterioration of the quality of the resources as a priority for the Company's operations and for the communities from its areas of influence.

Strategy

[GRI 103-2]

Progress

[GRI 103-3]

Optimizing water consumption.

- > In Colombia, the Organization developed several projects that allowed achieving a reduction of 3,1% in the consumption of water per ton produced in comparison to 2016, and an accrued reduction of 28,1% since 2010.
- > There was an increase of 1,0% in Mexico, Costa Rica, Peru, Chile and the Dominican Republic with regard to 2016.
- > Water-current recovery processes were optimized in Colombia, obtaining a reuse level of 8,23%, which is equivalent to 107.293 m³.

Reducing the impact on the water resources by means of the adequate management of water disposals.

- > The Cold Cuts, Ice Cream and Chocolates Businesses worked on the establishment and optimization of their wastewater treatment plants, investing a total of COP 4,7 billion.

Managing the water resources in the value chain.

- > The Organization worked jointly with the World Wildlife Fund and with Cuenca Verde Water Fund on water protection activities and on the reduction of the impact across the entire supply chain.
- > 22 sustainability audits were performed on contractors and suppliers to verify aspects related to the sustainability of the water resources, among other environmental matters

Knowing and assessing the water-related risks in the operations.

- > The assessment of the water-related risks was socialized with the purpose of incorporating them in sustainability gap-bridging plans that ensure their mitigation in the long term.

Consolidating the model for establishing the real price of water.

- > The real price of water was integrated as a regular practice in the financial assessment of the projects to promote water saving.



Wastewater treatment plant of the Pasta Business.



Biscuits
Business
production
plant in the
United States.

Risks and opportunities [GRI 103-1]

Grupo Nutresa recognizes that water resources are vital for the communities with which it interacts, for the continued and sustainable production of raw materials, for the operations and for the distribution of its products. Central and South America are considered to be regions with abundant water resources. However, they have high population concentration levels, an issue that, along with other factors, compromises the availability and quality of water.

The risk regarding availability, quality and accessibility of the water resources has been included in the Organization's risk catalog as an emerging one due to the fact that its operations may be interrupted by pressures related to the water resources. This inclusion allows to invite our stakeholders to assess their impact and to take actions focused on mitigating it with an annual monitoring in the strategic risk matrix. The water-related risks in the value chain are monitored by means of several impact assessment studies and will be integrated to the assessment in the risk management system to subsequently develop treatment measures for the operation centers.

In response, Grupo Nutresa continues to work on the reduction of water consumption, achieving a reduction of 28,1% for the production plants in Colombia.

As medium-term and long-term plans, the Organization works on the water-related risk evaluation, on the measurement of the water footprint and on the disclosure of good practices and policies to the stakeholders from its sourcing chain.

Outlook

One of Grupo Nutresa's strategic priorities is the reduction of the environmental impact of its operations and products, and the Organization has set a goal for 2020 regarding the reduction of water consumption of -30% in its operations within the framework of the 2010-2020 term. Even though only 2% of the impact of water in the value chain corresponds to the direct operations, this is an important challenge for the Organization. Therefore, Grupo Nutresa will continue to work on the assessment and execution of projects focused on water resource eco-efficiency, both in industrial and logistical operations.

In the short term, the Company will establish treatment measures for the water-related risks identified in the production plants with the purpose of ensuring the continuity of the operations and satisfactory relations with the neighboring communities. Additionally, the Organization will keep incorporating, in the financial assessment of projects, the real value of water according to its calculations. The purpose of this initiative is to visualize, in financial terms, the cost of the impact on water; and evidence the returns arising from the investment in projects focused on the reduction of direct and indirect water consumption and treatment of waste water.

Along the same line, Grupo Nutresa will continue to work on the protection of the water basins and watersheds by means of collective mechanisms such as water funds. The Company will also maintain its investments in the development of better technologies for wastewater treatment and water recirculation, even foreseeing that some of its operation centers will become zero-disposal production plants in the medium term.

Grupo Nutresa achieved a **28,1% reduction in the consumption of water** per ton produced in Colombia for the 2010-2017 period.

Success stories and acknowledgments

Grupo Nutresa was recognized for its water resource optimization management with the following **acknowledgments and accolades: Líder Progresá (Progress Leader) and PREAD Excellence Award** to the Chocolates Business for its production plants in Rionegro and Bogotá; **Social Responsibility in Action Award**, environmental category, to the **Biscuits Business for its production plant in Costa Rica**; inclusion in the Blue Seal Program (organized by Bogotá's Aqueduct and Sewerage Company) to the **Ice Cream Business in Bogotá**.

As a success story, it is worth highlighting the saving of more than 10.800 m³/year in the **Cold Cuts Business' production plants in Bogotá and Medellín** through the implementation of improvements in the basket and cooking-equipment washing processes in the smoking stage.

Another outstanding success story is the saving of more than 3.800 m³/year in the **Chocolates Business' Rionegro** production plant with the structural overhaul of the fire-prevention network. This renovation allows storing the water used for the preventive tests in a special tank for its subsequent use.

One more success story consists in the Social Responsibility in Action Award, environmental category, granted by the Costa Rican-North American Chamber of Commerce to **Pozuelo, a company from the Biscuits Business**, for its water reuse initiative for the equipment washing process. This initiative has allowed reusing more than 1.515 m³ of wastewater in the production plant's sanitary services.

Climate change and air quality

To contribute to the mitigation of and adaptation to climate change by carrying out actions focused on reducing greenhouse gases, permanently searching for the highest energy efficiency, implementing clean technologies, efficiently using the raw materials in Grupo Nutresa's operations, and adapting the products aimed at consumers with a higher level of awareness.

Strategy

[GRI 103-2]

Progress

[GRI 103-3]

Raising awareness about climate change.

- > Grupo Nutresa's Climate Change Policy was created and socialized.
- > Sustainability sessions were held in all Businesses. The sessions were focused on deepening our work on the SDG 13, and awareness was raised regarding the role of all employees in the fulfillment of said SDG as citizens.

Reducing the emissions of greenhouse gases.

- > The Organization achieved an accumulated reduction in the emissions of greenhouse gases scopes 1 and 2 of 41,4% for the 2010-2017 term in Colombia.
- > Grupo Nutresa was supplied with certified green energy, which can be deemed as zero-emissions energy due to the fact that it comes from small hydroelectric power stations and wind power projects. Thanks to this fact, the Organization has reduced the scope 2 emissions by 100% from 2010 to 2017.

Commercial assets with a lower impact.

- > The Cold Cuts and Ice Cream Businesses continue to conduct the progressive replacement of refrigerants of commercial refrigerators with low warming potential refrigerants.

Development of products with a lower environmental impact.

- > The emissions neutrality of Tresmontes Lucchetti's brands Livean and Zuko was maintained
- > The compensation of the Evok brand's emissions was achieved to ensure its carbon neutrality.

Reducing the impact on air quality.

- > The Organization completed the implementation of strategies focused on optimizing the use of fuels, as well as the execution of more effective pollution control systems.



Grupo Nutresa implements strategies focused on optimizing the use of fuels in order to minimize the impact on the air quality.

Risks and opportunities [GRI 103-1]

The regulatory risks of climate change are occurring mainly due to the commitments made in the Conference of the Parties, COP 21 in Paris, whose goals include reductions higher than 40% of the emissions. This has led to legislations with diverse forms of carbon taxes and proposals to establish quotas by sector. Moreover, the physical risks keep on intensifying in the region, tropical storms and hurricanes are getting worse and coming closer to the operation centers.

The foregoing also generates opportunities to address the responsible consumption preferences, favoring the products that have sustainable features. Therefore, it becomes relevant to offer a portfolio with a low carbon intensity in its life cycle or whose carbon footprint would be compensated.

Air quality challenges arise due to the growing problems several cities from the strategic region have been undergoing. This can cause regulatory changes in the allowed levels of

fixed and mobile emissions, introducing restrictions that entail the modification of the logistics of the processes or that can provoke operational and reputational risks.

The foregoing has become an advantage due to the anticipated implementation of advanced mobile technologies and the use of cleaner fuels. Additionally, rethinking the logistical processes can drive efficiencies and improvements to the service conditions that would not have been identified otherwise.

The Organization will continue to work on the **reduction of emissions, on its energy efficiency and on the implementation of clean technologies** that allow to reduce its environmental impact.

Goal for 2020

reducing the total kg of

33%

CO₂ e./t.p.

Outlook

Grupo Nutresa will continue to promote a culture of awareness about climate change by disclosing and socializing, both tactically and operatively, its Climate Change Policy. Additionally, the Organization will keep working on the mitigation of its direct emissions to reduce the environmental impact, as well as its exposure to the tax burdens. Furthermore, the Company will work on establishing adaptation measures in accordance with its vulnerability level. Therefore, over the coming years, it will reinforce its physical and regulatory risk management strategies across the entire value chain, establishing specific plans to address the risks.

With regard to the matters related to the air quality, Grupo Nutresa will continue

to participate in collective efforts with governments and other companies in order to develop proposals of policies, guidelines and incentives that ensure an adequate technological transition that allows to reduce the impact of this issue. In the same way, the Organization will keep improving its industrial processes and the atmospheric control systems to reduce the fixed emissions. Likewise, the Company will work on improving its transport processes to reduce the environmental impact of the fleet of vehicles used to distribute its products with the use of cleaner fuels, the modernization of the engine technology and the efficiency in both driving and route design.



Employees
from Opperar,
Colombia.

Success stories and acknowledgments

[GRI 103-3]

As a success story, it is worth highlighting the purchases of verified carbon credits in the voluntary market to compensate the emissions generated by the direct transport activities of Comercial Nutresa, Opperar Colombia and the Cold Cuts Business, which totaled 1.198 tons of CO₂e. compensated, neutralizing the emissions of these logistical processes over November and December.

Another success story is the launch of the second volume of the Biscuits Business' Clean Transport Handbook, which intends to provide guidance regarding the measurement, mitigation and compensation of the emissions caused by the transport operations. Another purpose of the Handbook is to work with the transport suppliers in order to assess, analyze good practices and establish indicators that enable them to monitor their environmental performance.



Read more about the Handbook:

[CLICK HERE](#)

Energy

Optimizing the energy intensity in the industrial, commercial, logistical and administrative operations by means of the promotion of a culture focused on the efficient use and the migration to cleaner energy sources.

Strategy

[GRI 103-2]

Progress

[GRI 103-3]

Reducing the energy intensity of the operations.

- > The Organization achieved an accumulated reduction of 17,3% (kWh/t.p.) in the consumption of thermal energy from non-renewable sources and electric power from the network for the 2010-2017 term in Colombia.

Reducing the use of electric power in the operations.

- > The electric energy consumption indicator (kWh/t.p.) decreased 3,0% with respect to 2016 and, for the 2010-2017 term, the accumulated reduction was 13,0%, driven by the photovoltaic energy use project in the Chocolates Business' production plant.

Reducing the use of thermal energy from non-renewable sources in the operations.

- > The consumption indicator (kWh/t.p.) for thermal energy from non-renewable sources (fossil fuels) increased 1,1% in Colombia in relation to 2016.
- > For the 2010-2017 term, the accumulated decrease in the indicator for thermal energy from non-renewable sources (kWh/t.p.) was 11,1%.

Increasing the use of renewable energy sources.

- > The use of cleaner energies (natural gas, electric power and biomass) in the operations in Colombia represents 99,4% of the Organization's energy usage.
- > Energy generation through biomass in the operations in Colombia, Chile, Mexico and Costa Rica represented 22% of the total energy usage.
- > The Chocolates Business in Colombia completed the biggest installation of solar panels in Antioquia and the biggest for a food production plant in Colombia. The roofs of the Rionegro production plant are being used to generate clean energy that accounts for 15% of the plant's consumption.

[SDG 13.1]



Solar panels of the Chocolates Business production plant in Rionegro, Colombia.



Steam generator that uses biomass from the soluble coffee extraction process, Coffee Business, Colombia.

Risks and opportunities [GRI 103-1]

The energy supply in the regions where Grupo Nutresa operates is affected by the volatility of the worldwide fossil fuel prices and, more and more frequently, by the variability of the climate phenomena which increase the risk of the supply of electric power generated through conventional methods (hydroelectric and thermal power plants). That is why the Organization could be exposed to financial, operational and reputational impacts arising from the materialization of these situations and the lack of actions that would ensure the supply of alternative energies.

As it is aware of this challenge, Grupo Nutresa develops strategies focused on increasing the energy efficiency by means of new technologies in the processes, favoring the use of cleaner fuels and with the use of energies that produce a lower environmental impact.

Since the past year, and in order to avoid depending on the climate variability and on the prices of fossil fuels, Grupo Nutresa negotiated with the EPM Business Group (the company that supplies all the electric power to our 20 industrial plants located in Colombia) the supply of green energy, which comes exclusively from certified projects with a power generation that can be declared as a zero-emissions operation. Additionally, in the operations abroad, the Company maintains the use of biomass as the main source for energy self-generation. However, Grupo Nutresa continues to search for clean energy supply alternatives.

Outlook

Considering the challenges, the Organization has defined the following goals for 2020:

- Achieving a 25% reduction in the energy consumption per ton produced indicator.
- Achieving a full energy supply from cleaner sources, in other words, electric power, natural gas and energy from renewable sources.

Grupo Nutresa's Businesses have established plans for 2020 in order to achieve an energy consumption reduction by means of projects focused on technological overhaul, equipment update and energy audits that allow to reduce the dependence on thermal energy from non-renewable sources. Therefore, the Organization will increase its share of alternative energies, consequently decreasing the greenhouse gas emissions, which mitigates the effects of climate change. [SDG 13.1]

Grupo Nutresa will also continue to make progress in the search for a lower energy intensity and a lower environmental impact of all operations by means of the implementation of energy efficiency programs in the productive processes, the technical overhaul, the incorporation of low energy demand technologies, the development of lower-impact logistical processes, the construction and implementation of distribution centers with energy efficiency principles, the expansion of a transport fleet of more efficient vehicles powered by cleaner energies, driver training on energy efficiency practices, and the promotion of diverse alternatives of sustainable mobility among all employees.



Grupo Nutresa's Businesses have established plans for 2020 in order to achieve an energy consumption reduction by means of projects focused on technological overhaul.

Success stories and acknowledgments [GRI 103-3]

As a success story, it is worth highlighting the 8.000+ solar panels installed on the roofs of the **Chocolates Business' factory in Rionegro**, Antioquia, which generate clean energy that supplies 15% of the plant's energy consumption, equivalent to planting 40 hectares of trees every year. Additionally, with this photovoltaic system's electric power generation, the emission of 604 tons of CO₂e will be avoided. The development of this project was carried out in alliance with CELSIA, and it will generate 3.000.000 kWh/year of clean energy. [SDG 13.1]

Another success story is the implementation of a program aimed at improving the **energy efficiency of the roasting process** in the Coffee Business' production plant in Santa Marta. Thanks to this implementation, the thermal energy consumption indicator has been reduced by 11% and it prevents the emission of 108 tons of CO₂e per year.

Finally, the improvements implemented in the heat generation systems also stand out as a success story. The improvements consist in the installation of natural gas-powered cauldrons in the **Manizales and Bogotá production plants of the Ice Cream Business**. These cauldrons reduce the consumption of natural gas by 26.916 m³ per year.

Packaging and **post-consumption**

Offering a portfolio of more sustainable products throughout their life cycle by means of the inclusion of eco-design principles and extended responsibility regarding their packaging.

Strategy

[GRI 103-2]

Progress

[GRI 103-3]

Increasing the use of closed-cycle materials.

- > The closed-cycle packaging materials purchase proportion was increased, going from 76,9% in 2016 to 80,8% in 2017.

Strengthening the initiatives focused on the eco-design of packaging.

- > A reduction of 317,6 tons of packaging materials was achieved with the DTV methodology (Design-to-Value), accumulating a total reduction of 1.480,8 tons since its implementation.

Reducing the consumption of packaging materials per ton produced.

- > The consumption of packaging materials per ton produced was reduced by 2,4%, accrued from 2010 to 2017.

Implementing closing-cycle initiatives for post-industrial flexible packaging materials

- > Multiple pieces of furniture manufactured with flexible materials were delivered to an institution located in Belmira (Antioquia), benefiting 780 children. It is part of Fundación Nutresa's strategy to supply furniture to the schools the Organization sponsors through the Healthy Lifestyles program.

Designing and implementing closing-cycle initiatives for post-consumption materials.

- > The Coffee Business' program called "Retoma, Disfruta y Recicla" (Retake, Enjoy and Recycle) was implemented with the purpose of collecting and closing the cycle of the waste produced by the Nutresa Express Pods. With this initiative, 224.600 post-consumption pods were collected, representing 10,3% of the total pods placed in the market. Later on, the pods were incorporated into the manufacturing of school furniture.



Employee from
Litoempques,
Medellín.



Packaging line of the Pasta Business in Cundinamarca, Colombia.

Risks and opportunities

[GRI 103-1]

For a fast-moving consumer goods company such as Grupo Nutresa, packaging materials have a prevailing role in the competitiveness, differentiation, quality and safety of its products. This fact drives the development of packaging that must fulfill the function of a barrier, with sizes and shapes that need to meet the expectations of our customers and consumers. However, these conditions cause an impact on the environmental performance of packaging as their recyclability decreases and the consumption of materials increases as per ton produced.

Additionally, Grupo Nutresa also faces challenges related to the environmental impact of the containers, mainly the ones made of plastic, in the global context. Therefore, by means of regulations, countries in the strategic region such as Colombia, Chile and Peru are implementing initiatives of responsibility extended to the producer, which will demand the productive sector to be responsible of the entire life cycle of its packaging by covering the costs arising from this process.

With regard to said risks, the Organization identifies opportunities in the circular economy models. Therefore, in terms of packaging and post-consumption, its strategy is focused on the innovation with its value chain allies in order to find opportunities both in the reduction of consumption and costs, by means of simpler packaging structures, and in the reduction of the environmental impact.

Outlook

To face the packaging material management challenges, the Organization will strengthen its work on the development of closing-cycle initiatives to add value to them after they have been disposed of by consumers. Additionally, Grupo Nutresa will continue to conduct research and development activities with suppliers, recycling chain agents and other mass consumption organizations with the purpose of identifying alliances in the processes of reverse logistics, reuse, recycling and energy recovery. Another purpose of this action is to find solutions in terms of materials with a lower environmental impact.

Likewise, the Organization will continue to reinforce the product eco-design and life cycle culture among its multiple teams in order to understand consumers' expectations regarding the social-environmental features of products, adding value to the characteristics of packaging in terms of image, functionality and quality.

The Company will continue to **strengthen its eco-design culture** and its cycle-closing efforts regarding the packaging materials.

Success stories and acknowledgments [GRI 103-3]

As a success story, the implementation of the **"Retake, Enjoy and Recycle"** program by the **Coffee Business** stands out as it collected close to 224.600 pods, which are equivalent to 2,2 tons of packaging materials produced by the Nutresa Express Pods. Additionally to this initiative, 175 kg of post-industry flexible packaging materials were collected by the **Biscuits Business**, allowing to manufacture cafeteria tables, chairs and ecological stations. This furniture was given to the "Presbítero Ricardo Luis Gutiérrez Tobón" education institution in Belmira, Antioquia, benefiting 780 children.

One more success story worth highlighting is the **incorporation of a flexible packaging solution that allows to increase the performance and reduce consumption**, which was implemented by the Biscuits Business in Costa Rica and Colombia. In this process, a thinner structure was developed, allowing to achieve a 7,2% performance increase in the packaging process and a consumption reduction of 14 tons.

Another success story is the **collaborative work with the Ice Cream Business and its main supplier of flexible packaging materials**, which allowed to achieve a reduction in the minimum production batch, going from 500 kg to 150 kg. This collaborative work also allowed to replace the cardboard shipping boxes with unitized pallets (600 kg) and to increase the transport efficiency by reducing the CO2 produced by 85%. A **reverse logistics strategy** was also implemented with the purpose of closing the cycle of the materials that have to be disposed of due to obsolescence by reusing 10 tons of packaging materials in 2017.

Novaventa operations center, Carmen de Viboral, Colombia.



Waste management

Reducing waste generation and increasing waste recovery with the purpose of lowering the operating costs and mitigating the environmental impact in both the direct operations and the value chain by extending the life cycle of the materials.

Strategy [GRI 103-2]

Reducing the waste generated in Grupo Nutresa's operations.

Lowering the generation of ordinary waste.

Increasing the percentage of recovery of the waste generated.

Progress [GRI 103-3]

- > The Organization achieved an accumulated reduction of 9,6% tons in its waste generation in Colombia for the 2010-2017 term.

- > The ordinary waste that is sent to the landfill was reduced by 6,1% with regard to the operations in Colombia and by 4,8% in Mexico, Costa Rica, the Dominican Republic, Peru and Chile with relation to 2016.

- > A 99,3% level of recovery was achieved for the waste generated in the operations in Colombia. This represents a 0,2% improvement in relation to the previous year and an 11,5% improvement for the 2010-2017 term.



Grupo Nutresa will continue to reinforce the development of projects and strategies focused on increasing the recovery of materials, **the reduction of loss and waste in the value chain stages** and the creation of innovative proposals for waste management.



Employee
from Servicios
Nutresa, Medellín,
Colombia.

Risks and opportunities

[GRI 103-1]

The shortage of raw materials, as well as the availability of space for the construction of landfills have become the main risks associated with the growing waste generation. Furthermore, it is estimated that the greenhouse gas (GHG) emissions from the waste contribute at least 5% of the total global emissions.

If these risks are not addressed, they could affect the Organization ability to operate as they pose economic, regulatory and technological challenges. Nevertheless, they can be an opportunity of capitalization due to the materialization of incentives for lowering the generation of waste and extending the service life of the landfills. Furthermore, the strategic region has significant gaps in the field of waste recovery through advanced technologies.

Currently, the start of operations of the wastewater treatment plants has given rise to a great challenge: the management of the sludges produced during the treatment process. Therefore, the Organization is getting ready to deal with this situation by analyzing energy recovery initiatives based on this type of waste, among other projects focused on finding value in the sludges.

Finally, the Company will continue to reinforce the development of projects and the brand strategies related to the eco-design in order to increase the recovery of materials, the reduction of loss and waste in the value chain stages and the creation of innovative proposals for waste management.

The main opportunities for the Organization will be focused on the eco-design, on the alliances with the suppliers of raw materials and waste managers, as well as on the participation in the local programs and initiatives of research and innovation for the development of materials with a lower level of environmental impact.

The Sustainability Sessions are aimed at promoting the **efficient use of resources** and the recovery of materials among all employees.

Outlook

Within the framework of the wraparound sustainable development objective, Grupo Nutresa has established goals related to waste management: the first one is aimed at minimizing the total waste generation with respect to the production by leaving it at 20%; and the second one is focused on increasing the level of recovery to 90% or higher.

As short-term strategies, the Organization will keep implementing culture plans through educational activities. An example of these activities is the Sustainability Workday, which is intended to promote the efficient use of resources and the recovery of materials among all employees.

The Organization will also focus its actions on improving the value appreciation of several types of waste and on making progress in the implementation of initiatives that enable the alignment with the circular economy model.

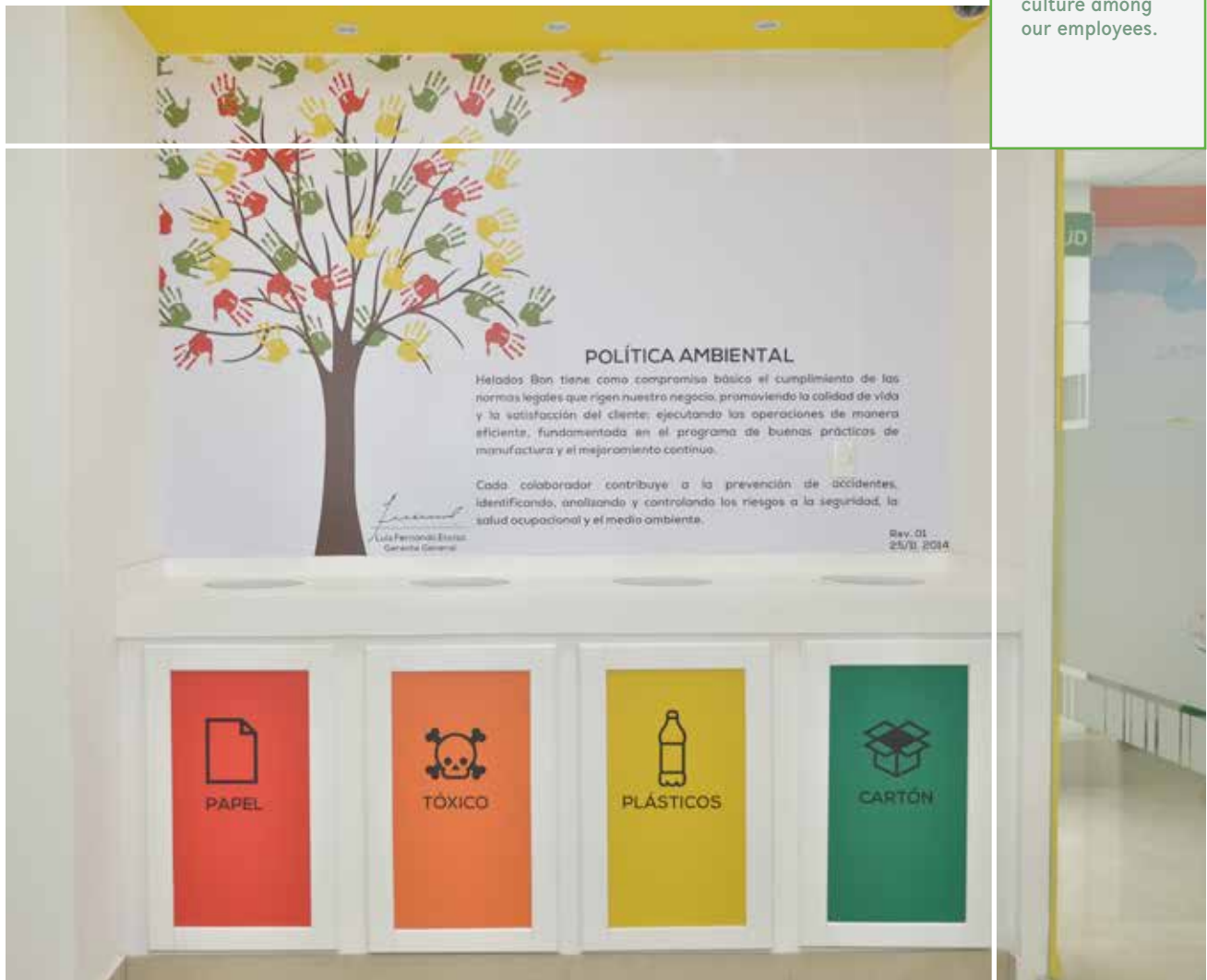
Finally, the inclusion, strengthening and development of capabilities among the waste management agents is part of Grupo Nutresa's long-term plans, where the recuperator role will allow to boost the circular economy-focused solid waste management.

Success stories and acknowledgments [GRI 103-3]

As a success story, it is worth highlighting the Retail Food Business in Costa Rica, which built a collection center with an investment of approximately USD 34.000. This collection center allowed to recover materials such as cardboard, paper, plastic, electronic waste, scrap metals and oil, which were sent to the landfill in the past. This initiative helped increasing the level of recovery up to 31%..

Another success story is the participation of the Retail Food Business in the "Manos Verdes" (Green hands) program organized by the "Team" group, which consists in the collection of used oil. This initiative ensures that this waste is finally treated only through the reuse as biofuel in order to prevent a negative impact on the environment. 244 tons of used vegetable oil and 14 tons of high-density polyethylene were collected, preventing the contamination of 265 million of liters of water.

Grupo Nutresa's companies have ideal areas for waste separation, promoting our environmental culture among our employees.



Financial **statements**





Consolidated Financial Statements

Statutory Auditor's Report



TO THE SHAREHOLDERS' MEETING OF GRUPO NUTRESA S.A.

February 22, 2018

I have audited the accompanying consolidated financial statements of Grupo Nutresa S. A., which contain the financial position statement at December 31, 2017, the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended; the summary of the main accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management is responsible for the fair preparation and reasonable presentation of these consolidated financial statements in accordance with the accounting and financial information standards accepted in Colombia, and for the internal control the management considers relevant to the preparation of these financial statements in a way that they are free from material misstatements due to fraud or error, select and apply the appropriate accounting policies, as well as establish the accounting estimates that are reasonable in the circumstances.

Statutory auditor's responsibility

My responsibility is to express an opinion on such financial statements based on my audit. I performed my work in accordance with the auditing and financial information standards accepted in Colombia. Those standards require me to comply with ethical requirements, to plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit includes, among other things, performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the financial statements due to fraud or error. In the assessment of those risks, the auditor considers the internal control relevant to the entity for the preparation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonability of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I obtained is sufficient and appropriate enough to provide a basis for my audit opinion.



pwc

TO THE SHAREHOLDERS' MEETING OF GRUPO NUTRESA S.A.

February 22, 2018

Opinión

In my opinion, the accompanying financial statements, faithfully taken from the accounting records, present fairly, and in all material respects, the financial position of Grupo Nutresa S. A. at December 31, 2017, and the result of its operations and its cash flows for the year then ended, in accordance with the accounting and financial information standards accepted in Colombia.

Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
Appointed by PricewaterhouseCoopers Ltda.
(See attached certification)

Certification of the **financial** Statements

THE UNDERSIGNED LEGAL REPRESENTATIVE AND THE GENERAL COUNSEL OF GRUPO NUTRESA S.A.

CERTIFY:

22 of February of 2018

We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31, 2017 and 2016, according to, the regulations, and the same that have been faithfully taken, from the Financial Statements of the Parent Company, and its subsidiaries, duly certified and audited.

In accordance with the above stated, in relationship to the Financial Statements, herewith mentioned, we declare the following:

1. The assets and liabilities, are stated and the recorded transactions, have been recorded, during said years.
2. All realized economic transactions, have been recognized.
3. The assets represent rights, and liabilities represent obligations, obtained or under the responsibility of the Companies.
4. All elements have been recognized, in the appropriate amounts, and in accordance with the accounting norms and the financial information accepted in Colombia.
5. The economic transactions, that impact the Companies, have been correctly classified, described, and disclosed.
6. The Financial Statements and Notes, do not contain misstatements, errors, differences or material inaccuracies, which could impact the financial position, equity, and operations of the Companies. Similarly, appropriate procedures, reporting systems, and control of the financial information, have been established, to insure accurate reporting to third-party users, of such.



Carlos Ignacio Salgado Palacio
President



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T

Certification of the Financial Statements **Law 964 of 2005**

Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellín

THE UNDERSIGNED LEGAL REPRESENTATIVE OF GRUPO NUTRESA S.A.

CERTIFIES:

22 of February of 2018

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2017 and 2016, do not contain any defects, differences, inaccuracies, or errors that impede the knowledge of the true and fair presentation, of the financial situation, of the same.

The foregoing, is stated, for purposes of compliance with Article 46 of Law 964 of 2005.

And is signed, as a record, on the 22nd day of the month of February of 2018.



Carlos Ignacio Gallego Palacio
President

Statement of Financial Position

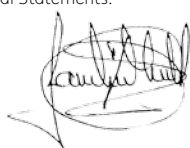
At December 31st of 2017 and 2016 (Values expressed in millions of Colombian Pesos)

	Notes	2017	2016
ASSETS			
Current assets			
Cash and cash equivalents	8	\$ 435.643	\$ 219.322
Trade and other receivables	9	957.568	889.197
Inventories	10	982.816	1.028.417
Biological assets	11	81.518	75.677
Other current assets	12	221.475	246.832
Non-current assets, held for sale	13	6.557	100.330
Total current assets		\$ 2.685.577	\$ 2.559.775
Non-current assets			
Trade and other receivables	9	26.509	23.495
Investments in associated and joint ventures	14	180.451	164.510
Other financial non-current assets	15	4.133.963	3.885.206
Property, plant and equipment, net	16	3.395.671	3.390.946
Investment properties	17	72.306	71.842
Goodwill	18	2.118.226	2.034.454
Other intangible assets	19	1.181.350	1.163.671
Deferred tax assets	20.4	415.072	356.994
Other non-current assets	12	100.352	48.661
Total non-current assets		\$ 11.623.900	\$ 11.139.779
TOTAL ASSETS		\$ 14.309.477	\$ 13.699.554
LIABILITIES			
Current liabilities			
Financial obligations	21	557.133	847.689
Trade and other payables	22	993.241	888.840
Income tax and taxes, payable	20.3	207.776	163.362
Employee benefits liabilities	23	172.730	161.592
Current provisions	24	9.820	2.734
Other current liabilities	25	14.261	49.746
Total current liabilities		\$ 1.954.961	\$ 2.113.963
Non-current liabilities			
Financial obligations	21	2.474.077	2.277.429
Trade and other payables	22	158	158
Employee benefits liabilities	23	226.574	216.744
Deferred tax liabilities	20.4	702.967	705.700
Other non-current liabilities	25	559	600
Total non-current liabilities		\$ 3.404.335	\$ 3.200.631
TOTAL LIABILITIES		\$ 5.359.296	\$ 5.314.594
SHAREHOLDER EQUITY			
Share capital issued	27.1	2.301	2.301
Paid-in-capital	27.1	546.832	546.832
Reserves and retained earnings	27.2	3.396.462	3.655.280
Other comprehensive income, accumulated	28	4.541.854	3.746.572
Earnings for the period		420.207	395.734
Equity attributable to the controlling interest		8.907.656	8.346.719
Non-controlling interest	27.4	42.525	38.241
TOTAL SHAREHOLDER EQUITY		\$ 8.950.181	\$ 8.384.960
TOTAL LIABILITIES AND EQUITY		\$ 14.309.477	\$ 13.699.554

The Notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Gallego Palacio
President
(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)



Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
Appointed by PricewaterhouseCoopers Ltda.
(See attached certification)

Comprehensive Income Statement

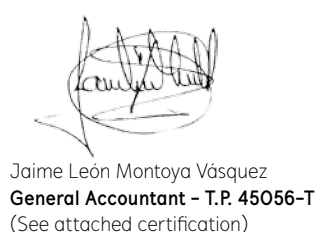
From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

	Notes	2017	2016
Continuing operations			
OPERATING REVENUE	6.1	8.695.604	8.676.640
Cost of goods sold	30	\$ (4.855.635)	\$ (4.966.031)
Gross profit		\$ 3.839.969	\$ 3.710.609
Administrative expenses	30	(399.846)	(401.100)
Sales expenses	30	(2.551.874)	(2.384.866)
Production expenses	30	(139.088)	(147.694)
Exchange differences on operating assets and liabilities	32	255	15.873
Other operating income, net	31.1	25.109	22.149
OPERATING PROFIT		\$ 774.525	\$ 814.971
Financial income	33.1	13.941	10.982
Financial expenses	33.2	(307.548)	(324.637)
Portfolio dividends	15	54.386	50.545
Exchange differences on non-operating assets and liabilities	32	(21.401)	(8.642)
Loss on net monetary position		-	(32.946)
Share of profit of associates and joint ventures	14	5.994	6.103
Other income, net	31.2	3.290	28.492
Income before tax and non-controlling interest		\$ 523.187	\$ 544.868
Current income tax	20.3	(144.956)	(172.866)
Deferred income tax	20.3	47.179	29.533
Profit after taxes from continuous operations		\$ 425.410	\$ 401.535
Discontinued operations, after income tax	34	(1.070)	(1.844)
NET PROFIT FOR THE PERIOD		\$ 424.340	\$ 399.691
Profit for the period attributable to:			
Controlling interest		420.207	395.734
Non-controlling interest	27.4	4.133	3.957
Net profit for the period		424.340	399.691
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian Pesos)		913,25	860,06
(*) Calculated on 460.123.458 shares, which have not been modified during the period covered by these Financial Statements.			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit and loss:			
Actuarial gains on defined benefit plans	23.2 - 28	(2.654)	(17.390)
Equity investments measured at fair value	15 - 28	252.402	395.023
Income tax from items that will not be reclassified	28	(81)	5.119
Total items that are not subsequently reclassified to profit and loss		\$ 249.667	\$ 382.752
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of associates and joint ventures	14 - 28	4.762	(3.414)
Exchange differences on translation of foreign operations	28	143.782	(202.497)
Income tax from items that will be reclassified	28	(1.550)	176
Total items that are or may be subsequently reclassified to profit and loss:		\$ 146.994	\$ (205.735)
Other comprehensive income, net taxes		\$ 396.661	\$ 177.017
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ 821.001	\$ 576.708
Total comprehensive income attributable to:			
Controlling interest		816.026	572.828
Non-controlling interest		4.975	3.880
Total comprehensive income		821.001	576.708

The Notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Gallego Palacio
President
(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)



Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
Appointed by PricewaterhouseCoopers Ltda.
(See attached certification)

Change in Equity Statement

From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

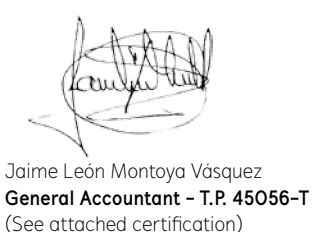
	Share capital issued	Paid-in-capital	Reserves and retained earnings	Earnings for the period	Other comprehensive income, accumulated	Total equity attributable to the controlling interest	Non-controlling interest	Total
EQUITY AT DECEMBER 31ST OF 2016	2.301	546.832	3.655.280	395.734	3.746.572	8.346.719	38.241	8.384.960
Profit for the period				420.207		420.207	4.133	424.340
Other comprehensive income for the period					395.819	395.819	842	396.661
Comprehensive income for the period	-	-	-	420.207	395.819	816.026	4.975	821.001
Transfer to accumulated results			395.734	(395.734)		-		-
Cash dividends (Note 27.3)			(245.706)			(245.706)	(692)	(246.398)
Tax on wealth (Note 20.7)			(8.712)			(8.712)		(8.712)
Realization of other comprehensive income			(3.096)		3.096	-		-
Reclassifications			(396.367)		396.367	-		-
Other equity movements			(671)			(671)	1	(670)
EQUITY AT DECEMBER 31ST OF 2017	2.301	546.832	3.396.462	420.207	4.541.854	8.907.656	42.525	8.950.181
EQUITY AT DECEMBER 31ST OF 2015	2.301	546.832	3.373.840	428.152	3.569.478	7.920.603	34.359	7.954.962
Profit for the period				395.734		395.734	3.957	399.691
Other comprehensive income for the period					177.094	177.094	(77)	177.017
Comprehensive income for the period	-	-	-	395.734	177.094	572.828	3.880	576.708
Transfer to accumulated results			428.152	(428.152)		-		-
Cash dividends (Note 27.3)			(229.141)			(229.141)	(441)	(229.582)
Tax on wealth (Note 20.7)			(21.992)			(21.992)		(21.992)
Tax on equity (Note 20.2)			37.965			37.965		37.965
Revaluation of equity for hyperinflationary economies			67.237			67.237		67.237
Other equity movements			(781)			(781)	443	(338)
EQUITY AT DECEMBER 31ST OF 2016	2.301	546.832	3.655.280	395.734	3.746.572	8.346.719	38.241	8.384.960

The Notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Gallego Palacio
President

(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)




Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
Appointed by PricewaterhouseCoopers Ltda.
(See attached certification)

Cash-flow Statement


From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Collection from sales of goods and services	\$ 8.571.873	\$ 8.630.392
Payments to suppliers for goods and services	(5.942.715)	(6.198.605)
Payments to and on behalf of employees	(1.519.534)	(1.429.959)
Income taxes and tax on wealth, paid	(150.378)	(221.788)
Other cash outflows	1.957	27.897
Net cash flow from operating activities	\$ 961.203	\$ 807.937
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of equity of associates and joint ventures (Note 14)	(20.717)	(36.583)
Purchases of property, plant and equipment (Note 16)	(244.024)	(403.062)
Amounts from the sale of productive assets	17.804	41.004
Purchase of Intangibles and other productive assets	(13.771)	(8.108)
Investment/divestment in assets held for sale, net	99.605	-
Dividends received (Note 15)	61.928	49.661
Interest received	10.163	7.221
Decrease of cash and cash equivalents from classification of investments in subsidiaries to financial instruments	-	(3.179)
Other cash inflows	2.041	28.751
Net cash flow used in investment activities	\$ (86.971)	\$ (324.295)
CASH FLOW FROM FINANCING ACTIVITIES		
Amounts (used in) from loans	(119.218)	25.391
Dividends paid (Note 27.3)	(243.051)	(224.805)
Interest paid	(259.085)	(276.981)
Fees and other financial expenses	(34.156)	(32.409)
Other cash (outflows) inflows	(6.791)	15.729
Net cash flow used in financing activities	\$ (662.301)	\$ (493.075)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT FROM ACTIVITIES	\$ 211.931	\$ (9.433)
Cash flow from discontinued operations	(916)	-
Net foreign exchange differences	5.306	(57.309)
Net increase (decrease) in cash and cash equivalents	216.321	(66.742)
Cash and cash equivalents at the beginning of the period	219.322	286.064
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 435.643	\$ 219.322

The Notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Gallego Palacio
President
(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)



Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
Appointed by PricewaterhouseCoopers Ltda.
(See attached certification)

Comments on the consolidated financial statements

Management monitoring indicators

Grupo Nutresa assesses the management of sustainability on economic, social, and environmental dimensions; to measure the management in the economic dimension, indicators, such as, total sales, international sales, sales in Colombia, and EBITDA, are used.

For Grupo Nutresa, EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization), is calculated by eliminating depreciation charges, amortization, and unrealized gains or losses from exchange differences in operating assets and liabilities, from the operating income. It is considered that EBITDA is most significant for investors, because it provides an analysis of operating results and segment profitability, using the same measurement used by management. Likewise, EBITDA allows comparison of the results, or benchmarks with other companies in the same industry and market. EBITDA is used to track the evolution of the business and establish operating and strategic objectives. EBITDA is commonly reported and widely used amongst analysts, investors, as well as, other stakeholders interested in the industry. EBITDA is not a measurement, explicitly defined as such, in IFRS, and may therefore, not be comparable with similar indicators used by other companies. EBITDA should not be considered an alternative to operating income, as an indicator of operating results, nor as an alternative to cash flows from operating activities as a measurement of liquidity.

The following table details the reconciliation between the EBITDA and the operating income of Grupo Nutresa, for the period covered by these Financial Statements, and is as follows:

	2017	2016
OPERATING EARNINGS	774.525	814.971
Depreciation and amortization (Note 30)	268.000	228.092
Unrealized exchange differences from operating assets and liabilities (Note 32.6)	1.654	(14.110)
EBITDA (SEE DETAILS BY SEGMENT IN NOTE 6.2)	1.044.179	1.028.953

Tabla 1

Management of Capital

The generation of value growth is a fundamental part of the strategic objectives set by the Group. This translates into the active management of the capital structure and the return on investment, which balances the sustained growth of current operations, the development of business plans for investments, and growth through business acquisitions underway.

In every one of the investments, the goal is to seek a return that exceeds the cost of the capital (WACC). The administration periodically evaluates the return on the invested capital of its businesses and projects to verify that they are in line with the value generation strategy.

Similarly, for each investment, the various sources of funding, both internal and external, are analyzed to secure a suitable profile for the duration of that specific investment, as well as, cost optimization. In accordance with a moderate financial risk profile, the capital structure of the Group aims towards obtaining the highest credit ratings.

Separate

Financial Statements

Statutory Auditor's Report



TO THE SHAREHOLDERS' MEETING OF GRUPO NUTRESA S.A.

February 22, 2018

I have audited the accompanying separate financial statements of Grupo Nutresa S. A., which contain the financial position statement at December 31, 2017, the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended; the summary of the main accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management is responsible for the fair preparation and reasonable presentation of these separate financial statements in accordance with the accounting and financial information standards accepted in Colombia, and for the internal control the management considers relevant to the preparation of these financial statements in a way that they are free from material misstatements due to fraud or error, select and apply the appropriate accounting policies, as well as establish the accounting estimates that are reasonable in the circumstances.

Statutory auditor's responsibility

My responsibility is to express an opinion on such financial statements based on my audit. I performed my work in accordance with the auditing and financial information standards accepted in Colombia. Those standards require me to comply with ethical requirements, to plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit includes, among other things, performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the financial statements due to fraud or error. In the assessment of those risks, the auditor considers the internal control relevant to the entity for the preparation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonability of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I obtained is sufficient and appropriate enough to provide a basis for my audit opinion.

TO THE SHAREHOLDERS' MEETING OF GRUPO NUTRESA S.A.

February 22, 2018

Opinion

In my opinion, the accompanying financial statements, faithfully taken from the accounting books, present fairly, and in all material respects, the financial position of Grupo Nutresa S. A. at December 31, 2017, and the result of its operations and cash flows for the year then ended, in accordance with the accounting and financial information standards accepted in Colombia.

Report regarding other legal and regulatory requirements

Management is also responsible for compliance with the regulatory aspects in Colombia related to the management of accounting documents; the preparation of management reports and the timely and proper payment of contributions to the Integrated Social Security System. My responsibility as statutory auditor in these matters is to perform review procedures to issue a concept on their proper compliance.

According to the above, in my opinion:

- a) The accounting records of Grupo Nutresa S. A. during 2017 have been kept in accordance with the legal regulations and accounting techniques, and the operations recorded conform to the bylaws and decisions of the Shareholders' Meeting.
- b) The correspondence, accounting vouchers, and the minute books and partner quotas register are properly kept and maintained.
- c) Due concordance exists between the accompanying financial statements and the management report prepared by

the administrators. The administrators left evidence in the management report that they did not hinder the free circulation of invoices by vendors or suppliers.

- d) The information contained in the self-computation of contributions to the Comprehensive Social Security System, particularly information related to affiliates and their income base for calculation, has been taken from the accounting records and documents. At December 31, 2017, The Company is not in arrears for contributions to the Integral Social Security System.
- e) The Company has implemented the Self-monitoring and Anti-Money Laundering and Counter Terrorism Financing Risk Management System in accordance with the provisions of the External Circular 062 of 2007 issued by the Superintendency of Finance.

Other matters

In compliance with the responsibilities of the statutory auditor contained in numerals 1 and 3 of article 209 of the Code of Commerce, related to the evaluation of whether the acts of the Company's administrators comply with the bylaws and the orders and instructions of the Shareholders' Meeting, and whether adequate measures for internal control, conservation and custody of the assets of the company or of third parties that are in its possession exist and are adequate, I issued a separate report dated February 22, 2018.



Bibiana Moreño Vásquez

Statutory Auditor - Professional Card No. 167200-T

Appointed by PricewaterhouseCoopers Ltda.

(See attached certification)

Certification of the **financial** Statements

THE UNDERSIGNED LEGAL REPRESENTATIVE AND THE GENERAL COUNSEL OF GRUPO NUTRESA S.A.

CERTIFY:

22 of February of 2018

We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31, 2017 and 2016, according to, the regulations, and the same that have been faithfully taken, from the Financial Statements of the Parent Company, and its subsidiaries, duly certified and audited.

In accordance with the above stated, in relationship to the Financial Statements, herewith mentioned, we declare the following:

1. The assets and liabilities, are stated and the recorded transactions, have been recorded, during said years.
2. All realized economic transactions, have been recognized.
3. The assets represent rights, and liabilities represent obligations, obtained or under the responsibility of the Companies.
4. All elements have been recognized, in the appropriate amounts, and in accordance with the Financial Information Norms, applicable in Colombia.
5. The economic transactions, that impact the Companies, have been correctly classified, described, and disclosed.
6. The Financial Statements and Notes, do not contain misstatements, errors, differences or material inaccuracies, which could impact the financial position, equity, and operations of the Companies. Similarly, appropriate procedures, reporting systems, and control of the financial information, have been established, to insure accurate reporting to third-party users, of such.



Carlos Ignacio Gallego Palacio
President
(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)

Certification of the Financial Statements **Law 964 of 2005**

Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellín

THE UNDERSIGNED LEGAL REPRESENTATIVE OF GRUPO NUTRESA S.A.

CERTIFIES:

22 of February of 2018

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2017 and 2016, do not contain any defects, differences, inaccuracies, or errors that impede the knowledge of the true and fair presentation, of the financial situation, of the same.

The foregoing, is stated, for purposes of compliance with Article 46 of Law 964 of 2005.

And is signed, as a record, on the 22nd day of the month of February of 2018.



Carlos Ignacio Gallego Palacio
President

Statement of Financial Position

At December 31st, 2017 and 2016 (Values expressed in millions of Colombian Pesos)

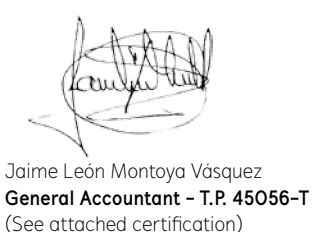
	Notes	2017	2016
ASSETS			
Current assets			
Cash and cash equivalents	\$	465	\$ 42
Trade and other receivables	5	14.481	18.098
Other current assets	6	402	938
Total current assets	\$	15.348	\$ 19.078
Non-current assets			
Trade and other receivables	5	2.965	2.972
Investments in subsidiaries	7	4.872.188	4.568.234
Investments in associated	8	149.441	138.652
Other financial non-current assets	9	4.061.685	3.809.367
Deferred tax assets	10.2	5.227	4.945
Other non-current assets	6	6	7
Total non-current assets	\$	9.091.512	\$ 8.524.177
TOTAL ASSETS	\$	9.106.860	\$ 8.543.255
LIABILITIES			
Current liabilities			
Trade and other payables	11	69.855	80.968
Income tax and taxes, payable		416	188
Employee benefits liabilities	12	1.205	1.068
Total current liabilities	\$	71.476	\$ 82.224
Non-current liabilities			
Trade and other payables	11	158	168
Employee benefits liabilities	12	15.126	14.413
Deferred tax liabilities	10.2	9.449	6.416
Total non-current liabilities	\$	24.733	\$ 20.997
TOTAL LIABILITIES	\$	96.209	\$ 103.221
SHAREHOLDER EQUITY			
Share capital issued	13.1	2.301	2.301
Paid-in-capital	13.1	546.832	546.832
Reserves	13.2	3.746.020	3.592.671
Retained earnings	13.2	3	-
Other comprehensive income, accumulated	14	4.285.216	3.899.132
Earnings for the period		430.279	399.098
TOTAL SHAREHOLDER EQUITY	\$	9.010.651	\$ 8.440.034
TOTAL LIABILITIES AND EQUITY	\$	9.106.860	\$ 8.543.255

The notes are an integral part of the Separate Financial Statements.



Carlos Ignacio Gallego Palacio
President

(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)



Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
Appointed by PricewaterhouseCoopers Ltda.
(See attached certification)

Comprehensive Income Statement - Accumulated

From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

	Notes	2017	2016
OPERATING REVENUE			
Portfolio dividends	9	\$ 54.204	\$ 50.453
Share of profit for the period of subsidiaries	7	374.306	348.796
Share of profit for the period of associates	8	5.802	4.947
Gross profit		\$ 434.312	\$ 404.196
Administrative expenses	15	(4.077)	(3.950)
Exchange differences on operating assets and liabilities		(1)	(24)
Other operating expenses, net		3.901	1.401
OPERATING PROFIT		\$ 434.135	\$ 401.623
Financial income		4	4
Financial expenses		(1.419)	(1.032)
Exchange differences on non-operating assets and liabilities		-	(6)
Income before tax		\$ 432.720	\$ 400.589
Current income tax		(84)	(222)
Deferred income tax	10.3	(2.357)	(1.269)
NET PROFIT FOR THE PERIOD		\$ 430.279	\$ 399.098
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian Pesos)	16	935,14	867,37
(*) Calculated on 460,123,458 shares, which have not been modified during the period covered by these Financial Statements.			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit and loss:			
Actuarial (losses)/gains of defined benefit plans	12.1	709	(1.739)
Equity investments measured at fair value	14.2 - 9	252.401	394.268
Income tax from items that will not be reclassified	14.1	(234)	653
Total items that are not subsequently reclassified to profit and loss		\$ 252.876	\$ 393.182
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of subsidiaries	14.4	132.884	(132.079)
Share of other comprehensive income of associates	14.3 - 8	487	(1.084)
Income tax from items that will be reclassified	14.3	(160)	176
Total items that are or may be subsequently reclassified to profit and loss:		\$ 133.211	\$ (132.987)
Other comprehensive income, net taxes		\$ 386.087	\$ 260.195
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ 816.366	\$ 659.293

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Change in Equity Statement

From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

	Share capital issued	Paid-in capital	Reserves	Retained earnings	Profit for the period	Other comprehensive income, accumulated	Total
EQUITY AT DECEMBER 31, 2016	2.301	546.832	3.592.671	-	399.098	3.899.132	8.440.034
Profit for the period	-	-	-	-	430.279	-	430.279
Other comprehensive income for the period	-	-	-	-	-	386.087	386.087
Comprehensive income for the period	-	-	-	-	430.279	386.087	816.366
Transfer to accumulated results	-	-	-	399.098	(399.098)	-	-
Cash dividends (Note 9)	-	-	(2.761)	(242.945)	-	-	(245.706)
Appropriation of reserves (Note 9)	-	-	156.153	(156.153)	-	-	-
Tax on wealth (Note 8)	-	-	(43)	-	-	-	(43)
Realization of other comprehensive income	-	-	-	3	-	(3)	-
EQUITY AT DECEMBER 31, 2017	2.301	546.832	3.746.020	3	430.279	4.285.216	9.010.651
EQUITY AT DECEMBER 31, 2015	2.301	546.832	1.836.225	1.558.597	427.096	3.638.937	8.009.988
Profit for the period	-	-	-	-	399.098	-	399.098
Other comprehensive income for the period	-	-	-	-	-	260.195	260.195
Comprehensive income for the period	-	-	-	-	399.098	260.195	659.293
Transfer to accumulated results	-	-	-	427.096	(427.096)	-	-
Cash dividends (Note 9)	-	-	(6.428)	(222.713)	-	-	(229.141)
Appropriation of reserves (Note 9)	-	-	1.762.980	(1.762.980)	-	-	-
Tax on wealth (Note 8)	-	-	(106)	-	-	-	(106)
EQUITY AT DECEMBER 31, 2016	2.301	546.832	3.592.671	-	399.098	3.899.132	8.440.034

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Cash-flow Statement

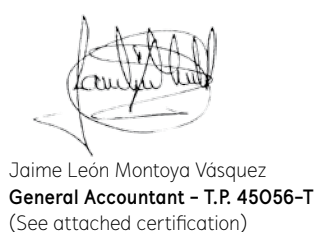
From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Dividends received (Note 7 y 9)	\$ 265.755	\$ 276.923
Dividends paid (Note 13.3)	(240.744)	(224.277)
Collection from goods and services	2.575	1.452
Payments to suppliers for goods and services	(1.788)	(4.593)
Payments to and on behalf of employees	(6.548)	(5.735)
Income taxes on reimbursed gains (paid)	391	(684)
Other cash inflows	1.500	7.578
Net cash flow from operating activities	\$ 21.141	\$ 50.664
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of equity of associates and joint ventures (Note 8)	(20.717)	(36.583)
Capitalization in subsidiaries (Note 7)	-	(13.090)
Other cash inflows	126	23
Net cash flow used in investment activities	\$ (20.591)	\$ (49.650)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	(1.029)
Other cash outflows	(126)	(3)
Net cash flow used in financing activities	\$ (126)	\$ (1.032)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT FROM ACTIVITIES	\$ 424	\$ (18)
Net foreign exchange differences	(1)	(6)
Net increase (decrease) in cash and cash equivalents	423	(24)
Cash and cash equivalents at the beginning of the period	42	66
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 465	\$ 42

The notes are an integral part of the Separate Financial Statements.



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