



Traceability, quality and safety of products

Ensuring the satisfaction, well-being and nutrition of consumers with safe and high-quality products under strict compliance with the legal framework based on the quality management and food safety systems.



Employees from the Cold Cuts Business in Colombia.

Management approach

[GRI 3-3]

Consolidating the certifications and maintaining the management systems.

Guaranteeing food protection.

Strengthening the business relations with suppliers and co-makers, with the corresponding enforcement of applicable requirements.

Building capacities for the exports to the United States by implementing the Food Safety Modernization Act (FSMA) and according to the British Retail Consortium (BRCGS).

Strengthening the safety culture.

Enhancing the capabilities of the Organization's own laboratories.

Applying 4.0 technologies.

Progress achieved in 2022

[GRI 3-3]

- **ISO 9001:** 26 operation centers.
- **Good manufacturing practices (GMF):** 10 operation centers.
- **Hazard analysis and critical control points (HACCP):** 27 operation centers.
- **Global Food Safety Initiative (GFSI) Certifications:** 18 operation centers.
- **Business Alliance for Secure Commerce (BASC):** 10 operation centers.
- **Product certifications**
 - **Kosher:** 10 operation centers.
 - **Halal:** 6 operation centers.
 - **Fairtrade:** 4 operation centers.
 - **Organic:** 4 operation centers.
 - **Carbon neutral:** 6 operation centers and 7 brands.
- **Agricultural sector certifications**
- **Good agricultural practices:** 1 operation center.
- **Rainforest:** 4 operation centers.

- **Deployment of actions** to prevent food product fraud and tampering, guaranteeing safe, legal, genuine and innocuous finished products under the guidelines and standards of the GFSI (IFS, BRC, FSSC 22000, SQF), the Food Safety Modernization Act (FSMA), the Hazard Analysis and Risk based Preventive Controls (HARPC), the Hazard Analysis and Critical Control Point (HACCP) and the Codex Alimentarius in the Biscuits, Coffee, Pastas, Cold Cuts and Chocolates Business Units.

- **96 suppliers** and more than 4.956 employees received training related to quality assurance and good agricultural and manufacturing practices.
- **Quality management actions** regarding the co-makers services and products for all Business Units.

- **Compliance with the FSMA** in Tresmontes Lucchetti and the Coffee, Biscuits, Pastas, Chocolates and Cold Cuts Business Units.
- **Renewal of certifications:** International Featured Standards (IFS), BRCGS, Food Safety System Certification (FSSC 22000) and Safe Quality Food (SQF).

- **Implementation of the Food Safety and Quality Culture Management Model** based on the GFSI certifications in 18 operation centers in the United States, Colombia, Peru, Chile and Mexico.

- **Progress achieved in the implementation** of good laboratory practices based on the Colombian Resolution 561/2019 and Resolution 1619/2015 with the purpose of improving the reliability of the results.

- **Implementation of new technologies** for food safety and automation in the issuing of analysis certificates (COA in Spanish), which reduces the response time for client requests.

Risks and Opportunities

[GRI 3-3]

Grupo Nutresa manages the main food risks associated with customer dissatisfaction and non-compliance with regulations for quality, safety and food product labeling through audits of the hazard analysis and critical control points (HACCP) systems, the implementation of strategies with the teams in the supply chain, the development of programs and the monitoring of the operations to minimize the negative impacts on stakeholders.

The Organization also has legal monitoring mechanisms, and participates in inter-guild impact analysis working groups and in the formulation of processes for the identification of signals related to regulatory affairs.

One of the main work opportunities for the Company is to maintain and strengthen an ethical and transparent performance that ensures the satisfaction, well-being and nutrition of consumers with safe, legal, genuine and innocuous products as a response to the possible loss of trust and credibility in the food industry, which could bring about reputational and financial impacts.

Employee from the Biscuits Business in Colombia.



Finally, the reconfiguration of the supply chain, stemming from the global container crisis, has an impact on the availability of supplies and entails the development of initiatives to manage this challenge in terms of the supply of commodities, product shipping and all other movements along the entire logistics chain.

Future challenges

To maintain the trust that customers and consumers place on Grupo Nutresa's products and brands, the Organization will continue strengthening its safety management systems based on the GFSI and HACCP guidelines, among other, and it will also continue fostering its capacity to develop geographies, categories, brands, networks and experiences. For this purpose, the Company will work on boosting the capacities of its employees, as well as those of internal auditors and external agents, through training activities focused on developing skills and knowledge that drive the product quality and safety processes and assurance forward.

On another front, Grupo Nutresa will continue making progress regarding the certification of products under the Halal, Kosher, Organic and RFA standards, among other, and on addressing claims and complaints to eliminate the probability of repetition, reinforce the claims and complaints management protocols on social media and implement practices that generate experiences with brands that are aligned with their identity with the aim of ensuring transparency and timely communication.

In addition, the Organization will continue working on the implementation of the Food Safety and Quality Culture Management Model across all Business Units to create responsible behavior habits through strategies that increase the individual awareness and drive tangible changes in the employees' behavior.

Moreover, the Company will strive to comply with the shifts in the regulations in the multiple countries of the strategic region, particularly with regard to the nutrition labeling, contaminant agents such as acrylamide, genetically modified organisms (GMOs), sodium, allergens, and good laboratory practices, among other.

Outstanding practices and acknowledgments

Reduction in the buildup of heavy metals in cocoa materials in the Chocolates Business

In partnership with the International Tropical Agriculture Center (CIAT), the Chocolates Business renewed the research project dealing with the genetic editing of cocoa through the use of the CRISPR technology, where the genes of the cocoa are modulated to make it less absorbent of cadmium from the soil, thus ensuring a lesser buildup of such heavy metal in the plant. This project brings economic benefits for the Company because it allows accessing a tax deduction and getting aligned with the regulatory requirements of the EU and the State of California's PROP 65, which limit the commercialization of cocoa products based on their cadmium content. Once this project becomes a reality, the Chocolates Business will reduce both the legal and reputational risks related to the high cadmium content of the Latin-American cocoa beans. This new partnership will have a duration of three years and it will be centered on solving the aforementioned issue.



Creation of knowledge for the manufacturing sector in Colombia

Acknowledgment awarded to the Nutrition, Health and Wellbeing Research Center (Vidarium) for its *Cryptolestes* research focused on determining the presence of specimens of the *Cryptolestes* genus (*pusillus* and *pusilloides*) in beans stored in multiple zones in Colombia, and validating new mitigation measures using low temperatures. Thus, Grupo Nutresa proved that the *Cryptolestes pusillus* and *pusilloides* species are not quarantine pests in the country, that is, they are present in the territory, which represented enough evidence for the Colombian Institute for Agriculture and Livestock (ICA) to lift their "quarantined species" classification. In addition, the Institute is also analyzing the possibility to eliminate the respective non-tariff barrier for imports of raw materials to Colombia.



Increased response capacity in the Biscuits Business

Increase in the production capacity by 13 (%/ton) in the Biscuits Business thanks to partner GC Foods's production plant located in Santa Marta, Colombia. As a result of this initiative, the Organization was able to export five types of products and ensured high quality standards in terms of technology, sustainability and service for all clients.

Material topic details

Certifications and maintenance of the management systems

The evolution of management systems is based on the satisfaction of customers and consumers and the treatment of the stakeholders' needs, as well as on integrated risk and opportunity management, profitable growth, productivity, sustainability and legal compliance. For this purpose, Grupo Nutresa holds 281 currently valid certifications for the operation centers across the geographies where it operates. In 2022, 94,1% of the production took place at plants that fulfill and are certified under food management standards.

Grupo Nutresa strengthens its competitiveness and efficiency with the implementation of the integrated management system using a methodology that incorporates the analysis of certifications, the integration of operational excellence practices and a portfolio of services supported through the management systems.

No warnings were issued to the Company over the year with regard to noncompliance with food security and food product labeling regulations. This confirms the adequate management of the control measures implemented by the Organization. [\[FB-PF-250a.4\]](#) [\[FB-PF-250a.3\]](#)



Employee from the Biscuits Business in Colombia.

Noncompliance related to the impact of the products and services on health and safety [\[GRI 416-2\]](#) [\[ODS 16\]](#)

	2019	2020	2021	2022
Number of fines	0	0	0	0
Number of warnings	1	0	0	0
Number of noncompliances with voluntary codes of products and services.	0	0	0	0
Total	1	-	-	-

Food safety culture

This program promotes the inclusion of habits focused on ensuring food safety, and it is implemented by articulating activities related to organizational culture and occupational health and safety. The Biscuits, Chocolates, Coffee, Cold Cuts, Pastas and Ice Cream Business Units measured the maturity level of the program and managed the findings identified in 2021 with the purpose of improving its performance.

The Organization built the capacities of 20,185 employees who support quality management systems in areas such as risk and opportunity management, good manufacturing and maintenance practices, Hazard Analysis and Critical Control Points (HACCP), food safety, microbiology, allergens, FSSC 22000, IFS, BRC, food defense and food product fraud.

It is worth highlighting the implementation of the E2E (end-to-end) quality program in the Biscuits Business, which seeks to ensure the quality and safety in terms of design, from the production to the point of sale, by means of standardized practices and quantifiable inspection that allow guaranteeing the adequate delivery of the value promise to both customers and consumers. The program is based on criteria covering three dimensions: safety at the production plant, quality at the production plant, and quality at the points of sale. Additionally, in Costa Rica, the Business Unit strengthened the product distribution process with audits for operators to assess the distribution conditions from the compliance with the integrated management system associated with the personnel, inspection of the transport units, route management, product preparation and arrangement (in the transport process and at points of sale), collection control, safety warning management, product return management (in good and bad conditions), customer service and route closing.

Consumer experience

Grupo Nutresa enhances the consumer experience by managing on a timely basis the claims and complaints, strengthening the communication and the loyalty of customers, consumers and diners, and avoiding the recurrence of any adverse events that take place. In addition, the Organization works



Employee from the Ice Cream Business in Colombia.

on the implementation of 4.0 technologies at the laboratories of the Pastas Business Unit (artificial intelligence and data analytics) with the aim of contributing to the reliability of the analysis and reducing the result turnaround time.

Digital transformation

The main aspects of the progress achieved regarding this capacity for the benefit of food safety were centered on the development of applications for the value chain processes in the operations with the purpose of retrieving information in real time and optimizing the response time in search of a more agile and timely decision-making process. Also, the Organization made changes related to manual and traditional methods based on the use of more efficient tools.

It is worth highlighting the initiative focused on artificial intelligence and data analytics and developed in the laboratories of the Pastas Business Unit, which contributes to the reliability of the analysis and reduces the result turnaround time. As for computer vision, the Company incorporated the use of a Petrifilm plate reader device and data analytics solutions applicable to one of the commodities (wheat).

Supplier Development

[FB-PF-430a.1]

The Company trained 96 suppliers and more than 4,956 people in agrochemicals use, raw material technical requirements, agronomic management of crops, allergens and good agricultural and manufacturing practices. For the top 16 commodity categories that make up the commodity pareto, there was an approximate percentage of 34% certifications. This estimate was taken into account for certifications like the Global Food Safety Initiative (GFSI), as well as for meat, sustainable fishing and HACCP.

Sustainability-related risks assessed

[FB-FR-430a.3]

Grupo Nutresa continues managing the multiple risks to which it is exposed, placing particular emphasis on the ones presenting higher levels, namely:

- **Environmental:** Alterations in the water resources, the soil and the atmosphere; dependence on non-renewable resources; inadequate waste management; noncompliance with regulations; loss of biodiversity; inadequate management of hazardous substances; and climate variability at significant and intolerable levels.
- **Social:** Inadequate work environment, product contamination, child labor, violation of the right to freedom of association and of the collective bargaining right at significant and intolerable levels.
- **Critical suppliers in terms of sustainability.** Critical categories are included in the annex.



Novaventa employees in Colombia.

New suppliers were screened based on environmental and social criteria

[GRI 308-1] [GRI 414-1] [FB-PF-430a.2]

Based on criteria	Environmental			Social		
	2020	2021	2022	2020	2021	2022
Grupo Nutresa	1,5%	7,23%	1,00%	0,0%	3,23%	2,94%

Negative environmental and social impacts in the supply chain and actions taken [GRI 308-2] [GRI 414-2] [FB-PF-430a.2]

Based on criteria	Environmental		Social	
	2021	2022	2021	2022
Number of suppliers whose impact has been assessed or whose assessment is up to date.	417	362	481	452
Number of suppliers with actual significant negative impact.	21	23	12	16
Suppliers with actual and potential negative environmental impacts with which improvements have been agreed upon after the assessment.	4	5	4	6
Percentage of suppliers with negative impact with which improvements have been agreed upon after the assessment.	19%	21,7%	33%	37,5%
Suppliers with actual and potential significant negative environmental impacts with which the commercial relation has been terminated as a result of the assessment.	-	-	-	-
Percentage of suppliers with actual and potential significant negative impact with which the commercial relation has been terminated as a result of the assessment.	0%	0%	0%	0%



Food security

Designing and undertaking initiatives focused on eradicating hunger and malnutrition, creating healthy food consumption possibilities by building sustainable agricultural capacities.



Implementation of the “Germinar” Program in Manizales, Colombia.



Delivery of products to the Bogotá food bank in Colombia.

Management approach [GRI 3-3]

Implementing actions focused on building capacities related to food security and regenerative agriculture in both urban and rural communities.

Contributing to the eradication of hunger and malnutrition by working jointly with the food banks.

Progress achieved in 2022 [GRI 3-3]

- **1.706 sustainable nourishment systems** were implemented in six locations in Colombia, resulting in the production of 62.488 servings.
- **33 food security programs** were deployed, benefiting 7.771 people in Colombia, 488 in Chile and 480 in Mexico.
- **2.036 people** received training related to food security, healthy lifestyles and agroecological principles.
- **29 food banks** were supported to develop capabilities related to food handling, quality assurance, control and safety.
- **1.232 tons** of products were delivered to food banks in the strategic region.
- **1.530.065 people** benefited from the programs deployed with the food banks in Colombia, Chile, Ecuador, Costa Rica, Guatemala, Nicaragua and the Dominican Republic.
- **4.456 organizations** benefited from the delivery of products through the food banks across the strategic region.

Risks and Opportunities

[GRI 3-3]

The current dynamics and conjunctions, underpinned by climate change, the post-pandemic scenario, the war in Ukraine and the increasing inflation across the strategic region, have had a negative impact on food security, hunger and undernutrition in all their forms, thus perpetuating the cycle of poverty and exacerbating inequality in society.

The lack of food is a problem mainly associated with the access and not availability. In the worldwide context, 931 million tons of food are lost every year, that is approximately a third of all the food produced. That number is alarming not only for the amount of food wasted but also for the environmental problems caused by the associated GHG emissions, meanwhile the total number of people who are starving around the world ranges from 702 to 828 million.

Promoting strategies that mitigate these issues is essential, and it is also one of the aspects of the path set out by the United Nations in the Sustainable Development Goals (SDGs), more specifically SDG 2: Zero Hunger. Grupo Nutresa is aware of the contribution that as a food company it can make in terms of food security, nutrition and healthy lifestyles. That is why two of its material topics are related to such issue, and the Company continues integrating agents with knowledge and experience regarding initiatives that produce a positive impact on communities at risk.

Future challenges

Grupo Nutresa's main challenges consist in the identification, design and implementation of collaborative and disruptive solutions that enable it to make positive contributions to society and supporting the fight against the food crisis, which affects primarily the base-level communities. Therefore, the adoption of policies, programs and projects that enhance the feasibility of such actions will be a transcendental endeavor.



"Germinar" program in Colombia.

The capacity-building efforts in the communities will remain focused on the production of food for self-consumption as one of the key components of food security, as well as access to and the availability and safety of food.

The support to and the strengthening of the engagement with organizations such as the food banks and the Global Foodbanking Network will also remain essential aspects of agilely and timely managing the delivery of food that have not been commercialized but remain suitable for human consumption in the communities getting the benefits of such organizations. In addition, it will be relevant to reinforce the articulation with new actors that contribute to increasing the coverage, quality and impact on the multiple regions where Grupo Nutresa operates.

The Company will implement actions within the framework of its Germinar program, which will contribute, jointly with the World Wide Fund for Nature (WWF), to the capacity-building efforts focused on the construction of sustainable nourishment systems using models that include contents related to the regenerative production of food, the adoption of healthy habits and practices of technical and financial support for these systems.

Outstanding practices and acknowledgments



Germinating in the Colombian state of Valle del Cauca

Back in 2021, Fundación Nutresa set in motion the Germinar program in collaboration with the Cartago Food Bank in the Colombian state of Valle del Cauca with the purpose of reducing the food insecurity and building capacities related to technical, nutritional and social aspects. The work that was carried out has enabled enhancing knowledge in terms of biodiversity, teamwork, conflict-settling communicational skills, healthy lifestyles, food security and production of food intended for self-consumption. This process benefited 75 families that now have the possibility of producing their own food and keep doing so over time, in addition to securing money savings that amount to COP 30.871.072 over a two-year period thanks to the agricultural exploitation of 2.649 square meters that allowed producing 10.151 kilograms of food, which represents 23.378 servings for the beneficiaries.

The Cartama Valley germinates

in partnership with the Bancolombia Foundation, Comfama and Proantioquia, Grupo Nutresa promoted capacity-building efforts centered on eating habits, agroecology and rural family finance among 84 families from seven rural districts of the municipalities of Támesis and Valparaíso in the Colombian state of Antioquia, implementing 1.550 square meters of sustainable nourishment systems based on agro-ecological production, outputting 1.373 kilograms of food, 3.432 servings and COP 31.137.606 in savings for the beneficiary families. This initiative enabled the Organization to get closer to the neighboring communities of the BioSuroeste Agro-Park, to strengthen the rural development, and improving the social and economic conditions of these communities.



In Manizales, a network is set up to achieve progress

With the support from the Ice Cream Business Unit's network of volunteers, 10 nourishment systems were set up for the production of food intended for the own consumption of 35 families in Manizales. This partnership among volunteers, Fundación Nutresa and the city's food bank has allowed building up the trust through the creation of bonds that generate the sustainability of the project in the long term. The initiative implemented 600 square meters, which in 2022 produced 304 kilograms of food, in addition to 761 servings and COP 1.564.530 in savings for the families.

Material topic details

As a food company, Grupo Nutresa is aware of the fact that fighting hunger in the world is a challenge for humankind as a whole. That is why the Organization expands its commitment through programs and projects that make a valuable contribution to the mitigation of food insecurity in the regions where it operates, contributing as well to the fulfillment of the global objectives of SDG 2: Zero Hunger.

Within the context of its healthy communities strategic pillar, the Company continues making progress in relation to the food security strategies by taking advantage of food products suitable for human consumption through the food banks, building capacities for the production of healthy food and internalizing tools that are key for the access, consumption and availability of food.

To fulfill such endeavor, Grupo Nutresa has strengthened its relationships with multiple partners by providing constant and strategic support to high-value projects intended to attain shared goals and objectives. In addition, the Organization has worked on joining efforts with multiple agents, broadening the scope of the strategies focused on

Food production within the “Germinar” program in Colombia.



food security and introducing new and innovative approaches to the work that has been carried out. This allowed including variables related to the preservation of biodiversity, the consumption of healthy and environmentally friendly food, and the adaptation to climate change.

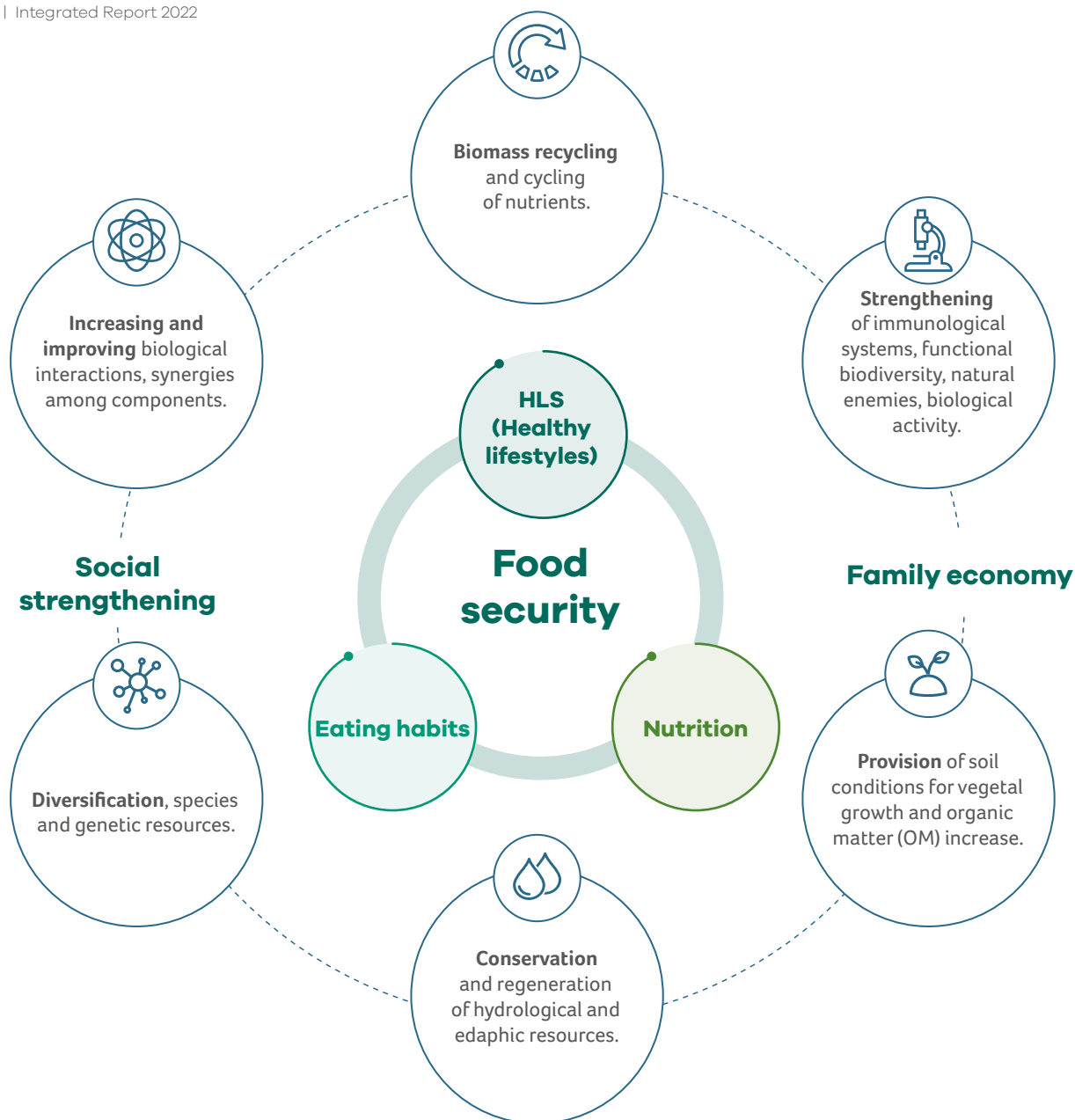
“Germinar,” a life-centered strategy

Through its Germinar program, Grupo Nutresa developed the technical, nutritional and social capabilities of 2,036 families in the Colombian states of Magdalena, Bolívar, Meta, Antioquia and Caldas with the aim of making a positive contribution to the access, safety and consumption of food. The deployment of 10 projects enabled the production of 24,9 tons of fruits and vegetables, as well as the delivery of 62,488 servings and COP 99.810.983 in savings for the participant families. The program also included the support of the Bancolombia Foundation and its program focused on building basic financial capacities known as “Cuentas Sin Cuento” through which the Foundation provided tools for the efficient handling of finance as a key component for improving the families’ quality of life.

It is worth highlighting the use of 23,530 square meters for the production of healthy food and the undertaking of training activities related to matters such as the adequate use of soil and the conservation of biodiversity.

New partnerships for the planet

In partnership with the World Wide Fund for Nature (WWF), the Company strengthened its Germinar program by broadening its vision towards the consolidation of sustainable nourishment systems and moving forward in raising awareness about the relationship between eating habits and the corresponding impact on both health and nature. Thanks to this collaborative construction, the Organization supplemented the model based on an agroecological approach that integrates healthy lifestyles, nature’s health and the increased resilience level of individuals, populations and territories in communities associated with Grupo Nutresa’s value chain.



Women leadership as a driver of the consolidation of food security in the territories

Women's role increasingly gains relevance with regard to the care and breadwinning for the families, in addition to both the distribution of food and nutrition. That is why it is necessary to build capacities among the communities based not only on the construction, management and maintenance of the nourishment systems, but also on the distribution of the roles and the joint responsibility within the families.

From 2.866 participants, 1.708 were women, representing 59,6% of the total. Thanks to this, the Company contributed to building capacities related to the sowing, production and consumption of food with the aim of making progress in securing the food security of families in the territory where it operates.

Educating to nurture and nourish

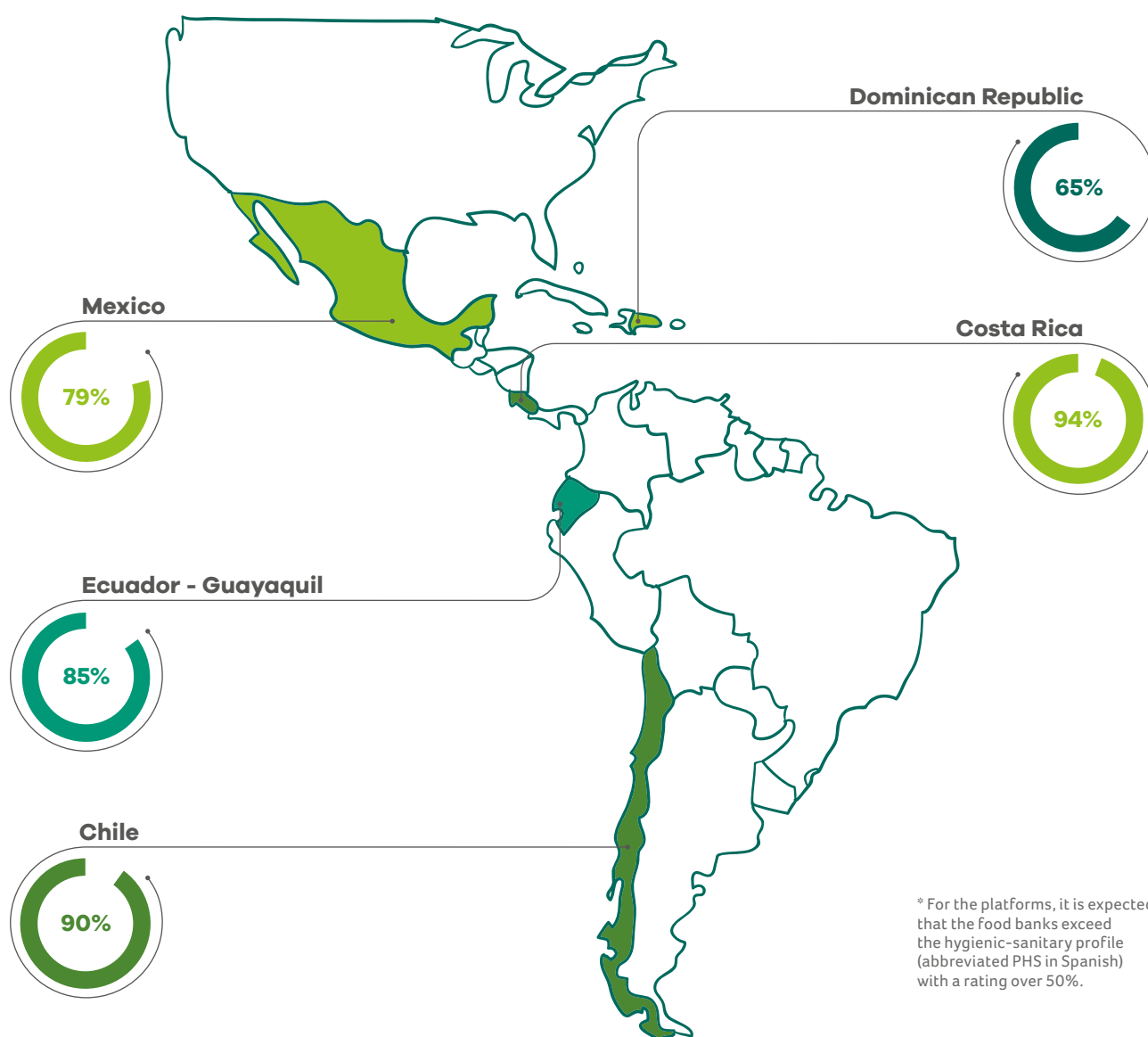
"Vivamos una vida nutritivamente deliciosa en la escuela" (Let's live a nutritiously delicious life at school) is the food security strategy set out by the Kibo brand, jointly with Fundación Nutresa, within the framework of the Germinar program. This program aims to build capacities in terms of the construction of sustainable nourishment systems and promotes healthy eating habits to contribute to bridging food insecurity gaps among children and teenagers from public education institutions in Colombia. The most outstanding outcomes include the corresponding implementation in six rural facilities of the municipalities of Valparaíso and Támesis in the Colombian state of Antioquia, the projected sowing of 500 square meters and the capacity-building efforts focused on 250 children, teenagers and their families.

Food banks, partners in the mitigation of hunger

The work carried out by the food banks becomes a fundamental pillar that supports the endeavor of addressing the challenges related to hunger, which must be tackled jointly by both the private and public sectors in order to produce a positive impact on decisions and strategies that prioritize the most vulnerable population. Grupo Nutresa works collaboratively with the Colombian Food Bank Association and the Global Foodbanking Network to fight food insecurity in the countries where the Organization operates, manage the delivery of products intended to ensure healthy eating habits, and build capacities in terms of project management and food handling practices.

From this initiative, it is worth highlighting the food surplus resulting from the production and commercialization processes of Grupo Nutresa's companies and their distribution through the food banks to vulnerable populations in Colombia and in the international platforms, thus fighting food insecurity by delivering products that are suitable for human consumption.

In 2022, the Company deployed activities to build capacities in 29 food banks, 24 in Colombia and five across the strategic region, through support and training actions related to matters such as food handling, quality assurance, social project deployment, among other. In addition, project management capabilities were implemented to make a positive contribution using a strategic and administrative approach.





Delivery of products
to the Food Banks in
Colombia.

These actions are based on and underpinned by the Organization's Food Loss and Waste Reduction Policy, which is aligned with the Colombian Act 1990 of 2019 and with the commitments set for 2030 that consist in reducing by 30% the loss and by 50% the waste of food. The plan is to fulfill such commitments by means of innovative projects that enable using the by-products resulting from the industrial processes in favor of the continued improvement to ensure an adequate handling of the food and prioritize them as final destination for human consumption. Thanks to these actions, in 2022, Grupo Nutresa delivered 1.232 tons of food across the entire strategic region through 29 food banks, benefiting 1.530.065 people and 4.456 organizations.

Partnership in favor of child nutrition

This initiative brings companies from all sectors, the government, civil organizations, scientific associations and academic organizations together to fight undernutrition with the aim of making Colombia the country with the best children nutrition levels in Latin America by 2030. Its work approach ranges from the generation of knowledge on social drivers of health, that is, the relationship between undernutrition and social, cultural, environmental and economic factors, to the formulation of the pathway to overcoming all forms of undernutrition in Colombia.

This pressing purpose is also one of Grupo Nutresa's concerns, which is why, as part of its participation in the "Alimentando Sueños" (Feeding dreams) Working Group, the Company supported the formulation of the plan to improve child nutrition in Colombia by making contributions based on Fundación Nutresa's know-how on subjects such as income generation, the value chain, eating habits and nutrition (a work plan that helps in the higher purpose of eradicating hunger in Colombia).



Innovation

Managing and promoting high-impact innovation by collaborating with the global science, technology and innovation ecosystem in order to gain new knowledge that allows researching and developing products, services, experiences and business models.



Innovation promoters from Servicios Nutresa in Colombia.

Management approach [GRI 3-3]

Enhancing the Organization's growth via intrapreneurship initiatives.

Innovating in opportunities with a significant impact.

Strengthening the technological monitoring processes.

Creating and managing the innovation ecosystem map.

Adopting the Imagix Model in all geographies.

Using Imagix 2.0 programs and tools thoroughly.

Progress achieved in 2022 [GRI 3-3]

- **Development and strengthening** of corporate entrepreneurship programs in seven Business Units by means of 10 development projects.

- **16,1% of the total sales** were innovation-driven sales.
- **22,68% of H2 (adjacent innovation) sales** and 1,27% of H3 (disruptive innovation) sales.
- **Two new businesses** were launched.
- **COP 483.626 million from sales** based on social innovation.
- **COP 256.003 million from sales** based on environmental innovation.

- **Seven training activities** dealing with monitoring processes in the Business Units.
- **Seven technology roadmaps** formulated to identify and prioritize technology gaps.
- **50 technological monitoring deliverable materials** created, such as: technology and regulatory warnings, nutritional reports, industrial ownership reports and reports on competitors.

- **11 projects submitted** to science, technology and innovation calls for entries in Colombia, with a total funding of 355 million in 2022.
- **Tax benefits** in 2022 amounting to COP 6.685 million, with a corresponding projection for 2023 totaling COP 2.866,5 million.
- **Participation in six calls for entries** within the ecosystem in Colombia.

- **Design and implementation** of the innovation maturity index in all Business Units and geographies. Total maturity baseline: 2,79/5,00.

- **440 promoters** and 4.835 employees and leaders trained in innovation methodologies.
- **COP 74.864.232.539 million invested** in R&D+i.
- **404 people** dedicated to R&D+i throughout the Organization.

Risks and Opportunities

[GRI 3-3]

The speed at which the setting is transforming as a consequence of the accelerated technological evolution and people's shifting habits represents a major opportunity for the generation of new business and value propositions that address such emerging needs.

That is how Grupo Nutresa has strived to strengthen its corporate entrepreneurship, the capitalization of the relations with the local and international ecosystems and the development of new capabilities that allow the materialization of innovations that produce a deeper impact.

Additionally, having direct presence in several Latin American countries represents a major opportunity to gain access to talent with diverse knowledge and capacities that enhance the innovation projects. On another note, the openness and flexibilization with regard to new work and hiring models that allow a higher level of mobility and loyalty of a type of human talent that is currently on high demand and becoming scarce.

It is essential to frequently study the market, the growing number of competitors and the evolution of the consumers' habits and needs. The correct analysis and reading of the setting enables Grupo Nutresa to take anticipate action by developing value propositions related to products, services and new business and distribution models to ensure the preference by both consumers and customers. The agility in the development of innovation is also key to ensure a timely operation and gain market share.

in addition to sourcing and production systems for creating layers of growth and generating value for all stakeholders.

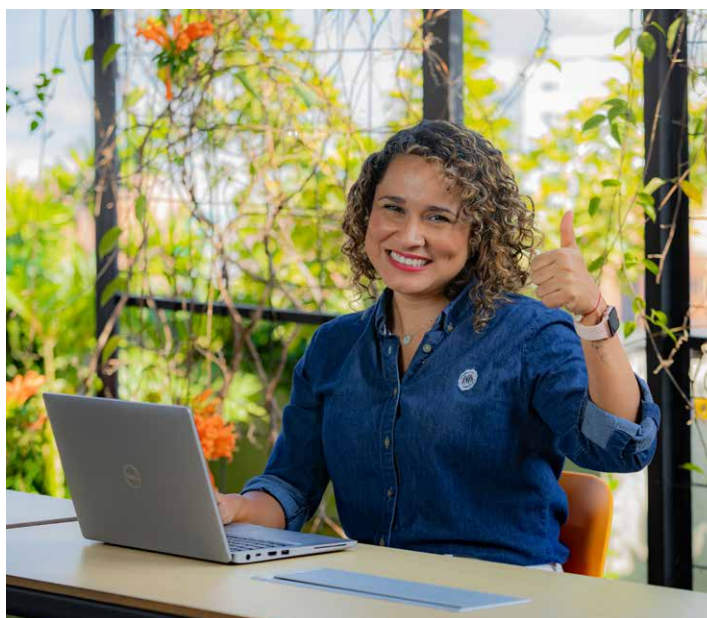
The implementation of digital technologies, such as robotic process automation (RPA), artificial intelligence and data analytics, among other, is also a driver of the innovation portfolio because they help in escalating the solutions across the entire strategic region with greater speed and deeper impact. In addition, these technologies represent an opportunity to harness efficiency in the process and find value propositions that respond to the shifting needs of both customers and consumers.

The Organization is committed to taking care of the environment and people, which has become a pillar for its research, development and innovation actions. Consumers now have higher level of awareness and a larger volume of information, and the regulations related to both fronts is constantly evolving. That is why the Company constantly integrates more capabilities, knowledge and talent focused on formulating environmentally and socially responsible propositions.

Employees from the
Chocolates Business in
Colombia.

Future challenges

Grupo Nutresa will continue building its corporate entrepreneurship capacities with the development of new business models along the entire value chain by improving the internal and the ecosystem engagement capabilities. The purpose of this approach is to produce innovations in terms of services, experiences, distribution and logistics models,



Outstanding practices and acknowledgments



Best ecofriendly container, best food container and best design 2022 awards

The accolades were awarded by Latam Pack and Anuaria Colombia, organizations that highlight initiatives that have a deep impact on both the market and the planet in today's context. The origin of these awards can be traced back to Europe, but they are now evaluated in Colombia by the top professionals from the industry. The Ice Cream Business, with its CremHelado Gold brand, was awarded three recognitions:

- **Best ecofriendly packaging 2022.** With low weight bases (~30% in relation to similar solutions), suitable for freezing. A technical achievement with a lesser environmental fingerprint.
- **Latam Pack selection 2022.** Best container or packaging for food thanks to its graphic and packaging design as a solution that considers both graphic and functional features.
- **Anuaria Colombia Gold Award.** Awarded to the best graphic design for a label.



Most innovative company in the Corporate Innovation Ranking published by ANDI-Dinero

Grupo Nutresa was acknowledged as the most innovative company among 347 companies and entrepreneurship projects that participated in the seventh edition of the Innovation Ranking organized by the National Business Association of Colombia and the Dinero magazine. Additionally, the Company's 'plant based' innovation was included in the top five innovations of the Ranking. In the two previous years, the Organization ranked second and third.

Material topic details

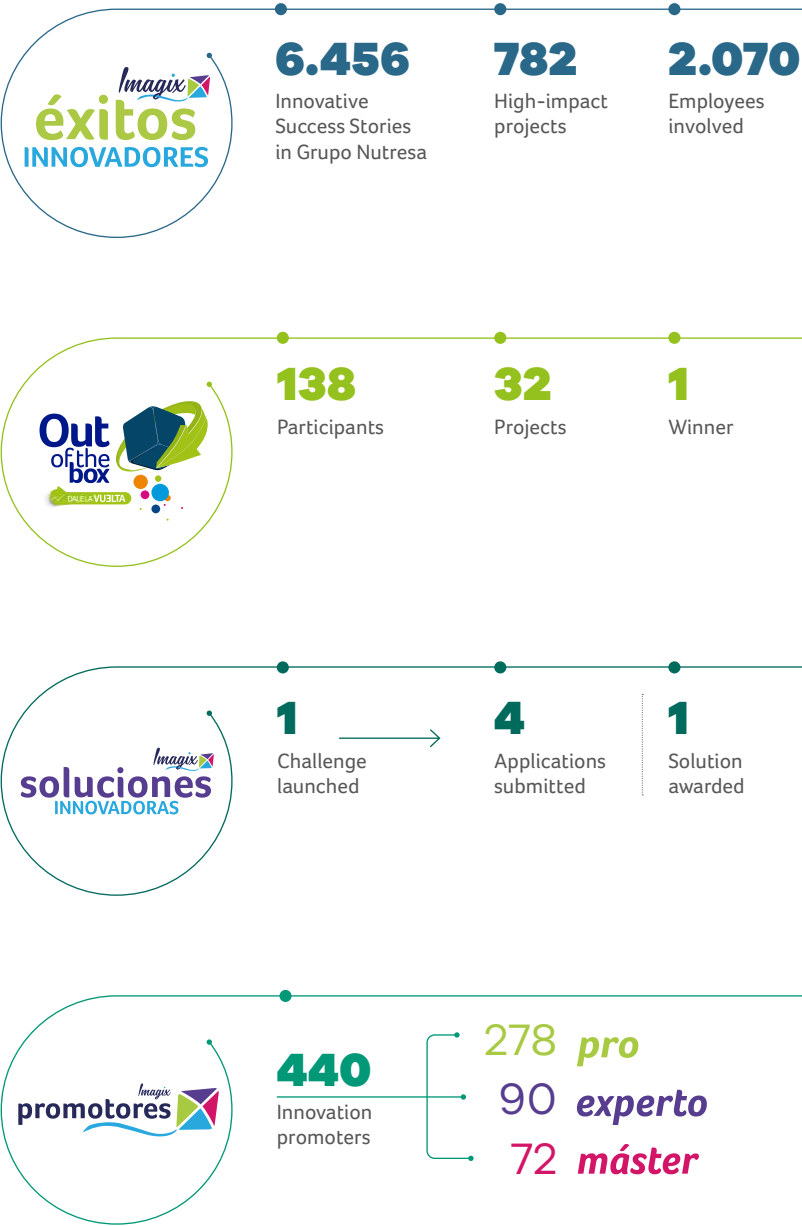
[GRI 3-3]

Effective innovation is one of Grupo Nutresa’s core capabilities, which enables, accelerates and increases the dynamics of the development of new products, services, business models, channels and experiences to contribute to the fulfillment of the Organization’s goals for 2030.

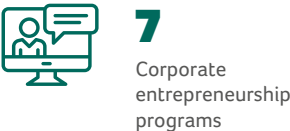
In 2022, the Company made progress regarding its operation in all geographies, and intensified its efforts toward identifying opportunities from a deeper understanding of the consumer, as well as toward meeting various needs with a portfolio of high-value products and innovations.

1. Culture

Adoption and effective application of the evolution of the model and its programs



Corporate entrepreneurship



Measurements and rankings



Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA
100
Points in terms of Innovation management, Nutrition and Health.

2. Processes and resources

Strengthening of the culture, expert capability and innovation-driven leadership

Resources

404

People assigned to R&D+i

4.835

People received training

0,5%

Sales from investments in R&D+i

Training



Bootcamp + hackathon
Medellín / Bogotá

132

People, 6 geographies

57

Prototypes



16

Virtual courses

1.712

People



148
People

82 *pro*
31 *experto*
36 *máster*

Intellectual property

4

Trade secrets

4.835

Patents*

0,5%

Industrial designs*

* Secured and accumulated.

3. Portfolio

Strengthening and management of the innovation portfolios for an increased impact.

Innovation-driven sales



2,5 trillion



16,1%



1.308

Product innovations



2.735

Process innovations

Sales by horizon



H1: 76,03%

2021: 83,24%

H2: 22,68%

2021: 83,24%

H3: 1,27%

2021: 83,24%

4. Ecosystem

Harnessing the ecosystem's advantages

Calls for entries, government-organized programs and other partnerships

11

System calls for entries in which we participated.

+

36

Open innovation projects.

Tax benefits

\$6.685

Million in 2022

\$2.866

Million in 2023

\$354

Million in funding

Some of the actors from the innovation ecosystem



El conocimiento es de todos

Minciencias



Universidad de los Andes



COLCIENCIAS



Imperial College London



Corporate entrepreneurship was one of the main pillars of the innovation strategy focused on enabling the transformation, growth and creation of new income flows in multiple geographies of the strategic region. Moreover, incremental innovation was maintained to ensure the relevance, validity and dynamism of the brands from the consumers viewpoint. Managing such diverse portfolios was crucial in order to guarantee the impact and the efficiency of the resources available for these projects.

In alignment with the constant and sustained effort regarding transformation and disruption, in 2022, the Company was granted multiple awards by external entities highlighting the evolution and maturity of the innovation model, including:

In terms of innovation:

- **First place** in the National Ranking of Entrepreneurial Innovation 2022 compiled by the ANDI and the Dinero magazine.
- **Top score** in the innovation management category within the economic dimension of the Dow Jones Sustainability Index (DJSI) 2022.

Employees from Servicios Nutresa in Colombia.



Vidarium Research Awards:

Category 1. Generation of knowledge



- **Third place.** *Evaluation of the emission of methane for different types of pig fattening facilities in the Colombian state of Antioquia.* Research conducted by the Cold Cuts Business.



- **Second place.** *Implementation of technology by cocoa growers from San Vicente de Chucurí, Santander: the role of cadmium regulation.* Research conducted by the Chocolates Business.



- **First place.** *First registration of Cryptolestes pusillus (Schonherr) and Cryptolestes pusilloides (Steel & Howe), (coleoptera: Laemophloeidae) in Colombia and the effect of low temperatures on their mortality.* Research conducted by the Coffee Business.

Category 2. Application of knowledge



- **Third place.** *Numerical simulation of multi-stage thermal processes in meat products.* Research conducted by the Cold Cuts Business.



- **Second place.** *Model of the migration of sodium and water in Vienna sausages.* Research conducted by the Cold Cuts Business.



- **First place.** *Assessment of coffee by-products through the use of roasting and ultrasound-assisted extraction technologies.* Research conducted by the Coffee Business.

High-impact innovation

- Creation of more balanced portfolios in terms of scope and type of innovation.
- COP 2.5 trillion in innovation-driven sales.
- COP 483.626 million in sales from social innovations and COP 256.003 million from environmental innovations.
- COP 14.914 million in savings from environmental innovations and COP 28.264 million in savings from social innovations.
- Two new business models launched.

Health and nutrition

The continuous research and innovation efforts carried out by Grupo Nutresa is projected on the launch of specialized health and nutrition propositions, namely:

Biscuits Business



Naturela

- Powdered product brand. A pure superfood of Andean origin, cultivated organically and distributed in Colombia.
- Soluble green beverage.



Low-sugar Skinny Girl cookies.



Pro-digestive Tosh cookies with a high content of prebiotics and fiber.



Tosh's Pop Chips.

Based on corn, red millet and black quinoa. Free of artificial color and flavor additives, gluten-free.



Almond cream without preservatives and stabilizing agents.



Portfolio of rolled oats products,

which are a good source of fiber and include a product item that is fortified with calcium and vitamin D.



Cold Cuts Business



Mushrooms

Baby Bella mushrooms.



Pietrán's Veggie product line.

Frozen burger patties and sausages made with alternative proteins. These products are part of the expansion of the plant-based product portfolio offered to flexitarian consumers.



Tresmontes Lucchetti



Gluten-free

Lucchetti pasta.



Livean's Superblends.

Functional innovation.



Ice Cream Business

Crem Helado based on almond beverage.

Flavors: dulce de leche & almonds, red berries and chocolates & blueberries.



Artisan piña colada ice cream.



Chocolates Business



Frozen smoothies.
Portfolio of products based on natural fruits and vegetables.



Entrepreneurship projects

HAKA
Poder Natural

Haka. Dermo-cosmetics product line including aromatherapy and flower essences.

Other innovations

Novaventa implemented an e-learning solution for its entrepreneurs which is called “Mi Formación” (My training). It is a learning platform incorporated into the virtual store with a portfolio of both general and specific contents for developing soft skills and knowledge on the business, the products and the virtual store, among other.

For its part, the Chocolates Business opened a point of sale of the Evok brand in Dubai, United Arab Emirates, after its outstanding participation in Expo Dubai 2022, an event where people from more than 150 countries got to discover this brand's products.

Finally, thinking about its transport operators, Tresmontes Lucchetti resorted to innovation to

improve the stay at its distribution center in Bogotá, Colombia's largest city. This investment was made as a positive contribution to the employees' well-being and interpersonal relationships, which leads to higher levels of commitment, loyalty and service quality that end up benefitting the customers.

Internalization of the model

Progress has been made toward consolidating the implementation of the innovation strategy in both Colombia and the strategic region: enhanced capacities have been built in terms of innovation, and each one of the pillars of the Imagix Model have been developed further.

Innovation programs



This initiative reached 440 employees skilled in culture, leadership, methodologies and innovation development capabilities in Colombia, Central America, the Dominican Republic, Chile, Mexico, Peru and Ecuador. In 2022, there were 267 active promoters on average, which correspond to 65% of all promoters, and more than 3.072 support activities were carried out. Additionally, the Company organized the annual event for promoters with approximately 272 attendees.



This program promotes the development of Grupo Nutresa's disruptive innovation and has a capital fund to create opportunities for future growth. In 2022, five projects were incubated, one of which was eventually selected to continue to the acceleration stage. This was the fifth edition of the program and a total of 32 proposal submissions were received.



This program promotes participation in the implementation of continuous improvement ideas. This edition of the program included 6.456 innovative success stories and 782 high-impact success stories on which more than 2.070 employees from the entire strategic region participated. It is worth highlighting the 13,5% growth in the number of high-impact innovative success stories in relation to the past year.



Open participation for overcoming challenges in a collaborative way by the Business Units. In 2022, the Company proposed one challenge, for which there were four solution submissions. One of the submissions, which included the participation of 12 employees, was selected and the corresponding accolade was awarded.

Resources

Grupo Nutresa invests resources to boost innovation according to both the strategy and the innovation portfolio.

- COP 74.864 million invested in R&D+i, equivalent to 0,48% of the sales.
- 404 people exclusively assigned to R&D+i throughout the Organization.

Innovation Promoters in Colombia.





Employees from the Pastas Business
in Colombia.

Culture

Training

- 16 Imagix Academy virtual courses on innovation and entrepreneurship, and 70 plays on average for each course, in addition to 1,725 people from 13 countries of the strategic region registered on the platform.
- More than 350 employees and leaders received training related to innovation methodologies.
- Two experimentation and prototyping bootcamps with the participation of 132 employees from all geographies.
- One exploration and incubation bootcamp for 10 Out of the Box project submissions, with the participation of 43 employees from multiple Business Units and geographies.

Imagix media

- Expansion of the scope, with over 4,743 followers on social media by the end of 2022 and an engagement rating of 5,9%.

Ecosystem

Strengthening of the relationships and creation of academic collaboration networks, research centers, suppliers, government bodies and communities. This ecosystem contributed with multiple capabilities, co-financing and expert talent, allowing to streamline the projects and increase the impact, quality and competitiveness. The main results of this pillar include the basic research initiatives, doctoral research projects by Grupo Nutresa employees, Vidarium's participation in projects and PhD and master's degree committees in Colombia and abroad, and the validation of new commodities jointly with suppliers.

In 2022, eleven projects were submitted to science, technology and innovation calls for entries in Colombia, with a total funding of COP 355 million. Additionally, a COP 6.685 million tax benefit quota was requested for the 2022 fiscal year. For 2023, the request amounted to COP 2.866 million, with the participation in six calls for entries within the ecosystem.

The calls for entries were the following:

- Call for entries number 913-2022 issued by the Colombian Ministry of Science, Technology and Innovation (MinCiencias) to apply for tax benefits. Seven projects submitted.
- Call for entries number 902-2022 issued by MinCiencias to apply for tax benefits based on the employment of PhDs. Two Business Units submitted applications.
- Call for entries issued by the Pascual Bravo University Institution to apply for the co-financing of a project. The Biscuits Business submitted an application.
- Call for entries number 926-2022 issued by the Colombian National Learning Service (SENA) to apply for the co-financing of a project formulated by the Coffee Business.
- Call for entries number 917-2022 issued by MinCiencias to apply for the co-financing of projects. The Biscuits Business submitted an application.
- Internal call for technological innovation entries issued by Universidad de Antioquia to apply for the co-financing of a project. The Biscuits Business submitted an application.

Open innovation

Collaboration with actors external to the Company to develop 46 open innovation projects to gain access to capabilities, experience, methods, tools and resources that create high value.

Intellectual property

Intellectual property protects and preserves the generated knowledge, identifies fundamental technology trends in planning and forward planning exercises, and maintains the competitive advantages.

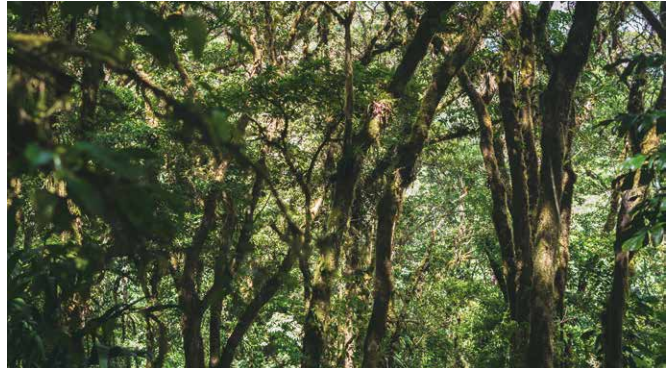
Brands		Patents		Industrial designs
Pend-ing	Secured	Pend-ing	Secured	Pending and secured
542	2.453	18	13	9

Ideation process.





As part of Grupo Nutresa's sustainable work, the Organization has entered into partnerships to mitigate climate change. We know that we can take care of the planet and mitigate the environmental impacts if we do it together.



Grupo Nutresa is committed to partnerships focused on mitigating climate change

Pozuelo and the 'Aliarse' Foundation

In 2022, Grupo Nutresa's company Pozuelo, headquartered in Costa Rica, signed the Climate Action Agreement. This gesture is one more effort toward fulfilling the Organization's goal for 2030.

As part of its sustainable management, the Organization strives to maintain a balance with planet Earth by taking care of forests, ecosystems, fauna, flora and, in general, all natural resources for future generations.

One of the actions that sheds light on this commitment is the Climate Action Agreement signed by the Company in Costa Rica, a fact that enabled Grupo Nutresa's cookies and crackers company Pozuelo, other private enterprises and public institutions to be geared towards using increasingly cleaner energies that allow decreasing the emissions of CO₂ eq.

"With this agreement, we are building a guiding framework that will raise the organizations' awareness about the effects of greenhouse gases. That is why it fills us with joy that Pozuelo has joined the alliance, and it is the only company from the food sector that is participating," states Fernando Mora Rodríguez, director of the climate change and environment department at Aliarse, a foundation focused on sustainability and equity.

This action facilitates the knowledge transparency with experts and bolsters the joint work networks with the aim of establishing public-private synergies capable of overcoming the climate action challenges. In addition, other projects funded by the British Government and the Environment and Climate Change Program in Latin America and the Caribbean, ARAUCLIMA are also materializing.

"We have transformed our processes to make them more efficient, thus requiring the use of less resources. For instance, we started using clean energies with photovoltaic panels and now this agreement allows us to reduce the greenhouse gases, learn new methodologies regarding how to do so and, ultimately, help to decarbonize our planet," says José Alfredo Arce Chacón, sustainability coordinator at Pozuelo.



Preserving the planet

Grupo Nutresa works on the implementation and execution of effective environmental management systems based on the continuous improvement, the prevention and control of pollution, the protection of the environment, the eco-efficiency in its supply chain aiming to preserve biodiversity, and the reduction of the environmental impact of its products throughout their life cycle. The purpose of these actions is to make a positive contribution to maintaining a harmonic relationship between profitable growth and environmental performance where eco-efficiency is one of the main decision-making criteria.



Emissions and climate change mitigation

Implementing actions focused on minimizing the emissions discharged into the atmosphere. This is done by prioritizing energy efficiency, using alternative types of energy, implementing clean technologies and efficiently using supplies in the production, distribution and logistics operations.



Adaptation to climate change

Managing the risks associated with global warming with the objective of limiting their impact, reducing the Organization's vulnerabilities and increasing its resilience with regard to climate change.



Biodiversity and ecosystemic services

Ensuring the sustainable origin of the commodities based on a model that allows keeping a balance between sustainability and productivity while maintaining the competitiveness of the sourcing processes.



Circularity

Reducing the production of waste and increasing its recovery and reutilization in both the direct operations and the value chain by extending the life cycle of the materials.



Food loss and waste

Implementing actions in both the direct operations and the value chain with the aim of reducing food loss and increasing product recovery and reutilization in order to minimize the impact on society, and reduce the pressure on natural resources, as well as on the waste disposal systems.



Water resource management

Minimizing the direct and indirect impact on the water resources throughout the value chain, and mitigating the risks related to shortage or deterioration situations regarding the quality of the resources.



Pollinators in 'La Cruz' forest,
San Rafael de Heredia, Costa Rica.

Risks, opportunities and outlook

According to several scientific studies and multiple discussions in global scenarios such as the COP 27 and the World Economic Forum, the planet's ecosystems that sustain life face a growing risk due, among other factors, to the emissions of greenhouse gases (GHG), the increasing temperature, the extraction-based consumption of natural resources, the low circularity rate of materials and the impending loss of biodiversity.

In these same global scenarios, it has been possible to identify the major opportunities emerging when financial and technological mechanisms are established to achieve the necessary adaptation to climate change, the restoration of the ecosystems and a socially fair energy transition. The private sector has been recognized as a relevant agent in promoting the changes that protect the ecosystems along the corresponding value chains. This also represents other opportunities related to the mobilization of capital, the use of technology and the management of partnerships for a sustainable economic development.

Grupo Nutresa constantly works with its stakeholders by developing capabilities related to the environment and circular solutions with the aim of mitigating and reducing the risks associated with these phenomena. To do so, the Company will continue working on the implementation of climate change and responsible & competitive sourcing strategies that conserve biodiversity. As part of such strategies, the Organization promotes resilient sourcing processes and the sustainability of its operations, services and products, as well as the conservation of the ecosystems and the zero deforestation efforts.

In addition, based on circular solutions, Grupo Nutresa will maintain a conscientious use of natural resources, the transition to recyclable, reusable and compostable packaging, and the reduction in food loss and waste. All these initiatives allow laying the foundations of a future where development benefits everyone.



Emissions, mitigation of and adaptation to climate change

Implementing actions focused on minimizing the emissions discharged into the atmosphere. This is done by prioritizing energy efficiency, using alternative types of energy, implementing clean technologies and efficiently using supplies in the production, distribution and logistics operations.



Solar panels at the Pastas Business Facilities in Colombia.

Management approach [GRI 3-3]

Achieving a resilient sourcing and mitigating risks in the value chain.

Achieving sustainable operations and logistics.

Innovating in terms of carbon-efficient products, services and experiences.

Making responsible investments for the climate.

Contributing to the adaptation to climate change, risk management and culture transformation.

Progress achieved in 2022 [GRI 3-3]

- **Installation of 5.000 devices** to identify bovines in the Llanos Orientales (Eastern Plains) of Colombia.
- **Measurement of the carbon footprint** and estimation of reduction due to the implementation of leading livestock practices in 42 ranches in Colombia.
- **Measurement of the carbon footprint** in 550 coffee plantations to assess the reduction of emissions from agricultural practices.
- **Implementation of the C4D cooperation project** - Partners of the Americas to collect primary information on the carbon footprint and carbon uptake in the cocoa chain.
- **Publication in Chile** of the *Handbook of good agricultural practices with a focus on conservation agriculture*, together with the National Agricultural and Livestock Research Institute (INIA).

- **Reduction of 11,3%** in scope 1 and 2 emissions with respect to 2020.
- **99,98% increase** in renewable electrical energy in Costa Rica, which represents 8,13% of the total consumption.
- **Consolidation of a portfolio** of projects for financial assessment and execution during the decade.
- **Transition to a sustainable mobility** with the conversion to natural gas of 39 vehicles in Novaventa and six heavy-duty vehicles in Costa Rica and Guatemala, plus the acquisition of two electric vehicles at Comercial Nutresa, which reduce 79,6 tons of CO₂eq. per year.
- **7% reduction in gCO₂eq./ton·km** from the logistics and development of capabilities for suppliers in the Biscuits Business.

- **Recycling of refrigerant gas** from Novaventa machines to avoid 32 tons of CO₂eq. associated with CFC (substances derived from saturated hydrocarbons) into the atmosphere.
- **Maintaining the carbon neutral certification** of Tosh, Evok, Livean and Zuko, thus reducing their footprint by 31,1% and offsetting 22.660 tons of CO₂ eq.

- **Subscription of sustainable credit** in Colombia linked to compliance with the greenhouse gas (GHG) goal.
- **COP 1 billion** invested for the conservation of paramos through the planting of one million trees.

- **Implementation of the Sustainable Corporate Mobility Plans (PMES)** with active mobility initiatives, flexible work modalities, promotion of public transport and business routes.

Risks and opportunities

[GRI 3-3]

Grupo Nutresa recognizes the physical, regulatory and financial risks associated with climate change. For this reason, it has committed to leading actions throughout its value chain to reduce greenhouse gas (GHG) emissions, increase the productivity of natural resources, implement adaptation measures to climate changes and regenerate ecosystems to conserve biodiversity.

One of the aspects with the greatest risks is the increase in emissions and global temperature, which puts the life of the human species and the planet's ecosystems at stake. This generates, in turn, an opportunity to have a more active role as private companies and join efforts with different sectors to contribute to the measures to reduce emissions and adapt to climate change provided by regulatory instruments, in addition to the Nationally Determined Contributions (NDC) in the Strategic Region. Some countries are expected to establish reporting and verification systems, as well as sector-based maximum emission limits and the implementation of leading agricultural practices.

On another note, the transition towards the consumption of cleaner fuels, refrigerants, products and services with less environmental impact also represents an opportunity to boost the economy and create new job opportunities. The same happens with changes in consumer preferences towards carbon-efficient products, which will cause changes in the design concepts.

Finally, aspects such as agriculture for conservation and the generation of capital associated with sustainable practices continue to be opportunities to improve the relationship between production systems and ecosystems in order to establish trust-based relationships between suppliers and adopt leading practices.

Future challenges

Both industrial operations and the value chain are being impacted by the climate change. Therefore, it is necessary to continue implementing adaptation measures, with emphasis on the transition to renewable energy sources and value chains with less environmental impact. To achieve this, the



Employee from the Cold Cuts Business in Colombia.

Company moves forward in the strategies and commitments for 2030 through five pillars that address various fronts of climate action.

In responsible sourcing, the Organization will study scope 3 greenhouse gas (GHG) emissions through prioritization of the bovine, pigs, cocoa and coffee chains, where it has incorporated plans and actions for the adaptation and mitigation of the climate change. In operations and sustainable logistics, it will promote eco-efficiency and the energy transition.

In order to make progress in the energy transition towards renewable energy sources, the Organization will spend time searching for alternatives to replace the energy derived from the combustion of natural gas, which represents 54,6% of the energy usage. In addition, it will continue with the formulation of energy generation projects from biomass, the embracement of new technologies and the improvement of energy efficiency in thermal processes to obtain energy from renewable sources (zero carbon emissions) that are 100% reliable and with a competitive cost-benefit ratio.

For the climate action management, it will maintain the embracement of the framework of the Task Force on Climate-related Financial Disclosures (TCFD) and the adaptation of climate governance within the corporate governance structure. Moreover, it will strengthen responsibilities at all levels to make progress in the embracement of new technologies, the structuring of emission reduction projects and the development of products with less impact on the carbon footprint.

Outstanding practices and recognitions



Adaptation of industrial operations to climate change through the energy transition

Grupo Nutresa moves forward in several measures that allow it to adapt to climate change from the processes of its value chain. In the case of sustainable operations, the energy transition will serve to migrate to energy sources with less environmental impact. In Colombia, 100% of the electrical energy is certified (I-REC, certified energy with EPM) as renewable, that is, it has no associated CO₂ emissions. In the operations of the Strategic Region, the Organization has made progress towards renewable sources of electrical energy through negotiation processes and its own generation projects (solar energy), thus reaching 14%. Regarding thermal energy, it has been mostly covered with fossil sources and biomass, the latter being a key element for industrial operations. The technological improvements and the substitution of fuels in the operations in Tresmontes Lucchetti, Chile, have reduced the dependence on natural gas. Biomass represents 14,6% of the total energy usage of food production operations and 25,7% of the thermal energy.



Mitigation of GHG emissions through eco-efficiency measures

Tresmontes Lucchetti replaced the use of some liquefied petroleum gas (LPG) fuels with natural gas in burners, in addition to making improvements in biomass combustion (boiler that uses coffee grounds, tea dust and wood chips) and investments in new and more efficient refrigeration equipment. With this, the non-renewable energy consumption indicator improved by more than 24,9% between 2022 and 2020. For its part, the Retail Food Business made investments in combustion equipment (new boiler), in fuel change (LPG to natural gas) and in refrigeration equipment with less environmental impact. Thanks to this, in the last two years it achieved a significant growth of (+15,9%) between 2022 and 2020 in the energy efficiency of non-renewable sources, which contributes to the reduction of GHG emissions and the improvement of the operating conditions in production plants.



Management of GHG emissions in the bovine and dairy chains, key to agricultural and livestock production

Through a research project with the Universidad Nacional de Colombia, in Medellín, 42 ranches of livestock suppliers in different areas of the country were characterized for the calculation of the carbon footprint. This is the first study to document primary data on livestock ranches directly related to the Organization. In the case of the dairy chain, and in partnership with the World Wide Fund for Nature (WWF), it published two handbooks on the leading administrative and environmental practices, specifically on water and climate change. With these initiatives, the Organization develops capabilities to reduce GHG emissions in the production chains linked to its operation.

Material topic details

The Organization has historically been committed to climate action, both in the mitigation of GHG emissions and in measures to adapt to extreme events associated with climate change.

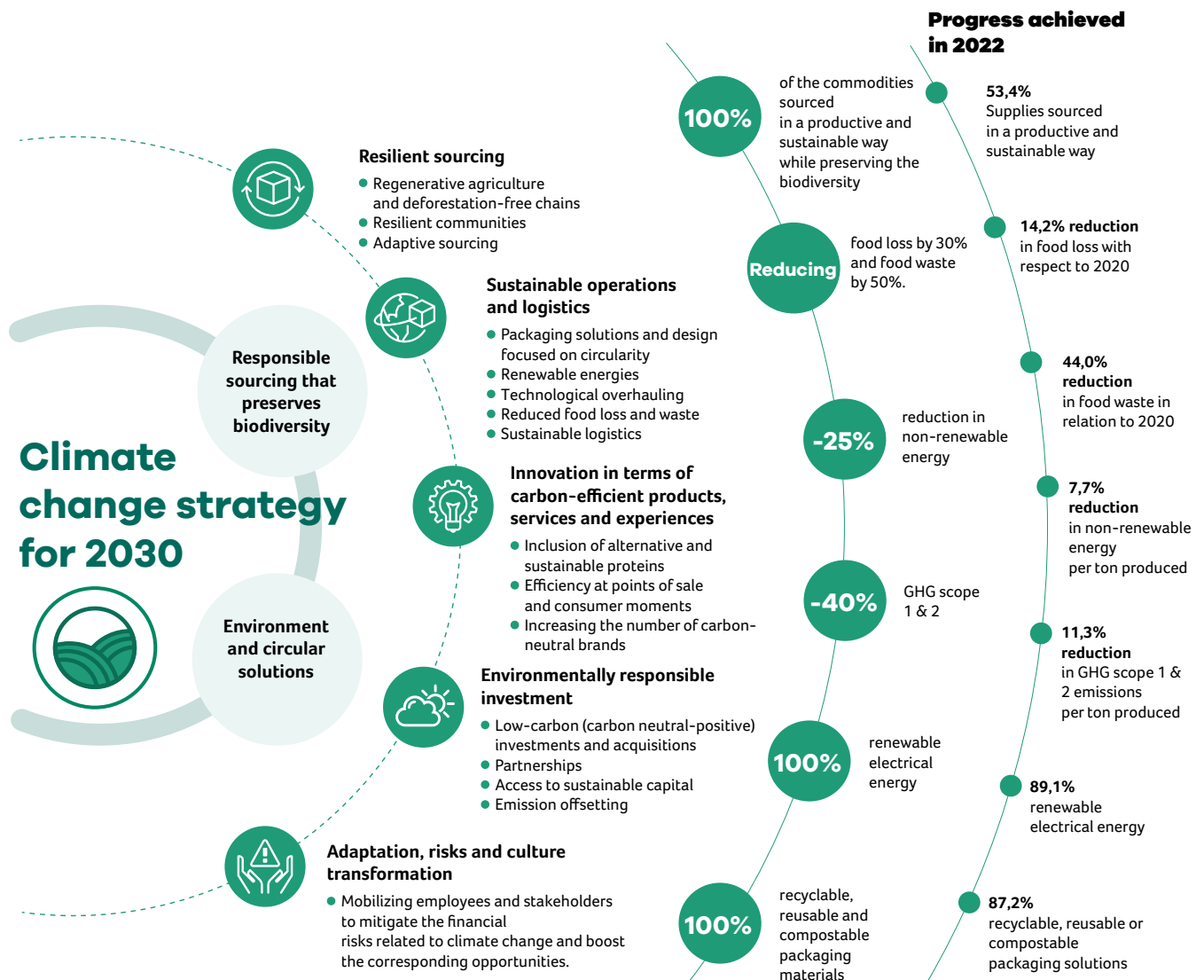
In 2020, Grupo Nutresa launched a climate change strategy in which, through five pillars, it addresses the main processes that may be affected: Resilient sourcing; Sustainable operations and logistics; Innovation in terms of carbon-efficient products, services and experiences; Environmentally responsible investments; and adaptation, risks and transformation of the culture.

Grupo Nutresa has set the goal of reducing 40% of its emissions scope 1 and 2,

in terms relative to its production. To accomplish this goal, by 2030 it has also set to achieve 100% renewable electric power sourcing, a 25% reduction in non-renewable energy consumption and the design of 100% of its brand packaging to be 100% recyclable, reusable or compostable.

Below is the progress for 2022 of these goals:

- Reduction of 40% in GHG emissions scope 1 and 2: -11,3%.
- Reduction of non-renewable energy consumption: -7,72%.
- Sourcing of 100% renewable electrical energy: 89,05%.
- 100% of the brand packaging to be recyclable, reusable or compostable: 87,2%.



Resilient sourcing

The management of emissions from the production of raw materials is vital. Agriculture, including livestock production, is responsible for at least 17% of the global GHG emissions. Therefore, the evaluation of the carbon footprint of the most relevant raw materials, as well as the identification and implementation of the leading practices to reduce the carbon footprint, are matter of interest to the Organization.

During 2022, the Company carried out studies in the beef, pork, coffee and cocoa chains in order to determine the carbon footprint for the most representative production systems. This identification included the prioritization of leading practices to be disclosed and implemented by suppliers. In addition, the Organization published handbooks on livestock farming and milk production, where climate change is a relevant element for the producers' development of capabilities.

Energy efficiency

Internal energy consumption

[GRI 302-1] [GRI 302-3] [FB-PF-130a.1]
(SDG 12.2)

Total energy consumption in industrial operations is made up of renewable energy (thermal and electrical) and non-renewable energy. Thermal renewable energy, for its part, comes mainly from the use of biomass (coffee grounds, tea dust, wheat husk and wood chips) and some solar energy applications for water heating. This energy represents 14,8% of the total energy usage and increased 1% compared to 2021, mainly due to investments in biomass combustion equipment in the Tresmontes Lucchetti Business, Chile, and due to the reduction of the coffee grounds used in the Coffee Business.

Electric power in industrial operations in Colombia is renewable and is supplied by EPM at all facilities. This energy represents 19,7% of the total energy usage and had an increase of 3,4% compared to 2021. The electric power in the operations of the Strategic Region, which represents 28,3% of the energy usage, comes 89,05% from renewable sources. In

2022, the Organization expanded the coverage of renewable electric power supply by 5,6% in relation to 2021.

Non-renewable thermal energy corresponds to the use of fossil fuels (natural gas, LPG, diesel and others). This is the main source of energy, and represents 56,8% of Grupo Nutresa's energy usage, while natural gas occupies 49,7%. In 2022, the total consumption of thermal energy had a reduction of -3,75% due to the impact of the optimization projects in the Business Units:

- **Coffee:** roasting process.
- **Ice Cream and Retail Food:** control and technological overhaul of boilers.
- **Tresmontes Lucchetti:** fuel replacement.
- **Biscuits:** operational efficiencies.

Employee from the
Coffee Business in
Colombia.

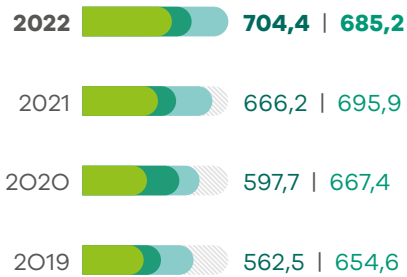


Internal energy consumption

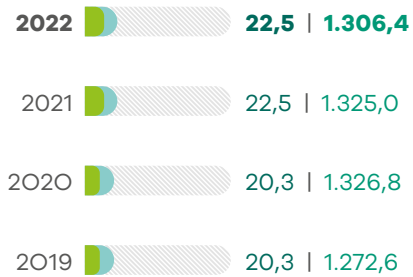
[GRI 302-1] [GRI 302-3] [FB-PF-130a.1] (SDG 12.2)

● Electric power consumption (GWh) | ● Non-renewable (GWh) | ● Renewable (GWh)
Total energy consumption (GWh) | Consumption intensity (kWh / t.p.)

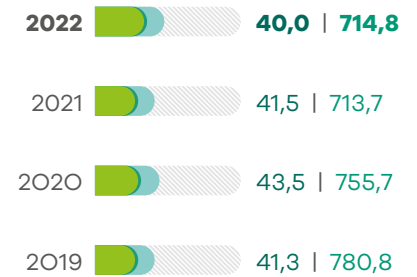
Colombia



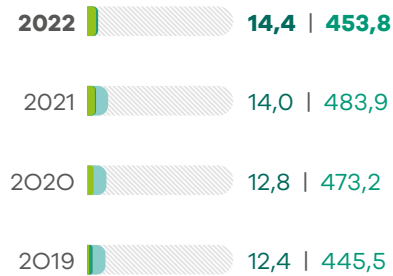
Peru



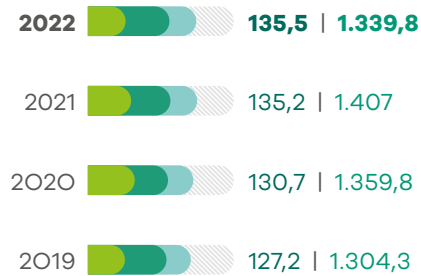
Costa Rica



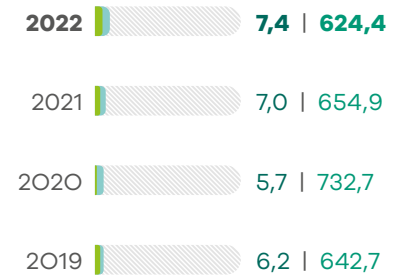
Mexico



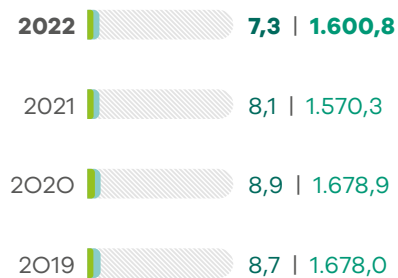
Chile



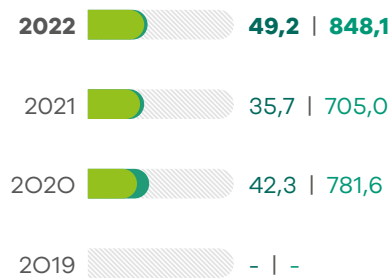
Dominican Republic



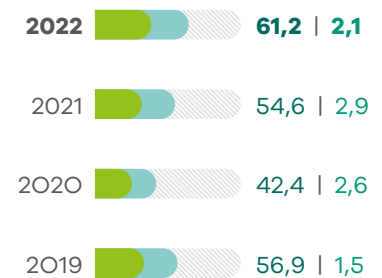
Panama



United States



Colombia - Restaurants*



* Consumption intensity for restaurants (tons of CO₂ eq./million main courses).



Employee from the Pastas Business in Colombia.

Reduction in energy consumption

[GRI 302-4]

Energy consumption per ton produced had a reduction of 2,2% compared to 2021 thanks to investments in new refrigeration technologies, optimization of electric power consumption, photovoltaic solar energy installations, and optimization of thermal processes.

Reductions in energy requirements of products and services

[GRI 302-5]

Sustainable operations - GHG emissions

As a result of the different fronts of the climate change strategy, the Company has consolidated a -11,3% reduction of GHG emis-

sions scope 1 and 2, which places an emission of 107,55 tons of CO₂ eq./t.p and equivalent to 129.148 tons of CO₂ eq. and 11.598 tons of CO₂ eq. for scope 1 and 2, respectively. This is mainly due to the reduction in refrigerant leaks and the decrease in the consumption of thermal energy and electric power.

Scope 1 and 2 emissions

[GRI 305-1] [GRI 305-2] [GRI 305-4]

Extending the commitment to the supply chain and based on a life cycle analysis, Grupo Nutresa calculated the scope 3 emissions of its operations, which stands at 31.352,38 tons of CO₂ eq. in the assessed categories, for a total carbon footprint in the logistics operations of 51.094,80 tons of CO₂ eq. in 2022. [GRI 305-3] [FB-MP-110a.2]

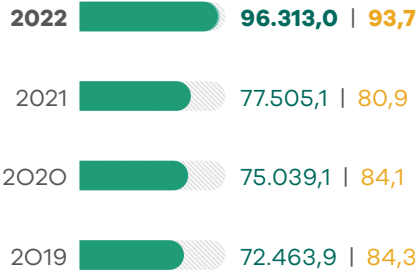
Scope 1 and 2 emissions

[GRI 305-1] [GRI 305-2] [GRI 305-4]

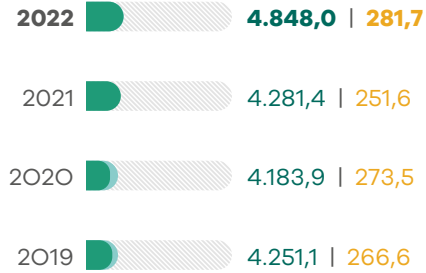
● Scope 1 emissions (tons of CO₂ eq.) | ● Scope 2 emissions (tons of CO₂ eq.)

Total scope 1 and 2 emissions (kg of CO₂ eq.) | Total scope 1 and 2 emissions (kg of CO₂ eq./t.p.)

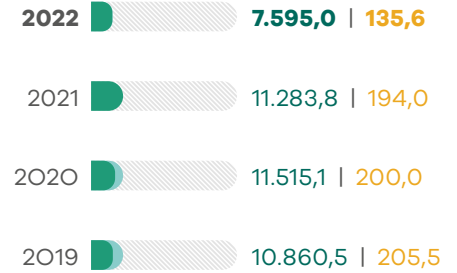
Colombia



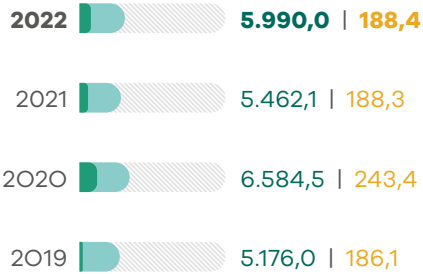
Peru



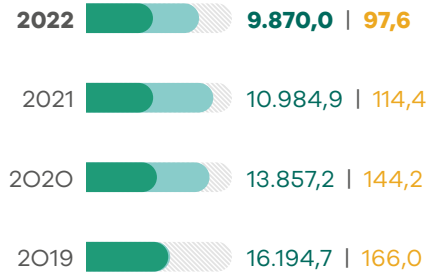
Costa Rica



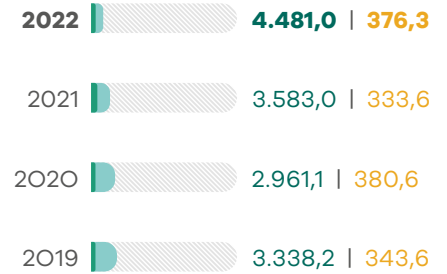
Mexico



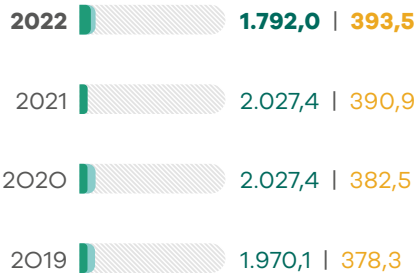
Chile



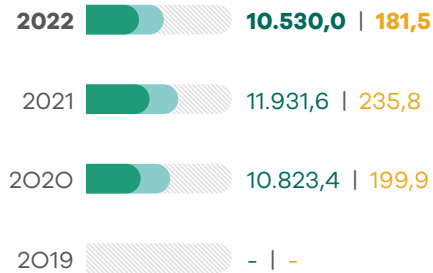
Dominican Republic



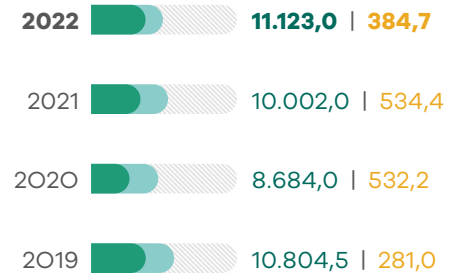
Panama



United States



Colombia - Restaurants*



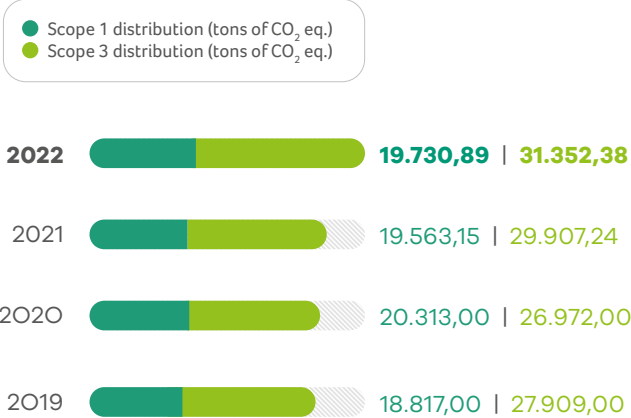
* Consumption intensity for restaurants (tons of CO₂ eq./million main courses).



Employees from Operar Colombia.

Sustainable logistics

Regarding the emissions generated by sourcing, in 2022 Grupo Nutresa caused 51.094,80 tons of CO₂ eq., made up of 38,6 scope 1 and 61,38 scope 3. [GRI 305-3]



No causation of carbon tax

Taking on the commitment of the Grupo Nutresa brands, in 2022, 79,63 tons of CO₂ eq. were offset to avoid carbon taxes.

Air quality

[GRI 305-6][GRI 305-7] [FB-FR-110b.1] [FB-FR-110b.2] [FB-FR-110b.3]

The air pollutant emissions amounted to 68,1 tons of particulate material, 7,1 tons of SO₂, 527,1 tons of NO_x, 9,7 tons of COV [GRI 305-7] [TR-RO-120a.1], and the emissions of ozone-depleting substances totaled 191,6 kg of CFCs. This is due to a control of each of the emission sources and the replacement of potential ozone-depleting refrigerants.

Innovation in carbon-efficient products, services and experiences

Carbon neutral products

[FB-FR-430a.1]

With the ratification of the Carbon Neutrality Commitment, Grupo Nutresa consolidates four carbon neutral brands: Livean, Zuko, Evok and Tosh, which offset 22.660 tons of CO₂ eq. Additionally, the Tosh Fest is a carbon neutral event.

Business assets

Upgrading of the portfolio of business assets with a more environmentally friendly refrigerant

The Ice Cream Business purchased 8.655 freezers and upgraded 34,8% of the portfolio of business assets with R290 refrigerant, an environmentally friendly product that generates a 99,9% reduction in potential tons of CO₂.

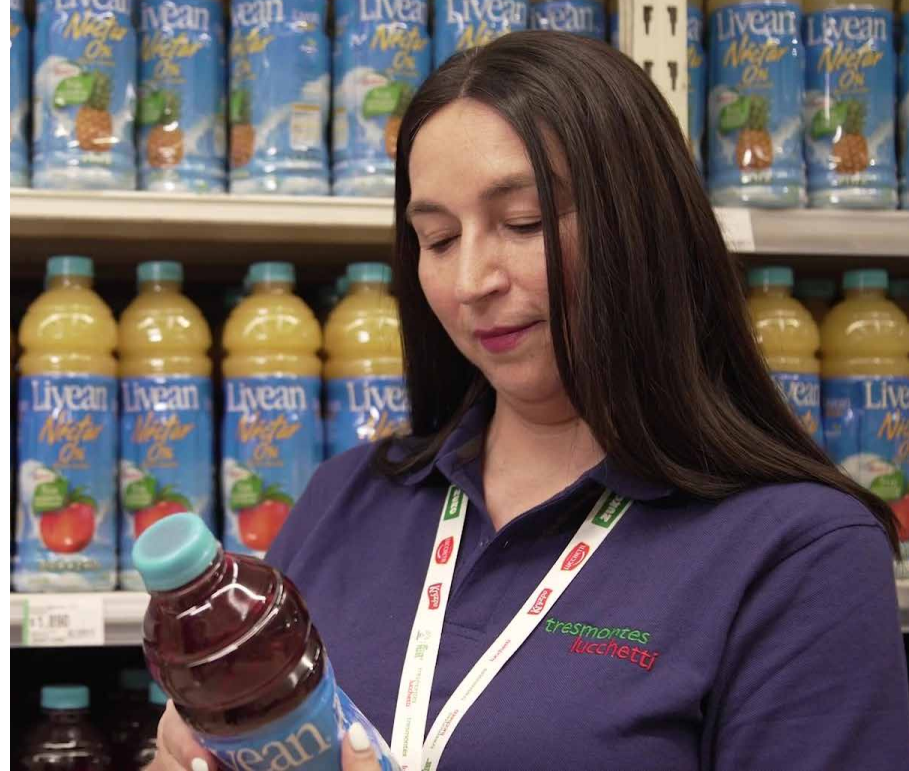
Environmentally responsible investment

Grupo Nutresa signed a sustainable financing with Bancolombia for COP 300.000 million, linked to climate change metrics and packaging circularity. Under this figure, the Company is committed to contributing to the preservation of the planet through the fulfillment of goals on climate change and circular economy in Colombia and its Strategic Region. In turn, it also contributes to the fulfillment of the United Nations Sustainable Development Goals, to the national goals for the reduction of greenhouse gases and to the current partnerships.



Risks, adaptation and transformation of the culture

Climate change represents a risk to the fulfillment of humanity's objectives. According to the results of COP 27, Conference of the Parties, held in Egypt in 2022, the global pol-



Livean, a carbon-neutral brand in Chile.

icies implemented allow us to estimate that the increase in the average temperature of the planet is well above 1,5°C. It is expected that extreme weather events will increase in the coming years.

On the other hand, the current social and political dynamics add elements of uncertainty for the sourcing of energy and fertilizers. The countries will increase the level of demand for compliance with the Greenhouse Gases Reduction Commitment. In the Strategic Region, the commitments include the reduction of national emissions by around 50% by 2030 and 90% by 2050, the creation of carbon markets and sector-based measures for mitigation and adaptation.

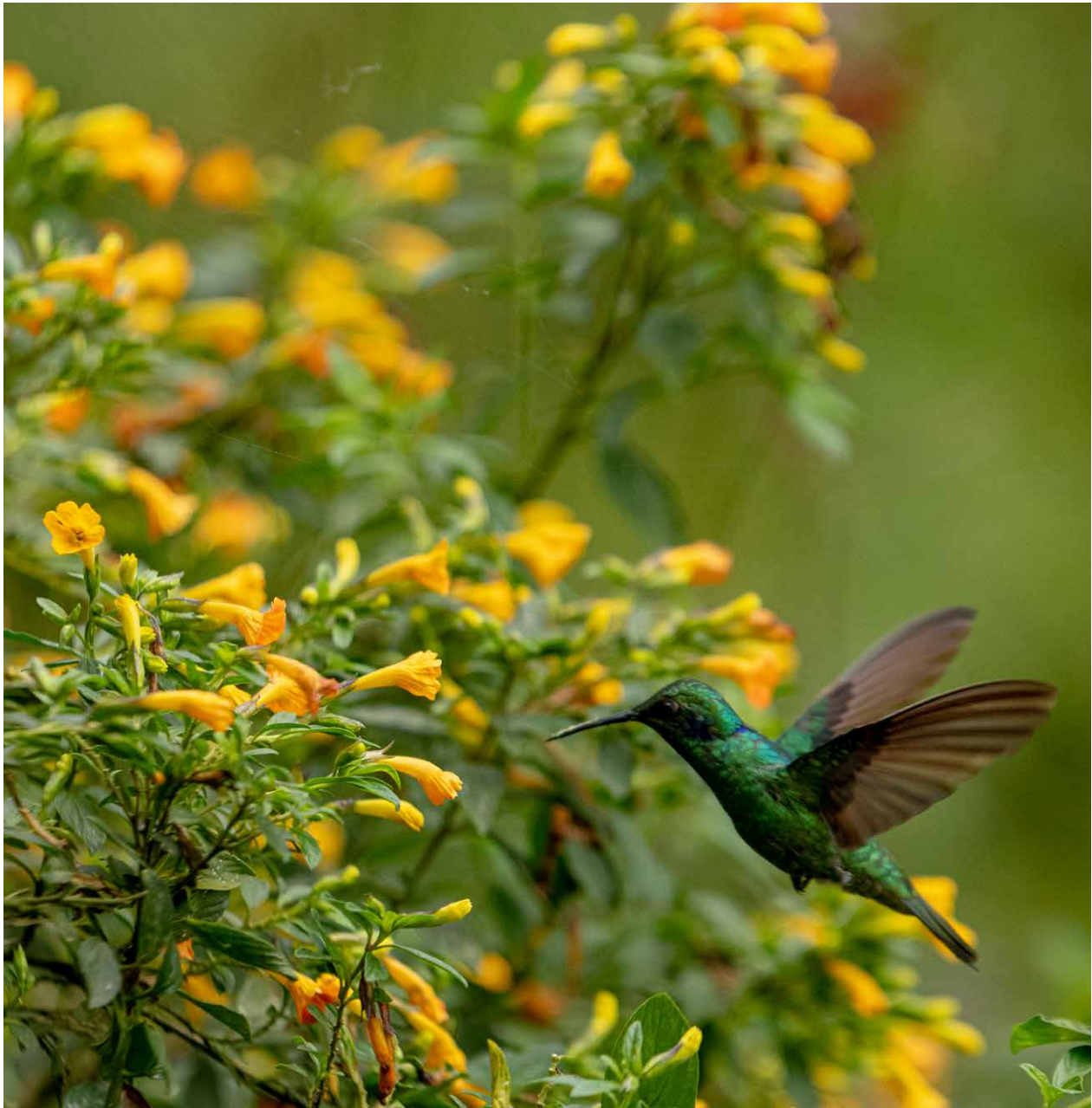
The Organization implemented the TCFD Standard, with which it ensures the actions so that the governance can supervise the financial risks derived from climate change, implement a strategy consistent with its impacts, besides mitigation and adaptation activities, identify and assess financial risks and implement challenging goals for climate action. Since 2021, Grupo Nutresa reports its progress in the implementation of the TCFD recommendations.





Biodiversity and water resources

Ensuring the sustainable origin of the commodities based on a model that allows keeping a balance between sustainability and productivity while maintaining the competitiveness of the sourcing processes.



Pollinators in the 'Bear coffee project' deployed in Valle del Cauca, Colombia.

Management approach

[GRI 3-3]

Progress achieved in 2022

[GRI 3-3]

Formulating the work plan and biodiversity-related actions.

- **Identification, adjustment and alignment of impacts** and dependence on biodiversity in the work plans for the 16 commodities prioritized by the responsible sourcing task force.
- **Identification of industrial operations** in high-value zones for biodiversity.
- **Creation of partnerships** with relevant actors with the purpose of studying and conserving biodiversity in the strategic region.

Promoting the sustainable use and the regeneration of biodiversity.

- 649.688 trees planted as of 2022, thus reaching 65% in the fulfillment of the goal of one million trees.
- **Reforestation in the Canoas Natural Park** and in the Torca Guaymaral wetlands in Colombia by the Retail Food Business.

Developing partnerships focused on preserving biodiversity in the value chain.

- **Conservation of animal species** in the coffee plantations through the Matiz Oso de Antejos (Andean bear) brand in partnership with the Wildlife Conservation Society (WCS).
- **Launch of the conservation program** called 'Misión Humedal El Gualí' (El Gualí wetland mission) by the Pastas Business.

Optimizing water consumption.

- **2,67% decrease** with respect to 2020 in the water consumption per ton produced.
- **Water consumption reduction** in regions that are under water stress: in Peru (7,01% reduction) and in Mexico (25,5%).

Diminishing the impact on water resources by adequately managing water disposal actions.

- **COP 21.829 million invested** in the operation and maintenance of the wastewater treatment plants across all Business Units. [GRI 303-2]

Managing the water quality deterioration and shortage risks.

- **Blue certification** granted by the National Water Agency (abbreviated ANA in Spanish) to the Chocolates Business Unit's production plant in Peru.

'El Gualí' wetland in Mosquera,
Colombia.



Risks and opportunities

[GRI 3-3]

Biodiversity is indispensable for the ecosystemic balance of the planet. According to the World Wide Fund for Nature (WWF), approximately 69% of the world's biodiversity has been lost over the past 50 years. Aquatic ecosystems are the most affected: 83% of the freshwater diversity and 71% of marine species have been lost. The deterioration of these ecosystems has a direct impact on the quality and availability of water for consumption, and for the agricultural and industrial operations, which turns this situation into a worldwide challenge.

Grupo Nutresa is aligned with these challenges and works on strategies for the identification of its dependence and impact on biodiversity and on water resources across all the geographies where it operates. In addition, the Organization prioritizes actions in high-value zones for biodiversity and in areas under water stress.

These actions are reflected on its commitment set for 2030, which consists in achieving that 100% of the supplies used by the Company are sourced in a productive and sustainable way while preserving biodiversity. Such commitment brings about several opportunities to diversify the portfolio and include new environmental production criteria, such as regenerative agriculture,

silvopasture and agroforestry systems, in its main value chains, as well as maintaining the capacity-building efforts for suppliers to be able to secure a sustainable agricultural, livestock and industrial production that conserves the ecosystems.

Water, as an ecosystemic service, remains a relevant matter to manage and ensure an optimal treatment of the effluents, to guarantee the access to drinking water and to minimize the main related risks across all geographies, such as the shortage for human consumption, droughts and desertification with regard to the agricultural and livestock activities, and pollution for the population and ecosystems.

In geographies such as Central America, due to the major social and environmental concerns regarding the use of water, multiple initiatives are deployed in order to establish water as a fundamental right, ensure the access to the resource through its protection, and build the capacities of the public service providers. This initiative emerged as a response to the identification of challenges such as the one facing Mexico, where only 64% of the population has access to safely managed drinking water and less than 52% of the water are treated.

Future challenges

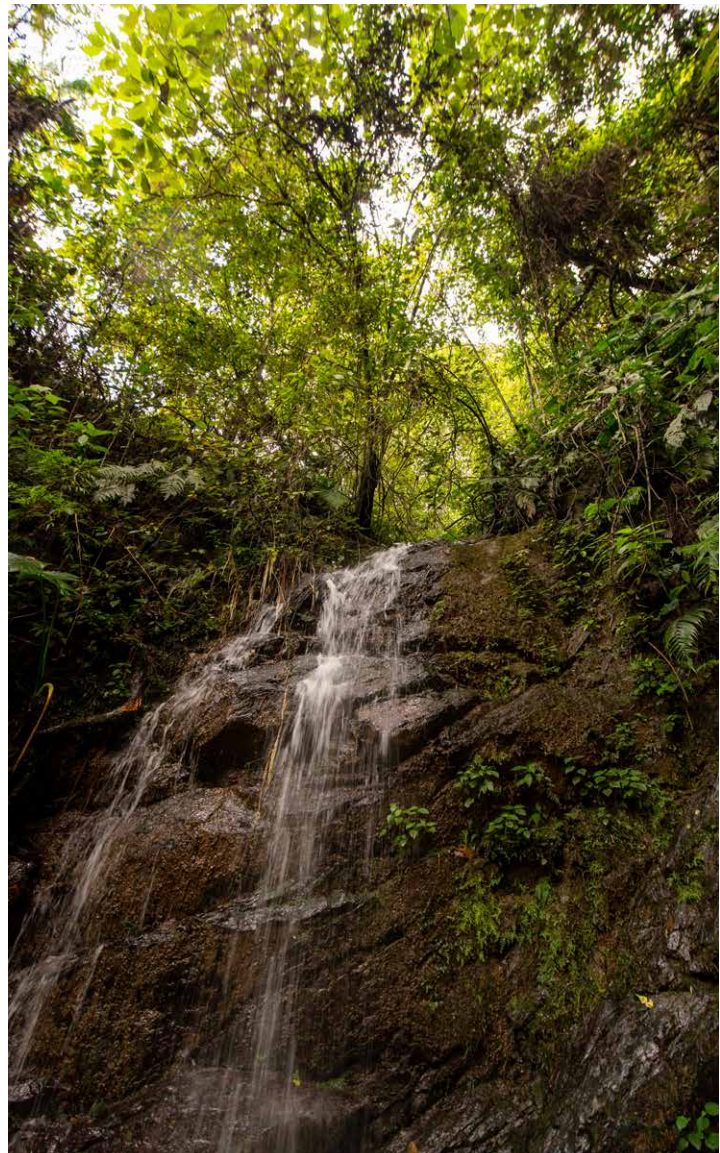
Grupo Nutresa will maintain its focus on avoiding and minimizing its impacts on biodiversity. This process will be carried out by identifying and prioritizing the dependence and the impact of the sourcing of these supplies with regard to the ecosystemic services. The process will also be maintained in alignment with the initiatives set forth in the road maps proposed by each Business Unit with the aim of having a comprehensive perspective and analysis of the sourcing process.

Another important challenge facing the Organization is the pressure related to water shortage, which can arise mainly in the regions where the availability of the hydrological resources is at high risk or where the population has no access to such essential resources. Therefore, this issue becomes a priority for the Company's general operation.

To secure the continuity of the actions previously established in 2021, Grupo Nutresa will continue working on:

- Ensuring that the road maps of its prioritized supplies and raw materials include the execution of impact and dependency analyses, and plan and develop practices in the value chains in order to reduce the risks and dependencies.
- Promoting and participating in actions focused on the recovery, preservation and conservation of ecosystems that are important from the biodiversity perspective through the prioritized value chains, the stakeholders that have a significant impact on both biodiversity and the water resources, and the strategic partnerships with actors from the chain that promote conservation efforts.

- Identifying and prioritizing its operations that carry a significant importance from the biodiversity perspective and those conducted in zones under water stress with the objective of making relevant decisions.
- Strengthening the understanding of the value chains from their origin through the exploration of technology tools that help in terms of traceability.
- Exploring and participating in lesser-impact agriculture projects, such as agroforestry and silvopasture systems both independently and with strategic partners.



Natural ecosystems of the Tatamá
National Natural Park
located in El Águila, Valle del
Cauca, Colombia.

Outstanding practices and recognitions



Planting one million trees [GRI 304-3]

Since 2020 and along with MasBosques, four environmental corporations and the participation of more than 400 families, Grupo Nutresa develops a program focused on planting one million trees in the Colombian states of Antioquia, Norte de Santander and Cesar.

Thanks to this strategy, as of the end of 2022, 649.688 trees have been planted, including species such as myrtle, cedar, fiddlewood and several from the Inga genus, among other. The projection for the first quarter of 2023 is to reach 112.000 trees planted, generate well-being for the families and improve the quality of the ecosystemic services in the aforementioned states. This paramo ecosystem protection initiative also promotes the conservation of water resources.

'El Gualí' Mission

The Pastas Business leads the implementation of the conservation program called "Misión Humedal El Gualí" ('El Gualí' wetland mission), located near the municipalities of Mosquera and Funza in the Colombian state of Cundinamarca, and considered an area of high importance for biodiversity by the International Union for Conservation of Nature (IUCN). The objective of the program is to make a positive contribution to the definition of the governance mechanisms that include the academic sector, the government, the private sector and the community in the restoration of the flora and fauna of this ecosystem, which has been severely threatened by the urban and industrial development, and by the agricultural and livestock activities.



Improvement of Zenú's wastewater treatment process

The Cold Cuts Business modified the wastewater treatment at its production plant in Medellín, Colombia, by adjusting the process regarding the operation parameters in such a way the systems with the highest level of consumption are activated only when necessary. This improvement represents saving up to 7.600 cubic meters of water per year.

Material topic details

Grupo Nutresa understands the current challenges emerging from the intervention of the ecosystems and their consequences on both biodiversity and the hydrological resources. The Organization is committed to its goal for 2030 that consists in ensuring that 100% of the commodities used in its operation are supplied in a productive and sustainable way, thus successfully conserving biodiversity.

Therefore, the Company set in motion its exploration and knowledge development in this regard through the main organizations and frameworks in the context of biodiversity, such as Business for Nature, the Inter-governmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the International Union for Conservation of Nature (IUCN) and the Convention on Biological Diversity. Additionally, Grupo Nutresa reviewed related frameworks such as the Capitals Coalition and the Taskforce on Nature-related Financial Disclosures (TNFD). After a thorough review, the Organization decided to work with the TNFD framework for the subject of biodiversity. As for water resources, the Company has been historically involved with the CEO Water Mandate.

The TNFD is an international framework intended to enable the private sector to approach biodiversity. This framework is actually under construction; however, three versions were published throughout 2022 encouraging the formulation of benchmarking processes, as well as the analysis of risks, impacts and dependencies associated with the ecosystemic services that are essential for the operation of the Business Units.

The Organization has focused its work on the identification of the work plans for the direct operation and the sourcing chain. With regard to the responsible sourcing line, Grupo Nutresa has prioritized the actions associated with the impacts and dependencies related to the main 16 commodities that represent 80% of the purchases made by the Company. The purpose of this action is to align such actions with the initiatives of each one of the road maps, and to focus the Organization's resources on actions that guarantee the conservation, preservation and restoration of biodiversity in its value chains.



'Tatamá' National Natural Park in the Colombian state of Valle del Cauca.

As for the operation centers, Grupo Nutresa has carried out a process to identify the zones where the production plants it has operational control over are located. This process has been executed using the Protected Planet platform and Google Earth.



Impactful actions taken by the Business Units

'El Gualí' Mission

'El Gualí' Mission is a project that seeks, through the participative science concept, to establish the baseline for the current condition of the wetland. It is located on the border of the Pastas Business Unit's production plant in the Colombian municipality of Mosquera. The process has the objective of conserving and restoring the ecosystem of the wetland. In the furtherance of this program in 2022, the Organization allocated COP 100 million for the initial stage, as well as human resources from the Pastas Business. In addition, the ANDI (National Business Association of Colombia) is a strategic partner of the project, acting as an enabler of both the company-government relationship and the field work with the community. Other project participants include: the EAN University and the 'Humedales de Bogotá' Organization, who lead the applied research of the biotic and abiotic components.

The program will comprise three phases:

- Phase I. Planning and coordination of activities.
- Phase II. Execution period:
- Phase III. Disclosure and preparation of the final proposal.

Andean bear coffee

“Café Matiz Oso de Antejos” (Andean bear Matiz coffee) is an initiative that promotes the conservation of this bear species, which is currently vulnerable to extinction, and the improvement of the engagement with the rural coffee growers who cohabit with the Andean bear. The project was deployed in the municipalities of El Águila and El Tambo in the Colombian states of Valle del Cauca and Cauca, respectively.

Eighteen coffee growing estates were characterized, from which 25 hectares were selected as productive areas and 191 hectares were designated for conservation. Additionally, workshops were held to build the capacities of the community and 23 camera traps were installed, allowing to sight Andean bears and other endemic species, such as pumas, ocelots, foxes, tayras, raccoons, coatis, armadillos, anteaters, opossums, pacas, and squirrels.

Thanks to all the workshops run with the communities, the community members developed capabilities related to conservation and preservation principles, and a healthy engagement with biodiversity, in addition to sharing knowledge to maintain the monitoring activities in the estates. These actions will favor the conservation of the Andean bear, good practices associated with the reduction in the use of water and the regulation of the use of chemical products that could have adverse effects on human health, as well as on the fauna and flora of the region.

Reforestation of the Canoas Metropolitan Park in Soacha, and the Torca wetland in Bogotá

The Retail Food Business joined two initiatives focused on the reforestation and conservation of environmentally important zones in Colombia: the Torca wetland and the Canoas Park, both located in a protected area that is part of the ecological structure of the District of Bogotá and Soacha.

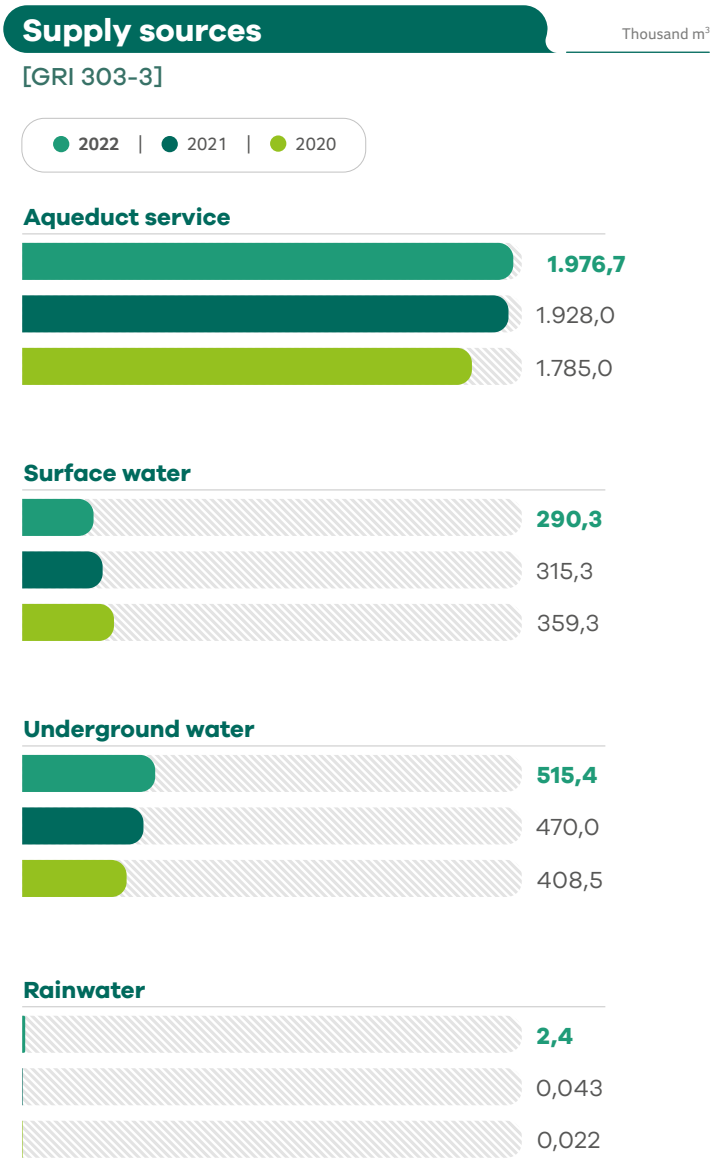
Water resource management in the operations

Grupo Nutresa recorded a 2,67% decrease in its indicator of water consumption per ton produced in 2022. Additionally, water usage reductions were recorded in several geog-

raphies that are under hydrological stress: Peru (7,01%) and Mexico (25,5%).

Such reductions are the result of projects focused on re-circulating treated water for industrial use and sanitary services, investments in water-saving devices and the standardization of operations with the aim of optimizing water consumption.

On another note, it is worth highlighting the training activities organized for employees and contractor staff in the fields of the efficient use of water resources in all geographies, actions that in turn allowed the Chocolates Business to get its production plant in Peru recertified by the National Water Agency (ANA) due to its responsibility and the good practices regarding the use and management of the essential resource in this geography.



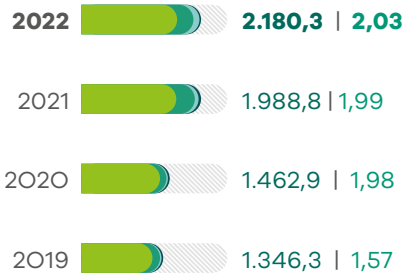
Water withdrawal and consumption

[GRI 303-1] [GRI 303-5][FB-PF-140a.1]

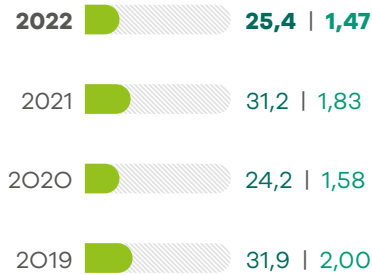
● Aqueduct service ● Surface water ● Rainwater ● Underground water | Total | Consumption intensity (m³ / t.p.)

Thousand m³

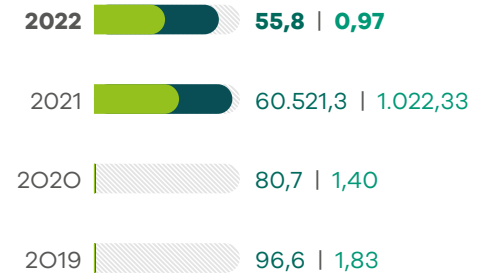
Colombia



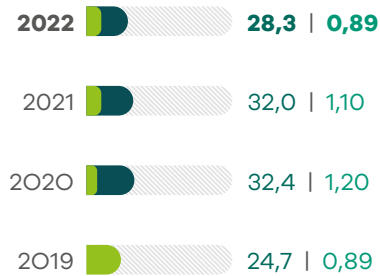
Peru



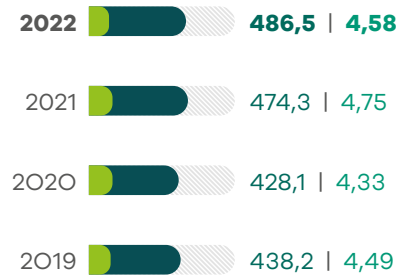
Costa Rica



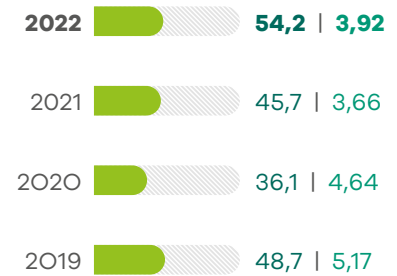
Mexico



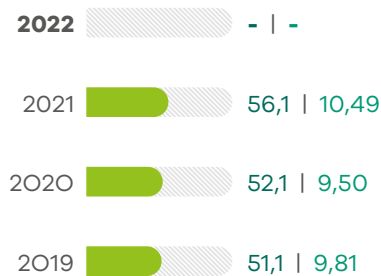
Chile



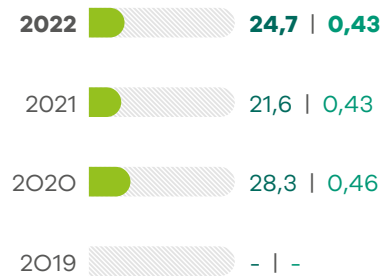
Dominican Republic



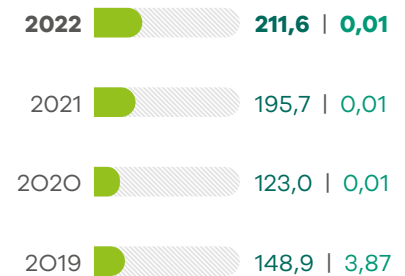
Panama

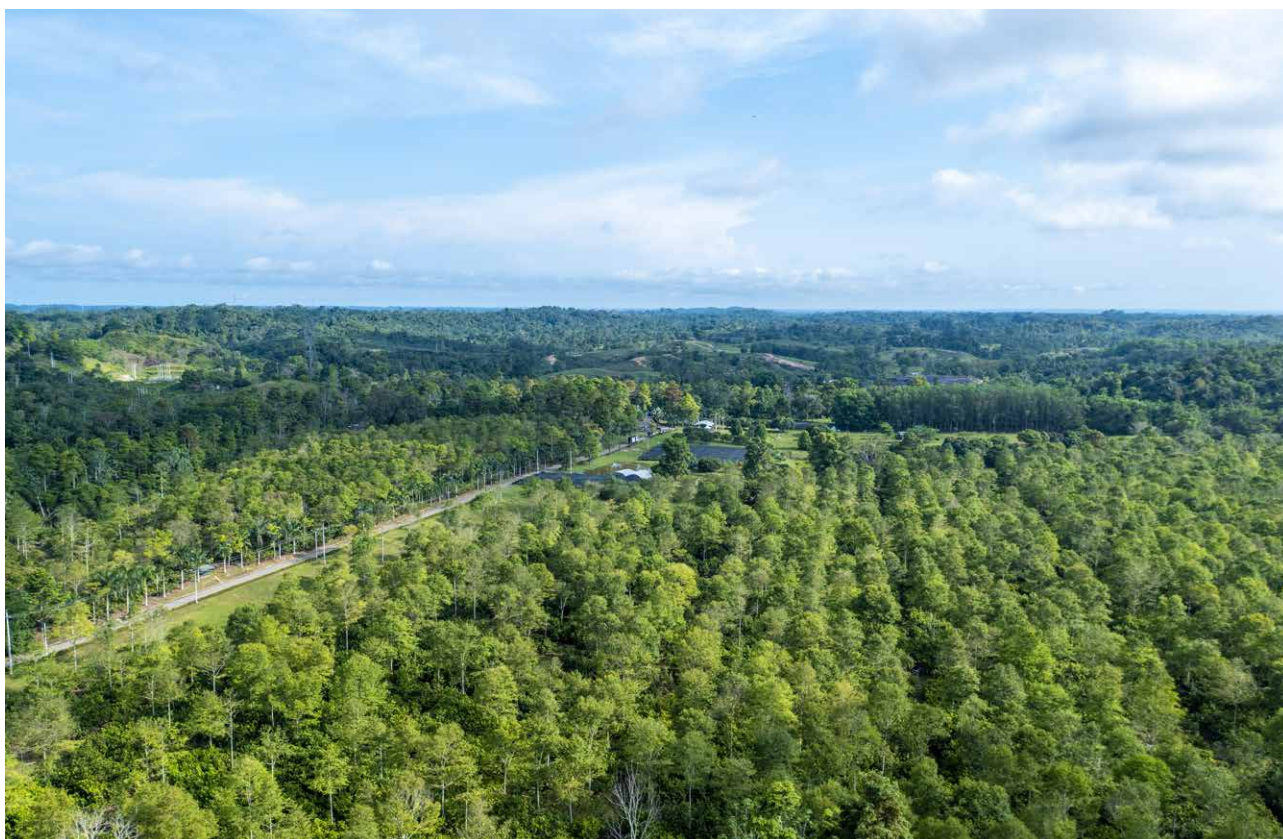


United States



Colombia - Restaurants*





Yariguíes plantation of the Chocolates Business in Barrancabermeja, Colombia.

Water resource utilization projects

Use of rainwater

The Colombian Ministry of Environment and Sustainable Development created a national guide with the purpose of suggesting the guidelines for boosting the use of rainwater across the entire Colombian territory. Grupo Nutresa has undertaken rainwater use projects in multiple production plants totaling 153.407 m³ of water. In 2022, the production plant of GC Foods in Santa Marta, Colombia, installed a 500-m³ aqua-cell to collect rainwater and use it in the operations of such production plant. Since its introduction, this technology has allowed using 2.402 m³ of rainwater, which ensures a sustainable sourcing of the resource in a region that has no municipal aqueduct system.

Water recirculation

Grupo Nutresa has implemented water recirculation and utilization projects in sanitary

service processes, ramp washing and exterior green area irrigation at the production plants of Tresmontes Lucchetti and the Retail Food, Chocolates, Cold Cuts and Biscuits Business Units in Mexico, Peru, Costa Rica and Colombia. The result was the utilization of 153.407 m³ in 2022. An example of the use given to treated water from the wastewater treatment plant of the Chocolates Business in Bogotá for the heat exchange process in the cooling tower. This action allowed saving 1.148,55 m³ per year from being consumed.

Water disposal management [GRI 303-2]

To optimize the water disposal management and overhaul the wastewater treatment plants of the Chocolates, Coffee, Retail Food, Ice Cream and Cold Cuts Business Units, the Company invested COP 1.793 million. In terms of maintenance and operation, the Organization allocated COP 21.712 million.



Circularity and food loss and waste

Reducing the production of waste and increasing its recovery and reutilization in both the direct operations and the value chain by extending the life cycle of the materials.



100% recyclable Monticello packaging.

Management approach [GRI 3-3]	Progress achieved in 2022 [GRI 3-3]
Increasing the use of recyclable, reusable or compostable materials.	<ul style="list-style-type: none">• 87,2% of the total weight of the packaging solutions has been designed and manufactured using recyclable, reusable or compostable materials.
Strengthening the initiatives focused on the eco-design of wrappers and packaging.	<ul style="list-style-type: none">• Reduction of 379 tons in the consumption of packaging materials under the design-to-value (DTV) methodology, for a total accrued reduction of 3.395 tons since its implementation in 2013.
Designing and implementing initiatives focused on closing the cycle of post-consumption plastic materials.	<ul style="list-style-type: none">• 107,7 tons of post-consumption plastic packaging materials collected through the 'Nutresa Retoma' (Retake) Program in eight Colombian cities: Medellín, Barranquilla, Bogotá, Bucaramanga, Cali, Cartagena, Duitama and Pereira, and in Panama City.
Reducing food loss and waste in both the operations and the value chain.	<ul style="list-style-type: none">• 14,22% reduction in the food loss indicator and 44,01% decrease in the food waste indicator in the strategic region.
Strengthening the management of the food banks to reduce the food loss and waste.	<ul style="list-style-type: none">• 29 food banks were provided with support in capability development processes related to food handling, as well as food quality and safety control, in addition to the delivery of 1.232 tons across the entire strategic region.
Reducing the waste from Grupo Nutresa's operations that is disposed of into the environment.	<ul style="list-style-type: none">• 34,66% reduction in the production of the non-exploitable/ non-reusable waste shipped to the landfill per ton produced with regard to 2020 in the Company's industrial operations.

Risks and opportunities

[GRI 3-3]

The circular economy models reduce the pressure on the natural resources, generate benefits for both the Organization and the society, and stimulate innovation, competitiveness and growth. One of Grupo Nutresa's priorities is to implement circular models that maximize the efficient use of its resources and the adequate management of its waste and packaging materials.

To achieve this, the Business Units implement initiatives that contribute to reducing the waste output throughout the life cycle of the products, improving the economic performance and anticipating the actions required according to the regulations in the region, such as the laws governing the management of packaging and containers, the bans on the use of single-use plastics and the loss and waste of food.

More than 2.500 million tons of food are thrown away around the world each year, which represents more than 34% of all the food that is produced. In terms of the adverse impact on climate change, these emissions would be equivalent to more than 10% of the world's greenhouse gas (GHG) emissions. Additionally, the cultivable land used to produce food that ends up being wasted represents a threat to the planet's biodiversity.

Actions such as the optimization of the use of both edible food and the non-edible parts in the existing products, as well as the creation of new products with high nutritional values, will allow increasing the Organization's competitiveness, improving food security, generating opportunities for undernourished people to gain access to high-quality nutritious food, and contributing to reducing the emissions of GHG, in addition to decreasing the pressure on the water resources, the soil and biodiversity.

Future challenges

Grupo Nutresa makes progress in the fulfillment of its commitment to ensuring that 100% of its brands' packaging solutions are



Picking operation
at Novaventa in
Colombia.

designed to be recyclable, reusable or compostable by 2030, as well as reducing the disposal of waste into the environment to zero.

To achieve it, the Organization will continue implementing initiatives focused on life cycle analysis and the application of eco-design on new packaging structures that allow improving the cycle-closing rates. In addition, through partnerships, the Company will strengthen the packaging material recovery and reuse chains by networking with collective organizations such as the ANDI's Visión 30/30 in Colombia and Resimple in Chile. Grupo Nutresa will also maintain the development of recycling networks specially centered on complex-assessment materials.

To tackle the food loss and waste front, the Organization will focus its efforts on the recovery and reutilization, supported on the innovation and development departments as key processes to fulfill the commitments for 2030: reducing food loss by 30% per ton produced in its industrial operations; decreasing food waste by 50% per COP million sold; and achieving the maximum possible monetization of non-edible parts.

Moreover, the Company will make progress in the development of good agricultural practices in order to reduce the waste occurring in the sourcing processes, and boosting the productivity in the value chains. Fundación Nutresa and the Business Units will also continue working on building the capacities of the food banks as strategic partners in providing assistance to vulnerable populations.

Outstanding practices and recognitions



The 'Nutresa Retoma' (Retake) Program expands its presence to Panama

To contribute to the strengthening of the culture focused on the disposal, recycling and cycle-closing of plastic materials among all the stakeholders within the strategic region, the Company broadened the operation of the corporate program to Panama, and collected 6,6 tons of plastic materials in 2022.

In Colombia, the initiative comprises more than 561 collection centers in eight cities and continues facilitating the collection of packaging materials through the internal operations for the employees, and through Comercial Nutresa and Novaventa's Entrepreneurs for customers and consumers.

Thanks to the joint work with its stakeholders, the Company was able to collect 107,7 tons of post-consumption flexible plastic material in 2022, which were transformed into five playgrounds for the benefit of more than 5.000 children from educational institutions in the Colombian states of Antioquia and Cundinamarca.



CLICK HERE

to find out more about the program

Recovery and reutilization of post-consumption and post-industrial plastics by the Cold Cuts Business

Thanks to the circular economy strategy deployed by the Cold Cuts Business in Colombia, the Organization developed a recovery and reuse process for the post-industrial plastic materials partially smeared in product residue, which impeded their incorporation in the cycle-closing chains for plastics. With the installation of a wash line at the production nodes of the production plants, the materials are left in optimal conditions for closing their cycle. In addition to such packaging materials, the post-consumption plastic bags from the Tecnicarnes points of sale are also recovered to reuse them for deliveries and waste disposal. The implementation of this initiative enabled preventing 173 tons of materials from being shipped to the landfill in 2022.



Tribío, Grupo Nutresa's first circular economy intrapreneurship initiative

Based on the Transforming Life concept, Grupo Nutresa launched a brand into the market as the result of a corporate entrepreneurship project. With this launch, the Organization reasserts its commitment to circular economy and to finding new ways of utilizing all the by-products from the production processes of all its Business Units.

This initiative reduces the loss of food occurring in the industry through the transformation of by-products such as coffee grounds, mucilage, cocoa husk and wheat bran into products in the likes of biomaterials, edible utensils,

personal care products, energy, fashion and food.

The construction and adaptation of Gestión Cargo's production plant in Cartagena, Colombia, was started in 2022 with the purpose of incorporating two production lines and serving B2B customers. In addition, the Company launched into the market El Corral's edible spoon, an edition of 420.000 units for 97 restaurants in Bogotá and Chía, thus allowing consumers to enjoy their favorite milkshakes in a more conscientious way and reducing the usage of single-use plastics.

Material topic details

Grupo Nutresa enhances its strategy focused on managing packaging materials and waste by establishing initiatives aligned with international organizations such as The Consumer Goods Forum (CGF), with its Golden Design Rules, which provide guidelines for the eco-design of packaging and contribute to the fulfillment of the corporate goals regarding process circularity.

In 2022, the Company advanced by 1% in relation to 2021 progress in the goal set at 100% of recyclable, reusable or compostable packaging materials for 2030, and has laid particular interest on reinforcing the capacity-building efforts among all stakeholders to ensure sustainable packaging solutions. The following are some of the related actions that stand out:

- Implementation of the *'Eco-design manual for packaging.'* Since 2020, it has produced positive results with the strengthening of the internal culture focused on sustainable packaging solutions and the application of the eco-design simulator for the development of packaging solutions.
- Development of circular economy capabilities through the virtual training provided to 262 employees and 134 suppliers to share leading practices and standardize criteria within the sourcing chain.

Consumption of packaging materials

[GRI 301-1] [FB-PF-410a.1]

[FB-PF-410a.2]

The Company migrated 17 structures to recyclable packaging materials in Colombia, Mexico and Perú, for a total of 315 tons of recyclable materials supplied to the market. One of the changes was made in the chocolate confectionery portfolio in Mexico, where the Company migrated from polyvinyl chloride (PVC) to polyethylene terephthalate (PET), which is a closed-cycle material. This action prevented 73 tons of PVC from being supplied to the market.



A commitment to both people and the planet

A different world that begins with a transformative vision regarding the materials based on the circular economy model, that is Tribio's proposition. This idea emerged as a corporate entrepreneurship project within the Pastas Business. In 2018, a team gathered to figure out how could they add value to wheat bran, a **byproduct of which 84 tons were generated every day** to only be sold at low prices for animal feed production.

That was how the team consolidated the idea and submitted it to Out of the Box, Grupo Nutresa's program focused on disruptive innovation projects, eventually being selected as the program's winning project. Ever since then, this business has been growing and materializing the consolidation of a **circular model where the main raw materials are the biodegradable waste resulting from the production of pasta, coffee, meat and chocolate.**

In 2019, the team explored **multiple ecosystems that could foster the idea they had in mind**, eventually finding the

valuable guidance of ITENE, a Spanish research center that is at the forefront in the field of sustainability. Additionally, Universidad del Cauca worked with the team in developing the idea to create a spoon-type prototype, which is already being used by El Corral.

Today, the team has secured two patents, which were the result of combining biomaterials and wheat bran, and have two production lines in Gestión Cargo, in Cartagena, centered on the production of biopellets, which are used as input to manufacture containers, bottles or rigid applications that replace plastics.

The team highlights the impact the project has and will have not only in reducing the environmental footprint and boosting sustainability within Grupo Nutresa, but also as a **B2B business opportunity where biopellets are commercialized as environmentally friendly raw materials.**

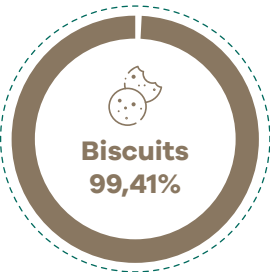
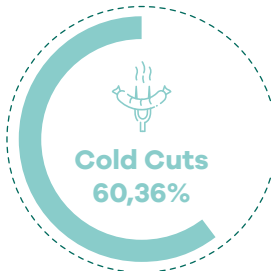
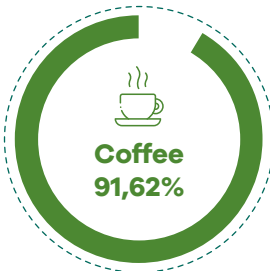
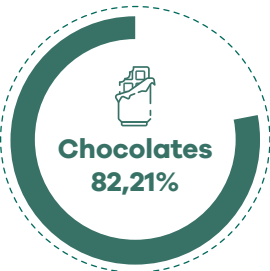
Claudia Collazos
special project leader.

Pilar Castrillón
Tribio's business leader.

Furthermore, the Organization has six reusable packaging material models: three related to the cardboard boxes of the Chocolates and Biscuits Business Units through Novaventa and Comercial Nutresa, and Comercial Nutresa with its other customers and commercial agents, who prevented the consumption of 215 tons of cardboard; two in the Cold Cuts Business, one consists in reusing the secondary bags in the maquila process of one of its corn product items for exports, and the other

one consists in reusing the smoked mesh in the deli meats operation (both of them prevent the consumption of 14 tons of packaging materials); and the last one in the Retail Food Business in the Dominican Republic, where since 2021 more than one million two-gallon containers have been reused by the production plant and the points of sale. This initiative was acknowledged in 2022 by the country's National Council of Private Companies (Conep).

Share of closed-cycled materials used by each Business Unit



Employee from the Cold Cuts Business in Colombia.

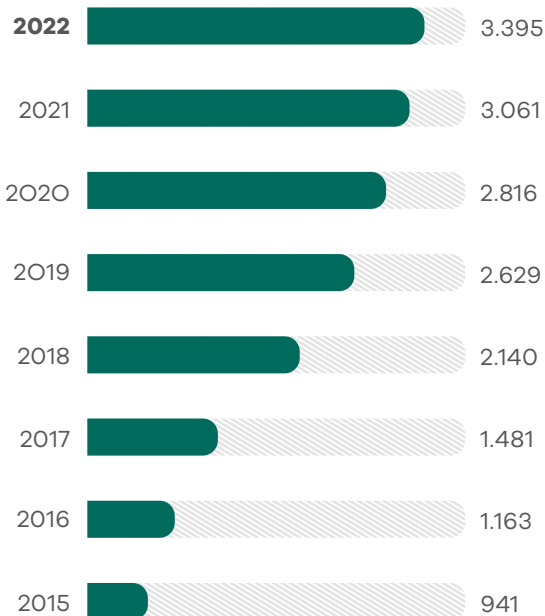


Reduction in the consumption of packaging materials

With the implementation of the design-to-value (DTV) methodology, the Company has been able to decrease the use of packaging materials by 379 tons in 2022, for a total accrued reduction of 3.395 tons in ten years the methodology has been in place. This decrease was possible thanks to efficient design that takes into account the attributes valued by consumers, the behavior of the market in general and the context of the entire value chain.

The Organization implemented 20 initiatives in the category of flexible packaging materials and 13 more in the category of corrugated cardboard boxes in Chile, Colombia, Costa Rica, Peru and Mexico. These initiatives allowed achieving reductions of 103 tons in the consumption of plastic materials and 123 tons in the use of cardboard. In addition, it is worth highlighting the replacement of small cardboard boxes for the fries in the Retail Food Business in Colombia with recyclable bags, which allowed reducing the consumption of materials by 28 tons.

Reduction in the consumption of packaging materials in tons



Recycled materials used

[GRI 301-2] [FB-PF-410a.1] [FB-PF-410a.2]

To boost the circular economy processes for the packaging solutions, the Organization favors the materials that include a content of recycled raw materials in its composition. Therefore, 74% of the cardboard, 47% of the glass and 51% of the metal packaging materials used in 2022 by Grupo Nutresa in Colombia included recycled materials. In the case of cardboard boxes that do not contain recycled materials, the Company worked with suppliers that hold sustainable production certifications, such as the Seal of the Forest Stewardship Council (FSC), which is why 100% of the materials used in the cardboard boxes are recycled or have certified virgin fibers.

Products and packaging materials recovered

[GRI 301-3] [FB-PF-410a.1] [FB-PF-410a.2]

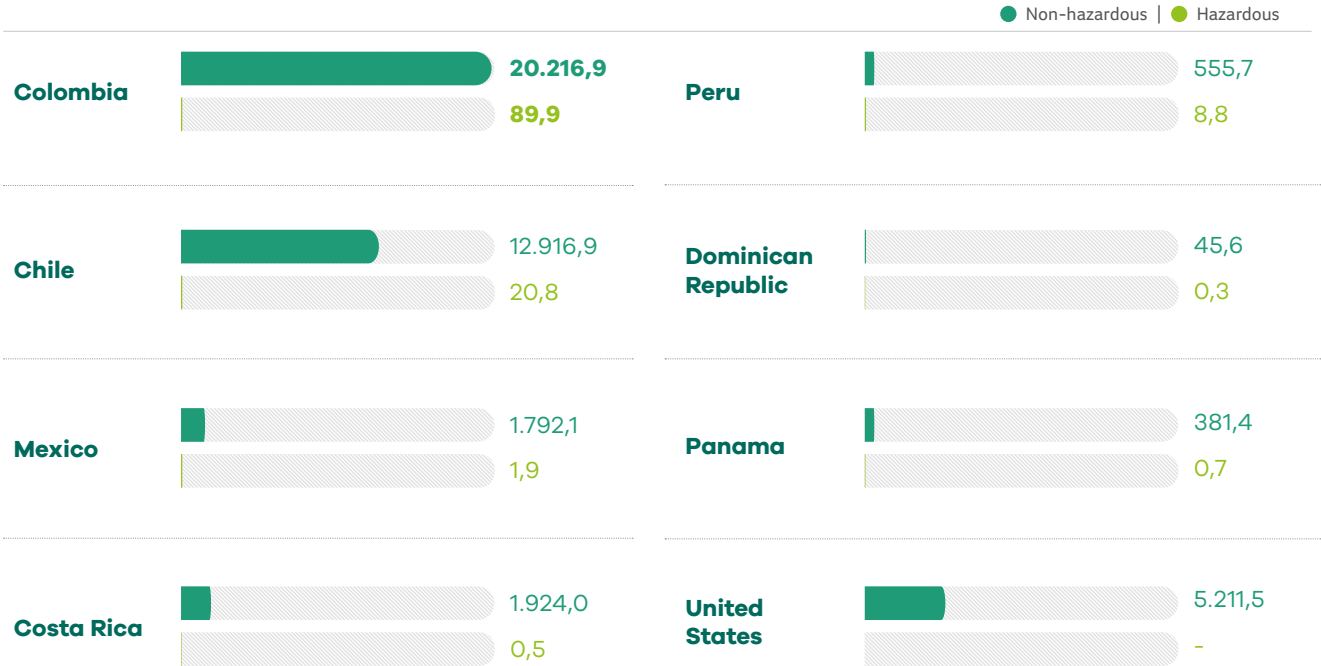
The Organization continues working on the design and execution of initiatives focused on closing the cycle of post-industrial and post-consumption packaging materials. The Coffee Business in Colombia has been able to recover and transform 8,3 tons of post-consumption packaging materials in the Colombian Atlantic coast region by means of its packaging material recovery model linked to the Sello Rojo brand. Additionally, through other post-consumption packaging projects, such as the 'Nu-



CLICK HERE

to read the Sustainable Packaging Policy

tresa Retoma’ (Retake) Program, four tons of flexible plastic material and 4,5 tons of Nutresa Express Pods were transformed.



Total weight of waste
[GRI 306-1][GRI 306-2] [GRI 306-3]
[FB-RN-150a.1]

Within the framework of the circularity strategies, the management of waste in the operations is a fundamental part of the efforts focused on reincorporating the reusable materials into the production chain.

In 2022, Grupo Nutresa reduced the waste that is shipped to landfills and the security-cell waste by 34,66% in relation to 2020, which is equivalent to 5.563 tons of waste that the Company avoided disposing of into the environment. In addition, from the 52.183 tons of waste produced in the industrial operations, 93% was re-purposed or used to generate energy [GRI 306-4] [GRI 306-5].

The progress that has been achieved correspond to the implementation of recovery and reutilization projects for different types of waste, as it is the case of contaminated plastic, a type of waste that the Chocolates, Ice Cream and Retail Food Business Units have been able to include in the recycling chain thanks to partnerships established with external local waste managing agents. Additionally, thanks to this achievement, the Company prevents more than 63 tons of waste from being shipped to landfills.

Moreover, the Chocolates, Biscuits and Cold Cuts Business Units, through partnerships formed with specialized managing firms, have utilized approximately 105 tons of common and hazardous waste to generate energy, thus reducing the waste disposal to landfills or security cells. For its part, Comercial Nutresa makes progress in the implementation of the zero garbage management system at 24 campuses, recovering and reutilizing 83% of the waste and preventing 74,8 tons of waste from being disposed of into the environment every year.

Lastly, the partnerships set up with multiple suppliers enable the formulation of cycle-closing strategies that reduce the production of waste. The Coffee Business production plant in Medellín, by leasing certified wood pallets for transporting products both inside and outside the Company’s premises, avoided the production of 31 tons of residual wood, as well as the purchase of this supply by the production plants. Additionally, the Chocolates Business, at its production plant in Rionegro, reduced the textile waste by 4,6 tons by means of an outfitting donation to rural communities in the Eastern Antioquia region in Colombia for their farming activities.

Managing food loss and waste

Grupo Nutresa has implemented a food loss and waste reduction management model based on a policy that guides its actions and those of all its companies in this regard. The objective of this system is to contribute to the improvement of food security, maximize the amount of food available for human consumption and promote actions that lead to the transformation of non-edible parts into a source of food.



To fulfill its purpose, Grupo Nutresa designed a model for classifying the food that is lost or wasted in its operations. The measurement is based on the accounting and reporting standard for food loss and waste published by the Food Loss Waste Protocol (FLW Protocol), a model that has been implemented across the entire strategic region. This process allows proposing and deploying reduction initiatives and monitoring the indicators that have been established.

The initiatives implemented by Grupo Nutresa's Business Units allowed achieving a 14,22% reduction in food loss per ton produced and a 44,01% decrease in food waste per COP million sold.



Employees from the Biscuits Business in Colombia.

Food loss and waste by type [FB-FR-150a.1]

Type of food	Loss		Waste	
	2021	2022	2021	2022
Edible	11.191,70	14.508,9	3.086,9	3.010,8
FLW prevented	11.000,90	13.855,5	2.940,9	2.904,3
FLW discarded	190,80	653,4	146,0	106,4
Non-edible parts	104.194,90	134.911,3	0,0	0,0

Note: The term "edible food" refers to the food included in the formulation of the products manufactured and commercialized by Grupo Nutresa. The term "non-edible parts" refers to the food that, generally speaking, are not included in the final product; for instance: wheat husk, coffee grounds and bones. * The operations of Abimar and Cameron's Coffee are not included.

The measuring exercise conducted in 2022 allowed the Organization to find out that the products that are lost or wasted the most are cookies and crackers and cookie and cracker dough, cold cuts products and deli meats, and traditional pasta products. Regarding these products, 87,8% of them are used for animal feed, 7,9% in aerobic processes and composting, and 4,3% are sent to the landfill and other disposal methods.

Baseline and progress made in reducing food loss and waste

[FB-FR-150a.1]

	Loss (kg/t.p.)		Waste (kg/COP million)	
	2021	2022	2021	2022
Cold Cuts	6,0	5,7	0,56	0,46
Biscuits	19,0	16,2	0,46	0,34
Chocolates	3,6	4,4	N/A	N/A
TMLUC	18,0	24,4	0,2	0,07
Coffee	0,9	0,8	N/A	N/A
Ice Cream	8,2	7,6	0,47	0,42
Pastas	2,9	2,9	N/A	N/A
Retail Food	8,1	8,8	0,04	0,02

Transformation efforts by all Business Units

The Company makes progress in all the operations of its Business Units through initiatives that seek the transformation of by-products with the aim of using them to make new products that can be reincorporated into human feeding processes. Moreover, the Organization has been focusing on reducing the loss occurring both at the production plants and along the value chain through improvement cycles. Additionally, Grupo Nutresa has implemented actions in the production processes that generate loss with the aim of identifying the possible causes and correcting them to prevent possible machine failures, thus avoiding losses and waste.

Research and development have been key strengths in transforming the perspectives around this subject, converting what was previously lost into new products. A good example of this is the production of dairy beverages based on the surplus from cheese production. This has driven Grupo Nutresa to be more efficient and to recognize the potential of its production plants for changing the processes and taking the reduction of

food loss and waste to another level.

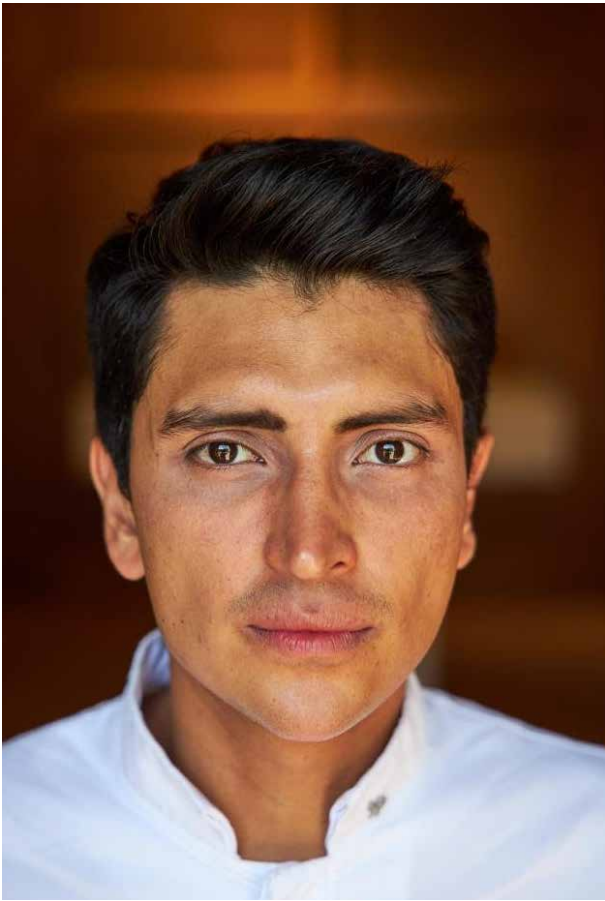
The control of the industrial processes in search of their optimization prevents the Company from shipping an average of 1,700 tons of food suitable for human consumption to landfills every year. The food recovery processes in Grupo Nutresa's Business Units enabled the distribution of 1.232 tons of food, benefiting more than 1.530.065 people in Colombia, Chile, Ecuador, Costa Rica, Guatemala, Nicaragua and the Dominican Republic. This was achieved with the collaboration of the food banks, whose main focus is to reduce food insecurity. To find out more about the work carried out with the food banks, you may read the chapter on food security.

These same processes are deployed in geographies such as Chile, Mexico, Costa Rica, Ecuador and the Dominican Republic, where the Organization carries out actions that contribute to the fulfillment of the objectives of SDG 2, Zero Hunger, working jointly with partners such as the academic sector, international cooperation bodies and local public organizations through working groups focused on food security, healthy lifestyles and the reduction of food loss and waste.

A portrait of Juan Camilo Quintero Merchan, a Colombian chef, smiling and resting his chin on his hands. He is wearing a white shirt. The background is a blurred indoor setting, possibly a restaurant or kitchen.

Grupo Nutresa innovates to offer ever more products that meet the highest standards, thus ensuring they are broadly valued around the world for their excellence and traceability. Today we are bringing the Colombia brand to consumers who are looking for unique experiences.

Juan Camilo Quintero Merchan, Colombian chef settled in Italy, winner of a Michelin star.



A chef, a product and a world-class acknowledgment

Juan Camilo Quintero Merchan | Colombian chef

The brand purpose of transcending and making the world a fairer and more sustainable place where people can evolve, grow and go as far as dreams allow it is what drove Grupo Nutresa's Cordillera brand and chef Juan Camilo Quintero to find in the worldwide haute cuisine an acknowledgment for the Colombian chocolate.

Quintero started his gastronomy studies in 2007 at the 'Gato Dumas' Institute in Bogotá. Years later he became a teacher there, a role in which, thanks to an agreement established by this university and Cordillera, he discovered this chocolate brand, learned to use it and valued it



as a sustainable product and high-quality ingredient for the preparation of diverse recipes.

Seven years later, and with the clarity of wanting to develop his professional career in Europe, Juan Camilo landed in Italy to continue studying. Then, he worked at chef Massimo Bottura's Osteria Francescana in Módena, one of the best restaurants in the world, and two years ago he became the executive chef of the Poggio Rosso restaurant at the Borgo San Felice Hotel in Tuscany, where he brings the Cordillera chocolate today for the preparation of his desserts.

This restaurant, which got a Michelin star in 2021 and a green Michelin star in 2022 for the excellence of its gastronomy and its environmentally friendly processes, including the use of sustainable ingredients such as the Cordillera chocolate, is an evident scenario of Colombia's transcendence in the world.

This productive dialog between brand and cook also enabled the co-creation of breakthroughs such as the avocado-based green chocolate, which was presented at Identità Golose, one of the most important gastronomy events in Europe.

"Cordillera has really well-designed practices for the production of cocoa: they support the farmers, fund the production, pay a fair price for the cocoa beans and transform them to produce an excellent chocolate. In my opinion, that is the best way to showcase in Europe the quality and excellence of a product made in Colombia," concludes Juan Camilo.



Inspiring development, growth, and innovation

Grupo Nutresa strives to permanently create value and distribute it among its stakeholders through relevant drivers such as an ethical and transparent corporate behavior and the Company's performance in the markets, which is supported on the development of the geographies, as well as on growth, competitiveness and digital transformation with the purpose of generating a business model that can easily adapt to the changing and challenging global business environment.



Integrity and corporate governance

Establishing a conduct framework governed by transparency, integrity and ethics by developing management, information reporting, and risk control and management policies with the objective of strengthening the Organization's trust-based relationships for the benefit of the shareholders and all other stakeholders.



Profitable growth and marketing

Profitably growing based on the construction of a category and geography portfolio that maximizes the creation of value through memorable experiences with effective commercial networks, and generates synergies that optimize the working capital.



Availability and volatility of commodities

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



Digital transformation

Incorporating capabilities based on digital services, taking as a starting point the cultural transformation, the development and adoption of new technologies, the identification of new business models, the development of the value chain, and the evolution of both data and analytics.



Belina product shopper in Costa Rica.



Integrity and corporate governance

Establishing a conduct framework governed by transparency, integrity and ethics by developing management, information reporting, and risk control and management policies with the objective of strengthening the Organization's trust-based relationships for the benefit of the shareholders and all other stakeholders.



Employees from Servicios Nutresa in Colombia.

Management approach [GRI 3-3]

Consolidating capabilities and promoting a conduct focused on an upstanding behavior, corporate governance and risk management.

Watching over the compliance with laws, regulations and corporate governance practices while ensuring their monitoring and relevance in time.

Integrating the risk management and internal control processes with the strategy to create value for the Organization.

Strengthening the organizational resilience.

Progress achieved in 2022 [GRI 3-3]

- **More than 4.200** employees received training related to risk and crisis management, integrated COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework and business continuity.
- **745** hours invested in capacity-building activities for compliance officers.
- **31.706 employees** and third-party-personnel received training related to corporate governance, prevention of the risk of money laundering, terrorism financing and the financing of the proliferation of weapons of mass destruction (ML/TF/FPWMD). [\[GRI 205-2\]](#)
- **Implementation** of a new unified technology platform that boosts the governance, risk and compliance model (abbreviated GRC in Spanish) and its integrated nature.

- **159 incidents** reported with regard to noncompliance with the Code of Corporate Governance and 353 reports received and addressed through the Ethics Hotline.
- **66 potential** cases of employee conflicts of interest were managed by the Committee of Ethics, Transparency and Conflicts of Interest.
- **Implementation of international regulatory monitoring** measures focused on money laundering and terrorism financing, and formulation of specific work plans for each geography.
- **Update and disclosure** of the Transparency and Business Ethics Program and supplementary policies for all Business Units in Colombia.

- **Monitoring of strategic, tactical and operational risks** based on the risk, trend and opportunity management model across all Business Units and geographies.
- **Support actions** focused on risk identification and management for strategic and innovation projects.
- Strengthening and consolidation of the internal control system based on the COSO international standard.

- **Analysis of relevant reputational matters**, and adoption of measures that enable the Reputation Management Committee to manage them.
- **Consolidation of the business continuity management system**, reaching a maturity level of 84,8%.
- **Execution of the continuity model** in the sourcing chain and expansion of the management system to cover the facilities of the Chocolates Business and Servicios Nutresa in Costa Rica.

Risks and Opportunities

[GRI 3-3]

Grupo Nutresa's corporate governance, risk management and compliance models are constantly challenged by the dynamics of the social, political and economic contexts of the countries where the Organization operates.

Therefore, it is essential to define and implement control measures for the identified risks that, due to the current reality of the industry, could materialize and translate into ethical faults or inadequate conduct by third parties and the Company's staff. This would produce adverse impacts on the reputation and on the engagement with the stakeholders, leading to market loss and legal penalties.

Thus, Grupo Nutresa's actions are supported on an institutional and ethical behavior framework with integrity and a good corporate governance are pillars of the corporate philosophy.

Furthermore, it is a priority for the Company to maintain its corporate governance models and practices aligned with the highest global standards, as well as to promote their fulfillment by employees, suppliers, clients and all other stakeholders. These actions are consolidated by, among other mechanisms, implementing the risk management and internal control systems that contribute to preventing and mitigating the risks, including those associated with corruption, fraud, transnational bribery and the risk of ML/TF/FPWMD.

All these aspects represent an opportunity to keep boosting the monitoring activities and the timely and effective adoption of regulations and the design of implementation frameworks, including the integration of the risk, trend and opportunity management model with the corporate strategy, and the use of new technologies as tools for the benefit of both the decision-making process and the organizational resilience.



Employee from
Servicios Nutresa,
Colombia.

Future challenges

To maintain its level of excellence in its corporate governance practices, Grupo Nutresa will continue updating on a recurrent basis the standards, rules and policies through the strengthening of its ethical culture, the implementation of efficient reporting mechanisms, and the timely management of situations that go against its corporate principles and rights. Thus, the Organization will continue working on the articulation of the risk, trend and opportunity management models and the internal control model with its organizational strategy.

Additionally, the Company will continue implementing the compliance model as a key tool to consolidate the corporate governance and guarantee the execution of the operations in line with the corporate philosophy, synchronizing the implementation and the speed of the expansion of both the ethics and transparency model and the compliance model for the prevention of ML/TF/FPWMD with the organizational growth.

To achieve these objectives, the Organization must maintain the articulation of the risk, trend and opportunity management models and the internal control model with its organizational strategy.

Finally, Grupo Nutresa will continue promoting the strengthening of both the ethical culture and the organizational values, as well as the clarity in terms of the observable behaviors expected from its employees and related third parties through the disclosure and promotion of the code of corporate governance and the corresponding complementary policies. The Company is constantly making progress in the implementation and consolidation of the international internal control standards.

Outstanding practices and recognitions



Employees from the Cold Cuts Business in Colombia.



Consolidation of the risk and crisis management as part of the leading practices in the Dow Jones Sustainability Indices (DJSI)

Grupo Nutresa obtained the top worldwide score in terms of risk and crisis management in the Dow Jones Sustainability Index in the food sector. For this Index, the corporate practices of 353 companies from the industry were evaluated.



Top 3 company with the best reputation in Colombia

Grupo Nutresa was acknowledged as the third company with the best reputation in Colombia and the top one in the food sector according to the results of the Merco Empresas y Líderes Empresariales 2022 corporate monitor. This reputational assessment instrument, which was launched in 2000, is based on a multi-stakeholder methodology comprising six evaluations and more than 20 sources of information.



Investor Relations “IR” acknowledgment

The Colombian Stock Exchange (BVC) renewed for the 2022-2023 term the IR Acknowledgment awarded to Grupo Nutresa. With this initiative, the Stock Exchange intends to highlight the corporate security issuers in Colombia that adopt the leading practices regarding investor relations, information disclosure and corporate governance.

Material topic details

Board of Directors

Grupo Nutresa maintains a timely and transparent communication with its shareholders and other stakeholders by means of multiple channels, such as the Company's website, the disclosure of relevant information on the Financial Superintendency's website, the leading corporate practice adoption report and the *annual corporate governance report*, through which the Organization presents the most relevant facts and news that took place over the year.



CLICK HERE
to check the Annual
corporate governance
report 2022

Grupo Nutresa's Board of Directors gathered on a monthly basis to hold ordinary and special meetings when required due to the circumstances that took place in 2022. Moreover, the support committees held meetings throughout the year to fulfill their responsibilities, and the Audit Committee met five times, thus fulfilling the duties and meeting frequency established in the Code of Corporate Governance.

Compliance management

The Company continued implementing the communication and training strategy known as "Actúo Íntegramente" (I act with integrity). This initiative intends to consolidate an integrity-driven culture among the employees, suppliers and clients. It is worth highlighting the following achievements:

- Participation of 1.306 employees from all the Business Units and geographies in the discussion session named "Y tú, ¿cómo vives la integridad?" (How do you experience integrity?). (SDG 16.5) (SDG 16.6)
- More than 4.200 employees received training in risk, crisis and continuity management.

- 31.706 employees and third-party staff received training related to the prevention of the risk of ML/TF/FPWMD. [GRI 205-2]
- Disclosure of information related to the Transparency and Business Ethics Program to more than 3.900 employees in Colombia.

Grupo Nutresa's Compliance Committee, which is formed by the Vice-President General Counsel, the Risk Management Director and the Internal Audit Manager, held meetings on a quarterly basis to monitor the Organization's Compliance System, coordinate the work of the departments participating in the process and devise strategies for its adequate operation and improvement. Such strategies include: a new rapprochement model integrating the capabilities of Servicios Nutresa's teams for improving the coverage levels and the optimization of the programs related to the prevention of the risks associated with ML/TF/FPWMD, corruption and transnational bribery. [GRI 205-2]

Grupo Nutresa covered a total of COP 255,7 million in expenses from retroactive pension payments, reimbursements and other concepts related to labor laws. Additionally, no fines due to labor discrimination were imposed on the Company. [FB-FR-310a.4]

31.706
employees

and third-party staff
received training
related to the
prevention of the risk of
ML/TF/FPWMD.

Employees from the
Chocolates Business,
Colombia.



Transparency and Business Ethics Program

The Organization continued working on updating and implementing the transparency and business ethics programs in its Business Units in Colombia, ensuring the compliance with the new regulations established by the Superintendency of Companies in 2021 to continue fighting corruption and transnational bribery. [GRI 205-2]

Moreover, a disclosure and training plan was designed and implemented with the compliance officers of the Grupo Nutresa companies and the Organization's employees as the target audiences. The objective of the plan is to inform the main aspects while emphasizing risk situations, the duties of both employees and third-party staff with regard to the management of the risks associated with corruption and transnational bribery, and the mechanisms for the timely reporting of irregular situations or situations that put the Company at risk.

The Committee of Ethics, Transparency and Conflicts of Interest held meetings with the required frequency over the year and addressed 66 cases reported through the application software designed for reporting conflicts of interest and gifts or offerings.

Prevention of the risk associated with ML/TF/FPWMD

In 2022, Grupo Nutresa continued reinforcing the system with strategies such as capacity-building activities for both employees and compliance officers, with more than 745 hours of training invested, the implementation of overarching control measures taking advantage of technology and analytics tools, and the optimization of models for the decision-making process in the due diligence procedures.

Additionally, the Organization conducted regulatory monitoring in the strategic region to identify possible changes or gaps in the implementation of the system in each one of the geographies. As a result, the Company identified action plans that will be deployed according to the priorities detected in the analysis.

No significant sanctions or fines due to the breaching of regulations or laws were imposed on Grupo Nutresa or its subsidiary companies. [GRI 2-27] [FB-FR-310a.4] There were no



Employee from the Ice Cream Business in Colombia.

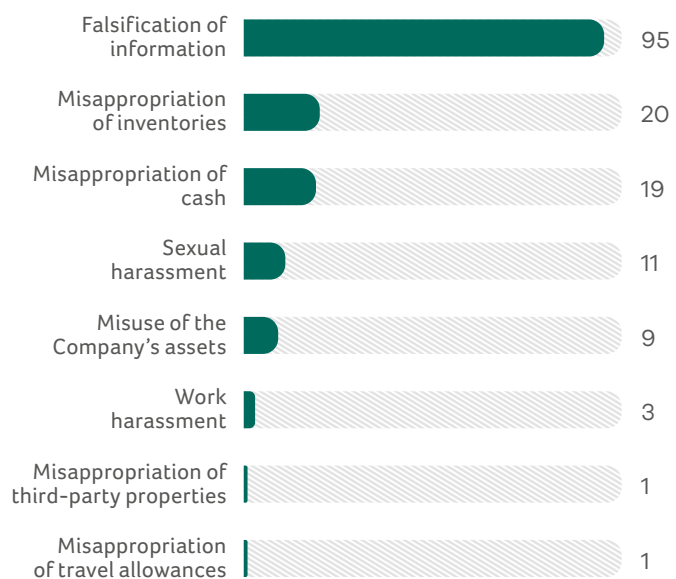
legal actions for anti-competitive behavior, anti-trust or monopoly practices either. [GRI 206-1]

Ethics Hotline

For Grupo Nutresa, ethics and transparency are fundamental corporate performance pillars and they are highly relevant principles for the fulfillment of its mission.

Fraud, corruption, asset laundering and financing of terrorism are some of the most significant risks related to this matter, and they were managed through policies, codes and awareness-raising and training initiatives that facilitate the engagement with the corresponding stakeholders. [GRI 2-26] [SDG 16.5] [SDG 16.6]

In 2022, the Organization received reports about 159 incidents related to breaches of the Code of Corporate Governance [GRI 205-3] (SDG 16.5), which amounted to an approximate total of COP 67 million, broken down as follows:



These incidents involved 159 employees, 94% of whom were working under direct employment contracts, and 6% under service provision contracts. The Company terminated the contractual relations with all people involved and the corresponding legal actions were commenced. It is important to note that Grupo Nutresa has risk transfer mechanisms in place in order to mitigate all related impacts.

In addition, 373 cases reported through the Ethics Hotline were addressed and channeled to the responsible departments of each one of the Business Units. In this regard, 96% of the reports were related to direct employees and 4% of them involved third-party staff. Furthermore, 19% of the reported cases were confirmed with full investigations and have been duly closed.

Tax regulations

In 2022, there were changes related to taxes in Colombia mainly dealing with setting out a minimum taxation rate, with the limitation or elimination of several tax benefits and the creation of green and healthy taxes. These changes will come into effect in 2023 and will be implemented by Grupo Nutresa's Business Units based on the guidelines established in the regulations.

For 2023, the Company will maintain the constant monitoring of the guidelines issued by the Organisation for Economic Co-operation and Development (OECD) regarding the definition of the taxation pillars to avoid the erosion of the tax basis as a consequence of the digital economy.

Management of risks, trends and opportunities

Grupo Nutresa continued working on consolidating the risk, trend and opportunity management model with the effective management of the current risks, and the identification and disclosure of the Organization's emerging risks.

In 2022, the Company set in motion the implementation of a corporate project that seeks the strengthening of the internal control model of the Business Units by incorporating criteria from the COSO standards. The



Employees from the Biscuits Business in Colombia.

project also includes as its premise the identification of risks and the formulation of control measures in the operational context within all Grupo Nutresa companies. This project will supplement the bottom-up model established in the methodology.

On another note, the Organization makes progress in the implementation of a new technology tool that integrates the governance, risk and compliance models to optimize resources and have a greater scope in the associated processes.

Additionally, the Company monitored the strategic risks of each one of the Business Units, including the deployment from and to the tactical and operational levels. This review included considerations of risks, global trends and shifts in the context of each one of them. **[GRI 205-1]**

Grupo Nutresa has a model based on the true value methodology that allows identifying the externalities and assess the main environmental, social and economic impacts on the value chain. This management tool steers the efforts with the aim of preventing risks and generating sustainable solutions to create a higher value in the long term for both society and the environment.

Finally, regarding business continuity, the Organization made progress in the consolidation and expansion of the system in new geographies and with a particular focus on the sourcing chain and on the development of capabilities among key suppliers. These actions were taken as a response to the materialization of risks such as the global negative effects on the supply chain.



Profitable growth and marketing

Profitably growing based on the construction of a category and geography portfolio that maximizes the creation of value through memorable experiences with effective commercial networks, and generates synergies that optimize the working capital.



Novaventa at 'La Vía' in Colombia.



Consumer moments

Management approach [GRI 3-3]

Development of the geographies by delving into the implementation of the corporate models and practices.

Managing both the communications and the advertising responsibly.

Customer satisfaction and loyalty.

Innovating in the commercial and marketing processes.

Enhancing the customers' commercial capabilities and consolidating inclusion-driven business models.

Progress achieved in 2022 [GRI 3-3]

- **Enhancement of the commercial capabilities** and development of the business models, with results in sales totaling COP 17 trillion and an EBITDA of COP 1,97 trillion.
- **92% fulfillment of the geography plan**, achieving a consolidated geography development index of 43,1 points.
- **In-depth work in the geographies** of Asia and Africa with the development of the business management components.

- **47 leading brands** in 20 well-positioned categories, with a sales share of 58,0% and a 52,8% contribution to the Company's growth.
- **14 brands already have the definition and statement of their higher purpose** inspired by the Sustainable Development Goals.

- **Customer satisfaction index in Colombia:** 88,8; and loyalty rating: 86,8.
- **Customer satisfaction index in the strategic region:** 88,7; and loyalty rating: 82,0.
- **Enhancement of the experience at the points of sale** with the incorporation of both digital and physical initiatives in the Retail Food Business in Colombia.

- **Application of analytical models** to maximize the profitability of the investment in communication, price management, and in consumer, customer and shopper segmentation, as well as in the activation of categories and brands.
- **Implementation of models** focused on reducing the environmental impact along the sourcing chain.

- **Socio-entrepreneurial and commercial strengthening** of 277.025 customers.
- **Development of five inclusion-driven businesses** in Colombia, Costa Rica and Chile.

*Leading brands are those ranked at the top 3 of the SOM in a category/region.



Employee from
Comercial Nutresa
in Colombia.

Risks and Opportunities

[GRI 3-3]

For 2023, the main risks that have been identified are related to the ability to make progress in the profitable growth of the categories because such risks are associated with the global inflationary effects, the subsequent consequences of the pandemic, the zero-COVID-19 policy in China, the adverse impacts of the Russia-Ukraine war, and the economic and political challenges in the countries where Grupo Nutresa operates.

Inflation, which affects people's cost of living, the increasing cost of both commodities and packaging materials, and the interest rates of the cost of capital will demand thorough operating discipline, adaptive capacity and a thorough control over the Organization's models and practices. Moreover, there are risks associated with the shifts in the shopping and consumption dynamics caused by the growing uncertainty of human beings about their well-being. The opportunity will consist in correctly reading the status of their needs and delivering relevant and differentiated value.

The impact of environmental phenomena linked to global warming will create the need to implement business continuity plans and ensure the increasing soundness of the value chains. All geographies are reporting important risks in terms of the availability of human talent with the technical capabilities and the optimal knowledge required to overcome future challenges. However, this represents an opportunity to establish a solid connection between the higher purpose of both the Company and its brands, and the search for employment and professional sense among the people.

Future challenges

The greatest challenge facing Grupo Nutresa still is to maintain a growing creation of value in alignment with its strategic goals for 2030. This entails the need to increasingly boost the growth of the brands and categories in geographies outside Colombia, to improve the diversification of revenues, and to protect the markets that are exposed the most to depreciation.

To deal with the effects of the economic circumstances of the past few years, the Company will maintain an adequate price management as a regulated process that allows balancing the competitiveness, accessibility and profitability, as well as connecting the sales and operations in an efficient manner.

The development of valued and differentiated businesses that connect with the needs of consumers, clients, shoppers and customers is another challenge, which is why it is essential to bolster the value of the

brands while keeping them relevant, competitive and affordable across the entire strategic region.

The sustainability strategies and the connection with the brands' purpose will remain a key aspect for the human, social and environmental development, the fight against hunger and malnutrition, the reduction in food waste, and the increase in productivity and progress of the farmers and all other vulnerable actors of the sourcing chain.

Outstanding practices and recognitions



The 'Jet Colombia sorprendente' (Astonishing Colombia) sticker album won the Effie Gold award

The 'Jet Colombia sorprendente' (Astonishing Colombia) sticker album won the 2022 Effie Gold award in the *line extension* category, an acknowledgment that highlights the effectiveness of the campaign called 'Launching the most iconic sticker album in Colombia co-created by centennials.' The Effie Awards® lead, inspire and promote the practice and effectiveness of marketing. In Colombia, these awards are organized by the National Association of Advertisers under the corresponding license granted by Effie Worldwide.



Livean Superblends and Lucchettini, products of the year in Chile

In the fifth edition of the Products of the Year Awards in Chile (POY Seal), Livean Superblends and Lucchettini were acknowledged for their perceived innovation, attractiveness and purchase intent. Additionally, Livean Superblends was honored for its incorporation of superfoods in its portfolio, while Lucchettini was highlighted due to its new pasta formats for children.



Ducal, one of the most influential brands in Ecuador

Ekos Power Digital Brands, which is part of the Ecuadorian Ekos Business Group, honored Ducal in the cookies and crackers category for its digital strategy, original content dissemination and the creation of a community of consumers that, over time, become brand ambassadors.



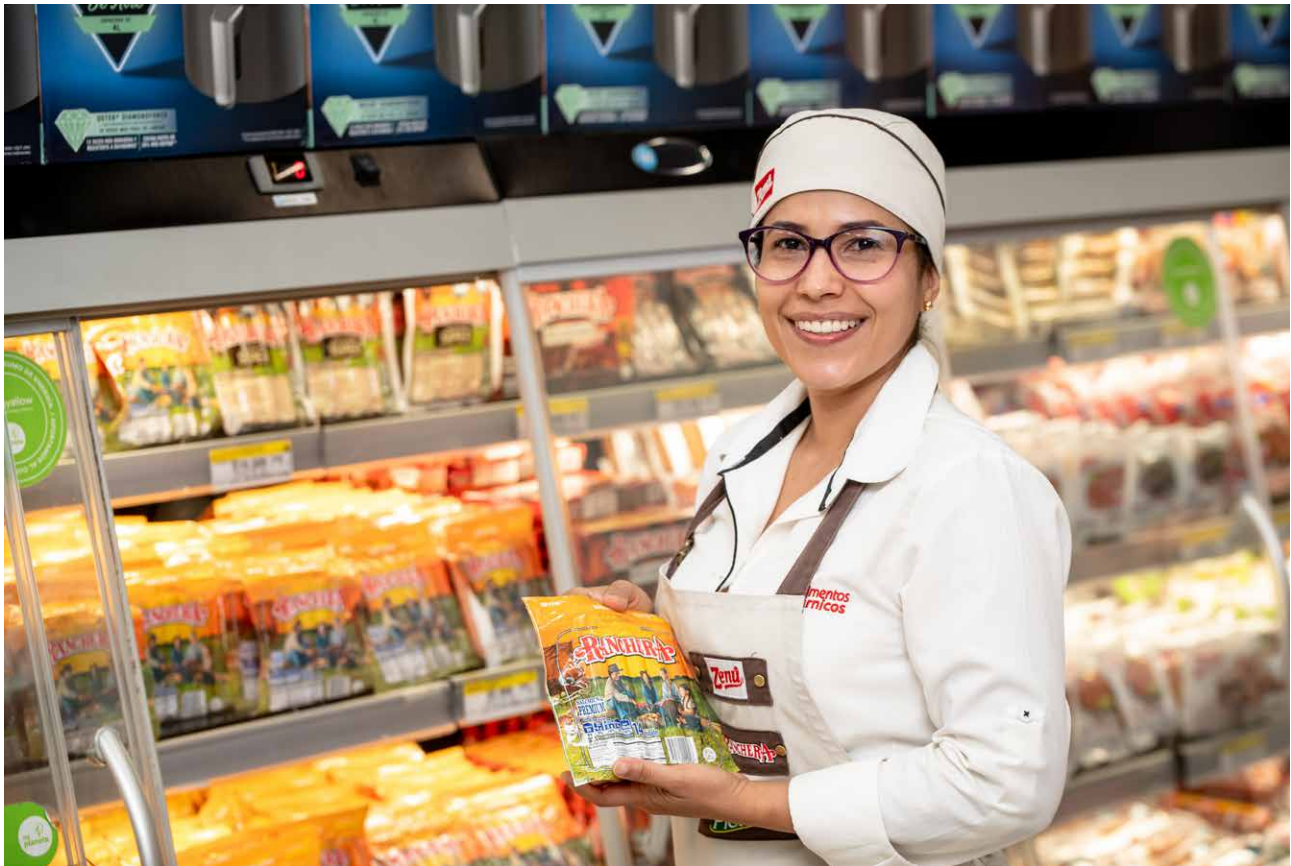
Alicapsa secures the AEO certification in Panama

The Cold Cuts Business in Panama was granted the official certification as authorized economic operator as both exporter and importer. This certification clears the Business Unit's way to venture into new markets and geographies, in addition to enabling the Company to increase its internal security control measures, thus reaching a higher level of reliability in the global market and improving the exports and imports time frames, which allows enhancing the Organization's competitiveness in the international context.



Tresmontes Lucchetti was awarded two accolades by the Mexican National Wholesale Grocers Association (ANAM)

In Mexico, Tresmontes Lucchetti was acknowledged by the National Wholesale Grocers Association (abbreviated ANAM in Spanish) in the categories of *preferred supplier* and *profitability*, which provided the Organization with representativity before the federal authorities and main suppliers. The ANAM integrates more than 100 grocer partners that distribute and manage at least five product categories, representing 90% of the country's total turnover.



Sales promoter from
the Cold Cuts Business
in Colombia.

Material topic details

Grupo Nutresa has been achieving outstanding results in terms of profitable growth and responsible marketing and sales thanks to the unwavering conviction of both its leaders and employees in relation to going beyond the economic outcomes and attaining the higher purpose of “building a better world where development benefits everyone” in a collaborative manner with its stakeholders.

Grupo Nutresa’s consolidated sales for the year amount to COP 17 trillion, that is 33,8% higher than last year’s sales. All the geographies where the Organization operates present double-digit growth rates. The consolidated EBITDA totaled COP 1,97 trillion, with an 11,6% margin and representing a 28,6% growth with regard to 2021. From the total sales, COP 2,97 trillion are organic, with a growth rate of 11,0% (Cameron’s growth). It is worth highlighting the growth achieved by the Coffee Business, which stood at 57,8%.

In addition to the value-based results, Grupo Nutresa exhibits important growth in terms of volume, which allows appreciating the work carried out with the categories that show how the results have not only been the result of the price management, but also a consequence of the sustained growth in the context of volume. This was the outcome of the monitoring of top-tier indicators in the dimension of categories, brands and experiences.

The competitive methods used by the Company to achieve such results were based on a correctly planned brand performance in the territories, with value propositions tuned to the needs of consumers, along with valued innovation, adequate channel and point-of-sale management, service level, among other aspects, which are replicable in multiple geographies and contribute, in turn, to the improvement of the geography development index.

Value generation and distribution

[GRI 201-1]

Figures stated in COP million

	2019	2020	2022	2022
Revenue from net sales	9.958.851	11.127.541	12.738.271	17.038.823
Revenue from financial investments	83.810	93.293	101.254	150.120
Revenue from sales of property, plant, and equipment	11.576	31.353	40.498	7.791
Direct economic value generated	10.054.237	11.252.187	12.880.023	17.196.734
Operating expenses	6.868.916	7.921.426	9.144.813	13.739.307
Salaries	1.004.756	1.122.190	1.175.166	1.377.558
Social benefits	500.013	575.903	557.142	653.339
Dividends paid to shareholders	281.596	298.712	323.006	433.953
Interest payments to credit providers	179.349	175.515	119.762	239.605
Payments to the government	331.243	324.382	332.520	574.564
Community-based investments	90.818	105.155	159.656	139.474
Benefits	106.225	116.698	137.772	152.255
Direct economic value distributed (partial, added to human talent management)	9.362.916	10.639.982	11.949.836	17.309.305
ECONOMIC VALUE RETAINED	691.321	612.205	930.187	- 112.571

Leading brands

Grupo Nutresa's leading brands are those within the top 3 in terms of market share in a category or a region. Special emphasis is laid on the monitoring of such brands based on the models and practices, in addition to the allocation of financial resources to boost the profitable growth. Due to the fact that most of the stability-focused support is offered by the leading brands, a big percentage of the innovation will have to emerge from them in order to keep enhancing them. In this sense, the Company stimulates the collaborative work with the aim of enabling more brands from the business ecosystem to produce relevant results.

Zenú, a leading brand in Colombia, closed 2022 above COP one trillion in sales, with a large number of food categories that allows increasing its value in relation to each innovation instance.

It is also worth highlight the positive performance of the brands in special dates such as Mother's Day with MontBlanc and Ducales; Valentine's Day with Jet, Cordillera and Colcafé; Halloween with CremHelado and its special Dracula edition; and the Christmas season, when all brands deliver the best experiences, particularly Noel, Pozuelo, Ducales, Zenú, Rica and La Especial.

Leading brands

47 leading brands
20 categories

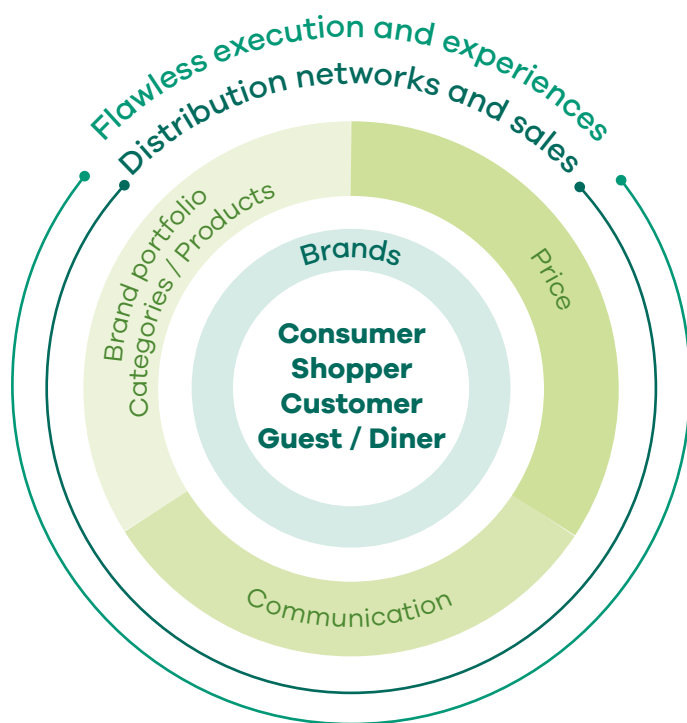
58,0% market share
Closing 2022

52,8% % of contribution
to the growth in 2022



Brands and networks management model

The Brands and Networks Management Model contributes analytical tools such as the segmentation of consumers, shoppers, clients and customers to understand the structural shifts in consumption behaviors. Additionally, it contributes to identifying market opportunities in order to maintain the life and relevance of the brands. In essence, with the portfolio of categories and products as the scope, the Organization conducts a strategic price management exercise and performs a thorough 360-degree intervention to boost the management of the networks and brands based on the strategic planning.



The graphic above works as a model of models used to reach in a better way and collaboratively and collectively understand consumers, shoppers, clients and customers with the aim of ensuring the best experience for them. This can be measured by means of the satisfaction and loyalty indicators, the brand capital or power, and the Company's reputation from the viewpoint of the stakeholders.



El Corral, Colombia.

Brands with a superior purpose

The competitive methods used by the Company to consolidate brands with a higher purpose are the results of a correctly planned brand performance in the territories, with value propositions tuned to the needs of consumers, along with valued innovation, adequate channel and point-of-sale management, service level, among other aspects, which are replicable in multiple geographies and, additionally, contribute to improving the geography development index.

In 2022, the Company's leading brands, as it is the case of Zenú, Noel, Pozuelo, Jet, Sello Rojo, Colcafé, Chiky, Crem Helado, Doria, Tosh, Cordillera and El Corral, as well as its specialized brands such as Pietrán and Kibo, made progress in terms of the statement of a higher brand purpose drawing inspiration from the Sustainable Development Goals (SDGs), and contributed to Grupo Nutresa's higher purpose as an organization: "Building a better world where development benefits everyone."

Organizational capabilities at the service of the development of geographies

The Organization consolidates its knowledge on the regions through the implementation of models and plans focused on enhancing the corporate capabilities that allow achieving a systematic growth in the geographies outside Colombia. In this regard, United States is the second geography in the strategic region that is undergoing an important expansion process that will enable the Company to draw upon the competitive advantages along with Central America.

It is worth highlighting the performance of the market in Chile, a country where the Organization has excelled in managing the shifts of the demand, the price and the product portfolio thanks to Grupo Nutresa's overarching capabilities.



Reaching the world in good company

In 1953, an Austrian man had the conviction and trusted that Colombia was the ideal place to consolidate his company. That was how Eterna was born, an organization that manufactures cleaning and protection products, with over 1.000 employees, and today it celebrates its 70th anniversary.

This milestone came along with an achievement attained in collaboration with one of Grupo Nutresa's latest business endeavors: Nutrading. Since September 2022, fourteen of its flagship products are offered in 500 retail spaces across the United States.

Nutrading's story started in 2021 with the purpose of putting Grupo Nutresa's capabilities at the service of the country's business development. This international marketer then became consolidated with the conviction that our knowledge as an experienced exports platform would add value to the country's comprehensive development.

The partnerships between Nutrading and Colombian companies are viable when there are shared visions, along with a dialog among their portfolios, sustainability purposes, supplementary values and, most of all, a kindred value proposition.

Ricardo Escobar, Grupo Eterna's CEO, says that, for him, Nutrading is his company's top partner in relation to its exports to United States, and it is because both companies speak the same language, have the same customs and structured experience based on an internationalization model that can be fully adapted to their approach.

Like Eterna, there are four more companies undergoing the same process to conquer the North American market initially and one of them in Ecuador, but also aiming at other countries such as Guatemala, Costa Rica, Panama and Chile, which are under development with 2023 as the target.

Within the business-to-business model in the Coffee and Chocolates Business Units, the Company has unlocked important capabilities in terms of the creation of relevant value for the customers, particularly in the United States and Asia. In addition, the development of CI Nutrading (exports platform) has provided support to five Colombian companies in their process of taking their products abroad by putting at their disposal capabilities and networks that grant them access to new markets and reinforce the group-based market entry capacity.

In the geographies currently under exploration, as it is the case of both Asia and Africa, the Company continues identifying a high level of development potential: today, their total sales share stands at 1,46%.

Category management and diversification

Grupo Nutresa participates in more than 60 categories, which respond to the understanding and interpretation of the lifestyles of contemporary families. This opportunity to reach households broadly and thoroughly has been possible thanks to the diversity of channels used by the Company.

It is worth underscoring the strengthening of the communication of the leading brands and categories with value propositions related to well-being, nutrition, pleasure, personal care and household products, in addition to the inclusion of pet food. Currently, Novaventa's commercial network has reached Colombian households by means of a business value proposition which, more than commercializing products, contributes to improving people's quality of life.

Development of channels and clients

The results of the value created over the past year are based on a flawless management of the commercial networks, the adequate portfolio mix, the power of the brands and the high level of consumer demand, which the Organization is able to meet in a better way across the geographies.

In the institutional or food service channel, La Recetta and Atlantic Foods are contributing significant value by reinforcing their value propositions with a better service based on the response capacity regarding product quality, sufficient portfolio supply and adequate delivery time.

Sales through digital channels

For Grupo Nutresa, digital transformation is a dynamic organizational capability that starts with the transformation of the human being and their ability to internalize new technologies and create value. For this purpose, the Organization has worked on its digital transformation by building the capacities of its employees and incorporating tools such as artificial intelligence for the digital experience in the business management process and the exploration of new technologies for the distribution process (such as deliveries using drones). In 2022, the sales through the digital channel represented a 4,1% share of the total sales.

Response to the changes in more sustainable consumer trends

The Business Units have been deploying packaging materials adjustment plans within the time frames of each country’s regulations and consistently with the inventory assessment. Additionally, impact matrices have been proposed based on the regulations established in each territory regarding the disclosure of information on the packaging, as well as critical ingredient matrices for processed product portfolios and taxes that require formulations in products.

Moreover, the Organization makes progress on the implementation of models focused on reducing the environmental impact along the sourcing chain. The “Nutresa Retoma” (Retake) Program bundles several cycle-closing initiatives that implement the internal logistics capabilities of both Comercial Nutresa and Novaventa for the collection and transformation of flexible post-consumption packaging materials.

In 2022, thanks to the program, 107,7 tons of plastic post-consumption packaging materials were collected in eight Colombian cities (Medellín, Barranquilla, Bogotá, Bucaramanga, Cali, Cartagena, Duitama and Pereira), and in Panama City. The transformation of these materials allowed building and donating five playgrounds for children. See the Circular Economy chapter. As for the communication with consumers, the website www.todosporelplaneta.com has the purpose of informing and educating through data related to the packaging solutions, the circular economy initiatives and their results.

The materials produced as a result of the process of closing the cycle of packaging materials have also been used to develop and manufacture product displays and other marketing elements. Since 2021, the Company has used more than 116 tons of recycled PET to manufacture such elements, which is equivalent to giving new life to more than 4,5 million plastic bottles.

Ninety-nine percent of the advertising has been adjusted to the self-regulation criteria for kids between the ages of six and twelve agreed upon with the Colombian National Business Association’s Chamber of Food in Colombia. Such measures were also applied across all geographies [FB-NB-270a.1] [FB-PF-270a.1].

Product labeling related to sustainability attributes

[GRI 417-1] [FB-FR-430a.1]



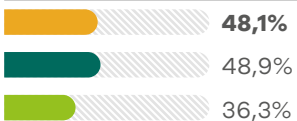
Nutritional information



Final disposal recommendations



Safety recommendations



Designation of origin



GDA Guideline Daily Amount



Other (health claims, guarantees)



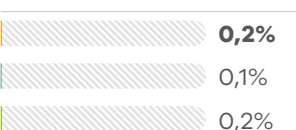
KOSHER



Fairtrade



Rainforest Alliance





CLICK HERE

Circular economy



CLICK HERE

All for the Planet

Compliance with labeling and marketing regulations

[GRI 417-2] [GRI 417-3] [FB-PF-270a.3][FB-PF-270a.4]

	2020		2021		2022	
	Labeling	Communica- tion	Labeling	Communica- tion	Labeling	Communica- tion
Number of fines	0	0	0	0	0	0
Number of warnings	0	0	0	0	1	0
Number of voluntary code violations	0	0	0	0	0	0
TOTAL	0	0	0	0	1	0

Enhancing the customers' commercial capabilities and consolidating inclusion-driven business models.

Future challenges over time drive the Organization to identify practices that create value and contribute more economic, social and environmental capital through optimally balanced portfolios in terms of geographies, categories and brands. Additionally, the challenges must stimulate the adaptation of the value chain, the development and the innovation with a future-building outlook that connects with society while striving to achieve the best possible results for everyone.

The Company has five ongoing inclusion-driven businesses: School for Clients, Novaventa's Entrepreneurs, TMLUC Service School, Independent retailers and marketers from the alternative channel, and 'Recargada' Client Development, through which Grupo Nutresa is building capacities and skills that create social and economic value, and contribute to the competitiveness and sustainability of the Organization's business partners in Colombia, Chile and Costa Rica.



Employee from the
Ice Cream Business
in Colombia.



Availability and volatility of commodities

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



Employee from the Pastas Business in Colombia.



Sourcing process in the Coffee Business, Colombia.

Management approach [GRI 3-3]

Improving and broadening the coverage of the strategic sourcing model.

Bridging sustainable-sourcing gaps.

Managing the availability and volatility of the prices of commodities.

Implementing the Comprehensive foreign trade logistics model as an action for mitigating the impact of the disruption in the global supply chains.

Progress achieved in 2022 [GRI 3-3]

- **COP 143.205 million in savings** in the supplies and service procurement categories through 511 initiatives deployed across all regions.
- **Venturing in marketing categories** related to contact center services, sustainable vehicle fleets and collaborative technology services in Colombia and Costa Rica.
- **Undertaking of 130 initiatives** for the responsible and productive sourcing of the supplies.
- **Update and assessment of the environmental and social risks** in the purchasing categories for Chile and Mexico.
- **Update and publication of the *Guide of standards for a responsible and productive sourcing process*.**
- **Technical and fundamental analyses** for the main commodities and packaging materials.
- **Review of long-term negotiations** for the main commodities and expansion of the scope for dairy products, balanced food supplies, corn and palm oil.
- **Consolidation of the sourcing and imports logistics models** for commodities, and maintenance of the designation as Authorized Economic Operator (AEO) for importers.
- Implementation of the continuity plan for the existing exports as a contingency alternative in the Chocolates and Coffee Business Units.
- Strengthening of the development of the exporter platform for CI Nutrading and the Pastas and Cold Cuts Business Units.

Risks and Opportunities

[GRI 3-3]

The commodity sourcing process has been improving thanks to the flows of supplies and the containers arriving from several origins. However, the global supply logistics chain has not fully recovered yet. In Asia, the supply of both shipping services and materials has improved. Nevertheless, China (main consumer of commodities) has not allowed the stabilization of supplies such as corn, soy and agricultural materials due to its restrictions related to COVID-19, which still has a major adverse impact across the world. In addition, the Russia-Ukraine conflict has also affected both producers and consumers of corn, wheat, vegetable oil and fertilizers due to the protectionism taking place in many countries regarding such supplies, and to the increased international prices and costs caused by the reduced supply.

The climate effect has been another factor that has decreased the availability of commodities in multiple geographies. The ongoing accelerated demographic growth exerts high pressure on the human food sources and produces, in turn, a considerable impact on animal feed. A clear example of this is the production of corn.

These situations represent an opportunity to incorporate sustainability practices that ensure a better scenario in the production of the agricultural chains in the economic, social and environmental dimensions, such as: sustainable livestock farming, regenerative agriculture and initiatives that increase both productivity and food security, thus guaranteeing the continuity of the operations at all times.



Employee from the Cold Cuts Business in Colombia.

Future challenges

The political transition and shifts, in addition to the economic, social and political instability in the countries where Grupo Nutresa operates, have driven the strengthening of the American dollar with regard to the local currencies, which significantly affects the purchasing power throughout the strategic region. Making progress in local developments regarding the provision of critical supplies is essential to mitigate the effects of the exchange rate on the operations, which would benefit the local economies and promoting competitiveness.

Building new sustainability-related capacities among the suppliers and partners, broadening the coverage of the programs intended to encourage the adoption of leading sustainability practices, managing the risks in the chain and increasing the social and environmental capital of the sourcing chains are constant challenges that the Organization tackles and addresses through the work carried out by the task force on commodities and the execution of 16 road maps for the main agricultural and livestock chains, in addition to programs focused on identifying and building capacities, as it is the case of the Grupo Nutresa Exemplary Supplier program.

Outstanding practices and recognitions

'BritCham Lazos a la Sostenibilidad' Award (Bonds with sustainability) granted to Compañía Nacional de Chocolates

Among more than 100 companies, Compañía Nacional de Chocolates was acknowledged in the category of *academic or applied research* of the **15th edition of the 'BritCham Lazos a la Sostenibilidad' Awards** (Bonds with sustainability) organized by the British-Colombian Chamber of Commerce. The accolade was awarded on the basis of the Organization's development of new vegetable materials of cocoa for the sustainability and competitiveness of the value chain in Colombia. This was possible thanks to the identification of more efficient and socially responsible models focused on corporate sustainability in Colombia.



Silvopasture project deployed by the Cold Cuts Business in Aguachica

The Cold Cuts Business implemented the first stage of the silvopasture project at its Aguachica production plant in the Colombian state of Cesar. This stage consists in sowing pastures and setting up paddocks. Additionally, the project included the participation of key partners that allowed monitoring environmental variables such as the carbon uptake through both soil and surface biomass. The surface biomass carbon uptake was monitored by means of satellite technology that measures the carbon emissions and uptake in agricultural and livestock systems.

The Chocolates Business has been once again granted the "Empresa INcluyente" (Inclusion-driven company) Seal

The ANDI Foundation (of the National Business Association of Colombia), in partnership with the United States Agency for International Development (USAID), ACDI/VOCA and Deloitte, recertified the Chocolates Business with the Inclusion-Driven Company Seal in the category of *inclusion-oriented linkages* for its commitment to the inclusion of small cocoa farmer associations by providing social, commercial, technical and business support for the formulation and deployment of projects.



Grupo Nutresa received acknowledgments from Colombia Productiva and the Medellín Chamber of Commerce

The Ministry of Commerce, Industry and Tourism, through its 'Colombia Productiva' entity, and the Medellín Chamber of Commerce awarded an acknowledgment to Grupo Nutresa for its integration into the "Fábricas de Productividad" (Productivity factories) program as an anchor business that promotes the productivity and competitiveness of its suppliers. Throughout the first three cycles of the initiative, the Company made 167 interventions, with an average improvement of 33% in the productivity indicators of the participant suppliers.

Material topic details

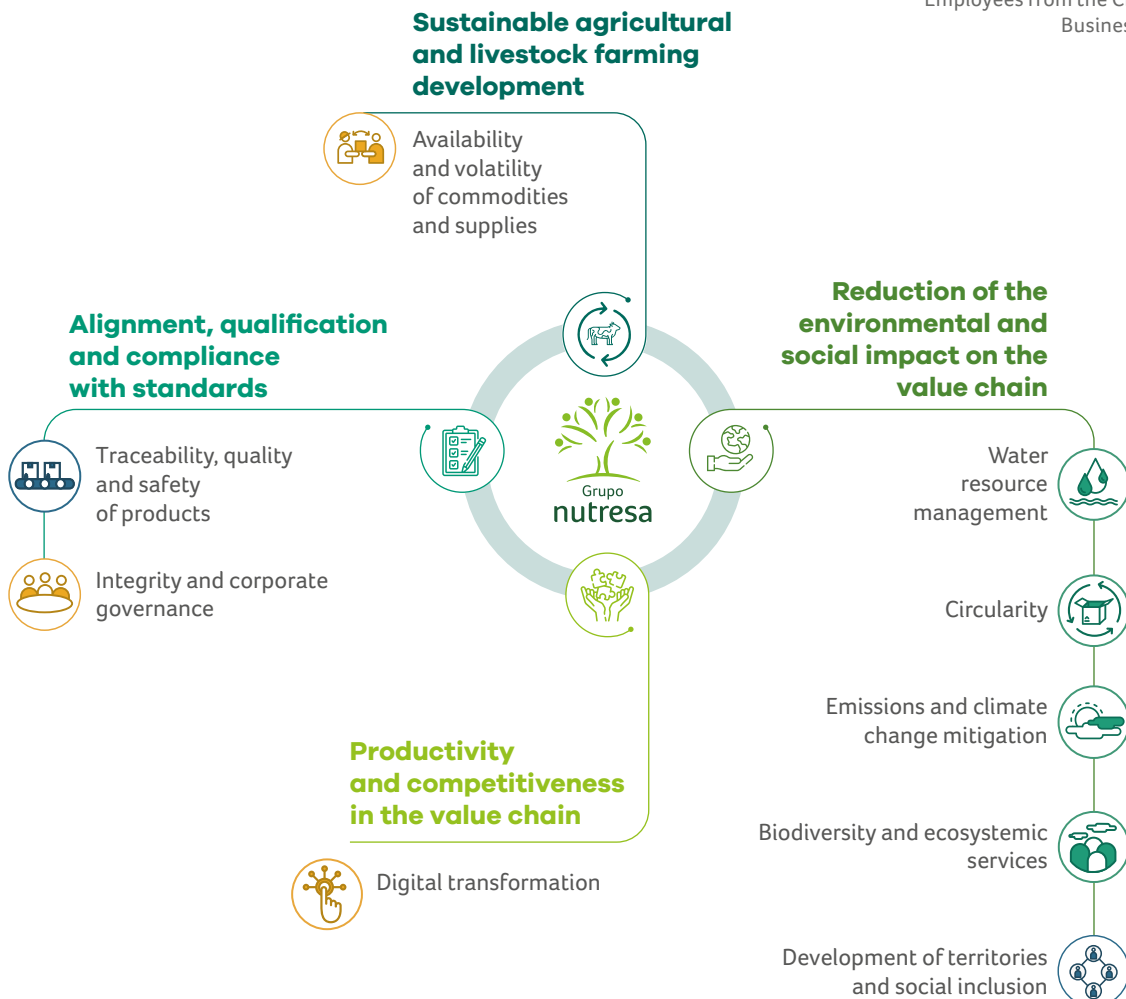
Responsible and productive sourcing model

[FB-FR-430a.3]

In line with the Sustainable Development Goals (SDGs) for 2030, Grupo Nutresa builds the capacities of its suppliers based on the responsible **sourcing model**. It seeks to ensure the Organization's continuity, capitalize on opportunities and manage the risks that are not directly controlled by the Company by including social, environmental and economic variables. The model comprises four management approaches that articulate the subjects of the Company's new materiality analysis.



Employees from the Chocolates Business in Peru.



Qualification and enhancement of capabilities

One of the management approaches of this model is associated with the Organization’s commitment to improving the skills and compliance in the sourcing chain, in addition to training suppliers in key matters and in alignment with the material topics that ensure the enhancement of the capabilities of the Business Unit’s partners. In 2022, the Organization provided training to 1.912 suppliers, addressing topics related to food safety, good food production practices, Human Rights, operational risks, productive linkages, climate change, adaptation-centered biodiversity and matters regarding the risks of money laundering and terrorism financing, among other. These activities included the participation of 20.965 attendees.

Additionally, through the School for Strategic Partners, the Company organized and held for the first time the Learning Week for strategic partners, with almost 1.300 connections in total for all sessions. The purpose consisted in consolidating subjects dealing with sustainable leadership, innovation, business continuity, Human Rights and circular economy.

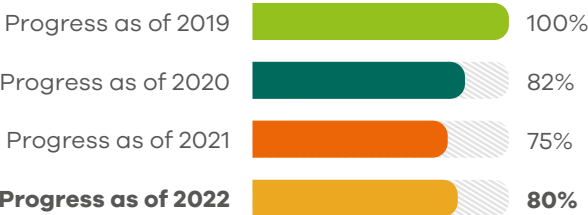
Supplier assessment and auditing

402 suppliers underwent assessments and audits through the programs related to the integrated management systems, sustainability and commercial security.



Farm belonging to the Chocolates Business in Támesis, Colombia.

The Organization ensures the evaluation for the pareto in the expenditure of critical suppliers in terms of sustainability based on the ten principles of the United Nations Global Compact and other evaluation mechanisms, such as self-assessments, on-site audits or third-party audits. The goal is to audit critical suppliers to cover at least 80% of the expenditure, with a validity term of three years or less.

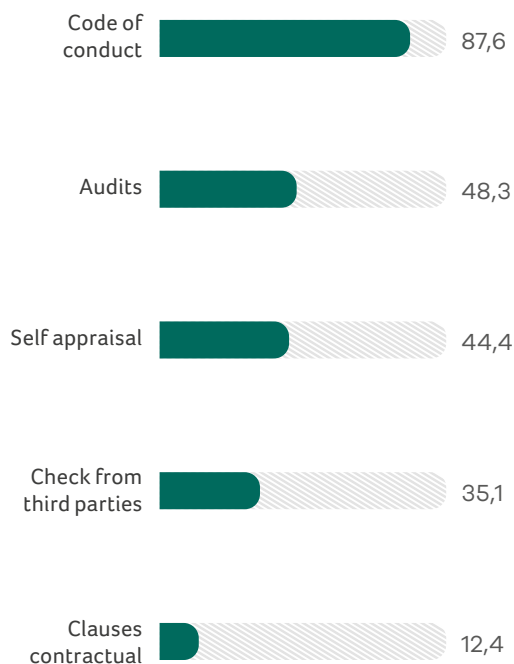


Assessment of critical suppliers

Supplier category	Suppliers	% of the total number of suppliers	% of the total expenditure in 2022
Critical in terms of sustainability	170	1,1%	48%
Critical in terms of integrated systems	225	1,4%	9%
Total number of critical suppliers	395	2,5%	57%
Tactical	15.708	98%	43%
Total number of suppliers	16.103	100%	100%
Suppliers screened regarding sustainability			
On a yearly basis	72	42%	39%
3-year plan	106	62%	76%
Screened under any mechanism	136	80%	92%
Total number of suppliers screened/assessed			
Screened under any mechanism	281	71%	92%

Sourcing Policy compliance verification mechanisms

From the direct supplies procurement pareto, 87,6% of the suppliers have committed to fulfill Grupo Nutresa's purchase guidelines.



Supplier acknowledgment

Grupo Nutresa awarded 22 acknowledgments to 19 Colombian and international suppliers for their sustainable practices and commitment to the Organization's strategic goals, the development of society and the economic, social and environmental progress of their corresponding geographies. Eight countries participated in this edition, with Guatemala as special guest. The acknowledgment event was held under a dual format for the first time, with the in-person participation of 127 people and 477 attendees via digital means.



Update of the sustainability risks in Chile and Mexico

Grupo Nutresa updated the identification and assessment of the sustainability-related risks in the supplies and service procurement categories for Chile and Costa Rica by means of external consulting services. This study determined the categories and goods that present the highest risk or impact on the environmental and social sustainability of the sourcing chains in these countries.



Coffee farmers in Colombia.

Update and publication of the Guide of standards for a responsible and productive sourcing process

The third edition of the *Guide of standards for suppliers* is now available under a new name: “*Guide of responsible and productive sourcing standards*.” This update includes the Biodiversity Policy and links to both the *Contractor manual for service providers* and the standards for the indirect materials category. The latest version of the guide also includes links to the ‘*Manual of leading practices in the sustainable production of milk*’ and the ‘*Manual for the production of beef*,’ in addition to referring to the ‘*Eco-design manual for packaging*.’



Promotion of coffee

In 2022, Grupo Nutresa set in motion the programs for the sustainability of coffee-growing businesses with a scope covering 550 coffee farmer families from the Colombian states of Huila and Santander. The objective of this project is to build capacities and empower coffee farmers with regard to all aspects of sustainability through the implementation of the four management approaches associated with the aforementioned responsible sourcing model.

The projects centered on coffee production companies have a positive impact on the links of the coffee-growing chain. These projects are directly related to the common objective of improving the sustainability of the coffee business through the articulation of partners such as farmers, customers and organizations while promoting the implementation of good agricultural practices, the preservation of natural resources, the compliance with sustainability standards, the access to markets and the observance of transparent commercialization practices, thus boosting the quality of life of the coffee-growing families and the fulfillment of the sustainable coffee market needs.

Through the Huila project, which includes Carcafé as partner, 250 were benefited in a total area of 775 hectares, with a potential productivity of twenty-two 60-kg bags/ha.

The project has addressed subjects such as:

- Social development.
- Measurement of GHG emissions.
- Watershed protection.
- Biodiversity in territories.
- Human Rights.
- Good agricultural practices and precision agriculture.
- Sustainable income.
- Competitiveness in the commercialization process

In the Santander project, which includes Condor Specialty Coffee as partner, 300 were benefited in a total area of 1.260 hectares, with a potential productivity of twenty-four 60-kg bags/ha.

The program will address subjects such as:

- Developing a model to pay farmers for environmental services through the sale of carbon credits.
- Enriching the floristic composition of the farms.
- Improving the management of biodiversity.
- Developing a pollinator care pilot model, including setting up hives.
- Achieving reduction in the child labor levels at the farms.
- Promoting the generational replacement.

The total investment for the two projects amounts to COP 4.800 million that will be disbursed during the execution of the project.

Dairy farmer in Boyacá, Colombia.



The Company delivered

4.398.575

units

of vegetable materials earmarked for new sowing processes, and for the renovation and rehabilitation of cocoa plantations.

Promotion of cocoa

The Chocolates Business, through the procurement and agricultural promotion department and its six strategic pillars (partnerships for the rural development, applied cocoa research, propagation and distribution of plant material, commercialization of cocoa, training for producers and technicians, and technology disclosure in productive cocoa systems), supported 127 public-private partnerships that promote the competitiveness of the cocoa-growing sector in Colombia and benefit 22.933 families with 38.362 hectares of cocoa plantations in 22 Colombian states. The Company propagated and distributed 4.398.575 vegetable material units earmarked for new sowing processes, and for the renovation and rehabilitation of cocoa plantations. The Chocolates Business purchased 33.508 tons of 100% Colombian dry cocoa beans, 44,5% of which were bought directly from farmers associations and cooperative organizations. In addition, 1.423.987 text messages were sent to 19.604 agents from the cocoa-chocolate chain containing key information for the agronomic management of cocoa plantations.

Two classes of the course on sustainable management of cocoa plantations were certified in partnership with Universidad Pontificia Bolivariana, the Colombian Corporation of Agricultural and Livestock Research (Agrosavia) and the Tolima Governor's Office with the aim of making the production model for cocoa plantations known and enhancing the knowledge of the technical personnel who supports the cocoa farmers in the strategic regions of Tumaco and Tolima. In alliance with Partners of the Americas, the Organization signed an agreement for the



Cocoa farmer in Tolima, Colombia.

project known as Cocoa for Development (C4D), which is funded by the United States Department of Agriculture –USDA). This initiative promotes the rural development with sustainable-production and fair-commercialization plantations for 5.500 small-scale Colombian farmers grouped in 71 associations, covering 12.000 hectares of cacao plantations.

The Colombian Institute for Agriculture and Livestock (ICA) granted to the Chocolates Business the extension of the national registration of the cocoa cultivars CNCH 12 and CNCH 13 for its distribution and sowing across all the cocoa-growing regions in the country. These cocoa cultivars were presented in the following events organized within the cocoa-chocolate chain: World Cocoa Foundation in Brussels, Belgium; Inter-

national Symposium on Cocoa Research in Montpellier, France; 15th BritCham Lazos a la Sostenibilidad Awards, Expo-Agrofuturo and Chocoshow in Bogotá, Colombia.

Meat-based proteins

In 2022, the Cold Cuts Business continued working on strengthening the local purchase of beef and pork with the purpose of increasing the integration level in the livestock chain. In addition, the Company deployed 15 initiatives and projects focused on building and enhancing capacities related to sustainable sourcing, such as:

- **Research project** entitled 'Calculation of the carbon footprint, estimation of the potential for the implementation of leading livestock practices to reduce the environmental impact, and animal welfare measurement.'
- **Diagnostic** and data collection in 42 estates owned by cattle suppliers in multiple regions in Colombia for carbon footprint calculations based on the agreement

signed with the Medellín campus of Colombian National University.

- **Adaptation** of brans for cage-free pregnant sows at the Company's own farm Porcinorte in Colombia, thus meeting the standards of the Animal Welfare Policy.
- **Diagnostic** of the location of 115 estates owned by suppliers associated with the integrated livestock farming model in Colombia through a georeferencing process performed using digital tools. The purpose of the diagnostic is to identify soil-use risks according to the corresponding land-use plans.
- **Expansion** of the scope of the benefits from the livestock purchase model with the aim of promoting and encouraging the good agricultural practices certification for the estates owned by the cattle suppliers. The result: 24 estates certified under good agricultural practice standards, representing 7% of the estates registered in the model, and seven estates registered in the integration model, which represent 3% of the total.

Farm belonging to the Cold Cuts Business in Colombia.





Wheat crop in Chile.

Wheat

With the objective of diversifying and reducing the supplies sourcing risk, new national durum wheat production zones were developed in 2022 in the southern regions of the country (Osorno, 14th region). Additionally, new Argentinian durum wheat producers were incorporated. Both zones produced successful results in terms of quality, competitive prices and purchase.

Moreover, as part of the agricultural and livestock management actions, the Company included satellite mapping activities for monitoring the plantation in multiple zones and stages, from the sowing to the harvest, covering a 1.000-hectare surface in the pilot program.

For its part, in Chile, all the suppliers are working under the contract farming methodology, thus building their loyalty and ensuring the formalization of the sourcing process. To improve the contract-signing process, the Organization implemented the electronic signature procedure, which has allowed streamlining the hiring activities and reducing costs. As a result, the coverage of signed contracts throughout 2022 reached 91%.

In the context of inclusion-driven business, Grupo Nutresa incorporated 83 small-scale wheat producers into the sourcing processes, with 75 hours of training, 11 field work days and 7 in-person technical talks. Additionally, the Company conducted further capacity-building efforts and delivered technology tools related to sustainable practices and production based on leading agricultural practices.

Within the framework of Grupo Nutresa's sustainability goals and with the support of Chile's National Agricultural and Livestock Research Institute (INIA), Tresmontes Lucchetti published a

new edition of the **'Handbook of good agricultural practices for the production of durum wheat'** that introduces aspects related to conservation-based agriculture, agricultural and livestock practices focused on improving the utilization of resources, efficiency in the use of soil nutrients and increased sustainability in the production process.



The Business Unit has maintained the partnership with the aforementioned institute since 1988, incorporating the new challenges and objectives of the Organization's strategy for 2030. Among the related actions, the Company has considered the development of research and innovation regarding certified seeds, capacity-building efforts intended for the farmers, and the promotion of inclusion-driven business operations.

Also in 2022, the First Wheat Producer Conference was organized and held, with the participation of local strategic partners such as Bigda and INIA. More than 100 farmers attended the event with the intention of consolidating the activity in the region, which represents 34% of the total surface outsourced countrywide.

Sugar

The Organization expanded its supplier portfolio to new geographies to ensure the availability of supplies. In addition, the Company made progress in the exploration of raw material substitutes and combinations, and performed maintenance actions to the buffer stock.

Productivity and competitiveness in the value chain

Strategic sourcing

Grupo Nutresa's total procurement amounted to COP 10,7 trillion, and its pool of suppliers has increased to a total of 16.103. Additionally, the Organization achieved savings for approximately COP 143.205 million by means of the strategic sourcing methodology, which gave rise to 511 initiatives that improve the Company's negotiation competitiveness, as well as its goods and service sourcing processes.

To achieve such results, the continued work with the R+D and logistics teams has been essential, allowing to find alternatives for critical supplies, which have had elevated costs or have presented sourcing difficulties. Through its standardization initiatives, Grupo Nutresa has been able to maintain its operations during the COVID-19 pandemic for multiple categories, in addition to the development of other origins to replace or reinforce the existing sourcing chains.

Price volatility management

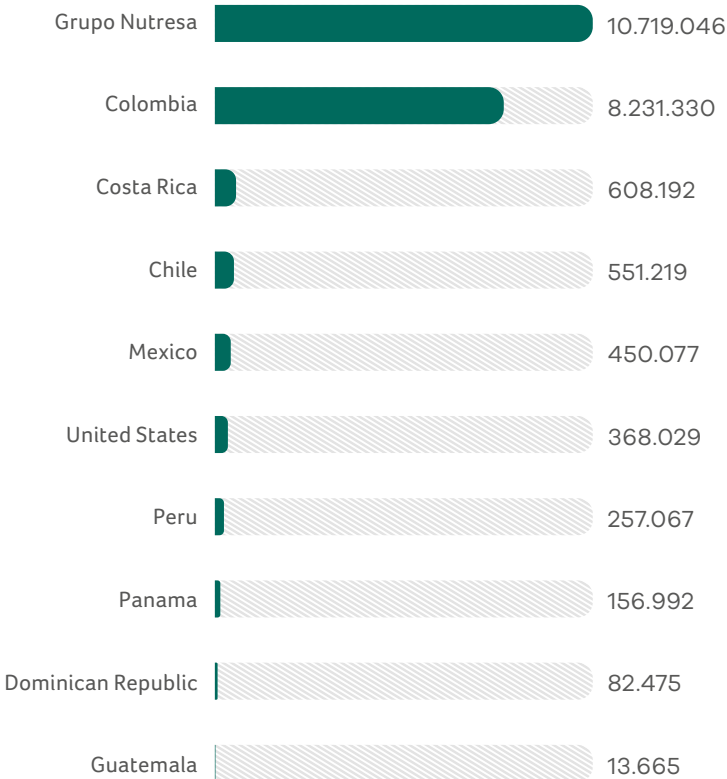
In 2022, the volatility management actions were based on two major strategies: one focused on taking advantage of seasonal drops and opportunities presented by the market to hedge the price, thus increasing the hedges; and a second one centered on reviewing long-term negotiations of the main commodities, thus broadening the scope for dairy products, balanced food materials, corn and palm oil.

Through its Commodities Committee, the Organization analyzed cost drivers and trends, sourcing strategies, financial hedges and other initiatives with the purpose of protecting the unhedged portion of the main commodities. The objectives are delimited by policies that include:

- Mitigating the uncertainty regarding free cash flow.
- Protecting from the effect on the commodity price variations.
- Reducing the effect of volatility.
- Securing the estimated prices and transferring the risks without speculating.

As part of the analysis, the Committee addressed the fundamental drivers affecting the costs, such as: depreciation, demand, geopolitics, weather, logistics and the speculative participation of investment funds and indices. These aspects are constantly assessed by Grupo Nutresa for the main commodities: wheat, coffee, cocoa, sugar, oils, milk, pork, beef, imported chicken, soybean meal, corn, plastic resins and packaging materials. The purpose of the assessment is to review the effect on both the EBITDA and the commodities index.

Grupo Nutresa's total procureme stated in COP million



Local procurement

2022 2021 2020 2019

Grupo Nutresa



Colombia



Costa Rica



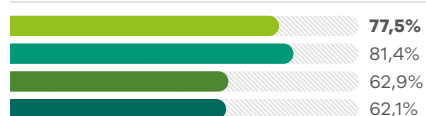
Mexico



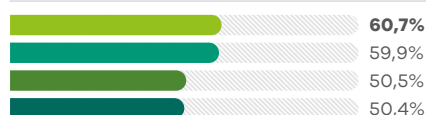
Peru



Panama



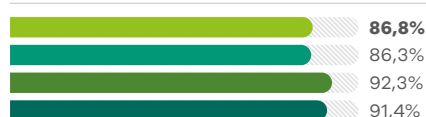
Dominican Republic



United States



Chile



Guatemala



* Includes commodities, raw materials, packaging materials, indirect purchases and services. The marketing companies, the finished products and the fixed assets are not included. Note: Local suppliers are those located in each country where the Organization runs significant operations (transformation operations).

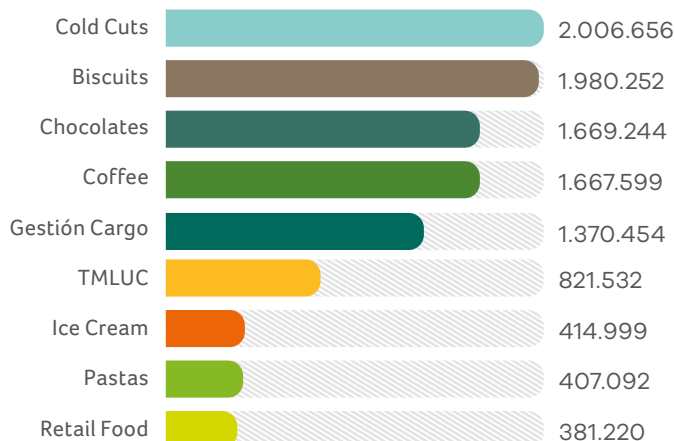
The decrease in the reported local procurement percentage is the result of the elimination of inter-company sales from Gestión Cargo.



Coffee farmer, Valle del Cauca, Colombia.

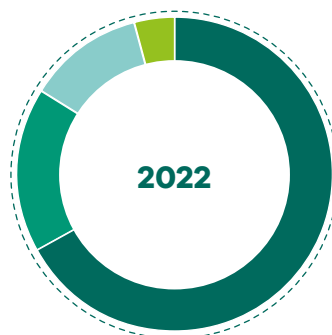
Local procurement - by Business

Grupo Nutresa: 10.719.046



Annual procurement by Business Unit. The marketing companies, the fixed assets, and the Organization's own finished and marketable products are not included.

Total procurement - by type of supplies



67%
Raw materials

17%
Services

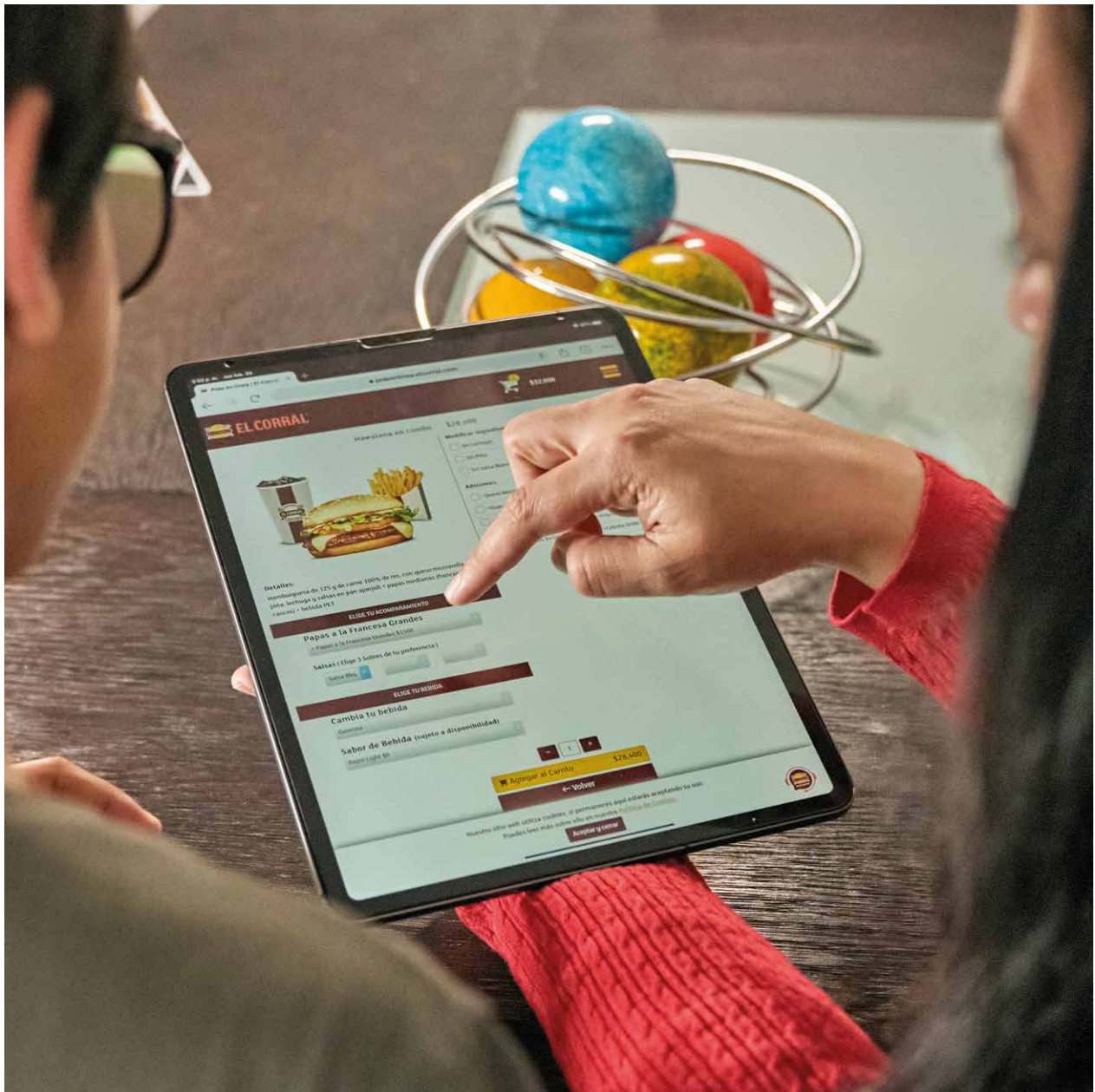
12%
Packaging materials

4%
Indirect



Digital transformation

Incorporating capabilities based on digital services, taking as a starting point the cultural transformation, the development and adoption of new technologies, the identification of new business models, the development of the value chain, and the evolution of both data and analytics.



El Corral's e-commerce in Colombia.



Use of new technologies in Colombia.

Management approach [GRI 3-3]

Inducing the evolution of the culture to promote behaviors focused on adaptability, innovation, overarching approaches and interdisciplinary capacities.

Incorporating market-entry-focused digital evolution.

Implementing technological evolution.

Progress achieved in 2022 [GRI 3-3]

- **Creation of the Sales and Digital Transformation Vice President's Office** to lead the strategic development and the corresponding relevance in the corporate approach.
- **Strengthening of the cultural transformation** by developing capacities related to innovation, adaptive leadership, new ways of working and structure simplification.
- **Incorporation of digital roles within the operational teams** as transformation drivers.
- Design of learning experiences focused on self-development and on the digital mindset and capacities. Additionally, 240 employees from 29 companies received training as agile enablers, and one as sponsor of the capabilities needed to define the actions that will be carried out in 2023.
- **Evolution of the value proposition** of the digital trade platforms for consumers based on user experience, business management, delivery logistics and analytics.
- **Creation of digital versions** for the distribution networks, providing a higher level of autonomy in the access to the brands and boosting the engagement with the commercial figures.
- **COP 696.866 million in digital sales**, representing 4,1% of total sales. These results were supported on the development of logistical capacities for reaching consumers.
- **Adaptation and maturity in the robotic process automation (RPA)**, chatbots, digital trade, augmented analytics and industrial robotics, with controlled cases of use and understanding of their benefits and applications.
- **Development of 23 medium- and high-complexity RPA solutions** in eight companies and five geographies, which allowed reducing 507 operation hours per month.
- **Construction of the commercial technology core evolution architecture** with the incorporation of technologies related to master data, CRM (customer relationship management), infrastructure, security and advanced analytics models.

Risks and Opportunities

[GRI 3-3]

The development of digital transformation as a strategic capacity ensures a higher cohesion level around a common purpose and a team mentality that fosters the incorporation and development of flexible, agile and liquid structures for the Organization. This becomes an opportunity to constantly rethink the processes and the culture with the aim of transcending to simpler and more innovative everyday operation.

Digital engagement with customers and consumers remains a relevant matter for the Company because it drives the construction of trust-based relationships based on the commercial and logistical processes, and it also contributes data quality and security, and induces the evolution of the commercial figures with a broader emphasis on point-of-sale management, considering the brand strategies and the promotion of innovations.

On another note, the improvement of the technology core represents an opportunity to speed up the synergies, implement technologies adapted to the specific needs of each Business Unit and minimize the risks related to cybersecurity, technical support and application continuity that could emerge from technological obsolescence.

Finally, the Organization is aware of the growing uncertainty of the sales to digital clients due to the constraints imposed to them by the venture capital market. This is a situation entailing challenges for the Company regarding the continuity of the development of the necessary internal capacities for strengthening the management of high-potential and high-uncertainty clients.

Future challenges

The Organization will continue working on the evolution of both the technology core and the financial impact to positively contribute to the market entry, brand management and the transformation of the commercial processes, which include the logistics and the care for customer experience. In addition,



Employee from the Chocolates Business in Peru.

the Company will focus on enhancing the digital version of non-native-digital clients (bricks and clicks), especially in the self-service channel and drugstores.

Regarding the evolution of the engagement with customers and consumers, Grupo Nutresa will continue working on developing Novaventa's omnichannel methodology by focusing on the direct-sale online store and on the digital tools, particularly the ones related to analytics, which have the potential of contributing to the consolidation of the retail ecosystem.

The Organization will continue promoting Pideky as the platform for directly reaching mass consumption market customers, thus looking to increase its adoption and penetration by means of the positioning of its value proposition, the incorporation of new segments and its entry to the strategic region guided by flexible logistics models to boost the brands' performance at the points of sale.

It is also expected that the success stories related to emerging 4.0 technologies can be developed to the point where they become fully incorporated into the business as a whole. One of such success stories is the evolution of robotic process automation (RPA) into intelligent process automation (IPA), which will integrate technologies to manage and optimize digital processes using artificial intelligence.

Sales totaling
**COP
485.113**
in the multiple
e-commerce platforms
in Colombia and the
strategic region.

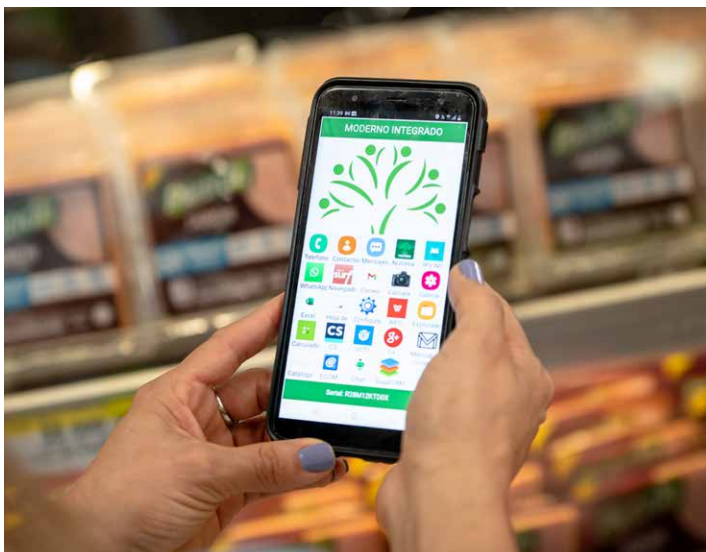
Material topic details

In Grupo Nutresa, digital transformation develops and incorporates new capacities based on digital services based on the transformation of both the culture and the work and business models with the application of a combination of industry 4.0 technologies.

The Company's strengths, talent and assets are part of the differentiating aspects that boost the development of capacities. Thus, the cultural transformation has been the path leading to the fulfillment of the goals set in the digital ecosystem. In 2022, the Organization focused on the initiatives related to the human talent based on the maturity level established in the studies carried out in previous years. The following are some of the initiatives that stand out:

- **Implementation** of new technologies in the processes related to recruitment, talent mobility, corporate orientation and occupational health and safety.
- **Design of learning experiences** focused on self-development and on the digital mindset and capabilities. Additionally, 240 employees from 29 Grupo Nutresa Companies received training as agile enablers, and one as sponsor of the capabilities needed to define the actions that will be carried out in 2023.
- **Creation** of the organizational agility website.

Commercial process of
the Cold Cuts Business
in Colombia.



Development of the digital ecosystem with customers and consumers

Pideky emerged from the need to develop and support the digital transformation at the stores. It is an ecosystem of solutions and services for receiving orders and providing complementary high-value assistance to shopkeepers with consumer-reaching and analytics capabilities. This platform operates supported on the capacities related to the coverage, the delivery of the value proposition, the distribution and the engagement with shopkeepers, and it incorporates technology focused on service development.

As for the market entry using digital channels that reach consumers directly, the Company evolved in terms of the multiple e-commerce platforms of Grupo Nutresa's brands, totaling COP 485.113 in sales in Colombia and the strategic region.

Moreover, the Organization introduced a digital direct-sale service for consumers (D2C) with the aim of reaching them in a unified manner with an extensive portfolio. For this purpose, Grupo Nutresa analyzed the behavior and consumption patterns of shoppers, and designed both the value proposition and the business model with the aim of securing their profitability and being able of making growth-driven decisions based on data analytics, user experience, sales growth and competitiveness improvement.

Lastly, to produce incremental sales, the Company implemented the segmentation model for digital customers in all geographies with an engagement plan that allowed generating synergies and mutual benefit negotiations.

Digitally focused logistics capabilities

Grupo Nutresa's logistics capabilities have supported the development of its digital channels. That is why, in 2022, the Organization improved the negotiations of such services, achieving decreased fees by more than 15%, and formalized agreements with last-mile suppliers for same-day or 24-hour deliveries. Additionally, in the development of the logistics models, the Company explored transport management technologies (TMS).



Employees from the Ice Cream Business in Colombia.

Investment of

**USD
157.704**

in technology with the aim of having one single source of product information (PIM).

In addition, to adopt digital capacities in the negotiation and sourcing processes, a digital procurement plan was developed with the objective of improving the incorporation of tools such as *contract*, *SLP*, *commerce*, *buying* and *sourcing*. The negotiations in the latter allowed securing COP 143.200 million in savings.

Exploration and adoption of new technologies

Robotic process automation (RPA) helped Grupo Nutresa's companies to increase their efficiency and productivity. By eliminating manual tasks and reducing operating errors, the companies have been able to offer timelier services to their clients, to develop their employees' digital capacities and to integrate other technologies, such as artificial intelligence, with the aim of supporting the decision-making process in a more agile manner. The following results stand out:

- Four stage-cero RPA workshops for two companies and two geographies.
- Five CLUB in 6 companies from 3 geographies.
- Development of 23 medium- and high-complexity RPA solutions in eight companies and five geographies, which allowed reducing 507 operation hours per month.

The evolution of the technology core incorporated the technologies that the Organization requires to boost its operational efficiency, the maintenance and potentiation of the competitive advantages, a better experience and the development of business models based on the goals associated with Grupo Nutresa's great ambitious strategic objective for 2030.

The Company reinforced its digital trade capacity regarding the stewardship and control of its business assets, in addition to its customer relationship management (CRM), which manages in an integrated manner the Organization's business agreements with its clients and data integration and centralization plans in cloud-based platforms as the main element of the technology incorporation process.

On another token, the Organization allocated an investment of USD 157.704 for technology focused on having a single product information source (PIM), which is supported on the business initiatives and strengthens the analytics capacities when using cloud-based models and the progress of self-service strategies for the Business Units' planning process.

A data-driven organization

The use of analytics for making timely and effective decisions is an operation front that is worth highlighting in the digital trans-