

SUSTAINABILITY







((Aware of our responsibility to the planet and to society, we are voluntarily and fully committed to incorporating the philosophy of Sustainable Development into our business actions))

Our Main Indicators

Sustainable Businesses

TOWARDS A BETTER SOCIETY



OUR WORKFORCE

JOB'S GENERATED

16.135

Direct Hires

12.750

Other Forms of Hiring

551

Apprentices and Interns

INVESTMENT IN TRAINING (in COP Million)

\$5.576

Education and Training

\$2.970

Employee Education Aids

\$1.323

Support for Higher Learning

INVESTMENT IN WELLBEING (in COP Million)

\$34.359

Life Quality

\$4.255

Investment in Mutual Funds
(Contribution of the companies)

\$6.499

Aids



COMMUNITY
AND VALUE
CHAIN

INVESTMENT (in COP Million)

\$16.165

In nutrition, education,
income generation and
entrepreneurship, support
to the arts and culture,
and customer and
supplier development

VOLUNTEER WORK

9.166

Volunteers

BENEFICIARIES

4.248

Entities

2.975.614

Individuals

OUR VALUE CHAIN

10.501

Customers participating in
training programs and consulting

722

Suppliers in development programs

SATISFACTION INDICATOR (Out of a possible best score of 5.0)

4,49

Domestic Customers

4,46

International Customers

OUR PLANET



INVESTMENT (in COP Million)

\$9.049

in Environmental
Management

ENERGY

-3,6%*
(KWh/tp)

WATER

-11,6%*
(m³ / tp)

*Reference Year 2007



Students participating in the program "Oriéntate, el Mundo a un Clic" ("Direct Yourself, the World at a Click"). Turbo, Provincial Department of Antioquia

SUSTAINABILITY REPORT BUILDING

Along its path of an evolving understanding of sustainability, in 2008 Grupo Nacional de Chocolates decided to adopt the Global Reporting Initiative (GRI) indicators, an instrument that facilitates performance measuring and monitoring. In 2010 it strengthened competences in various themes of sustainability by training 60 Organization employees. In addition, it determined that the sustainability report should undergo a quality assurance process carried out by an external entity, to verify the reliability of the furnished data, the relevant importance of the material matters and their traceability. The section "Growing Generation of Value" presents a consolidated financial synthesis of Grupo Nacional de Chocolates, with all of the companies

that are part of this business group taken into account in the scope. It also includes the Group internationalization strategy for emerging markets and its IMAGIX innovation model.

In the section "Our Planet", the environmental data applies to all of the companies with production plants in Colombia, except for Setas Colombianas S.A., the Meals S.A.S. plant in Armenia, and Litoempaques S.A.S. in Medellín. Those companies have particular features different from the basic businesses; they are in a measuring scheme homologation process so that they can be added into future reports.

In the section "Towards a Better Society", the scope of indicators referring to our workforce covers Colombia and abroad. In "Community", the



company Gestión Cargo was not taken into consideration for the indexes as it has just recently been created. For the new companies that Grupo Nacional de Chocolates acquired less than one year ago: Fehr Foods Inc, Fehr Holding, Oktex Baking GP, Oktex Baking LP, and Industrias Aliadas S.A., only the indicators “Number of Employees”, “Salaries”, and “Company Benefits” are reported.

The themes for this report were chosen after analyzing their relative importance to measurement assessment, monitoring, surveys, and other forms of contact with the Stakeholders. The information is furnished taking GRI indicators into consideration, which can be evidenced in a consolidated summarized manner in the GRI Contents Index at the end of this report.

The Group has identified the following opportunities for improving its total sustainability concept: strengthen a culture of greater sensitivity in eco-efficiency processes, provide human rights training cycles for our workforce, deepen liaisons for rapprochement with interest groups, and advance in innovation and research and development programs, using the Vidarium center and the compa-

Strengthening small producers in the Colombian Provincial Department of Bolívar



Cold Cuts production process

nies themselves, to generate a greater impact on nutrition, health, and wellbeing.

Furthermore, the Group sees opportunities for reinforcing the concept in operations outside of Colombia, especially regarding community management and environmental eco-efficiency.

During fiscal year 2010 there were no events of relevant importance that would imply non-compliance with the Group goals.

Some 2009 values were restated, to be able to compare to 2010 values.

Pursuant to the international standards for assurance engagements in ISAE 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information - issued by the International Auditing and Assurance Standard Board (IAASB), the firm KPMG reviewed this report applying GRI G3 Guidelines. It was then submitted to Global Reporting Initiative (GRI) for verification, obtaining an A+ application level. The corresponding opinions appear below.





GRI Application Level Control Statement

GRI hereby states that **Grupo Nacional de Chocolates** has presented its report "Reporte de Sostenibilidad 2010" ("2010 Sustainability Report") to GRI Services, which has concluded that the report complies with Application Level A+ requirements.

The GRI Application Level expresses the extent to which the G3 Guidelines contents were used to prepare the sustainability report presented. The Control confirms that the report included the set of contents and the number of contents required for said Application Level and that a valid representation of the required contents appears in the GRI Contents Index, pursuant to GRI G3 Guidelines recommendations.

Application Levels do not represent any opinion whatsoever on the sustainability performance of the organization that presented the report or on the quality of the information contained therein.

March 11, 2011, Amsterdam

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a light blue circular background.

Nelmara Arbex
Executive Deputy Director
Global Reporting Initiative



The sign "+" has been added to the Application Level because Grupo Nacional de Chocolates has requested external verification of (part of) its report. GRI accepts the good judgment of the organization that has prepared the report in selecting the verifying entity and in determining the verification scope.

Global Reporting Initiative (GRI) is a network-based organization that pioneered the development of the world's most widely used sustainability reporting framework and it continues improving it and promoting its application worldwide. The GRI Guidelines have established principles and indicators for organizations to use, to measure and account for their economic, environmental, and social performance. www.globalreporting.org

Liability Waiver: *If the sustainability report in question has external links, including links that remit to audiovisual material, this certification is solely applicable to the material presented to GRI at the time of the Control, on March 1, 2011. GRI explicitly excludes the applicability of this certification to any change in said material introduced thereafter.*



KPMG Advisory Services Ltda.
Calle 90 No. 19C - 74
Bogotá, D. C.

Teléfono 57 (1) 6188100
Fax 57 (1) 6188127
www.kpmg.com.co

Report from the limited assurance independent auditor to the Grupo Nacional de Chocolates S.A. management

We have been commissioned by the Grupo Nacional de Chocolates S.A. management to provide limited assurance for the Grupo Nacional de Chocolates S.A. sustainability report for the year ending on December 31 of 2010 (hereinafter the "Report").

Management is responsible for the Report preparation and for its submittal according to the Global Reporting Initiative, version 3.0, Guidelines (G3) for preparation of sustainability notes, as described in the Report's "Sustainability Report Preparation" chapter. This section describes the self-declared level of application, which has been confirmed by the Global Reporting Initiative. Management is also responsible for all information and statements contained in it, for establishing the Grupo Nacional de Chocolates S.A. objectives with respect to performance, for submittal of information related to sustainable development - including identification of stakeholders and material issues - and for proper implementation and maintenance of control systems and performance management from which the information is obtained.

Our responsibility is performing limited assurance work and providing a conclusion based on the work done, exclusively related to information corresponding to the year ending on December 31 of 2010. No information from previous years has been used. Our work has been done according to international norms applicable to assurance work (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAAB). These norms require that we meet applicable ethical requirements, including independent requirements, and that we plan and perform our work so as to provide limited assurance on whether the Report is free from material errors.

A sustainability report limited assurance assignment consists in making questions - mainly to those responsible for preparing the information included in the sustainability report - and applying analytical and other procedures addressed to compiling applicable evidence. These procedures included:

- Discussions with Management in order to better understand the Grupo Nacional de Chocolates S.A. process to establish aspects significant to the Grupo Nacional de Chocolates S.A. stakeholders.
- Interviews with Management and pertinent personnel - as a group as well as with the selected business - regarding policies and strategies for material issues and their application throughout the companies.
- Interviews - at the corporate and business level - with Grupo Nacional de Chocolates S.A. pertinent personnel responsible for providing information included in the Report.



- Visit to the selected Cold cuts facility depending on the results of risk analyses considering quantitative as well as qualitative criteria.
- Comparison of information included in the report with information corresponding to relevant underlying sources, to establish if it has been included in the Report.
- Analysis of quantitative information compilation and internal control processes reflected in the Report, regarding the information reliability and using analytical procedures and sampling-based review tests.
- Reading of the information in the Report in order to establish if it is in line with our general knowledge and experience, with respect to the Grupo Nacional de Chocolates S.A. sustainability performance.
- Confirmation that financial information contained in the Report has been obtained from the Grupo Nacional de Chocolates S.A. annual accounts, audited by independent third parties.

The scope of the evidence compilation procedures related to limited assurance engagement is narrower than that of a reasonable assurance engagement, the assurance level provided being consequently lower.

Based on the above procedures, nothing suggests that the Grupo Nacional de Chocolates S.A. Sustainability Report for the year ending on December 31 of 2010 has not been properly presented in all material aspects, according to the Global Report Initiative version 3.0 Guideline for Preparation of Sustainability Notes, as described in the Report "Preparation of the Sustainability Report" chapter.

We have prepared our limited assurance report only for Grupo Nacional de Chocolates S.A., according to our engagement. Our work has been done in order to report to Grupo Nacional de Chocolates S.A. issues we have been required to mention in this limited assurance report and for nothing else. We assume no responsibility for our work before anyone other than Grupo Nacional de Chocolates S.A. on account of this limited assurance report or conclusions we may have reached.

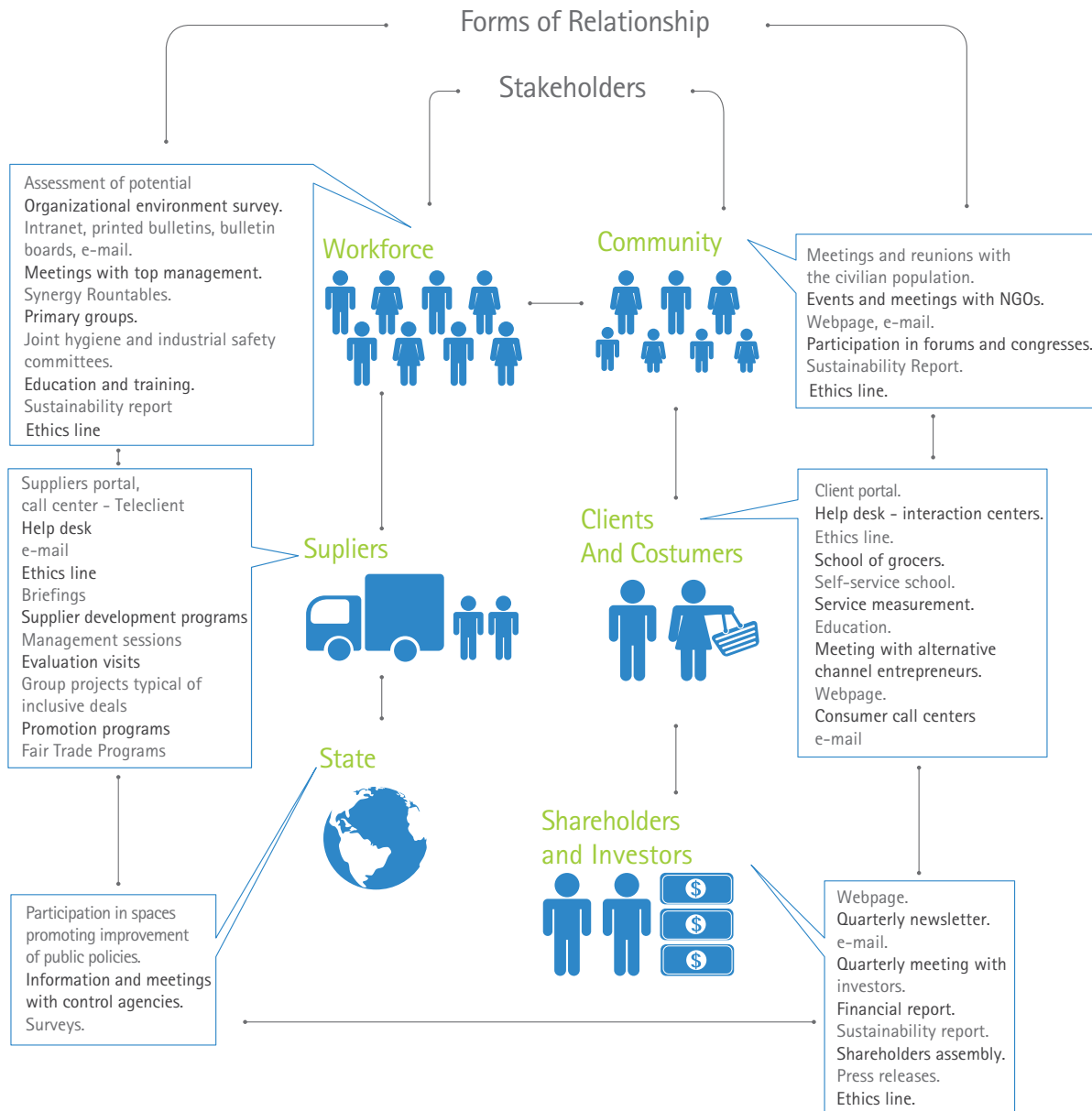
In another document we will provide the Grupo Nacional de Chocolates S.A. Management with an internal report containing our findings and opportunities for improvement



Signed,
Luis Orlando Delgadillo
Partner



Stakeholders



Note: Stakeholders relevant to Grupo Nacional de Chocolates and its companies were identified in the strategic definitions of the GNCH Foundation, based on the value offering, distinctive capacities, and the organization strategic assets.



TOP MANAGEMENT

Carlos Enrique Piedrahíta Arocha
 . President

Ana María Giraldo Mira
 . Corporate Finance Vice President

Jairo González Gómez
 . GNCH Vice President & Secretary
 General
 . SNCH Legal Assistance Manager

Diego Medina Leal
 . Cold Cuts Business President
 . GNCH Logistics Vice President

Alberto Hoyos Lopera
 . Biscuits Business President
 . GNCH Vice President North
 Strategic Region

Sol Beatriz Arango Mesa
 . Chocolate Business President
 . GNCH Vice President South
 Strategic Region

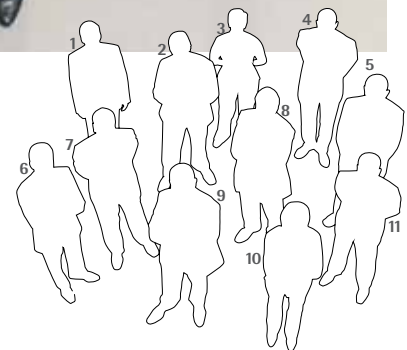
Jorge Eusebio Arango López
 . Coffee Business President
 . GNCH Sustainable Development
 Vice President

Mario Alberto Niño Torres
 . Ice Cream Business President
 . GNCH Marketing Innovation and
 Nutrition Vice President

Fabián Andrés Restrepo Zambrano
 . Pasta Business President

Álvaro Arango Restrepo
 . Cordialsa Colombia S.A.S President
 . GNCH Sales Vice President

Carlos Ignacio Gallego Palacio
 . Servicios Nacional de Chocolates S.A.S.
 President
 . Fundación GNCH General Director



- 1 Fabián Restrepo Zambrano
- 2 Jorge Eusebio Arango López
- 3 Sol Beatriz Arango Mesa
- 4 Álvaro Arango Restrepo
- 5 Carlos Ignacio Gallego Palacio
- 6 Jairo González Gómez
- 7 Alberto Hoyos Lopera
- 8 Carlos Enrique Piedrahíta Arocha
- 9 Mario Alberto Niño Torres
- 10 Ana María Giraldo Mira
- 11 Diego Medina Leal



OUR ORGANIZATIONAL APPROACH

2005-2015

Multi-Latin Vision

Together, we will be able to triple our business, providing quality of life to the consumers through products that satisfy their expectations of well-being, nutrition and pleasure.

Mission

Our company's mission is to always enhance the growing creation of value, thus achieving a significant return on investment in excess of capital costs. In our food business, we always aim to improve the Consumer's quality of life and advancement of as well as our people employees' progress.

We seek profitable growth through leading brands, superior high quality service, and excellent national and international distribution. We manage our activities committed to sustainable development, with the best possible human talent, outstanding innovation, and exemplary corporate behavior.

Corporate philosophy and activities

- » Strategic autonomy and coherence
- » Good corporate governance
- » Competitiveness
- » Development of our people
- » Sustainable development
- » Ethics
- » Innovation and knowledge management
- » Participation, timeliness, and cooperative management
- » Respect
- » Food safety

Our competitive advantages

- » Distribution in Colombia
- » Leading brands in Colombia
- » Human talent, our working environment, and our passion for what we do
- » The capacity to capture synergies
- » Strategic clarity and coherence, with proper execution

BOARD OF DIRECTORS, GRUPO NACIONAL DE CHOCOLATES FOUNDATION

David Bojanini García
Gonzalo Alberto Pérez Rojas
Luis Javier Zuluaga Palacio
Carlos Enrique Piedrahíta Arocha

CHAIRMAN OF THE BOARD
Carlos Ignacio Gallego Palacio

EXECUTIVE DIRECTOR
Claudia Rivera Marín

STATUTORY AUDITOR
Carlos Uriel Gómez Montoya

BOARD OF DIRECTORS, CREM HELADO FOUNDATION

Alberto Espinosa López
Carlos Ignacio Gallego Palacio
Mario Alberto Niño Torres

EXECUTIVE DIRECTOR
Adriana Hoyos Vélez

STATUTORY AUDITOR
Luis Fernando Enciso Prieto

Medellín, March 31, 2011



Grupo Nacional de Chocolates S.A.

Mr.
Ban ki-moon
Secretary General
United Nations

True to our Corporate Philosophy, we have adopted Sustainable Development as a strategic framework for our acts, supporting organizational goals and generating challenges and commitments for all our management. For this, we have created goals focused on the search of equity among social components and economic factors, balance between the optimum use of natural resources and economic needs, the search for sustainability in the use of natural resources, and society needs.

Grupo Nacional de Chocolates reiterates its commitment with the United Nations' Global Compact. This Sustainability Report is the second progress report and refers to the main practices, actions, and achievements made by the organization.

With this second report we reiterate our conviction and our willingness to continue following the Global Compact, sharing and applying universally accepted principles of human rights, work, the environment, and fight against corruption as part of our corporate philosophy and actions .

Aware that we are starting a process that requires changes to the organization's management and activities in order for the Global Compact and its principles to be part of our strategy, management, culture, and acts, we wish to share some issues in which the organization has made and which we highlight:

Including in our agenda - as a governing principle - watching over compliance with the Global Compact principles.

Include GRI metrics in the organization's performance presentation.

We invite our stakeholders to be part of the Global Compact principles, in order to collectively and voluntarily build a sustainable world for current and future generations.

Carlos Enrique Piedrahita Arocha
President
Grupo Nacional de Chocolates





Our Cold Cuts Business Team in the North Region

CORPORATE GOVERNANCE

Grupo Nacional de Chocolates S.A. makes ongoing efforts to achieve good corporate governance practices leading to performing actions to consolidate itself as a transparent and responsible organization, obtaining the various stakeholders trust and credibility.

These practices include instruments such as the Code of Good Governance, the Code of Ethics, the Assets Laundering Prevention Manual, Internal Control Systems, the Ethics Line, and the Board of Directors' Support Committees.

The main purpose of the Code of Good Governance is generating trust among shareholders, clients, suppliers, and employees of the Nacional de Chocolates Group companies. It sets the rules of conduct as a guideline for daily activities of the Group's national and international companies part of the Group and clearly defines the commitment to follow ethical principles in dealing with before the State, the community, the shareholders, and the investors.

The companies' internal control systems have the necessary mechanisms to protect their resources against losses resulting from inefficiencies or fraud and to promote order and effectiveness while performing their activities, also ensuring the accuracy and reliability of information required to manage and control it. There are specialized auditing and control services through which com-

pliance with goals and objectives is followed up, considering the group businesses' strategy. There are also accountability systems and a risk scenario, budgeting and cost tools, an accounts plan, and normalized procedures and forms to document the main activities, mainly supported by an integrated information system.

Financial statements and other reports are published periodically and according to the laws and instructions from the Colombian Financial Superintendence, including material findings resulting from internal control activities, this way the shareholders and the investors having available effective tools with which to follow-up the companies' management and control.

The statutory auditor responds to the shareholders, the Board of Directors, Management, and the State for compliance with legal, regulatory, and administrative norms, proper protection, use, and conservation of company assets, through control activities, analysis, surveillance, and inspections made on company operations.

The Ethics Line is a supplementary mechanism that allows timely reporting of circumstances infringing the law or the Code of Good Governance. It is a confidential tool available to employees, shareholders, clients, suppliers, and third parties in general, allowing to report irregular situations affecting the Organization interests.

Information campaigns are carried out in order to make this good governance practice known to all companies and promote its use among the workforce;

this includes communications through primary groups and the media (intranet, bulletin boards, and internal bulletins). Information to third parties is provided by means of external communications and press releases .

61 reports were received through the Ethics Line during 2010, which were responded by the Organization's control body and handled by responsible areas in each company. In addition, situations reported and their results were disclosed to the Grupo Nacional de Chocolates S.A. Auditing Committee.

The Grupo Nacional de Chocolates S.A. Board of Directors is comprised of seven principal members and seven alternates. In excess of this legal limit, the Board has five independent principal members with their respective alternates, also independent, all of them with professional experience and academic training.

During 2010, the Board of Directors satisfactorily met its legal obligations and those contained in the bylaws and in the company Code of Good Governance. With the support of its committees, each quarter it approved financial statements, supervised internal auditing programs, proposed ideas leading to improving its operation, accompanied and approved the administration management regarding acquisitions made during the year, and supervised compliance with timely, complete, and accurate disclosure of market information.

The Financial and Auditing Committee is comprised of four members of the Board of Directors, of which three are independent. It provides financial, internal control, and its effectiveness decision-making support to the Board.

The appointment and remuneration committee is comprised of three members of the Board, one of them independent. It establishes policies and systems related to the human resource remuneration and management.

The Board of Directors' Issues Committee is comprised of two members of the Board and the company legal representative. It supervises the Board processes and makes suggestions related to its better operation, additionally recommending the communications scheme with the market in general.

The Corporate Governance Committee is comprised of three independent members. It watches over compliance with the Code of Good Governance norms and reviews and evaluates the manner in which the Board has met its obligations during the previous period.

ANTICORRUPTION MANAGEMENT

Aware of the role it has in the prevention, control, and surveillance process oriented to preventing illegal capital flows, and in order to ensure that during its operations or during the negotiation of its securities in the stock exchange or outside the company will not be used as a means to hide, handle, invest, or use in any manner money or other goods originating from illegal activities, Grupo Nacional de Chocolates S.A. has adopted and maintains the Assets Laundering Prevention Manual, according to the law.

Its subsidiaries - considered "Permanent Customs Users" (UAP) and "Top Exporters" (ALTEX) (Altamente Exportadores) - implemented this same manual, which describes policies and procedures being an essential part of the Integral System for Prevention and Control of Assets Laundering and Financing of Terrorism (SIPLA).

In compliance with its obligations, the Grupo Nacional de Chocolates S.A. compliance officer submitted in 2010 two semiannual reports to the company Board of Directors, reporting full compliance with conditions in the SIPLA Manual and to applicable norms, having applied the respective controls.

During the last five years, Grupo Nacional de Chocolates S.A. has been a member of "Transparency for Colombia", an International Transparency Organization node whose mission is leading, from society, systematic civil efforts in the fight against corruption. It additionally belongs to the Excellence in Justice Corporation.





GROWING VALUE GENERATION ECONOMIC DIMENSION

Grupo Nacional de Chocolates is a *multi-Latin organization* focusing its expansion process on the strategic region and generating value for its stakeholders.

GROWING VALUE GENERATION

FINANCIAL SUMMARY		(million)	
DIRECT ECONOMIC VALUE GENERATED	2010	2009	
Revenues from net sales	4.458.858	4.588.366	
Revenues from financial investments	39.936	40.637	
Revenues from sales of properties, plant, and equipment	3.766	11.477	
TOTAL	4.502.560	4.640.480	
DISTRIBUTED DIRECT ECONOMIC VALUE	2010	2009	
Payments to suppliers	2.496.292	2.600.093	
Salaries and social benefits for employees			
Salaries and social benefits	608.164	573.537*	
Social benefits (subsidies, contribution to mutual investment funds, support for higher education, training, well-being and quality of life).	54.982	57.628	
Gross taxes	139.773	164.643	
Investments in the community	16.165	14.879	
Payments to fund providers			
Dividends paid to shareholders	139.534	131.469	
Interests paid on account of loans	62.608	80.314	
TOTAL	3.517.518	3.622.563	

* The 2009 value was restated by separating a portion of quasi-fiscal taxes and Social Security that had been included.

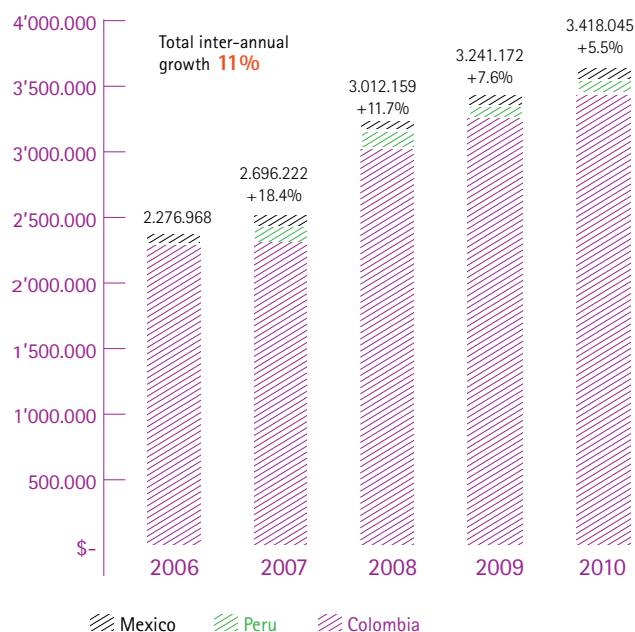
INTERNATIONALIZATION STRATEGY IN EMERGING MARKETS

Grupo Nacional de Chocolates is a multi-Latin company whose main market is Colombia and during its international expansion process has focused on Latin America. For this, most of its sales are made in emerging markets:

Item	2006	2007	2008	2009	2010
% sales to emerging countries	79,3	78,2	75,1	70,6	76,7

Note: Definition of emerging countries according to Dow Jones

Evolution of sales in the main emerging countries





In Colombia, the strategy of Group companies focuses on a large portion of the population, with products according to their needs distributed through commercial networks reaching the consumer in the various municipalities through different commercial channels. The brand's portfolio, with a variety of prices and solutions with respect to quality and nutrition, has allowed it to - during 90 years of being close to the consumer - become a brand leader in the Colombian market.

A strategy was defined for the regional expansion process, addressed to territories where we have competitive advantages, in these emerging markets Mexico and Peru play an important role. At the same time, this strategy has also been used in Central America, the Caribbean, and Ecuador, and in the United States for Hispanic consumers. Penetration strategies are available in each case, based on opportunities identified for each target market, developing distribution networks and commercial allies that allow us to reach the respective consumers.

Each company adjusts its value proposition to local consumers, considering a preferably differentiated product portfolio according to quality, nutrition, currency, and buying power requirements, taking into account recognition given to brands used. In the Peru, Mexico, and Central America



Innovative success is a program allowing participation of employees in improvement and innovation management. 1,753 innovative success cases were selected in 2010, corresponding to actions effectively implemented. Noel award event.

cases, market penetration is strengthened through the acquisition of local companies with brands known to consumers and distribution networks allowing the delivery to the various channels.

INNOVATION

“We aim to obtain outstanding results, with passionate people, in a culture favouring it”. Mario Alberto Niño, VP Marketing, Innovation, and Nutrition.

The innovation system developed and implemented by the Grupo Nacional de Chocolates companies and supported by the proprietary Imagix model, links the corporate strategy with the companies' development centerlines, its management directly reflected as a result of productive, commercial, and administrative processes. The system articulates corporate work implemented in innovation, applied research processes, knowledge management, the infrastructure reflected in its research centers, and the innovation culture as a competitive factor.



Cold Cuts Business R&D+i Center

The Group has six innovation laboratories, three research and development and innovation (R&D+i) centers, and a Nutrition, Health, and Wellbeing Research Center called VIDARIUM.



Éxitos Innovadores (Innovation Success Stories) is one of the programs that facilitate the workforce's participation in innovation management and improvement. There were 1,753 Éxitos Innovadores selected in 2010, corresponding to effectively implemented actions. Noel Award Event.

INNOVATION DEVELOPMENT

Positive work was achieved during 2010 regarding markets, by developing products based on consumer knowledge in line with tendencies and focusing on leading brands, identifying segments with potential. All of the aforementioned brought about by profitability and differentiation as the key characteristics. The R&D investment was COP \$22,457 million (0.5% of sales).

APPLIED RESEARCH

The group has six innovation laboratories, three research, development, and innovation centers, I+D+i, and a Nutrition, Health, and Wellbeing Research Center - VIDARIUM. This work is performed in cooperation with universities, companies, research centers, and government entities promoting research and innovation.

The RDI centers in the companies are the center of specialized work ensuring the companies' exploration, research, and execution of new propositions in relevant issues such as packaging, ingredients, formulation, and inclusion of technological advances to produce even better foods and propose new products.



A CORPORATE CULTURE THAT RECOGNIZES THE TALENT OF ITS PEOPLE

The Imagix model is based on a corporate culture strengthened by innovation from its inception, for which today there are more than 100 promoters leading the dissemination of specialized methodologies fomenting creativity and the solution of challenges in processes. Brainstorm sessions were held in 2010, establishing lines of action and making effective propositions.

Circumstances enhancing participation opportunities prompt and promote the work in focused innovation. Innovative Success Cases is a program



A small team of Compañía Nacional de Chocolates employees participating in the Total Production Management (TPM) Model.

identifying the companies of the Group, which significantly evolved last year. As a result of the talent contribution made by the workforce, 1,753 Innovative Success Cases were selected, actions being effectively implemented in people and culture, productivity, impact on the consumer, clients, knowledge and sustainable development. They strengthened management styles, in which the capacity to create and do are valued and recognized; this provides a positive environment for personal achievement, teamwork, and development of work skills.

Exemplary Practices is a high level program whose purpose is identifying and recognizing superior management experiences based on their effects on company performance. They provide competitive advantages to the business and represent a source of own-knowledge generation that

can be transferred, thus shortening the learning curves in benefit of the companies' effectiveness. During 2010, Exemplary Practices of the chocolate, biscuits, coffee, cold cuts, and Servicios Nacional de Chocolates were rewarded, representing for the respective work teams recognition for their professional work, leadership, and outstanding work.

A high percentage of the businesses have been including the Total Productive Management model (TPM), through which work teams have achieved higher empowerment and have assumed responsibility for the continuous improvement of their processes. In 2010, 277 small teams were formed, 2,451 focused improvements were made, and 21,407 lessons were learned, representing efficiencies at all organizational levels.

EXEMPLARY COLCAFE PRACTICE - 2010



It is gratifying to know that in Colcafe there is an inter-disciplinary team with so much talent. We had a large group of employees for the "Knowledge, Design, Construction, and Direction of Industrial Plants Management Project", all the way from the Technical Manager to the operators. We were able to link all our experiences and talents, using them for the industrial extraction plant, this way obtaining results we are now quite proud of. Personally, I think this is one of the projects that has taught me more in life, considering I was present during its planning, basic engineering, detail engineering, manufacturing, installation, and commissioning phases.

Homero Alberto Perez
Project Engineering Assistant



FOR A BETTER SOCIETY

SOCIAL DIMENSION

Guides our acts in society, an integral approach to our work **involving the workforce and the value chain**, from farmers to clients and consumers and **communities**.



NUTRITION, HEALTH, AND WELL-BEING

Grupo Nacional de Chocolates seeks to provide quality of life to the consumer, with alternatives for products that meet their nutrition, health, and well-being expectations; we promote strategies fostering healthy lifestyles and balanced nutrition, aiding the consumer in his decision-making by supplying information of our products.

OUR STRATEGY

Our vision emphasizes our interest in providing quality of life to consumers, through products that meet their needs for well-being, nutrition, and pleasure. Convinced of the essential role that food producing companies have in the health and well-being of society, the Group is intent getting to know and understand the nutritional needs of its consumers. A strategy has been defined regarding the current health and nutrition state of the countries we operate in, including:

- » Promoting healthy food habits and physical exercise.
- » Developing options for accessible, healthy, and nutritional products.
- » Providing consumers with proper and understandable information regarding products and nutrition.
- » Providing food labels that are simple, clear, and coherent, quoting properties related to health and based on scientific tests, helping consumers to make wise and healthy decisions based on the food nutritional contents.
- » Provide information and education to the workforce in health and prevention of illness, promoting and supporting physical exercise.

ADVERTISING POLICIES

The advertising of our brands meets principles of responsibility, honesty, truthfulness, and fair competition. The following policies and guidelines were prepared in 2010 and will be disclosed in 2011: Advertising Self-Regulation, Advertising Addressed to Children, and Our Products' Labeling Information, a separate document.



NUTRITION, HEALTH, AND WELL-BEING RESEARCH CENTER – VIDARIUM

Center for research in nutrition, health, and well-being Advertising; advertising addressed to children and labeling information on our products.

NUTRITION, HEALTH, AND WELL-BEING PROGRAMS FOR THE WORKFORCE

Integral programs for the promotion of health and prevention of diseases were included in the welfare and occupational health programs of the various Group companies, including:

- » Periodical evaluations of the health and nutrition condition of our workers.
- » Program for controlling the main health risks, depending on each company diagnosis.
- » Promotion of physical activity.
- » Promotion of proper food intake.

NUTRITION, HEALTH, AND WELL-BEING RESEARCH CENTER – VIDARIUM

In their mission, companies of the Group clearly set forth their quest for strategies to improve the



Second Vidarium Academic Encounter gathering representatives of the health, science and academia sectors and our companies around common interest issues in the food area. In the picture Dr. Gustavo Valencia R., advisor to the GNCH Nutrition, Health, and Welfare Research Center.

consumer's quality of life, each of them from their Research, Innovation, and Development areas having explored alternatives to offer products with nutritional characteristics providing for the well-being, pleasure, and quality of life of their consumers.

The challenges this research center faces are:

- » Generating for Grupo Nacional de Chocolates pertinent and contextual knowledge in nutrition and food which, with scientific evidence, will allow generating innovative and differentiated products to build new forms of health promotion and disease prevention measures in the strategic region.
- » Contributing to the development and consolidation of research in human nutrition and food, in the strategic region and in the world, in order to respond to the population problems and needs.

FOOD SAFETY

The companies of Grupo Nacional de Chocolates have adapted and disclosed in their policies their commitment to quality, food safety, and respect for their clients and consumers. Through their integrated management systems, they have included control measures in all phases of the life of their products. Key activities are the supply of raw materials, the production process, trading, and distribution.

All policies regarding quality, environmental management, food safety, safety risk management and occupational health, and commercial safety are evidenced through the companies' practices and programs. Compliance with these standards is evaluated by means of internal and external audits. During 2010, the various companies renewed the ISO 9001, ISO 14,001, HACCP (hazard analysis and critical control points), OSHAS 18,001, BASC (Business Alliance for Secure Commerce), BRC - British Retail Consortium, Kosher (adequate according to Jewish law), Fair Trade, IFS (International Food Standard), Rain Forests, Halal (adequate according to Muslim law), and AIB (American Institute of Baking).

We strive to provide quality of life to our consumers, with products meeting their well-being, nutrition, and pleasure needs.





COMMITTED TO OUR PEOPLE

We believe that our growth is the result of the quality of our human talent. We work in the promotion of environments aiding the productivity, commitment, and motivation of our people. We also promote work with the community.

A GOOD PLACE TO WORK

Development of our people, participation, collaborative spirit, and respect for others are all part of our corporate philosophy. Our talent management system includes practices oriented to strengthening management styles, clarity and coherence, training and development of abilities, strengthening our values and achieving proper balance between work and personal life.

The work done with the workforce has reflected in the consolidation of an excellent organizational environment. During 2010, Group companies results placed us in the upper/outstanding range, positioning us within companies that excel by constantly managing their work environment.

The 2010 'Merco Personas' study places us within the 10 Colombian companies with the best inter-



Cold Cuts employees. The Cold Cuts Business stands out for its organizational climate indicators.

University student interns at the Galletas Noel company



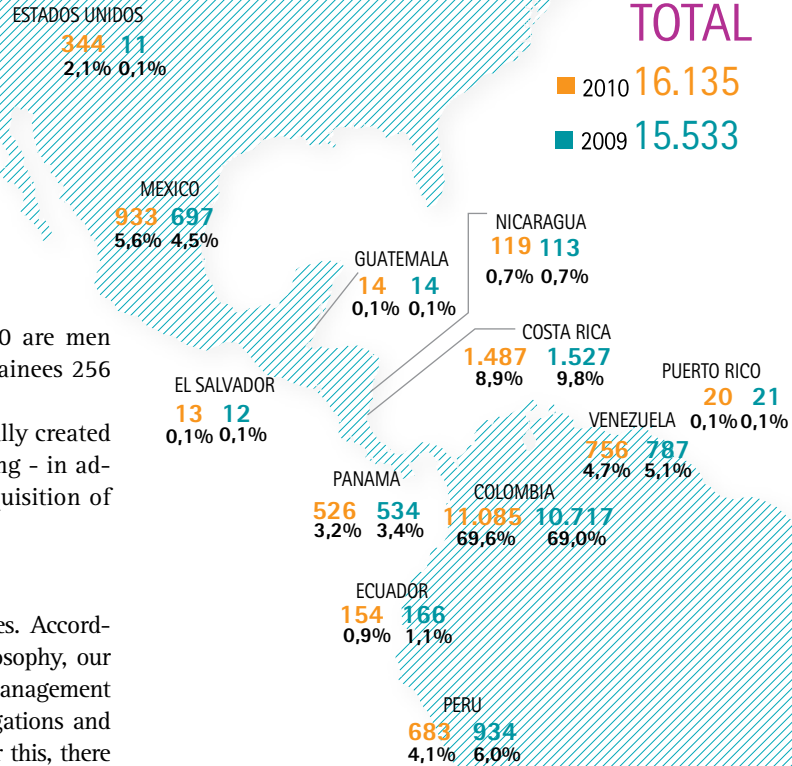
nal reputation. The study results highlight that our workforce see us quite positively regarding issues such as ethical and professional values, development, internal promotion, recognition, and the quality of our leaders.

JOB GENERATION

Grupo Nacional de Chocolates is a company people wish to work for, result of which we now have a high capacity to attract and retain qualified personnel.

In 2010 there we had 16,135 direct jobs, 2,750 jobs through other types of hiring, and 551 trainees and students, offering grounds to identify future business professionals.

Geographical distribution of direct hires



Of the 16,135 direct hires 11,070 are men and 5,065 are women; of the 551 trainees 256 are men and 295 are women.

A total of 629 jobs were organically created in 2010 - including all forms of hiring - in addition to 495 resulting from the acquisition of new companies.

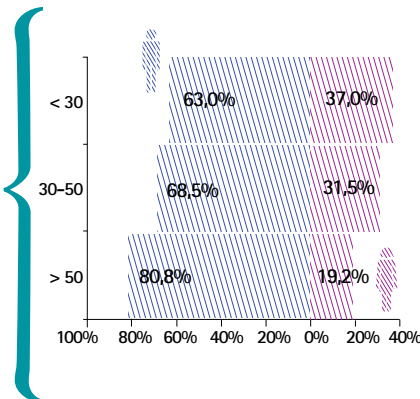
OTHER TYPES OF HIRING

In 2010 there were 12,750 direct hires. According to our corporate norms and philosophy, our third parties have available a talent management model in compliance with labor obligations and implementation of good practices. For this, there are work teams responsible for watching over proper third-party management.

NUMBER OF EMPLOYEES PER AGE AND GENDER RANGES

We value age diversity in our workforce. This challenges us to have management models that are coherent with the expectations of young professionals, recognizing the experience of older professionals. Our organizational culture is managed based on talent diversity and its multi-cultural nature.

Our employees average 36 years old and their average seniority is 9 years.





PERSONNEL TURNOVER

Our selection process is based on policies that value *being over doing*. We support our new employees in their skill improvement process; we have programs implemented to retain our best talent, resulting in low employee turnover.

We have a higher employee turnover outside Colombia, mainly due to seasons and different legislations.

TURNOVER IN COLOMBIA	AGE RANGE			TOTAL	Rotation rate by gender
	< 30	30 – 50	> 50		
Men	141	254	68	463	6%
Women	87	156	24	267	10%
Total Turnover	228	410	92	730	7%
Turnover rate by age	9%	6%	6%	7%	



Compañía de Galletas Pozuelo employees.

EMPLOYMENT FOR HANDICAPPED PEOPLE

We encourage hiring handicapped persons having any type of physical, cognitive, or sensory limitation. 55 persons have been included in the Group companies' productive processes, including Compañía Nacional de Chocolates, Colcafé, Noel, and Doria in Colombia, as well as Pozuelo, Blue Ribbon and Cordialsa Ecuador abroad.

EMPLOYMENT FOR HANDICAPPED PEOPLE	TYPE OF HANDICAP			TOTAL
	Cognitive	Physical	Sensory	
Direct Hires	1	5	9	15
Trainees / students	0	3	7	10
Other forms of hiring	13	9	8	30
TOTAL	14	17	24	55



Integration and recreation activities with families. Servicios Nacional de Chocolates.



Scholarship awards to employees children. Compañía Nacional de Chocolates.

WELL-BEING AND QUALITY OF LIFE AT WORK

Our goal is that our employees reach life quality levels which allow them to progress alongside their families. We make significant investments in loans, subsidies, and benefits, with an emphasis in housing and education.

LOANS	2010		2009	
	Persons	\$ million	Persons	\$ million
Housing	578	\$ 8.209	812	\$ 8.587
Domestic problems	975	1.711	1.040	1.442
Education (relatives)	965	1.203	434	492
Cars	134	926	167	1.510
Health	534	437	869	462
Others	2.317	1.739	1.227	2.682
TOTAL	5.503	\$ 14.225	4.549	\$ 15.175

Quality of life (investment in \$ million)	2010	2009
Integration and recreation	\$ 6.619	\$ 6.714
Restaurant	22.478	24.091
Other	5.262	3.152
TOTAL	\$ 34.359	\$ 33.957

SUBSIDIES	2010		2009	
	Persons	\$ million	Persons	\$ million
Education (relatives)	6.184	\$ 2.762	6.618	\$ 2.572
Health	3.611	861	3.337	852
Maternity	441	130	418	108
Marriage	217	104	210	107
Death	230	418	226	242
Transportation	2.113	1.655	2.029	1.228*
Other	3.500	569	4.067	1.872
TOTAL	16.296	\$ 6.499	16.905	\$ 6.981

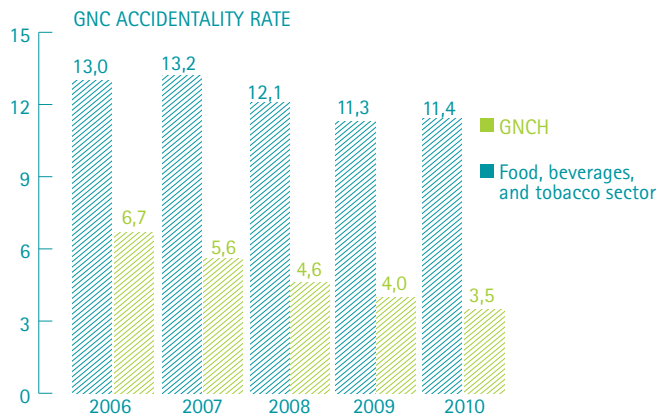
* The 2009 value was restated, setting aside some legal transportation subsidies that had been included.

MUTUAL INVESTMENT FUNDS

We encourage savings and make economic contributions to our workforce through mutual investment funds. The Group companies have pioneered this savings scheme. In 2010, the companies made contributions for COP \$4,255 million, benefiting 8,424 employees and retired employees.



Chefs team, La Recetta.



Source:
 For the food, beverages, and tobacco sector data: ARP SURA.
 For the sum of data of all companies (in Colombia and abroad): GNCH.



Compañía Nacional de Chocolates of Perú

OTHER WELL-BEING AND QUALITY OF LIFE PROGRAMS

We develop programs for training persons who will be able to achieve balance in all their life dimensions. Accompaniment processes have been developed in the various companies, regarding life projects, family economy and finances man-

agement, alcohol and drug prevention, healthy habits and lifestyles, and management of the psycho-social risk.

RETIRED EMPLOYEES MANAGEMENT

We accompany our employees in their pension planning processes, through programs aiding in the definition of a new life project and providing assistance in legal issues.

SAFETY AND OCCUPATIONAL HEALTH IN THE INTEGRAL LIFE QUALITY STRATEGY

We have integral management systems to identify occupational risks and provide the necessary conditions to improve the quality of life in our people's work.

We focus on creating awareness in our workforce regarding the importance of self-care. Leaders play a relevant role in their people's safety management, having associated measurement metrics. We work under alliances with professional risks administrating companies, health promoting companies, and family compensation funds, making sure our contractors will follow suit. None of our companies reported fatal accidents.

The accident rate in 2010 was 3.4%, attesting to the evolution in prevention management upon being significantly under the Colombian food sector rate of 11.4%. Our goal is achieving zero accidents.



Self-care and protection elements are an essential part of safety and occupational health management. Pastas Doria employee.

INVESTMENT IN HEALTH AND SAFETY IN WORK ENVIRONMENTS, \$MILLION

INVESTMENT	2010	2009
Training in occupational health	\$ 362	\$ 293
Copaso	464	985
Zero accident management	3.887	5.072
Integral brigade	761	1.020
Health management	1.286	2.876
TOTAL	\$ 6.760	\$ 10.246

SALARY AND REMUNERATION SYSTEMS

Our employees' remuneration is based on a policy that includes competitiveness studies and allows us to remain in positive levels, allowing us to attract and retain the best possible talent. We also have a position valuation system that checks the position dimensions and the employee contribution, as well as his knowledge and skills, allowing us to assign fair and competitive salaries.



Colcafe brigade members

DIRECT HIRES	N° OF PEOPLE PER GENDER			SALARY	BENEFITS	TOTAL
	Men	Women	Total			
Management	123	38	161	\$ 33.031	\$ 14.497	\$ 47.528
Administrative	5.072	2.888	7.960	225.147	155.859	381.006
Operational	5.875	2.139	8.014	107.008	72.622	179.630
TOTAL	11.070	5.065	16.135	\$ 365.186	\$ 242.978	\$ 608.164

In 2010, GNCH employees received COP \$608, 164 million on account of salaries and social benefits.



Nutresa Plant, Mexico



Task forces are temporary inter-disciplinary work teams that handle high-impact strategic projects. This method allows innovating organizational processes and models and encourages revolving leadership. It is now being adopted by the Group companies. Noel task force.

TRAINING AND DEVELOPMENT OF HIGHLY COMPETENT PROFESSIONALS AND LEADERS

The business strategy, the results of performance management, and the various measurements we have to identify opportunities for improvement

for our workforce are every year a significant element to define personnel training paths.

We are developing our leaders' skills by measuring leadership styles and through programs allowing for their integral growth.

Development of human talent reflects in training strategies and programs. Employees, Alimentos Carnicos, Bogotá Plant.

TRAINING	2010		2009	
	\$ million	total hrs	\$ million	total hrs
Person development	\$ 512	42.932	\$ 699	35.855
Development of leadership skills	1.676	72.914	1.017	31.561
Development of organizational skills	779	93.405	2.842	175.748
Development of specific skills	2.609	217.313	2.772	183.328
TOTAL	\$ 5.576	426.564	\$ 7.330	426.492

There was a significant investment in SAP training in 2009, however not in 2010.



As of 2010, the Group has 846 leaders who have participated in the management style measurement and are carrying out various development plans. We are supported by a potential evaluation process allowing us to identify and prepare the leaders of the future. 401 professionals have participated in this process. The training and development programs for the workforce allow us to have qualified personnel and be coherent with the companies' internal promotion policies. For this, and inasmuch as possible, company vacancies are filled with the group's internal talent.



Meals de Colombia employees.

SUPPORT TO HIGHER LEARNING	2010		2009	
	Persons	\$ million	Persons	\$ million
Technical and professional studies*	345	\$ 406	2.633	\$ 2.164
In-country specializations	141	531	257	694
Internship programs outside the country	14	216	23	210
Virtual University	387	170	2.316	81
Worker education subsidies	3.538	2.970	Included in the first item	Included in the first item
TOTAL	4.425	\$ 4.293	5.229	\$ 3. 149

HIGHER EDUCATION

In 2010, 4,455 employees completed technical and professional studies, specializations, and internships, with an investment of COP \$4,293 million. This figure includes higher learning subsidies for the employees.

* In 2010, the above table shows worker subsidies since in 2009 they were included in technical and professional studies looking to achieve comparability.

Since I have been with the Company, there have been discussions regarding the environment. I now see that we are quite involved in the issue since we participate directly in activities being carried out. We now have a matrix in small teams, divided into pillars, each of them with one person in charge. I am the one responsible for watching over compliance with the inter-personal relationship pillar with our superiors. My role is keeping a log of daily events in order to identify opportunities for improvement. A meeting is held at the end of each month with the small teams and the heads of department, in order to determine steps to be followed. These new dynamics to improve inter-personal relationships with the heads of department are a winner - for them and for us as employees - since they allow us to get closer and have more direct communications, based on respect.
 Juan Carlos Garcia, Ham Line employee, Shift 1, Zenu.





Companies create participation opportunities for a dynamic relationship with the workforce. The Servicio Nacional de Chocolates Partners network is an example of the joint effort in strengthening the working environment.

HUMAN RIGHTS

In 2010 our Group reaffirmed its participation in the United Nations Global Compact, fact that commits us to strengthening strategies, plans, and actions oriented to following human rights principles.

Four sensitizing and training sessions in human rights were carried out in order to be coherent with these principles and also obtain commitment from our leaders and workforce, which were attended by the Corporate Committee, the Companies' Executive Committees, the Human Management Synergy Roundtable, and work teams whose roles have direct implications on compliance with agreements.

In the labour area, our Group has always had - and will continue having - respect for the workers' free association and their right to collective bargaining. It has always been our philosophy to generate participation and listening spaces and resolve differences. This philosophy reflects in the existence of 16 labor unions in 12 of the Group companies, and in 13 collective workers labor agreements.

There were no work harassment cases in 2010, nor any circumstances affecting our workers' integrity.

Joint participation mechanisms have been created with various labor unions and leaders of collective workers labor agreements, creating alliances in order to manage accidents, professional illnesses, and other issues that could affect the quality of life of our people.

AGAINST CHILD LABOR AND FORCED OR COMPULSORY LABOR

We reject any form of child labor and we require that our contractors do not promote it.

We do not hire minors nor do we allow any type of child labor. We carry out programs for our employees' children, supporting their education and the improvement of their life quality.

Several Group companies are becoming involved in "El Derecho a la Felicidad" ("The Right to Happiness") a program developed by Instituto de Bienestar Familiar (Colombian Family Welfare Institute) and in 2010, Grupo Nacional de Chocolates obtained the acknowledgement granted by that institution, which highlighted our commitment to and ongoing work regarding that great end.



"Of my dad's company, I like everything they do. When we go to Halloween and in Christmas to parties, when we make biscuits and participate in recreation events we go to farms and do extreme stuff".

Pablo Diaz, 8 years. Son of Gonzalo Diaz, employee of Servicios Nacional de Chocolates.

COMPREHENSIVE ACTIVITIES WITH THE COMMUNITY AND OUR VALUE CHAIN

The community, clients, and suppliers are the center of social responsibility activities carried out by our Food Group. Supported by its foundations, Grupo Nacional de Chocolates and Crem Helado work in nutrition, education, revenue generation, and entrepreneurship, also supporting art and culture. At the same time, the companies directly carry out similar work with the value chain partners.

The following are cross disciplinary elements of this activity:

- » Volunteer work, creating cooperation networks by linking the employees social work with their communities, in an effective and organized manner.
- » Inclusion as a reference framework for opportunity development.
- » Cooperative relationships with entities specializing in social development.

DEVELOPING SKILLS TOGETHER WITH THE COMMUNITY

The purpose of relations between the Group and its companies with the community is to contribute to their well-being and progress, based on the sustainability concept. Our management model is based in developing local skills that promote participation, self-management, and strengthen the communities' leadership, which in turn allows obtaining positive results, with greater projection and long-lasting effects. We do this under alliances with social entities and private companies.

INTERACTION CRITERIA WITH RELATED GROUPS

Comprehensive social activities are supported by performance criteria with their related groups, on which an effective and mutual growth effort has been carried out.

- » Generation of social and economic value by action plans with the members of the companies' productive chain, for their competitiveness.
- » Voluntary alliances and synergies with state entities, ONG's, and civil organizations in social projects



Villa Campo school students, in Atlántico (Colombia)

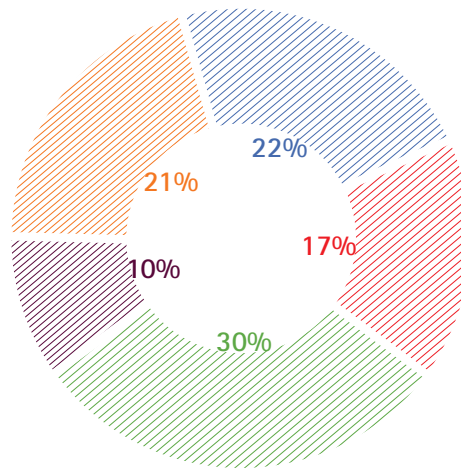
- » Participation approach in structured non-assistance based projects generating development, with participation of employees and the community.
- » Optimization of the social profitability of available resources.
- » Strengthening of good social practices existing in the companies.
- » Encouragement of ethical and transparent behavior.
- » Development of systems for measuring social management and its impact.



MANAGEMENT LINE	2010			2009		
	Entities	Persons	\$ million	Entities	Persons	\$ million
Nutrition	2.138	165.940	\$ 3.555	1.020	522.916	\$ 7.760
Education	1.366	1.725.566	2.662	1.229	224.424	2.200
Generation of revenues and Entrepreneurship	422	201.917	633	57	22.678	2.281
Support to Art and Culture	119	846.352	1.566	55	567.893	2.059
Other Social Projects	203	24.616	3.468	83	42.341	699
Client Development	Not applicable	10.501	1.698	Not applicable	Included in the third item	Included in the third item
Supplier strengthening	Not applicable	722	2.583	Not applicable	Included in the third item	Included in the third item
TOTALS	4.248	2.975.614	\$ 16.165	2.444	1.380.252	\$ 14.879

Note: The beneficiary persons data is calculated directly by the supported organizations.

- Other Social Projects
- Nutrition
- Education
- Generation of revenues and entrepreneurship
- Support to Art and Culture



Note: COP \$4,044 million are part of this investment, delivered in cash through the GNCH Foundation, \$4,168 million in the form of products, and \$7,953 million in other contributions made directly by the companies.

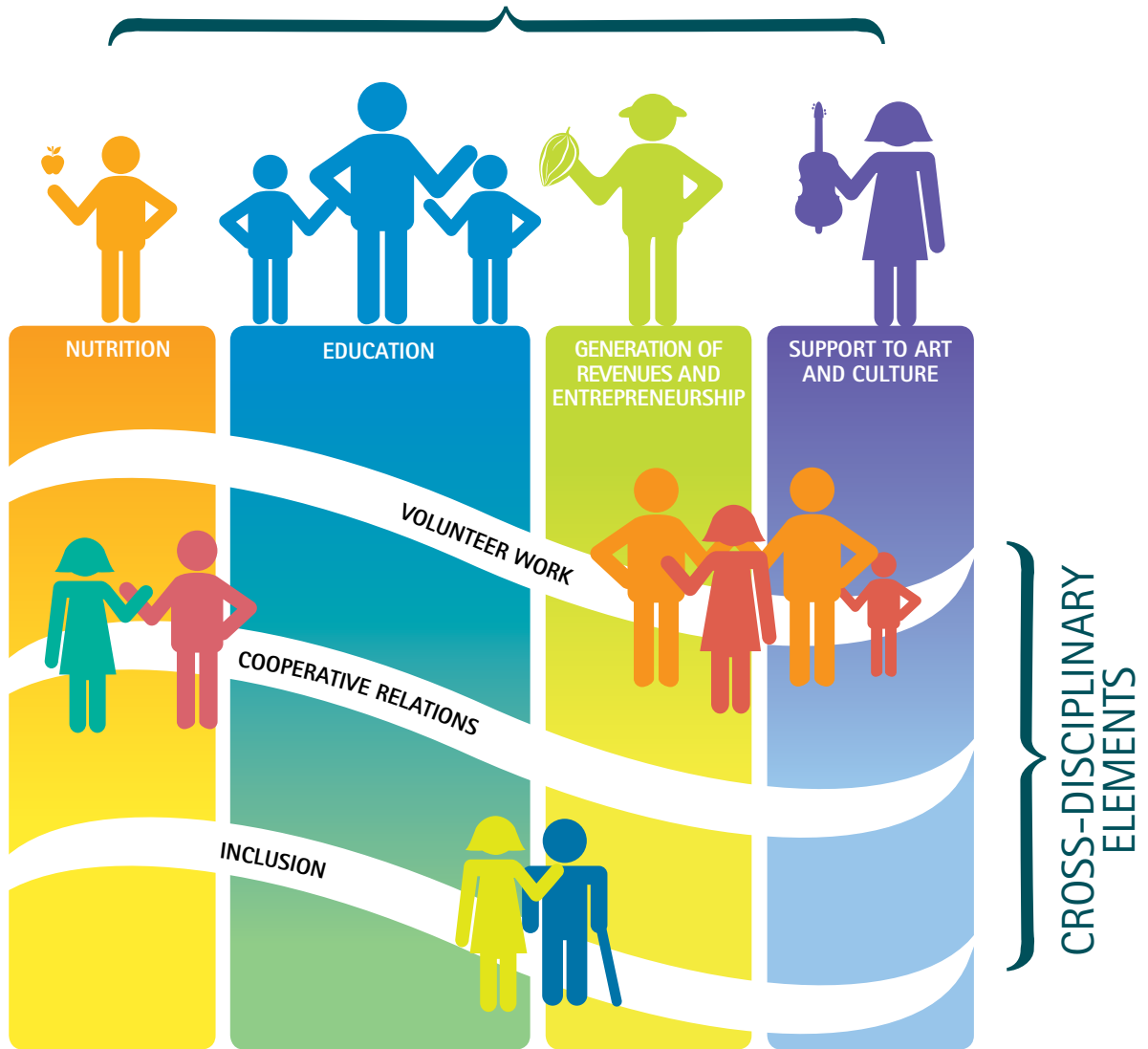


Children benefiting from the "Secrets to Tell" program.

Delivery of school kits under the "Nacional de Chocolates Loves Children" program in the Barreño area, municipality of Yolombo, Antioquia.



MANAGEMENT LINES GRUPO NACIONAL DE CHOCOLATES





In the town of Tuchin, Department of Córdoba, 35 children of its indigenous community participate in the nutritional program, which additionally involves the mothers who participate in the preparation of food and have received training in Good Practices.

NUTRITION

Upon executing the United Nations Global Compact, Grupo Nacional de Chocolates also commits with the Millennium Objectives in the subject of eradicating extreme poverty and hunger. Through social activities developed by the companies in collaboration with the Grupo Nacional de Chocolates Foundation, contributions of COP \$3,555 million were made in cash and products, reaching 165,940 persons in Colombia, with initiatives in Costa Rica, Peru, Puerto Rico, Ecuador, and Venezuela. This work provided access to food to population groups subject to limitations.

The work with Food Banks, which provides an effective distribution system, soup kitchens with local participation in community groups, and the integral nutrition projects in high-risk children populations are the three main programs of this line.

FOOD BANK NETWORK TO CHANNEL AID TO UNDERPRIVILEGED POPULATIONS

“The alliance between the GNCH Foundation and the National Food Bank Network has allowed generating strategies to develop local skills, oriented to responding to the communities’ nutritional needs and generating healthy habits from knowledge and education in various regions. Several companies from the private sector have joined this initiative, including efforts to provide access to the neediest communities”.

Carlos Ignacio Gallego P., General Director of Grupo Nacional de Chocolates.

Food banks around the world are an effective mechanism to obtain and deliver food to community sectors with the greatest needs, channeling contributions in cash and kind from companies, entities, and persons. In Colombia, 28 food banks in 25 cities have had ongoing evolution and have an organized system and apply good practices and

nutritional knowledge for the betterment of the respective beneficiaries.

The Banks Network is supported by volunteers from the Grupo Nacional de Chocolates companies, who provide their assistance and technical support in food handling and strategic management, strengthening cooperation between private companies and the network.

COMMUNITY SOUP KITCHENS: FOOD FOR PREGNANT MOTHERS, CHILDREN, AND YOUNGSTERS

In the towns of Quinchia, Soledad, Mosquera, Bello, and Tuchin, and in the cities of Medellín and Cartagena in Colombia, 23 community projects addressed to pregnant mothers, children, and youngsters under nutritional risk were supported by the Grupo Nacional de Chocolates Foundation, reaching more than 4,722 persons.

The activities have allowed improving the children's academic performance and have resulted in fewer school dropouts. Training on good nutritional habits has been provided to parents, as well as to persons from the community working in the soup kitchens.



A total of 100 children from Mosquera, Cundinamarca, benefit from the educational and nutritional program led by the Nutrifantil Foundation with the Bogotá Food Bank, activity that is supported by Pastas Doria.



In Colombia, the food banks network is present in 25 cities. Archdiocesan Food Bank headquarters in Bogotá.



In association with the Barranquilla Food Bank, for three years the integral nutrition activity offered to 80 children from the Villa Campo educational institution has been supported, in which community work has been integrated among mothers and teachers. The program is supported by the Cold Cuts Business.



The National Integral Education Management Congress, part of the 21st-Century Leaders, relevant considering its attendance and representation from the educational sector. The Crem Helado Award to Quality is presented, which in 2010 was given to the Jorge Ardila Duarte Institution in Bucaramanga.

EDUCATION

Considering the importance of education as a requirement to achieve progress goals in society, and in accordance with community needs, the education management line is especially important for the Group and its companies. Work is done on the quality of education in technology and in improvement of processes, through the “21st-Century Leaders” and “Orient Yourself: the World a Click Away”, also in support to basic education with the Nacional de Chocolates Loves Children Program. Through alliances and contributions to projects, participation in programs promoting access to technical and higher education is encouraged. Total investment in 2010 was COP \$2,662 million, reaching 1,366 beneficiary entities and a population of close to 1,726,000 persons.

21ST-CENTURY LEADERS: VOLUNTEERS AND SCHOOLS, UNITED TOWARDS QUALITY IN EDUCATION

“With the 21st-Century Leaders project, it has been possible to find an interaction opportunity for the productive and educational sectors in the country.

Proper and integral training of the human resource is a priority in the corporate social responsibility policy of participating companies”, Mario Alberto Niño, Ice Cream Business President and Crem Helado Director.

Over the past 15 years, the Crem Helado 21st Century Leaders has been carrying out significant work regarding the quality of education in Colombia, having implemented a continuous improvement model in educational entities, of which the final purpose is achieving outstanding performance. Its model has been implemented in Ecuador since 2009.

The 21st-Century Leaders educational project involves convening, committing, and supporting corporate volunteers, under which a director becomes the school’s improvement and transformation process advisor. The 2010 balance is satisfactory: 401 volunteers from 204 companies participated in the project and supported educational institutions in 58 towns and municipalities in Colombia.



**ORIENT YOURSELF: THE WORLD A CLICK AWAY,
TECHNOLOGY AVAILABLE TO TEACHERS AND STUDENTS.**

Technology sets an access path to knowledge and to development of technical skills, which the Orient Yourself: the World a Click Away program focuses on. As a result of training teachers in IT and communications and providing computer equipment, the program is now present in 50 educational institutions in Colombia, reaching approximately 27,000 students. 568 teachers were trained in the program during 2010.

This year, the educational centers in El Carmen de Viboral and Turbo in Antioquia and in Montes de Maria, between the departments of Bolivar and Sucre, were provided with computer equipment.

Now nine years old, Orient Yourself: the World a Click Away operates in Barranquilla, Bogota, Cali, Santa Marta, and Medellin, and in the municipalities of El Carmen de Viboral, Rionegro, La Ceja, and Turbo, in Antioquia, Caloto in Cauca and Montes de Maria in the northern coast of Colombia.

The Group participated in 2010 in the municipality of Turbo, Department of Antioquia, providing 15 computer equipment to the November 29 educational center. As a result of this initiative - developed in association with the educational community and the private sector - more than 1,200 children today have access to the computer room and 40 teachers have received ICT training.



Children in the Barro Blanco school, municipality of Rionegro, are a good example of how the proper use of ICT generates interaction opportunities for learning and entertaining.

Parents, teachers, and students of the Betania Rural Educational Center, in El Carmen de Viboral, continue their learning process in new technologies applied to the classroom.





ALLIANCES FOR QUALITY IN EDUCATION

CITIZEN SKILLS: YOUNGSTERS PREPARED TO BE DEVOTED CITIZENS.

The “Citizen Skills” program included active participation by 1,753 youngsters between 12 and 16 years of age, who received training in participative leadership. Its achievements include propositions for local problems in education, basic services, recreation, and reforestation. This program is developed in Colombia, in the municipalities of Buenaventura, Cali, Yumbo, Vijes, Buga and Zarzal.

NACIONAL DE CHOCOLATES LOVES CHILDREN

Compañía Nacional de Chocolates contributes to basic education in rural communities lacking minimum educational resources, by delivering school kits, books, and sporting elements to students. It reached 128 schools and distributed educational kits to 5,731 children during 2010.

GENERATION OF TECHNICAL AND HIGHER EDUCATION OPPORTUNITIES FOR YOUNGSTERS

Through the scholarship program with Universidad Nacional, Católica del Norte, and Minuto de Dios, the GNCH Foundation supported 33 students with economic limitations to access higher education. Scholarships subsidize their entire studies.



Children and youngsters from Cali, Valle, participating in the Citizen Skills program, supported by the Grupo Nacional de Chocolates Foundation.

Grupo Nacional de Chocolates joined Colfuturo and made contributions in support to its educational activity. This entity financed 1,027 students in their master’s and doctorate studies in the best universities in the world



The Nacional de Chocolates Loves Children program delivering school kits to students in the Vereda Horta Medio school, municipality of Bolivar, Department of Santander.

GENERATION OF REVENUES AND ENTREPRENEURSHIP

Promoting our communities' development is a strategy we have been managing through collaborative work with small producer associations and other private companies, leading to self-management and development of the beneficiary population capacities. 452 entities were supported in 2010 with COP \$633 million during 2010.

PRODUCTIVE PROJECTS WITH RURAL COMMUNITIES

Sesame, a productive alternative for communities returning after being displaced

The Montes de Maria sesame producers' network was consolidated in 2010, in the departments of Cordoba and Bolivar. Its purpose is organizing farmers into an action group watching over its members. Based on its organization, this association expects to make sesame growing a competitive activity resulting in the general well-being of producers. In total, the network includes 392 sesame producing families.

Farmer from the Montes de Maria sesame producers' network



This productive alliance is supported by the PBA Corporation, the Mayor's Office of the municipality of Cordoba in Bolivar, Bimbo Colombia, and the Grupo Nacional de Chocolates Foundation. The companies Galletas Noel and Nacional de Chocolates participate as production buyers, professional volunteers from the Group advising them on commercial activities, technical issues related to the process, and on the quality of the product.

Cocoa and exotic fruit crops

The promotion of productive activities to generate revenues for the communities has been a positive experience. Representative cases are those of Canal del Darien, north of Cauca, and Buenaventura, where 2,082 cocoa producers trade their products with Compañía Nacional de Chocolates and have received technical support from the company in managing their raw materials' quality to strengthen and develop associations. Leadership programs have also been implemented for producers and their families, as well as for nutrition of children in areas with nutritional deficiencies.

A total of 177 producers of Asai, "1000 peso oil", jagua, and naidi from the communities of Intermediate Atrato in the department of Choco participate in integration strategies with the commercial chains and in social, environmental, and economic development activities.

These initiatives are included in the Corporate Development Alliances - AED, a social integration strategy that involves efforts in the public, private, and community sectors, in which the GNCH Foundation participates in alliance with the Bancolombia and Suramericana foundations and the company Proteccion.



During the Christmas Season, the story Around the Christmas tree was able to bring together over 120,000 persons, who were able to enjoy Father Christmas free of charge. For 22 years now it has been a gift that Compañía de Galletas Noel offers to the community.

SUPPORT TO ART AND CULTURE

Working together with museums, centers, and foundations, Grupo Nacional de Chocolates promotes the population access to cultural expressions. In 2010, COP \$1,566 million were invested, promoting the work of 119 entities and providing support to 130 projects. Close to 847,000 persons enjoyed events, music festivals, and expositions, among others. Worth mentioning is the work done with the museums of Antioquia and Arte y Moderno in Medellín, Salvi Cartagena, La Cueva in Barranquilla, the French Alliance, and the Scarpetta Foundation in Cali.



Interpretations of more than 120 children and youngsters from Cali who are part of the Notas de Paz Orchestra; they talk about their enthusiasm and commitment with music, their evolution as artists, and the success of a program that sets an example by creating an opportunity for cultural development. This activity is supported by Compañía Nacional de Chocolates.

VOLUNTEERS, MAIN PROTAGONISTS OF THE GRUPO NACIONAL DE CHOCOLATES SOCIAL WORK



Our Volunteers Network has 9,166 members. It is an active and collaborative network committed with communities in Colombia and in the strategic region.

Volunteer work
in time 



817
Number of
Participants

+

Volunteer work
in money 



8.349 = 9.166
Number of
Contributors
Per program

The Grupo Nacional de Chocolates corporate volunteer work has allowed cooperators to fulfill their desire to contribute to social development, being the foundation of strategies carried out by the Group and its companies in social responsibility. Volunteers share their knowledge in order to strengthen entities and programs; they participate with full commitment as advisors, are enthusiastic members of projects that consolidate productive initiatives, dedicate their time and money to accompanying children, youngsters, and the elderly, and work to secure resources, among others.

VOLUNTEERS AND COMPANIES, WORKING TOGETHER TO HELP

The number of volunteers increased in 2010, in response to the difficult situation in Haiti and Colombia. Companies participated by promoting aid and contributing with twice of what each collaborator gave to these causes.

The event "Recognition to Our Volunteers" evidences the commitment towards a better world, by contributions made by each volunteer. It pays homage to their dedication and happiness in implementing social projects to benefit their communities.



1.

- 1. Chocolates Business volunteers
- 2. Cordialsa Colombia volunteers
- 3. Cold Cuts Business volunteers.



4.



5.



6.



4. Servicios Nacional de Chocolates volunteers.

5. Biscuits Business volunteers.

6. Coffee Business volunteers.

7. Ice Cream Business volunteers.

7.





Negocio de Pastas volunteer

SOLIDARITY WITH HAITI

Grupo Nacional de Chocolates, its companies, and its workforce joined efforts with the world solidarity network to provide aid to the Haitian community by delivering products and economic resources. This activity was coordinated by the GNCH Foundation. From such resources, COP \$514 million were destined to the construction of 20 houses for the Cabaret community through the Antioquia Presente Corporation.

COMMITTED WITH COLOMBIANS AFFECTED BY THE RAINY SEASON

Faced with the magnitude of the rainy season in Colombia, Grupo Nacional de Chocolates and its companies made a solidarity commitment with those affected, through Colombia Humanitaria. They will provide COP \$2,000 million, contribution that will be made mainly in cash and in kind between December 2010 and in early 2011.



Cabaret community in Haiti, selected for the housing project to be developed by the Antioquia Presente Corporation.

OUR VALUE CHAIN TOGETHER WITH SUPPLIERS AND CLIENTS

SUPPORT TO FARMERS

Activities promoting the cocoa sector

From its Cocoa Promotion area, with a more than 50-year history Compañía Nacional de Chocolates aids the cocoa farmer in order to strengthen the cocoa-chocolate chain, with a long-term vision on technology transfer and production sustainability. This work is done in alliance with the Colombian government and other entities.

Research is a significant element of the promotion area, from which valuable technical knowledge results regarding seeds, plants, pest control, development of productive techniques for better use of the land, and obtaining of quality crops. All this knowledge is transferred to the peasants through technical assistance programs, demonstration farms, and support to crops.



Ómar José Chadid González, Ecocacao Ltda Manager

"Ecocacao is a cooperative working for peace in the Magdalena Medio region. We make sure that the families, based on their cocoa crops, will be able to improve their quality of life, will be able to come together as family units, and will improve themselves through community work that will allow them to fill coexistence opportunities for a free social human development. Compañía Nacional de Chocolates has been working with us for more than 8 years, initially in the cocoa promotion technological strategy in the Magdalena Medio region, after which we were able to strengthen our ties in the commercial area until achieving an integral alliance that provides technical assistance to producers in order to improve their crops".



Cultivators who own small and medium-sized plots receive technical assistance from Compañía Nacional de Chocolates to improve their cacao production productivity.

In 2010, the company contributed with COP \$631 million, reaching 27 municipalities in the country, 4000 families having access to this revenue-producing activity in close to 10,000 cultivated hectares.

"Cocoa for the Future" Private Capital Fund

Compañía Nacional de Chocolates and the stock-brokers firm Bolsa y Renta presented an innovative and socially sustainable financial model structuring the private capital fund "Cocoa for the Future", which allows channeling private investments to the Colombian cocoa growers, having achieved positive environmental and social results. More than 250 peasant families will benefit directly and 1,250 jobs will be generated in the first year, 625 in the following years.

The project involves financing of approximately 2,500 ha, initially in four municipalities in Antioquia, benefiting small and midsized farmers associated to the Ecocacao Cooperative. Peasant families will benefit from the knowledge transfer and from a stable activity, also having a medium-term source of revenues since the Fund will deliver crops for their personal benefit once investors have recovered their investment and received the agreed revenues.



Chocolate Santander with the peasants

A total of 750 families from the Colombian North-east cultivate cocoa used to make premium quality Chocolate Santander. Cocoa growers in the Yariquíes Mountains receive technical assistance, support during sowing, and quality recognition for their crops, with bonuses paid over current market prices by Compañía Nacional de Chocolates.

Cocoa Fair Trade

The allied Ecocacao cooperative in which Compañía Nacional de Chocolates has active participation, received the “Fair Trade” certification from the German organization FLOCERT. It had also been certified the previous year, a positive circumstance that will allow it to start commercial initiatives in 2011 and achieve economic benefits for the country, the company, and the community.

ALLIANCES

Compañía Nacional de Chocolates has been selected by foreign entities to channel aid to Colombian farmers.

- » The Colombian firm Mitsubishi has made donations in order to finance, together with the company, sowing of 130 ha of cocoa, benefiting 65 families in Falan, Tolima, and 132 families in Arboletes, Antioquia, cultivating 132 ha.



Cashew fruit cultivated by the Chinu, Cordoba, producer associations.

The Compañía Nacional de Chocolates Development Office has driven the development of cocoa cultivators for more than 50 years.



- » The World Cocoa Foundation has directed some of its activities to Colombia. Together with this foundation, work is being done to rehabilitate cultivation of 140 ha, supporting 60 families in Huila.

CASHEWS

In order to improve economic conditions of cashew-grower communities in the Chinu, Cordoba region in northern Colombia, Compañía Nacional de Chocolates has promoted production in this area during the last five years with families, having promoted associative local processes in coordination with the Grupo Nacional de Chocolates Foundation. In addition, a new alliance was formed promoting the creation of the Asomarañon Association, benefiting 60 families cultivating 240 ha of this product.



José Urley Flórez, coffee cultivator from Aguadas, Caldas, is one of the 1.100 cooperative members and is a beneficiary of one of 400 Fair Trade food safety plans that enable creating self-sufficient farms.

DEVELOPMENT OF THE COFFEE GROWERS COMMUNITY: NEGOTIATION WITH THE FAIR TRADE SEAL

Colcafe continued with its commitment to generate additional benefits for coffee grower communities and families certified with the sale of Fair Trade products, paying bonuses of COP \$1,645 million assigned to educational and health programs, road improvements, recreation, and productivity. Since starting the sale of products under this certification we have transferred resources for close to COP \$11,317 million.

As a supplementary and sensitizing activity of this program, together with its international clients the company made important visits to the Fair Trade communities, identifying benefits brought by this money to Colombian coffee growers.

FRUIT CULTIVATORS

In the Quindío Central Mountain Range and in alliance with SENA, the university and the Quindío Governor's Office, Meals de Colombia promoted sowing of 31 ha of thornless blackberries with the participation of 31 blackberry growers from the municipalities of Calarca, Genova, and Córdoba. This project is being developed with farmers owners of small land plots, associated under the Unimor joint venture. Meals de Colombia provided technical assistance on good agricultural practices and after-harvest management and in handling of the finished product's harmless condition. Close to 158 tons of fruit were purchased in 2010, which will be used to prepare sauces and marmalades for the Crem Helado products and for other industrial clients at a national level.

DEVELOPMENT OF OUR SUPPLIERS

Supplier development is a key element of a competitive and cooperative framework in the supply chain, activity that is carried out by Servicios Nacional de Chocolates and by the specialized purchasing areas in the different companies. During 2010 the various programs were continued in order to achieve international standards for raw materials, share knowledge, explore projects for new developments, and strengthen the value chain.

CORPORATE POLICY: CORPORATE CODE OF CONDUCT WITH SUPPLIERS

The corporate code of conduct was developed in 2010 as a result of the openness existing in the relationships with our suppliers. Our Code of Good Governance sets forth basic norms for our employees' conduct, the Corporate Code of Conduct covering relationships with our suppliers. These two codes are fundamental statements and principles applicable to the Grupo Nacional de Chocolates companies. We will work in its disclosure during 2011.

TRAINING AND ASSISTANCE

Last year, 89 visits were made under the suppliers' evaluation and accompaniment program, purpose which was strengthening and having best practices implemented in integrated management systems, thus meeting international standards. The investment made in this program was COP \$165.5 million.



PURCHASES IN COLOMBIA, 2010 (MILLION)

GROUP	COLD CUTS	BISCUITS	CHOCOLATE	COFFEE	ICE CREAM	PASTA	TOTAL \ NATIONAL	TOTAL PURCHASES	% NATIONAL PURCHASES
Coffee	0	0	0	337.974	0	0	337.974	341.533	99,0%
Packing	51.656	60.858	41.026	46.605	17.903	8.840	226.888	243.506	93,2%
Meat	142.588	0	0	0	0	0	142.588	186.444	76,5%
Cocoa	0	0	98.086	0	0	0	98.086	148.180	66,2%
Sugar	317	24.475	36.990	1.053	6.985	0	69.820	78.993	88,4%
Concentrates	48.963	0	0	0	20	0	48.983	49.182	99,6%
Edible oils and fats	300	34.332	6.200	0	4.496	13	45.341	45.429	99,8%
Milk and its by products	2.174	4.301	15.542	81	16.985	0	39.083	41.085	95,1%
Other Raw materials	69.169	17.480	7.600	2.628	11.020	1.176	109.073	296.167	36,8%
TOTAL	\$315.167	\$141.446	\$205.444	\$388.341	\$57.409	\$10.029	\$1.117.836	\$1.430.519	78,1%

COMMUNICATION WITH SUPPLIERS, SUSTAINABLE DEVELOPMENT EVENT

Settings to interact with suppliers have been strengthened in order to share strategic issues around sustainable management. Last year, the main raw materials' providers were called to discuss the Grupo Nacional de Chocolates challenges until 2015.

SUPPLIERS PORTAL

The Grupo Nacional de Chocolates online business portal (www.grupoalimentosenlinea.com) is a tool supporting, facilitating, and improving commercial relationships among the various Group companies and their suppliers, which are considered strategic partners of the value chain.

The portal aims at having ongoing communications and improving logistic, financial, and quality processes with suppliers of raw materials, packing material, MRO (maintenance, repair, and operation) for the operation, and service providers. Since the portal creation, 10,000 companies have been enabled and 1,250 persons have been trained in the various services offered to suppliers.

INCLUSION OF SMALL ENTREPRENEURS

Business rounds, during which small entrepreneurs are informed of supply requirements and the characteristics of the industrial and commercial market,

are an important forum for their participation in the productive chain. There was active participation in several management rounds, resulting in contacts with 156 suppliers and deals closed for close to COP \$75 million.



Grupo Nacional de Chocolates shares sustainable development objectives and strategies with its suppliers. The event was held for this purpose for the second consecutive year, convening the main suppliers of raw materials.

STRENGTHENING SKILLS WITH OUR CLIENTS

By being value partners in the growth and development strategy of markets where we are present, we aim to satisfy our clients. At the same time, we develop with them projects allowing us to contribute to their growth, with emphasis in retail and self-service channels. As a result of this, in 2010 we implemented client strengthening programs involving a COP \$1,698 million investment, covering 10,501 merchants.

NEW GNCH DRY BUSINESS COMMERCIAL MODEL

On September 1 of 2010, Cordialsa Colombia started working as the commercial and logistic platform of the Biscuits, Chocolate, Coffee, and Pasta Businesses, and long shelf life of the Cold cuts Business in Colombia. This new model was implemented in

large store chains at a national level, and in the Coffee Heartland, directly reaching a greater number of clients, increasing the frequency of visits, and serving the region clients with specialized personnel. We will continue with the implementation process on November 2 in Tolima Grande and will finish with the Medellin region on October 2011.

Cordialsa Colombia divides its clients according to their characteristics, understanding their requirements, their commercial environment, and their buyers and providing them with a portfolio that will meet their needs. This model allows delivering activations and commercial proposals to clients, bringing better benefits to them and serving them with specialized structures according to each segment.



Cordialsa Colombia workforce.



"In 2015 we will be the best partner for our clients"



Cordialsa Colombia Vision

ANNUAL SATISFACTION MEASUREMENT

Every year, in Colombia and in the strategic region, the companies measure the service offered to the clients. This is a valuable source of information regarding expectations, management, and of how the service is being perceived, allowing for its improvement.

11,393 clients in Colombia were surveyed in 2010, the result being a 4.49 "perceptual satisfaction" index and a 4.43 "derived satisfaction" index over 5.00, a satisfactory result considering that 2010 was quite difficult from the market point of view, thus positioning us well above the rest of the evaluated competitors. Additionally, the study showed that 64% of our clients would recommend us and would select us again as their supplier, percentage that is in the upper range with respect to the market. Opportunities for improvement identified were promotional activities and channel promotion, as well as timely information regarding depleted products.

Abroad, the 2010 satisfaction measurement was applied to 145 direct clients in 52 countries. As a

result of this, a 4.21 "derived satisfaction" index was obtained and a 4.46 "perceptual satisfaction" index. We must highlight an improvement in the North American and Caribbean regions' performance with respect to the previous year. The international clients' loyalty 2010 index remains high, 71% of clients recommending us or again selecting us as their supplier. Identified opportunities for improvement are faster consolidated product deliveries and strengthening of the brands' Trade activities.

COMMUNICATIONS, A KEY FACTOR

The commercial scheme, based on closeness and ongoing relationships, is based on personal and direct communications. On the other hand, clients access their information through portals exclusively dedicated to commercial activities, and through the Client Interaction Center, where requests and claims are heard and redirected for solution and/or processing.

4,49

/ 5.00 is the clients' perceived satisfaction in Colombia.



"Passion for the service is something you feel deep inside, something that is only conveyed by showing love for others..., for our clients. What we have to do is not simply "doing", it means knowing and caring for what they expect from us; it is creating an harmonious relationship generating opportunities and allowing us to grow together".

SCHOOLS FOR CLIENTS

GROCCERS AND SELF-SERVICE SCHOOL

The “Groccers School” is the Colombian retail channel development engine, which trained 7,882 merchants in the cities of Bogotá, Barranquilla, Cartagena, Pereira, Bucaramanga, Cali, Ibagué, and Medellín during 2010. The program has certified 1,023 stores in Bogotá, Cali, Barranquilla, and Medellín. The model is based on knowledge applicable to the stores’ daily practices, allowing for their better business management.

The “Self-Service School” graduated 511 merchants in 2010. A total of, 1,590 persons have participated throughout the country.

A new program was started, addressed to the clients’ channel comprised of wholesalers, with 74 clients from the Corabastos groceries depot in Bogotá.

The schools’ facilitators are employees from the Grupo Nacional de Chocolates companies - from commercial areas - trained for this training process and with commercial and hands-on experience allowing them to advise and support clients in their development process.

Ice Cream University

Through the Ice Cream University, the Meals de Colombia clients receive training and assistance in handling ice cream, , basic preparations, and general administration, therefore making their business more profitable. Training is given by experts in the issue of ice cream preparations. In 2010, the program reached 140 clients in Cali, Pereira, Manizales, and Armenia.

As of 2010 the Groccers School has trained 7,882 merchants



Participating in the Groccers School was an enriching experience since, in addition to having received training in issues that are very useful for my business, I was able to meet people who taught me not only how to be a better merchant but also how to grow as a person. It was a beautiful experience, which I recommend to all merchants in the country.

Carlos Mario Montoya – Provedora Monesco – La Estrella, Antioquia.



ALTERNATE SALES CHANNELS

“ENTREPRENEUR MOTHERS” WITH NOVAVENTA

Entrepreneur mothers generate revenues for their families. Many of them assume a role other than that of housewives, with their improvement desire being able to learn how to develop commercial skills. There are more than 57,000 mother entrepreneurs from 50 cities in Colombia, who in 2010 participated in the Novaventa direct purchase channel, which allows them to define their agendas and assign adequate time to their homes and to work. The channel concept is based on sustainability criteria, the economic activity being relevant together with the social activity.

Novaventa, a company specializing in the Grupo Nacional de Chocolates alternative channels, promotes the “entrepreneur mothers” channel through the “earn and grow” program, providing access to professional studies and knowledge, in addition to economic incentives, enabling them to more effectively develop their business. More than COP \$1,400 million were assigned to this program, in benefit of 1,952 leaders.



In 2010, over 57,000 female entrepreneurs participated in the Novaventa network.

THE COLD CUT BUSINESS CONTINUES DEVELOPING ITS COMMERCIAL MODEL FOR HOUSEWIVES

The cold cuts business continues consolidating the commercial model for micro-companies, focused on training housewives from the 1, 2, and 3 socioeconomic levels in sales, looking to generate additional revenues with its direct purchase strategy, and addressed to trading and refrigerated distribution of seasonal and special occasion products (Mother’s Day, Father’s Day, and Christmas). This concept was

started in 2004 with 3,500 housewives, netting COP \$3000 in sales. In 2010 there were 13,956 housewives generating approximately COP \$15,000 million in sales each year.

TILINES, SMALL MERCHANTS

The alternate channel of small ice cream merchants, known as “Tilines”, started operations in Colombia in 1993, developing a new trading channel with emphasis in on-foot sales, resulting in a revenue-generating alternative for persons in socioeconomic levels 1, 2, and 3. The network, comprised of 582 merchants, has over 4,000 clients and socially benefits 4,000 families. COP \$1,000 million have been invested in this program from its inception.



The cold cuts business commercial model for housewives encourages participation of women from socioeconomic levels 1, 2, and 3, who with their commercial activities generate additional revenues for their families..



OUR PLANET

ENVIRONMENTAL DIMENSION

We are citizens of the world and our corporate activities should seek responsible interaction, in balance with the environment and with optimum use of natural resources.



OUR ENVIRONMENTAL COMMITMENT

Regarding the environmental dimension and according to the Strategic Plan to 2015, we have defined the following priority action objectives:

For 2011, our businesses in Colombia and abroad will have identified greenhouse effect gases in their manufacturing operations and in their distribution processes. We will have established the consolidated carbon footprint of the Group.

Packaging: in 2013, 100% of corrugated cardboard will be prepared with recycled materials and/or fibers from cultivated forests.

Until 2015, we will seek savings and efficiencies in the use of natural resources, 15 % in water and 10% in energy (2007 base year).

We will have 40 innovative success cases around the environmental dimension in years 2011 and 2012, 50 between the years 2013 and 2015.

Application of the following policies will be a priority:

- » Operational ecological efficiency: the companies will have implemented a program on energy efficiency and efficient use of the water.
- » Investment projects will be planned, evaluated, and developed taking into account environmental variables with ecological efficiency criteria.
- » Supply chain: the criteria to evaluate direct suppliers will include their commitment with environmental issues.
- » Packing policy: the commitment with environmental issues will be used as a reference for the use of packing materials, looking for proper balance among marketing criteria and packaging design.

The Corporate Group Commitment and the environmental management to be carried out by the various companies will follow the Environmental Policy guidelines, looking to improve:

- » The harmonious relationship between profitable growth and environmental performance.
- » The rational use of resources, considering environmental impact as a key variable from project planning, processes, and products.



“Grupo Nacional de Chocolates is an example of the manner in which to include the sustainability need in the business strategy. Commitment of its directors, participation of its employees, diversity of measurable results, application of the work to the supply chain, innovation in its social management, and the challenge to serve a global plural sustainability agenda with a long-term view are relevant.”

Carlos Manuel Herrera

Manager Environmental Issues - ANDI

- » Implementation of good environmental practices and adoption of clean technologies minimizing environmental damages, applied under ecological-efficiency criteria.
- » Proactive environmental management focused on preventing and controlling damaging effects on the environment.
- » Development of an environmental culture in our workforce, transmitted to our working and social setting and to the community in general.

In order to comply with this Environmental Corporate Policy the following specific practices have been identified, which the companies should develop:

- » Promote projects and practices with ecological-efficiency criteria, seeking savings and efficiencies in processes, with better industrial performance.

- » Consider the use of adequate technologies, friendly to the environment, establishing metrics and progress goals regarding the use of natural resources, allowing:
 - » Reducing emission of greenhouse effect gases.
 - » Achieving better energy efficiency.
 - » For an efficient water management.
 - » For the proper use of waste.
- » Measure the corporate and product carbon footprint.
- » Include the Environmental Policy in the Integrated Management Systems.
- » Apply a manual of good environmental practices within the companies and at work sites.
- » Develop sensitizing and training programs for our workforce.
- » Participate in environmental leadership committees and programs.
- » Apply good environmental practices in our products' packing.
- » Disclose environmental efforts and achievements, as a corporate responsibility commitment with the community with respect to environmental protection.
- » Promote the use of good environmental practices before our suppliers and customers of goods, resources, and services.

CONSOLIDATED ENVIRONMENTAL PERFORMANCE INDICATORS

The following is a summary of the main consolidated indicators of the various Group companies, according to the GRI G3 guidelines:

	Units	2010	2009
And rental costs and expenses	\$ million	9.049,2	11.262,6
Basic raw materials	t	494.124,6	485.714,0
Flexible packing materials	kg / t.p.	9,4	Not Available
Corrugated cardboard packing material	kg / t.p.	24,6	Not Available
Total packing material	kg / t.p.	34,0	Not Available
Thermal energy	kWh / t.p.	471,3	474,3
Electrical power	kWh / t.p.	222,6	224,6
Total energy	kWh / t.p.	693,9	698,8
Water consumption	m ³ / t.p.	2,1	2,3
Percentage of reused water	%	2,3	Not Available
Waste generation	kg / t.p.	38,4	39,1
Waste usage	%	87,2	85,4
DBO ₅ : biochemical oxygen demand	kg / t.p.	0,8	1,4
Number of significant accidents	Number	0	0
Volume of significant accidents	m ³	0	0
Direct CO ₂ emissions	kg-eqCO ₂ / t.p.	107,2	Not Available
Indirect CO ₂ emissions	kg-eqCO ₂ / t.p.	28,3	Not Available

Standard calorific values used to calculate energy: Coal (22.000.000 BTU/t), diesel (144.000 BTU/gal), Fuel-Oil (147.570 BTU/gal), Gaseous LPG (88.268 BTU/m³), Liquid LPG (92.000 BTU/gal), Natural Gas (35.280 BTU/m³), Gasoline (115.000 BTU/gal)

Standard calorific values used to determine emission factors used to calculate CO₂ emissions: Coal (25.320.668 BTU/Ton), diesel (128.137 BTU/gal), Fuel-Oil (114.269 BTU/gal), Gaseous LPG (102.938 BTU/m³), Liquid LPG (117.480 BTU/gal), Guajira Natural Gas (33.667 BTU/m³), Cusiana Natural Gas (39.505 BTU/m³), Gasoline (112.749 BTU/gal)

Data from industrial plants located in Colombia for the six companies.

The Meals plant in Armenia and the Litoempaques and Setas Colombianas plants are excluded.

GGE emissions are calculated for scopes 1 and 2 (combustion processes and electrical energy use). Cooling agents are not included. Preliminary data for the GGE inventory with LOGYCA and with MIT CTL



Waste water analysis laboratory, Alimentos Carnicos, Western Antioquia



Control systems implemented in the processes minimize the impact of our activities on the atmosphere. Bag filter - Chocolate Factory, Rionegro.

RAW MATERIALS

494.124,6 tons of basic raw materials were used, 494,124.6 tons of basic raw materials were used, between green coffee, wheat, flour, meat raw materials, milk, and cocoa.

PACKAGING MATERIALS

2,047 tons of packaging raw materials were used for the companies. 54.4% were corrugated carton, 26.8 flexible material, 14.3% foldable printed carton boxes, and 4.5% labels. 92% of all corrugated material is manufactured with recycled fibers.

ELECTRICAL POWER CONSUMPTION

The companies have developed programs to optimize energy consumption and use it more efficiently. The power consumption metric (kWh/t.p.) showed a 0.7% reduction with respect to the previous year. There was an accumulated 3.6% reduction during 2007-2010.

Energy sources used in industrial plants come from a high percentage of clean sources, such as natural gas and electrical power, representing 86.7%, with a growing tendency.

Plant initiatives using byproducts from industrial process have allowed for alternate energy sources as follows: in the pasta business close to 8 MW of energy are generated, resulting from gas motor cogeneration; in the coffee business the use of coffee grounds as fuel generates the equivalent to 63 MW/year.

Initiatives are available through the “Innovative Success Stories” program, looking to impact the companies’ productive process, the environmental criteria having to be evaluated. Small accumulated initiatives result in significant benefits. An example of this program is the cold cuts business, implementing changes in the refrigeration system water-cooled condensers, significantly reducing power consumption. Special attention is given to quantitative measurements in terms of the environmental impact of implemented practices.



The efficient use of energy is a specific practice adopted in all the GNCH industrial plants. Energy Management – Meals de Colombia, Bogotá.



Our programs of rational use of water aim to optimize the use of resources in productive and service processes. Noel Plant.

WATER CONSUMPTION

Programs established to promote efficient use and savings in water consumption, changes in washing processes, improvements in cooling systems, and installation of water-saving devices resulted in a 9.3% reduction, mainly on account of changes made to the Cold cuts, Chocolate, and Ice Cream facilities. The accumulated 2007-2010 reduction was 11.6%.

Examples of initiatives of our employees through the “Innovative Success Stories” program enable us to plan the more efficient use of the water: an optimization process was implemented in the sprinkler system in a smokehouse of the cold cuts business, significantly reducing water consumption; a central washing area was installed in the Ice Cream business, reducing the use of cleaning solutions and flushing times. Both of these initiatives result in significant savings.

We are committed to the efficient and rational use of the water. Even if there are adequate supply sources from public utility companies, and in some cases from sources allowed by the environmental

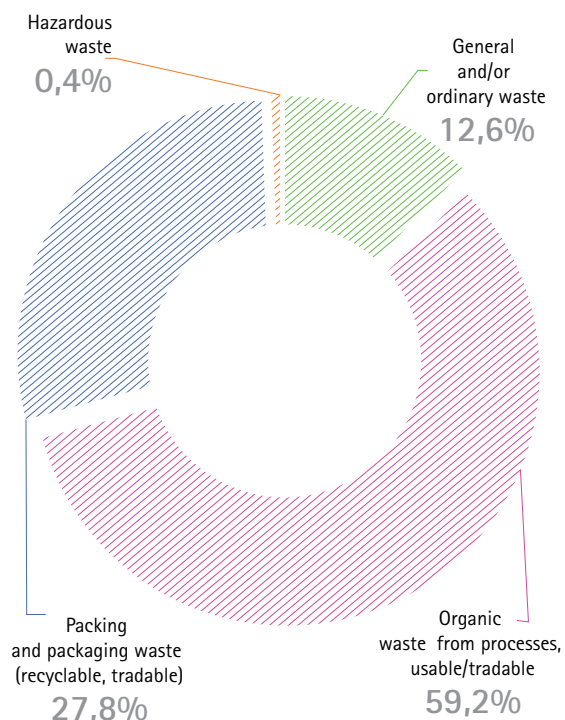
authorities, we believe that supply conditions enable us to plan operations without any supply risk, involving sustainable extraction of the water resource. We also take into account Colombian conditions, making water resources available in areas where our plants are located. In other countries, plants have industrial processes with low water requirements, avoiding supply risks.

WASTE GENERATION

There was a 1.7% reduction in the volume of waste. Integral waste management programs are being implemented in production plants, resulting in a 1.7% increase in recycled waste.

As shown below, 59.2% of all waste is recyclable organic material from plant processes, 27.8% being other commercially recyclable waste. From waste generated, 0.4% is hazardous, which is disposed according to strict control policies.

WASTE CLASSIFICATION





EFFLUENTS

The Group companies keep on improving wastewater discharge control processes. The start-up of biological treatment processes using wetlands at Chocolate's plant in Rionegro are currently running successfully and; organic waste discharged to water bodies has significantly been reduced, meeting even international parameters. At a consolidated level, the group reported a 40% reduction in organic matter compared to that of 2009.

CLIMATE CHANGE

We are committed to giving special importance to the climate change strategy, considering the significant effect it has on human habitats and on crops. In order to prepare the respective strategy, in 2010 we developed a Greenhouse Gases Inventory. This first stage includes industrial operations in Colombia. The project was designed with the assistance of the LOGyCA Foundation and with MIT CTL (MIT Center for Transportation and Logistics).

In the medium-term, we expect to be a "Carbon Neutral" Group, and therefore we are currently evaluating a number of strategies in order to reduce, control, mitigate, and offset greenhouse gases produced by each company. This program, which is focused on the standardizing stage, will be implemented in the first semester 2011.

EMISSIONS CONTROL

In order to adjust their processes to Colombian standards (Resolution 909), effective as of 2010, all companies have invested in environmental control systems, in various industrial plants. These regulations set forth limits for particulate matter and gases emissions to the atmosphere, meeting the required standards.

As an example of our environmental management high commitment, it is important to mention Colcafe plant in Medellin, which meets atmospheric emissions limits of 85% average below atmospheric emission standards established for stationary sources – particulate matter and gases through the installation of several control system equipment such as cyclones, bag filters, and afterburners.

ENVIRONMENTAL PROTECTION

EXPENDITURES AND INVESTMENTS

COP \$9,049 million were invested in Integrated Environmental Management, in various productive processes, mainly in the reduction of atmospheric emissions and in wastewater control. The value for the last four years is COP \$36,533 million.

Investments were made in environmental control systems in various industrial plants, adjusting their processes to standards according to Colombian



A visit was made to Colcafe plant in Bogota because of the Fifth International Corporate Eco-efficiency and Competitiveness Congress organized by ANDI, during which Grupo Nacional de Chocolates the corporate environmental policy was presented and a description of some eco-efficient practices implemented

in the Coffee Business processes were shown, such as the use of spent ground coffee as bio-fuel, the use of solar energy for water heating, and the installation of gases afterburners. The visit included representatives from the Dutch Embassy in Colombia, the Dutch Energy Investigation Center, Gail Martina Sustainable

Partners, Biddle Climate Solutions, among others. Visitors' comments were quite positive, highlighting the Colcafe commitment to reducing energy consumption, its atmospheric emissions control program, and the environmental performance improvement, bringing benefits to the community.



The environmental management system is part of the integral policy. The employees in the various companies incorporate it into their daily work. Pastas Doria team

regulations - Resolution 909 effective as of 2010. This regulation sets forth allowable emission limits in compliance with the required standards.

ACADEMIC, LABOR UNION, AND STATE RELATIONSHIPS

We highlight academic relationships with different universities and training institutions, offering more than 50 conferences given by our executives both in Colombia and abroad, gathering about 4,500 attendees in various sustainability and strategy issues such as innovation, sustainable development, research, and quality in the food sector.

Company representatives continue to actively participate in the ANDI National and Regional Environmental Committee, with the Valle de Aburra Metropolitan Area, Cornare, the Bogota Environmental District Secretary, and the Ministry of Environment.

ENVIRONMENTAL INCIDENTS AND COMPLIANCE WITH REGULATIONS

There were no events that should be mentioned regarding incidents causing damages to the environment during 2010, nor any remark from the environmental authorities on noncompliance with regulations in countries where we are present.

Regarding regulatory compliance, the wastewater cleaning project was implemented during 2010 in the Chocolates plant in Peru. The designs are ready and the equipment has been purchased, however the construction permits are still waiting for approval. A number of ongoing operational control measures are being implemented, such as the reduction of wastewater flow and collection and treatment of used water, in addition to continuous monitoring and analysis of the wastewater quality.



DISTINCTIONS AND RECOGNITIONS – 2010

CORPORATE ACTIVITIES



April

Grupo Nacional de Chocolates S.A. in the multi-Latin companies ranking

America Economía, a Chilean magazine covering issues of significant economic and political relevance in Latin America, published in April the ranking of the most global companies in the region, applying criteria such as sales percentages, employees, investments outside the country of origin, and international growth potentials.

As the only Colombian company included in such ranking, Grupo Nacional de Chocolates S.A. ranked 22 among 60 companies in multiple industries, going up 32 positions.

May

La Recetta, a company specialized in the institutional channel, received recognition in the La Barra publication.

La Barra, a magazine specializing in the food and hotel sectors in Colombia, recognized the La Recetta activities, company in which Grupo Nacional de Chocolates S.A. and Alpina participate:

- First place "Most Complete Supplier of the Year", for having the most diversified and supplementary portfolio.
- Second place in the "Best Supplier" category, with novel and specialized products.
- Third place in the "Best Supplier in Customer Service and after sale" category

July

Merco Colombia reputation measurement, Grupo Nacional de Chocolates among the first three companies

GRUPO NACIONAL DE CHOCOLATES was among the three Colombian companies with the best reputation. In the corporate directors ranking, Dr. Carlos Enrique Piedrahita was among the 10 highly recognized.

Merco surveys more than 6,000 directors of companies with turnovers in excess of US \$30 M. The analysis checks five expert samples (financial analysts, NGOs, labor unions, consumer associations, users, and opinion leaders), client and consumer valuations, evaluations from last-year university students, business school alumni, talent management directors and experts, the population in general, and employees of the 100 Merco companies.

August

Doria is awarded the National Excellence and Management Innovation Award

The National Quality Award was given to Doria, a company of the Grupo Nacional de Chocolates Pasta business, by representatives of the Colombian Government and from Corporación Calidad. The purpose of this award is recognizing organizations with high levels of excellence and innovation in their activities, disclosing their practices and results so that they may set an example to other organizations.



LEADERSHIP AND CONTRIBUTION TO ECONOMIC DEVELOPMENT

February

Dr. Carlos Enrique Piedrahita, President of Grupo Nacional de Chocolates, "Entrepreneur of Year 2009", granted by Universidad del Rosario.

Universidad del Rosario presented the Entrepreneur of Year 2009 award to the president of Grupo Nacional de Chocolates, Dr. Carlos Enrique Piedrahita. The award recognizes the long-lasting condition of Colombian companies, exalting entrepreneurs having achieved, in time, superior growth and having made material contributions to the construction of a country, with better quality of life, equity, and social justice.

July

Recognition from the Retail Merchants Chamber of Commerce to the Pozuelo Sales Director

The Costa Rican Retail Merchants Chamber of Commerce gave recognition to Mr. Carlos Aragon, Galletas Pozuelo Sales Director, for his work and dedication to benefit retail trading.

November

Ruben Dario Order Distinction from the Colombia - Central America and the Caribbean Chamber of Commerce to the Biscuits Business President

In recognition to his leadership in the Colombian corporate sector and his contribution to the development of international markets, Mr. Alberto Hoyos Lopera, President of the Biscuits Business and of Noel, received the Ruben Dario Order in the Official Level, granted by the Central American and the Caribbean Chamber of Commerce.



As a fact subsequent to the year closing, we highlight the recognition given to Grupo Nacional de Chocolates by SAM - Sustainability Asset Management - in its annual report "The Sustainability Yearbook 2011". This is the most comprehensive global report on corporate sustainability, for which 2,500 of the world's largest stock market quoting companies were invited to participate. From these companies, Grupo Nacional de Chocolates was considered in the "Food Producers" sector with the "Sam Sector Mover" distinction, giving recognition to the company that, located in the top 15% of each sector, has achieved the highest rate of improvements in its sustainability activities, compared to the previous year. We stress that this is the first time a Colombian company classifies in this select group.

December

Portafolio "Best Corporate Leader" award given to the President of Grupo Nacional de Chocolates

In the 10th version of the Portafolio Awards, recognition in the category of "Best Corporate Leader" was given to Dr. Carlos Enrique Piedrahita, President of Grupo Nacional de Chocolates. Portafolio is a Colombian publication specializing in economic and corporate issues. The jury highlighted his corporate vision, the internationalization process carried out under his guidance in the deals of Grupo Nacional de Chocolates, the innovation and development of the companies' people, the organization growth, and his active participation in initiatives fostering the advance of the corporate sector and of Colombia.



HUMAN TALENT DEVELOPMENT

April

Grupo Nacional de Chocolates among the first 10 ranked in Colombia, according to the Merco Personas measurement

Grupo Nacional de Chocolates ranked 6th in the Merco Personas analysis made in Colombia. The study considers surveys made to 2,450 employees of the country's main companies, valuations from human resource directors, alumni, last-year students from universities, and the population in general.

Some variables measured are: career path possibilities, fair salary, internal promotion, motivation, and recognition by superiors, good relationships with immediate superiors, gender equity, and ethical and professional values, among others.

July

ConGente recognized the Pozuelo Biscuits Company innovation in human relationships.

During the Human Resources International Congress held in San Jose de Costa Rica, Pozuelo Biscuits Company received recognition as an "Innovative Company in Human Resources", in the Best Employer category.

August

Colcafe received recognition from Ascort for its activities in the organizational environment.

The Colombian Association of Labor Relations - Ascort gave recognition to Colcafe for its leadership in organizational working climate activities.

October

Colcafe recognized by Ciciel as the company with the "Best Organizational Environment".

The Center for Research in Organizational Performance - CINCEL recognized Colcafe as the company with the best organizational climate, in the category of companies with more than 100 employees.



CONTRIBUTION TO THE QUALITY EDUCATION

June

Recognition from Pontificia Universidad Catolica de Peru to Grupo Nacional de Chocolates for its participation in the Quality Schools Program.

Pontificia Universidad Catolica de Peru recognized, as a successful experience and as the model to apply in Latin America, the Quality Schools program from the Secretary of Education, with the presentation of the Educational Center Benedikta Zur Nieden, entity supported by the Grupo Nacional de Chocolates Foundation, Universidad Eafit, and Colegio Montessori. In three years, the educational entity improved its academic performance until achieving the "top level".

SOCIAL RESPONSIBILITY WITH THE COMMUNITY



November

ICBF (the Colombian Welfare Institute) recognizes the Grupo Nacional de Chocolates activities in promoting the Right to Happiness

The Colombian Family Welfare Institute gave recognition to Grupo Nacional de Chocolates for promoting the well-being and happiness of children and youngsters in Colombia. It made special reference to programs carried out by the Group companies with the children of their employees.

November

The Medellin Mayor's Office recognizes volunteer work carried out by GNCH and its companies.

Five volunteer work experiences and the social responsibility were highlighted during the 6th Volunteer Encounter promoted by the Medellin Mayor's Office, which Grupo Nacional de Chocolates was a part of. This recognition was given taking into account the coherence of the volunteers' network.

Activities in generating revenues for communities

Recognition to the cocoa promotional work.

» July

The Dutch Service for Development and the Colombian Corporate Counsel for Sustainable Development, in its publication "Inclusive Businesses in Colombia" mentioned Compañía Nacional de Chocolates as a success case on account of its social activities with cocoa producers.

» September

The United Nations Program for Development highlighted the company work model with cocoa growers among the 13 most important inclusive business cases, with an actual impact on country poverty indexes. Such success case will be published in the document "Growth of Inclusive Markets: Corporate Strategies to Overcome Poverty and Exclusion in Colombia"

October

'Embark on Peace' Award

The 'Embark on Peace, the 2010 Corporate Bet' award was given to Grupo Nacional de Chocolates for its social responsibility work with the sesame producers network in Montes de María and with the Darien Agricultural Producers Association (Unguía, Choco), with which productive initiatives are being carried out. 'Embark on Peace' is an initiative led by the German Cooperation Agency GTZ, the Konrad Adenauer Foundation.

ENVIRONMENTAL MANAGEMENT



December

Bogotá Environmental District Secretary (SDA) gave the "Elite Level" recognition to Compañía Nacional de Chocolates.

Compañía Nacional de Chocolates received recognition from the District Environmental Excellence Program from the District Secretary of the Environment as Elite Level Generating Sustainable Development, the highest level of environmental leadership.

December

"Environmental Excellence, Generating Sustainable Development" for Colcafe

The District Environmental Excellence Program, led by the Bogotá Environmental District Secretary, for the second year gave Colcafe - in its Bogotá plant - the highest level recognition for "Environmental Excellence, Generating Sustainable Development".



GRI CONTENT INDEX

GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
1. STRATEGY AND ANALYSIS		
Statement from the most senior decision maker of the organization	2010 Sustainability Report, pages 9-23	Continued Support Statement, page 190
Description of key impacts, risks, and opportunities	2010 Sustainability Report, pages 9-23 http://www.grupochocholates.com/html/i_portals/index.php	
2. ORGANIZATIONAL PROFILE		
Name of the organization	2010 Sustainability Report, Organization name, page 91; Main Brands, Gate Fold page; Market Presence, pages 194 and 195	
Primary brands, products, and/or services	2010 Sustainability Report, Organization name, page 91; Main Brands, Gate Fold page; Market Presence, pages 194 and 195	
Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	2010 Sustainability Report, pages 91-103	
Location of organization's headquarters	2010 Sustainability Report, page 91	
Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	2010 Sustainability Report, Global Presence, Gate Fold page, pages 91-103	
Nature of ownership and legal form	2010 Sustainability Report, pages 17 and 18	
Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	2010 Sustainability Report, pages 194 and 195	
Scale of the reporting organization	2010 Sustainability Report, Economic Dimension, pages 20 and 21; Growing generation of Value, page 194; Geographical Distribution of Economically Bound Companies, page 202	
Significant changes during the reporting period regarding size, structure, or ownership	2010 Sustainability Report, pages 10 and 11	
Awards received in the reporting period	2010 Sustainability Report, pages 239-242	
3. REPORT PARAMETERS		
Reporting period (e.g., fiscal/calendar year) for information provided	2010 Sustainability Report, Reporting Period Main Indicators, page 182	
Date of most recent previous report (if any)	2010 Sustainability Report, page 182	
Reporting cycle (annual, biennial, etc.)	2010 Sustainability Report, page 182	
Contact point for questions	2010 Sustainability Report, page 253	
Process for defining report content	2010 Sustainability Report, page 182	
Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	2010 Sustainability Report. See the consolidated bases for the GNC scope, pages 182 and 183. Consolidation Bases pages 91-103	
Any specific limitations on the scope or boundary of the report	2010 Sustainability Report, pages 182 and 183	

GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	2010 Sustainability Report, pages 182 and 183	
Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	2010 Sustainability Report, pages 182 and 183	
Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	2010 Sustainability Report, page 183	
Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	2010 Sustainability Report, pages 182 and 183	
Table identifying the location of the Standard Disclosures in the report	2010 Sustainability Report, pages 243-252	
Policy and current practice with regard to seeking external assurance for the report.	2010 Sustainability Report, pages 185 and 186	
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	2010 Sustainability Report, pages 191 and 192	Actions taken to implement the Ten Principles
Indicate whether the Chair of the highest governance body is also an executive officer	2010 Sustainability Report, page 191	
For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	2010 Sustainability Report, page 7	
Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	2010 Sustainability Report, pages 191 and 192 http://www.grupochocolates.com/html/iportals/index.php	
Linkage between compensation for members of the highest governance body, senior managers, and executives	2010 Sustainability Report, pages 191 and 192	
Processes in place for the highest governance body to ensure conflicts of interest are avoided	2010 Sustainability Report, pages 191 and 192	
Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	2010 Sustainability Report, pages 9-23	
Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	2010 Sustainability Report, pages 27 and 28	
Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	2010 Sustainability Report, page 190 http://www.unglobalcompact.org/participant/4638-Grupo-Nacional-de-Chocolates-S-A	



GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	2010 Sustainability Report, pages 9-23	
Explanation of whether and how the precautionary approach or principle is addressed by the organization	Global Compact http://www.unglobalcompact.org/participant/4638-Grupo-Nacional-de-Chocolates-S-A	
Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	2010 Sustainability Report, page 190 http://www.unglobalcompact.org/participant/4638-Grupo-Nacional-de-Chocolates-S-A	
Memberships in associations (such as industry associations) and/or national / international advocacy organizations in which the organization...	2010 Sustainability Report, page 238	
List of stakeholder groups engaged by the organization	2010 Sustainability Report, page 187	
Basis for identification and selection of stakeholders with whom to engage	2010 Sustainability Report, page 187	
Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	2010 Sustainability Report, page 187	
Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	2010 Sustainability Report, pages 182 and 183	Relative Importance Analysis, page 6
ECONOMIC PERFORMANCE		
EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	2010 Sustainability Report, page 194	
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	2010 Sustainability Report, page 237. The analysis of the financial implications of climate change is in course; the Company does not yet have the study results as it is in the standardization phase.	Principle 7
EC3 Coverage of the organization's defined benefit plan obligations	2010 Sustainability Report, page 205. Pursuant to law, an allowance for retirement pensions was established and it was posted in the actuarial calculations at December 31.	
EC4 Significant financial assistance received from government	No significant assistance was received.	
MARKET PRESENCE		
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation		Principle 1
EC6 Policy, practices and proportion of spending on locally based suppliers at significant locations of operation	2010 Sustainability Report, Local Definition, page 91; Percentage of Local Suppliers, page 227 For the business code of conduct with the suppliers, the following section was included. It considers support for small business development: Priority will be given to local community providers when a service or product is available of equal quality and with similar prices and conditions	
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	As part of the internationalization strategy, formalized in the Group's Strategic Plan, local teams are to be maintained whenever possible. The policy is in place; there is no detailed data in the measurement templates; it will be reported next year (2012).	Principle 6

GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
INDIRECT ECONOMIC IMPACTS		
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind or pro bono engagement	2010 Sustainability Report, Investment in the Community, page 211. Impacts on the Communities and on Local Economies, page 224. Intervention Criteria (Need Identification), page 210. Supplier Evaluation Results, page 226	
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts		
EMPLOYMENT		
LA1 Total workforce by employment type, employment contract and region	2010 Sustainability Report, pages 202 and 206	
LA2 Total number and rate of employee turnover by age group, gender and region	2010 Sustainability Report, page 203 The turnover rate in the international businesses is high due to labor laws in some countries, which have different contracting modes from Colombia and production peaks are attended by persons who are directly hired by the company and when production is finished they are dismissed. That makes employee turnover hard to compare on a regional basis	Principle 6
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	2010 Sustainability Report, pages 204-208	
COMPANY / EMPLOYEE RELATIONS		
LA4 Percentage of employees covered by collective bargaining agreements	2010 Sustainability Report, page 209 The percentage of employees covered is 78%	Principles 1 and 3
LA5 Minimum notice periods regarding significant operational changes, including whether it is specified in collective agreements	The Group does not have a minimum notice period	Principle 3
OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY		
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety program	2010 Sustainability Report, pages 205 and 206 100% of the employees are part of the Occupational Health Peer Committees (COPASO) and emergency brigades, representing 100% of the workforce	Principle 1
LA7 Rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities per region	2010 Sustainability Report, page 205 No information was gathered for contractors; that will be done in 2014	Principle 1
LA8 Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases	2010 Sustainability Report, pages 205 and 206 This year we reported the information for direct hires but we have not yet consolidated the data on counseling, prevention and risk programs and treatment programs for the employees' families and the community. In Colombia where we have most presence, the social security system partially financed by employers covers the whole family. Details will be reported in 2013.	Principle 1
LA9 Health and safety topics covered in formal agreements with trade unions	2010 Sustainability Report, pages 205 and 206	Principle 1



GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
EDUCATION AND TRAINING		
LA10 Average hours of training per year per employee per category	2010 Sustainability Report, pages 207 and 208. In 2010, we did not gather the data on training per employee category. Training per direct hire was an average 223 hours per year.	
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them with managing career endings	2010 Sustainability Report, pages 207 and 208	
LA12 Percentage of employees receiving regular performance and development reviews		
DIVERSITY AND EQUAL OPPORTUNITY		
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other diversity indicators	2010 Sustainability Report, pages 188 and 206 The GNC Businesses are forwarding their management actions in respect to diversity and equal opportunity. We have information by gender and by age group but we do not gather data by minority group membership. We will report on that in 2015.	Principles 1 and 6
LA14 Ratio of basic salary of men to women by employee category	Our job salary assessment system is based on the contribution and responsibilities of the post. It does not use the criterion of gender assessment. The Company President is excluded from this indicator because there is no comparable gender ratio possible in that category. For Top Management personnel, the ratio of salary of women to men is 1 to 1,3. For Mid Management Personnel, the ratio of salary of women to men is 1 to 1. For operations personnel, the ratio of salary of women to men is 1 to 1,4.	Principles 1 and 6
INVESTMENT AND SUPPLY PRACTICES		
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	None of our investment agreements include human rights clauses. We signed the Global compact at the end of 2009. In 2010 we focused on human rights dissemination and education efforts. We included the topic in the organization's risk matrix.	Principles 1, 2, 3, 4, 5 and 6
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights, and actions taken	During the fiscal period, none of our suppliers or contractors had human rights clauses because in 2010 we focused our efforts on human rights dissemination and education. Our plan for upcoming years will focus on internal practices and on practices with third parties.	Principles 1, 2, 3, 4, 5 and 6
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		
NON-DISCRIMINATION		
HR4 Total number of incidents of discrimination and actions taken	In 2010, no labor grievances or legal actions were filed regarding discrimination through any of the different channels that the organization has for such purpose	Principles 1, 2 and 6

GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	2010 Sustainability Report, page 209 Through the systems that the organization has in place, no significant risk to the right to exercise freedom of association and collective bargaining has been identified in any of the GNC companies	Principles 1, 2 and 3
CHILD LABOR		
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	Through the systems that the organization has in place, in significant operations we have not identified any potential risk for incidents of child labor	Principles 1, 2 and 5
FORCED OR COMPULSORY LABOR		
HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor	Through the systems that the organization has in place, we have not identified any risk for forced or compulsory labor nor do we forward any activities that promote forced labor.	Principles 1, 2 and 4
SECURITY PRACTICES		
HR8 Percentage of security personnel trained in the organization's policies and procedures concerning aspects of human rights that are relevant to operations		
RIGHTS OF INDIGENOUS PEOPLE		
HR9 Total number of incidents or violations involving rights of indigenous people, and actions taken	During the reporting period, there have been no grievances of discrimination against minority groups reported through the systems that the organization has in place for such purpose.	Principles 1 and 2
COMMUNITY		
S01 Nature, scope and effectiveness of any programs and practices that evaluate and manage the impacts of operations on communities, including entering, operating and exiting	2010 Sustainability Report, pages 210-226	
CORRUPTION		
S02 Percentage and total number of business units analyzed for risks related to corruption	2010 Sustainability Report, pages 191 and 192 The risk matrix in which risks related to corruption are included was created for 100% of the GNC companies (41), with the exception of the two companies acquired at the end of 2010 (Aliadas and Fehr Holding)	Principle 10
S03 Percentage of employees trained in the organization's anti-corruption policies and procedures	2010 Sustainability Report, page 191 100% of the workforce of the Group companies in Colombia received Good Governance Code education and dissemination. This indicator will be reported for the companies abroad in 2013. The exception is recently acquired companies	Principle 10
S04 Actions taken in response to incidents of corruption	2010 Sustainability Report, page 192	Principle 10
PUBLIC POLICY		
S05 Public policy positions and participation in public policy development and lobbying	We participate in building public policy through professional associations.	Principle 10
S06 Total value of financial and in-kind contributions to political parties, politicians and related institutions, by country		



GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
ANTI-COMPETITIVE BEHAVIOR		
S07 Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices, and their outcomes	Through the systems that the organization has in place for detecting this type of event, no such occurrences have been identified during the reporting period.	
COMPLIANCE WITH LAWS AND REGULATIONS		
S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Through the systems that the organization has in place for such purpose, in 2010 GNC was not sanctioned.	
CUSTOMER HEALTH AND SAFETY		
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	2010 Sustainability Report, page 200 We do not yet report the percentage because we are in the process of homologating the information gathering criteria for the products that comprise the portfolio of the GNC companies. This will be reported in 2014.	Principle 1
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcome	Through the systems that the organization has in place for detecting this type of event, no such occurrences have been identified during the reporting period.	Principle 1
PRODUCT AND SERVICE LABELING		
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such Information requirements	2010 Sustainability Report, page 199 Our products comply with laws and regulations for labeling in the countries where we have significant operations. In addition, we have a labeling project based on a voluntary code for information enhancement. That will be reported in 2016	Principle 8
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information, and labeling, by type of outcomes	Through the systems that the organization has in place for detecting this type of event, no such occurrences have been identified during the reporting period.	Principle 8
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	2010 Sustainability Report, page 229	
MARKETING COMMUNICATIONS		
PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	2010 Sustainability Report, page 199 Through the systems that the organization has in place for detecting this type of event, none of the product portfolios of the companies have been vetoed in the markets in which we are present.	
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes	Through the systems that the organization has in place for detecting this type of event, no such occurrences have been identified during the reporting period.	
CUSTOMER PRIVACY		
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Through the systems that the organization has in place for detecting this type of event, no such occurrences have been identified during the reporting period.	Principle 1

GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
COMPLIANCE WITH LAWS AND REGULATIONS		
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Through the systems that the organization has in place for detecting this type of event, no such occurrences have been identified during the reporting period.	
MATERIALS		
EN1 Materials used, by weight or volume	2010 Sustainability Report, page 234 We do not have complete information from all of the suppliers on the origin of their materials. That will be reported in 2012.	Principle 8
EN2 Percentage of materials used that are recycled input materials	2010 Sustainability Report, page 234	Principles 8 and 9
ENERGY		
EN3 Direct energy consumption by primary energy source	2010 Sustainability Report, page 234 54,6% of the energy consumed comes from the use of natural gas; 32,1% from electricity; and 13,3% from the use of other fuels (Coal, LPG, Gasoline, Diesel, etc...).	Principle 8
EN4 Indirect energy consumption by primary energy source	2010 Sustainability Report, page 234 All of the electrical energy that GNC consumes is bought from Empresas de Servicios Públicos, except for 8Mw per year that Pastas Doria generates using gas engines.	Principle 8
EN5 Energy saved due to conservation and efficiency improvements		Principles 8 and 9
EN6 Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	2010 Sustainability Report, page 235 We do not have the specific information per product; we are working on that aspect by developing the Carbon Fingerprint for the product. That will be reported by 2012.	Principles 8 and 9
EN7 Initiatives to reduce indirect consumption and reductions achieved		
WATER		
EN8 Total water withdrawal by source	87,5% (1.202.893 m3) of the water is supplied by the municipal waterworks systems; 6,4% (87.878 m3) of the total volume of collected water is taken directly from surface sources; and 6,1% (84.358 m3) is taken from underground sources.	Principle 8
EN9 Water sources significantly affected by withdrawal of water		
EN10 Percentage and total volume of water recycled and utilization	2010 Sustainability Report, page 236. Through the initiatives developed in several plants, 2,3% of the water consumed is reused.	Principles 8 and 9
BIODIVERSITY		
EN11 Location and size of land owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The industrial plants and their areas of influence are not located in protected areas or in areas of high biodiversity outside protected areas.	Principle 8
EN12 Description of significant activities, products and services on biodiversity in these areas	As a result of the above, there is no significant impact on protected areas, areas of high biodiversity, and related ecosystems.	Principle 8
EN13 Habitats protected or restored		



GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
EN14 Strategies, current actions and future plans for managing impacts on biodiversity		
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		
EMISSIONS, DISCHARGES, AND WASTE		
EN16 Total direct and indirect greenhouse gas emissions, by weight	<p>2010 Sustainability Report, page 234. General Summary of Environmental Indicators.</p> <p>In all of GNC's manufacturing operations, the companies meet legal contaminant atmospheric emission standards. The inventory of Greenhouse Gas Emissions (GGE) was started but it is not included in this report. Direct emissions due to combustion and energy consumption (scopes 1 and 2) are partially reported in this report. The GGE report has been conducted with Fundación LOGyCA and with MIT CTL, using the methodology proposed in the GHG Protocol.</p> <p>The preliminary report shows that 79% of the emissions correspond to the use of direct energy (scope 1) and 21% to indirect energy consumption (scope 2).</p>	Principle 8
EN17 Other indirect greenhouse gas emissions, by weight	<p>In all of GNC's manufacturing operations, the companies meet legal contaminant atmospheric emission standards. The inventory of Greenhouse Gas Emissions (GGE) is being made. It is partially reported in this report (scopes 1 and 2).</p> <p>The final report will include emissions associated with the use of cooling gases (2012).</p>	Principle 8
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	<p>GNC is developing a project to face Climate Change. It consists of quantifying the GGE emission inventory and preparing the Carbon Fingerprint at corporate and product levels.</p> <p>Several initiatives have been developed, such as the use of Biomass, Co-generation. The inventory will be the basis for designing the offset and mitigation plan in 2012.</p>	Principles 7, 8 and 9
EN19 Emissions of ozone-depleting substances, by weight	<p>This indicator solely includes GGE emissions for scopes 1 and 2 (combustion processes and use of electrical energy).</p> <p>We are carrying out a Greenhouse Gas emission inventory Project with Fundación LogyCa and MIT CTL, which is in its final stage of execution. That will be reported by 2012.</p>	Principle 8
EN20 NO _x , SO _x and other significant air emissions, by type and weight	<p>We are carrying out a Greenhouse Gas emission inventory Project with Fundación LogyCa and MIT CTL, which is in its final stage of execution. That will be reported by 2012.</p>	Principle 8
EN21 Total water discharge by quality and destination	<p>2010 Sustainability Report, page 237</p> <p>Total water discharge is 820.322,7 m³ per year. 75% of the discharges go through primary treatment; 20% go through secondary treatment; and 5% go through advanced treatment.</p>	Principle 8
EN22 Total weight of waste, by type and disposal method	<p>2010 Sustainability Report, page 236. Graph Classification of Generated Waste. We have the measurements for the materials but, in some cases, it does not go into so much detail as requested. That will be reported in 2012.</p>	Principle 8

GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL COMPACT
EN23 Total number and volume of significant spills	2010 Sustainability Report, page 238. Through the systems that the organization has in place for detecting this type of event, no significant spills occurred.	Principle 8
EN24 Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annexes I, II, III and VIII, and percentage of transported waste shipped internationally		
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff		
PRODUCTS AND SERVICES		
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	2010 Sustainability Report, page 238. Initiatives for Effluent Quality Improvement. 2010 Sustainability Report, page 238. Initiatives for Emission Quality Improvement. The initiatives made in the businesses are not standardized. In 2011 a log and a detailed report of such initiatives will be kept and we are planning to develop the Carbon Fingerprint for the products. That will be reported in 2012.	Principles 7, 8 and 9
EN27 Percentage of products sold and their packaging materials that are reclaimed, by category	Returns of finished products close to ending their useful life cycle or those with some non-conformity represented 0,65% of sales in Colombia in 2010 (packaging materials are not measured separately). Each of the distribution centers has zones for receiving the goods and quantifying returns. The main indicator is calculated by consolidating the measures from each one of those centers. The Colombian information is reported, except for La Recetta and the companies acquired at the end of 2010. The companies abroad will be included after their SAP information systems are implemented.	Principles 8 and 9
COMPLIANCE WITH LAWS AND REGULATIONS		
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	2010 Sustainability Report, page 238 Through the systems that the organization has in place for detecting this type of event, no sanctions or fines were received in 2010 for non-compliance with environmental laws and regulations.	Principle 8
TRANSPORTATION		
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce		
GENERAL		
EN30 Total environmental protection expenditures and investments, by type	2010 Sustainability Report, page 238 33,6 % of the investments made was for improving water treatment and emission control systems; 29,8% was for waste water handling and operations; 22,3% was for total waste management; 11,6 % was for environmental management system handling; and 2,7% was for emission control.	Principles 7, 8 and 9

We welcome your comments
and appreciate your interest in our activities.

CONTACTS

Jorge Eusebio Arango López
Coffee Business President
Sustainable Development Vice President
Grupo Nacional de Chocolates

Carlos Ignacio Gallego Palacio
Servicios Nacional de Chocolates President
Fundación Grupo Nacional de Chocolates
General Director

Claudia Rivera Marín
Executive Director
Fundación Grupo Nacional de Chocolates

CONTACT DATA

www.grupochocolates.com
e-mail: fundacionGNCH@servicioschocolates.com
Telephone #: 574 - 365 5600
Fax #: 574 - 365 5657



The paper on which this report was printed comes from woodland trees that are cultivated and renewed for this purpose.



Grupo Nacional de Chocolates S.A.

www.grupochocolates.com