

INTEGRATED
REPORT
2016



Grupo
nutresa



A FUTURE TOGETHER

Legend Year 2016 ■ | Year 2015 ■ | Increased ↗ | Decreased ↘

Diversification of Raw Materials

Production cost %

	Cold Cuts	Biscuits	Chocolates	Tresmontes Lucchetti	Coffee	Retail Food	Ice Cream	Pasta
Total Sales COP Billion 8.677 2015: 7.945 Growth ↗ 9,2% Organic growth* ↗ 8,3%	↗ 4,4% 1.992 / 1.909	↗ 10,9% 1.798 / 1.567	↗ 12,0% 1.421 / 1.268	↗ 9,4% 981 / 896	↗ 7,3% 956 / 891	↗ 21,2%* 657 / 542	↘ -1,7% 436 / 444	↗ 11,2% 287 / 258
Ebitda COP Billion 1.029 2015: 976 Growth ↗ 5,5% Margin 2016 11,9% 2015 12,3%	↗ 4,8% 243 / 232 12,2% 2016 12,2% 2015	↗ 13,3% 211 / 186 12,1% 2016 11,9% 2015	↗ 18,0% 147 / 124 10,3% 2016 9,8% 2015	↘ -0,3% 96 / 94 9,8% 2016 10,5% 2015	↘ -0,3% 155 / 155 16,2% 2016 17,4% 2015	↗ 0,8% 94 / 93 14,3% 2016 17,2% 2015	↘ -12,7% 58 / 61 12,2% 2016 13,8% 2015	↗ 0,6% 26 / 26 9,1% 2016 10,0% 2015
Sales abroad USD Million 1.087 2015: 1.098 Percentage of total sales 38,2% Growth ↘ -1,0%	↘ -12,5% 103 / 118	↗ 1,9% 289 / 284	↗ 2,5% 174 / 170	↘ -1,7% 322 / 328	↘ -3,9% 126 / 132	↗ 5,5% 69 / 65	N/A	N/A
Sales in Colombia COP Billion 5.363 2015: 4.916 Percentage of total sales 61,8% Growth ↗ 9,1% Organic growth ↗ 7,7%* 0,2% volume 7,8% price	↗ 6,7% 1.678 / 1.573 -1,7% 2016 2,5% 2015 8,6% 2016 5,0% 2015	↗ 8,8% 855 / 785 -0,7% 2016 5,5% 2015 9,6% 2016 5,7% 2015	↗ 11,9% 891 / 796 2,1% 2016 -1,3% 2015 9,7% 2016 11,4% 2015	N/A	↗ 7,1% 569 / 531 2,2% 2016 4,6% 2015 4,8% 2016 1,2% 2015	↗ 22,8%* 446 / 363 -7,7% 2016 -0,6% 2015 6,5% 2016 5,8% 2015	↘ -1,7% 436 / 444 6,8% 2016 4,1% 2015 1,2% 2016 7,3% 2015	↗ 11,2% 287 / 258

14,2%
Packaging material

8,6%
Coffee

7,6%
Wheat

7,0%
Pork

6,5%
Cocoa

4,8%
Sugar

4,6%
Beef

3,6%
Oils and fats

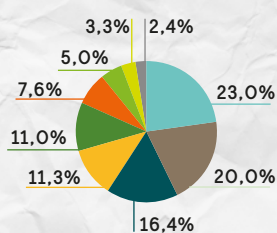
2,0%
Poultry

1,9%
Milk

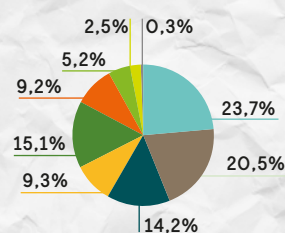
39,2%
Other*

*Sales and growth of Grupo El Corral are not comparable, as they began to be registered as of March 1, 2015.

Percentage of sales by business unit



Percentage of ebitda by business unit



*Includes direct labor, IMC (indirect manufacturing costs) and other minor raw materials

Distribution and sales



46 Total production plants

14 Total number of countries with distribution network and production plants

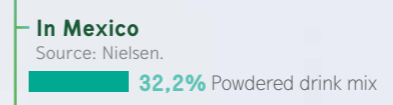
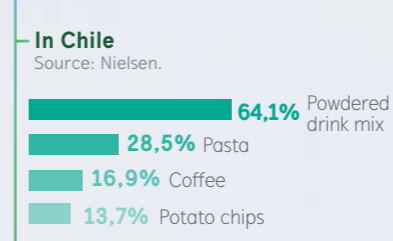
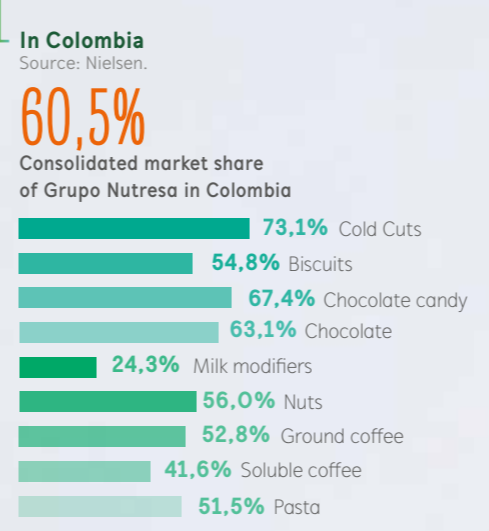
Shareholder composition



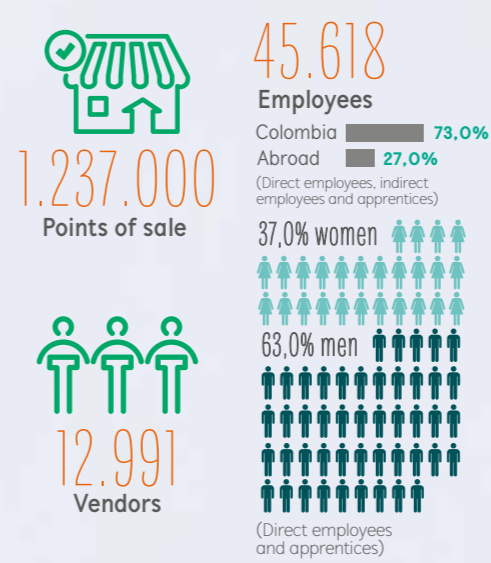
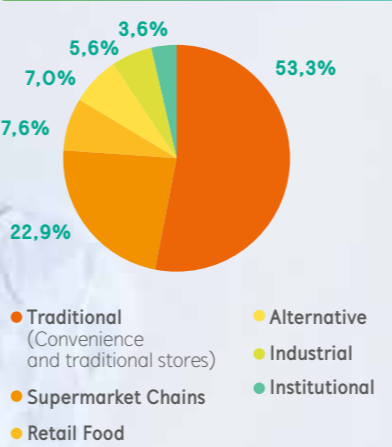
Legend

- Cold Cuts
- Biscuits
- Chocolates
- Coffee
- Tresmontes Lucchetti
- Ice Cream
- Pasta
- Retail Food
- Production
- Distribution
- Services
- Total sales

Market share



Sales by channel Grupo Nutresa



BUSINESS STRUCTURE GRI 102-24

	General Counsel		CEO			CFO	
	VP. Logistics	VP. Northern Region	VP. Southern Region	VP. Sustainable Development	VP. Marketing and Sales	VP. Strategic Region of Chile and Mexico	VP. Innovation and Nutrition
Commercial nutresa							
navaventa							
La Recetta							
International sales and distribution network							
Servicios nutresa							
Cold Cuts							
Biscuits							
Chocolates							
TMLUC							
Coffee							
Retail Food							
Ice Cream							
Pasta							

Our long-term commitment



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

Differentiators of our business model

- Our people**
We promote participative environments, the development of skills focused on both being and doing, the acknowledgement of achievements, the construction of a leading brand, and a balanced lifestyle for our people.
- Our Brands**
Our brands are leaders in the markets where we participate as they are widely recognized and cherished, nourish, generate well-being and have become a part of people's daily lifestyle choices, with an excellent price-value ratio.
- Our distribution networks**
Our wide distribution network, which is organized by channels and segments and includes specialized service teams, allows us to have an excellent product availability in terms of frequency, as well as a close relationship with our customers.

Main risks of our business model

Volatility in prices of raw materials and exchange rates.	Business disruption due to a highly competitive environment.	Regulation on nutrition and health in the countries where we have presence.
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The information included in this executive summary is consistent with the information of the Grupo Nutresa S.A. Integrated Report, available at: 2016report.gruponutresa.com/pdf/integrated_report_2016.pdf

In order to form a broader and deeper opinion on the actions taken and the results obtained by Grupo Nutresa S.A. on the economic, social and environmental performance, read the Grupo Nutresa S.A. Integrated Report together with this publication.

The scope and results of our work are described in the assurance report which is published on our webpage: 2016report.gruponutresa.com/pdf/verification_report.pdf

KPMG Advisory Services S.A.S. March 2017

This report was developed in accordance with the new GRI standard, comprehensive option.

RESULTS 2016 OF OUR STRATEGIC GOALS FOR 2020



Acting with integrity

External and independent evaluation of the Board of Directors

Employees from the strategic region trained in risk management
800

Awareness and training of employees in ML/FT (Money laundering and terrorist financing)
+ 17.600

70

Workshops on risk management and business continuity



Promoting a healthy lifestyle

Products with GDA labeling
2016: 85,8%
2015: 83,0%

Production processed in certified centers
2016: 79,3%
2015: 78,0%

Volume of sales that meets Nutresa's nutritional profile
2016: 63,0%
2015: 59,4%



Building a better society

Capability-development projects
2016: 694
2015: 591

Employees with special capabilities
2016: 251
2015: 215

Volunteers
2016: 11.862
2015: 10.979

Investment in communities
2016: 55.272
2015: 46.651
COP Million



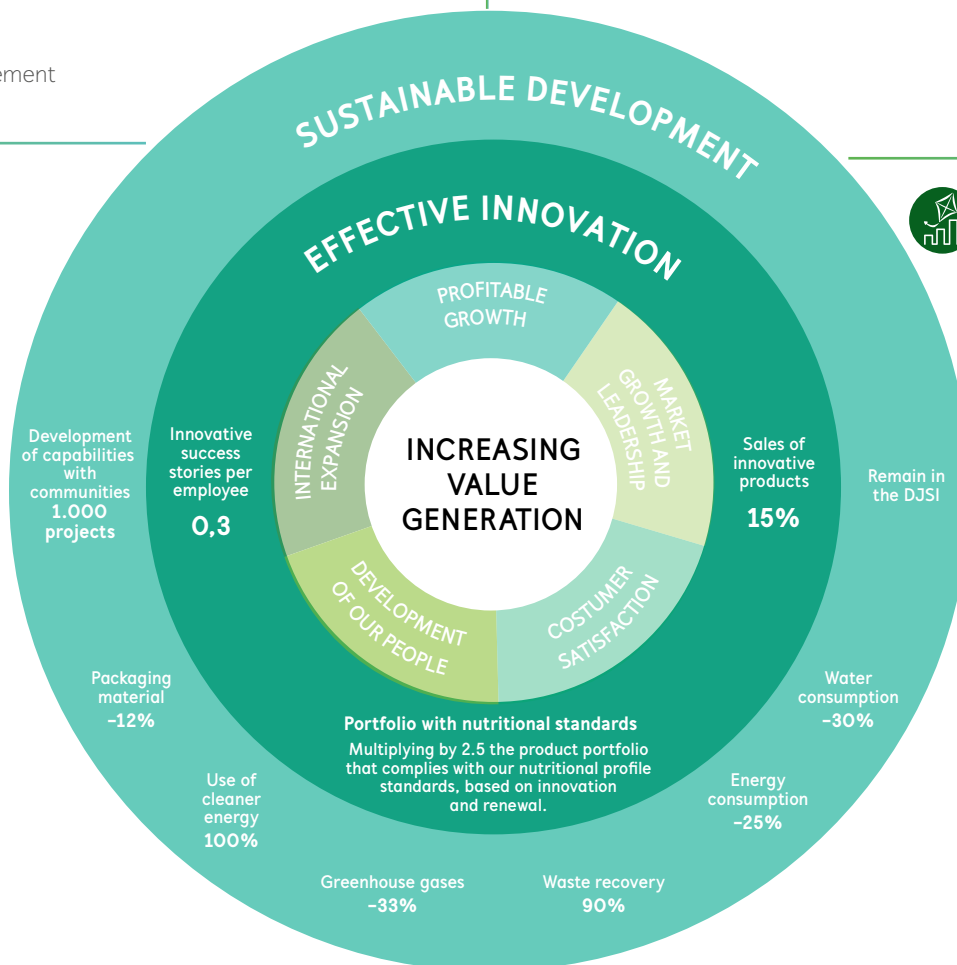
Fostering profitable growth and effective innovation

Productivity
2016: 2,5%
2015: 2,3%

Innovative success stories per employee
2016: 0,22
2015: 0,20

Sales of innovative products
2016: 17,9%
2015: 16,9%

Brands with sales over USD 50 Million
2016: 18
2015: 17



Managing the value chain responsibly

Accident frequency rate
2016: 2,11%
2015: 2,42%

Investment in social benefits (quality of life, training and work aids) COP Million
2016: 98.387
2015: 88.797

Sourcing from local suppliers
2016: 84,0%
2015: 78,7%

Customer satisfaction indicator
2016: 88,8
2015: 88,5%

Organizational climate
2016: 83,4%
2015: 84,4%



Reducing the environmental impact of the operations and products

Baseline 2010
*Per ton of food produced

Energy consumption reduction*
2016: -17,1%
2015: -17,7%

Greenhouse gas emission reduction*
2016: -21,0%
2015: -16,4%

Water consumption reduction*
2016: -25,8%
2015: -22,1%

Packaging reduction*
2016: -5,4%
2015: -8,8%

Investment in environmental management COP Million
2016: 20.401
2015: 15.081



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CONTENT

About this Integrated Report	4		
Stakeholder engagement model	6		
Materiality analysis and SDG	8		
Management report	10		
CORPORATE MODEL	18		
Board of Directors	20		
Management team	22		
Strategy for our first century (1920-2020)	24		
Strategic goals for 2020	26		
Integrated risk management and main business risks	28		
Business model	31		
ACTING WITH INTEGRITY	32		
Corporate governance	34		
Risk and compliance	36		
PERFORMANCE OF THE BUSINESS UNITS	38		
Cold Cuts Nutresa	40		
Biscuits Nutresa	42		
Chocolates Nutresa	44		
Tresmontes Lucchetti	46		
Coffee Nutresa	48		
Retail Food	50		
Ice Cream Nutresa	52		
Pasta Nutresa	54		
Redes Comerciales Secas - Transverse Units	56		
Servicios Nutresa - Transverse Units	57		
		FOSTERING PROFITABLE GROWTH AND EFFECTIVE INNOVATION	58
		Profitable growth in the markets and reliable brands	60
		Effective Innovation	63
		Grupo Nutresa's product innovations	66
		PROMOTING A HEALTHY LIFESTYLE	74
		Nutrition, healthy lifestyle and responsible marketing	76
		Food safety	78
		MANAGING THE VALUE CHAIN RESPONSIBLY	80
		Development of our people	82
		Quality of life	85
		Responsible sourcing	88
		Responsible sales	91
		BUILDING A BETTER SOCIETY	94
		Human Rights	96
		Development of capabilities and education	98
		Food security and nutrition	100
		REDUCING THE ENVIRONMENTAL IMPACT OF THE OPERATIONS AND PRODUCTS	102
		Water resource management	104
		Energy	106
		Climate change	108
		Packaging and post-consumption	110
		Waste management	112
		FINANCIAL STATEMENTS	114

ABOUT THIS INTEGRATED REPORT

Transparent, clear and timely information allows the stakeholders to make better decisions. That is why Grupo Nutresa presents the 2016 **GRI 102-1** Integrated Report, which contains the progress achieved with regard to the most relevant material topics for the sustainable growth of the Organization.

The management details are portrayed by means of the six strategic sustainability priorities: Acting with integrity, Fostering profitable growth and effective innovation, Promoting a healthy lifestyle, Managing the value chain responsibly, Building a better society, and Reducing the environmental impact of the operations and products. Each one of these priorities includes material topics with the description of their purpose, strategy and progress, risks and opportunities, and outlook.

This report was prepared in accordance with the new GRI standard (Comprehensive option), and with the food sector supplement of the G4 **GRI 102-54** guide. Additionally, it incorporates the principles and elements of the International Integrated Reporting Council's framework, it covers 21 relevant topics from the social, environmental and economic dimensions from all the countries where Grupo Nutresa has significant operations, except for Venezuela, for which only the financial data and the number of employees (**GRI 103-1**) were included. For this report, the data of the **GRI 404-3** indicator were restated in search for comparability. **GRI 102-49**

Furthermore, the report does not include information on the Retail Food Business with regard to matters related to food safety, responsible sourcing, quality of life, nutrition and healthy lifestyles, energy, climate change, water resource management and waste management.

Moreover, it is Grupo Nutresa's eighth progress report on the fulfillment of the ten principles of the United Nations Global Compact and it evidences the Organization's contribution to the Sustainable Development Goals (SDGs). **GRI 102-12**

The financial information of Grupo Nutresa and its subordinated companies is prepared in

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

The non-financial information is verified by KPMG Advisory Services (**GRI 102-56**), an independent auditing firm that abides by the guidelines of the ISAE 3000 international standard, whose report has concluded that the information is presented in an adequate fashion according to the GRI guidelines. Likewise, KPMG has conducted an analysis of the coherence between the information described in the chapter regarding the "Self-diagnostic" of the Incorporation of the Integrated Reporting Principles and Elements, which is available on the Report's website.

For an easier understanding by the readers, a specific format has been defined with the purpose of enabling a clear identification of the basic GRI contents in relation to each material topic and the Sustainable Development Goals to which they are connected.

Examples:

General contents **GRI 101-1**

Material topics **GRI 301-1**

Sector specific supplement **G4 FP1**

Sustainable Development Goals [**SDG 16**]

To see the GRI content index, refer to:

http://2016report.gruponutresa.com/pdf/GRI_content_index.pdf



STAKEHOLDER ENGAGEMENT MODEL

GRI 102-21, GRI 102-40, GRI 102-42, GRI 102-43

Employees

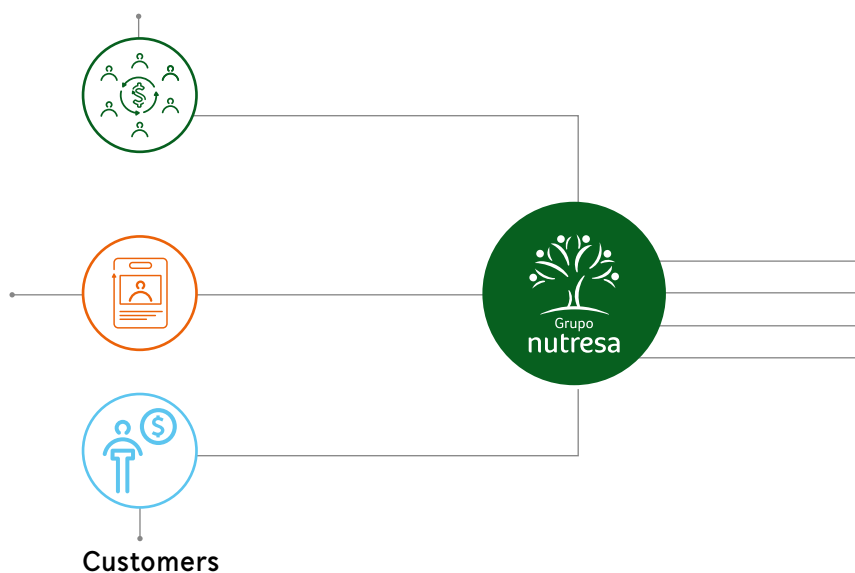
Purpose: to promote environments that foster an adequate communication and participation with the employees in order to connect their purposes with the Organization's purposes; to create and strengthen trustworthy relations and build initiatives that contribute to the improvement of organizational practices that favor the employees' quality of life in the workplace, as well as their development and productivity.

ENGAGEMENT MECHANISMS	FREQUENCY
Organizational climate survey	Annual
Intranet, bulletins, bulletin boards, e-mail	Permanent
Meetings with the Senior Management	Quarterly
Synergy communities	Recurring
Primary groups	Permanent
Occupational health peer committees	Recurring
Retirement interview	Eventual
Familiarly Responsible Company committees	Recurring
Human Rights committees	Recurring
Cohabitation committees	Recurring
Suggestion boxes	Permanent
Grievance mechanisms: Ethics Line and Human Rights mailbox	Permanent
Psycho-social risk measurement survey	Annual
Employee development management	Permanent
Leadership measurement	Annual
Collective bargaining processes	Two-yearly
Integrated report	Annual

Shareholders

Purpose: to promote an atmosphere of trust among shareholders and investment analysts by means of a transparent and timely communication, with the aim of delivering relevant and reliable information for the investment decision-making process.

ENGAGEMENT MECHANISMS	FREQUENCY
Website	Permanent
Bulletin	Quarterly
E-mail	Eventual
Shareholders conference	Quarterly
Integrated report	Annual
Shareholders assembly	Annual
Ethics Line	Permanent
Social networks	Permanent



Customers

Purpose: to provide the customers with differentiated value propositions consisting of reliable products and leading brands that enable their growth, satisfaction and loyalty.

ENGAGEMENT MECHANISMS	FREQUENCY
Commercial network	Permanent
Customers web portal	Permanent
Service line	Permanent
Ethics Line	Permanent
Customer school	Permanent
Satisfaction and loyalty measurement	Annual
Meetings with businesspeople from alternative channels	Recurring
Website	Permanent
E-mail	Eventual
Social networks	Permanent
Loyalty and engagement programs	Permanent
Integrated report	Annual

Suppliers

Purpose: to achieve the reinforcement and development of suppliers and contractors as partners in the sourcing chain with the aim of enabling their growth and ensuring an adequate and timely supply for the Organization.

ENGAGEMENT MECHANISMS	FREQUENCY
On-line business portal	Permanent
Supplier service line	Permanent
E-mail	Eventual
Development and promotion programs	Permanent
Management conference	Annual
Assessment visits	Permanent
Exemplary Supplier acknowledgment event	Annual
Website	Permanent
Ethics Line	Permanent
Integrated report	Annual



Government

Purpose: to contribute to the development of collaborative proposals for public policies that favor the progress of the entire society.

ENGAGEMENT MECHANISMS	FREQUENCY
Participation environments where the improvement of public policies is promoted	Eventual
Control reports and meetings	Recurring
Surveying	Eventual
Industry sector participation channels	Recurring
Integrated report	Annual



Consumers and shoppers

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

ENGAGEMENT MECHANISMS	FREQUENCY
Ethics Line	Permanent
Consumer service line	Permanent
Websites	Permanent
E-mail	Eventual
Social networks	Permanent
Market research	Eventual
Communication through mass media	Permanent
Points of sale	Permanent
Brand/product activations	Recurring
Integrated report	Annual



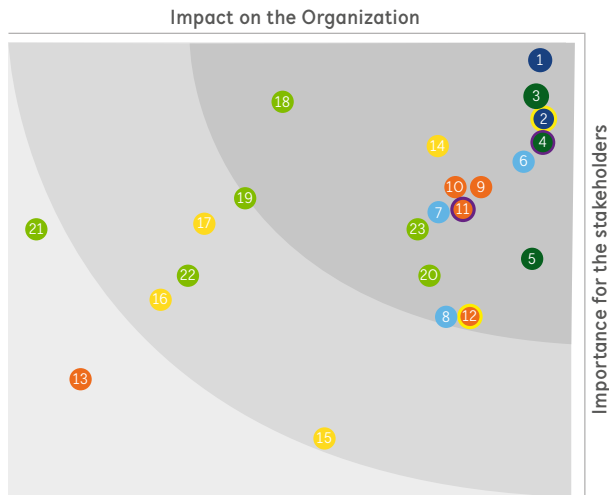
Communities

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

ENGAGEMENT MECHANISMS	FREQUENCY
Work sessions	Recurring
Website	Permanent
E-mail	Eventual
Participation in forums and congresses	Eventual
Training groups	Recurring
Ethics Line	Permanent
Meeting with farmers	Annual
National Education Congress	Two-yearly
Education Secretariats Network	Annual
Public-private committees and networks	Recurring
Integrated report	Annual



MATERIALITY ANALYSIS AND SDG GRI 102-46, GRI 102-47



- Relevant topics for the omnichannel sales operation.
- Relevant topics for the retail food operation.

Grupo Nutresa regularly identifies the matters, now denominated topics, that have an impact on the creation of value in the short, medium and long term, looking for a better understanding of their environmental, social and economic risks and opportunities.

This exercise has been carried out since 2011 and the last analysis in 2015 considered the opinions of the stakeholders, the global risks and the emerging trends from the food, restaurants and omnichannel sector. Additionally, a reference study was conducted based on international industry peers and on the criteria assessed in the Dow Jones Sustainability Index, the CDP and ALAS20.

23 relevant topics were identified through said analysis, 17 of which were classified as high-impact or material topics. For said classification, the following aspects were assessed:

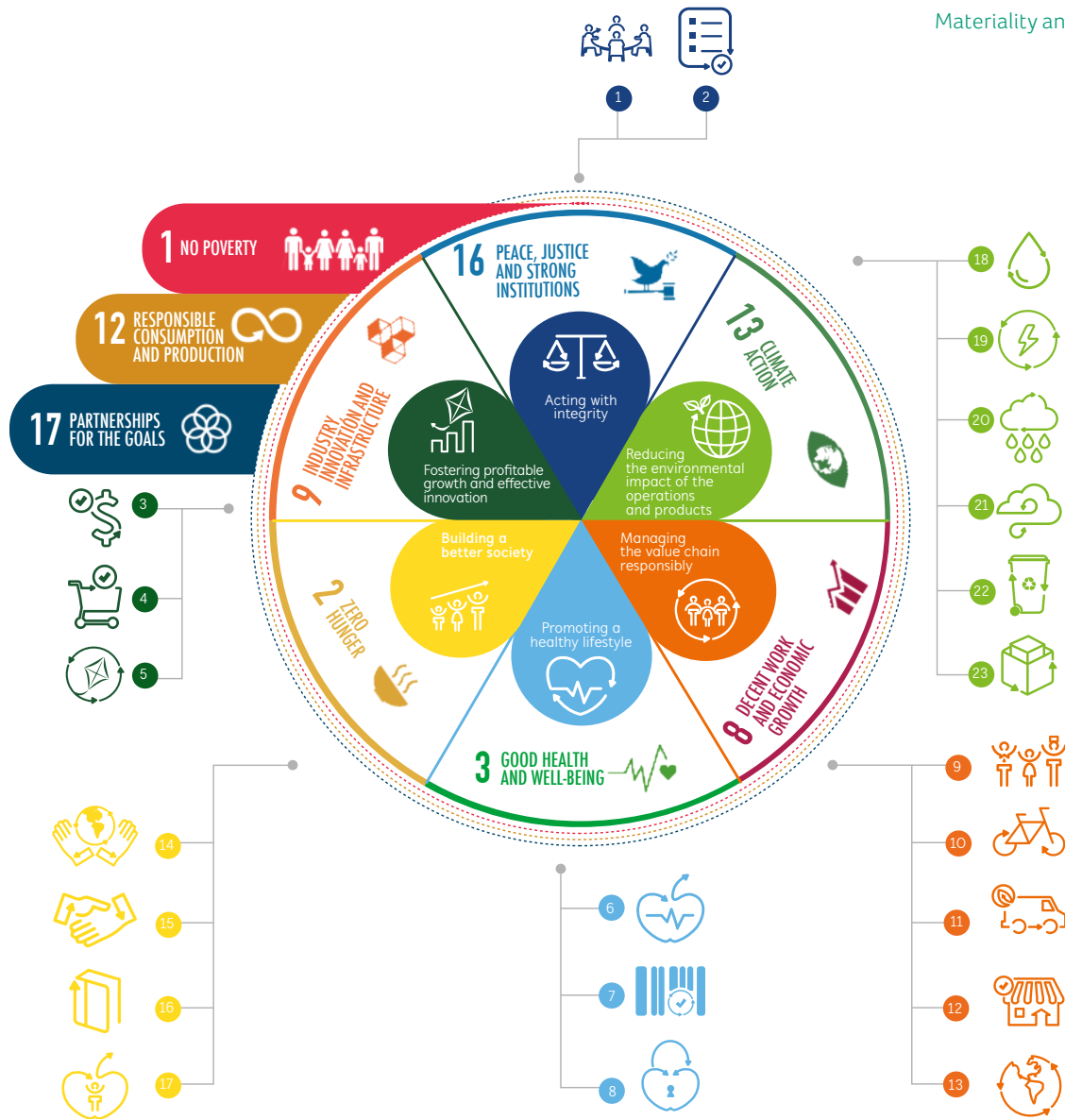
1. The impact on the Organization

Three key elements were evaluated: strategic goals for 2020, corporate risks and business differentiators.

2. The importance for the stakeholders

Discussion sessions, polls and interviews were conducted with the stakeholders in 5 countries: Colombia, Chile, Mexico, Costa Rica and the United States.

Strategic priorities	Material topics
 Acting with integrity	1 Corporate Governance 2 Risk and compliance
 Fostering profitable growth and effective innovation	3 Profitable growth in the markets 4 Reliable brands with an excellent price-value ratio 5 Effective innovation
 Promoting a healthy lifestyle	6 Nutrition and healthy lifestyle 7 Responsible marketing 8 Food safety
 Managing the value chain responsibly	9 Development of our people 10 Quality of life 11 Responsible sourcing 12 Responsible sales
 Building a better society	13 Externalities 14 Human Rights 15 Development of collaborative proposals for public policies 16 Development of capabilities and education 17 Food security and nutrition
 Reducing the environmental impact of the operations and products	18 Water resource management 19 Energy 20 Climate change 21 Air quality 22 Waste management



Grupo Nutresa's Commitment to the SDGs

 <p>1 FIN DE LA POBREZA</p> <ul style="list-style-type: none"> Mobilizing solidarity, cooperation and talent through our leadership in effective programs and the allocation of resources with the aim of a sustainable development. 	 <p>8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO</p> <ul style="list-style-type: none"> Promoting entrepreneurship, productivity, decent work and sustainability in our value chain, especially in low-income populations. 	 <p>13 ACCIÓN POR EL CLIMA</p> <ul style="list-style-type: none"> Contributing to the mitigation of and adaptation to climate change, committed to GHG reduction, energy efficiency, clean technologies and an efficient use of raw materials.
 <p>2 HAMBRE CERO</p> <ul style="list-style-type: none"> Contributing to the reduction of malnutrition in the unprivileged populations from the countries where the Organization operates. 	 <p>9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA</p> <ul style="list-style-type: none"> Fostering sustainable industrialization and promoting an innovative culture in processes, products and business models. 	 <p>16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS</p> <ul style="list-style-type: none"> Supporting actions that are focused on the prevention and mitigation of risks related to bribery and corruption.
 <p>3 SALUD Y BIENESTAR</p> <ul style="list-style-type: none"> Promoting healthy lifestyles. 	 <p>12 PRODUCCIÓN Y CONSUMOS RESPONSABLES</p> <ul style="list-style-type: none"> Ensuring sustainable consumption and production models and cooperating with allies to achieve it. 	 <p>17 ALIANZAS PARA LOGRAR LOS OBJETIVOS</p> <ul style="list-style-type: none"> Fostering a collaborative work with public and private allies to support the achievement of the SDGs.

MANAGEMENT REPORT

GRI 102-10, GRI 102-14, GRI 102-54

Food availability for a growing population, malnutrition, climate change, responsible water use and the instability in the prices of raw materials are some of the global challenges facing the sector and that are common to our Organization.

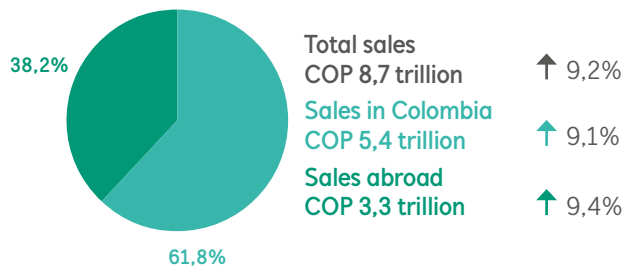
Additionally, in 2016 we faced the volatility of the currencies in our region, high inflation rates, higher funding costs and, particularly in Colombia, we had to deal with the effects of *El Niño* climate phenomenon and several difficulties in the transportation sector.

We faced all these challenges with our corporate sustainability capabilities, aware that behind this great uncertainty there are not only associated risks, but also important opportunities in the economic, social and environmental dimensions.

These capabilities, along with our commitment to Sustainable Development, were once again recognized as the Organization was included for the sixth consecutive year in the World Sustainability Index and in the 2016 Dow Jones Emerging Markets Index, and as we received for the third time the "Silver Category" Honor from RobecoSAM in its 2017 Sustainability Yearbook. Thus, Grupo Nutresa keeps on consolidating worldwide as the second best company in the food sector due to its sustainability management, achieving the maximum performance in the metrics variables of risk and crisis management, codes of conduct, customer relationship management, health and nutrition, environmental reporting, packaging, raw materials sourcing, water-related risk management, labor practices and Human Rights indicators, and social reporting.

This management actions, along with important innovation, quality and productivity efforts deployed by a competent and committed team,

Grupo Nutresa sales



allowed us to achieve the results presented today in this integrated management report, which has been prepared in accordance with the framework of the International Integrated Reporting Council (IIRC) and the new GRI standard (comprehensive option). This means that, not only this report has been prepared according to the global reporting guidelines, but it was also developed based on Grupo Nutresa's materiality matrix, which considers the most important issues for the Organization and its stakeholders.

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

Increasing value generation

Grupo Nutresa presented a very positive sales dynamic in 2016 both locally and internationally. At a consolidated level, the year closed with COP 8,7 trillion in sales, which represents a growth rate of 9,2% with regard to the sales recorded in 2015, and an 8,3% growth rate if the sales by newly acquired companies are excluded for comparison purposes.

In Colombia, Grupo Nutresa's sales totaled COP 5,4 trillion, exhibiting a growth rate of 9,1%. Excluding the sales from January and February by Grupo El Corral, which are not comparable to those of 2015, we had a 7,7% growth rate that was possible due to the construction of a differentiated value offer for customers, shoppers, and consumers, and to the development of distribution networks. This allowed us to take our products to more than 519.000 points of sale in Colombia with well-known and beloved brands.



Sales outside Colombia, measured in Colombian pesos, were 9,4% higher than those recorded in December 2015 and amounted to COP 3,3 trillion, representing 38,2% of the total sales, which is equivalent to USD 1,1 billion, that is 1,0% less than those of the previous year.

The gross profit, COP 3,7 trillion, increased 7,9% in comparison to the one achieved in 2015 and reflects the combined effect of a responsible price management and the increased costs of some raw materials.

The variation in administrative and production expenses, in line with the increase in the gross profit, partially allowed us to counteract the impact of the greater effort made during the year in terms of sales expenses, which led to an operating margin of 9,4%.

The net post-operating expenses of COP 270.103 million include the increase in the cost of the debt due to higher reference interest rates in 2016.

In terms of profitability, an EBITDA margin of 11,9% on sales is reported for 2016, amounting to COP 1,03 trillion and increasing 5,5% over the 2015 EBITDA margin. This level can be largely explained by the high inflation rates recorded over the year, the effect of the devaluation of the currencies and El Niño climate phenomenon in Colombia, which were partially mitigated by a responsible price management with protection of volumes and a long-term vision.

Consequently, the consolidated net profit was COP 395.734 million, which represents a margin on sales of 4,6%.

Assets grew 4,0%, closing at COP 13,7 trillion. This increase is largely due to the higher value of our investments in Grupo Sura and Grupo Argos.

Liabilities increased by 1,8%, closing at COP 5,3 trillion, mainly due to the increase in the working capital liabilities, keeping the debt at an adequate level, according to our moderate financial risk profile.

Equity closed at COP 8,4 trillion, which represents a 5,4% increase compared to the equity recorded at the closing of 2015.

Grupo Nutresa's sustainability is our goal, as well as achieving the objectives of creating value in the present while delivering satisfactory results in the future, always bearing to build a better world.

The Organization's productivity efforts, distribution network development, and innovation were decisive factors to obtain these results, leaving us a solid foundation to face 2017 with optimism.

"Grupo Nutresa's sustainability is our goal, creating value in the present while maintaining the capacity to deliver satisfactory results in the future."

Grupo Nutresa S.A. Individual results

In compliance with the Colombian regulations, we report the individual results of Grupo Nutresa S.A.: we recorded a net operating income of COP 405.573 million, from which COP 353.743 million correspond to the profit from the equity method of our investments in food companies and COP 50.453 million correspond to dividends from the investment portfolio. The net profit totaled COP 399.098 million.

Acquisitions and other relevant projects

It is Grupo Nutresa's permanent mission to keep looking for opportunities to reach markets of interest in order to generate value for our shareholders and stakeholders in a sustainable matter over time.

In 2016, we started to expand to Central America the categories of nuts and roasted and ground coffee, and we kept on making progress with crackers in the United States, pastas in Mexico and baked snacks in Chile.

On that same path, and ensuring the efficient sourcing of cold cuts raw materials in Colombia, Grupo Nutresa acquired Fogasa, a cold storage plant located in Aguachica, Cesar.



Grupo Nutresa's consolidated market share in Colombia

60,5%

Special report of the business group

By the end of 2016, Grupo Nutresa was formed by 73 companies, grouped as follows for administrative purposes: i) eight food businesses and their production platforms in Colombia and abroad; ii) international distribution networks; iii) national distribution companies; and (iv) administrative, logistics and transport centers which provide support to the Group's companies.

In compliance with Article 29 of Act 222 of 1995, we inform that Grupo Nutresa S.A., as the parent company of the Business Group, received from its subordinates the sum of COP 1.452 million for the sale of goods and services, and the sum of COP 226.197 million as dividends. In 2016, Grupo Nutresa S.A. endorsed financial obligations of its subordinate

companies equivalent to COP 197.000 million in the interest of them. The subordinates, for their part, did not carry out operations for third parties by influence or in the interest of the parent company.

Moreover, in 2016, Grupo Nutresa S.A. did not stop making decisions to address the interest or by influence of any of its subordinate companies and none of them stopped making decisions to address the interest or by influence of Grupo Nutresa S.A.

Legal provisions GRI 206-1

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

There were no relevant judicial rulings in 2016. However, as it was timely informed through the corresponding information mechanism, two legal processes were initiated in Colombia and Chile.

In Colombia, Grupo Nutresa S.A. contested the civil action filed by Andrés Arcila Tobar against the Company and other forty-four defendants. This civil action pretends to question the validity of the Rica Rondo

Ebitda
COP 1,03 trillion

S.A. shares purchase agreement signed on December 28, 2001.

In Chile, the companies of the Tresmontes Lucchetti Business, subsidiary companies of Grupo Nutresa, filed a complaint before the Santiago de Chile Tax and Customs Court against a resolution issued by Chile's Internal Tax Service (abbreviated SII in Spanish) that refutes the income tax statements of these companies for the 2014 fiscal year and the recognition of the effects that according to the law correspond to the reorganizations carried out, partially denying the tax return requested by said companies.

Furthermore, no relevant fines or penalties were imposed on Grupo Nutresa's companies or their executive managers over the year.

Note 17 of Grupo Nutresa's Basic Financial Statements, which is published on our website, contains all the details of the operations with shareholders and persons addressed in Article 47 of Act 222 of 1995 and other concordant regulations, operations that were held under market conditions.

The Company declares that it did not hinder the free circulation of invoices issued by the Business Group's vendors or suppliers, according to the provisions of Act 1676 of 2013. Additionally, the Company certifies that the financial statements and other relevant reports do not contain any flaws, inaccuracies or errors that would impede finding out the true equity situation of the Company, pursuant to the provisions of Article 46 of Act 964 of 2005.

Assessment of the performance of both the financial information disclosure and the control systems

The Company's internal control system includes, among other components, the necessary resources to guarantee the accuracy and reliability of the information required to plan, direct, control and measure the performance of its businesses, and to ensure an adequate disclosure of information to its shareholders and other investors, as well as to the market and the public. These resources include comprehensive risk management processes, accountability systems, control plans and programs, budget and cost tools, chart of accounts, standardized policies and procedures, formats and integrated information systems for documenting and recording operations, as well as dashboards for the Administration to continuously monitor the processes. The Internal Audit Department, through an independent and comprehensive assurance management, verifies the achievement of the Company's goals and objectives in all processes and watches over the adequate protection, use, and conservation of the assets. The Tax Auditor, for its part, is responsible for verifying and certifying relevant aspects such as compliance by the Company with legal, statutory and administrative standards, the reasonableness of its financial statements and the information disclosed therein.

In December 2016, after an external quality assessment, the Institute of Internal Auditors IIA Global certified Grupo Nutresa's Internal Audit Department with regard to its international framework for professional practice. This framework is a benchmark recognized by global organizations such as the OECD, the IMF and the World Bank, and it is applicable in more than 190 countries worldwide.

The results of the Administration's continuous monitoring and of the independent assessments carried out by the Internal Audit Department and by the Tax Auditor were communicated in each case in a timely manner to the corresponding bodies, including the Finance, Audit and Risks Committee, allowing thus to confirm that the performance of the financial information disclosure and control systems of the Company and its Businesses are adequate. These systems ensure the adequate and timely delivery of

The innovations developed in 2016 contributed **17,9% to the total sales.**



such information, which must be verifiable through accounting methods, as it refers to operations that due to their nature must be reflected and disclosed in the financial statements, or in accordance with the expectations, projections, cash flows or budgets in the case of business initiatives or projects. All of this must be done within the restrictions imposed by the law, confidentiality contracts or agreements related to the disclosure of this type of operations. Based on the aforementioned activities, it is further reported that there were no significant deficiencies in the design and operation of the internal control measures that could have prevented the company from ade-

“In 2017, we will continue to act according to the **sustainable development framework to build a better future together.**”

quately recording, processing, summarizing and presenting the financial information of the corresponding term. No cases of fraud were identified with an effect on the quality of such information, nor were there changes in its assessment methodology.

Sustainable Nutresa

Our sustainable development vision proposes a responsible business management that empowers the Organization to make progress and generate long-term value.

Grupo Nutresa recognizes its stakeholders, the Organization is always interested in knowing their expectations and needs in order to combine them with the Company's aspects of interest. This allows us to define priorities, transform sustainability into our action framework and integrate it with our strategy.

In 2016, we actively participated in the first year of the implementation of the Sustainable Development Goals (SDGs), due to the fact that we were connected with the Advisory Group from the private sector of the United Nations Sustainable Development Goals Fund and with the Corporate Leadership Group created by The Global Reporting Initiative. This allowed us to prioritize the SDGs on which we will focus our management and the associated metrics, and to engage suppliers from different locations so that they get involved in the achievement of these global challenges.

In addition to the position obtained on the Dow Jones Sustainability Index mentioned above, in 2016 the Organization was awarded the ALAS20 award in the categories of Leading Company in Sustainability,

Leading Company in Relations with Investors and ALAS20 Colombia Company in acknowledgment of our sustainability management, consistency in the public disclosure of information on investor relations practices and our good corporate governance.

Finally, the business reputation monitoring organization “Merco Empresas,” in its 2016 publication, ranked Grupo Nutresa as the second company with the best reputation in Colombia and the first in the food and beverage sector.

Our planet

Although 2016 brought climate-related challenges, the contingency mechanisms adopted by Grupo Nutresa prevented its operations from being negatively affected. This ratifies the relevance of our continuous and consistent work in the search for eco-efficient processes and value chains that contribute to the fulfillment of our growth and profitability goal with a lower environmental impact. These events prompted us to define a climate change policy that will allow us to be better prepared for future events.

In 2016, we progressed towards fulfilling the environmental goals by 2020. We also reduced our energy consumption by 17,1% in Colombia, greenhouse gas emissions by 21,0%, water consumption by 25,8%, and the use of packaging materials by 5,4% (indicators calculated per ton produced with regard to the 2010 baseline).

Furthermore, we strengthened the environmental performance of our sourcing chain, particularly the practices related to the production and processing of raw materials, due to the fact that the most significant environmental impacts occur outside our direct operations. Likewise, we continue to collaboratively work on initiatives that will allow us to reduce the impacts and manage the risks associated with the environmental performance of our products throughout their life cycle.

Building a better society

Grupo Nutresa permanently works on achieving human development, focused on the consolidation of a culture centered on the recognition and respect for the being, transformational leadership, inclusion, appreciation of diversity, promotion of a balanced life, organizational climate management and the development of our talents. We do all of this with the conviction that the results and the achievement of the objectives are obtained with the help from committed, passionate and skilled people, and with healthy and safe work environments.

In 2016, the Organization continued to be ranked as the best company to work for in the Colombian food sector, and in Chile we remained in the group of the best employers, according to the Merco Talento results. In addition, we closed the year at a level of excellence according to the organizational climate indicators, which is the result of our constant concern about managing the achievement of the satisfaction and commitment of our employees. Also, we closed the year with lower levels of accident occurrence due to our commitment to occupational health management processes.

We continued to work on the process of validation and follow-up of the management of good labor practices by our suppliers and contractors, identifying possible risks and supporting their development to mitigate such risks and improve their competitiveness.

Additionally, we continued to promote community capabilities development through nutrition, education, income generation and entrepreneurship projects with a total investment of COP 55.272 million in the strategic region, benefiting 4.141.478 low-income people. Likewise, the sense of collectivism and the sustainable vision continue to be important talents among Grupo Nutresa's employees, which is evidenced by the 11.862 volunteers from different locations who contributed 33.048 hours of their time and donated about COP 163 million for community projects.

Social investment in the strategic region

COP 55.272 million

Outlook

we will face a changing and highly competitive business environment in a region that also has one of the greatest growth opportunities in the world.

Economic, demographic and social changes, the reduction of poverty and the end of armed conflicts will contribute to the improvement of the dynamics in the territories where the Organization operates.

We look forward to the future; we will develop new capabilities that, combined with the ones we already have and acting within a framework of sustainable development and innovation, will enable us to achieve the goals we have set.

ACKNOWLEDGMENTS

We would like to thank all the employees for their solid dedication and commitment, as well as our customers, consumers, suppliers and the community for motivating us to manage a more humane and sustainable organization. Finally, we specially would like to express our gratitude to our shareholders for their trust and their support to our purpose of building a better world where we can all achieve a sustainable development.

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

CORPORATE MODEL



**A FUTURE
TOGETHER**





BOARD OF DIRECTORS

GRI 102-18, GRI 102-22 [SDG 5]

1 Antonio Mario Celia Martínez-Aparicio
2005*

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

CEO, Promigas S.A

Prior Experience

CFO, Promigas S.A.
Executive Manager, Terpel del Norte.

Academic Background

Degree in Engineering, Worcester Polytechnic Institute.
Executive studies at the MIT, Wharton (University of Pennsylvania) and Universidad de los Andes.

2 Jaime Alberto Palacio Botero
2005*

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

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

Prior Experience

Associate Executive Director, Microplast S.A.

Academic Background

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

3 Mauricio Reina Echeverri
2007*

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

Associate Researcher, Fedesarrollo

Prior Experience

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

Academic Background

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

4 Cipriano López González
2016*

Finance, Audit and Risks Committee.

CEO, Industrias Haceb

Prior Experience

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

Academic Background

Master's degree in Business Administration, Bordeaux Business School.
Degree in Mechanical Engineering, Universidad Pontificia Bolivariana.





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

● Independent Members ● Non-Independent Members

1 2 3 4 Finance Committee
6 Audit and Risks Committee

1 3 Appointment and
5 Remuneration Committee

1 2 3 Corporate Governance
5 and Board Matters Committee

1 3 Strategic Planning and
5 7 Sustainability Committee

* Year in which the Member joined the Board of Directors

Find more information about the indicators at:

<http://2016report.gruponutresa.com/our-organization/corporate-model/board-of-directors/>

5 David Emilio Bojanini García
2005*

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

Investments Group Chairman

Prior Experience

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

Academic Background

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

6 Gonzalo Alberto Pérez Rojas
2007*

Finance, Audit and Risks Committee.

CEO, Suramericana S.A.

Prior Experience

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

Academic Background

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

7 María Clara Aristizábal Restrepo
2013*

CSstrategic Planning and Sustainability Committee.

Corporate Strategy Executive Manager, Grupo Argos S.A.

Prior Experience

Assistant to the CEO and Investors Relations Executive Director, Grupo Argos S.A.
Economic Research Executive Director, Bolsa y Renta S.A.

Academic Background

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

MANAGEMENT TEAM

GRI 102-18, GRI 102-19, GRI 102-20 [SDG 5]



Carlos Ignacio Gallego Palacio**Prior Experience**

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

Academic Background

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

José Domingo Penagos Vásquez**Prior Experience**

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

Academic Background

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

Jairo González Gómez**Prior Experience**

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

Academic Background

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

Diego Medina Leal**Prior Experience**

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

Academic Background

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

Alberto Hoyos Lopera**Prior Experience**

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

Academic Background

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

Jorge Eusebio Arango López**Prior Experience**

- » President Coffee Business.
- » Vice President Sustainable Development.
- » Vice President International Business, Compañía Nacional de Chocolates S.A.

Academic Background

- » Degree in Economics, Universidad de los Andes.
- » Specialized studies in Finance, Universidad Eafit.
- » Master's degree in Financial Studies, University of Strathclyde (Glasgow, Scotland).

Justo García Gamboa**Prior Experience**

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

Academic Background

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

Miguel Moreno Múnera**Prior Experience**

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

Academic Background

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

Juan Chusán Andrade**Prior Experience**

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

Academic Background

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

Mario Alberto Niño Torres**Prior Experience**

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

Academic Background

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

Fabián Andrés Restrepo Zambrano**Prior Experience**

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

Academic Background

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

Sol Beatriz Arango Mesa**Prior Experience**

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

Academic Background

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

Álvaro Arango Restrepo**Prior Experience**

- » President Pasta Business.
- » General Manager, Meals de Colombia.
- » Vice President Marketing, Postobón S.A.

Academic Background

- » Degree in Business Administration, Universidad Eafit.

STRATEGY FOR OUR FIRST CENTURY (1920-2020)

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

2 x \$5,9 trillion
= \$11,8 trillion

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



100 YEARS

MEGA 2020

Duplicate
our
sales

2013

Mission










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

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

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

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

Corporate philosophy and performance GRI 102-16

-  Autonomy with strategic coherence
-  Development of our people
-  Good corporate governance
-  Ethics
-  Responsible corporate citizenship
-  Participation and collaborative management
-  World-class competitiveness
-  Respect
-  Innovation
-  Food safety

Differentiators of our business model



Our people

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

Organizational climate at a level of excellence:

83,4%



Our brands

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

18 brands

with sales over USD 50 million.



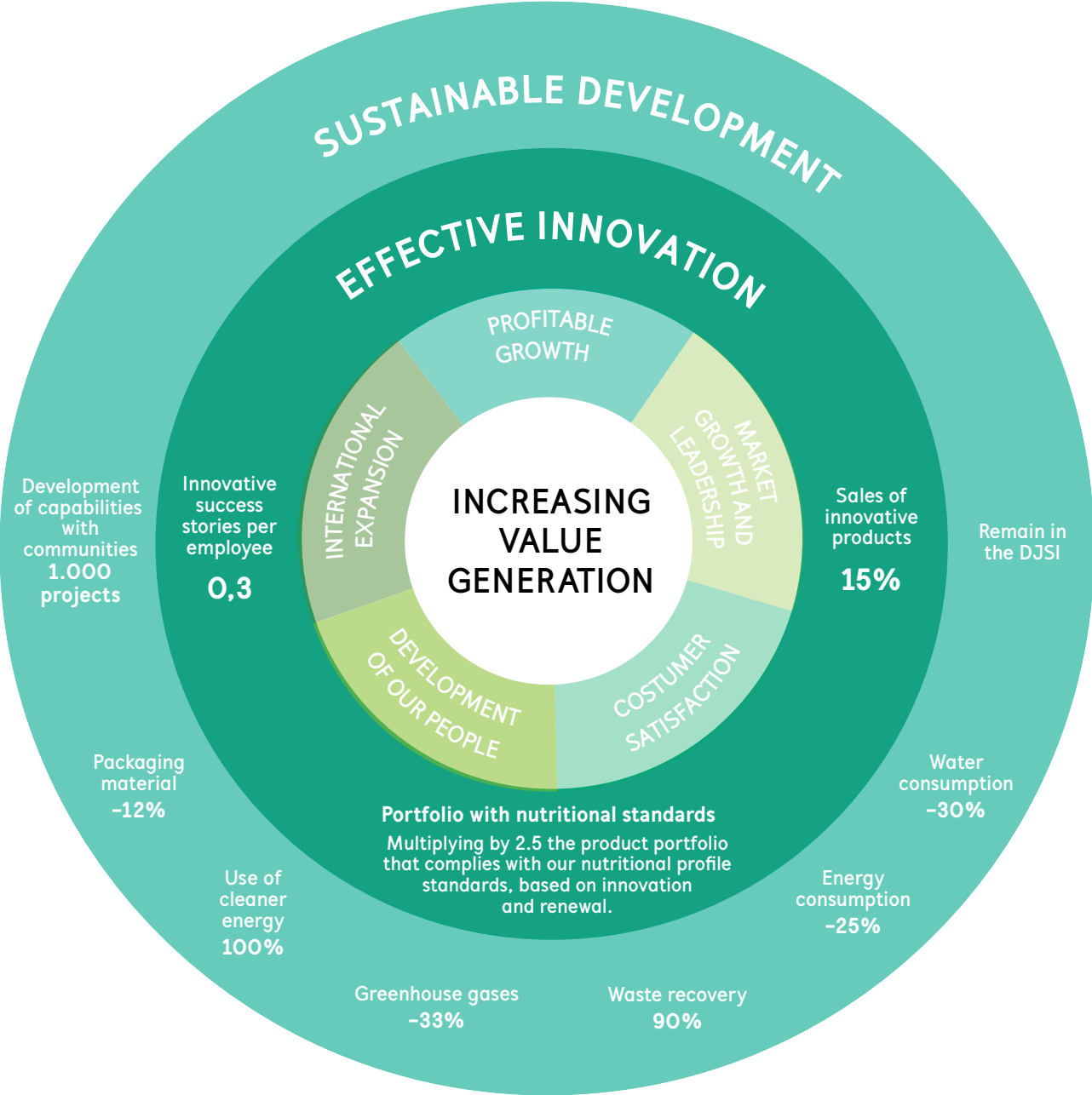
Our distribution networks

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

1.237.000

points of sale.

STRATEGIC GOALS FOR 2020



The following are the results for 2016, the short-term goals for 2017, and the goals for 2020:



Economic dimension

Doubling the 2013 sales by 2020 (COP trillion)

2020: 11,8 • 2016: 8,7

Abroad sales (USD million)

2020: 2.000 • 2016: 1.087

EBITDA margin

2020: between 12% y 14%
2016: 11,9%

Sales of innovative products

2020: 15% • 2016: 17,9%

Innovative success stories per employee

2020: 0,3 • 2016: 0,22

Productivity (kg/Hdl)

2020: +5% per year
2016: 2,5%

Multiplying by 2,5 the product portfolio that complies with Grupo Nutresa's profile.

2020: 3.140 SKUs
2016: 2.945 SKUs

Level of customer satisfaction

2020: Maintaining the level of excellence
2016:
Colombia 88,8
Strategic region: 91,6



Social dimension

Accident frequency rate

2020: 1,7% • 2016: 2,11% • 2017: 2,09%

Organizational climate

2020: 83,3% • 2016: 83,4% • 2017: 83,2%

Capability-development projects

2020: 1.000 • 2016: 694 • 2017: 781



Environmental dimension

Water consumption (m³/t.p.)

2020: -30% • 2016: -25,8% • 2017: -27,2%

Energy consumption (kWh/t.p.)

2020: -25% • 2016: -17,1% • 2017: -17,6%

Greenhouse gases (CO₂e/t.p.)

2020: -33% • 2016: -21,0% • 2017: -19,5%

Use of cleaner energy

2020: 100% • 2016: 99% • 2017: 99%

Packaging materials (kg P.M./t.p.)

2020: -12% • 2016: -5,4% • 2017: -2,1%

Waste generation

2020: -20% • 2016: -6,3% • 2017: 0,2%

Waste recovery

2020: 90% • 2016: 90,1% • 2017: 90%

Find more information about the indicators at:
<http://2016report.gruponutresa.com/pdf/2020-goals-facts-sheet.pdf>

INTEGRATED RISK MANAGEMENT AND MAIN BUSINESS RISKS GRI 102-11, GRI 102-15

Risk Assessment

The consolidation of the integrated risk management maturity model continued in 2016 through its alignment with integrated management systems, connecting the strategic, tactical and operational levels under the same approach and carrying out more than 12,600 risk assessments.

The analysis was developed in the eight business units, the cross-sectional companies, the international operations and the main operating centers in Colombia, considering the current 21 corporate risks and identifying some emerging risks.

70 risk management, crisis and business continuity workshops.	Participation of approximately 800 employees.	15.700 hours invested in training.
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MAIN RISKS	MITIGATION STRATEGY
Volatility in prices of raw materials and exchange rates.	<ul style="list-style-type: none"> » Coverage policies with clearly defined risk levels, aligned with market changes and managed by a specialized committee. » A highly trained team dedicated to monitoring and negotiating supplies. » Permanent search for new opportunities and models for an efficient and competitive raw materials sourcing at a worldwide scale. » Raw materials diversification.
Business disruption due to a highly competitive environment.	<ul style="list-style-type: none"> » Brands and Networks Management Model based on the deep and integrated understanding of the market: consumers, buyers and customers. » Leading brands which are well recognized and appreciated. » Wide distribution network with differentiated and specialized value propositions for each customer segment. » Attractive propositions with an excellent price-value ratio. » High-value innovation and portfolio differentiation. » Profitable market development. » Identification of opportunities based on cultural changes.
Regulation in nutrition and health matters in the countries where Grupo Nutresa is present.	<ul style="list-style-type: none"> » Monitoring the Organization's environment to study the nutrition and health situation of the strategic region. Anticipating the needs of the communities to offer improvement alternatives for malnutrition situations. Learning about the regulatory processes and participating in their definition. » Compliance with applicable standards and preparation for those that are being developed. » Application of the nutrition policy defined by Grupo Nutresa. » Development of health and nutrition research to improve the quality of life of the population through innovative food proposals. » Support to and participation in programs that promote healthy lifestyles. » Vidarium: center for research on nutrition.

Corporate Risks



STRATEGIC:

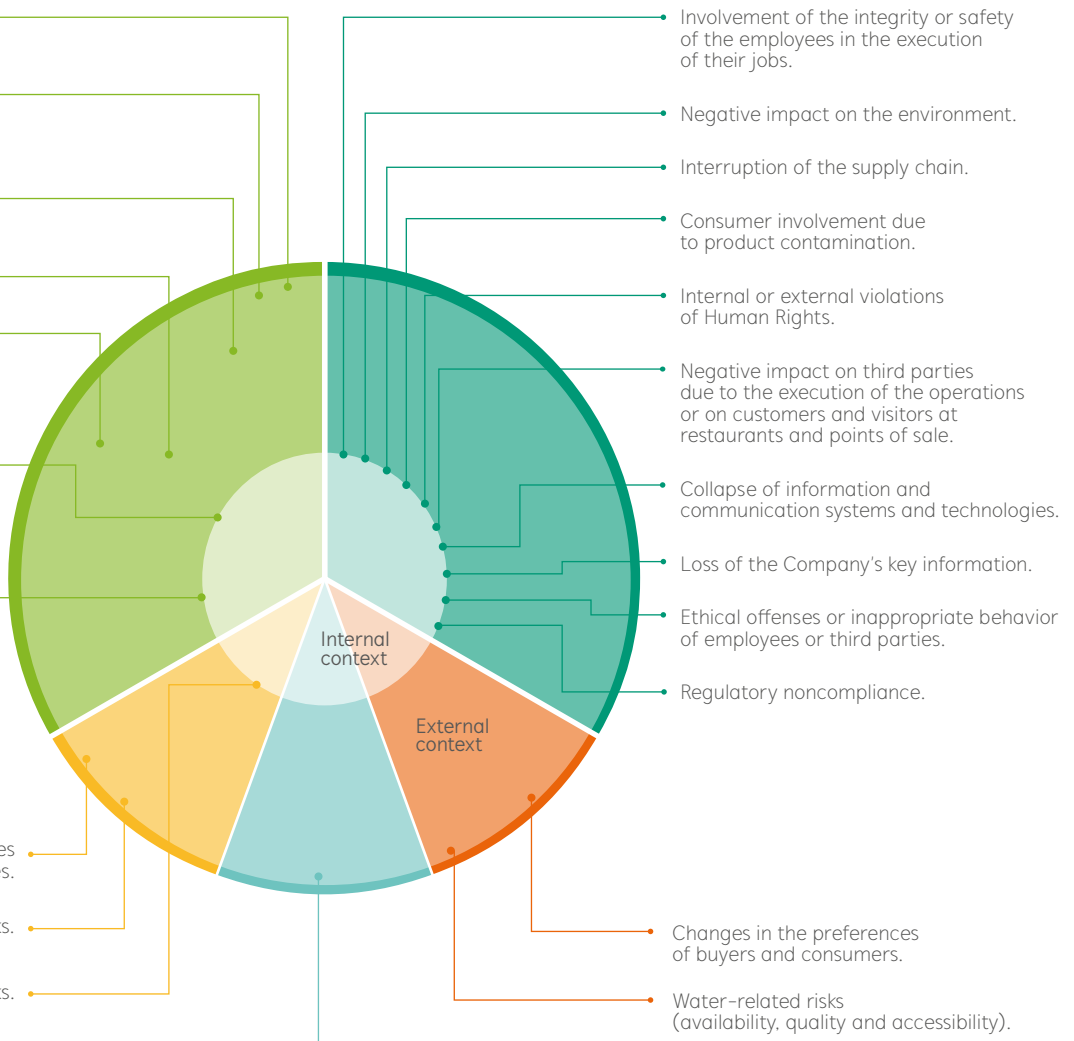
linked with the strategic formulation of the Organization and its relationship with the environment.

- Involvement of business due to a highly competitive environment.
- Impacts on the Organization due to changes in public policies (economic, social and environmental).
- Regulatory changes with regard to nutrition, health and obesity.
- Lack of availability of human talent.
- Impact on the commercial management due to changes in the structure and composition of the distribution channels.
- Dissatisfaction among customers or consumers discontent due to the noncompliance with product specifications, service or value proposition.
- Lack of opportunity to respond to changes in consumer preferences.



OPERATIONAL:

related to failures in internal processes or management or technological systems, or by people.



FINANCIAL:

associated with the fluctuation of financial variables such as price, exchange rates and interest rates, and factors such as the liquidity and position of counterparties.

- Volatility in raw material prices and exchange rates.
- Counterparty risks.
- Indebtedness and liquidity risks.



CLIMATE AND NATURE RELATED:

caused by climate, hydrological, geophysical, biological and epidemiological conditions.

Negative impact caused by climate and natural phenomena.



EMERGING:

new risks currently developing or changing.



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

BUSINESS MODEL GRI 102-6, GRI 102-9, GRI 102-15

Inputs



Financial capital

- Working capital
- Funding
- Capital from investors



Industrial capital

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



Human capital

- Competent people



Intellectual capital

- Patents
- Knowledge (associations, protocols and standards)



Natural capital

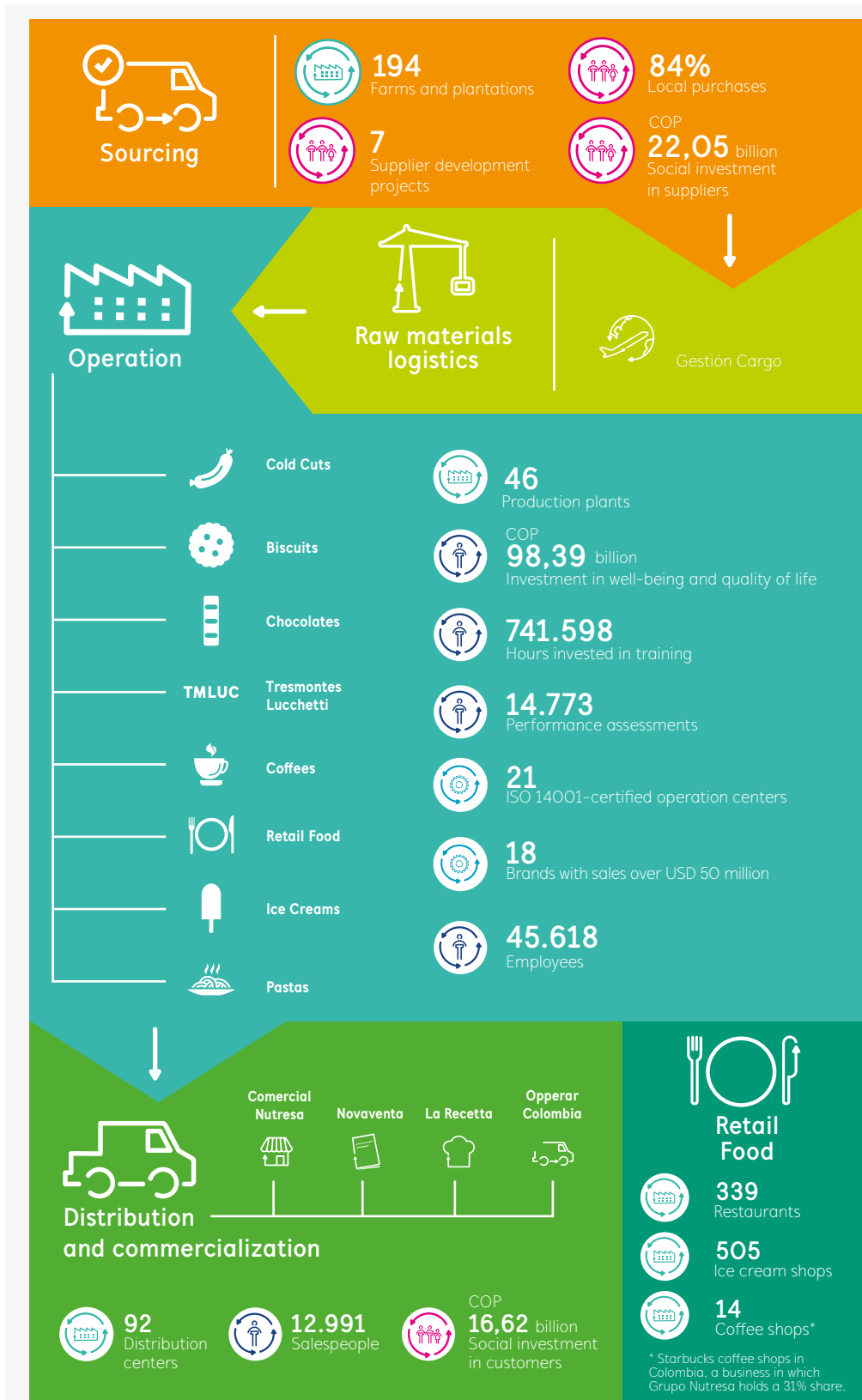
- Energy
- Water
- Raw materials



Social capital

- Communities
- Customers
- Consumers
- Suppliers

Value chain



GRI 302-1, GRI 303-1, GRI 305-1, GRI 305-2

Strategic sustainability priorities



Promotion of healthy lifestyles, production of nutritious and safe food, and an adequate communication that builds trust and allows consumers to make conscious and informed decisions.



Comprehensive development of the employees to improve their productivity and quality of life, incorporation of social and environmental variables in the supply chain, and reinforcement of the distribution network.



Empowerment of the communities with which the Organization interacts in order to promote their growth and development, support to initiatives that create possibilities of nutrition, and promotion of the Human Rights.



Management of the eco-efficiency in the supply chain and reduction in the environmental impact of the operations and products throughout their life cycle by means of an adequate water management and the reduction in emissions, waste, energy consumption and packaging materials.



Promotion of behaviors based on ethics and good conduct, identification and management of risks, and assurance of the compliance with the regulations and standards that govern the operation.



Generation of a differentiated offer of products, brands and experiences in its multiple market segments, based on an innovative culture in terms of processes, products and business models.

Results



2.945
Product references fulfill the Nutresa nutritional profile.



1%
Sales of innovative products with increased nutritional components



9,2%
Products with reduced critical components



83,4%
Organizational climate score



40,9 kg/Hdl
Productivity



COP
30,33 billion
Sales of socially innovative products



2.500
Small farmers trained in socio-entrepreneurial matters



189.278
Customers trained



694
Projects aimed at developing capabilities (2013-2016)



17,1%
Reduction in energy consumption*



25,8%
Reduction in water consumption*



21,0%
Reduction in GHG emissions*

*Reductions with regard to the 2010 baseline.



Sixth consecutive year included in the Dow Jones Sustainability World Index



Fourth consecutive year being awarded the Investor Relations acknowledgment



Second consecutive year being awarded the ALAS20 acknowledgment



COP
8,68 trillion
Sales



COP
1,03 trillion
Ebitda



60,5%
Market share

Outputs



Food production*

1.005.410
Tons produced
2,04 million m³
Water consumption
833,3 GWh
Energy consumption
141.010,9 tCO₂eq.
GHG emissions

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

- Cold Cuts
- Long shelf-life products
- Sweet biscuits
- Crackers
- Self-care products
- Candies
- Hot chocolate
- Milk modifiers
- Snacks
- Instant cold beverages
- Pastas
- Snacks
- Ground coffee
- Soluble coffee
- Ice cream
- Refrigerated beverages



Distribution and commercialization

148,3 MWh
Energy consumption in distribution operations
55.293 tCO₂eq.
GHG emissions from distribution operations

- Storage
- Distribution
- Sales



Retail Food

- Burger bars
- Grill bars
- Pizza shops
- Ice cream shops
- Coffee and doughnut shops

ACTING WITH INTEGRITY

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



**A FUTURE
TOGETHER**



CORPORATE GOVERNANCE

Purpose

Establishing a conduct framework governed by transparency, integrity and ethics for Grupo Nutresa. This conduct framework will be established by developing policies of management, information dissemination and control, which will be aligned with the highest international standards of corporate governance, thus having a positive impact on the organizational reputation for the benefit of the shareholders and all other stakeholders.

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Updating the Organization's corporate governance measures.</p>	<ul style="list-style-type: none"> » New sustainability-related functions were assigned to the Strategic Planning Committee of the Board of Directors. The name of this committee was changed to Strategic Planning and Sustainability Committee.
<p>Socializing the good governance measures and raising awareness among all employees.</p>	<ul style="list-style-type: none"> » A report on the implementation of successful corporate governance practices and the Annual Corporate Governance Report were presented to both the shareholders and the stakeholders via the Company's website with the purpose of communicating relevant news on the subject. » The Organization continued to socialize the Code of Corporate Governance in the inductions for new employees.
<p>Watching over the compliance with the governance practices incorporated by the Company.</p>	<ul style="list-style-type: none"> » The firm AtKearney conducted an external and independent evaluation to the performance of the Board of Directors. » The Appointment and Remuneration Committee analyzed the most convenient personal profiles for the Board of Directors, the tentative profile composition, the necessary time the members would need to adequately perform their duties, and the existing gaps between the profiles of the current members and the profiles identified as necessary for the Company.
<p>Strengthening the reporting mechanisms for matters related to ethics and conduct.</p>	<ul style="list-style-type: none"> » Telephone lines were implemented for the operation of the Ethics Line in the international operations, and a plan was designed for strengthening and socializing this reporting mechanism in 2017.

Risks and opportunities **GRI 103-1**

One of the Organization's main goals is to keep the corporate governance aligned with the highest international standards. This will allow to ensure the transparency and integrity in the administration and control of the operations, enabling an optimal performance from the governance bodies and the fulfillment of the strategic goals.

The Company delivers unabridged, clear and timely information to its shareholders and all other stakeholders with the intention of ensuring transparency and promoting integrity

by means of the implementation of policies and behavior guidelines that must be complied with by the governance bodies, employees, customers, suppliers and shareholders.

Through these mechanisms, the Organization generates value, trust and well-being among the stakeholders with the purpose of attracting and retaining local and foreign investors.



Comercial Nutresa employees.

Outlook

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

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

The short-term objective is to monitor the compliance with the amendments of the Code of Corporate Governance and with the bylaws, and to follow up on the new policies that were implemented in 2014 and 2015. Furthermore, it is a priority to confirm that the changes implemented over the past few years are effectively executed in the practice and in the Organization's daily activities, and to ensure that these changes have a positive impact on the sustainable management.

At both the medium and long term, the Organization will execute campaigns to socialize the Code of Corporate Governance among the employees and related audiences. The purpose of the foregoing is to strengthen the ethical behavior and the transparency by embracing the organizational values and the clarity with regard to the observable behaviors in the subject matter.

Success stories and acknowledgments **GRI 103-3**

The Organization's internal audit was granted the international quality certification by the Institute of Internal Auditors (IIA) for having complied with the international framework for the professional performance issued by said institute, which promotes the implementation of practices aimed at the independence and efficiency of the internal audit.



Grupo Nutresa received, for the second consecutive year, the **ALAS20 Acknowledgment** in the category of Leading Company in Relations with Investors. This accolade is based on the leadership exhibited by the Organization with regard to the consistency and excellence in the disclosure to and engagement with its investors.



For the fourth time, Grupo Nutresa received the **Investor Relations acknowledgment**, which is awarded by the Colombian Stock Exchange to the companies that have voluntarily adopted the best practices in terms of information disclosure and relations with investors.

RISK AND COMPLIANCE

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Integrating risk management into the corporate strategy.</p>	<ul style="list-style-type: none"> » The Board of Directors monitored several of the main strategic risks and received risk management training. » The maps of strategic risks were updated for Grupo Nutresa and its companies, making progress in its integration with the ones for the tactical and operative levels in alignment with the integrated management systems.
<p>Strengthening the Organization's risk management culture.</p>	<ul style="list-style-type: none"> » More than 70 risk management workshops were organized, providing training for approximately 800 employees in the strategic region. » More than 17,600 employees and third parties participated in awareness-raising and training activities on risks related to money laundering and terrorist financing. GRI 205-2 [SDG 16]
<p>Increasing the organizational resilience.</p>	<ul style="list-style-type: none"> » The second stage of Grupo Nutresa's business continuity project was completed, formalizing thus this management system. » Key teams received training in the protocol for social networks crisis management.
<p>Monitoring and ensuring the legal and regulatory compliance.</p>	<ul style="list-style-type: none"> » The regulatory compliance diagnostic was conducted by means of the assessment of the related risks in transverse processes. » The Organization disseminated contents from the recommendations of the OECD and their implications. » Progress was made in the automation of preventive controls related to the system for managing the risk of money laundering and terrorist financing.

Risks and opportunities **GRI 103-1**

The correct articulation of the strategic, tactical and operative levels is a permanent challenge and it is essential for making the process of assessment of current and emerging risks effective. With the purpose of ensuring this vision, a comprehensive methodology has been implemented after being adapted to the Organization's diverse instances and their critical processes.

Furthermore, the adequate and timely coverage of the risk management and compliance processes in alignment with Grupo Nutresa's expansion and evolution is necessary to guarantee the effectiveness in the assessment and addressing of the risks. Hence the need to strengthen the strategy regarding the promotion of the risk self-management culture jointly with the development

of the employees' capabilities.

Moreover, an optimal interrelation between the decision-making process and risk management drives and ensures sustainability over time. For this purpose, it is indispensable to incorporate the integrated risk management system into the strategic planning and to consolidate its surveillance by the Organization's Senior Management, based on the Three

Defense Lines model supplemented with the internal control system.

Finally, the regulatory monitoring process leads to the correct compliance and prevents possible penalties that could affect the reputation and competitiveness of the Organization. To this effect, legal surveillance activities are carried out and the management systems of the companies are strengthened.



Novaventa employee.

Outlook

The environment in which Grupo Nutresa's businesses are developed poses great challenges in terms of the evolution of the risk management culture, the continuity of the business and the management of compliance within the Companies, and their articulation with the strategic formulation and decision-making processes.

In order to address them, the Organization will continue to work on strengthening and expanding the risk management systems by means of the development of capabilities and tools to achieve the highest possible level of self-management. Additionally, and according to the provisions of the Integrated Risk Management policy, Grupo Nutresa intends to consolidate the task of supervising the system and monitoring the risks through the Board of Directors, based on the Three Defense Lines model, in which the process leaders play a fundamental role. The process leaders are supported by Grupo Nutresa's Risk Management Department, and the assurance and assessment of the process effectiveness is part of the Internal Audit Department responsibilities.

With regard to compliance management, the Organization will continue to implement the addressing measures in relation to the regulatory risks identified through the diagnostic performed in 2016. In addition, the Organization will also commence the design and development of a management model that contributes to generating efficiency and effectiveness in both the regulatory surveillance and the implementation of action plans in accordance with the best international practices.

Success stories and acknowledgments **GRI 103-3**

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

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

As a successful case, it is worth **highlighting the more than 12,600 risk assessments performed in 2016** for the strategic, tactical and operative levels. The assessments comprised financial, strategic, operational, Human Rights, climate and nature-related risks.

PERFORMANCE OF THE BUSINESS UNITS



**A FUTURE
TOGETHER**







Diego Medina Leal

[Part of Nutresa since 1997 / Age: 55]

President

Relevant aspects from 2016

- We continued our efforts at developing the categories in which the Business participates with the purpose of maintaining our leadership and the preference of customers and consumers.
- Zenú, Ranchera and Pietrán were strengthened in the market by means of differentiated concepts. Rica and Cunit continue to be a great brand option with an excellent cost-benefit ratio.
- We revitalized the categories with the successful launch of new products and concepts into the market, such as *salchicha de pollo Pietrán* (chicken hot dog), *cervecero Ranchera* (sausage), *pasabocas Zenú* (snacks) in Colombia, and *salchicha ahumada* (smoked hot dog) and *madurados* (cured products) in Panama.
- We defined a sourcing model focused on serving the market, producing a positive impact on the service level towards the customers. Additionally, we strengthened the meat raw material sourcing process with the incorporation of a beef processing plant.
- We consolidated our operation in Panama by positioning the brands Blue Ribbon and Berard, and by achieving a better market coverage through the implementation of the "Go to Market" entry model.
- In Venezuela, we have a flexible operation that has adjusted to the challenges posed by this country's context.

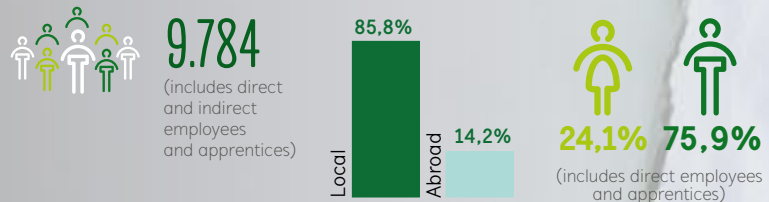
Direct presence in 3 countries



Presence of our main brands

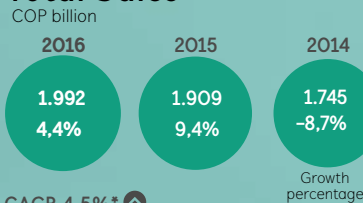
✓ Brands with sales over USD 50 Million
 🏭 Production plants

Employment



Sales

Total Sales



CAGR 4,5%* ⬆️

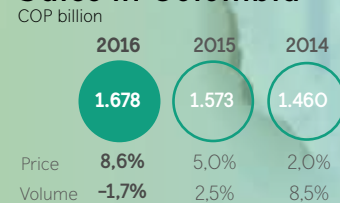
* Compound Annual Growth Rate

The Cold Cuts Business represents



of Grupo Nutresa's total sales.

Sales in Colombia



CAGR 4,8%

The sales in Colombia represent



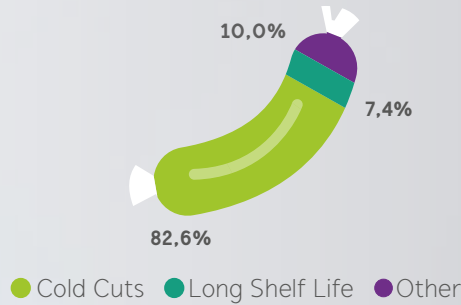
of the total business unit sales.

COLD CUTS NUTRESA



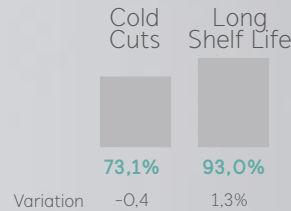
Main categories

(total sales %)



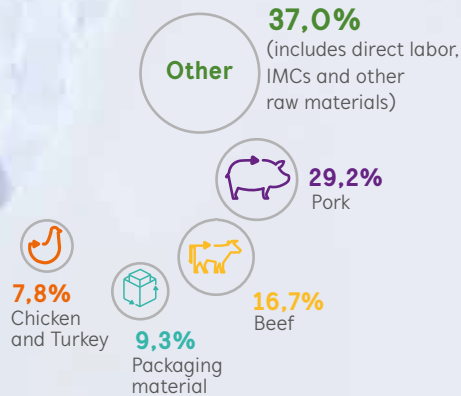
Market share in Colombia

(%)



Raw material

(Production cost %)



Outlook for 2017

- Continuing to develop the categories with the aim of generating trust among the consumers with recognized brands and a nutritious and high-quality product portfolio.
- Addressing the market efficiently through a broad cold distribution network, as a differentiating and competitive element.
- Consolidating the integration systems of the pork and beef raw materials, generating flexibility and mitigating the impacts caused by the pressure of the business context regarding their cost.
- Reinforcing the operating model based on the comprehensive management of the processes and the implementation of technologies that allow to timely and efficiently respond to the market needs.
- Strengthening our position in the Panamanian market in order to mobilize the category by means of the brands and the cold distribution network.
- Continuing to adjust the processes and operations in Venezuela with the purpose of responding to an increasingly challenging context.

Sales abroad

USD million

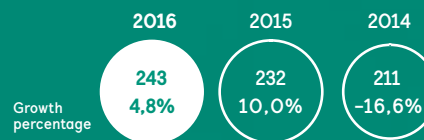


CAGR -9,6%

The sales abroad represent **15,7%** of the total business unit sales.

Ebitda

COP billion



Margin 12,2% 12,2% 12,1%

CAGR 4,9%

The Cold Cuts Business represents **23,7%** of Grupo Nutresa's ebitda.



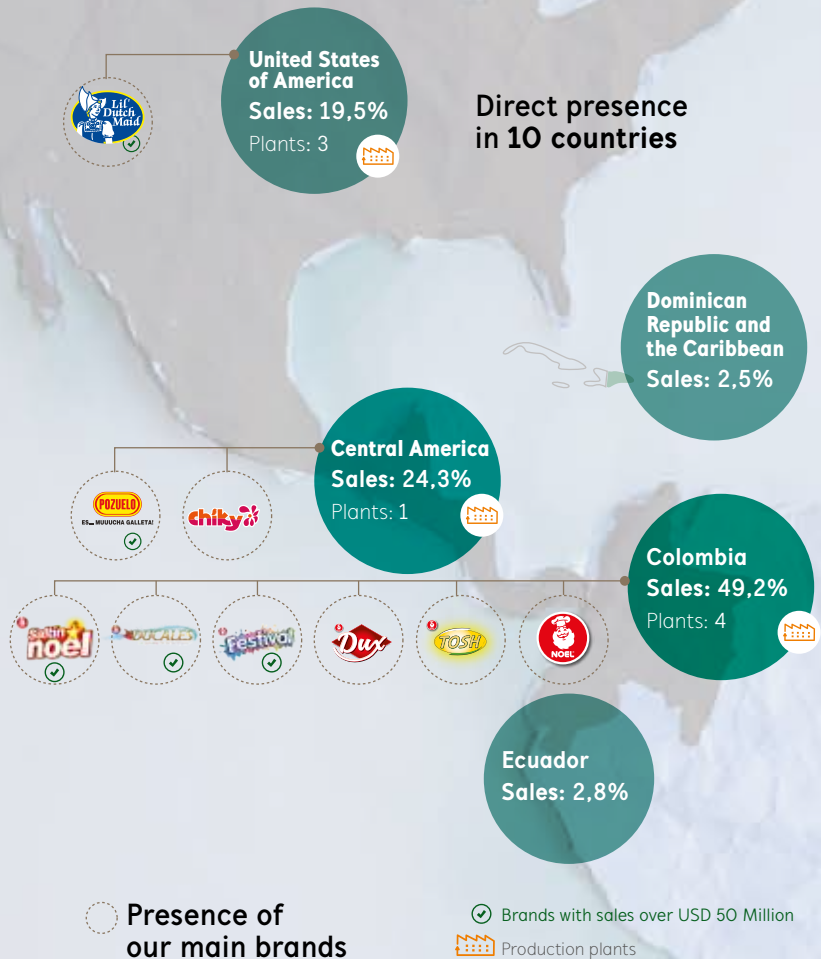
Alberto Hoyos Lopera

[Part of Nutresa since 1993 / Age: 52]

President

Relevant aspects from 2016

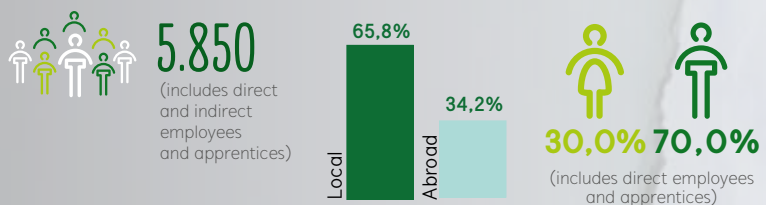
- Compañía de Galletas Noel turned celebrated its 100th anniversary and continues to be relevant, innovative and sustainable.
- We exhibited an excellent sales dynamic, with a two-digit growth rate and a good sales balance in Colombia and abroad.
- We achieved an important appreciation of the price per kilo, mainly in Colombia, maintaining thus the growth of the category and reaching positive profitability levels.
- We focused the investment and innovation on the most relevant brands.
- We made progress in the implementation of the Grupo Nutresa Brands Management Model in Colombia and Central America.
- We significantly improved our penetration of the crackers customer base in the United States and, simultaneously, we increased our sweet biscuits production capacity in order to respond to the growing demand in this country.
- We carried out new developments in the well-being portfolio, including the launch of new healthy snacks and biscuits under the TOSH brand.



○ Presence of our main brands

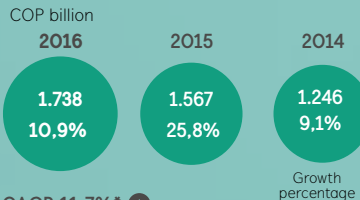
✔ Brands with sales over USD 50 Million
 🏭 Production plants

Employment



Sales

Total sales

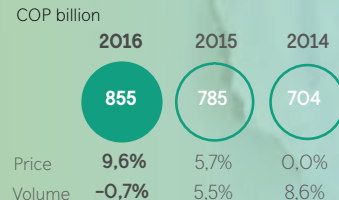


CAGR 11,7%* ⬆️

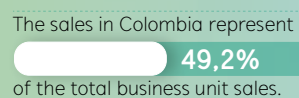
* Compound Annual Growth Rate



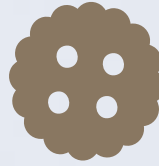
Sales in Colombia



CAGR 6,7%

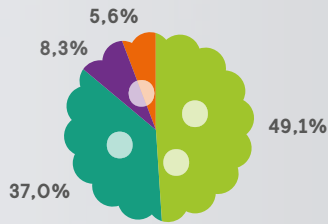


BISCUITS NUTRESA



Main categories

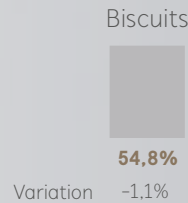
(total sales %)



● Sweet Biscuits ● Crackers ● Self-care ● Other

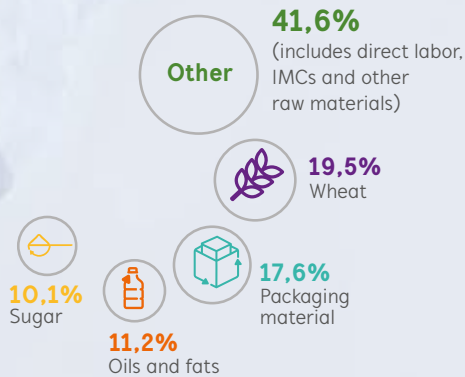
Market share in Colombia

(%)



Raw materials

(Production cost %)



Outlook for 2017

- Implementing productivity projects and increasing the production capacity in the United States, focusing on the generation of more sales.
- Strengthening the well-being portfolio through the widespread development of value propositions under the TOSH brand in the strategic region.
- Focusing both investment and innovation on the four main biscuit brands in Central America –Pozuelo, Chiky, TOSH and Bokitas– with the purpose of increasing the market share and the penetration of the household segment mainly in Guatemala, Costa Rica and Panama.
- Increasing productivity and incorporating eco-efficiency and product-redesign initiatives in all the productive platforms to reduce our impact on the environment and improve our profitability.

Sales abroad

USD million

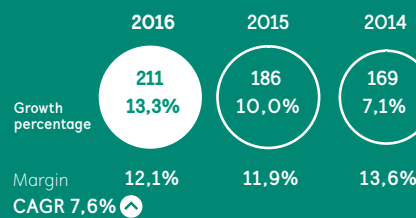


CAGR 2,3%

The sales abroad represent **50,8%** of the total business unit sales.

Ebitda

COP billion



CAGR 7,6%

The Biscuits Business represents **20,5%** of Grupo Nutresa's ebitda.



Jorge Eusebio Arango López

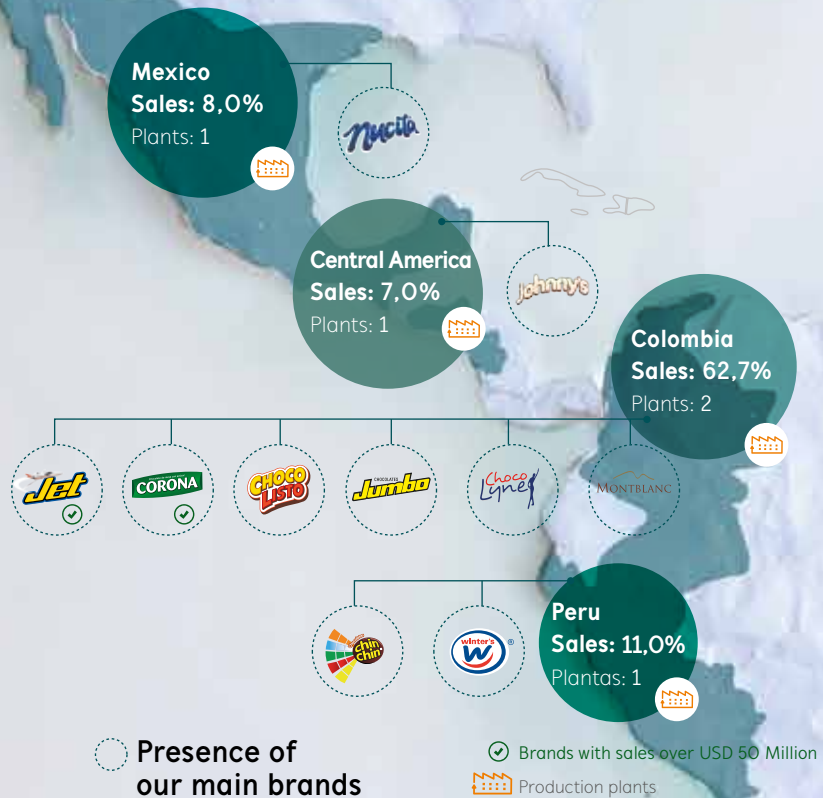
[Part of Nutresa since 1991 / Age: 61]

President

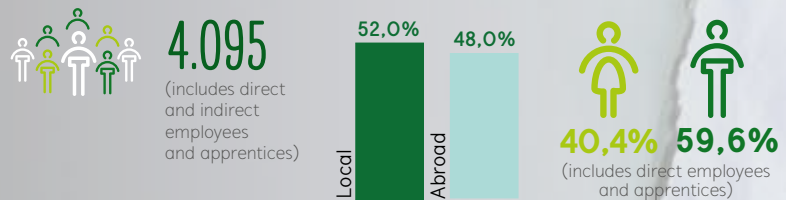
Relevant aspects from 2016

- We increased our sales volumes in the main categories of the Business, with an outstanding growth in the hot chocolates and candies categories.
- The pressure on the direct production costs remained due to the effect of the main raw materials.
- We made price adjustments and product mixture improvements and innovation to partially compensate for the effect on the profitability.
- We developed productivity and efficiency, marketing optimization, discount and special offer streamlining plans in order to make the operation more profitable.
- We strengthened the Business' strategy and integrated the marketing, commercial, research and development operations with the technical operations.
- It is worth highlighting the growth in the industrial products category in the local market and in the operations abroad, especially in the United States.
- We were ranked 1st among 57 companies with more than 500 employees evaluated by Cincel in the field of organizational climate.

Direct presence in 11 countries



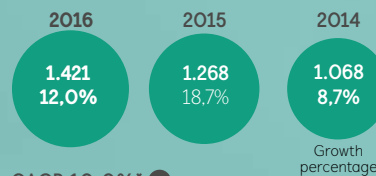
Employment



Sales

Total Sales

COP billion



CAGR 10,0%* ^

* Compound Annual Growth Rate

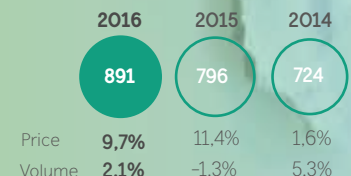
The Chocolates Business represents

16,4%

of Grupo Nutresa's total sales.

Sales in Colombia

COP billion



CAGR 7,2%

The sales in Colombia represent

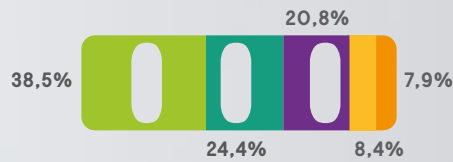
62,7%

of the total business unit sales.

CHOCOLATES NUTRESA

Main categories

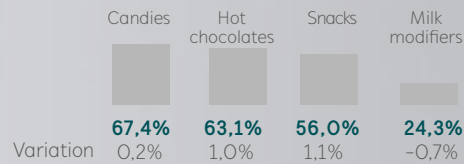
(Total sales %)



- Candies
- Hot chocolates
- Milk modifiers
- Snacks
- Other

Market share in Colombia

(%)



Variation: Candies 0.2%, Hot chocolates 1.0%, Snacks 1.1%, Milk modifiers -0.7%

Raw materials

(Production cost %)



Outlook for 2017

- Continuing to strengthen the chocolate beverages category through the "Amo el Chocolate" ("I love chocolate") campaign with relevant innovations in the fields of products and preparation equipment.
- Strengthening the snacks macro-category with functional, nutritious and healthy products, emphasizing on high-value innovation and widespread growth. Also, we aim at expanding this category to new markets of relevance for the Organization.
- Continuing to develop productivity, efficiency and competitiveness plans in all the Business' fronts, as well as searching for the best cost-benefit ratio to create a positive impact on profitability.
- Promoting the growth of sales abroad based on the productive platforms focused on the strategic markets, with distribution schemes and new export markets, in search for a sales balance in Colombia and abroad.
- Reinforcing the cocoa bean production sustainability programs and their projection as a support strategy in the Colombian post-conflict.

Sales abroad

USD million

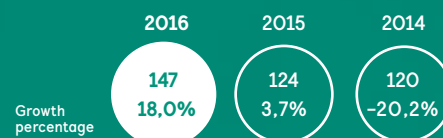


CAGR 0,5%

The sales abroad represent **37,3%** of the total business unit sales.

Ebitda

COP billion



Growth percentage

2016: 18,0%
2015: 3,7%
2014: -20,2%

Margin: 2016 (10,3%), 2015 (9,8%), 2014 (11,2%)

CAGR 7,0%

The Chocolates Business represents **14,2%** of Grupo Nutresa's ebitda.



Justo García Gamboa

[Part of Nutresa since 2013 / Age: 54]

President

Relevant aspects from 2016

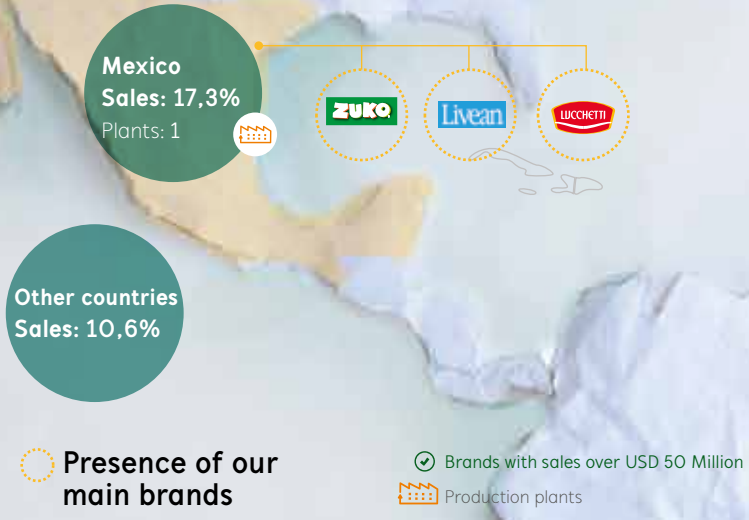
Chile:

- The business environment in Chile exhibited a low level of growth, market slowdown and widespread special offers and promotions.
- It is worth highlighting the good performance of the pastas product line due to distribution and profitability improvements.
- We boosted the category of instant juices, returning thus to a growth trend.
- We increased the coverage and profitability of the traditional channel.
- We rationalized the commercialization expenses.
- We implemented the adjustments required by the new labeling regulation.
- We continued to work on the obesity prevention program at schools in Salamanca (Coquimbo region).

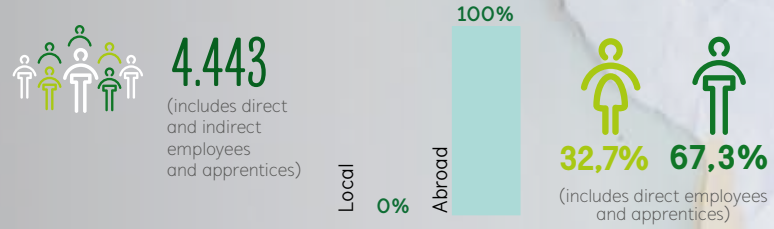
Mexico:

- We boosted the category of instant cold beverages by means of an effective innovation.
- We made progress in the pastas category with a specific stress on profitability and new product launches.
- We implemented the obesity prevention program at public schools.

Direct presence in 13 countries

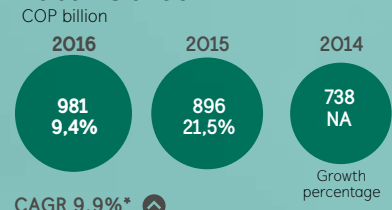


Employment

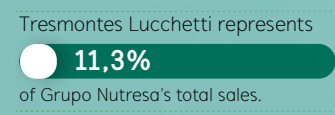


Sales

Total Sales



* Compound Annual Growth Rate

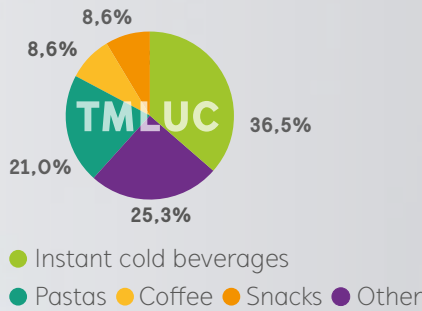


TRESMONTES LUCCHETTI



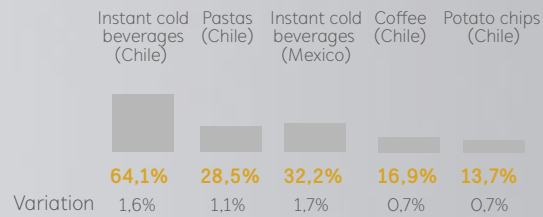
Main categories

(Total sales %)



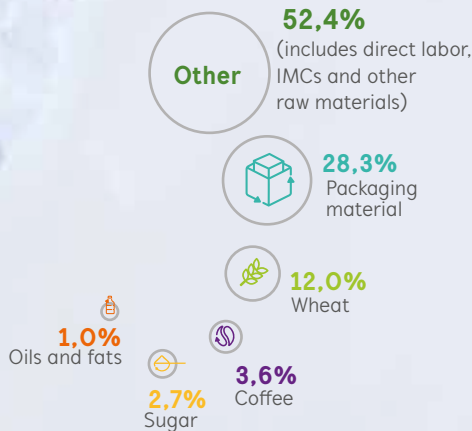
Market share

(%)



Raw materials

(Production cost %)



Outlook for 2017

Chile:

- Continuing to boost the category of instant juices.
- Making progress in terms of growth by focusing on categories with greater profitability opportunities.
- Developing efficiency-focused programs that improve profitability in both the short and the long term.
- Ensuring the control of expenditures in the commercialization structures.
- Implementing Grupo Nutresa's pricing strategy.

Mexico:

- Continuing to boost the category of instant cold beverages by means of an effective innovation.
- Strengthening the pastas category with a specific stress on volumes and profitability.
- Mitigating the devaluation effect on costs and expenses.
- Making the distribution operation profitable.

Ebitda

COP billion

Sales abroad

USD million

2016 2015 2014



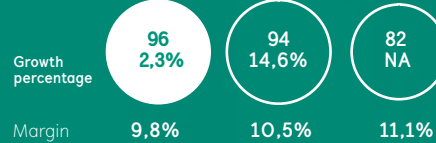
CAGR -4,6%

The sales abroad represent

100%

of the total business unit sales.

2016 2015 2014



CAGR 5,6% ▲

It represents

9,3%

of Grupo Nutresa's ebitda.

Direct presence
in 12 countries



Miguel Moreno Múnera

[Part of Nutresa since 2003 / Age: 39]

President

Relevant aspects from 2016

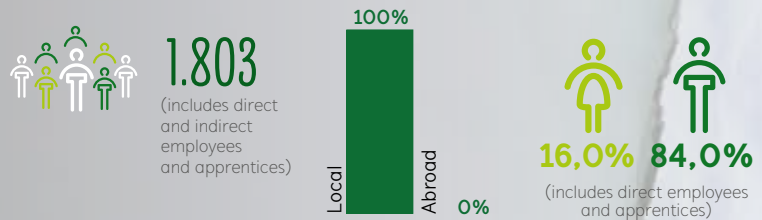
- We achieved volume growth due to the good commercial dynamics in Colombia and despite the complex environment.
- We launched "Cápsulas Express Nutresa" (Nutresa Express Coffee Capsules) in Colombia, entering a high-value segment from the coffee category.
- We carried out an effective price, cost and expense management, and we achieved continuity in the cost-effective growth of the business.
- We strengthened the business abroad, diversified our customers, entered new segments, and consolidated key accounts.



Presence of our main brands

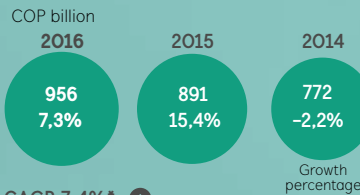
Brands with sales over USD 50 Million
 Production plants

Employment



Sales

Total Sales



CAGR 7,4%*

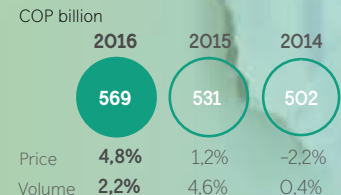
* Compound Annual Growth Rate

The Coffee Business represents

11,0%

of Grupo Nutresa's total sales.

Sales in Colombia



CAGR 4,3%

The sales in Colombia represent

59,5%

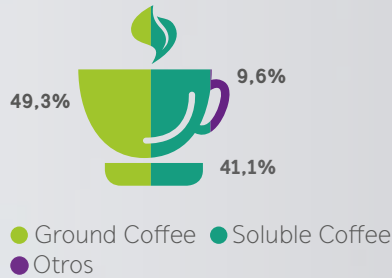
of the total business unit sales.

COFFEE NUTRESA



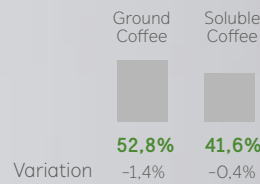
Main categories

(Total sales %)



Market share in Colombia

(%)



Raw materials

(Production cost %)



Outlook for 2017

- Achieving a greater participation in high-value segments.
- Guaranteeing costs and sourcing, effectiveness in the investments, and working capital management in order to improve our competitiveness and a cost-effective growth.
- Continuing to develop our brand businesses in Grupo Nutresa's strategic countries.
- Boosting the internationalization of the Business and supplementing the brand development with the private and industrial brands businesses at a worldwide scale.

Sales abroad

USD million

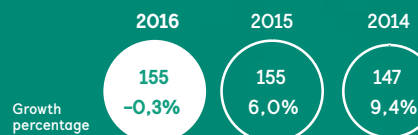


CAGR -2,2%

The sales abroad represent **40,5%** of the total business unit sales.

Ebitda

COP billion



Margin **16,2%** **17,4%** **19,0%**
CAGR **1,9%** ↑

The Coffee Business represents **15,1%** of Grupo Nutresa's ebitda.



Juan Chusán Andrade

[Part of Nutresa since 2013 / Age: 52]

President

Relevant aspects from 2016

- We launched the "Cultura hamburguesa" ("Hamburger culture") and renovated the Hamburguesas El Corral restaurants.
- We opened new Papa John's shops in Colombia and implemented the on-line ordering platform.
- It is worth highlighting the implementation of a new information system in El Corral's points of sale and the design of the Integrated Management System, which allowed to achieve operational improvements.

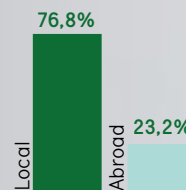


Employment



7.005

(includes direct and indirect employees and apprentices)



58,6%

(includes direct employees and apprentices)

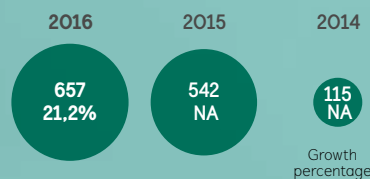


41,4%

Sales

Total Sales

COP billion



The Retail Food Business represents



of Grupo Nutresa's total sales.

Sales in Colombia

COP billion



The sales in Colombia represent



of the total business unit sales.

RETAIL FOOD



Raw materials

(Production cost %)



Market share



Outlook for 2017

- Continuing to work on the implementation of the information system in the points of sale of the other Business' brands.
- Developing new functionalities for the on-line ordering system of Papa John's.
- Strengthening the "Cultura hamburguesa" ("Hamburger culture") and continuing to work on renovating the Hamburguesas El Corral restaurants.
- Expanding the brands to new Colombian markets and taking them to intermediate cities.

Sales abroad

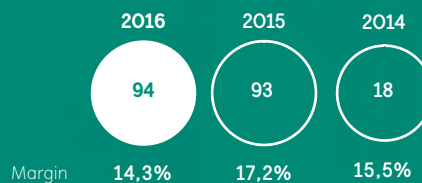
USD million



The sales abroad represent **32,1%** of the total business unit sales.

Ebitda

COP billion



It represents **9,2%** of Grupo Nutresa's ebitda.

Direct presence
in one country



Mario Alberto Niño Torres

[Part of Nutresa since 2006 / Age: 50]

President

Relevant aspects from 2016

- We maintained the market share and leadership despite the low dynamics of the category over the year.
- The sales were affected by the winter wave, the strike by truck drivers and the effect of the price adjustments on the volume.
- The Business' profitability was also affected by the lesser dynamics in the sales and the increase of the prices of several raw materials.
- We made progress in the development of product profiles adjusted to the new nutritional and diet trends of our consumers.



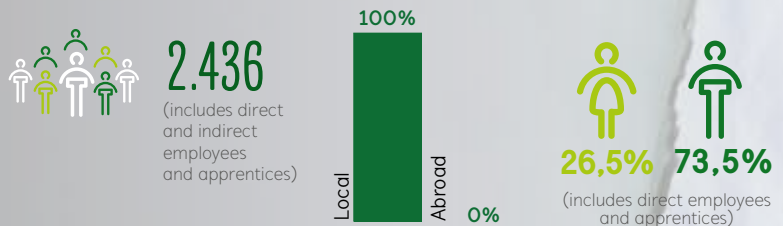
Colombia
Sales: 100%
Plants: 3



Presence of our main brands

- ✔ Brands with sales over USD 50 Million
- 🏭 Production plants

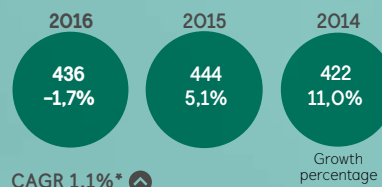
Employment



Sales

Total Sales

COP billion



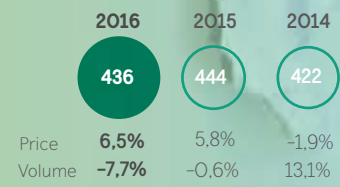
The Ice Cream Business represents

5,0%

of Grupo Nutresa's total sales.

Sales in Colombia

COP billion

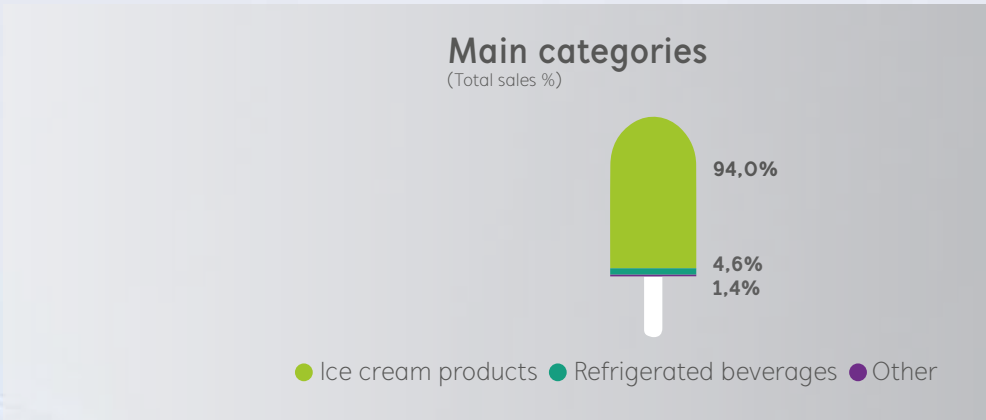


The sales in Colombia represent

100%

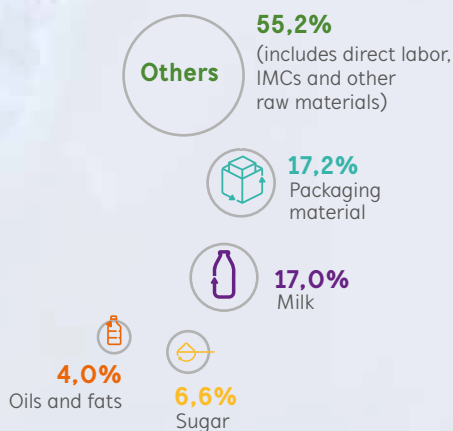
of the total business unit sales.

ICE CREAM NUTRESA



Raw materials

(Production cost %)



Outlook for 2017

- Adjusting our market entry models in order to guarantee adequate availability, coverage and opportunity with portfolios suited to the profile of our customers.
- Strengthening our leadership in the market based on:
 - Our brands.
 - The higher level of understanding of our customers, buyers and consumers.
 - Effective innovation processes that increase the appeal and appreciation of the category.
- Supporting the business growth with efficient distribution networks.
- Continuing to make progress in expenditure productivity and efficiency projects with the aim of improving the profitability.
- Renewing the freezing equipment with alternative energy sources and environmentally friendly gases.

Ebitda

COP billion

	2016	2015	2014
Growth percentage	53 -12.7%	61 6.6%	57 -2.0%
Margin	12.2%	13.8%	13.6%
CAGR	-2.4%		

It represents

● 5.2%

of Grupo Nutresa's ebitda.



Fabián Andrés Restrepo Zambrano

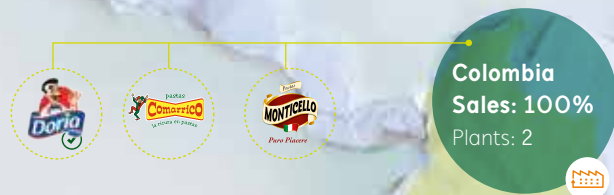
[Part of Nutresa since 1996 / Age: 42]

President

Relevant aspects from 2016

- We obtained positive sales results in terms of both value and volume for the Business' three brands: Doria, Comarrico and Monticello.
- The devaluation of the Colombian Peso caused an increase in the prices of the main raw materials and packaging materials, which we managed to mitigate with pricing strategies and productivity and efficiency plans.
- Doria, leading brand in the Colombian market, maintained its growth based on differentiation and innovation.
- We increased the production capacity focusing on a higher efficiency through the use of technologies that demand a lower energy consumption and increase the performance of the final product.
- We achieved significant improvements in the Business' working capital rotation and we applied new strategies for the raw materials purchase management and inventory control, which allowed us to get new payment terms with both suppliers and customers.

Direct presence in one country



Presence of our main brands

✓ Brands with sales over USD 50 Million
 Production plants

Employment



683

(includes direct and indirect employees and apprentices)



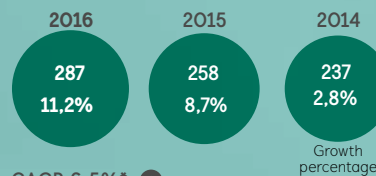
28,6% 71,4%

(includes direct employees and apprentices)

Sales

Total Sales

COP billion



CAGR 6,5%*

* Compound Annual Growth Rate

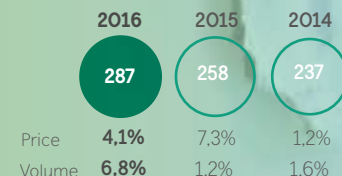
The Pastas Business represents



of Grupo Nutresa's total sales.

Sales in Colombia

COP billion



CAGR 6,5%

The sales in Colombia represent



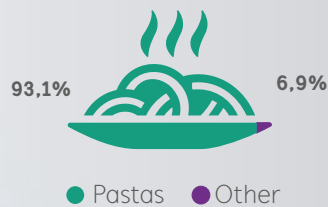
of the total business unit sales.

PASTA NUTRESA



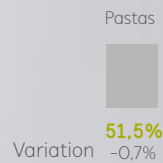
Main categories

(Total sales %)



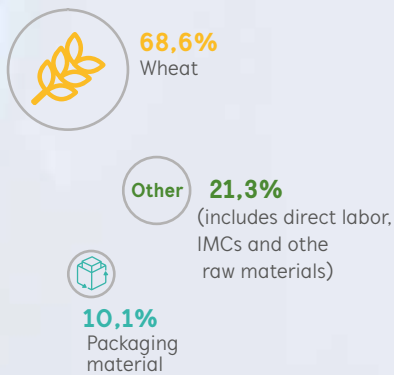
Market share in Colombia

(%)



Raw materials

(Production cost %)

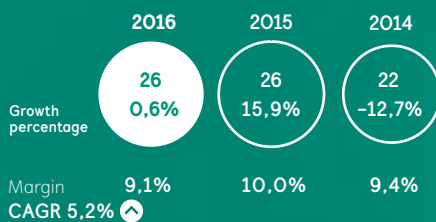


Outlook for 2017

- Continuing to grow in the category with a clear role for each brand in the segments they are aimed at, with the purpose of maintaining the affordability and an adequate price-value ratio.
- Focusing the efforts on increasing the Business' profitability to strengthen the value of our brands and achieving new operational efficiencies.
- Developing the Business' sales with the incorporation of exports through Grupo Nutresa's international commercial network and third parties within the strategic region.

Ebitda

COP billion



The Pastas Business represents



of Grupo Nutresa's Ebitda.



REDES COMERCIALES SECAS

Colombia



Álvaro Arango Restrepo

[Part of Nutresa since 2001 / Age: 56]

President

Relevant aspects from 2016

- We strengthened the organizational model focused on customers, consumers and buyers to increase their satisfaction and loyalty. This was done by delivering competitive value propositions developed according to each segment in order to address its needs and expectations.
- We analyzed customers' behaviors, the point of sale management and the alignment in processes and culture until achieving excellence levels in terms of satisfaction and loyalty.
- We developed the capabilities of our customers by providing training and comprehensive support for their businesses to contribute to their sustainability.
- We defined innovative and differentiated strategies jointly with customers and buyers from the self-service channel with the purpose of solidifying their loyalty.
- The chains channel collaboration model evolved with the aim of delivering to our customers value propositions and solutions suited to their needs.
- We strengthened the Brands and Networks Management Model to achieve the brands' connection with the consumers and the understanding of the buyers' shopping missions.

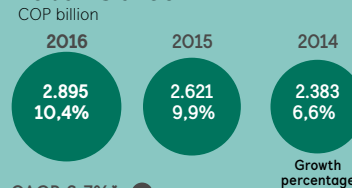
Employment



Outlook for 2017

- Making progress in the research on the knowledge about customers, buyers and consumers in order to adapt the value propositions according to the evolution of their behaviors and needs with the aim of solidifying their loyalty.
- Focusing the activations on the customers by means of actions that allow to improve their purchase experience with the purpose of increasing the value of the brands.
- Aligning the portfolio, the service methods and the commercial management elements with the specific needs of each customer segment.
- Strengthening the consumer service channels to establish a solid connection with them, make the most of the existing advantages and develop digital capabilities.
- Maintaining the customer development in alignment with our value proposition and our loyalty strategy framework.
- Making progress in the widespread development of the loyalty plans for the self-service channel customers with the purpose of supporting their sustainability and solidifying their loyalty.

Total Sales



* Compound Annual Growth Rate

This Business represents



Redes Comerciales Secas includes the sales of Comercial Nutresa, Novaventa and La Recetta, which are incorporated into the dry businesses.



SERVICIOS NUTRESA

Performance of the business units



Service centers
Service coverage



Sol Beatriz Arango Mesa

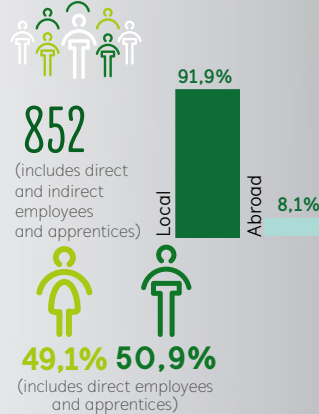
[Part of Nutresa since 1992 / Age: 55]

President

Relevant aspects from 2016

- We consolidated the comprehensive risk management model and the business continuity.
- We reinforced the strategic sourcing model with the incorporation of new geographies and businesses, closing sustainable sourcing gaps.
- We achieved the granting of the international quality certification for the Internal Audit process by the Institute of Internal Auditors (IIA Global).
- We also achieved the re-certification as a Familiarly Responsible Company (abbreviated EFR in Spanish) and we promoted practices aimed at the balance in the personal, family and work life of our employees.
- We implemented the technological platform Success Factors to support the talent development management.
- We received an acknowledgment for preparing and presenting Grupo Nutresa's first accounting and financial report in compliance with the International Financial Reporting Standards (IFRS).
- We participated in the public-private alliance denominated "Alianza Caoba" with the purpose of creating the first Center of Excellence and Appropriation with regard to Big Data and Data Analytics.
- We supported Grupo Nutresa and its businesses in the strategic management processes with the aim of generating value for the Organization.

Employment



Types of services

Shared services

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

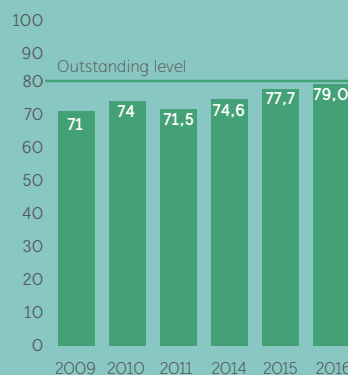
Corporate services

- Innovation, market intelligence, media, sustainability

Transverse support

- Fundación Nutresa, Vidarium

Satisfaction measurement evolution



Outlook for 2017

- Identifying opportunities related to productivity and economies of scale in order to develop a shared-services model that ensures the competitiveness of our customers.
- Continuing to incorporate customer management practices that guarantee their satisfaction and the service excellence.
- Consolidating Costa Rica's Shared Services Center with a service portfolio that adds value to the businesses in Central America.
- Strengthening the risk management culture and expanding the scope of the business continuity process.
- Reinforcing the process-segmented management so that it allows to maintain the validity and relevance of the shared-services model.
- Developing digital capabilities that improve our engagement with the customers, consumers and buyers of all Businesses.
- Strengthening the capabilities of the human talent, focusing on bilingualism, third-party management, digital culture, big data, entrepreneurship and leadership.
- Continuing to incorporate the sustainability practices in the extended chain, developing suppliers, and solidifying our relationship with the target audiences.

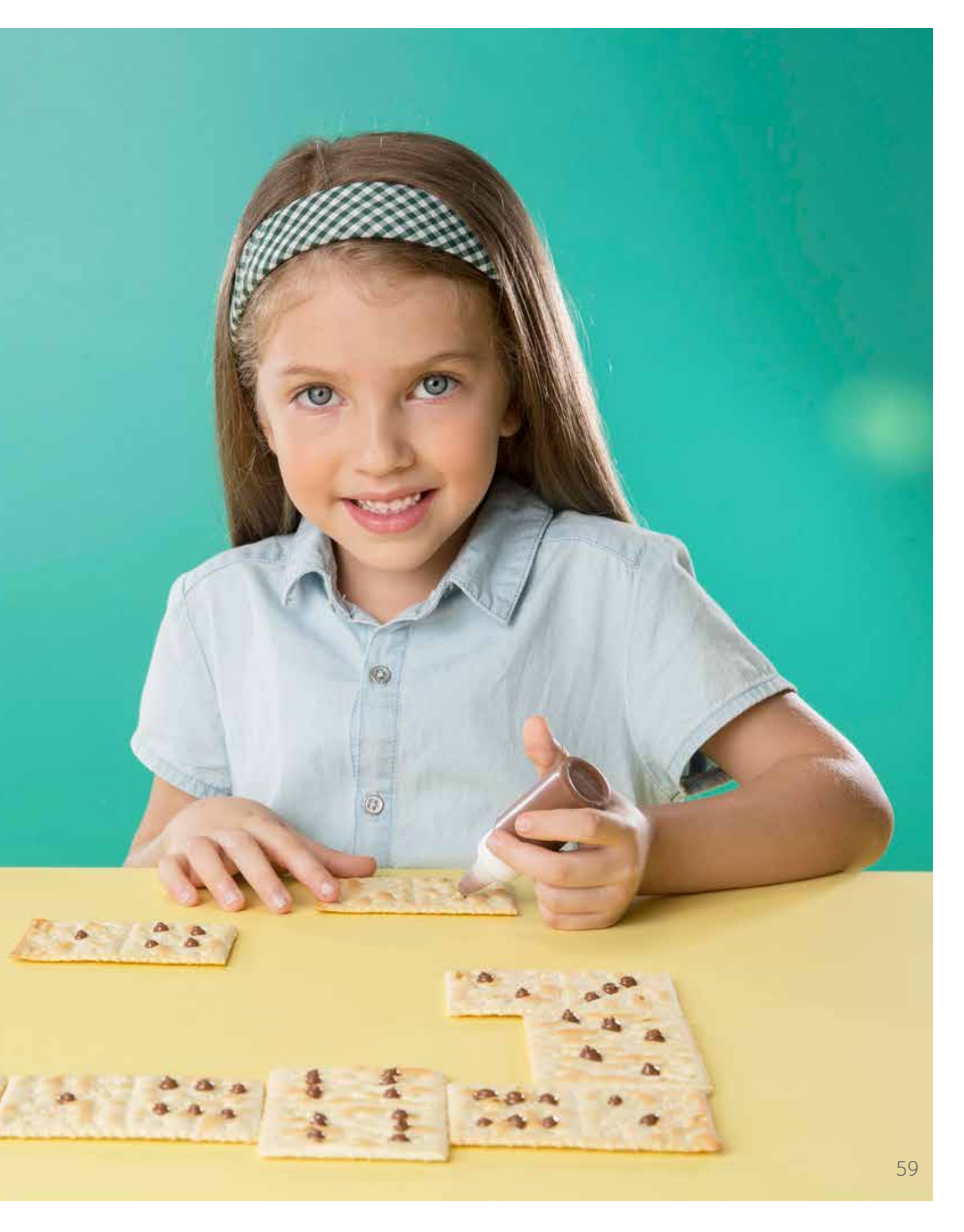
FOSTERING PROFITABLE GROWTH AND EFFECTIVE INNOVATION

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



**A FUTURE
TOGETHER**





PROFITABLE GROWTH IN THE MARKETS AND RELIABLE BRANDS

Purpose

Profitable development of the strategic markets with brands, distribution networks and value propositions that deliver memorable and differentiated experiences that fulfill the needs, motivations and purposes of customers, shoppers and consumers of different segments.

On the other hand, to understand the new realities of the market, the culture and the society through the Brands and Networks Management Model, and through a portfolio of brands and products based on the everyday life in pursuit of the consumers' quality of life.

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Strengthening the differentiated value propositions of brands and networks.</p>	<ul style="list-style-type: none"> » The Organization deepened its understanding of consumers, shoppers and customers in the strategic region by means of marketing studies. » The brands were aligned with Grupo Nutresa's segmentation and the communication codes were strengthened in accordance with the established positions. » The Company capitalized the strengths of the transverse brands that are present in different regions and categories. » Grupo Nutresa worked on increasing the understanding of customers and shoppers from the commercial networks with the purpose of delivering better value propositions that ensure their loyalty.
<p>Managing the portfolio of brands and products in accordance with the market needs.</p>	<ul style="list-style-type: none"> » The portfolio of key business segments was organized to streamline references by region, channel and brand role. » The portfolio was adapted to consumer needs in accordance with the brand's purposes
<p>Strengthening the commercial networks and generating customer loyalty.</p>	<ul style="list-style-type: none"> » The customer loyalty strategy was implemented in accordance with each customer's segment and potential in order to ensure the delivery of differentiated value. » The Organization standardized its customer service policy, and successful commercial practices were shared among the companies with the purpose of strengthening the market entry model. » Grupo Nutresa consolidated its commercial networks in Central America, United States and Chile by incorporating categories of powdered beverages, nuts and coffee.

Risks and opportunities **GRI 103-1**

The changes in the consumption and purchase patterns produced by the offer of new experiences, such as private brands and commercialization formats with low prices, are a challenge for the commercial system. Consequently, the differentiation of experiences was innovated based on the creation of brands valued by the consumer.

The submission of the yearly World Health Organization (WHO) report, the discussions on healthy eating habits and the new nutritional, tax and non-tariff regulations have intensified the efforts to acquire better technology and differentiated value propositions with improvements in the nutritional profiles.

The volatility of the commodities and the exchange rates in the strategic region continue to be a risk for

the profitability of the businesses, which could negatively affect them or positively favor them depending on their strategic position. Therefore, market diversification becomes highly important in order to maintain the Organization's competitive advantages.

The constant changes in the tax regulations around the world are an important risk for Grupo Nutresa. Additionally, the new environmental

protection and human health trends have made it necessary to take legislative measures aimed at mitigating the social issues. For that reason, a constant monitoring is performed to the financial impacts caused by the legislative projects, allowing thus to explore strategies focused on an efficient taxation suited to the legal provisions.



Grupo Nutresa
Commercial
Developer,
Surtifamiliar
Cali.

Outlook

With a view to the MEGA 2020, it is essential to grow in terms of the leadership of brands and flagship categories with the aim of harnessing market opportunities and ensuring the international expansion. In this regard, new value experiences will be designed and adjusted according to the changes in the lifestyles and consumption habits and preferences, based on the Brands and Networks Management Model.

Due to the foregoing, it becomes necessary to continue to push effective innovation forward in order to expand the brands into new market categories, improve the nutritional

profiles, advance to healthier and better-perceived categories, as well as to develop more affordable alternatives for the consumer.

The Organization visualizes growth opportunities for the main brands by means of a profitable expansion in strategic territories. Likewise, it is feasible to develop special projects focused on new business models.

The growth dynamics should be supplemented with the internationalization of the businesses and the entry into new categories that provide higher value by means of the implementation of both the "Go to Market" Service Model and the sustainability concepts.

With the purpose of consolidating the leadership in the strategic region, it is important to have an efficient channel participation that allows to ensure the sustainability of the businesses, develop synergies of categories to optimize resources and strengthen the value proposition of the industrial products with higher rates of effective innovation, service, technical support to customers and flawless logistics.



A Cold Cuts Business customer at a point of sale.

Success stories and acknowledgments GRI 103-3



Compañía de Galletas Noel received several acknowledgments for its 100 years of history: Order of Merit Don Juan del Corral, Gold Grade awarded by the Medellín Council, and the Order of Business Merit awarded by the ANDI (Colombian Industrialists Association), among other.



ES... MUUCHA GALLETA!

Pozuelo was awarded the Gold EFFIE in Costa Rica for its campaign called "Familia en cualquiera de sus moldes" (Family in any of its molds).



Saltín Noel was ranked 11th in Kantar World Brand's top 20, a specialized board that audits the main mass consumption categories of the market in Colombia.



Zenú made the tenth place in the study on the most valuable Colombian brands, which assesses financial, market-related and brand-related aspects. This study was conducted by the firms Compassbranding and Raddar.



Corona, with its campaign called "Amo el Chocolate" (I love chocolate), focused on introducing different ways of preparation, consumption and communication to Millennials. The brand grew 16% in terms of value, 2% in volume and reached more than 5 million users with the recipe videos in social networks.



The "**Campamento Jet**" (Jet Camp) experience was acknowledged with a Gold EFFIE award in the category of Activations. This award is the most relevant accolade in the Colombian advertising industry.



Entry to the capsule business in Colombia with "**Cápsulas Express Nutresa**," which in just three months achieved a 14% share in the market of the main customer in the country.



Doria was acknowledged as the 14th most dominant brand among the basic grocery items producers according to P&M's (an advertising and marketing firm) study.



Lucchetti, was selected, for the fifth consecutive year, as one of the 15 most valued brands in Chile in the study called "Chile 3D," which was conducted by the consulting firm GfK Adimark.



El Corral was ranked 1st among the fast food chains by the La Barra magazine. The selection of the winners was audited by KPMG and endorsed by a committee of six representatives of associations from the hotel, restaurant and bar industry.

EFFECTIVE INNOVATION

Purpose

Supporting the achievement of the Organization's strategic goals transversely by using the capacity for innovation as a growth booster, as well as the results achieved. For Grupo Nutresa, effective innovation consists in the correct understanding of the needs of both customers and consumers, which translates into products, services, processes or business models that contribute solutions and add value.

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Implementing the innovation and governability model structuring strategy.</p>	<ul style="list-style-type: none"> » The Corporate Innovation Committee was formed and started operating. » The Imagix model evolved into a version 2.0 and it was approved by the Corporate Innovation Committee. » The innovation capabilities were measured for Grupo Nutresa's operation in Colombia, the gaps were identified and an action plan was defined.
<p>Strengthening the innovation programs: "Éxitos Innovadores" (Innovative Success Stories), "Prácticas Ejemplares" (Exemplary Practices), "Soluciones Innovadoras" (Innovative Solutions) and Out of the Box.</p>	<ul style="list-style-type: none"> » Eight innovative challenges were launched. » The first Out of the Box project was launched into the market with positive sales results. » 3.919 Innovative Success Stories were acknowledged. » Four Exemplary Practices were rewarded.
<p>Building Grupo Nutresa's innovation projects portfolio.</p>	<ul style="list-style-type: none"> » The portfolios of each one of the businesses were submitted to the Corporate Innovation Committee, consolidating a full portfolio with clarity regarding the focal points and types of innovation.
<p>Consolidating the knowledge management culture.</p>	<ul style="list-style-type: none"> » The Organization consolidated the tools that drive the incorporation, transfer and conservation of knowledge in the diverse businesses.



Colcafé
innovation
leaders,
Medellín.

Risks and opportunities GRI 103-1

Grupo Nutresa identified as a risk the possibility of failing to read the changes in the Organization's environment and context at the right time. Such changes could consist in legislations, provisions regarding packaging and wrapping, intensive use of resources, price and availability of raw materials and commodities, among other.

Therefore, it is a priority for the Organization to get aligned with the dynamics of its environment and context, and to understand innovation beyond the product. That is how forward-planning exercises have been transversely carried out in the diverse businesses and companies in order to act in advance and incorporate capabilities at the right time, be the leaders in the food sector, achieve a high level of differentiation, and establish trends. Additionally, the main gaps were identified in order to strengthen the capabilities and bring innovation to other fields.

There is a great opportunity in the implementation of the Imagix 2.0 innovation model in Grupo Nutresa's strategic region with the aim of articulating the culture, the processes and the ecosystem, promoting intra-entrepreneurship initiatives, and allowing to obtain an ideal innovation portfolio, all of this based on the development and retention of the human talent, the organizational resilience and the knowledge management.

Finally, it is essential to strengthen the embracement of the innovation programs by the employees, bearing in mind that the human talent is the engine of innovation.

Outlook

By 2020, besides the commitment to achieve innovation-driven sales equivalent to 15% of Grupo Nutresa's total sales, the Organization seeks to achieve 0.3 Innovative Success Stories per employee.

The biggest challenge consists in continuing to apply and articulate the Imagix 2.0 model, ensuring the comprehensive management of both innovation and the portfolio of short, medium and long-term projects. Special stress will be laid on the innovation focused on social and environmental aspects, and the innovation-related incentives and acknowledgments will be reassessed.

Intra-entrepreneurship and extra-entrepreneurship will be incorporated into innovation management, and a global vision with local action plans will be developed. Furthermore, additional expert capabilities will be created for the development and incubation of long-term disruptive projects.

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

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

By dealing with these challenges at the right time, Grupo Nutresa will be able to maintain its leadership in the region and will be prepared to face any other challenges posed by the market.

Success stories and acknowledgments

GRI 103-3

The Colombian Administrative Department of Science, Technology and Innovation (Colciencias) carried out the call for entries for the Acknowledgment and Measurement of Research, Technological Development or Innovation Groups, in which the Cold Cuts Business was classified as category A, the Chocolates Business and Vidarium (the Nutrition, Health and Well-being Research Center) were classified as category B, and the Coffee Business was classified as category C. This represents an important acknowledgment of the experience and the products of the research centers.



Cold Cuts Business Research and Development Center, Medellín.

Grupo Nutresa was acknowledged as a **highly innovative company** by Colciencias, which stated that its actions drive innovation in a systematic way by means of established processes, allocated resources and verifiable results.



EVOK is highlighted as a successful case, as it is a disruptive innovation project from **Grupo Nutresa's Out of the Box program** that proposes a business model that moves away from mass sales to offer an experience about niche products at points of sale in both shopping malls and electronic platforms. The results for the first month of sales surpassed the expected estimate by 500%. Additionally, EVOK obtained high levels of recommendation, repurchase and recognition by the customers.

Evok point of sale in Medellín.

GRUPO NUTRESA'S PRODUCT INNOVATIONS



Cold Cuts



Practicarne (Practical ground beef)

The Cold Cuts Business launched a new packaging for *Practicarne*, which maintains the same weight of the previous packaging (400 g) but it is now packaged in two separate 200-g servings with the purpose of offering the consumer increased convenience, ease of dosing and better conservation of the sensory characteristics of the product.



Zenú snacks

Zenú launched empanadas and cheese fingers (for frying or baking), small for sharing them anywhere or large for enjoying them at home. The new Zenú snacks are easy to prepare, practical and have a homemade flavor.

Olivier salad

With the purpose of revitalizing the Cold Cuts long self-life category, the Zenú brand launched for the Christmas season its Olivier salad: a mixture of vegetables and sausages with a special sauce, making it a highly practical product for sharing.



Chicken with pickled veggies

Consumers' need for portable food solutions in today's lifestyle motivated Zenú to launch its chicken with pickled veggies as a line product in the long shelf-life category. This innovation was highly valued by the consumers as a practical solution to take and enjoy anywhere.



Ranchera resealable package

This solution offers the consumers new benefits with a double-zipper flexible packaging that opens and closes easily, helps to maintain the freshness of the product and allows a better conservation.

Ranchera Cerveroni

This product was thought to satisfy the flavor experiences of the consumers with the characteristic smoky and spicy flavor of the Ranchera brand. A product proposal differentiated in terms of flavor and presentation which includes pork, beef and spices, ideal as a main-course protein or as an ingredient for diverse preparations.

Pietrán chicken sausages

94% fat-free sausages endorsed by the Colombian Heart Foundation, characterized by their smokiness, delicious flavor and juicy bite. This launch strengthens the brand in the most important segment of the category.





Biscuits



TOSH multi-grain and organic corn snacks

The snacks portfolio was strengthened under the TOSH brand with two presentations: organic corn and sesame seeds, and multi-grain, both of them gluten-free.

Ducales Provocación

The traditional Ducales biscuits were innovated by covering half of each biscuit with chocolate. This biscuits were launched as a pilot product for Novaventa's direct sales channel.





Chocolates

Jumbo's limited editions

The brand launched two limited edition chocolate bars: one with hazelnut filling and another with peanut butter filling.



Greek yogurt cereal bar

TOSH launched into the market a cereal bar with berries and Greek yogurt flavor.

Crunchy Chocolisto

Malt-based, granulated or powdered milk modifier as a flavor supplement to the chocolate Chocolisto.



Granuts snacks

Mix of nuts, peanuts, dried fruits and other ingredients that provide energy and protein, practical to take it anywhere at any time of the day.

Winter's all-in-one

Cocoa with milk and sugar, easy to prepare only by adding water.





Tresmontes Lucchetti

Whole wheat pasta

Pastas Lucchetti launched its new whole-wheat line, which contains twice as much fiber as regular pasta, helping thus to regulate bowel movements and maintain a balanced diet. The whole wheat pasta is available as spaghetti 5 and fusilli 56 in 400-g presentations.



Lucchetti

Small-format product of pasta in different shapes designed for kids, which makes the eating experience more comfortable with different type of sauces, being a fun product at the same time.



Gold Premier granulated instant coffee

Colombian product with a higher quality in different presentations: glass containers of 170 g, 100 g and 50 g.

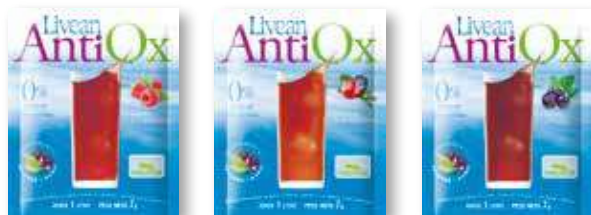


Livean Aqua

New and assorted refreshing combinations with a touch of fruit flavor: raspberry-orange, apple-cinnamon and cucumber-mint.

Livean AntiOx

The new Livean AntiOx products are formulated based on green tea and maqui (Chilean wineberry), which are ingredients known for their high antioxidant content. Three flavors are offered: maqui, strawberry-blueberry and raspberry.



Cocoa Raff

Cocoa Raff launched into the market a new chocolate-flavored powdered product with vitamins and minerals. It also provides excellent solubility and a delicious flavor, and it is presented in a practical container.



Coffee



Cápsulas Express Nutresa

This is a proposal designed for a broad segment of the target audience due to the variety of products it offers, enabling consumers to enjoy the Sello Rojo, Colcafé, Matiz and Corona brands. The pod system guarantees an ideal and homogeneous cup every time you prepare it. This launch allowed to revitalize the coffee category.





Retail Food



Milkshake festival

Hamburguesas el Corral's Milkshake festival offered its customers new and innovative flavors: cookies and cream, *lulada* (lulo and lime), lemon pie, *merengón* (meringue, cream and fruit), and choco-peanut.



Grilled Chicken Sandwich

With this innovation, a new option of flavors and proteins was offered to the customers.



Ice Cream



Bocatto Jumbo

Chocolate cookie with chocolate ice cream and peanut chunks, filled with chocolate sauce, Jumbo Dots and with a Jumbo chocolate tip. Currently, it is the top product from the Bocatto family.



3-Benefit Ice Pop

This ice pop offers three benefits: iron, zinc and vitamin C, and it also has three different textures: red berries-jello, strawberry ice cream and orange juice.



Chocolisto Ice Pop

The Chocolisto brand launched a chocolate-flavored ice pop covered with chocolate, which also has a high vitamin content.



Country Hill mandarin nectar

The Country Hill brand ventured into the nectar category in 2016 with the new Mandarin nectar, which highlights the naturalness, practicality and freshness of the brand.

POPS frappé coffees and teas

The POPS ice cream shops in Costa Rica started selling a new product category that offers a broader variety to the consumers. The brand offers three different frappé coffee flavors: caramel, cappuccino and mocaccino. And two different flavors of frappé teas are offered: chai and taro.



Birthday cake

Celebration is part of the value offer from the Bon ice cream shops in the Dominican Republic, with the new creamy pie-and-meringue-flavored ice cream with ladyfinger crumbs and multi-colored sprinkles.





Pasta

Gluten-free pasta

Doria meets the special needs of the Colombian consumers by developing a gluten-free pasta and offering it in two different presentations: short and long, with the best texture, flavor and color.



Chorizo-flavored spaghetti

New flavors were explored with this product, which doesn't need to be accompanied with many ingredients, facilitating its preparation. The reference used for this product is the "Antioqueño" chorizo from the Zenú brand.

PROMOTING A HEALTHY LIFESTYLE

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



**A FUTURE
TOGETHER**



NUTRITION, HEALTHY LIFESTYLE AND RESPONSIBLE MARKETING

Purpose

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

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Adjusting the nutritional profile of the products.</p>	<p>» A total of 2.945 product references adjusted to the Nutresa nutritional profile was achieved, which is equivalent to 63% of the total sales. GRI FP6, GRI FP7 [SDG 2]</p>
<p>Implementing the front-panel nutritional label in all the products.</p>	<p>» 85,8% of the portfolio has been covered with the front-panel label, which is equivalent to 3.432 product references, responding to self-regulation in most cases and to the mandatory labeling where it is still in force.</p>
<p>Promoting healthy lifestyles.</p>	<p>» The Organization continued to develop the campaign called "Disfruta una Vida Saludable" (Enjoy a healthy life), and it also continued to work on the project focused on educating infants in healthy life habits in Colombia and on the strategy called "Espacios Saludables" (Healthy Environments) in Mexico and Chile. Progress was made in the implementation of the Healthy Organizations model within the companies.</p>
<p>Reducing the nutrients of interest in public health.</p>	<p>» 143 sodium reformulations, 78 sugar reformulations and 116 fat reformulations were made.</p>
<p>Managing the advertising responsibly.</p>	<p>» The advertising self-regulation was applied for children under six years old, and the commitment to increase the self-regulation up to the age of 12 in 2017 was established.</p>

Risks and opportunities **GRI 103-1**

The epidemiological conditions of the population have shown no improvement and, on the contrary, increasing trends can be observed with regard to non-communicable chronic diseases, which compels a response from the food sector in order to contribute to solving this problem. Grupo Nutresa has understood its responsibility and, from its commitment to the consumer, it has been developing a nutritional strategy based on the reformulation of products, provision of information to the consumer, labeling, responsible marketing and promotion of healthy lifestyles.

This condition of the Organization's environment offers opportunities to the sector and, for being able to make the most out of these opportunities, the Organization needs to have a deep under-

standing of the problem to be able to provide solutions. In Grupo Nutresa, research on food, nutrition and health is focused on understanding the relation between the eating habits and the nutritional conditions so that the proposed alternatives contribute to the solution. Currently, the Vidarium research center is addressing, within the main matters related to non-communicable chronic diseases, the subject of obesity through its microbiota and antioxidants research lines, as well as the subject of cardiovascular health,

also through the latter research line.

Most countries are committed to the promotion of healthy lifestyles and to the creation of adequate regulatory frameworks based on the scientific and technological knowledge for such purpose. Thus, they foster the participation of diverse stakeholders as guarantee of feasibility and applicability. Therefore, Grupo Nutresa should maintain a vigilant attitude regarding these processes and actively participate in the creation of proposals in this matter.



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

Outlook

Grupo Nutresa, as part of the food sector, will continue to be under social and regulatory pressure, as the World Health Organization's guidelines suggest it. That is why it is necessary to adjust the offer with the aim of contributing to revert the increasing trend of the non-communicable chronic diseases.

The research on new ingredients and processes show increasing and better results, which are applicable to the food offer, and their recommendations are beginning to be taken in, generating transformation and making the portfolios richer in healthy alternatives. This reality has driven Grupo Nutresa to make progress in the appropriation of its nutritional policy and to continue to develop programs focused on reformulation, adjustment of the nutritional profile, promotion of healthy lifestyles, responsible marketing, provision of valuable information to consumers and front-panel labeling.

For 2020, Grupo Nutresa intends to maintain its leadership with healthy and sustainable products and, for this purpose, the Organization will continue to work on achieving the goal of multiplying by 2.5 the offer of products adjusted to the Nutresa nutritional profile with regard to the 2012 base line.

Success stories and acknowledgments **GRI 103-3**

As a successful case, it is worth highlighting the implementation of the "**Espacio Saludable**" (Healthy Environment) program in Acatlán de Juárez (Mexico), which was launched in a convention on nutrition, physical activity and health that was attended by the Municipal President and representatives from the Guadalajara and ITESO universities, the community and the Organization.



Another successful case is **the new gluten-free pasta developed by Productos Alimenticios Doria from rice**, ideal

for people who suffer from the celiac disease and for those who must cut gluten out of their diet due to any adverse reaction. The Organization surpassed the targeted market goal, addressing a specific niche.

FOOD SAFETY

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Making progress in the implementation, certification and maintenance of the management systems.</p>	<ul style="list-style-type: none"> » The following certifications were maintained: <ul style="list-style-type: none"> ISO 9001 Quality: 28 operation centers. BPM (Good Manufacturing Practices): 10 operation centers. HACCP (Hazard analysis and critical control points): 20 operation centers. Standards recognized by the GFSI (Global Food Safety Initiative): 11 operation centers. Product certifications Kosher: ten operation centers. Halal: six operation centers. Fair Trade: two operation centers. Organic: one operation center and one snacks product reference. In the agricultural sector: <ul style="list-style-type: none"> Good Agricultural Practices and Rainforest: two operation centers. » New certifications were obtained: <ul style="list-style-type: none"> BRC Global safety and quality standard: Coffee Business in Medellín. ISO 9001 Quality: Chocolates Business in Mexico. Organic product: TOSH, from the Biscuits Business.
<p>Maintaining the Food Defense model for the protection of food.</p>	<ul style="list-style-type: none"> » The implementation of the model was started in the Pastas Business. » The model is maintained in the Coffee, Chocolates and Biscuits Businesses, in which procedures were documented in order to guarantee that the raw materials, packaging materials, in-process products and finished products are protected from intentional contamination. Additionally, the hazard and related risk assessment analyses were conducted.
<p>Maintaining and improving the hygienic-sanitary conditions in production plants and commercial networks.</p>	<ul style="list-style-type: none"> » The scoring criteria were updated, including the risk management, and the conditions that allow to ensure product quality and safety were maintained.
<p>Implementing the supplier follow-up and development plan.</p>	<ul style="list-style-type: none"> » The Organization updated the protocols for Genetically Modified Organisms (GMO), contaminants and allergens. » The Organization also redesigned the application that manages the technical data sheets of raw materials and packaging materials.

Risks and opportunities **GRI 103-1**

Grupo Nutresa strives toward maintaining the legal monitoring and surveillance procedures to avoid incurring regulatory non-compliance risks in the countries where it operates and commercializes its products.

There is an evident opportunity in the active participation to discuss and revise the quality and safety regulations in the countries where Grupo Nutresa operates. For this purpose, the Organization has worked jointly with business associations in Colombia through the cooperation in projects against product counterfeiting and brand misappropriation.

Generating and maintaining a constant communication with customers and consumers represent a challenge that drives the Orga-

nization to strengthen the multiple communication channels in social networks and websites with the purpose of making it easier to receive and answer users' questions and opinions. To adequately address and

manage these communications, the Organization has personnel specialized in timely receiving, addressing and escalating requirements, as well as specific assistance protocols for events occurring in social networks.



Cold Cuts Business employee, Barranquilla.

Outlook

For 2020, Grupo Nutresa will implement a comprehensive model that allows to transversely standardize the requirements of the management systems to fulfill the demands from consumers and customers, and to comply with regulatory matters as a consequence of the international expansion.

The purpose of this model is to boost Grupo Nutresa's commitment to be an organization focused on the

customers and to strengthen the engagement with its diverse stakeholders by means of advanced infrastructure, processes and services that allow the mobility, timeliness and flexibility, as well as the construction of new service experiences and autonomy in the systems used for managing the contacts and the contact center supplier.

In order to keep reinforcing the corporate principle of responsibility towards the consumers and with the aim of complying with the new Food Safety Modernization Act from the United States, the businesses that export products to said country will have to implement this standard for 2017.



Meals de Colombia's ice cream production line, Bogotá production plant.

MANAGING THE VALUE CHAIN RESPONSIBLY

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



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DEVELOPMENT OF OUR PEOPLE

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Embracing and incorporating the Nutresa Talents of the Being into the Development Management process.</p>	<p>» The Organization consolidated the knowledge on the talents of its employees and they were incorporated into the Development Management Model in order to measure them. This measurement was supplemented with the performance indicators related to the corresponding positions.</p>
<p>Implementing the training plan for the development of the Nutresa Talents of the Being.</p>	<p>» Ten training modules were developed with 3.223 participants, 230 total hours and a satisfaction indicator of 4,55.</p>
<p>Consolidating practices to plan and develop the human talent.</p>	<p>» 129 internships, 438 promotions, 5.265 call for entries and nominations were carried out.</p>
<p>Strengthening the talent recruitment and engagement channels and strategies.</p>	<p>» Grupo Nutresa was active in the social networks as an employer, which resulted in 40.868 interactions and 1% candidates from these media.</p>
<p>Developing capabilities focused on the management of the supply chain.</p>	<p>» A Contractor Management diploma course was organized with the participation of 30 employees. It consisted in 100 hours of training and the satisfaction level of its participants was 3,8.</p>
<p>Managing the organizational climate and the commitment of Grupo Nutresa's companies.</p>	<p>» 18 measurements were conducted, which produced a result of 83,4%, with respect to a goal that had been established at 83,2%.</p>

Risks and opportunities **GRI 103-1**

The development of the employees is a key business factor. Therefore, the development management strategies are focused on achieving the commitment, productivity and comprehensive growth of the employees, minimizing the risks of a high level of personnel rotation and low availability of suitable talent to ensure the Organization's sustainability.

Currently, it is essential to maintain a work culture that is appealing to all generations, as well as socially inclusive and diverse, a work culture that fosters the balance between work and personal life, driving thus the construction of an employer brand and a leadership platform favorable for the development of the human talent.



Servicios Nutresa employees, Medellín.

Outlook

Furthering the programs for training and development of leaders and people in critical roles for the Organization, with a flexible curricular program focused on the transverse talents of the Nutresa Being and key business matters, such as: innovation, sustainability, digital culture, supply chain, customer-consumer-buyer, transformative leadership, business continuity and bilingualism.

Indicator: Number of participants
Goal: Training 100% of the leaders and people in critical roles.

Strengthening the talent planning process by updating the key talent map in all Grupo Nutresa's companies and supplementing it with preparation plans and career development routes.

Indicator: qualified talent vs. key roles.
Goal: Identifying 100% of the talent.

Consolidating the Organization's inclusion strategy by identifying and incorporating diverse talents in new projects and responsibilities by means of practices that strengthen gender equality, and the hiring of people with special capabilities and talent coming from different geographic origins, among other.

Indicator: number of internships, foreign internship students, people from other regions and people from minority groups.

Evolving the measurement and the understanding of the organizational climate toward a more comprehensive model that incorporates other perceptions of the employees regarding organizational health, such as management, leadership, culture, responsibility, coordination and control, capabilities, motivation, external guidance, innovation and learning.

Indicator: Organizational Health Index (OHI).

Finally, developing new talent-hiring methods with the aim of achieving a greater flexibility and attraction of specialized professionals, apart from promoting the participation of external and internal entrepreneurs as a strategy to develop high-value projects for the Organization.

Success stories and acknowledgments

GRI 103-3

The Organizational Behavior Research Center (abbreviated CINCEL in Spanish) acknowledged several of Grupo Nutresa's companies due to their outstanding improvement and organizational climate management.

Compañía Nacional de Chocolates was ranked in the first place in terms of organizational climate with an outstanding score of 90.4%, from a group of 57 companies with more than 500 employees from Colombia and abroad, which were evaluated by CINCEL in 2016.

Comercial Pozuelo El Salvador was acknowledged as the foreign company with the best organizational climate.



Pozuelo employees, Costa Rica.

Molinos Santa Marta was ranked first among the companies with more than 100 employees in Colombia.

Productos Alimenticios Doria stood out in the category with the most significant improvements in terms of organizational climate management.



CINCEL acknowledged several of Grupo Nutresa's companies due to their excellent organizational climate management.



Grupo Nutresa was acknowledged as the **second best company to work for in Colombia and the first from the food sector.**

In Chile, **Tresmontes Lucchetti** stood out in "Merco Talento 2016," getting the second place in the ranking. For the third consecutive year, TMLUC has been acknowledged as one of the top companies in terms of talent attraction and retention.

QUALITY OF LIFE

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Managing the safety and health in the workplace based on world-class standards.</p>	<ul style="list-style-type: none"> » Grupo Nutresa performed the diagnostic on the level of maturity in safety and health management in the workplace for four companies, identifying improvement opportunities and incorporating them into a work plan projected to 2020. » Four companies have been certified as Healthy Organizations. » Nine companies have been granted the OHSAS 18001 certification.
<p>Mitigating the occupational illness risk in Grupo Nutresa's companies.</p>	<ul style="list-style-type: none"> » Five jobs were identified as having the highest occupational risk in the Colombian companies: picking, manual palletization, packaging, loading and unloading, and stowage. A work plan was created for 2017, focusing on prevention and intervention.
<p>Building the health and safety management model in the workplace for suppliers and contractors.</p>	<ul style="list-style-type: none"> » The Organization defined monitoring criteria focused on regulations, risk identification and the management model. » Sustainability audits were performed to 30 contractor companies. The results in terms of workplace safety and health management were satisfactory, achieving an accident rate indicator of 4,44.
<p>Promoting the balance in the employees' work, personal and family life.</p>	<ul style="list-style-type: none"> » Balance, well-being and quality of life measures were defined in accordance with the segmentation of the internal personnel. » Seven Grupo Nutresa companies have been certified as Familiarly Responsible Companies (abbreviated EFR in Spanish). » 343 Grupo Nutresa employees work under the telecommuting methodology.



Pastas Doria employees having fun during recreational activities.

Risks and opportunities **GRI 103-1**

The promotion of healthy and safe environments and a balanced life are high-value strategies for Grupo Nutresa which could be compromised without management systems that minimize occupational illnesses and ensure low accident and absenteeism rates in the workplace. Likewise, the interest in maintaining positive productivity indicators and achieving the well-being of the employees poses the challenge of continuing to develop prevention and intervention programs with world-class standards focused on a self-care and safe behavior culture.

Outlook

By 2020, Grupo Nutresa's companies should achieve the excellence level in terms of workplace safety and health management. This purpose will be achieved by strengthening the culture and awareness of workplace safety, and by closing specific gaps identified in the diagnostics conducted in 2016.

In 2017, the Organization will continue to train auditors and teams that will be in charge of managing suppliers and contractors, and the sustainability audits will also be continued, as well as the implementation of work plans aimed at closing the identified gaps. This will allow to strengthen the development of the supply chain management capabilities, ensuring that the strategic allies create and manage practices with the purpose of minimizing the occupational risks.

The prevention and intervention of occupational illnesses will continue to be a challenge for Grupo Nutresa's companies. The Organization will continue to work on the plans to automate the jobs identified as critical with the purpose of minimizing the risk of emergence and increase of occupational illnesses. Furthermore, with regard to CAPEX allocation, workplace safety and health will continue to



An active pause to resume work later, employees from the Cold Cuts Business.

be considered important assessment and prioritization criteria.

Grupo Nutresa will implement practices and initiatives that allow to improve the indicators related to the accident rate and the absenteeism of both directly-hired and contractor collaborators, using as reference the most successful practices in the worldwide food sector industry.

The Organization will continue to promote healthy lifestyles by means of programs that contribute to the self-awareness and self-care of the employees, and by bringing up proposals focused on well-being and quality of life that foster the balance in the personal, family and work life.



Success stories and acknowledgments

GRI 103-3

Medellín's Health Secretariat acknowledged Compañía de Galletas Noel as an ally in the promotion of healthy lifestyles across the city by means of its strategy called "Vive con Sentido" (a pun in Spanish whose literal translation is "Live with sense" and which can be interpreted as "Live a life that makes sense" but it also sounds like "Vive consentido," which can be translated as "Live spoiled" in the sense of treating yourself with good food products).

Family Day, Compañía de Galletas Noel.

RESPONSIBLE SOURCING

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Improving and broadening the coverage of the strategic sourcing model.</p>	<ul style="list-style-type: none"> » 16 remote and on-site training modules of the strategic sourcing model were developed for the negotiating teams. » United States was incorporated as a new region and to the Retail Food Business as a new business under the strategic sourcing model, generating thus savings that amounted to COP 4,0 billion. » A total of 335 regional negotiations were carried out in Costa Rica, Mexico, Dominican Republic, Peru, Chile and Colombia. » The strategic sourcing initiative for Grupo Nutresa as a whole addressed 155 categories and achieved savings that amounted to COP 82,17 billion within the operations in Chile, Peru, United States, Central America and Colombia.
<p>Closing sustainable sourcing gaps.</p>	<ul style="list-style-type: none"> » Social and environmental risks were identified in the sourcing chain for Tresmontes Lucchetti in both Chile and Mexico. » A project was started jointly with the World Wildlife Fund (WWF) in order to generate knowledge on and conduct a diagnostic of the palm oil production chain with the purpose of reducing the environmental and social risks inherent to said raw material faced by Grupo Nutresa.
<p>Promoting the implementation of inclusive businesses and the development of organizational capabilities among farmers.</p>	<ul style="list-style-type: none"> » 3 workshops were organized and held, and 54 inclusive business development initiatives were identified to be developed with suppliers. » 2.105 farmers from 34 associations were trained in the organizational development strengthening model.
<p>Incorporating sustainability-focused audits.</p>	<ul style="list-style-type: none"> » A sustainability-focused audit program was implemented with the aim of supplementing the current supplier audit programs. 30 audits were carried out by the Icontec (Colombian Institute of Technical Standards and Certification).

Risks and opportunities

GRI 103-1

Managing responsible sourcing strategies allows Grupo Nutresa to mitigate the risks identified in its purchase categories and which depend on Grupo Nutresa's own operation or on operations of third parties, such as the high volatility in the prices of direct raw materials, shortage of raw materials due to climate change, noncompliance of quality, safety and sustainability practices, low generational replacement intensified by the migration of farmers to the cities, and infringement of Human Rights as a consequence of practices such as child labor, unfair salaries and forced labor.

Environmental and social sustainability criteria have been included into the goods and service supplier selection and hiring stages, and policies related to the sustainable sourcing have been developed. Additionally, the Organization has been consolidating the responsible sourcing model with the aim of fulfilling the needs and expectations of its diverse stakeholders and allowing, thus, to mitigate the risks related to the supply process.



The "Cacao para el Futuro" (Cocoa for the Future) project benefits 55 farmers from the Mid Magdalena and Northeast Antioquia regions in Colombia.

Grupo Nutresa, with the support from specialized organizations such as the WWF, started addressing the risks found in the production chains of the ten main commodities. This is one of the greatest opportunities to achieve, jointly with the suppliers, a reduction in the social and environmental impacts on the agricultural chains.



Production of cashew nuts in the Montes de María region in Colombia. With the support from Grupo Nutresa, the associations strengthen their organizational capabilities.

Outlook

The digital economy is a trend that will impact the sourcing and engagement processes with the suppliers. Currently, a project is being developed with the purpose of achieving a 100% digital engagement with the suppliers, covering the virtual process from the negotiation to the payment. Furthermore, the internal information management processes will intensively use multi-dimensional analysis systems in order to ensure the traceability of the entire supply chain.

The Organization will continue to work on the development of the organizational and community-focused capabilities of the farmers and their base associations with the aim of elevating their and their families' socioeconomic level, boosting income generation, improving their quality of life, and ensuring the continuity of the supply.

The market demand in terms of new products that meet high nutritional, healthiness, sustainability and quality profiles translates into challenges with regard to both the development of and the search for raw materials with a high value added. Co-creation and open innovation will be mechanisms that will facilitate said developments in a collaborative manner with the diverse stakeholders.

Success stories and acknowledgments

GRI 103-3

LEED certification granted to Gestión Cargo

Gestión Cargo's new distribution center was granted the LEED (Leadership in Energy and Environmental Design) certification for its compliance with world-class sustainable construction practices. As a result, the Company achieved a reduction of 165.000 kWh/year in terms of energy consumption and 52 m³/year in terms of water consumption.



Gestión Cargo distribution center, Cartagena.

Winner of the Exemplary Supplier Award in the Large Company category: Racafe & Cía S.C.A.



Incorporation of the National Sesame Seed Federation

With the association of more than 450 farmers from the Colombian region known as Montes de María, the first National Sesame Seed Federation (abbreviated FNA in Spanish) was incorporated. This achievement was the result of the support by both Fundación Nutresa and Compañía de Galletas Noel. The Swedish Embassy and Corporación Reconciliación Colombia (Colombian Reconciliation Corporation) presented these farmers with an award in acknowledgment of their work.

Winners of the second edition of the 2016 Grupo Nutresa Exemplary Supplier event

In this event, 19 accolades were awarded to 14 of approximately 230 companies that participated in both Colombia and Costa Rica. This program is aimed at systematically identifying and recognizing the practices, projects and initiatives related to the economic, social and environmental sustainability of the suppliers.

Winner of the Exemplary Supplier Award in the SME category: Piloto S.A.S.



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



RESPONSIBLE SALES

Purpose

Providing customers with differentiated value propositions that contribute to their growth, profitability and sustainability, with the purpose of generating value to Grupo Nutresa through their satisfaction and loyalty. It also contributes to the development of the communities through the Organization's commercial relation with them.

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Follow-up to customer satisfaction and loyalty.</p>	<ul style="list-style-type: none"> » Satisfaction evaluates the alignment between what Grupo Nutresa delivers and the expectations of customers with regard to the performance and efficiency of the processes. The score in Colombia was 88,8 in Colombia and 91,6 in the international operations. » Loyalty indicates both the emotional connection with customers and their willingness to recommend us. Colombia scored 76,0 and the international operations scored 71,6 in this indicator.
<p>Developing differentiated and specialized value propositions for customer segments.</p>	<ul style="list-style-type: none"> » Based on the understanding of needs and characteristics of customers, the organization defined differentiated value propositions that would guarantee the generation of value, profitability and sustainability for both parties. » These propositions contain emotional, rational and convenient elements aimed to create bonds through a timely, consistent and comprehensive delivery in every moment of truth.
<p>Implementing loyalty and engagement strategies to develop and strengthen customers' capabilities.</p>	<p>The following initiatives were developed:</p> <ul style="list-style-type: none"> » Training » Co-creation with customers » Loyalty programs » Collaborative models » Experience centers » Events » Customer development » Use of sustainable materials » Impeccable visibility execution in the points of sale
<p>Establishing effective communication channels with customers.</p>	<ul style="list-style-type: none"> » New digital communication channels were enabled to serve the customers and provide differentiated experiences.
<p>Consolidating inclusive and sustainable business models that contribute to the development of customers.</p>	<ul style="list-style-type: none"> » The Organization strengthened the market penetration models that stimulate the creation of jobs and opportunities for vulnerable populations.

Risks and opportunities

GRI 103-1

Grupo Nutresa faces a highly competitive environment where the differentiated experiences gain relevance. The customer-centered focus is a basic strategy to build lasting commercial relationships that promote the sustainability of the businesses through the delivery of value propositions.

The adequate compliance with the specific regulations of each country where the Organization operates, as well as the multiple communication channels and the access to technologies, is the behavior and means to keep in touch with the stakeholders, leading to their satisfaction and watching over the reputation and protection of the brands.

The social risks of both the commercialization and distribution are related to the job conditions of the deliverers. The environmental impacts are related to the emissions of greenhouse gases, air pollutants, waste management, vehicle maintenance and the energy efficiency in the use of fuels and electricity. The Organization has developed specific controls and initiatives to mitigate all of them.



Product display at a point of sale.

Outlook

Grupo Nutresa will continue to strengthen its customer-centered organization as part of its core values. This model adapts the value proposal of the customers, based on the understanding of their needs. This way, differentiated experiences are provided encouraging repurchase and referencing with top levels of satisfaction and loyalty.

The development of customers' capabilities will continue to be a main focus. The Organization will keep on providing training focused on their specific needs according to its segments, improving the service they deliver to their shoppers and consumers.

Additionally, Grupo Nutresa will incorporate cutting-edge digital capabilities that enable a comprehensive relationship and interaction with customers, consumers and shoppers adapted to their needs.

Lastly, the Organization will implement efficient distribution technologies and processes that contribute to reducing the carbon footprint and waste generation.



The distribution network, which is one of the differentiators of our business model, allows Grupo Nutresa to provide its clients with high-quality products.

Success stories and acknowledgments **GRI 103-3**

More than 1400 customers received point-of-sale consulting from the Company's commercial developers, allowing them to achieve a comprehensive development of their business for its growth and sustainability.



Comercial Nutresa received the "2016 Proveedor de Éxito" (Successful Supplier) award from Grupo Éxito (The #1 customer) in acknowledgment of its high innovation level and for its supply chain that is adapted to the retail needs. Additionally, Alkosto granted Comercial Nutresa the 2015-2016 best supplier award in the food line for its commitment, understanding and customer support.

Comercial Nutresa employees, Bogotá.

BUILDING A BETTER SOCIETY

Grupo Nutresa focuses on strengthening the capabilities of the communities with which interacts and on promoting possibilities of nutrition and healthy lifestyles. Additionally, fosters the respect for Human Rights among the stakeholders.



**A FUTURE
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HUMAN RIGHTS

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Ensuring the Human Rights management system.</p>	<ul style="list-style-type: none"> » Human Rights management was aligned with the Colombian Guidelines, which facilitates the communication of the progress with regard to the management. » The matrix of risks related to Human Rights was supplemented with the incorporation of the non-Colombian companies. » The Human Rights Strategic Committee held 14 discussion sessions with representatives of the employees, collective agreement teams and unions from the Colombian companies.
<p>Raising awareness and providing training in Human Rights.</p>	<ul style="list-style-type: none"> » 4,499 employees received training in the fields of agreement establishment, diversity and inclusion, leadership, labor relations and Human Rights. » 44 contractors and suppliers received training in diversity and inclusion, and Human Rights.
<p>Strengthening the reporting mechanisms for Human Rights matters.</p>	<ul style="list-style-type: none"> » The Organization publicized the Ethics Line, the Cohabitation Committees and the Human Rights mailbox as formal means for reporting situations related to work harassment, sexual harassment, discrimination, fraud or violations. » The Ethics Line addressed 8 cases and the Cohabitation Committees received 12 reports of possible harassment cases, which were subsequently addressed.
<p>Consolidating diversity-related and inclusion practices.</p>	<ul style="list-style-type: none"> » Grupo Nutresa continued to work on the management of work plans for closing gaps in gender equality practices. » To date, the Organization has hired 251 people with special capabilities.
<p>Promoting the freedom of association and collective bargaining.</p>	<ul style="list-style-type: none"> » The Organization defined the strategy for managing the collective labor relations and bargaining with the participation of the companies' CEOs and the people in charge of human talent management.

Risks and opportunities **GRI 103-1**

Any type of Human Rights violation, discrimination or harassment at the workplace, with their respective reputational impact, are some of the risks to which the Organization would be exposed if it did not have a structured management system, which is focused on promotion, prevention and monitoring and aimed at ensuring respect for differences and inclusion.

These risks are minimized by means of a Human Rights management system that comprises actions implemented by the companies and their corresponding monitoring and support performed by two committees: one tactical and one strategic. The Tactical Committee is in charge of identifying the risks, managing them and creating reporting mechanisms with the purpose of analyzing

the possible violation cases and applying the due process. For its part, the Strategic Committee ensures the fulfillment of the work plans, submits a balance report to the employees on their management, and promotes a favorable environment for social discussion aimed at identifying improvement opportunities and

achievements every year.

The management of this system has produced positive impacts on the engagement and commitment of the employees, which translates into a differentiation opportunity with other market agents and invites to strengthen a leadership with a stronger regard for diversity and inclusion.



Members of Colcafé's Cohabitation Committee, Bogotá.

Outlook

By 2020, Grupo Nutresa's companies should be at the forefront in terms of diversity-related and inclusion practices, and they should be ensuring the incorporation of global talent, the strengthening of policies that promote gender equality and a broader participation of minorities in the workforce. Additionally, the Organization will intensify its work with allies from the value chain to make sure that suppliers, contractors and customers also incorporate practices in this regard.

Grupo Nutresa will continue to work on the training, empowerment and development of leaders so that they become the main promoters of a culture that values diversity in all its forms, and it will also continue to promote participation and discussion mechanisms with both employees and third parties in order to identify improvement opportunities. Another important challenge is to maintain the relevance of the complaints and reporting channels and mechanisms, and to encourage employees to use them, which will demonstrate the effectiveness of the strategies and the trust with regard to the management of said mechanisms.

Success stories and acknowledgments **GRI 103-3**

The Government Secretariat of People with Disabilities from São Paulo, Brazil, **awarded the "Organizational Culture" category accolade to Colcafé** within the framework of successful global practices.



The company Sodexo presented an acknowledgment to the Biscuits, Chocolates, Coffee and Cold Cuts Businesses for allowing the **hiring of demobilized and re-integrated ex-militants from armed groups in their companies** through the "Soluciones" (Solutions) program since 2006.

DEVELOPMENT OF CAPABILITIES AND EDUCATION

Purpose

Promoting the empowerment of communities through the development of pedagogic, leadership and management capabilities in both school and community environments with the purpose of encouraging solidarity, knowledge transfer and collaboration networks with the participation of volunteers from Grupo Nutresa's companies in an effort to reduce inequality.

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Developing capabilities in the value chain.</p>	<ul style="list-style-type: none"> » 2.500 suppliers and customers were trained in social and business topics. » Pilot activities were launched to explore six inclusive businesses in Chile, Colombia, Mexico and Ecuador. » 100 rural producers received training in the field of digital citizenship.
<p>Strengthening the school management and promoting education-related alliances.</p>	<ul style="list-style-type: none"> » Teachers and academic directors from 494 Colombian schools participated in training activities which allowed to improve the school management and the institutional culture. » 73,9% of the schools that were intervened with the "Líderes Siglo XXI" program in 2016 exhibited a satisfactory performance in the countrywide standardized tests and 71% maintained or improved the results in the Synthetic Index of Education Quality from the Ministry of National Education.
<p>Fostering the technological capabilities of teachers and academic directors.</p>	<ul style="list-style-type: none"> » The technological capabilities of 459 teachers and 59 academic directors from 20 schools were developed. » 89,8% of the beneficiaries achieved an optimal level of performance in technological competitions.
<p>Strengthening Grupo Nutresa's volunteer network.</p>	<ul style="list-style-type: none"> » 11.862 volunteers contribute to improving the life conditions of the communities through 19.546 supportive actions.

Risks and opportunities

GRI 103-1

As a strategy for consolidating a favorable social and economic environment to develop the businesses and reduce inequality Grupo Nutresa implements long-term initiatives that facilitates the social cohesion and improvement of life conditions in the communities in order to mitigate the risks of low competitiveness among the human capital and insecurity in the strategic region where it operates.

Investing in education programs, income generation and voluntary service allows to create a strengthened social capital capable of efficiently addressing the inherent risks of poverty and inequality in the economic and social setting. Promoting the development of capabilities is equivalent to investing in the countries' human capital and to boosting their economies, as it ensures the availability of competitive, participative and innovative people.

The end of the Colombian armed conflict is a first step in the construction of a country in peace which is the responsibility of the entire society. For that purpose Grupo Nutresa is getting prepared in aspects such as diversity management, conflict resolution, human rights and the promotion of inclusive projects which are necessary capabilities for the new challenges that Colombia faces.





Success stories and acknowledgments GRI 103-3

As a successful case it is worth highlighting Grupo Nutresa's participation in the 24th IAVE World Volunteer Conference in Mexico City where the corporate volunteer service strategy was presented taking it thus to a worldwide scenario.

Outlook

Grupo Nutresa will continue to align its management with the Sustainable Development Goals established by the United Nations; at the same time it will stimulate the initiatives that promote the reduction of inequality and provide opportunities to the disadvantaged population.

Additionally, the organisation will face the social challenges and promote the development of capabilities that allow to build a sustainable society. And for this purpose, the following goals have been established for 2020:

Number of capability-development projects		INDICATOR 1.000
 Nutrition	<ul style="list-style-type: none"> » Banks implemented Good Manufacturing Practices » Education institutions with healthy lifestyles » Number of Education Secretariats trained in the healthy lifestyles strategy » Projects funded with development of capabilities 	120
 Education	<ul style="list-style-type: none"> » Education institutions graduated that have complied with at least two of the capability-development indicators » Teachers with a 70% or higher performance in an information and communications technologies competition » Education institutions improved the performance. » Projects funded with development of capabilities 	763
 Income generation	<ul style="list-style-type: none"> » Associations strengthened » Number of inclusive businesses implemented in Grupo Nutresa » Projects funded with development of capabilities 	87
 Volunteering	<ul style="list-style-type: none"> » Knowledge transfer volunteer service 	30

FOOD SECURITY AND NUTRITION

Purpose

Designing and undertaking initiatives focused on the eradication of hunger that create possibilities for nutrition and development capabilities related to healthy habits such as a balanced diet, effective hygiene and physical activity practices in low-income populations. Additionally, promoting the access to and production of food products by means of community vegetable gardens is another purpose of the organization.

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Consolidating alliances in relation to the embracement of healthy lifestyles.</p>	<ul style="list-style-type: none"> » Progress was made in the application of the "CAP" evaluation (knowledge, attitudes and practices) in 20 education institutions. » Alliances were established with social and private-sector organizations to promote urban agriculture and create opportunities of self-consumption of vegetables, benefiting more than 672 families. » An alliance was consolidated with the National Institute of Public Health of Mexico with the purpose of implementing the Healthy Lifestyles Strategy in Ciudad Juárez.
<p>Implementing the Rural Nourishment Plan in farm-worker communities in Colombia.</p>	<ul style="list-style-type: none"> » Seven rural nourishment systems were established, allowing the communities to have access to healthy and nutritious food products. » A water quality analysis was performed in 15 associations that produce cocoa beans, cashew nuts and sesame seeds in the Montes de María and northern Chocó regions. Additionally, the members of these associations received training and education in the adequate use of this essential resource.
<p>Reducing the loss and waste of food products in Grupo Nutresa's companies</p>	<ul style="list-style-type: none"> » Grupo Nutresa's loss and waste reduction policy was designed in accordance with the guidelines issued by the Food and Agriculture Organization (FAO) of the United Nations. » 12 food banks achieved scores higher than 90% in the application of the PHS (abbreviation in Spanish for Hygienic-Sanitary Profile) in Colombia and three more scored higher than 60% in the strategic region.

Risks and Opportunities **GRI 103-1**

Grupo Nutresa aligns its strategic priorities with the Sustainable Development Goals (SDGs) established by the United Nations, which is why the Organization defined an internal policy that contributes to achieving the "Zero Hunger" goal and is also focused on the indicator that consists in reducing food loss and waste by half for 2030. This initiative is aimed at mitigating the food loss and waste risks and the low food security conditions that limit the sustainable development of the communities where Grupo Nutresa operates.

Moreover, the development of capabilities in the food banks continues to be a relevant aspect for the organisation, as it ensures quality in the food handling processes, as well as in the sustainability of the food banks. Therefore, the relationship with these organisations has evolved, turning into alliances to work in an articulated way on closing gaps and developing innovative projects focused on healthy lifestyles and food security.

The conditions of malnutrition and obesity in the strategic region where Grupo Nutresa's companies operate are still a risk for the socioeconomic development and limit the possibility of finding competitive human capital, which in turn affects the Organization's sustainability.

Success stories and acknowledgments

GRI 103-3

It is worth highlighting the progress made in the **GERMINAR** program, a strategy aimed at base-level suppliers for them to improve their quality of life through the access and exchange of food products. 500 people were benefited by means of technical training and support programs for the creation and sustainable management of 0,5 hectares of home vegetable gardens and the balanced preparation of food.

Through an alliance with Universidad de Antioquia, Fundación Nutresa developed its **first didactic booklet for the promotion of healthy lifestyles among children from high social risk rural areas**. This tool is distributed within the

Outlook

The Organization will continue to lead strategies focused on reducing loss and waste in the manufacturing and commercialization processes of the products from all Businesses. For such a purpose, the internal loss and waste management policy will be strengthened by expanding its scope, and guidelines will be provided in order ensure the adequate handling and management of food.

The nutrition initiatives will continue to contribute to the fulfillment of SDG2 "Zero Hunger" through the implementation of nourishment systems and the promotion of urban and rural self-consumption. The challenge for 2017 will be to achieve the installation of more than 5.000 m2 of vegetable gardens in Montes de María, Chocó y Sierra Nevada de Santa Marta. Additionally, in the short term, the Organization will continue to implement the rural nourishment plan so that the benefited communities not only obtain the food products, but also learn their properties and ensure a balanced diet for their members, supplemented with physical activity and key hygiene practices.

The public-private alliances will be reinforced with food banks and other organizations in order to develop high-impact initiatives that benefit vulnerable communities.



Arhuaco people community in the Sierra Nevada de Santa Marta, where GERMINAR develops its sowing activities for the economic, social and environmental growth of different Colombian regions.

framework of the **"Nutresa Quiere a los Niños en Colombia"** program, and it promotes the embracement of healthy lifestyles such as a balanced diet, physical activity, key hygiene practices and sharing as a family.

REDUCING THE ENVIRONMENTAL IMPACT OF THE OPERATIONS AND PRODUCTS

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



**A FUTURE
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WATER RESOURCE MANAGEMENT

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Optimizing water consumption.</p>	<ul style="list-style-type: none"> » In Colombia, the Organization developed several projects that allowed achieving a reduction of 4,83% in the consumption of water per ton produced in comparison to 2015, and an accrued reduction of 25,8% since 2010. » In the cases of Mexico, Costa Rica, Peru and Chile, a 7,4% reduction was achieved with regard to 2015. » Water-current recovery processes were optimized in Colombia, achieving a reuse level of 10,87%, which is equivalent to 149.286 m³.
<p>Reducing the impact on the water resources by means of the adequate management of water disposals.</p>	<ul style="list-style-type: none"> » The Cold Cuts, Ice Cream and Chocolates Businesses worked on the establishment and optimization of their wastewater treatment plants, investing a total of COP 5,7 billion.
<p>Managing the water resources in the value chain.</p>	<ul style="list-style-type: none"> » The Organization worked jointly with the World Wildlife Fund and with the Cuenca Verde water fund on water protection activities and on the reduction of the impacts across the entire supply chain. » 382 contractors and suppliers were evaluated to verify aspects related to the sustainability of the water resources, among other environmental matters.
<p>Knowing and assessing the water-related risks in the operations.</p>	<ul style="list-style-type: none"> » Grupo Nutresa assessed the water-related risks with regard to its operations in Colombia, Mexico, Costa Rica, Peru and Chile. The assessment covered the biophysical, regulatory and reputational risks.
<p>Consolidating the model for establishing the real price of water.</p>	<ul style="list-style-type: none"> » The Organization implemented the model for assessing the hydrological eco-efficiency initiatives, which will be applied to the financial assessment of projects.

Risks and opportunities **GRI 103-1**

The World Economic Forum ranked the water-related risk as the third with the highest global impact for 2016, warning that climate change increased the probability of modifications on rainfall cycles, extreme events and, therefore, on the safety of food production. It is estimated that by 2030, the demand for water will exceed the sustainable offer by 40%. Faced with this perspective, Grupo Nutresa proactively works on establishing a water-resource sustainability culture in its direct operations, in which it has the goal of reducing consumption by 30%, and it also works on the formulation of a management framework that involves agents from its value chain.

Within the management framework, the water-related risk assessment model consolidated by Grupo Nutresa in 2016 included biophysical,

regulatory and reputational aspects. The objective consists in achieving that all production plants or operations know their specific risks and design action plans for mitigating those with the highest impact. This model calculates a risk factor, which is in turn used in the real price model that promotes the sustainability of this valuable resource.

Although the water-related risk is an important challenge, Grupo Nutresa trusts that the alliances with its stakeholders generate a positive influence in the conservation of water for the communities and direct operations, both in the short and long term. Moreover, the water-consumption reduction in the processes can also generate efficiency in the productivity and operational savings.



Wastewater treatment plant, Colcafé Medellín.

Outlook

Grupo Nutresa recognizes the importance of the water resources for life in the planet, the well-being of the ecosystems and food safety. The Organization is also aware of the important role that companies play in the fulfillment of the Sustainable Development Goals, which propose objectives related to the efficient use and conservation of water.

The water-resource management framework for the next years will comprise internal and external actions focused on promoting sustainable water consumption in the operations, communities and by the stakeholders.

The production plants will continue to implement the necessary measures to reduce water consumption per ton produced by 30% with regard to the 2010 consumption. Grupo Nutresa will develop the necessary technology not only to comply with the water disposal regulations, but to become a leader in terms of reuse and zero water disposal practices in all possible cases. In 2017, the Organization will start the plans for the mitigation of the identified risks, as well as the implementation of the model that allows assessing water-related risks and establishing the real price of water as part of the methodology for the prioritization of resources allocated to capital investments.

In the value chain, work will be carried out in specific projects for the sustainability of water resources as a fundamental component of the main raw materials.

As part of Grupo Nutresa's commitment to the communities and stakeholders, both the communication and transfer of policies and successful practices will be strengthened, and the number of alliances with organizations and stakeholders will be increased with the purpose of working jointly for a sustainable management of the water resources.

Success stories and acknowledgments

GRI 103-3

The Farallones coffee processing central plant, a project developed by the Andes Coffee Growers Cooperative and the Coffee Business, has allowed the coffee farmers to perform the coffee pulp-removal, washing and drying processes with a water-consumption reduction of 90%, going from approximately 35 liters to only 4 liters per kilogram of dry coffee.

**Goal for 2020:
Reducing by**

30%

**the water
consumption
per Ton.**

ENERGY

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Reducing the energy intensity of the operations.</p>	<ul style="list-style-type: none"> » The Organization achieved an accumulated reduction of 17,1% in energy consumption –kWh/t.p.– (thermal energy from non-renewable sources and electric power) for the 2010–2016 term in Colombia. » The energy efficiency (kWh/t.p.) decreased 0,8% in comparison to 2015 due to climate phenomena and problems in the hydraulic and thermal power generation infrastructure in Colombia.
<p>Reducing the use of electric power in the operations.</p>	<ul style="list-style-type: none"> » The electric energy consumption indicator (kWh/t.p.) decreased 1,1% with respect to 2015 and, for the 2010–2016 term, the accumulated reduction was 10,4%.
<p>Reducing the use of thermal energy from non-renewable sources in the operations.</p>	<ul style="list-style-type: none"> » The usage indicator for thermal energy from non-renewable sources (fossil fuels) (kWh/t.p.) increased 1,7% in relation to 2015. » For the 2010–2016 term, the decrease in the indicator for thermal energy from non-renewable sources (kWh/t.p.) was 20,0%.
<p>Increasing the use of renewable energy sources.</p>	<ul style="list-style-type: none"> » The use of cleaner energies (natural gas, electric power and biomass) was maintained close to 99,0% of the energy consumption. » Energy generation through biomass in the operations in Colombia, Chile, Mexico and Costa Rica represented 23,1% of the total energy consumption, with a growth of 36,2% in comparison to the past year. » The Organization started a project that consists in using renewable energy in the most important operation of the Chocolates Business in Colombia by means of solar panels, which represents approximately 4,7% of its energy supply and reduces its electric energy consumption by 17%.

Risks and opportunities **GRI 103-1**

Grupo Nutresa could be exposed to financial, operational and reputation impacts caused by the variability in the prices of fossil fuels around the world, the possible temporal or permanent shortage conditions of some of them, and the climate phenomena that compromise the supply of electric power generated through conventional methods (hydroelectric and thermal power stations) and increases the interest in renewable energies.

Aware of these challenges, the Organization focuses on seeking a higher energy efficiency by means of the use of cleaner fuels, energies with a lesser environmental impact and energy self-supply alternatives, and by incorporating new technologies

that contribute to the reduction of the energy intensity.

In 2016, several climate phenomena and fuel price variability occurred, causing risk situations related to the energy supply and the shortage of

electric power. These situations drove the Organization to look for other negotiation alternatives for the purchase of electric power produced exclusively from renewable sources like hydro-power and wind power.



Colcafé employee controlling the steam generator that uses biomass from the soluble coffee process.

Outlook

The Organization's response to the energy challenges is based on the establishment of defying goals for 2020, such as:

1. A **25% reduction in the energy consumption** per tonne produced.
2. Achieving that **100% of the energy supply comes from cleaner energies.**

Grupo Nutresa's businesses have established plans for 2020 in order to achieve an energy consumption reduction by means of projects focused on new technologies, equipment upgrade and energy audits that allow to reduce the dependence on thermal energy from non-renewable sources, increasing the Organization's share in alternative energies and, consequently, decreasing the greenhouse gas emissions.

The Organization will continue to promote the implementation of the energy efficiency principles in the logistic process, the incorporation of low energy consumption technologies in the new distribution warehouses, the exploration of transport projects using a more efficient fleet and/or vehicles powered by cleaner energies, driver training on energy efficiency practices, and the promotion of diverse alternatives of sustainable mobility among all the employees.



Success stories and acknowledgments

GRI 103-3

The Chocolates Business furthered a project to acquire electric power from photovoltaic solar panels that will be installed at its main production plant in Colombia. An electric power supply contract was signed with a third party who is also in charge of constructing and maintaining the infrastructure, which will provide 300.000 kWh of clean energy per month, equivalent to 17% of this plant's energy consumption. Thus, 5,5% of electric power will be obtained using solar energy in said operation.

Tresmontes Lucchetti's powdered beverage production plant in Chile started a process of technological overhaul, equipment replacement and internal energy distribution process standardization that allowed to save 110.844 kWh year and contributed to the reduction of 3,2% of the total energy consumption.

Control room, Compañía de Galletas Noel production plant, Medellín.

CLIMATE CHANGE

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Reducing the emission of greenhouse gases.</p>	<ul style="list-style-type: none"> » A reduction of 5,5% was achieved, with which an accrued decrease of 21% was totaled for the 2010-2016 term.
<p>Ensuring the use of cleaner fuels in all the operations and venture into the use of green or renewable energy sources.</p>	<ul style="list-style-type: none"> » The Organization will continue to use biomass, which represents 23,1% of the energy offer in Colombia, Costa Rica, Mexico, Peru and Chile, which is equivalent to neutral carbon emissions that amount to 64.077 tons of CO₂eq.
<p>Mitigating the impact of the products on the climate during their entire life cycle.</p>	<ul style="list-style-type: none"> » Progress was made in the update of the measurement and certification of the carbon footprint for several products from the Tosh brand. » The "Carbon Neutral" certification of Tresmontes Lucchetti's line of products Livean and Zuko was maintained in Chile, as well as the renewal of its neutralization.
<p>Consolidating the model for establishing the price of carbon to incorporate it into the project assessments in terms of eco-efficiency and greenhouse gases.</p>	<ul style="list-style-type: none"> » The Organization defined the methodology for calculating the price of carbon, determining it is COP 18.000/ton of CO₂eq, in order to apply it in the financial valuation of the environmental investments.

Risks and opportunities

GRI 103-1

Grupo Nutresa's climate change policy identifies and estimates the effects that the physical, financial, regulatory, market-access and changing consumer preference risks could cause on the Organization and its value chain.

The risks associated with climate change pose threats to the Organization's financial performance due to the rise in the planet's temperature, the constant climate variations and the meteorological phenomena that affect the availability of resources, which in turn motivates the governments to respond with laws that regulate emissions.

In 2016, the Colombian Ministry of Finance included in the tax reform a green tax or tax on carbon from fossil fuels, which additionally to promoting its efficient use, it promotes the use of low-carbon energy alternatives and the reduction of energy consumption and greenhouse gas emissions. This tax will come into force in 2017.

In the United States, there already are emission transaction models in development. Mexico has a governmental carbon-price initiative, and Chile expects to adopt a similar initiative between 2017 and 2018.

The vulnerability conditions tied to the availability of sources of energy and raw materials have already been included in the risk management plan with the purpose of determining to what extent the changes in the climate, physical and social parameters require value chain adaptation actions.

Goal for 2020: reducing by

33% CO₂ eq/per Ton.



Yariguíes plantation. Santander, Colombia.

Outlook

Grupo Nutresa will continue to work on reducing its greenhouse gas emissions by optimizing and improving the operations, implementing clean technologies and fuels, using renewable energy alternatives, investing in internal-efficiency initiatives and compensating the carbon emissions of the products.

The update to the inventory and the measurement of greenhouse gases will be maintained for the industrial and logistical operations, which will allow to establish specific improvement actions for the mitigation of and adaptation to climate change by the Organization.

The climate change risk analysis will be strengthened, as well as

the assessment of the financial risk and the implementation of measures, deadlines and estimated costs related to the actions that should be carried out in those zones that could suffer climate change effects and/or water shortage, which in turn could threaten the operations.

The Organization will continue to develop brand projects and strategies focused on achieving "Carbon Neutral" products and/or processes, such as those of the Tosh brand in Colombia and Costa Rica.

Lastly, Grupo Nutresa will continue to explore energy supply initiatives that reduce climate-related impacts.

Success stories and acknowledgments GRI 103-3

In the **Ice Cream Business**, an aspect worth highlighting is the progressive replacement of commercial refrigeration equipment that use R134a refrigerants with environmentally friendly equipment that use R290 refrigerants. This action has allowed an emission reduction of 861 tons of CO₂eq/year (Scope 3).

Another milestone worth highlighting, in the case of the **Chocolates Business** in Costa Rica, is the replacement of a cauldron that uses fossil fuels with a state-of-the-art cauldron that uses biomass as fuel (wood pellets from sawmill waste that is considered to produce neutral emissions). This action allowed to achieve a reduction of 300 tons of CO₂eq/year.

PACKAGING AND POST-CONSUMPTION

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Consolidating the sustainable packaging policy by promoting the use of closed-cycle materials.</p>	<p>» 74% of the tons of packaging material purchased in 2016 corresponds to closed-cycle materials (corrugated cardboard, glass and tin).</p>
<p>Continuing to develop the strategy focused on the eco-design of wrappers and packaging in the operations.</p>	<p>» A reduction of 222 tons of packaging materials was achieved with the DTV methodology (design to create value), accumulating a total reduction of 707 tons over the past four years of implementation.</p>
<p>Reducing the consumption of packaging material per ton produced.</p>	<p>» A 5.4% decrease was achieved from 2010 to 2016, and optimization opportunities were identified in several material categories.</p>
<p>Designing and implementing a cycle-closing pilot plan for post-industrial flexible packaging materials.</p>	<p>» The Organization worked jointly with an ally that incorporates difficult-recyclability materials into the manufacturing process of furniture with plastic wood. Along with Fundación Nutresa, a plan was designed to supply said furniture to the public schools that are part of the Healthy Lifestyles program.</p>
<p>Evaluate alternatives for the management and closing of the life cycle of the post-consumption packaging materials.</p>	<p>» An innovative challenge was launched for Grupo Nutresa's employees with the purpose of finding cycle-closing alternatives for the post-consumption flexible packaging materials.</p>

Risks and opportunities **GRI 103-1**

The adequate management of the wrappers before, during and after the productive cycle is a relevant matter for Grupo Nutresa due to the large volumes of materials discarded once the products are consumed and disposed of.

In a highly competitive setting such as the one where the Organization operates, which is marked by changes in the preferences of the consumers towards products with a life cycle that represents a lesser impact on the environment, the development of packaging alternatives with a lesser environmental impact can become an opportunity to achieve a high level of differentiation and to add reputational value, which can in turn facilitate the access of its brands to more developed and aware markets in terms of environmental aspects.

Accordingly, in the strategic region where Grupo Nutresa operates, regulations are currently being established regarding the producers' extended responsibility. This matter implies that post-consumption material recuperation quotas could eventually be demanded, which will require the construction of packaging collection, reverse logistics and recycling systems, and it could be even necessary to rethink and innovate alternatives that require a lower consumption of packaging materials.

However, several opportunities have arisen for the Company in relation to this matter due to the eco-design strategies it has been implementing, which cause a decrease in the consumption of packaging materials through the reduction of material thickness and dimensions, and through a higher efficiency in the industrial processes, generating thus a better environmental performance of the products and savings through cost reduction.

Outlook

The changes in the consumption preferences have driven the food industry to offer its products in smaller servings and/or in more complex presentations, which increases the amount of packaging materials. Due to the foregoing and responding to the market needs, Grupo Nutresa faces the challenge of looking for packaging solutions that offer environmentally friendlier features while protecting the products in accordance with the required standards. In the immediate future, this could have an impact in technical terms, as there is a low feasibility of replacing the packaging materials that have low levels of biodegradability and recyclability with materials that provide a better environmental performance.

The challenge faced by the Organization is to continue with the implementation of its Sustainable Packaging policy while it makes progress in the achievement of its goal for 2020 of reducing its consumption of packaging materials per ton produced by 12%. Furthermore, the challenges for the coming years will be to strengthen the processes regarding eco-design, packaging material consumption reduction and, in general, the implementation of the aforementioned policy in its operations outside Colombia.

Goal for 2020: **-12%**
packaging material /per Ton produced based on 2010 baseline.

Success stories and acknowledgments **GRI 103-3**

As a successful case, it is worth highlighting the **replacement of 185 tons of traditional paperboard from foldable boxes used for various products from the Chocolates and Biscuits Businesses** with *EarthPact* paperboard, which is fully manufactured with sugar cane bagasse, and it is recyclable, biodegradable and fluorochemical-free.

Another successful case is the **replacement of the rigid PVC plastic containers with bags and micro-corrugated cardboard** for the sweet boxes of the Chocolates Business in Mexico. PVC is a low-recyclability material that can produce a high environmental impact if it is not adequately disposed of. With this replacement, 48 tons of packaging materials are no longer being disposed of because a lighter material with a closed recycling cycle is used instead.



Compañía Nacional de Chocolates employees, Rionegro production plant.

WASTE MANAGEMENT

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
<p>Reducing the waste generated in Grupo Nutresa's operations.</p>	<p>» For the 2010-2016 term, the Organization achieved a 6,3% reduction in waste generation. The indicator did not exhibited an improvement with regard to the previous year, but it is still over the established overall goal.</p>
<p>Decreasing the generation of ordinary waste.</p>	<p>» The ordinary waste that is sent to the landfill was reduced by 1,76% with regard to the operations in Colombia and by 3,3% for Grupo Nutresa in general in comparison to the previous year. This actions contributed to reducing the costs related to the management and final disposal of that type of waste.</p>
<p>Increasing the recovery percentage of the waste generated.</p>	<p>» The waste recovery level was increased and the goal established for 2020 was achieved with a percentage of 90,1% in the indicator for the solid waste generated in the operations in Colombia. This represents a 0,6% improvement in relation to the previous year and an 11,3% improvement for the 2010-2016 term.</p>

Risks and opportunities **GRI 103-1**

One of Grupo Nutresa's challenges consists in decreasing waste generation, which is in turn related to the loss of raw materials in the diverse processes, the start of operation of treatment plants that produce sludge whose final disposal is highly complex, and the high long-term investments required. These facts highlight the need to make changes in the thought and planning structures of the people in charge of the processes aimed at ensuring that said practice can be set in motion.

Moreover, the Organization faces stronger restrictions with regard to the final disposal of solid waste. In the case of Colombia, 38% of the landfills have an estimated service life of less than three years. In other countries from the strategic region such as Peru, Mexico and Costa Rica, the situation is very similar.

Additionally, it is necessary to consider the need to extend the life cycles of the products, which is driving several countries where Grupo Nutresa operates to establish stricter regulations in this regard. In Colombia, for instance, a solid waste management policy was implemented by the end of 2016 with the aim of adapting the circular economy principles to the waste management in the country. This policy will be the basis for the definition of regulations that will require the organizations to manage their own waste, not only in their direct operations but also across the entire value chain.

Outlook

Grupo Nutresa has established two corporate goals in relation to solid waste management: the first one consists in reducing waste generation by 20%, and the second one is focused on ensuring a 90% recovery of the waste generated.

In order to achieve these goals, the Organization will continue to strengthen the environmental culture in its companies, contributing thus to the incorporation of good practices and to the implementation of a circular economy vision that promotes in turn a continuous improvement, the preventive maintenance of equipment, the search for excellence in the operating procedures and the optimization of the inventories of raw materials.

Additionally, Grupo Nutresa will continue to reinforce the comprehensive waste management systems in the industrial, logistics and commercial operations, and it will identify work opportunities with suppliers that help to reduce waste generation in the operation.

Finally, the Organization will build synergies among the businesses that privilege the reuse and the closed cycle of materials in their operations, and it will endeavor to execute new projects focused on a high technological development such as the energy assessment of waste.

Success stories and acknowledgments **GRI 103-3**

As a case of success, it is worth highlighting the initiative from the Chocolates Business in Peru, which consists in recovering 12.790 kg of laminate material and 12.510 kg of cardboard that were commercialized later for roof manufacturing, preventing these materials from ending up in the landfill. This practice allowed to increase between 4% and 7% the recovery of the waste generated.

The production plant of the Ice Cream Business in Bogotá achieved the reuse of non-recoverable material in the products *Paleta Casera Coco* and *Artesanal Cocada*. This innovation allowed to recover 19.200 kg of cream, generating an economic benefit of COP 34 million per year, and eliminating the management and disposal costs for this waste product.



Goal for 2020:

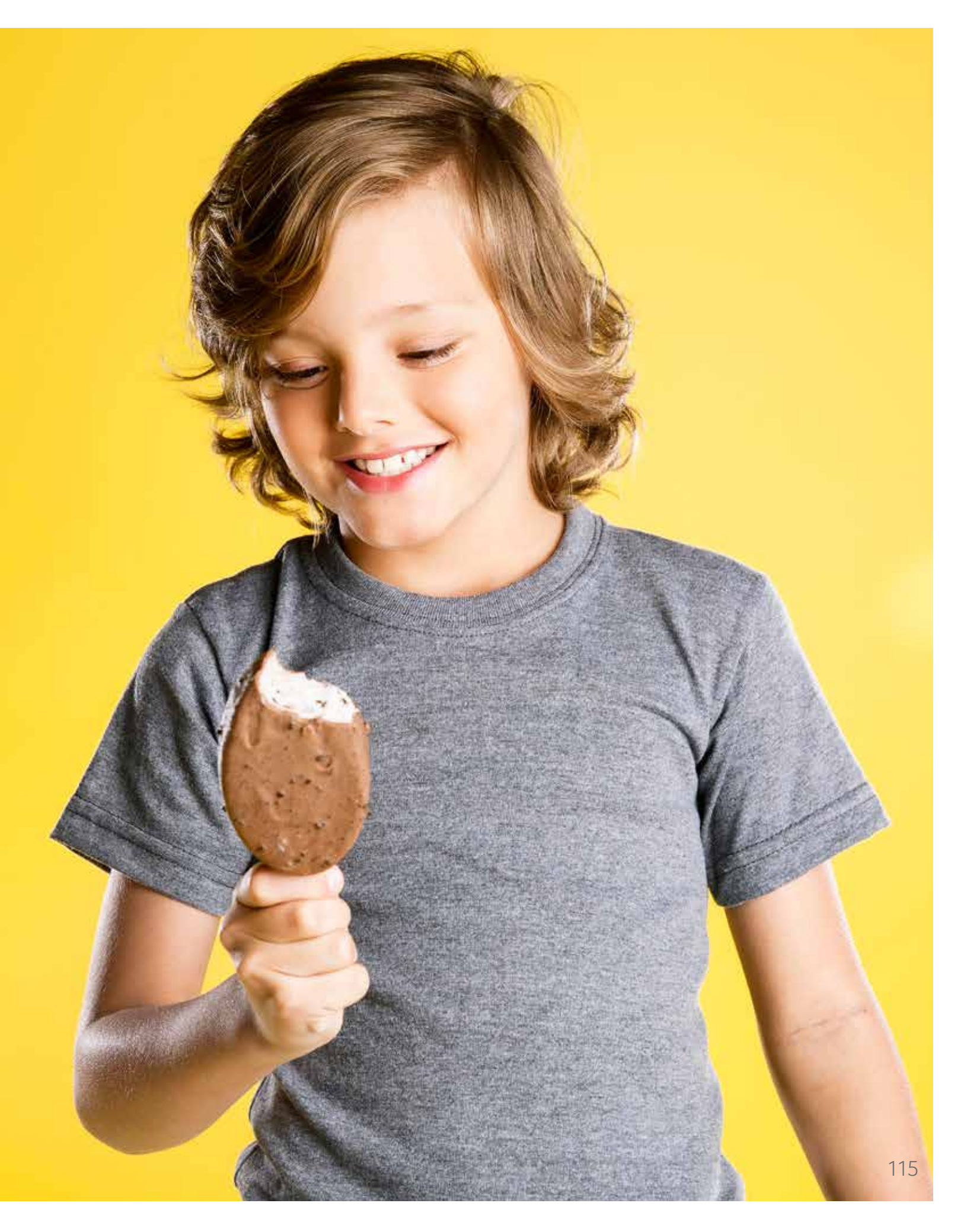
90%
waste recovery

Meals de Colombia production employee, Bogotá production plant.

FINANCIAL STATEMENTS



**A FUTURE
TOGETHER**



Cosolidated financial staments

Statutory Auditor's Report

TO THE SHAREHOLDERS' OF GRUPO NUTRESA S. A.

February 27, 2017



I have audited the accompanying consolidated financial statements of Grupo Nutresa S. A., at December 31, 2016, comprising the statement of financial position, comprehensive income statements, of changes in the Shareholders' equity, and of cash flows for the year then ended, as well as the summary of the main accounting policies and other explanatory notes.

Management's Responsibility on the Financial Statements

The management is responsible for the appropriate preparation and presentation of these financials statements in conformity with the accounting and financial reporting standards accepted in Colombia and the internal control considered by the management as relevant for the preparation of these financial statements to be free of material misstatements whether due to fraud or error.

Auditor's Responsibility

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

An audit involves developing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements due to fraud or error. In making those risk assessments, the auditor considers Company's internal control relevant for the preparation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes assessing the appropriateness of accounting policies used and reasonableness of accounting estimates made by the management, as well as assessing the overall presentation of the financial statements.

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

TO THE SHAREHOLDERS' OF GRUPO NUTRESA S. A.

February 27, 2017

Opinion

In my opinion, the accompanying consolidated financial statements, present fairly, in all significant aspects, the financial position of Grupo Nutresa S. A. at December 31, 2016, and the results of its operations and cash flows for the year then ended, in conformity with the accounting and financial reporting standards accepted in Colombia.

Other Matters

The consolidated financial statements of the Company for the year ended on December 31, 2015 were audited by me by applying the audit standards generally accepted in Colombia in force at that date. I expressed an unqualified opinion thereon in my report dated February 26, 2016. Regarding this matter my opinion is unqualified.



Bibiana Moreno Vásquez

Statutory Auditor

Professional Card No. 167200-T

Member of PricewaterhouseCoopers Ltda.

Certification of the Financial Statements

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

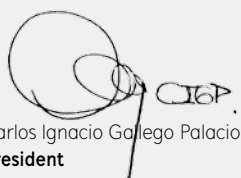
CERTIFY:

24 of February of 2017

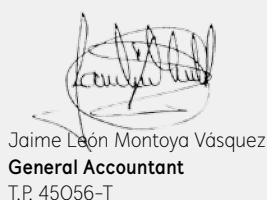
We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31, 2016 and 2015, according to, the regulations, and the same that have been faithfully taken, from the Financial Statements of the Parent Company, and its subsidiaries, duly certified and audited.

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

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



Carlos Ignacio Gallego Palacio
President



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

Certification of the Financial Statements Law 964 of 2005

**Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellín**

THE UNDERSIGNED LEGAL REPRESENTATIVE OF GRUPO NUTRESA S.A.


CERTIFIES:

24 of February of 2017

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2016 and 2015, do not contain any defects, differences, inaccuracies, or errors that impede the knowledge of the true and fair presentation, of the financial situation, of the same.

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

And is signed, as a record, on the 24th day of the month of February of 2017.


Carlos Ignacio Gallego Palacio
President


Statement of Financial Position


At December 31st of 2016 and 2015 (values expressed in millions of Colombian pesos)

	Notas	2016	2015
ASSETS			
Current assets			
Cash and cash equivalents	8	\$ 219.322	\$ 286.064
Trade and other receivables	9	889.197	878.280
Inventories	10	1.028.417	1.032.969
Biological assets	11	75.677	53.119
Other current assets	12	246.832	220.762
Non-current assets held for sale	13	100.330	71.679
Total current assets		\$ 2.559.775	\$ 2.542.873
Non-current assets			
Trade and other receivables	9	23.495	26.729
Biological assets	11	7.433	5.699
Investments in associates and joint ventures	19	164.510	109.021
Other financial non-current assets	20	3.885.206	3.418.149
Property, plant and equipment, net	14	3.383.513	3.383.722
Investment properties	15	71.842	82.393
Goodwill	16	2.034.454	2.033.403
Other intangible assets	17	1.163.671	1.179.957
Deferred tax assets	18.4	356.994	355.461
Other assets	12	48.661	40.645
Total non-current assets		\$ 11.139.779	\$ 10.635.179
TOTAL ASSETS		\$ 13.699.554	\$ 13.178.052
LIABILITIES			
Current liabilities			
Financial obligations	21	847.689	1.059.660
Trade and other payables	22	888.840	825.435
Income tax and income tax payable	18.2	163.362	172.323
Employee benefits liabilities	23	161.592	160.628
Current provisions	24	2.734	4.415
Other liabilities	25	49.746	26.641
Total current liabilities		\$ 2.113.963	\$ 2.249.102
Non-current liabilities			
Financial obligations	21	2.277.429	2.034.604
Trade and other payables	22	158	159
Employee benefits liabilities	23	216.744	211.533
Deferred tax liabilities	18.4	705.700	727.692
Other liabilities	25	600	-
Total non-current liabilities		\$ 3.200.631	\$ 2.973.988
TOTAL LIABILITIES		\$ 5.314.594	\$ 5.223.090
SHAREHOLDER EQUITY			
Share capital issued	27.1	2.301	2.301
Paid-in-capital	27.1	546.832	546.832
Reserves	27.2	3.655.280	1.859.537
Other comprehensive income, accumulated	28	3.746.572	3.569.478
Retained earnings		-	1.514.303
Earnings for the period		395.734	428.152
Equity attributable to the controlling interest		\$ 8.346.719	\$ 7.920.603
Non-controlling interest	27.4	38.241	34.359
TOTAL SHAREHOLDER EQUITY		\$ 8.384.960	\$ 7.954.962
TOTAL LIABILITIES AND EQUITY		\$ 13.699.554	\$ 13.178.052

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


 Carlos Ignacio Galego Palacio
President
 (See attached certification)


 Jaime León Montoya Vásquez
General Accountant
 Professional Card No. 45056-T
 (See attached certification)


 Bibiana Moreño Vásquez
Statutory Auditor
 Professional Card No. 167200-T
 Member of PricewaterhouseCoopers Ltda.
 (See attached auditor's report)


Comprehensive Income Statement – Accumulated


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

	Notas	2016	2015
CONTINUING OPERATIONS			
Operating revenue	6	\$ 8.676.640	\$ 7.945.417
Cost of goods sold	30	(4.966.031)	(4.507.166)
Gross profit		\$ 3.710.609	\$ 3.438.251
Administrative expenses	30	(401.100)	(371.810)
Sales expenses	30	(2.384.866)	(2.144.502)
Production expenses	30	(147.694)	(137.446)
Exchange differences on operating assets and liabilities	33.2	15.873	2.619
Other operating income (expenses), net	31	22.149	(4.427)
Operating profit		\$ 814.971	\$ 782.685
Financial income	32.1	10.982	9.828
Financial expenses	32.2	(324.637)	(234.896)
Portfolio dividends	20	50.545	47.016
Exchange differences on non-operating assets and liabilities	33.2	(8.642)	27.181
Loss on net monetary position	29	(32.946)	(32.160)
Share of profit of associates and joint ventures	19	6.103	4.928
Other expenses, net		28.492	(288)
Income before tax and non-controlling interest		\$ 544.868	\$ 604.294
Current income tax	18.3	(172.866)	(183.561)
Deferred income tax	18.3	29.533	16.421
Profit after taxes from continuous operations		\$ 401.535	\$ 437.154
Discontinued operations, after income tax	34	(1.844)	(6.335)
Net profit for the year		\$ 399.691	\$ 430.819
Profit for the period attributable to:			
Controlling interest		\$ 395.734	\$ 428.152
Non-controlling interest	27.4	3.957	2.667
Net profit for the year		\$ 399.691	\$ 430.819
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian Pesos)	35	860.06	930.77
(*) Calculated on 460.123.458 shares, which have not been modified during the period, covered by these Financial Statements.			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit and loss:			
Actuarial gains on defined benefit plans	28.1	\$ (17.390)	\$ 6.727
Equity investments measured at fair value	28.2	395.023	(599.282)
Income tax from items that will not be reclassified	28.1-28.2	5.119	2.791
Total items that are not subsequently reclassified to profit and loss		\$ 382.752	\$ (589.764)
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of associate and joint ventures	28.3	(3.414)	5.939
Exchange differences on translation of foreign operations	28.4	(202.497)	352.864
Deferred income tax from items that will be reclassified	28.3	176	-
Total items that are or may be subsequently reclassified to profit and loss:		\$ (205.735)	\$ 358.803
Other comprehensive income, net taxes		\$ 177.017	\$ (230.961)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ 576.708	\$ 199.858
Total comprehensive income attributable to:			
Controlling interest		\$ 572.828	\$ 195.269
Non-controlling interest		3.880	4.589
TOTAL COMPREHENSIVE INCOME		\$ 576.708	\$ 199.858

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


 Carlos Ignacio Gallego Palacio
 President
 (See attached certification)


 Jaime León Montoya Vásquez
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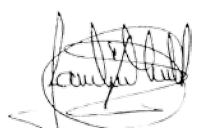
Change in Equity Statement


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

	Share capital- issued	Paid-in-capital	Other reserves	Hyperinflation reserves	Retained earnings	Earnings for the period	Other comprehensive income, accumulated	Total equity attributable to controlling interest	Non-controlling interest	Total
EQUITY AT DECEMBER 31, 2015	2.301	546.832	1.530.407	329.130	1.514.303	428.152	3.569.478	7.920.603	34.359	7.954.962
Profit for the period						395.734		395.734	3.957	399.691
Other comprehensive income for the period							177.094	177.094	(77)	177.017
Comprehensive income for the period	-	-	-	-	-	395.734	177.094	572.828	3.880	576.708
Transfer to accumulated results					428.152	(428.152)		-		-
Cash dividends (Note 27.3 – 27.4)			(6.428)		(222.713)			(229.141)	(441)	(229.582)
Appropriation of reserves			1.762.980		(1.762.980)			-		-
Tax on wealth (Note 18.7)			(21.992)					(21.992)		(21.992)
Revaluation of equity for hyperinflationary economies				67.237				67.237		67.237
Tax on equity (Note 18.2)			37.965					37.965		37.965
Other equity movements			(44.019)		43.238			(781)	443	(338)
EQUITY AT DECEMBER 31, 2016	2.301	546.832	3.258.913	396.367	-	395.734	3.746.572	8.346.719	38.241	8.384.960
EQUITY AT DECEMBER 31, 2014	2.301	546.832	1.400.743	279.827	1.305.618	587.226	3.802.361	7.924.908	29.918	7.954.826
Profit for the period						428.152		428.152	2.667	430.819
Other comprehensive income for the period							(232.883)	(232.883)	1.922	(230.961)
Comprehensive income for the period	-	-	-	-	-	428.152	(232.883)	195.269	4.589	199.858
Transfer to accumulated results					587.226	(587.226)		-		-
Cash dividends (Note 27.3)					(212.577)			(212.577)	(11)	(212.588)
Appropriation of reserves			164.876		(164.876)			-		-
Tax on wealth (Note 18.7)			(24.949)					(24.949)		(24.949)
Business combinations								-	(137)	(137)
Revaluation of equity for hyperinflationary economies				49.303				49.303		49.303
Deferred goodwill taxes (Note 18.4)			(11.035)					(11.035)		(11.035)
Other equity movements			772		(1.088)			(316)		(316)
EQUITY AT DECEMBER 31, 2015	2.301	546.832	1.530.407	329.130	1.514.303	428.152	3.569.478	7.920.603	34.359	7.954.962

The notes are an integral part of the Consolidated Financial Statements


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Cash-flows Statement

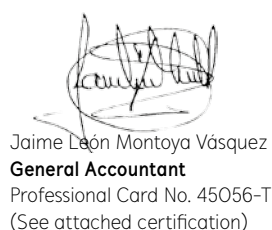
From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from sales of goods and services	\$ 8.630.392	\$ 7.788.191
Payments to suppliers for goods and services	(6.198.605)	(5.640.140)
Payments to and on behalf of employees	(1.429.959)	(1.290.701)
Income taxes and tax on wealth, paid	(221.788)	(222.143)
Other cash inflows/outflows	27.897	(19.669)
Net cash flows from operating activities	\$ 807.937	\$ 615.538
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Payments to third parties for control of subsidiaries	-	(743.401)
Cash and cash equivalents from acquisitions	-	6.353
Decrease of cash and cash equivalents from classification of investments in subsidiaries to financial instruments	(3.179)	-
Purchases of equity of associates and joint ventures	(36.583)	(14.831)
Sales of property, plant and equipment	41.004	9.309
Purchases of property, plant and equipment and assets held for sales	(403.062)	(399.387)
Purchase of intangible assets (Note 17)	(8.108)	(11.208)
Dividends received	49.661	46.142
Interest received	7.221	7.437
Other cash inflows	28.751	19.489
Net cash flows used in investment activities	\$ (324.295)	\$ (1.080.097)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	25.391	738.986
Dividends paid (Note 27.3)	(224.805)	(208.480)
Interest paid	(276.981)	(197.100)
Other financial expenses	(32.409)	(27.487)
Other cash inflows	15.729	12.133
Net cash flows (used in) from financing activities	\$ (493.075)	\$ 318.052
DECREASE IN CASH AND CASH EQUIVALENT FROM OPERATIONS		
Net foreign exchange differences	(57.309)	40.708
Decrease cash and cash equivalents, net	(66.742)	(105.799)
Cash and cash equivalents at the beginning of the period	286.064	391.863
Cash and cash equivalents at the end of the period	\$ 219.322	\$ 286.064

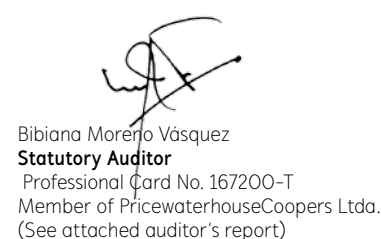
The notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Galego Palacio
President
(See attached certification)



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(See attached certification)



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(See attached auditor's report)

A MESSAGE FROM THE MANAGEMENT AT GRUPO NUTRESA

Grupo Nutresa S.A. is the leader in processed foods in Colombia and one of the most relevant players in this sector in Latin America, with consolidated annual sales of COP 8,7 billion, annually (2016), in 8 Business Units: Cold Cuts, Biscuits, Chocolate, Tresmontes Luchetti (TMLUC), Coffee, Retail Foods, Ice Cream, and Pasta. Grupo Nutresa is a diversified company in terms of geographical reach, products, and supplying.

Our Centennial Strategy is aimed to double our 2013 sales, by 2020, with sustained profitability between 12% and 14% of the EBITDA margin. To achieve this, we offer our consumer, nutrition, as well as, the experience of recognized and beloved brands, that are nutritious, and generate wellness and well-being, and that are distinguished by the best value for price; widely available in our strategic regions, managed by talented, innovative, committed, and responsible people, who contribute to our sustainable development.

The differentiation of our unique business model:

- **Our People:** Human talent is one of our most valuable assets. The cultural platform is supported by the promotion of participatory environments, development of the competences of being and doing, recognition, the building of a leading brand, as well as, a balanced life for our people.
- **Our Brands:** Our Brands are leaders in the markets in which we participate, are recognized, beloved, and are part of people's daily life. They are supported on nutritional and reliable products, with high value at affordable prices.
- **Our Distribution Network:** Our extensive distribution network, differentiated by channels and segments, and with teams of specialized staff, allows us to have our products available, with adequate availability, affording us a close relationship with our clients.

RESULTS 2016

The Organization presented very positive sales dynamics in 2016 in Colombia and abroad. At the consolidated level, the year closed with COP 8,7 trillion in sales, a 9,2% increase over those registered in 2015, and a 8,3% increase excluding the sales of recently acquired companies, for comparison purposes.

In Colombia, sales were COP 5,4 trillion, with a growth of 9,1%. Excluding January and February 2016 Grupo El Corral sales, which are not comparable with those of 2015, growth was of 7,7%; this was made possible by the construction of a differentiated value offer for clients, buyers and consumers, and by the development of distribution networks that allowed us to take our products to more than 405.500 points of sale in Colombia with well-known and beloved brands.

Sales abroad, measured in Colombian Pesos, were 9,4% higher than those registered in December 2015 and amounted to COP 3,3 trillion, representing 38,2% of the total. In Dollars, this equaled USD 1,1 billion, 1,0% lower than those of last year.

Gross profit, COP 3,7 trillion, grew 7,9% over that achieved in 2015 and reflects the combined effect of responsible price management and the increased costs of some raw materials.

The variation in administrative and production expenses, in alignment with the increase of the gross profit, partially counter-balanced the impact of the greater effort required during the year regarding sales expenses, which led to an operating margin of 9,4%.

Net post-operating expenses, for COP 270.103 million, include the increase in the cost of the debt for higher reference-interest rates during 2016.

In terms of profitability, an EBITDA margin on sales of 11,9% is reported during the year, amounting to COP 1,03 trillion, and growing 5,5% over that of 2015. This level is largely explained by the high inflation rates registered during the year, the effect of the devaluation of the currencies, and the El Niño phenomenon in Colombia, which were partially mitigated by responsible price management with a long-term vision of volume protection.

As a result, the consolidated net profit was COP 395.735 million, representing a 4,6% margin on sales.

Assets grew 4,0% and closed at COP 13,7 trillion. This growth is largely due to the higher value of our investments in Grupo Sura and Grupo Argos.

Liabilities increased 1.8%, closing at COP 5.3 trillion, primarily due to the increase of working-capital liabilities, while maintaining the debt at an adequate level according to our moderate financial-risk profile.

Equity closed at COP 8.4 trillion, an increase of 5.4% over the close of 2015.

Our goal is Grupo Nutresa's sustainability and to achieve the objective of creating value in the present, thus maintaining our ability to deliver satisfactory results in the future, always bearing in mind the construction of a better world.

Productivity efforts, the development of distribution networks and innovation were decisive to obtain these results and give us a good base to face 2017 optimistically.

MANAGEMENT MONITORING INDICATORS

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

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

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

	2016	2015
Operating earnings	814.971	782.685
Depreciation and amortization	228.092	200.203
Unrealized exchange differences from operating assets and liabilities	(14.110)	(7.334)
EBITDA (See details by segment, in Note 6.1)	1.028.953	975.554

Table 1

MANAGEMENT OF CAPITAL

The increasing value creation is a fundamental part of the strategic objectives set by the Group. This translates into the active management of the capital structure, which balances the sustained growth of current operations, which requires constant investment in capital expenditures (Capex), and growth through acquisitions of ongoing businesses, which bring economic and strategic value to the Group.

In the allocation of resources, for both investments in fixed assets and acquisitions, the cost of capital (WACC) is used as a reference point to measure added value, relevant to each type of investment, geography, and particular level of risk. In every one of the investments, the goal is to seek a return that exceeds the cost of the capital.

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

Separate financial statements

Statutory Auditor's Report

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

February 27, 2017



I have audited the balance sheet of Grupo Nutresa S. A. at December 31, 2016, and the related statements of comprehensive income statement, of changes in Shareholder equity, and of cash flows, for the year then ended, as well as, the summary of significant accounting policies set forth in Note 3 and other explanatory notes.

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and financial reporting standards accepted in Colombia. Such responsibility includes: Designing, implementing, and maintaining relevant internal control to the preparation and fair presentation of the financial statements that are free of material misstatements whether due to fraud or error; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

My responsibility is to express an opinion about such financial statements based on my audit. I obtained the information necessary to comply with my statutory audit functions and I performed my work in accordance with the auditing standards generally accepted in Colombia. These standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit of financial statements involves, amongst other, performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the statutory auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as assessing the overall presentation of the financial statements. I believe that the audit evidence I obtained provides a reasonable basis for the opinion on the financial statements I express below.

In my opinion, the aforementioned financial statements audited by me, which were faithfully taken from the accounting books, present fairly, in all material respects, the financial position of Grupo Nutresa S. A. at December 31, 2016, and the results of its operations and its cash flows for the year then ended, in accordance with the accounting and financial reporting standards accepted in Colombia.

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

February 27, 2017

Based on the outcome of my audit tests, it is my opinion that:

- a) The Company's accounting records were kept in conformity with legal regulations and accounting technique.
- b) The operations recorded in the books and the acts of the management officials were adjusted to the bylaws and to the decisions of the Shareholders' Meeting.
- c) The correspondence, the accounting vouchers, and the minute's books and share register were properly kept and safeguarded.
- d) Internal control measures and of preservation and custody of the Company's assets and those of third parties in its possession were observed.
- e) Regulations set out in External Circular O62 issued in 2007, by which the Superintendence of Finance established the obligation of implementing mechanisms to prevent and control money laundering and terrorism financing, coming from illicit activities through the stock market, have been complied with.
- f) Due concordance existed between the accompanying financial statements and the management's report. The administrators left support in the management's report of the fact that the free circulation of invoices issued by suppliers or sellers was not interrupted.
- g) The information included in the forms, for self-computation of the contributions to the Integral Social Security System, and particularly the data relating the affiliates and their revenues on which quotations to the system were based, were taken from the accounting records and supporting documents. The Company did not owe payment of overdue contributions to the Integral Social Security System.

**Bibiana Moreno Vásquez**

Statutory Auditor

Professional Card No. 167200-T

Member of PricewaterhouseCoopers Ltda.

Certification of the Financial Statements

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

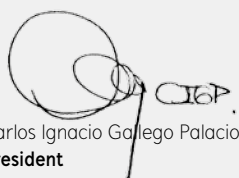
CERTIFY:

24 of February of 2017

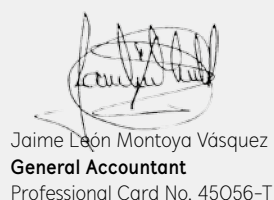
We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31, 2016 and 2015, according to, the regulations, and the same that have been faithfully taken, from the Financial Statements of the Parent Company, and its subsidiaries, duly certified and audited.

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

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



Carlos Ignacio Gallego Palacio
President



Jaime León Montoya Vásquez
General Accountant
Professional Card No. 45056-T

Certification of the Financial Statements Law 964 of 2005

**Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellín**

THE UNDERSIGNED LEGAL REPRESENTATIVE OF GRUPO NUTRESA S.A.

CERTIFIES:

24 of February of 2017

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2016 and 2015, do not contain any defects, differences, inaccuracies, or errors that impede the knowledge of the true and fair presentation, of the financial situation, of the same.

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

And is signed, as a record, on the 24th day of the month of February of 2017.


Carlos Ignacio Gallego Palacio
President


Statement of Financial Position


At December 31st of 2016 and 2015 (values expressed in millions of Colombian pesos)

	Notes	2016	2015
ASSETS			
Current assets			
Cash and cash equivalents		\$ 42	\$ 66
Trade and other receivables	5	18.098	23.203
Other current assets	6	938	606
Total current assets		\$ 19.078	\$ 23.875
Non-current assets			
Trade and other receivables	5	2.972	376
Investments in subsidiaries	7	4.568.234	4.576.899
Investments in associates and joint ventures	8	138.652	81.989
Other financial non-current assets	9	3.809.367	3.415.100
Deferred tax assets	10.4	4.945	4.266
Other assets	6	7	21
Total non-current assets		\$ 8.524.177	\$ 8.078.651
TOTAL ASSETS		\$ 8.543.255	\$ 8.102.526
LIABILITIES			
Current liabilities			
Trade and other payables	11	80.968	60.490
Tax charges	10.2	188	168
Employee benefits liabilities	12	1.068	1.811
Total current liabilities		\$ 82.224	\$ 62.469
Non-current liabilities			
Trade and other payables	11	168	158
Employee benefits liabilities	12	14.413	12.339
Deferred tax liabilities	10.4	6.416	5.297
Other provisions	7	-	12.275
Total non-current liabilities		\$ 20.997	\$ 30.069
TOTAL LIABILITIES		\$ 103.221	\$ 92.538
SHAREHOLDER EQUITY			
Share capital issued	13.1	2.301	2.301
Paid-in capital	13.1	546.832	546.832
Reserves	13.2	3.592.671	1.836.225
Other comprehensive income, accumulated	14	3.899.132	3.638.937
Retained earnings		-	1.558.597
Earnings for the period		399.098	427.096
TOTAL SHAREHOLDER EQUITY		\$ 8.440.034	\$ 8.009.988
TOTAL LIABILITIES AND EQUITY		\$ 8.543.255	\$ 8.102.526

The notes are an integral part of the consolidated financial statements.


 Carlos Ignacio Galego Palacio
President
 (See attached certification)


 Jaime León Montoya Vásquez
General Accountant
 Professional Card No. 45056-T
 (See attached certification)



 Bibiana Moreno Vásquez
Statutory Auditor
 Professional Card No. 167200-T
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 (See attached auditor's report)


Comprehensive Income Statement


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

	Notes	2016	2015
Dividend portfolio	9	\$ 50.453	\$ 46.910
Share of profit for the period of subsidiaries	7	348.796	380.816
Share of profit for the period of associates and joint ventures	8	4.947	5.370
GROSS PROFIT		\$ 404.196	\$ 433.096
Administrative expenses	15	(3.950)	(4.390)
Exchange differences on operating assets and liabilities		(24)	18
Other operating income, net		1.401	1.443
OPERATING PROFIT		\$ 401.623	\$ 430.167
Financial income		4	50
Financial expenses		(1.032)	(764)
Exchange differences on non-operating assets and liabilities		(6)	15
Income before taxes		\$ 400.589	\$ 429.468
Current income tax	10.3	(222)	(479)
Deferred income tax	10.4	(1.269)	(1.893)
NET PROFIT FOR THE YEAR		\$ 399.098	\$ 427.096
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian Pesos)	16	867,37	928,22
(*) Calculated on 460,123,458 shares, which have not been modified during the period covered by these financial statements.			
OTHER COMPREHENSIVE INCOME, NET TAXES			
Items that are not subsequently reclassified to profit and loss:		\$	\$
Actuarial (losses)/gains on defined benefit plans	14.1	(1.739)	1.337
Investments measured at fair value	14.2	394.268	(598.527)
Income tax components that will not be reclassified	10.4	653	(455)
Total items that are not subsequently reclassified to profit and loss		\$ 393.182	\$ (597.645)
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of subsidiaries	14.4	(132.079)	389.248
Share of other comprehensive income of associates	14.3	(1.084)	1.304
Deferred income tax from items that will be reclassified	10.4	176	0
Total items that are or may be subsequently reclassified to profit and loss:		\$ (132.987)	\$ 390.552
Other comprehensive income, after tax		\$ 260.195	\$ (207.093)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ 659.293	\$ 220.003

The notes are an integral part of the consolidated financial statements.


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Change in Equity Statement


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

	Share capital issued	Paid-in capital	Reserves	Retained earnings	Profit for the period	Other comprehensive income accumulated	Total equity
EQUITY AT DECEMBER 31, 2015	2.301	546.832	1.836.225	1.558.597	427.096	3.638.937	8.009.988
Profit for the period	-	-	-	-	399.098	-	399.098
Other comprehensive income for the period, net of income tax	-	-	-	-	-	260.195	260.195
Comprehensive income for the period	-	-	-	-	399.098	260.195	659.293
Transfer to accumulated results	-	-	-	427.096	(427.096)	-	-
Cash dividends (Note 13.3)	-	-	(6.428)	(222.713)	-	-	(229.141)
Appropriation of reserves (Nota 13.3)	-	-	1.762.980	(1.762.980)	-	-	-
Tax on wealth (Note 10.7)	-	-	(106)	-	-	-	(106)
EQUITY AT DECEMBER 31, 2016	2.301	546.832	3.592.671	-	399.098	3.899.132	8.440.034
EQUITY AT DECEMBER 31, 2014	2.301	546.832	1.671.478	1.346.663	589.388	3.846.030	8.002.692
Profit for the period	-	-	-	-	427.096	-	427.096
Other comprehensive income for the period, net of income tax	-	-	-	-	-	(207.093)	(207.093)
Comprehensive income for the period	-	-	-	-	427.096	(207.093)	220.003
Transfer to accumulated results	-	-	-	589.388	(589.388)	-	-
Cash dividends (Note 13.3)	-	-	-	(212.577)	-	-	(212.577)
Appropriation of reserves (Nota 13.3)	-	-	164.877	(164.877)	-	-	-
Tax on wealth (Note 10.7)	-	-	(130)	-	-	-	(130)
EQUITY AT DECEMBER 31, 2015	2.301	546.832	1.836.225	1.558.597	427.096	3.638.937	8.009.988

The notes are an integral part of the consolidated financial statements


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Cash-Flow Statement


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

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Dividends received	\$ 276.923	\$ 222.370
Dividends paid (Note 13.3)	(224.277)	(208.571)
Collection from sales of goods and services	1.452	1.439
Payments to suppliers for goods and services	(4.593)	(2.648)
Payments to and on behalf of employees	(5.735)	(5.981)
Income taxes. (paid) refunded	(684)	3.651
Other inflows (out-flows) of cash	7.578	(5.071)
Net cash flow from operating activities	\$ 50.664	\$ 5.189
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of equity of associates and joint ventures	(36.583)	(4.498)
Capitalization in subsidiaries (Note 7)	(13.090)	-
Interest received	4	50
Other inflows (out-flows) of cash	19	(4)
Net cash used in investment activities	\$ (49.650)	\$ (4.452)
CASH FLOW FROM FINANCIAL ACTIVITIES		
Interest paid	(1.029)	(756)
Other out-flows of cash	(3)	-
Net cash flow from (used in) financial activities	\$ (1.032)	\$ (756)
DECREASE OF CASH AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES		
	\$ (18)	\$ (19)
Net foreign exchange differences	(6)	15
Net decrease of cash and cash equivalents	(24)	(4)
Cash and cash equivalents at the beginning of the period	66	70
Cash and cash equivalents at the end of the period	\$ 42	\$ 66


The notes are an integral part of the consolidated financial statements.



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