



**GRUPO EMPRESARIAL NUTRESA  
INTEGRATED RISK MANAGEMENT POLICY**

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DATES					
ELABORATION OF THE POLICY			BEGINNING OF THE POLICY		
YEAR	MONTH	DATE	YEAR	MONTH	DATE
2009	09	08	2009	09	08
VALIDITY OF THE POLICY			LAST UPDATING OF THE POLICY		
2018	12	18	2015	12	18
ATTACHMENTS					
DESCRIPTION OF THE ATTACHMENTS					
<p><b>Attachment 1: Authorities of Grupo Empresarial Nutresa Risk Management</b>            This attachment describes the authorities of Grupo Empresarial Nutresa's risk management, including lines of reporting, monitoring, definition of risk appetite, and the interaction of the internal and external risk management committees.</p>					
<p><b>Attachment 2: Grupo Empresarial Nutresa Integrated Risk Management Manual</b>            This attachment details the stages and methodology of the risk management process and business continuity, and its connection with the methodology to identify material issues, as well as the criteria to define and review the limits and levels of delegation of risk management.</p>					



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CONTENT OF THE POLICY	
NAME OF THE POLICY	CODE
<b>INTEGRATED RISK MANAGEMENT POLICY</b>	

OBJECTIVE
<p>To establish the purpose of Integrated Risk Management within the context and strategy of Grupo Empresarial Nutresa, and define the general criteria and key elements for its implementation, monitoring and continuous improvement, thus strengthening the Organization’s commitment to this process.</p>

SCOPE
<p>This policy applies to all the companies that make up Grupo Empresarial Nutresa, including its Parent Company and its subordinates, Fundación Nutresa, Corporación Vidarium Research Center in Nutrition, Health and Wellness; it may be extended to those business partners that Grupo Empresarial Nutresa defines within its value chain, such as suppliers, contractors and business partners, etc.</p>

PURPOSE OF INTEGRATED RISK MANAGEMENT IN GRUPO EMPRESARIAL NUTRESA
<p>As a key element of sustainability in Grupo Empresarial Nutresa<sup>1</sup>, and as a focus of the priority management that enables the integral performance of the companies that comprise it, Integrated Risk Management is inherent to the corporate strategy; its purpose is to contribute to promoting, supporting the decision–making processes, and guiding the implementation of actions to prevent and mitigate risks, seeking the protection of resources, the continuity of operations, the tranquility of employees and building trust in stakeholders.</p>

GENERAL CONDITIONS
<p><b>a. Principles to adopt the Integrated Risk Management process in Grupo Empresarial Nutresa<sup>2</sup></b></p> <ul style="list-style-type: none"> <li>- The risk management process should create and protect value, contributing to the achievement of Grupo Empresarial Nutresa’s objectives, improve processes, operational efficiency, corporate governance and reputation.</li> <li>- Risk management is an integral part of the responsibilities of all Grupo Empresarial Nutresa leaders, and of all the employees in charge of the Organization’s processes.</li> <li>- Integrated risk management is part of the decision–making process in Grupo Empresarial Nutresa</li> </ul>

<sup>1</sup> “In Grupo Nutresa we are committed to sustainability, and we understand it as a corporate ability to thrive, based on the identification and integral management of risks and opportunities in the economic, social and environmental dimensions, which are directly related to the possibilities to generate value in the future.” Carlos Ignacio Gallego Palacio, Grupo Nutresa CEO. Integrated Report 2014.

<sup>2</sup> Adapted from: ISO 31000-V2009.



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and it must support the definition and selection of alternatives, prioritization of actions, considering the best information available, the effect of uncertainty and the cost–benefit ratio.

- The risk management process should be transparent and inclusive, promoting early involvement of the different levels of decision of the Grupo Empresarial Nutresa companies, to ensure the relevance of the process, and to integrate the material concerns of different stakeholders.
- The integrated risk management process should be dynamic, iterative and adaptive to change, in a manner consistent with the evolution of the internal and external context of Grupo Empresarial Nutresa and its companies, in order to facilitate continuous improvement of the Organization and the maturity level of risk management.

### b. Governance of Risks

As part of its corporate governance structure, Grupo Empresarial Nutresa has defined the authorities and responsibilities required to ensure adequate risk management. The structure of the Risk Governance model, which covers the different levels of the Organization, is illustrated in Attachment 1; the main responsibilities are defined below:

- **The Board of Directors:** The Board must ensure the existence of an Integrated Risk Management System appropriate to the context of Grupo Empresarial Nutresa. It is responsible for defining and approving the Integrated Risk Management Policy, establishing Grupo Empresarial Nutresa's risk appetite, the regular monitoring of the Integrated Risk Management and Grupo Empresarial Nutresa's effective exposure to different types of risks, proposing corrective actions in case of deviations beyond the appetite defined. (See the Code of Good Corporate Governance: Chapter II, Article 9, Point F "Functions of the Board of Directors").
- **The Board of Directors' Finance, Audit and Risk Committee:** This Committee is responsible for supporting the Board in all the functions related to risk management. In particular, it should regularly monitor and report to the Board on the implementation of the Grupo Empresarial Nutresa Integrated Risk Management Policy, so that the main financial and non–financial risks, in the balance sheets and off–balance sheets, are identified, managed and appropriately made known. (See the Code of Good Corporate Governance: Chapter II, Article 10, Point A "The Finance, Audit and Risk Committee").
- **The Steering Committee:** As an executive governance body, the Steering Committee is responsible for the incorporation of management and risk appetite criteria approved by the Board in defining business strategies and formulating corporate policies of its competence, which facilitate decision making at the tactical and operational level; it constitutes the general framework of action for all the Grupo Empresarial Nutresa companies. Likewise, it must supervise the adoption of the management and risk appetite criteria directly or through the tactical support committees it defines, and in case of deviations, it must report to and consult with the Board or its Finance, Audit and Risk Committee to define action plans.
- **The Presidency of Servicios Nutresa:** This Presidency is responsible for regularly monitoring and reporting on a consolidated basis the Grupo Empresarial Nutresa's integrated risk management



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to the Board, through the Finance, Audit and Risk Committee, thus ensuring the independence of its function in matters of risk. The report is made presenting the assessment of corporate risks, proposals on prevention and mitigation strategies, and generally an updating and monitoring of the most important aspects of the model and status of implementation of the methodology of the Grupo Empresarial Nutresa integrated risk management.

- **Servicios Nutresa's Risk Management and Insurance Department:** This area is responsible for supporting the Presidency of Servicios Nutresa and other management authorities in Grupo Empresarial Nutresa, in all the functions related to risk management. In particular, it must enable and accompany the Integrated Risk Management process in the Grupo Empresarial Nutresa companies by proposing and disclosing risk policies and manuals, implementing methodologies and management models, communication, supervision, monitoring and generating a culture for the risk process. Its responsibility includes the implementation of the methodology at the strategic level and support for the risk management leaders at the tactical and operational levels.
- **Servicios Nutresa's Internal Auditing Management:** This area is responsible for assessing the effectiveness of the integrated risk management process and contributing to its improvement. This assessment comprises determining whether the objectives of the businesses and companies support the Grupo Empresarial Nutresa mission and are aligned therewith; if significant risks are identified and assesses; if the measures adopted are appropriate against the acceptance of risks by the Administration; if such information is communicated in a timely manner throughout the Organization; and if the information on relevant risks is recorded adequately, allowing staff, Administration and Senior Management to fulfill their responsibilities. Additionally, Internal Auditing Management should assess the effectiveness of controls against risk exposures related to Grupo Empresarial Nutresa's governance, operations and information systems.
- **Grupo Empresarial Nutresa Business Units and Companies:** The Presidents of the Business Units and the Managers responsible for processes should ensure the adoption of the Integrated Risk Management System, adapted to the context of each Company and, together with employees, they are responsible for implementing Integrated Risk Management in all the processes and levels of the Organization, according to the methodology described in this policy, from assessment and treatment to reporting risks, should they materialize.
- **Risk Management Leader:** Each Business and Company must designate this functional leader, whose responsibility will be to facilitate the adoption of the Integrated Risk Management System in his organization, with the support of Servicios Nutresa's Risk Management and Insurance Department. In particular, it will support the disclosure of risk policies and manuals, the implementation of the methodology, communication, monitoring and the generation of a culture for the risk process.

### c. Risk Appetite

For the different types of risk and to be applied to all its operations and areas of action, Grupo



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Empresarial Nutresa has established and disclosed the following levels of risk appetite:

- **Commercial Risk: Aggressive**
- **Financial and Operational Risk: Moderate**
- **Reputational Risk: None**

Quantifying the levels of risk appetite and defining the levels of delegation to manage the different risks is carried out in the corporate policies associated with each type of risk and management area, which are directly approved by the Board, or by delegation from the Board, through the Finance, Audit and Risk Committee, or the Grupo Empresarial Nutresa Steering Committee. For quantification, criteria of likelihood and impact shall be taken into account, considering the methodologies applicable to each type of risk, and the different resources of the Organization.

### **d. Methodology for Integrated Risk Management**

The Integrated Risk Management System is conceived in Grupo Empresarial Nutresa under a systemic, structured vision, that seeks to establish measures for the efficient and sustainable treatment of risk, by establishing the context, identification, analysis and assessment of current and emerging risks, to prevent the occurrence of risk events; and if materialized, to mitigate the possible adverse impact on the human, financial, reputational, information and environmental resources of the Organization, to oversee the operational continuity of its companies.

The integrated risk management process involves two approaches of complementary analysis: One that begins with the Top-Down strategy and the other, a tactical and operational strategy (Bottom-Up), which are developed in the respective levels of management and integrated to obtain a holistic vision of the risks to the Organization.

The description of the flow and the stages of the process, the assessment criteria and the construction of risk maps, the catalogue of risks, the planning cycle of the process, the tools defined for their management, as well as the details of the application of the standard used as a reference – ISO 31000 – are found in the Grupo Empresarial Nutresa Integrated Risk Management Manual (See Attachment 2).

### **e. Integration with the Internal Control System**

The Internal Control System is an integral part of Grupo Empresarial Nutresa's risk management, since, by exercising its duties, it seeks to ensure the maximum effectiveness and generation of value of this process, to ensure that it is implemented according to the provisions of this Policy. Internal auditing is integrated into the Grupo Empresarial Nutresa Risk Management System, by providing Senior Management with the assurance of that system, based on the highest level of independence. This complements the risk management functions of process leaders and the supervision and monitoring functions, which are the responsibility of Servicios Nutresa's Risk Management and Insurance Department.

### **f. Performance, Monitoring and Reporting Risk Management**



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The performance of Risk Management will be regularly reviewed and assessed by the Board of Directors, through its Finance, Audit and Risk Committee, to ensure that the model used permits the configuration of a risk profile consistent with the strategic objectives and monitor the adequacy of the risks assumed regarding that profile. This performance will be analyzed, based on the periodic management reports presented by the Presidency of Servicios Nutresa; based on the analysis, the recommendations for the specific treatment of the risks and the continuous improvement of the system will be defined.

The monitoring of risk management is conducted according to the previously defined levels of strategic, tactical and operational management. To this end, the Servicios Nutresa's Risk Management and Insurance Department is responsible for monitoring the strategic risks of the Organization; the process leaders and the management system leaders are responsible for monitoring and tracking risk management in the tactical and operational levels, respectively. Such monitoring should be carried out in accordance with the provisions of the Grupo Empresarial Nutresa Integrated Risk Management Manual (See Attachment 2).

### **g. Communication and Culture**

The communication of risk management shall include mechanisms to report to the Board and Senior Management, characterized by its accuracy, integrity and timeliness, to support informed decision making on matters of risk management and control.

Likewise, it must ensure the effective, permanent communication and disclosure of this policy, its attachments and other policies related to all levels of the Organization, to facilitate its implementation, considering the stages of communication specified in Attachment 2.

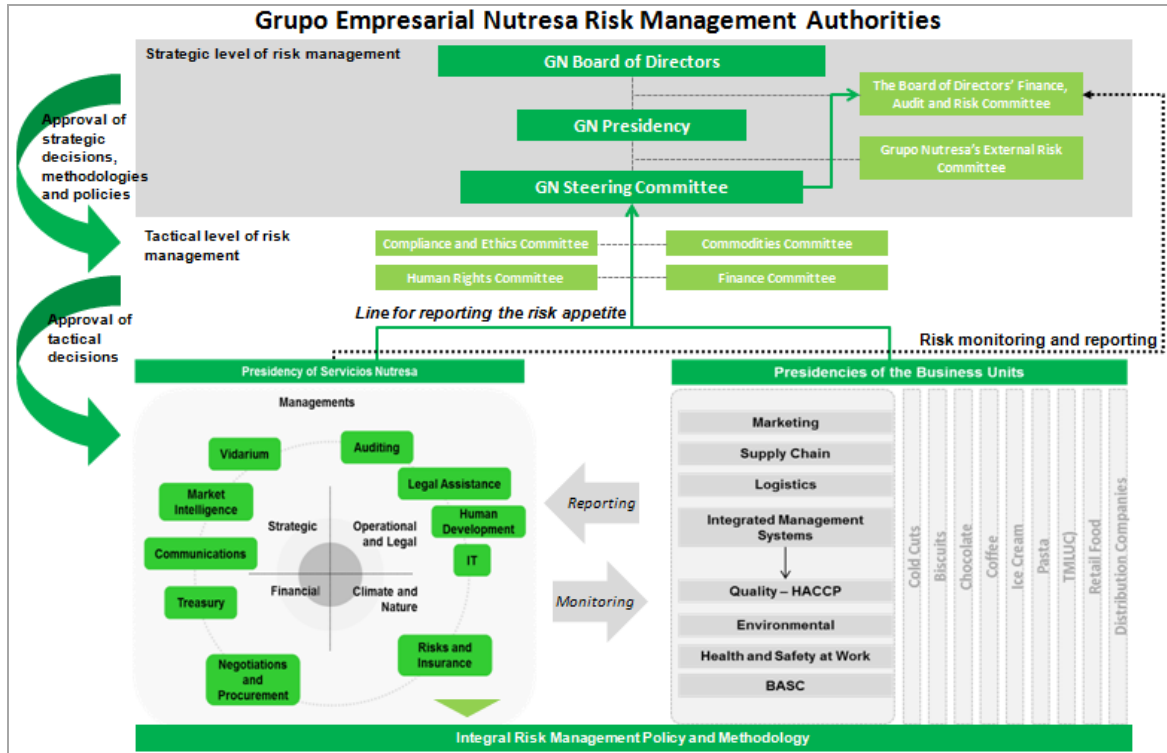
Therefore, strategies adjusted to the context of each of the Grupo Empresarial Nutresa companies will be defined, which also encourage the adoption of a risk management philosophy and culture consistent with the Organization's sustainability focus, and the strategic priority of integral action.

- **Reviewed and validated by Legal Assistance and Internal Auditing: 12/09/2015**
- **Reviewed and validated by the Presidency of Servicios Nutresa: 12/15/2015**



## GRUPO EMPRESARIAL NUTRESA INTEGRATED RISK MANAGEMENT POLICY

### a. Attachment 1. Grupo Empresarial Nutresa Risk Management Authorities



### b. Attachment 2: Grupo Empresarial Nutresa Integrated Risk Management Manual

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