



INTEGRATED RISK MANAGEMENT POLICY

July 30, 2021

OBJECTIVE

To establish the purpose of Integrated Risk Management within the context and strategy of Grupo Empresarial Nutresa, and define the general criteria and key elements for its understanding, implementation, monitoring and continuous improvement, thus consolidating the Organization's commitment to this process.

SCOPE

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

PURPOSE OF INTEGRATED RISK MANAGEMENT

The purpose of the integrated risks management in Grupo Empresarial Nutresa is to generate and protect value, supporting decision making at different levels of the organization to manage current and emerging risks, guiding the implementation of actions that lead to the strengthening of organizational resilience, integrating trends to context analysis to improve the risks and opportunities identification and assessment processes, and guiding the implementation of risk prevention and mitigation actions, seeking the protection of resources, the continuity of operations, the wellness of employees and building trust in stakeholders.

GENERAL DEFINITIONS

Below are the guidelines for the Integrated Risk Management in Grupo Empresarial Nutresa.

a. Principles to the Integrated Risk Management in Grupo Empresarial Nutresa¹.

¹ Adapted from: ISO 31000-V2018.



The Integrated Risk Management in Grupo Empresarial Nutresa:

- ✔ Is integrally embedded in all the processes and activities of the organization, and is part of the responsibilities of all its leaders and employees.
- ✔ Is aligned with the internal and external context of the organization, considering the risk profile, and the human and cultural factors of each business and company.
- ✔ Is transparent and inclusive, promoting early involvement of the different levels of decision of the organization and integrating the stakeholders through the material topics identified.
- ✔ It anticipates, detects, recognizes and responds consciously with the organization's internal and external contexts evolution.
- ✔ Is dynamic, iterative and adaptive to change, facilitating the continuous improvement of the Organization and its risk management maturity level.
- ✔ Is based on historical and updated information (reliable and verifiable data), as well as future trends and expectations.
- ✔ Is part of the decision-making process in the organization, and it supports the definition and selection of alternatives and prioritization of actions, considering the best information available, the effect of uncertainty and the cost-benefit ratio.
- ✔ It is an integral part of the management systems, facilitating the identification and assessment of the risks and opportunities associated with their scope and being immersed in the company's culture.

b. Process to the Integrated Risk Management

The Integrated Risk Management system is conceived in Grupo Empresarial Nutresa under a systemic and structured vision, that through setting the context, identification, analysis, and assessment of current and emerging risks and opportunities seeks to establish efficient and sustainable treatment measures to prevent risk events; and if materialized, to mitigate the possible adverse impact on the human, financial, reputational, information and environmental resources of the Organization in order to promote business continuity. Likewise, it seeks to establish criteria for opportunities characterization and prioritization that contribute to the integrated management systems and other processes of the organization.

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

The description of the process flow and stages, the assessment criteria and risk maps construction, the risk catalogue, the cycle of process planning, the defined tools for the management and prioritization, as well as the details of the application of the standard used as a reference – ISO 31000:2018 – are found in the Grupo Empresarial Nutresa's Integrated Risk Management Manual (See Attachment 2).

c. Communication and Culture

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

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

Therefore, the strategies adjusted to the context of each of the Companies that are part of Grupo Empresarial Nutresa must be defined, to also promote the adoption of a risk management culture, consistent with the Organization's sustainability approach, with the definitions of corporate philosophy and action, and aligned with the dimensions of the strategy.

d. Integration with the Internal Control System

The Internal Control System is an integral part of Grupo Empresarial Nutresa's risk management, through the exercise of its duties it seeks to ensure the maximum effectiveness and generation of value of this process, by ensuring that it is carried out in accordance with the provisions of this Policy. Internal audit is integrated into the Grupo Empresarial Nutresa Risk management system, by providing Senior management with the assurance of that system, based on the highest level of independence. This complements the risk management functions of the process leaders and the supervision and monitoring functions, which are the responsibility of Servicios Nutresa's Risks and Real Estate Assets Management Department.

e. Performance, Monitoring and Reporting Risk Management

The performance of Risk Management will be regularly reviewed and assessed by the Board of Directors, through its Finance, Audit and Risk Committee, to ensure that the model used permits the configuration of a risk profile consistent with the strategic objectives and monitor the adequacy of the risks assumed regarding that profile.

This performance will be analyzed, based on the periodic management reports presented by the Presidency of Servicios Nutresa; based on the analysis, the recommendations for the specific treatment of the risks and the continuous improvement of the system will be defined.

The monitoring of risk management is conducted according to the previously defined levels of strategic, tactical and operational management. To achieve it the Servicios Nutresa's Risks and Real Estate Assets Management Department is responsible for monitoring the strategic risks; the process leaders and the management system leaders are responsible for monitoring and tracking risk management in the tactical and operational levels. This monitoring must be carried out according to the provisions of the Grupo Empresarial Nutresa Integrated Risk Management Manual (See Attachment 2).

At the level of each corporate management area, such as business, geography, synergy community, and others, the reporting mechanisms about the integrated risk management system must also be established in a way that adequate monitoring of the different established levels is achieved.

RISK GOVERNANCE

In the framework of the corporate governance structure, Grupo Empresarial Nutresa has defined the instances and responsibilities required to ensure adequate risk management. The structure of the Risk Governance model, which covers the different organizational levels, is illustrated in figure 1 (attachment 1) and the main responsibilities are defined below:

- ✔ **The Board of Directors:** The Board must ensure the existence of an Integrated Risk Management System appropriate to the context of Grupo Empresarial Nutresa, it is responsible for defining and approving the Integrated Risk Management Policy, establishing Grupo Empresarial Nutresa's risk appetite, the regular monitoring of the Integrated Risk Management and Grupo Empresarial Nutresa's effective exposure to different types of risks, including risks associated with climate change, proposing corrective actions in case of deviations beyond the appetite defined. (See the Code of Good Corporate Governance: Chapter II, Article 9, Point F "Functions of the Board of Directors")

- ✔ **The Board of Directors' Finance, Audit and Risk Committee:** this Committee is responsible for supporting the Board in all the functions related to risk management. In particular, it should regularly monitor and report to the Board on the implementation of the Grupo Empresarial Nutresa's Integrated Risk Management Policy, so that the main financial and non-financial risks, in the balance sheets and off-balance sheets, as well as the risks associated with climate change, are identified, managed and adequately disclosed (see the Good Corporate Governance Code: Chapter II, Article 10, Point A "The Finance, Audit and Risk Committee").
- ✔ **Financial Market Risk Committee:** is responsible for supporting the monitoring of financial risks and providing advice on hedging strategies and other mitigation measures.
- ✔ **GN Steering Committee:** as an executive governance body, the Steering Committee is responsible for the incorporation of management and risk appetite criteria approved by the Board; in defining business strategies and formulating corporate policies of its competence, which facilitate decision making at the tactical and operational level; and constitutes the general framework of action for all the Grupo Empresarial Nutresa companies. Likewise, it must supervise the adoption of the management and risk appetite criteria directly or through the tactical support committees it defines, and in case of deviations, it must report to and consult with the Board or its Finance, Audit and Risk Committee to define action plans.
- ✔ **Vice Presidency of Sustainability:** responsible for leading the implementation of the climate change risk management strategy. This leadership includes the planning and development of strategies, the establishment of incentives and metrics, and the promotion of training and socialization spaces.
- ✔ **Tactical Level Committees (Compliance, ML/TF/FPWMD and Ethics Transparency and Interest Conflicts, Financial, Commodities, Information Security, Human Rights, Climate Change):** they are responsible for monitoring and making cross-cutting decisions on specific risks, as well as proposing and defining policies, guidelines and procedures for managing these risks.
- ✔ **The Presidency of Servicios Nutresa:** this Presidency is responsible for regularly monitoring and reporting on a consolidated basis the Grupo Empresarial Nutresa's integrated risk management to the Board, through the Finance, Audit and Risk Committee, thus ensuring the independence of its function in matters of risk. The report is made presenting the assessment of corporate risks, proposals on prevention and mitigation strategies, and generally an updating and monitoring of the most important aspects of the model and a status of the implementation of the methodology of the Grupo Empresarial Nutresa integrated risk management.
- ✔ **Servicios Nutresa's Risks and Real Estate Assets Management Department:** this area is responsible for supporting the Presidency of Servicios Nutresa and other management authorities in Grupo Empresarial Nutresa, in all the functions related to risk management. In particular, it must enable and accompany the Integrated Risk Management process in the Grupo Empresarial Nutresa companies by proposing and disclosing risk policies and manuals, implementing methodologies and management models, communication, supervision, monitoring and generating a culture for the risk process. Its responsibility includes the implementation of the methodology at the strategic level and support for the risk management leaders at the tactical and operational levels.

- ✔ **Servicios Nutresa's Internal Audit Management:** This area is responsible for assessing the effectiveness of the integrated risk management process and contributing to its improvement. This assessment comprises determining whether the objectives of the businesses and companies support the Grupo Empresarial Nutresa mission and are aligned therewith; if significant risks are identified and assesses; if the measures adopted by the Administration for the acceptance of risks are appropriate; if such information is communicated in a timely manner throughout the Organization; and if the information on relevant risks is recorded adequately, allowing staff, Administration and Senior Management to fulfill their responsibilities. Additionally, Internal Audit Management should assess the effectiveness of controls against risk exposures related to Grupo Empresarial Nutresa's governance, operations and information systems.

- ✔ **Business Units, Geographies and other management areas:** The Presidents of the Business Units and the Managers responsible for processes and geographies and corporate capacities leaders should ensure the adoption of the Integrated Risk Management System, adapted to the context of each Company and, together with employees, they are responsible for implementing Integrated Risk Management in all the processes and levels of the Organization, according to the methodology described in this policy, from assessment and treatment to reporting risks, in case of its materialization.

- ✔ **Risk Management Leader:** Each Business and Company must designate this functional leader, whose responsibility will be to facilitate the adoption of the Integrated Risk Management System in his organization, with the support of Servicios Nutresa's Risks and Real Estate Assets Management Department. In particular, it will support the disclosure of risk policies and manuals, the implementation of the methodology, communication, monitoring and the generation of a culture for the risk process.

- ✔ **All employees:** in general, all employees are responsible for supporting the risk identification and monitoring process and the execution or supervision of the controls associated with their processes, activities and projects. In the same way, they have the mission of reporting the materialized events to the instances that are required and through the means established for this purpose.

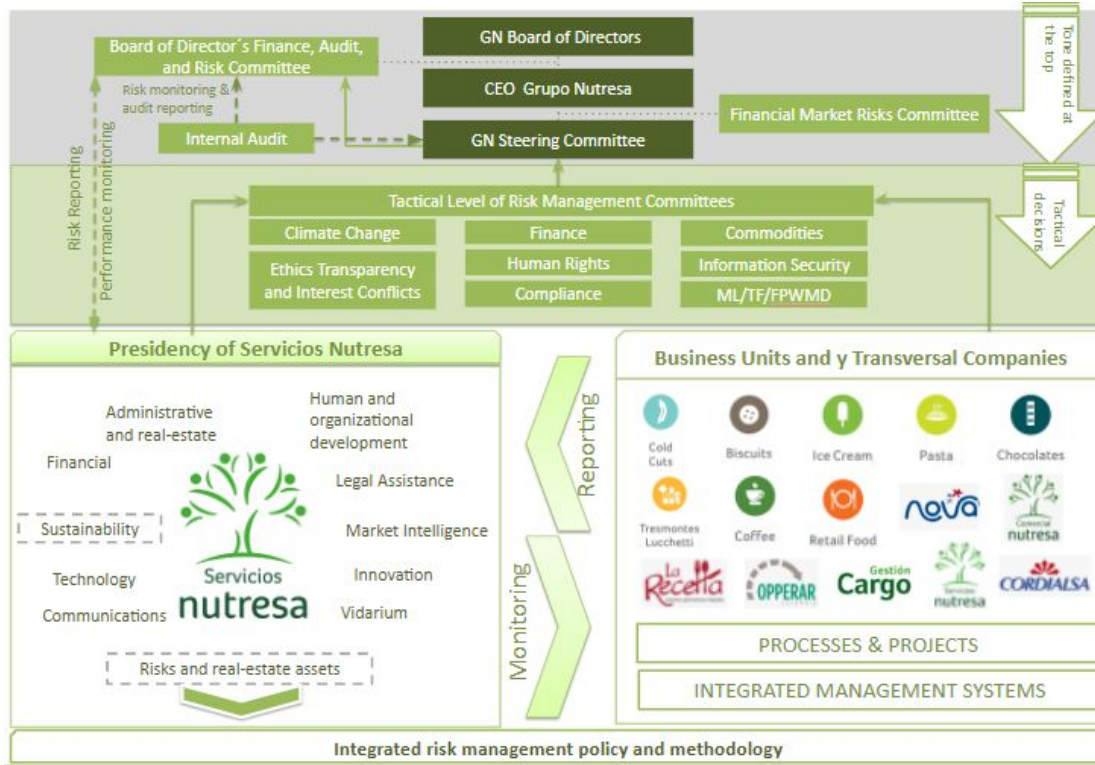
RISK APPETITE

For the different types of risk and to be applied to all its operations and action areas, Grupo Empresarial Nutresa has established and disclosed the following levels of risk appetite:

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

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

Attachment 1. Grupo Empresarial Nutresa Risk Management Authorities



Attachment 2: Grupo Empresarial Nutresa Integrated Risk Management Manual



INTEGRATED RISK MANAGEMENT MANUAL GRUPO NUTRESA



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