INTEGRATED REPORT 2016

Grupo nutresa

A FUTURE TOGETHER

Leyend Year 2016 | Year 2015 | Increased | Decreased

Total Sales

COP Billion

8.677

2015: 7.945

Growth 9,2% | Organic growth* 8,3%

	Cold Cuts	Biscuits	Chocolates	Tresmontes Lucchetti	Coffee	Retail Food	Ice Cream	Pasta
2016	1.992	1.738	1.421	981	956	657	436	287
2015	1.909	1.567	1.268	896	891	542	444	258
Growth	4,4%	10,9 %	12,0%	9,4%	7,3%	21,2%*	-1,7%	11,2%

Ebitda

COP Billion

1.029

2015: 976

Growth 5,5%

Margin 2016 11,9% | 2015 12,3%

	Cold Cuts	Biscuits	Chocolates	Tresmontes Lucchetti	Coffee	Retail Food	Ice Cream	Pasta
2016	243	211	147	96	155	94	53	26
2015	232	186	124	94	155	93	61	26
Growth	4,8%	13,3%	18,0%	2,3%	-0,3%	0,8%	-12,7 %	0,6%
Margin 2016	12,2%	12,1%	10,3%	9,8%	16,2%	14,3%	12,2%	9,1%
Margin 2015	12,2%	11,9%	9,8%	10,5%	17,4%	17,2%	13,8%	10,0%

Sales abroad

USD Million

1.087

2015: 1.098

Percentage of total sales 38,2%

Growth -1,0%

	Cold Cuts	Biscuits	Chocolates	Tresmontes Lucchetti	Coffee	Retail Food	Ice Cream	Pasta
2016	103	289	174	322	126	69	N/A	N/A
2015	118	284	170	328	132	65		
Growth	-12,5%	1,9%	2,5%	-1,7 %	-3,9%	5,5%		

Sales in Colombia

COP Billion

5.363

2015: 4.916

Percentage of total sales 61,8%

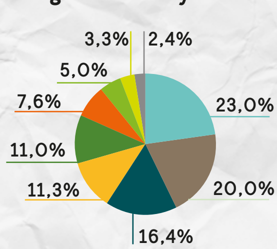
Growth 9,1% | Organic growth 7,7%*

0,2% volume | 7,8% price

	Cold Cuts	Biscuits	Chocolates	Tresmontes Lucchetti	Coffee	Retail Food	Ice Cream	Pasta
2016	1.678	855	891	N/A	569	446	436	287
2015	1.573	785	796		531	363	444	258
Growth	6,7%	8,8%	11,9%		7,1%	22,8%*	-1,7%	11,2%
Volume 2016	-1,7%	-0,7%	2,1%		2,2%		-7,7%	6,8%
Volume 2015	2,5%	5,5%	-1,3%		4,6%		-0,6%	1,2%
Price 2016	8,6%	9,6%	9,7%		4,8%		6,5%	4,1%
Price 2015	5,0%	5,7%	11,4%		1,2%		5,8%	7,3%

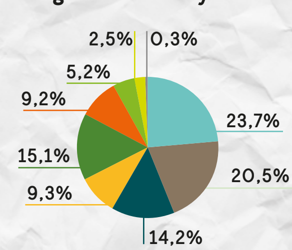
*Sales and growth of Grupo El Corral are not comparable, as they began to be registered as of March 1, 2015.

Percentage of sales by business unit



- Cold Cuts
- Biscuits
- Chocolates
- TMLUC
- Coffee
- Retail Food
- Ice Cream
- Pasta
- Others

Percentage of ebitda by business unit



Diversification of Raw Materials

Production cost %

- 14,2% Packaging material
- 8,6% Coffee
- 7,6% Wheat
- 7,0% Pork
- 6,5% Cocoa
- 4,8% Sugar
- 4,6% Beef
- 3,6% Oils and fats
- 2,0% Poultry
- 1,9% Milk
- 39,2% Other*

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

PRESENCE IN OUR STRATEGIC REGION GRI 102-2, GRI 102-4, GRI 102-7

Distribution and sales

46 Total production plants

14 Total number of countries with distribution network and production plants

Shareholder composition

Source: Deceval.

13.167 Shareholders

- 35,4% Grupo Sura
- 30,9% Other shareholders
- 16,4% Colombian Funds
- 9,8% Grupo Argos
- 7,5% International Funds

Leyend

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

Market share

In Colombia

Source: Nielsen.

60,5% Consolidated market share of Grupo Nutresa in Colombia

- 73,1% Cold Cuts
- 54,8% Biscuits
- 67,4% Chocolate candy
- 63,1% Chocolate
- 24,3% Milk modifiers
- 56,0% Nuts
- 52,8% Ground coffee
- 41,6% Soluble coffee
- 51,5% Pasta

In Chile

Source: Nielsen.

- 64,1% Powdered drink mix
- 28,5% Pasta
- 16,9% Coffee
- 13,7% Potato chips

In Mexico

Source: Nielsen.

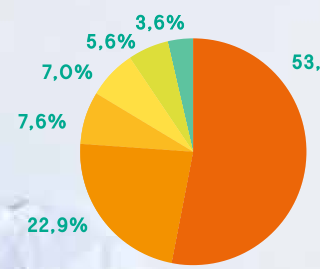
- 32,2% Powdered drink mix

Retail Food

#1 In hamburgers and steakhouse categories in Colombia

#1 In ice cream shops in Costa Rica and Dominican Republic

Sales by channel Grupo Nutresa



- Traditional (Convenience and traditional stores)
- Supermarket Chains
- Retail Food
- Alternative
- Industrial
- Institutional

1.237.000 Points of sale

12.991 Vendors

45.618 Employees

- Colombia 73,0%
- Abroad 27,0%

(Direct employees, indirect employees and apprentices)

37,0% women

63,0% men

(Direct employees and apprentices)

Our long-term commitment

Grupo nutresa 100 YEARS

MEGA 2020

2013 Duplicate our sales

Goal

EBITDA: between 12% and 14% of the EBITDA margin

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

Differentiators of our business model

Our people

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

Our Brands

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

Our distribution networks

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

Main risks of our business model

Volatility in prices of raw materials and exchange rates.	Business disruption due to a highly competitive environment.	Regulation on nutrition and health in the countries where we have presence.

BUSINESS STRUCTURE GRI 102-24

Grupo nutresa

General Counsel · CEO · CFO

Vp. Logistics · VP. Northern Region · VP. Southern Region · VP. Sustainable Development · VP. Maketing and Sales · VP. Strategic Region of Chile and Mexico · VP. Innovation and Nutrition

Comercial nutresa · novaventa · La Recetta · International sales and distribution network · Servicios nutresa

Cold Cuts · Biscuits · Chocolates · TMLUC · Coffee · Retail Food · Ice Cream · Pasta

The information included in this executive summary is consistent with the information of the Grupo Nutresa S.A. Integrated Report, available at: 2016report.gruponutresa.com/pdf/integrated_report_2016.pdf

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

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

KPMG Advisory Services S.A.S.
March 2017

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

More information in 2016report.gruponutresa.com

RESULTS 2016 OF OUR STRATEGIC GOALS FOR 2020

Acting with integrity

External and independent evaluation of the Board of Directors

Employees from the strategic region trained in risk management
800

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

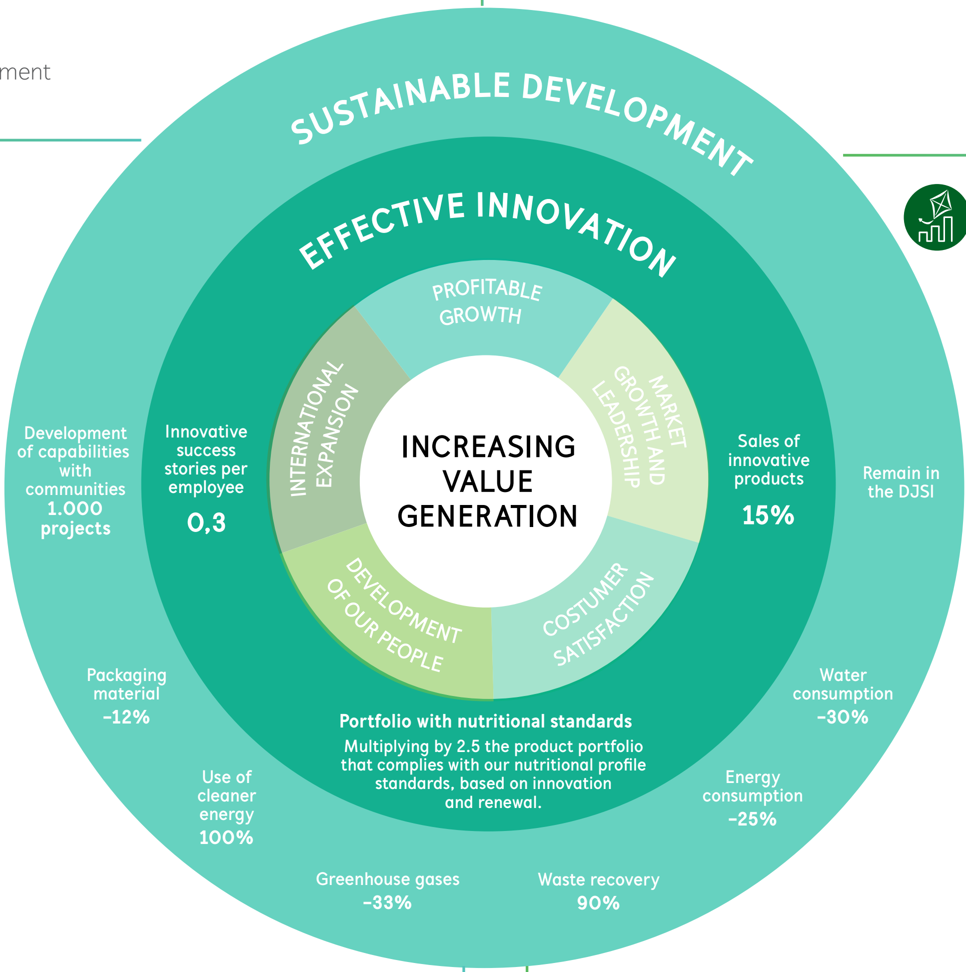
70
Workshops on risk management and business continuity

Promoting a healthy lifestyle

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

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

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



Building a better society

Capability-development projects
2016: 694
2015: 591

Employees with special capabilities
2016: 251
2015: 215

Volunteers
2016: 11.862
2015: 10.979

Investment in communities
2016: 55.272
2015: 46.651
COP Million

Fostering profitable growth and effective innovation

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

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

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

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

Managing the value chain responsibly

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

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

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

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

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

Reducing the environmental impact of the operations and products

Baseline 2010
*Per ton of food produced

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

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

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

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

Investment inenvironmental management COP Million
2016: 20.401
2015: 15.081

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

ROBECOSAM Sustainability Award Silver Class 2017

GRI GOLD Community Grupo Nutresa 2017

Emisor BVC COMPROMETIDO IR

"The Issuers Recognition (IR) granted by the Colombian Stock Exchange is neither a certification of the goodness of the securities inscribed nor of the solvency of the issuer".

Grupo nutresa

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CONTENT

ABOUT THIS INTEGRATED REPORT

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

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

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

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

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

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

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

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

Examples:
General contents **GRI 101-1**
Material topics **GRI 301-1**
Sector specific supplement **G4 FP1**
Sustainable Development Goals **[SDG 16]**

To see the GRI content index, refer to:
http://2016report.gruponutresa.com/pdf/GRI_content_index.pdf

STAKEHOLDER ENGAGEMENT MODEL

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

Employees

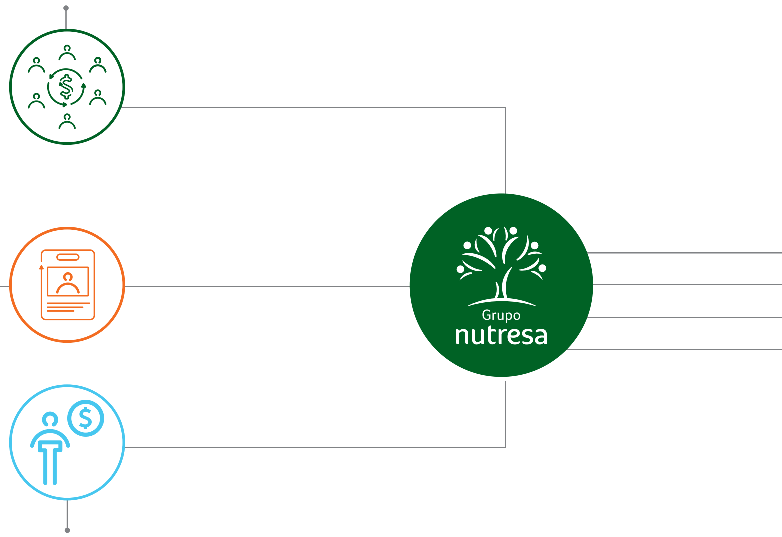
Purpose: to promote environments that foster an adequate communication and participation with the employees in order to connect their purposes with the Organization's purposes; to create and strengthen trustworthy relations and build initiatives that contribute to the improvement of organizational practices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

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

Shareholders

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

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



Customers

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

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

Suppliers

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

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

Government

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

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

Consumers and shoppers

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

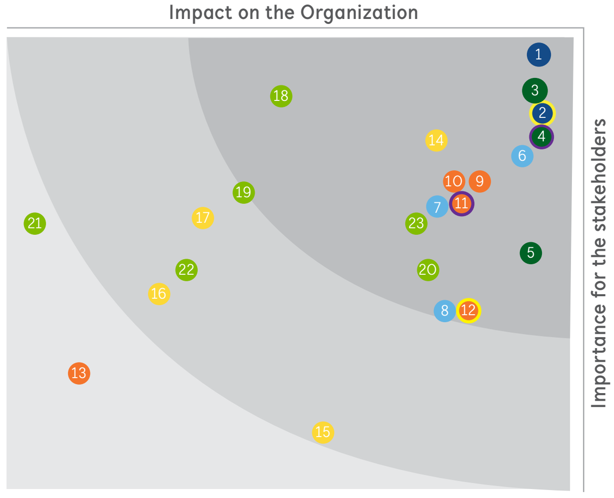
ENGAGEMENT MECHANISMS	FREQUENCY
Ethics Line	Permanent
Consumer service line	Permanent
Websites	Permanent
E-mail	Eventual
Social networks	Permanent
Market research	Eventual
Communication through mass media	Permanent
Points of sale	Permanent
Brand/product activations	Recurring
Integrated report	Annual

Communities

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

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

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



Relevant topics for the omnichannel sales operation.

Relevant topics for the retail food operation.

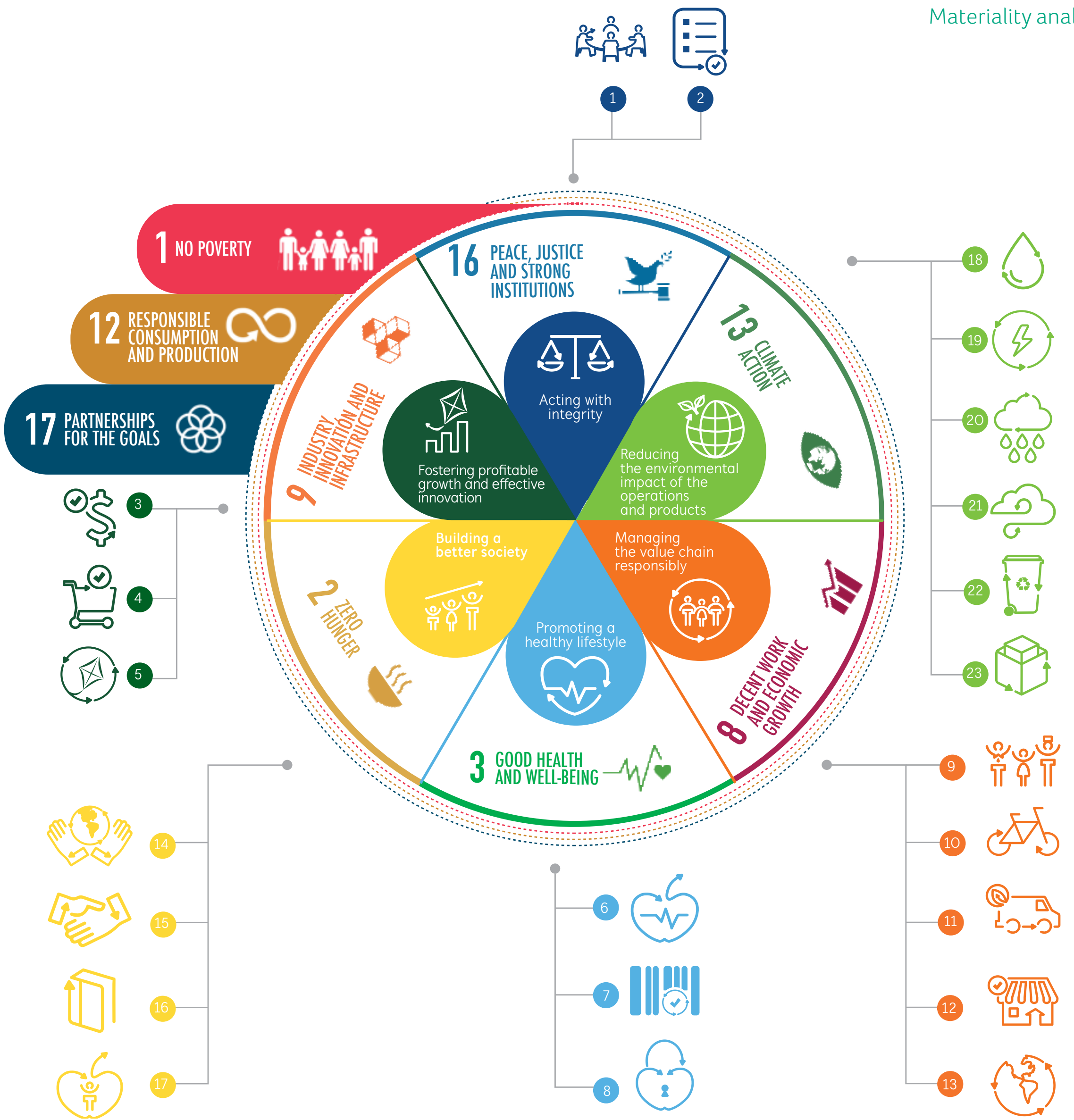
Grupo Nutresa regularly identifies the matters, now denominated topics, that have an impact on the creation of value in the short, medium and long term, looking for a better understanding of their environmental, social and economic risks and opportunities.

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

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

1. **The impact on the Organization**
   Three key elements were evaluated: strategic goals for 2020, corporate risks and business differentiators.
2. **The importance for the stakeholders**
   Discussion sessions, polls and interviews were conducted with the stakeholders in 5 countries: Colombia, Chile, Mexico, Costa Rica and the United States.

Strategic priorities	Material topics
Acting with integrity	1 Corporate Governance 2 Risk and compliance
Fostering profitable growth and effective innovation	3 Profitable growth in the markets 4 Reliable brands with an excellent price-value ratio 5 Effective innovation
Promoting a healthy lifestyle	6 Nutrition and healthy lifestyle 7 Responsible marketing 8 Food safety
Managing the value chain responsibly	9 Development of our people 10 Quality of life 11 Responsible sourcing 12 Responsible sales 13 Externalities
Building a better society	14 Human Rights 15 Development of collaborative proposals for public policies 16 Development of capabilities and education 17 Food security and nutrition
Reducing the environmental impact of the operations and products	18 Water resource management 19 Energy 20 Climate change 21 Air quality 22 Waste management 23 Packaging and post-consumption

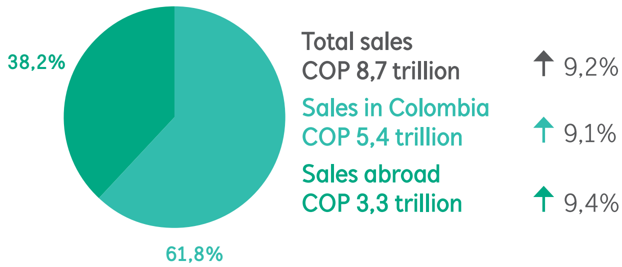


Grupo Nutresa's Commitment to the SDGs

1 NO POVERTY — Mobilizing solidarity, cooperation and talent through our leadership in effective programs and the allocation of resources with the aim of a sustainable development.	8 DECENT WORK AND ECONOMIC GROWTH — Promoting entrepreneurship, productivity, decent work and sustainability in our value chain, especially in low-income populations.	13 CLIMATE ACTION — Contributing to the mitigation of and adaptation to climate change, committed to GHG reduction, energy efficiency, clean technologies and an efficient use of raw materials.
2 ZERO HUNGER — Contributing to the reduction of malnutrition in the unprivileged populations from the countries where the Organization operates.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Fostering sustainable industrialization and promoting an innovative culture in processes, products and business models.	16 PEACE AND JUSTICE STRONG INSTITUTIONS — Supporting actions that are focused on the prevention and mitigation of risks related to bribery and corruption.
3 GOOD HEALTH AND WELL-BEING — Promoting healthy lifestyles.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Ensuring sustainable consumption and production models and cooperating with allies to achieve it.	17 PARTNERSHIPS FOR THE GOALS — Fostering a collaborative work with public and private allies to support the achievement of the SDGs.

MANAGEMENT REPORT

Grupo Nutresa sales



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

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

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

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

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

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

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

Increasing value generation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Grupo Nutresa S.A. Individual results

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

Acquisitions and other relevant projects

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

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

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

Grupo Nutresa's consolidated market share in Colombia

60,5%

Special report of the business group

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

In compliance with Article 29 of Act 222 of 1995, we inform that Grupo Nutresa S.A., as the parent company of the Business Group, received from its subordinates the sum of COP 1.452 million for the sale of goods and services, and the sum of COP 226.197 million as dividends. In 2016, Grupo Nutresa S.A. endorsed financial obligations of its subordinate companies equivalent to COP 197.000 million in the interest of them. The subordinates, for their part, did not carry out operations for third parties by influence or in the interest of the parent company.

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

Legal provisions GRI 206-1

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

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

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

Ebitda

COP 1,03 trillion

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

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

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

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

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

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

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

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

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

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

such information, which must be verifiable through accounting methods, as it refers to operations that due to their nature must be reflected and disclosed in the financial statements, or in accordance with the expectations, projections, cash flows or budgets in the case of business initiatives or projects. All of this must be done within the restrictions imposed by the law, confidentiality contracts or agreements related to the disclosure of this type of operations. Based on the aforementioned activities, it is further reported that there were no significant deficiencies in the design and operation of the internal control measures that could have prevented the company from adequately recording, processing, summarizing and presenting the financial information of the corresponding term. No cases of fraud were identified with an effect on the quality of such information, nor were there changes in its assessment methodology.

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

Sustainable Nutresa

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

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

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

In addition to the position obtained on the Dow Jones Sustainability Index mentioned above, in 2016 the Organization was awarded the ALAS20 award in the categories of Leading Company in Sustainability, Leading Company in Relations with Investors and ALAS20 Colombia Company in acknowledgment of our sustainability management, consistency in the public disclosure of information on investor relations practices and our good corporate governance.

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

Our planet

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

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

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

Building a better society

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

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

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

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

Social investment in the strategic region

COP 55.272 million

Outlook

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

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

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

ACKNOWLEDGMENTS

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

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

CORPORATE MODEL

nutresa | A FUTURE TOGETHER

BOARD OF DIRECTORS

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

1 **Antonio Mario Celia Martínez-Aparicio**
2005*

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

CEO, Promigas S.A

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

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

2 **Jaime Alberto Palacio Botero**
2005*

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

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

Prior Experience
Associate Executive Director, Microplast S.A.

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

3 **Mauricio Reina Echeverri**
2007*

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

Associate Researcher, Fedesarrollo

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

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

4 **Cipriano López González**
2016*

Finance, Audit and Risks Committee.

CEO, Industrias Haceb

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

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

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

● Independent Members ● Non-Independent Members

1 2 3 4 6	Finance Committee Audit and Risks Committee
1 3 5	Appointment and Remuneration Committee
1 2 3 5	Corporate Governance and Board Matters Committee
1 3 5 7	Strategic Planning and Sustainability Committee

* Year in which the Member joined the Board of Directors

Find more information about the indicators at:
http://2016report.gruponutresa.com/our-organization/corporate-model/board-of-directors/

5 David Emilio Bojanini García
2005*

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

Investments Group Chairman

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

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

6 Gonzalo Alberto Pérez Rojas
2007*

Finance, Audit and Risks Committee.

CEO, Suramericana S.A.

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

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

7 María Clara Aristizábal Restrepo
2013*

CStrategic Planning and Sustainability Committee.

Corporate Strategy Executive Manager, Grupo Argos S.A.

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

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

MANAGEMENT TEAM

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

Carlos Ignacio Gallego Palacio

Prior Experience
» President Chocolates Business
» Vice President, South Strategic Region
» President Servicios Nutresa
» General Director Fundación Nutresa
» Chief Industrial Director, Compañía Nacional de Chocolates S.A.
Academic Background
» Degree in Civil Engineering, Universidad Eafit.
» Master's degree in Business Administration, Universidad Eafit.

José Domingo Penagos Vásquez

Prior Experience
» Chief Corporate Finance Director, Banca de Inversión Bancolombia.
» Chief Planning Director, Confecciones Colombia (Everfit).
Academic Background
» Degree in Administrative Engineering, Escuela de Ingeniería de Antioquia.
» Specialized studies in Corporate Finance and Capital Market, Universidad Pontificia Bolivariana.

Jairo González Gómez

Prior Experience
» Founder and Chairman, González Gómez Abogados.
» External Legal Adviser, Grupo Nutresa.
» Law firm member, Ignacio Sanín Bernal & Cia.
Academic Background
» Degree in Law and Political Sciences, Universidad Pontificia Bolivariana.
» Specialized studies in Commercial Law, Universidad Pontificia Bolivariana.

Diego Medina Leal

Prior Experience
» Vice President Finance, Inveralimenticias Noel S.A.
» Financial Engineering Manager, Corfinsura S.A.
» Cali Region Manager, Corfinsura S.A.
Academic Background
» Degree in Electrical Engineering, Universidad Tecnológica de Pereira.
» Specialized studies in Finance, Universidad Eafit.

Alberto Hoyos Lopera

Prior Experience
» Chief Executive Officer, Compañía de Galletas Pozuelo DCR S.A.
» International Business Manager, Compañía de Galletas Noel S.A.
» Procurement Manager, Compañía de Galletas Noel S.A.
Academic Background
» Degree in Mechanical Engineering, Universidad Pontificia Bolivariana.
» Master's degree in Business Administration focused on International Business, Universidad Eafit.

Jorge Eusebio Arango López

Prior Experience
» President Coffee Business.
» Vice President Sustainable Development.
» Vice President International Business, Compañía Nacional de Chocolates S.A.
Academic Background
» Degree in Economics, Universidad de los Andes.
» Specialized studies in Finance, Universidad Eafit.
» Master's degree in Financial Studies, University of Strathclyde (Glasgow, Scotland).

Justo García Gamboa

Prior Experience
» Chief Executive Officer, Tresmontes Lucchetti.
» Commercial Department Leader, Tresmontes Lucchetti.
» Mass food consumption companies in Chile.
Academic Background
» Degree in Commercial Engineering, School of Economics, Universidad Adolfo Ibáñez.
» Degree in Administration, Universidad Federico Santa María.

Miguel Moreno Múnera

Prior Experience
» Chief Executive Officer, Fehr Foods.
» Chief Business Development Director, Fehr Foods.
» Financial manager, Compañía de Galletas Noel.
» Corporate Financial Director, Grupo Nutresa.
Academic Background
» Degree in Business Administration, Universidad Eafit.
» Master's degree in Finance, EADA (Spain).

Juan Chusán Andrade

Prior Experience
» Chief Executive Officer, Negocios Internacionales Gastronomia y Negocios (GyN).
» New Business Director and CEO, Brasil YUM Brands.
» Consultant, McKinsey & Co.
Academic Background
» Degree in Mechanical Engineering, University of California, Los Angeles (UCLA).
» Master's degree in Business Administration focused on Strategy and International Business, Anderson School, UCLA.

Mario Alberto Niño Torres

Prior Experience
» President, Meals de Colombia S.A.
» Financial Manager, Meals de Colombia S.A.
» Marketing Manager, Meals de Colombia S.A.
Academic Background
» Degree in Business Administration, Universidad de La Sabana.
» Specialized studies in Strategic Marketing, Colegio de Estudios Superiores de Administración, CESA.

Fabián Andrés Restrepo Zambrano

Prior Experience
» Special Commercial Project Manager, Servicios Nutresa.
» General Manager, Pastas Comarrico.
» Customer Development Coordinator, Compañía Nacional de Chocolates S.A.
Academic Background
» Degree in Systems Engineering, Universidad Eafit.
» Specialized studies in Systems and Database Management, Universidad de Antioquia.
» Master's degree in Business Administration focused on E-Commerce, Tecnológico de Monterrey.

Sol Beatriz Arango Mesa

Prior Experience
» President Chocolates Business.
» Vice President Grupo Nutresa South Strategic Region.
» Vice President Corporate Planning, Grupo Nacional de Chocolates S.A.
» Vice President Finance and Systems, Industrias Alimenticias Noel S.A.
» Industrial and Financial Manager, Susaeta Ediciones S.A.
Academic Background
» Degree in Production Engineering, Universidad Eafit.
» Specialized studies in Finance, Universidad Eafit.
» Specialized studies in Strategic Management, Pace University (New York).

Álvaro Arango Restrepo

Prior Experience
» President Pasta Business.
» General Manager, Meals de Colombia.
» Vice President Marketing, Postobón S.A.
Academic Background
» Degree in Business Administration, Universidad Eafit.

STRATEGY FOR OUR FIRST CENTURY (1920-2020)

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

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

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

Grupo nutresa
100 YEARS

MEGA 2020

Duplicate our 2013 sales

Mission

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

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

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

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

Corporate philosophy and performance GRI 102-16

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

Differentiators of our business model

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

Organizational climate at a level of excellence:
83,4%

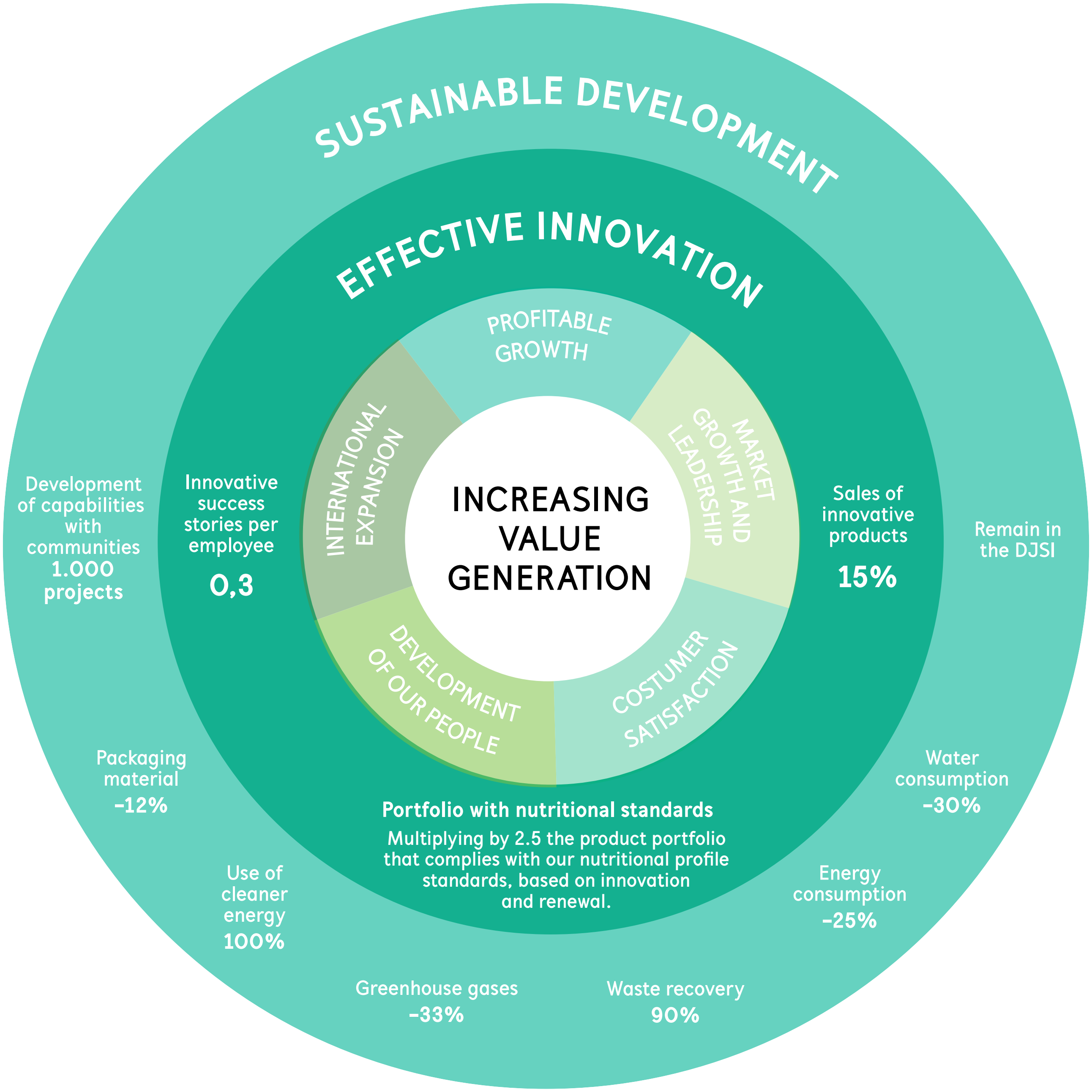
Our brands
Our brands are leaders in the markets where we participate as they are widely recognized and cherished, nourish, generate we-ll-being and have become a part of people's daily lifestyle, with an excellent price-value ratio.

18 brands
with sales over USD 50 million.

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

1.237.000
points of sale.

STRATEGIC GOALS FOR 2020



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

Economic dimension

Doubling the 2013 sales by 2020 (COP trillion)

2020: 11,8 • 2016: 8,7

Abroad sales (USD million)

2020: 2.000 • 2016: 1.087

EBITDA margin

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

Sales of innovative products

2020: 15% • 2016: 17,9%

Innovative success stories per employee

2020: 0,3 • 2016: 0,22

Productivity (kg/Hdl)

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

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

2020: 3.140 SKUs
2016: 2.945 SKUs

Level of customer satisfaction

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

Social dimension

Accident frequency rate

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

Organizational climate

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

Capability-development projects

2020: 1.000 • 2016: 694 • 2017: 781

Environmental dimension

Water consumption (m^3/t.p.)

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

Energy consumption (kWh/t.p.)

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

Greenhouse gases (CO_2e/t.p.)

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

Use of cleaner energy

2020: 100% • 2016: 99% • 2017: 99%

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

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

Waste generation

2020: -20% • 2016: -6,3% • 2017: 0,2%

Waste recovery

2020: 90% • 2016: 90,1% • 2017: 90%

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

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

Risk Assessment

The consolidation of the integrated risk management maturity model continued in 2016 through its alignment with integrated management systems, connecting the strategic, tactical and operational levels under the same approach and carrying out more than 12.600 risk assessments.

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

70 risk management, crisis and business continuity workshops.	Participation of approximately 800 employees.	15.700 hours invested in training.

MAIN RISKS	MITIGATION STRATEGY
Volatility in prices of raw materials and exchange rates.	» Coverage policies with clearly defined risk levels, aligned with market changes and managed by a specialized committee. » A highly trained team dedicated to monitoring and negotiating supplies. » Permanent search for new opportunities and models for an efficient and competitive raw materials sourcing at a worldwide scale. » Raw materials diversification.
Business disruption due to a highly competitive environment.	» Brands and Networks Management Model based on the deep and integrated understanding of the market: consumers, buyers and customers. » Leading brands which are well recognized and appreciated. » Wide distribution network with differentiated and specialized value propositions for each customer segment. » Attractive propositions with an excellent price-value ratio. » High-value innovation and portfolio differentiation. » Profitable market development. » Identification of opportunities based on cultural changes.
Regulation in nutrition and health matters in the countries where Grupo Nutresa is present.	» Monitoring the Organization's environment to study the nutrition and health situation of the strategic region. Anticipating the needs of the communities to offer improvement alternatives for malnutrition situations. Learning about the regulatory processes and participating in their definition. » Compliance with applicable standards and preparation for those that are being developed. » Application of the nutrition policy defined by Grupo Nutresa. » Development of health and nutrition research to improve the quality of life of the population through innovative food proposals. » Support to and participation in programs that promote healthy lifestyles. » Vidarium: center for research on nutrition.

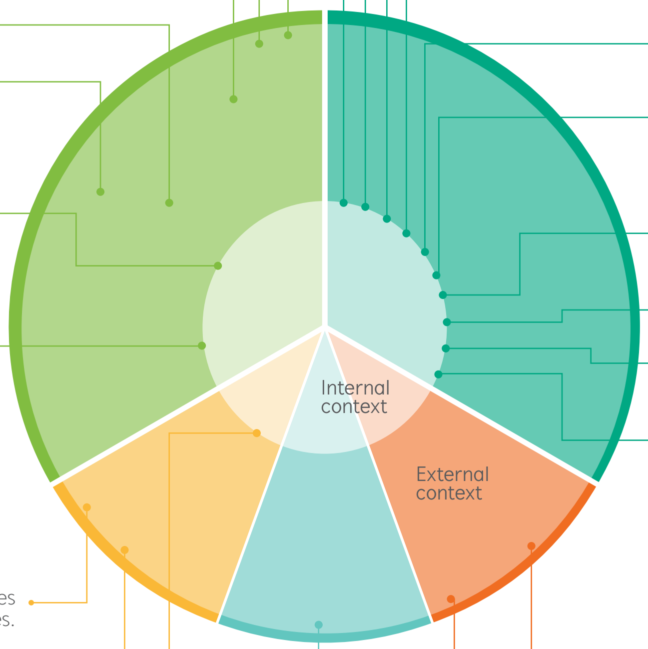
Corporate Risks

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

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

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

- Involvement of the integrity or safety of the employees in the execution of their jobs.
- Negative impact on the environment.
- Interruption of the supply chain.
- Consumer involvement due to product contamination.
- Internal or external violations of Human Rights.
- Negative impact on third parties due to the execution of the operations or on customers and visitors at restaurants and points of sale.
- Collapse of information and communication systems and technologies.
- Loss of the Company's key information.
- Ethical offenses or inappropriate behavior of employees or third parties.
- Regulatory noncompliance.



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

- Changes in the preferences of buyers and consumers.
- Water-related risks (availability, quality and accessibility).

- Negative impact caused by climate and natural phenomena.

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

CLIMATE AND NATURE RELATED:
caused by climate, hydrological, geophysical, biological and epidemiological conditions.

EMERGING:
new risks currently developing or changing.

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

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

Inputs

Financial capital
- Working capital
- Funding
- Capital from investors

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

Human capital
- Competent people

Intellectual capital
- Patents
- Knowledge (associations, protocols and standards)

Natural capital
- Energy
- Water
- Raw materials

Social capital
- Communities
- Customers
- Consumers
- Suppliers

Value chain

Sourcing

194 Farms and plantations

7 Supplier development projects

84% Local purchases

COP **22,05** billion Social investment in suppliers

Raw materials logistics

Gestión Cargo

Operation

- Cold Cuts
- Biscuits
- Chocolates
- TMLUC Tresmontes Lucchetti
- Coffees
- Retail Food
- Ice Creams
- Pastas

46 Production plants

COP **98,39** billion Investment in well-being and quality of life

741.598 Hours invested in training

14.773 Performance assessments

21 ISO 14001-certified operation centers

18 Brands with sales over USD 50 million

45.618 Employees

Distribution and commercialization

Comercial Nutresa | Novaventa | La Recetta | Opperar Colombia

92 Distribution centers

12.991 Salespeople

COP **16,62** billion Social investment in customers

Retail Food

339 Restaurants

505 Ice cream shops

14 Coffee shops*

* Starbucks coffee shops in Colombia, a business in which Grupo Nutresa holds a 31% share.

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

Strategic sustainability priorities

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

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

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

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

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

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

Results

2.945
Product references fulfill the Nutresa nutritional profile.

1%
Sales of innovative products with increased nutritional components

9,2%
Products with reduced critical components

83,4%
Organizational climate score

40,9 kg/Hdl
Productivity

COP
30,33 billion
Sales of socially innovative products

2.500
Small farmers trained in socio-entrepreneurial matters

189.278
Customers trained

694
Projects aimed at developing capabilities (2013-2016)

17,1%
Reduction in energy consumption*

25,8%
Reduction in water consumption*

21,0%
Reduction in GHG emissions*

*Reductions with regard to the 2010 baseline.

Sixth consecutive year included in the Dow Jones Sustainability World Index

Fourth consecutive year being awarded the Investor Relations acknowledgment

Second consecutive year being awarded the ALAS20 acknowledgment

COP
8,68 trillion
Sales

COP
1,03 trillion
Ebitda

60,5%
Market share

Outputs

Food production*

1.005.410
Tons produced

2,04 million m³
Water consumption

833,3 GWh
Energy consumption

141.010,9 $tCO_2eq.$
GHG emissions

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

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

Distribution and commercialization

148,3 MWh
Energy consumption in distribution operations

55.293 $tCO_2eq.$
GHG emissions from distribution operations

- Storage
- Distribution
- Sales

Retail Food

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

ACTING WITH INTEGRITY

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

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CORPORATE GOVERNANCE

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Updating the Organization's corporate governance measures.	» New sustainability-related functions were assigned to the Strategic Planning Committee of the Board of Directors. The name of this committee was changed to Strategic Planning and Sustainability Committee.
Socializing the good governance measures and raising awareness among all employees.	» A report on the implementation of successful corporate governance practices and the Annual Corporate Governance Report were presented to both the shareholders and the stakeholders via the Company's website with the purpose of communicating relevant news on the subject. » The Organization continued to socialize the Code of Corporate Governance in the inductions for new employees.
Watching over the compliance with the governance practices incorporated by the Company.	» The firm AtKearney conducted an external and independent evaluation to the performance of the Board of Directors. » The Appointment and Remuneration Committee analyzed the most convenient personal profiles for the Board of Directors, the tentative profile composition, the necessary time the members would need to adequately perform their duties, and the existing gaps between the profiles of the current members and the profiles identified as necessary for the Company.
Strengthening the reporting mechanisms for matters related to ethics and conduct.	» Telephone lines were implemented for the operation of the Ethics Line in the international operations, and a plan was designed for strengthening and socializing this reporting mechanism in 2017.

Risks and opportunities GRI 103-1

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

Comercial Nutresa employees.

The Company delivers unabridged, clear and timely information to its shareholders and all other stakeholders with the intention of ensuring transparency and promoting integrity by means of the implementation of policies and behavior guidelines that must be complied with by the governance bodies, employees, customers, suppliers and shareholders.

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

Outlook

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

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

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

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

Success stories and acknowledgments GRI 103-3

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

The Institute of Internal Auditors

Emisor BVC COMPROMETIDO IR

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

ALAS20 Agenda Líderes Sustentables 2020

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

Servicios Nutresa employees.

Progress achieved in 2016 GRI 103-3

The Board of Directors is formed by seven members. In 2016, the Shareholders Assembly reelected the six members who formed the Board from April 2015 to March 2016 and elected a new independent member, Cipriano López González, for the April 2016-March 2017 term.

All Board members have diverse profiles, knowledge and experience in finance, business and strategy, and they fulfill the skill set requirements defined as necessary for said governance body. In 2016, a skills matrix was created with the expected abilities for the Board as a collegiate body, which includes the fulfillment of said skills by the current members. The skills matrix is published on the Company's website.

The Organization has incorporated more rigorous criteria, which are established in the Code of Conduct, than the ones established by the law to determine the independence of the Board members. Thus, four of the seven Board members are independent, including its Chairman.

In 2016, the Appointment and Remuneration Committee, based on the analysis conducted by Prospecta, a consulting company specialized in corporate governance matters that is currently part of AtKearney, analyzed the most convenient personal profiles for the Board of Directors, the tentative profile composition, the necessary time the members would need to adequately perform their duties, and the existing gaps between the profiles of the current members and the profiles identified as necessary for the Company.

Said Committee submitted to the Board and the investors a report of the aforementioned analysis, which included a training plan for 2016 and 2017 with regard to the improvement opportunities identified. Following this plan, the Board of Directors received training in nutrition, health, well-being and risk management.

A report on the implementation of successful corporate governance practices and the Annual Corporate Governance Report were presented to both the shareholders and all the stakeholders via the Company's website with the purpose of communicating the most relevant facts and news on the subject with regard to the Organization.

The Board of Directors decided to assign new sustainability-related functions to the Strategic Planning Committee, which changed its name to Strategic Planning and Sustainability Committee.

The Board gathered every month and all the support committees met twice in 2016, except for the Finance, Audit and Risks Committee, which held five meetings. All of them fulfilled the functions and meeting frequency provisions established in the Code of Conduct.

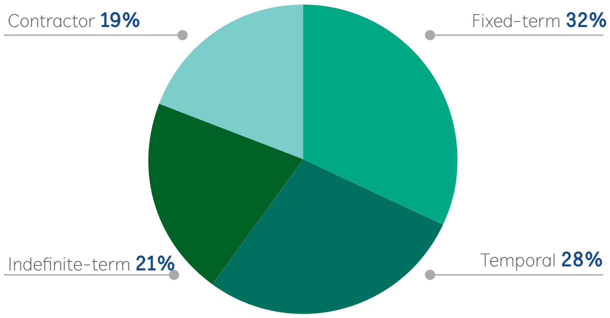
The performance of the Board was evaluated by AtKearney, an independent third party that analyzed its level of development as a collegiate body in four different dimensions: Structure / Governance, Coordination, Interaction and Strategic approach. The evaluation produced positive results among which it was identified that, with regard to the main recommendations derived from the 2014 evaluation, the Board has exhibited important progress in relation to the definition of a plan to train its members and formally bring them up to date.

Additionally, the Board conducted its annual self-evaluation through which it assessed the qualities, attributes and experience of the Board itself and its support committees, and several improvement opportunities were also identified.

Ethics Line

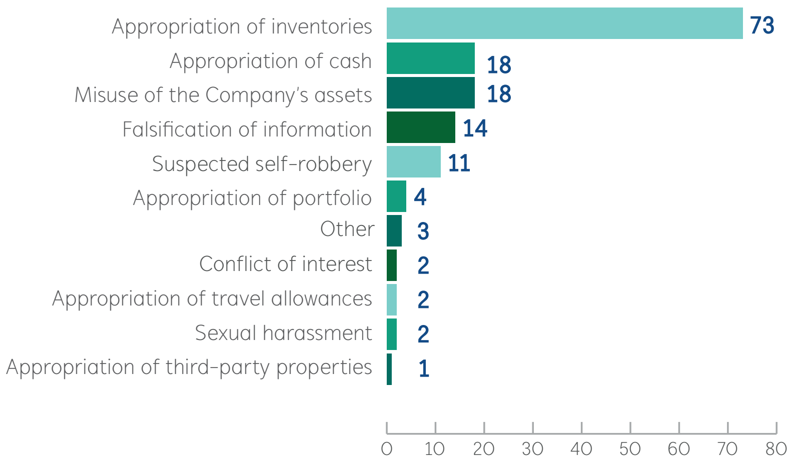
For Grupo Nutresa, ethics and transparency are fundamental pillars of its corporate operation and highly relevant principles for the fulfillment of its mission. Fraud, asset laundering, financing of terrorism and corruption are the most significant risks related to this matter, which are managed through policies, codes and awareness-raising and education initiatives that facilitate the development of the relations with the corresponding stakeholders.

The Organization also addressed 48 reports received through the Ethics Line, which were channeled by the responsible departments of each one of the Businesses. 87% of the reports were related to direct employees and 13% of them involved third parties. 27% of the reported situations were confirmed.



% of cases

In 2016, the Organization found out about 148 incidents in which the Code of Conduct was violated, amounting to COP 1,3 billion and classified as follows: **GRI 102-17 [ODS 16]**



156 employees were involved in these incidents, 81% of which worked under direct employment contracts and the rest under service provision contracts. The contractual relations with all of them were terminated and the corresponding legal actions were commenced.

With the purpose of mitigating the possible negative impacts of these type of wrongful acts, all the companies have insurance policies with adequate coverage. **GRI 205-3**

Superior Achievement Acknowledgment System

This system establishes that 30% of the variable annual compensation of the CEO, the CFO and the Secretary General should be paid with Company shares, and the disposition of such shares is limited until the Executives retire. The settlement is paid in a 3-year term, encouraging thus the Executives to remain in the Organization.

The variables used in this system include (internal and external) financial, social, market and sustainability metrics, whose annual goals are determined by the Appointment and Remuneration Committee of the Board of Directors.

RISK AND COMPLIANCE

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Integrating risk management into the corporate strategy.	» The Board of Directors monitored several of the main strategic risks and received risk management training. » The maps of strategic risks were updated for Grupo Nutresa and its companies, making progress in its integration with the ones for the tactical and operative levels in alignment with the integrated management systems.
Strengthening the Organization's risk management culture.	» More than 70 risk management workshops were organized, providing training for approximately 800 employees in the strategic region. » More than 17.600 employees and third parties participated in awareness-raising and training activities on risks related to money laundering and terrorist financing. **GRI 205-2 [SDG 16]**
Increasing the organizational resilience.	» The second stage of Grupo Nutresa's business continuity project was completed, formalizing thus this management system. » Key teams received training in the protocol for social networks crisis management.
Monitoring and ensuring the legal and regulatory compliance.	» The regulatory compliance diagnostic was conducted by means of the assessment of the related risks in transverse processes. » The Organization disseminated contents from the recommendations of the OECD and their implications. » Progress was made in the automation of preventive controls related to the system for managing the risk of money laundering and terrorist financing.

Risks and opportunities GRI 103-1

Novaventa employee.

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

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

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

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

Outlook

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

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

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

Success stories and acknowledgments GRI 103-3

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

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

As a successful case, it is worth **highlighting the more than 12.600 risk assessments performed in 2016** for the strategic, tactical and operative levels. The assessments comprised financial, strategic, operational, Human Rights, climate and nature-related risks.

Progress achieved in 2016

GRI 103-3

Risk and crisis

The Organization fostered the consolidation of the integrated risk management maturity model in 2016 through the alignment of the methodology with the integrated management systems, which has allowed the system to evolve by connecting the strategic, tactical and operational levels under a unique approach and by means of the appropriation of the methodology by Grupo Nutresa's Businesses.

During this process, more than 12.600 risk assessments were carried out at all levels and in all companies. The assessments included the analysis of financial, strategic, operational, Human Rights, corruption, climate and nature-related risks, risks related to projects, as well as their impacts on the human, natural, financial, physical and social capital. **GRI 205-1 GRI 412-1 [ODS 16]**

Servicios Nutresa employees.

With the purpose of strengthening the risk management culture, more than 17.600 direct employees, temporal employees and contractors participated in training programs focused on the prevention and control of the risks related to money laundering and terrorism financing. **GRI 205-2 [ODS 16]**

Furthermore, approximately 800 employees from all Businesses and the members of the Board of Directors received training in risk and crisis management and business continuity management, totaling more than 15.700 hours invested in these training activities that generated new capabilities among Grupo Nutresa's human capital.

In pursuing the objective of increasing the organizational resilience, the business continuity management system was consolidated. Within this outline, in 2016 the second cycle of the process was completed and several operation interruption tests were conducted to consider possible events that could affect the Organization's physical capital and technological systems. This endeavor allowed to achieve higher levels of maturity and experience among the work teams.

In addition to that, Grupo Nutresa updated the crisis management manual, which is aimed at protecting the reputation of both the Organization and its brands, organizing and articulating the different crisis and emergency response roles and teams. Moreover, training sessions were carried out to address the social network crisis management protocol, with the participation of employees from all the companies.

One of the greatest challenges with regard to the integrated risk management consists in consolidating it as a key component of the strategic planning and the decision-making processes. In order to contribute to this objective, the Organization will start to study and adopt quantitative models that allow a deeper understanding of the exposure to the Businesses' critical risks, and that enable the objective definition of the risk tolerance levels.

Compliance

In 2016, Grupo Nutresa continued to perform the process of regulatory surveillance in the strategic region with the support of specialized organizations, external consultants and trade associations. Besides, the Organization also participated in the proposal of new regulations by means of local and international public consultation mechanisms. Additionally, several initiatives were implemented with the focus of guaranteeing regulatory compliance, from which it is worth highlighting the following:

La Recetta employees, Bogotá.

- Compliance assessment by which the identification and analysis of the risks related to the legal and regulatory noncompliance, for the main company processes, was completed, as well as the creation of gap-closing plans and mitigation measures for those with a higher priority.
- Training to the commercial and marketing teams for Colombian companies in the field of fair competition and antitrust laws.
- Stabilization of the disclosure (to the market) of the consolidated quarterly financial statements prepared under the International Financial Reporting Standards (NIIF), with the aim of fulfilling the requirements of the Colombian Financial Superintendency and providing relevant information to support the investors' decision-making process.
- Continuous collaboration between Grupo Nutresa and the corresponding governmental bodies to review future regulatory changes with the purpose of making the tax collection process more efficient, guaranteeing the timely compliance with all tax obligations and generating a profitable growth for the Organization.
- Update of the legal matrices for environmental issues as tools for the identification of gaps and the assessment of regulatory risks and their potential impact on the natural capital.
- With regard to the compliance with the labor regulations, Grupo Nutresa has adopted a Human Rights policy, which is aligned with the ILO covenants and with the constitution and legislation of each country where the companies operate. For that purpose, and with the additional objective of ensuring respectful labor conditions for the human capital, the Organization continued providing training to the employees, performing a constant surveillance and consultation with Servicios Nutresa's legal team specialized in labor matters.
- Regarding the recommendations made by the OECD (Organisation for Economic Co-operation and Development) to Colombia, Grupo Nutresa's executive managers received training with the purpose of briefing them on the scope and content of said recommendations, the details of the tax policies and the pension system, as well as the current status of the process of Colombia becoming a member of that Organization.
- Implementation of the action plan to comply with the regulations established by the Superintendency of Industry and Commerce regarding the national database registry in Colombia.
- Design of a project focused on strengthening the legal surveillance process (which will be put into effect in 2017) related to food product labeling regulations.

In the short term, the compliance management process will be reinforced with the implementation of the treatment measures related to the risks identified in the assessment conducted in 2016. In addition, the Organization will start the design and development of a management model that contributes to generating efficiency and effectiveness in both the regulatory surveillance and the implementation of action plans. With regard to the prevention and control of the risks of money laundering and terrorism financing, Grupo Nutresa will continue to implement the system aligned with the regulations that are currently in force. The main purpose of the system is to provide tools to all the companies for the consolidation of their autonomous management of their particular risks.

No sanctions or fines were imposed on Grupo Nutresa or its companies due to noncompliance with the regulations and the legislation, with the exception of two particular situations: an environmental issue with a minor impact on the Restaurant and Food Service Business in Colombia, which was addressed according to the procedures of its management systems; and another issue related to the protection of personal data in the Chocolates Business, which was duly assumed by the Organization and ended up motivating the update to the management protocol for this type of information **GRI 307-1, GRI 419-1 [ODS 16]**

PERFORMANCE OF THE BUSINESS UNITS

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Direct presence in **3 countries**

Venezuela
Sales: 9,4%
Plants: 1

HERMO

Central America
Sales: 6,0%
Plants: 1

Berard
Blue Ribbon

Colombia
Sales: 84,3%
Plants: 9

Zenú
Ranchera
Rica
Pietrán
Cunit

Presence of our main brands

Brands with sales over USD 50 Million

Production plants

Diego Medina Leal

[Part of Nutresa since 1997 / Age: 55]

President

Relevant aspects from 2016

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

Employment

9.784 (includes direct and indirect employees and apprentices)

Local: 85,8%
Abroad: 14,2%

24,1% 75,9% (includes direct employees and apprentices)

Sales

Total Sales

COP billion

2016	2015	2014
1.992	1.909	1.745
4,4%	9,4%	-8,7%

Growth percentage

CAGR 4,5%*

* Compound Annual Growth Rate

The Cold Cuts Business represents **23,0%** of Grupo Nutresa's total sales.

Sales in Colombia

COP billion

	2016	2015	2014
	1.678	1.573	1.460
Price	8,6%	5,0%	2,0%
Volume	-1,7%	2,5%	8,5%

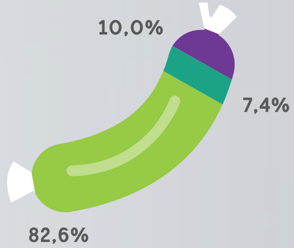
CAGR 4,8%

The sales in Colombia represent **84,3%** of the total business unit sales.

COLD CUTS NUTRESA

Main categories

(total sales %)



● Cold Cuts ● Long Shelf Life ● Other

Market share in Colombia

(%)

	Cold Cuts	Long Shelf Life
	73,1%	93,0%
Variation	-0,4	1,3%

Raw material

(Production cost %)

Other 37,0% (includes direct labor, IMCs and other raw materials)

29,2% Pork

16,7% Beef

7,8% Chicken and Turkey

9,3% Packaging material

Outlook for 2017

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

Sales abroad

USD million

2016	2015	2014
103	118	140

CAGR -9,6%

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

Ebitda

COP billion

	2016	2015	2014
	243	232	211
Growth percentage	4,8%	10,0%	-16,6%
Margin	12,2%	12,2%	12,1%

CAGR 4,9%

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

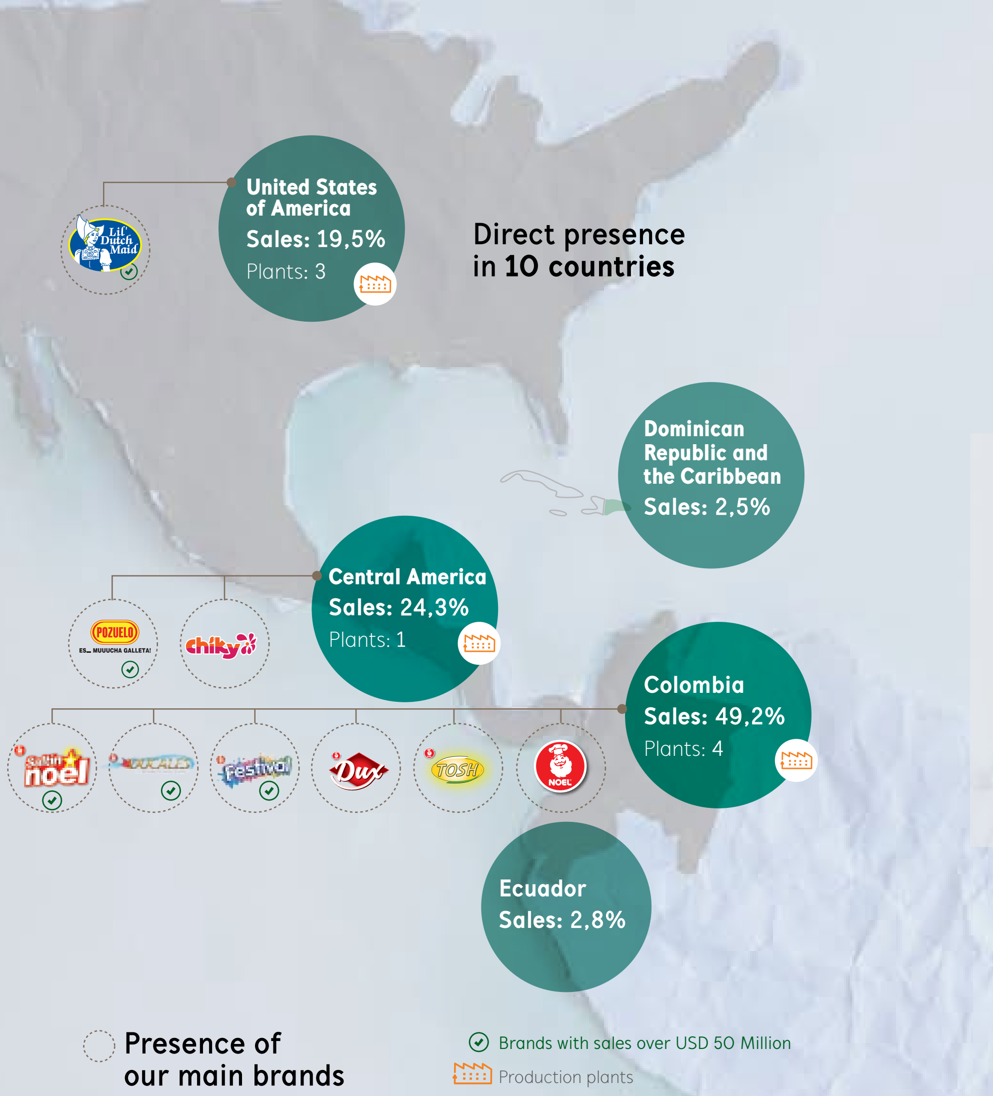
Alberto Hoyos Lopera

[Part of Nutresa since 1993 / Age: 52]

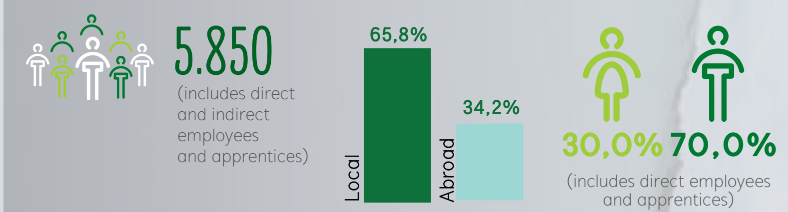
President

Relevant aspects from 2016

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



Employment



Sales

Tatal sales

COP billion

	2016	2015	2014
	1.738	1.567	1.246
Growth percentage	10,9%	25,8%	9,1%

CAGR 11,7%*

* Compound Annual Growth Rate

The Biscuits Business represents 20,0% of Grupo Nutresa's total sales.

Sales in Colombia

COP billion

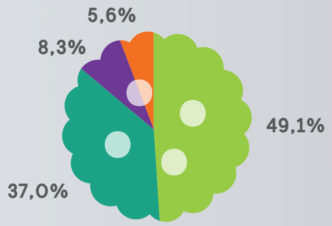
	2016	2015	2014
	855	785	704
Price	9,6%	5,7%	0,0%
Volume	-0,7%	5,5%	8,6%

CAGR 6,7%

The sales in Colombia represent 49,2% of the total business unit sales.

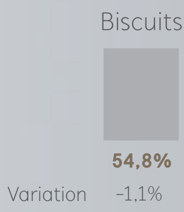
BISCUITS NUTRESA

Main categories
(total sales %)

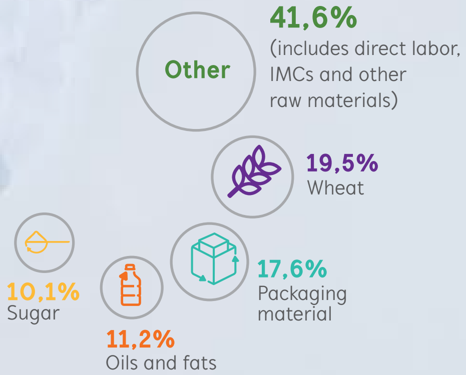


Sweet Biscuits Crackers Self-care Other

Market share in Colombia
(%)



Raw materials
(Production cost %)



Outlook for 2017

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

Sales abroad
USD million

2016	2015	2014
289	284	270

CAGR 2,3%

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

Ebitda
COP billion

	2016	2015	2014
	211	186	169
Growth percentage	13,3%	10,0%	7,1%
Margin	12,1%	11,9%	13,6%

CAGR 7,6%

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

Jorge Eusebio Arango López

[Part of Nutresa since 1991 / Age: 61]

President

Relevant aspects from 2016

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

Employment

4.095 (includes direct and indirect employees and apprentices)

Local	Abroad
52,0%	48,0%

40,4% 59,6%

(includes direct employees and apprentices)

Sales

Total Sales

COP billion

	2016	2015	2014
Sales	1.421	1.268	1.068
Growth percentage	12,0%	18,7%	8,7%

CAGR 10,0%*

* Compound Annual Growth Rate

The Chocolates Business represents 16,4% of Grupo Nutresa's total sales.

Sales in Colombia

COP billion

	2016	2015	2014
	891	796	724
Price	9,7%	11,4%	1,6%
Volume	2,1%	-1,3%	5,3%

CAGR 7,2%

The sales in Colombia represent 62,7% of the total business unit sales.

CHOCOLATES NUTRESA

Main categories

(Total sales %)

Candies	38,5%
Hot chocolates	24,4%
Other	20,8%
Milk modifiers	8,4%
Snacks	7,9%

Market share in Colombia

(%)

	Candies	Hot chocolates	Snacks	Milk modifiers
	67,4%	63,1%	56,0%	24,3%
Variation	0,2%	1,0%	1,1%	-0,7%

Raw materials

(Production cost %)

- **34,8%** Other (includes direct labor, IMCs and other raw materials)
- **33,9%** Cocoa
- **12,0%** Packaging material
- **10,7%** Sugar
- **4,4%** Milk
- **4,2%** Oils and fats

Outlook for 2017

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

Sales abroad

USD million

2016	2015	2014
174	170	171

CAGR 0,5%

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

Ebitda

COP billion

	2016	2015	2014
	147	124	120
Growth percentage	18,0%	3,7%	-20,2%
Margin	10,3%	9,8	11,2%

CAGR 7,0%

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

Justo García Gamboa

[Part of Nutresa since 2013 / Age: 54]

President

Relevant aspects from 2016

Chile:

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

Mexico:

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

Direct presence in 13 countries

Mexico
Sales: 17,3%
Plants: 1

Other countries
Sales: 10,6%

Presence of our main brands

Brands with sales over USD 50 Million

Production plants

Employment

4.443
(includes direct and indirect employees and apprentices)

Local	Abroad
0%	100%

32,7% 67,3%
(includes direct employees and apprentices)

Chile
Sales: 72,1%
Plants: 3

Sales

Total Sales

COP billion

2016	2015	2014
981	896	738
9,4%	21,5%	NA

Growth percentage

CAGR 9,9%*

* Compound Annual Growth Rate

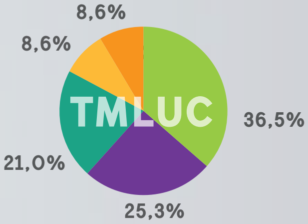
Tresmontes Lucchetti represents **11,3%** of Grupo Nutresa's total sales.

TRESMONTES LUCCHETTI

TMLUC

Main categories

(Total sales %)



Instant cold beverages
Pastas Coffee Snacks Other

Market share

(%)

	Instant cold beverages (Chile)	Pastas (Chile)	Instant cold beverages (Mexico)	Coffee (Chile)	Potato chips (Chile)
	64,1%	28,5%	32,2%	16,9%	13,7%
Variation	1.6%	1.1%	1.7%	0.7%	0.7%

Raw materials

(Production cost %)

- Other: 52,4% (includes direct labor, IMCs and other raw materials)
- 28,3% Packaging material
- 12,0% Wheat
- 3,6% Coffee
- 2,7% Sugar
- 1,0% Oils and fats

Outlook for 2017

Chile:

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

Mexico:

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

Sales abroad

USD million

2016	2015	2014
322	328	370

CAGR -4,6%

The sales abroad represent
100%
of the total business unit sales.

Ebitda

COP billion

	2016	2015	2014
	96	94	82
Growth percentage	2,3%	14,6%	NA
Margin	9,8%	10,5%	11,1%

CAGR 5,6%

It represents
9,3%
of Grupo Nutresa's ebitda.

Presence of our main brands

Brands with sales over USD 50 Million

Production plants

Miguel Moreno Múnera

[Part of Nutresa since 2003 / Age: 39]

President

Relevant aspects from 2016

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

Employment

1.803 (includes direct and indirect employees and apprentices)

Local 100% · Abroad 0%

16,0% · 84,0%
(includes direct employees and apprentices)

Sales

Total Sales

COP billion

	2016	2015	2014
	956	891	772
Growth percentage	7,3%	15,4%	-2,2%

CAGR 7,4%*

* Compound Annual Growth Rate

The Coffee Business represents **11,0%** of Grupo Nutresa's total sales.

Sales in Colombia

COP billion

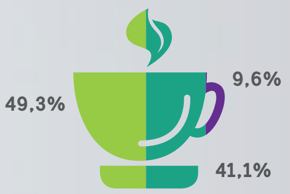
	2016	2015	2014
	569	531	502
Price	4,8%	1,2%	-2,2%
Volume	2,2%	4,6%	0,4%

CAGR 4,3%

The sales in Colombia represent **59,5%** of the total business unit sales.

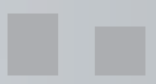
COFFEE NUTRESA

Main categories
(Total sales %)



● Ground Coffee ● Soluble Coffee
● Otros

Market share in Colombia
(%)



	Ground Coffee	Soluble Coffee
	52,8%	41,6%
Variation	-1,4%	-0,4%

Raw materials
(Production cost %)

66,4% Coffee

24,1% Other includes direct labor, IMCs and other raw materials

9,5% Packaging material

Outlook for 2017

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

Sales abroad
USD million

2016	2015	2014
126	132	135

CAGR -2,2%

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

Ebitda
COP billion

	2016	2015	2014
	155	155	147
Growth percentage	-0,3%	6,0%	9,4%
Margin	16,2%	17,4%	19,0%

CAGR 1,9%

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

Juan Chusán Andrade

[Part of Nutresa since 2013 / Age: 52]

President

Relevant aspects from 2016

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

Presence of our main brands

Brands with sales over USD 50 Million

Employment

7.005 (includes direct and indirect employees and apprentices)

Local	Abroad
76,8%	23,2%

58,6% 41,4% (includes direct employees and apprentices)

Sales

Total Sales

COP billion

2016	2015	2014
657	542	115
21,2%	NA	NA

Growth percentage

The Retail Food Business represents **7,6%** of Grupo Nutresa's total sales.

Sales in Colombia

COP billion

2016	2015	2014
446	363	NA

The sales in Colombia represent **67,9%** of the total business unit sales.

RETAIL FOOD

Raw materials

(Production cost %)

61,4% Other (includes direct labor, IMCs and other raw materials)

18,3% Meat (includes beef, pork and chicken)

8,1% Packaging material

7,5% Milk

4,7% Oils and fats

Market share

#1

In hamburguers and steakhouse categories in Colombia

In ice cream shops in Costa Rica and Dominican Republic

Outlook for 2017

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

Sales abroad

USD million

2016	2015	2014
69	65	58

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

Ebitda

COP billion

	2016	2015	2014
	94	93	18
Margin	14,3%	17,2%	15,5%

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

Mario Alberto
Niño Torres

[Part of Nutresa since 2006 / Age: 50]

President

Relevant aspects from 2016

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

Employment

2.436 (includes direct and indirect employees and apprentices)

Local 100% | Abroad 0%

26,5% | 73,5% (includes direct employees and apprentices)

Sales

Total Sales

COP billion

	2016	2015	2014
Sales	436	444	422
Growth percentage	-1,7%	5,1%	11,0%

CAGR 1,1%*

* Compound Annual Growth Rate

The Ice Cream Business represents **5,0%** of Grupo Nutresa's total sales.

Sales in Colombia

COP billion

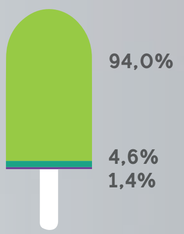
	2016	2015	2014
Sales	436	444	422
Price	6,5%	5,8%	-1,9%
Volume	-7,7%	-0,6%	13,1%

CAGR 1,1%

The sales in Colombia represent **100%** of the total business unit sales.

ICE CREAM NUTRESA

Main categories
(Total sales %)



● Ice cream products ● Refrigerated beverages ● Other

Raw materials
(Production cost %)

Others 55,2% (includes direct labor, IMCs and other raw materials)

17,2% Packaging material

17,0% Milk

4,0% Oils and fats

6,6% Sugar

Outlook for 2017

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

Ebitda

COP billion

	2016	2015	2014
	53	61	57
Growth percentage	-12,7 %	6,6%	-2,0%
Margin	12,2%	13,8%	13,6%

CAGR -2,4%

It represents 5,2% of Grupo Nutresa's ebitda.

Fabián Andrés Restrepo Zambrano

[Part of Nutresa since 1996 / Age: 42]

President

Relevant aspects from 2016

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

Direct presence in one country

Presence of our main brands

Brands with sales over USD 50 Million

Production plants

Employment

683 (includes direct and indirect employees and apprentices)

Local 100%

Abroad 0%

28,6% 71,4%

(includes direct employees and apprentices)

Sales

Total Sales

COP billion

2016	2015	2014
287	258	237
11,2%	8,7%	2,8%

Growth percentage

CAGR 6,5%*

* Compound Annual Growth Rate

The Pastas Business represents **3,3%** of Grupo Nutresa's total sales.

Sales in Colombia

COP billion

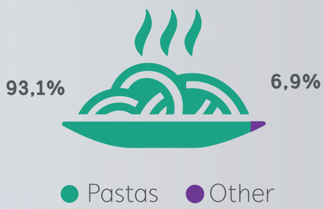
	2016	2015	2014
	287	258	237
Price	4,1%	7,3%	1,2%
Volume	6,8%	1,2%	1,6%

CAGR 6,5%

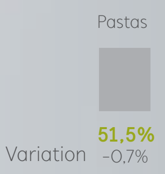
The sales in Colombia represent **100%** of the total business unit sales.

PASTA NUTRESA

Main categories
(Total sales %)



Market share in Colombia
(%)



Raw materials
(Production cost %)

68,6%
Wheat

Other 21,3%
(includes direct labor, IMCs and othe raw materials)

10,1%
Packaging material

Outlook for 2017

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

Ebitda

COP billion

	2016	2015	2014
	26	26	22
Growth percentage	0,6%	15,9%	-12,7%
Margin	9,1%	10,0%	9,4%

CAGR 5,2%

The Pastas Business represents 2,5% of Grupo Nutresa's ebitda.

REDES COMERCIALES SECAS

Colombia

Álvaro Arango Restrepo

[Part of Nutresa since 2001 / Age: 56]

President

Relevant aspects from 2016

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

Employment

Total Sales

COP billion

2016	2015	2014
2.895	2.621	2.383
10,4%	9,9%	6,6%

Growth percentage

CAGR 6,7%*

* Compound Annual Growth Rate

This Business represents **33,4%** of Grupo Nutresa's total sales.

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

Outlook for 2017

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

Performance of the business units

SERVICIOS NUTRESA

Service centers
Service coverage

Sol Beatriz Arango Mesa

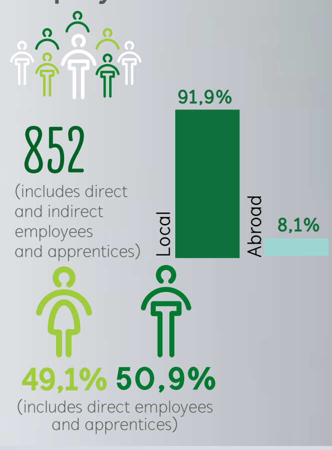
[Part of Nutresa since 1992 / Age: 55]

President

Relevant aspects from 2016

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

Employment



Types of services

Shared services

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

Corporate services

- Innovation, market intelligence, media, sustainability

Transverse support

- Fundación Nutresa, Vidarium

Satisfaction measurement evolution

Outlook for 2017

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

FOSTERING PROFITABLE GROWTH AND EFFECTIVE INNOVATION

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

nutresa | A FUTURE TOGETHER

PROFITABLE GROWTH IN THE MARKETS AND RELIABLE BRANDS

Purpose

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

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Strengthening the differentiated value propositions of brands and networks.	» The Organization deepened its understanding of consumers, shoppers and customers in the strategic region by means of marketing studies. » The brands were aligned with Grupo Nutresa's segmentation and the communication codes were strengthened in accordance with the established positions. » The Company capitalized the strengths of the transverse brands that are present in different regions and categories. » Grupo Nutresa worked on increasing the understanding of customers and shoppers from the commercial networks with the purpose of delivering better value propositions that ensure their loyalty.
Managing the portfolio of brands and products in accordance with the market needs.	» The portfolio of key business segments was organized to streamline references by region, channel and brand role. » The portfolio was adapted to consumer needs in accordance with the brand´s purposes
Strengthening the commercial networks and generating customer loyalty.	» The customer loyalty strategy was implemented in accordance with each customer's segment and potential in order to ensure the delivery of differentiated value. » The Organization standardized its customer service policy, and successful commercial practices were shared among the companies with the purpose of strengthening the market entry model. » Grupo Nutresa consolidated its commercial networks in Central America, United States and Chile by incorporating categories of powdered beverages, nuts and coffee.

Risks and opportunities GRI 103-1

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

Grupo Nutresa Commercial Developer, Surtifamiliar Cali.

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

The volatility of the commodities and the exchange rates in the strategic region continue to be a risk for the profitability of the businesses, which could negatively affect them or positively favor them depending on their strategic position. Therefore, market diversification becomes highly important in order to maintain the Organization's competitive advantages.

The constant changes in the tax regulations around the world are an important risk for Grupo Nutresa. Additionally, the new environmental protection and human health trends have made it necessary to take legislative measures aimed at mitigating the social issues. For that reason, a constant monitoring is performed to the financial impacts caused by the legislative projects, allowing thus to explore strategies focused on an efficient taxation suited to the legal provisions.

Outlook

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

Due to the foregoing, it becomes necessary to continue to push effective innovation forward in order to expand the brands into new market categories, improve the nutritional profiles, advance to healthier and better-perceived categories, as well as to develop more affordable alternatives for the consumer.

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

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

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

A Cold Cuts Business customer at a point of sale.

Success stories and acknowledgments GRI 103-3

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

ES... MUUUCHA GALLETA!

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

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

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

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

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

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

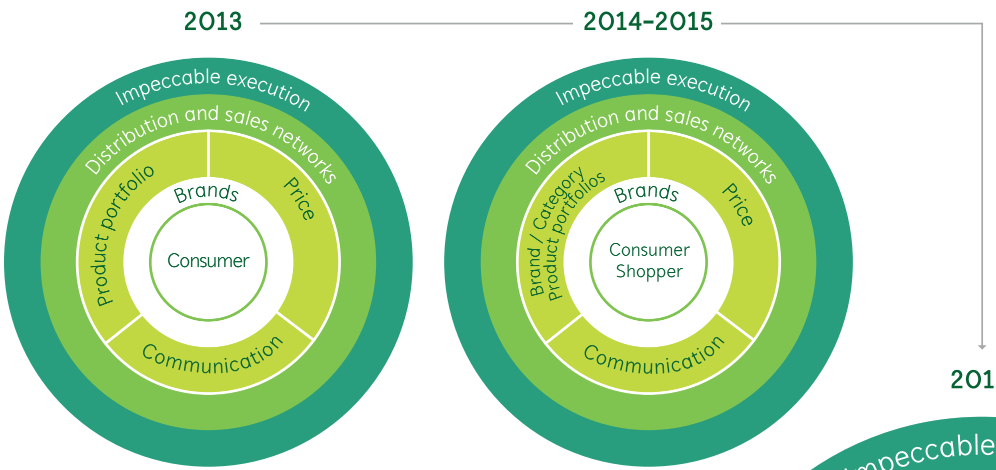
Doria was acknowledged as the 14th most dominant brand among the basic grocery items producers according to P&M's (an advertising and marketing firm) study.

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

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

Progress achieved in 2016 GRI 103-3

Grupo Nutresa's Brand and Network Management Model



In the consolidation of the Brands and Networks Management Model as the fundamental axis and articulator of Grupo Nutresa's commercial strategy, three key agent groups have been established: consumers, shoppers and customers. The Organization strives to interpret their needs, motivations and purposes in order to gain their loyalty.

By executing the Model, Grupo Nutresa delivers relevant, memorable and differentiated value experiences through brands that are beloved and known well by the consumers in the regions where it operates, supported on distribution networks with a vast capacity and availability to reach the consumers at the moment and place they establish.

In 2016, the Organization created a unified brand map for all the Businesses. Additionally, as a differentiating factor, a strategic definition was established for each brand with a role and a specific positioning in order to efficiently serve the market.

The saturation and fragmentation of the digital media make it increasingly harder to stand out and gain customers' preference through the traditional media. This fact implies that the relation among the advertisers goes from being unidirectional to being bidirectional, which means that consumers determine what they want from the brands and so they start having a fundamental role. Therefore, Grupo Nutresa co-creates with the consumers by listening and understanding the interactions that take place in the digital media it is exposed to.

The Organization is permanently working on improving its capabilities to maintain its omnichannel presence based on the distribution and value propositions of its brands, and it understands that today's shoppers are more demanding in their purchase decisions and in terms of information research, brand purpose, money and time saving, risk reduction, channel convenience and diversity, among other aspects.

Considering the foregoing, Grupo Nutresa's Brand and Network Management Model generates a characteristic and unified knowledge of the commercial system. In the future, it will integrate diverse information sources by means of big data analysis to enable a better reading of the needs of customers, shoppers and consumers.

Reliable brands with an excellent price-value ratio GRI 102-2

Food

Beverages

Snacks

Ice creams

To maintain and increase brand capital, the Organization makes a rational use of the resources for the production and commercialization process, based on the reinforcement of three core capabilities: knowledge of both the markets and the consumer needs, market entry excellence, and efficiency in the planning and management of the supply chain.

Likewise, a permanent surveillance is maintained over the trademark registries in order to ensure the protection and defense of the rights, secure the value and recognition of the brands and avoid consumer confusion. This constant management has allowed the Organization to receive multiple notoriety statements regarding its brands from the Superintendency of Industry and Commerce, granting a reinforced protection to several of them, which should be preserved.

Impeccable execution

Grupo Nutresa implemented several initiatives focused on developing and strengthening customers' capabilities, such as training activities, co-creation sessions, loyalty programs, collaborative models, experience centers, events, use of sustainable materials and an impeccable execution at the points of sale.

In addition, a comprehensive advisory was provided to the traditional channel in Colombia, allowing the renovation of the points of sale, the display fixtures and the merchandising material in order to improve the consumer experience, as well as the administration and management of the customers.

In the international operations of Bon and POPS in the Dominican Republic and Central America respectively, the Organization achieved the consolidation of a network comprising more than 450 ice cream shops in 8 countries. 80 of these shops were renovated in order to provide a better consumer experience.

Grupo Nutresa offers the best value proposition to customers and consumers

Internationalization Model

This Model is aimed at achieving that, by 2020, the sales abroad will represent 45% of Grupo Nutresa's total sales, which in 2016 it was equivalent to USD 1,09 billion. In this regard, the Organization deepened its study of the strategic region market and focused on meeting its needs. Furthermore, Grupo Nutresa started using the international segmentation model in all four countries, classifying them as strategic, tactical and opportunity-driven, which allowed to efficiently allocate the resources for brand building and distribution.

Ice Cream Shops in Dominican Republic

Raw materials volatility management

Due to the relevance of raw materials for Grupo Nutresa's sustainability, the management of this matter is focused on its diversification, the development of policies of coverage with defined risk levels managed by a specialized committee, a trained team dedicated to the follow-up and negotiation of supplies, and the permanent search for new opportunities and schemes for the efficient and competitive raw materials sourcing at a worldwide scale.

This focus has allowed the Organization to minimize the impact of the surge of the American Dollar exchange rate (with respect to the Colombian Peso) and the raise in the price of the commodities.

Direct economic value generated and distributed

GRI 201-1 [ODS 2] [ODS 5] [ODS 7] [ODS 8] [ODS 9]

(COP millions)	2013	2014	2015	2016
Revenue from net sales	5.898.466	6.481.813	7.945.417	**8.676.640**
Revenue from financial investments	52.261	55.267	56.844	**61.527**
Revenue from sales of property, plant, and equipment	19.094	3.247	8.339	**917**
Direct economic value generated	**5.969.821**	**6.540.327**	**8.010.600**	**8.739.084**
Operation expenses	2.897.124	3.359.372	4.238.042	**4.460.544**
Salaries	480.120	579.353	768.070	**820.042**
Social benefits	342.880	354.612	413.037	**431.774**
Dividends paid to shareholders	177.201	198.476	212.588	**229.582**
Interest payments to credit providers	80.206	127.374	180.660	**250.289**
Payments to the government	213.971	206.170	290.548	**255.842**
Community investments	20.523	33.737	46.651	**55.273**
Benefits	63.105	69.117	88.797	**98.387**
Direct economic value distributed	**4.275.130**	**4.928.211**	**6.238.392**	**6.601.733**
Economic value retained	**1.694.691**	**1.612.116**	**1.772.208**	**2.137.351**

EFFECTIVE INNOVATION

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Implementing the innovation and governability model structuring strategy.	» The Corporate Innovation Committee was formed and started operating. » The Imagix model evolved into a version 2.0 and it was approved by the Corporate Innovation Committee. » The innovation capabilities were measured for Grupo Nutresa's operation in Colombia, the gaps were identified and an action plan was defined.
Strengthening the innovation programs: "Éxitos Innovadores" (Innovative Success Stories), "Prácticas Ejemplares" (Exemplary Practices), "Soluciones Innovadoras" (Innovative Solutions) and Out of the Box.	» Eight innovative challenges were launched. » The first Out of the Box project was launched into the market with positive sales results. » 3.919 Innovative Success Stories were acknowledged. » Four Exemplary Practices were rewarded.
Building Grupo Nutresa's innovation projects portfolio.	» The portfolios of each one of the businesses were submitted to the Corporate Innovation Committee, consolidating a full portfolio with clarity regarding the focal points and types of innovation.
Consolidating the knowledge management culture.	» The Organization consolidated the tools that drive the incorporation, transfer and conservation of knowledge in the diverse businesses.

Colcafé innovation leaders, Medellín.

Risks and opportunities GRI 103-1

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

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

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

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

Outlook

By 2020, besides the commitment to achieve innovation-driven sales equivalent to 15% of Grupo Nutresa's total sales, the Organization seeks to achieve 0,3 Innovative Success Stories per employee.

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

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

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

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

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

Success stories and acknowledgments

GRI 103-3

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

Cold Cuts Business Research and Development Center, Medellín.

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

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

Evok point of sale in Medellín.

Progress achieved in 2016 GRI 103-3

Culture

- 3.919
  Innovative Success Stories
- 362
  Innovation Promoters

Processes

Seven processes support the effective innovation:

- Development of new products or services.
- Research.
- Forward planning.
- Strategic surveillance (competitive and technological).
- Effective innovation.
- Intellectual property.
- Knowledge management.

Resources

- 0,5%
  of sales invested in innovation
- Venture capital fund for radical innovation.
- 204
  people exclusively assigned to R&D.

Imagix
apasionados por la innovación

Framework for action

- Innovation strategy and governance model, portfolio management, metrics and management indicators.

CULTURE

- **Measurement of innovation capabilities:** 54 key variables were measured for the development of capabilities and innovation culture. A score of 3,57 out of 5 was obtained, identifying strengths and improvement opportunities to be incorporated into the innovation management.

- **Innovation culture programs:**

"Éxitos Innovadores" (Innovative Success Stories): participative program focused on the formulation and implementation of ideas. 3.919 Innovative Success Stories were achieved, which is equivalent to 0,22 per employee.

"Soluciones Innovadoras" (Innovative Solutions): program focused on fostering innovation by launching open challenges.

» 8 challenges launched, for a total of 47 since the start of the program.
» 144 solutions submitted.
» 909 participants.
» 336 employees awarded.

Soluciones Innovadoras (Innovative Solutions) award, Compañía Nacional de Chocolates Rionegro.

Out of the Box: capital fund for projects of radical innovation. The development of four previously selected and rewarded projects continued, achieving the launch of one of them into the market with a focus on product and business model innovation.

Grupo Nutresa's "Prácticas Ejemplares" (Exemplary Practices) Awards, first semester.

Grupo Nutresa's "Prácticas Ejemplares" (Exemplary Practices) Awards, second semester.

"Prácticas Ejemplares" (Exemplary Practices): program that recognizes management experiences and projects with superior results which are replicable in other Businesses and units of the Group. Four Exemplary Practices were awarded in 2016:

» Neutralization of the carbon footprint of the brands Livean and Zuko by Tresmontes Lucchetti.
» Carbon Neutrality Statement for the Chocolates Business plant in Costa Rica.
» "Fiesta" co-creation model, Comercial Nutresa self-service channel.
» Superior knowledge on customers and consumers through Novaventa's Geographic Information Systems (GIS).

- **Innovation promoters:** Grupo Nutresa has 362 employees trained in innovation tools, who support different creative processes in their businesses.

Tresmontes Lucchetti's innovation promoters, México.

Ideation session with a group of employees from the Cold Cuts Business.

- **Research Awards:** The sixth edition of the Grupo Nutresa Research Awards was held in 2016, which seeks to promote the research culture and its consolidation as a fundamental process of the Imagix model, as well as to continue to strengthen the intellectual capital of the Organization.
  Eleven research projects were submitted to be subsequently evaluated by academic peers; the four with the highest scores were awarded:

First place:

» Mathematical model for predicting the shelf life of biscuits using an effective dynamic method to obtain the isotherm adsorption (Dynamic Dewpoint Isotherm –DDI–) developed by the Biscuits Business.

Second place:

» Application of supercritical fluids for the removal of cadmium from cocoa beans, an innovative alternative in the food industry developed by the Chocolates Business.

» Corona flour customers as a research subject of the Biscuits Business.

Third place:

» Approximation to the model of the hardness of a processed meat product from the protein fractions of the meat developed by the Cold Cuts Business.

- **Sustainable Nutresa:** the Organization held the third edition of the Annual Sustainability Event, which recognizes the "Éxitos Innovadores" (Innovative Success Stories) that have had a positive impact on the sustainability of the business in one of its three dimensions (economic, environmental and social), and might be replicable in other Grupo Nutresa's Businesses. The event featured nine success stories, three of which received awards in acknowledgement of for their positive impact on sustainability.

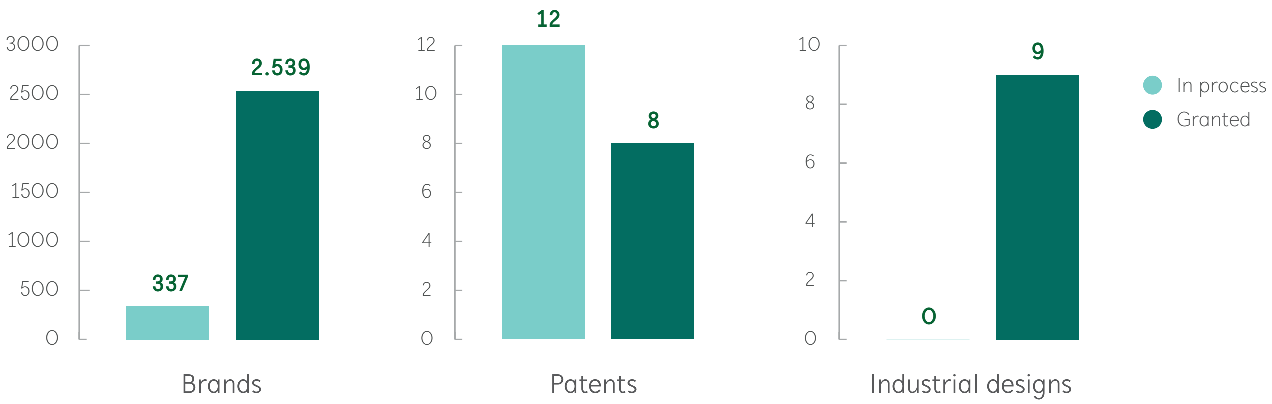
Awarding of the Sustainable Nutresa acknowledgment to the Biscuits Business.

Compañía de Galletas Noel employees, Medellín.

PROCESSES

- **Forward planning**
  It is a strategic tool that allows the Organization to visualize long-term scenarios and growth axes to manage its strategic plans.
  Over the past year, eight forward planning exercises have been completed for the Chocolates, Ice Cream, Cold Cuts, Biscuits, Pastas and Coffee Businesses, as well as for Servicios Nutresa and Grupo Nutresa's commercial networks (Comercial Nutresa, La Recetta and Novaventa).
  The challenge scenarios and the deliverables required for their use in the prioritization process of plans and strategies were prepared.

- **Intellectual property**
  allows to protect and preserve the knowledge created, to identify fundamental technological trends in planning and forward planning exercises, and to reduce risks of infringement of third party titles. Its surveillance makes it possible to establish the frontiers of knowledge on competitors.
  The intellectual property maintains the competitive advantages and is highly relevant within the Imagix 2.0 innovation model.



- **Open innovation:**
  In 2016, Grupo Nutresa continued to work on the consolidation of its ecosystem of innovation and collaboration with external agents, who have provided knowledge, method and resources for the creation of new products and processes.
  Approximately 17 initiatives were developed with third parties (universities, suppliers, customers, among others).

- **Strategic surveillance:**
  The Technological Surveillance Department trained 48 new analysts in capturing, identifying, interpreting and analyzing signals and trends in the Organization's environment.Likewise, the Organization supported the forward planning exercises of the Coffee, Pastas and Chocolates Businesses, the commercialization companies, Servicios Nutresa and Tresmontes Lucchetti, and participated in the exercises focused on identifying trends and analyzing scenarios.

KNOWLEDGE MANAGEMENT

In 2016, the Organization consolidated the tools that drive the incorporation, transfer and conservation of knowledge in the Businesses, such as "Aprendiendo con el experto" (Learning with the expert), "Lecciones aprendidas" (Lessons learned), transfer of good practices, conversation sessions, events for generating knowledge, knowledge maps, among others. Likewise, the management of the synergy communities and their evolution was supported through their monitoring and presentation in the different meetings held during the year. Finally, the Organization strengthened its knowledge management culture through different events and by using technological tools such as Campus Nutresa, where different communities have been created around various topics of interest.

Annual Synergy Communities Event, inspired by the UBUNTU philosophy: I am because we are.

- **Synergy communities meeting:** annual event aimed at connecting the synergy communities with their essence and origin, and in which they are reminded of the objectives for which they were created. It is a meeting that favors integration with the purpose of presenting the results and challenges of the following year, as well as an environment that invites to reflect on various topics and promotes a healthy communication.

FRAMEWORK FOR ACTION

- **Implementation of the innovation strategy**
  During 2016, the Organization continued to work on the implementation of the innovation strategy and approved the Imagix 2.0 model, which was defined based on the gaps identified in the innovation measurement. It articulates the capabilities with the purpose of achieving long-term sustainable innovation, strengthens the current programs and aims at a portfolio strategy and at the management of the innovation ecosystem.

- **Innovation in the Dow Jones Sustainability Index**
  For the sixth consecutive year, Grupo Nutresa was part of the Dow Jones Sustainability Index. In the innovation chapter, the Company stood out as one of the top companies from the food sector thanks to its practices in innovation management, and research and development.

RESOURCES

The Organization allocates significant economic resources and human capital to drive innovation. The R&D+i investment for 2016 totaled COP 39,92 billion, equivalent to 0,5% of the sales, and is supported on 204 employees who are exclusively dedicated to innovation.

GRUPO NUTRESA'S PRODUCT INNOVATIONS

Cold Cuts

Practicarne (Practical ground beef)

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

Zenú snacks

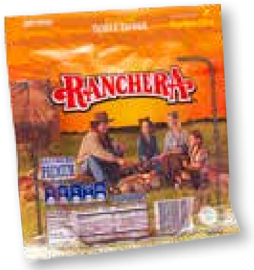
Zenú launched empanadas and cheese fingers (for frying or baking), small for sharing them anywhere or large for enjoying them at home. The new Zenú snacks are easy to prepare, practical and have a homemade flavor.

Olivier salad

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

Chicken with pickled veggies

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



Ranchera resealable package

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

Ranchera Cerveroni

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

Pietrán chicken sausages

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

Biscuits

TOSH multi-grain and organic corn snacks

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

Ducales Provocación

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

Chocolates

Jumbo's limited editions

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

Greek yogurt cereal bar

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

Crunchy Chocolisto

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

Granuts snacks

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

Winter's all-in-one

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

TMLUC

Tresmontes Lucchetti

Whole wheat pasta

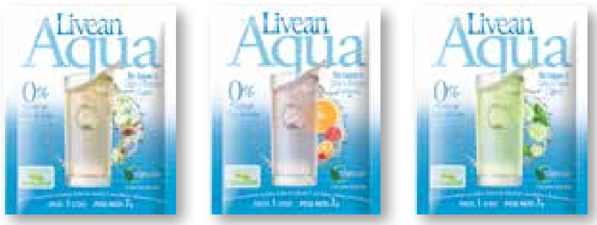
Pastas Lucchetti launched its new whole-wheat line, which contains twice as much fiber as regular pasta, helping thus to regulate bowel movements and maintain a balanced diet. The whole wheat pasta is available as spaghetti 5 and fusilli 56 in 400-g presentations.

Luchettini

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

Gold Premier granulated instant coffee

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

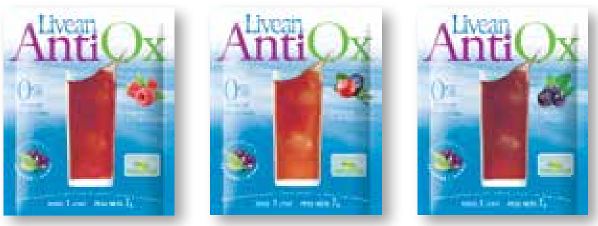


Livean Aqua

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

Livean AntiOx

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



Cocoa Raff

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

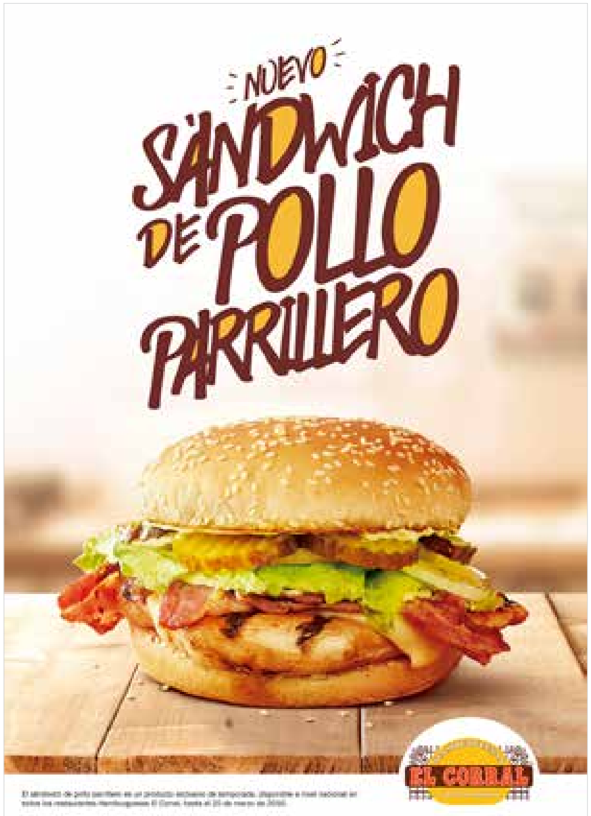
Coffee

Cápsulas Express Nutresa

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

Retail Food

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



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

Ice Cream

Bocatto Jumbo

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

3-Benefit Ice Pop

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

Chocolisto Ice Pop

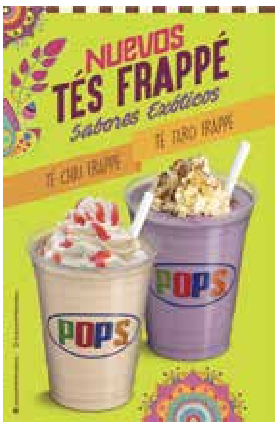
The Chocolisto brand launched a chocolate-flavored ice pop covered with chocolate, which also has a high vitamin content.

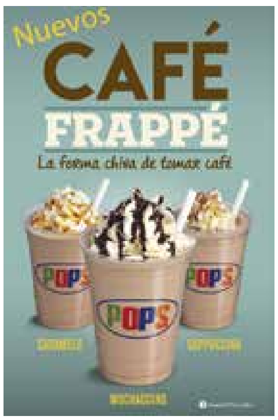
POPS frappé coffees and teas

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

Country Hill mandarin nectar

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





Birthday cake

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

Pasta

Gluten-free pasta

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

Chorizo-flavored spaghetti

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

PROMOTING A HEALTHY LIFESTYLE

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

nutresa | A FUTURE TOGETHER

NUTRITION, HEALTHY LIFESTYLE AND RESPONSIBLE MARKETING

Purpose

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

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Adjusting the nutritional profile of the products.	» A total of 2.945 product references adjusted to the Nutresa nutritional profile was achieved, which is equivalent to 63% of the total sales. **GRI FP6, GRI FP7** [SDG 2]
Implementing the front-panel nutritional label in all the products.	» 85,8% of the portfolio has been covered with the front-panel label, which is equivalent to 3.432 product references, responding to self-regulation in most cases and to the mandatory labeling where it is still in force.
Promoting healthy lifestyles.	» The Organization continued to develop the campaign called "Disfruta una Vida Saludable" (Enjoy a healthy life), and it also continued to work on the project focused on educating infants in healthy life habits in Colombia and on the strategy called "Espacios Saludables" (Healthy Environments) in Mexico and Chile. Progress was made in the implementation of the Healthy Organizations model within the companies.
Reducing the nutrients of interest in public health.	» 143 sodium reformulations, 78 sugar reformulations 75 in saturated fat and 41 in trans fat reformulations were made.
Managing the advertising responsibly.	» The advertising self-regulation was applied for children under six years old, and the commitment to increase the self-regulation up to the age of 12 in 2017 was established.

* The values of reformulations consider the actions executed in 2015 and 2016

Risks and opportunities GRI 103-1

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

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

This condition of the Organization's environment offers opportunities to the sector and, for being able to make the most out of these opportunities, the Organization needs to have a deep understanding of the problem to be able to provide solutions. In Grupo Nutresa, research on food, nutrition and health is focused on understanding the relation between the eating habits and the nutritional conditions so that the proposed alternatives contribute to the solution. Currently, the Vidarium research center is addressing, within the main matters related to non-communicable chronic diseases, the subject of obesity through its microbiota and antioxidants research lines, as well as the subject of cardiovascular health, also through the latter research line.

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

Outlook

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

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

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

Success stories and acknowledgments GRI 103-3

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

Another successful case is **the new gluten-free pasta developed by Productos Alimenticios Doria from rice,** ideal for people who suffer from the celiac disease and for those who must cut gluten out of their diet due to any adverse reaction. The Organization surpassed the targeted market goal, addressing a specific niche.

Progress achieved in 2016 GRI 103-3

Grupo Nutresa, being aware that obesity is the most pressing issue in public health, defines as a strategic priority to promote a healthy lifestyle and takes as a reference the recommendations of the World Health Organization, especially the guide document on Diet, Physical Activity and Health and its subsequent guidelines on food marketing. This makes it possible for Grupo Nutresa to define its nutrition policy and to design strategies that influence and contribute to the solution.

The implementation of this policy has produced important results, such as: 2.945 products meeting the Nutresa nutritional profile standard, 3.432 products with front-panel labeling to facilitate the consumer's understanding of the nutritional information of the product, four companies of the Group certified as Healthy Organizations and three years of the campaign "Disfruta una Vida Saludable" (Enjoy a Healthy Life).

GRI FP6, GRI FP7 [ODS 2]

Progress made in health-related issues GRI 416-1

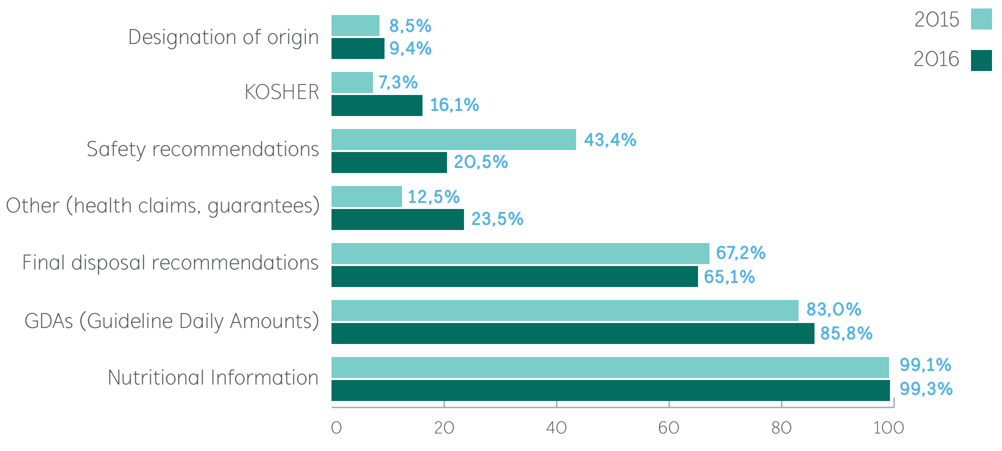
Meat by products	• Reformulation of 19 product references so that they meet the Nutresa nutritional profile, achieving a 41,8% adjustment of the baseline portfolio. • The sodium content was reduced in 31 product references and the sodium nitrite content was reduced 31 references. Salt consumption was reduced by 4% and sodium nitrite by 8,5%, compared to 2015.
Flavored pastas and specialties.	• Reformulation of the cheese powder sauces that are part of the product, replacing the yellow color additive # 5 (Tartrazine) for a natural one.
Crackers	• Reduction of the sodium content. • Reduction of the sugar content. • Replacement of fat to reduce the saturated fatty acids in the TOSH brand.
Sweet biscuits	• Reduction of the sodium content. • Replacement of fat to reduce the saturated fatty acids in the TOSH brand. • Reduction of the sugar content.
Beverages	• Winter's All in one: drink with milk and sugar included, which is ready to mix, meets the nutritional profile and is ideal for breakfast due to its milk content. • Chocolisto Crocante: powder mix based on malt and cocoa with vitamins and minerals.
Cereals	• Reduction of the sodium content in the apple TOSH cereal. • Reduction of the sugar content in the TOSH cereals.
Cereal bars	• TOSH cereal bars with Greek yogurt, which contributes proteins.
Nuts and trail mixes	• Reduction of the sodium content in La Especial snacks.
Instant mix products	• Reformulation of two cappuccino vending references in terms of sugar content reduction, complying with the Nutresa nutritional profile.
Ice creams	• Substitution of artificial color additives for natural ones; inclusion of new product references with natural colorants in Helados Bon. • Launch of two new flavors for the POPS Light portfolio, with less saturated fats and less sugar. • Reduction in the sugar percentage in 8 product references. • Substitution of artificial color additives for natural ones in the whole portfolio of Meals. • Development of an ice cream with probiotic lactic cultures and the amount of calcium contained in a glass of milk, plus a glass of ice cream with vitamins A, B_1, B_2, B_3 and D.
Fruit beverages	• Development of mandarin nectar with 50% fruit content and no added sugar.
Sorbets	• Development of sorbets with a lower sugar content and added vitamin C, iron and zinc; and an ice pop with 40% fruit mixture.
All categories	• Inventory of the product references from the categories with the object of identifying the compliance with the Nutresa nutritional profile. • Launch of products that meet the Nutresa nutritional profile. • Reduction of the sodium and sugar contents in products of some categories, increasing the compliance with the Nutresa nutritional profile.

Campaign called "Disfruta una vida saludable, Ciudad Gimnasio" (Enjoy a healthy life, Gym City).

Cases of noncompliance with the regulations and voluntary codes with regard to labeling and marketing communications GRI 417-2, GRI 417-3 [ODS 16]

	2014		2015		2016	
	Labeling	Communication	Labeling	Communication	Labeling	Communication
Number of fines	0	0	1	0	0	0
Number of warnings	0	0	0	1	0	0
Number of voluntary code violations	9	0	0	0	0	0
Total	**9**	**0**	**1**	**1**	0	0

Products with information related to sustainability attributes included in the label GRI 417-1 [ODS 12]



Launch of the "Espacio Saludable" (Healthy Environment) program, Tresmontes Lucchetti, Mexico.

Grupo Nutresa continues to develop healthy lifestyles strategies aimed at children and, to do so, the Organization strengthens its "Espacio Saludable" (Healthy Environments) program, designed jointly with the INTA and implemented in Chile and Mexico. The program has already been implemented in six education institutions, thus complying with at least 2 indicators of the Healthy Lifestyles strategy in Mexico and 24 in Chile. In addition, Grupo Nutresa is developing a pilot program in Colombia through a public-private partnership with the Ministry of Education, the World Food Program and Unicef. The purpose of the program is to test this model for the benefit of 20 education institutions, and it is aimed at generating definitions of public policy.

It is essential to recognize the double burden that is occurring in the Grupo Nutresa's strategic region: obesity and malnutrition. In 2016, we strengthened the nutritional profile of products that are widely accepted by children so that the nutritional deficiencies could be addressed through them. The "Heladino" ice cream and the "Tres Beneficios" (three benefits) ice pop are examples of this strategy, which now have important added nutrients such as calcium, iron, zinc and vitamin C. The Organization also cares about population groups with food restrictions, such as people who are intolerant or allergic to gluten, for whom gluten-free pasta and snacks have been developed.

From the "Disfruta una Vida Saludable" (Enjoy a Healthy Life) strategy in 2016, it is worth highlighting the "Ciudad Gimnasio" (Gym City) campaign, which encourages people to use the city as an option to exercise on a daily basis, especially by taking advantage of the urban furniture. This initiative has the objective of demystifying the fact that for someone to be able to exercise, that person needs to go to a special place and get help from experts, or that it requires specific schedules and a big investment, among other obstacles that end up keeping people away from physical exercise. The main message of the campaign is focused on the premise that 20 minutes of movement per day can transform your life. The initial suggestion was to start with short routines and to take advantage of each step to exercise and make your heart beat faster.

The healthy lifestyles promotion strategy also includes a strong commitment to all Grupo Nutresa's employees, which is why the Healthy Organizations model has been adopted, achieving a positive progress in its implementation. For more details, refer to the chapter Quality of life.

With regard to the packaging front-panel labeling, even having a policy of self-regulation, the Organization prioritizes the compliance with the regulations of different countries, such as signals or warning messages. That is why, in the markets where the regulations have been established, self-regulation is not applied in order to avoid confusing the consumer.

Grupo Nutresa is challenged to offer sustainable and healthy products for the different occasions of consumption. Therefore, based on research and development, the Organization offers its consumers healthy alternatives and emphasizes education as a fundamental pillar to establish lifestyle habits that allow to reverse the obesity trend.

Campaign "Disfruta una vida saludable, Ciudad

FOOD SAFETY

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Making progress in the implementation, certification and maintenance of the management systems.	» The following certifications were maintained: **ISO 9001 Quality:** 28 operation centers. **BPM (Good Manufacturing Practices):** 10 operation centers. **HACCP (Hazard analysis and critical control points):** 20 operation centers. **Standards recognized by the GFSI (Global Food Safety Initiative):** 11 operation centers. Product certifications **Kosher:** ten operation centers. **Halal:** six operation centers. **Fair Trade:** two operation centers. **Organic:** one operation center and one snacks product reference. In the agricultural sector: **Good Agricultural Practices and Rainforest:** two operation centers. » New certifications were obtained: **BRC Global safety and quality standard:** Coffee Business in Medellín. **ISO 9001 Quality:** Chocolates Business in Mexico. **Organic product:** TOSH, from the Biscuits Business.
Maintaining the Food Defense model for the protection of food.	» The implementation of the model was started in the Pastas Business. » The model is maintained in the Coffee, Chocolates and Biscuits Businesses, in which procedures were documented in order to guarantee that the raw materials, packaging materials, in-process products and finished products are protected from intentional contamination. Additionally, the hazard and related risk assessment analyses were conducted.
Maintaining and improving the hygienic-sanitary conditions in production plants and commercial networks.	» The scoring criteria were updated, including the risk management, and the conditions that allow to ensure product quality and safety were maintained.
Implementing the supplier follow-up and development plan.	» The Organization updated the protocols for Genetically Modified Organisms (GMO), contaminants and allergens. » The Organization also redesigned the application that manages the technical data sheets of raw materials and packaging materials.

Risks and opportunities GRI 103-1

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

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

Generating and maintaining a constant communication with customers and consumers represent a challenge that drives the Organization to strengthen the multiple communication channels in social networks and websites with the purpose of making it easier to receive and answer users' questions and opinions. To adequately address and manage these communications, the Organization has personnel specialized in timely receiving, addressing and escalating requirements, as well as specific assistance protocols for events occurring in social networks.

Cold Cuts Business employee, Barranquilla.

Outlook

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

The purpose of this model is to boost Grupo Nutresa's commitment to be an organization focused on the customers and to strengthen the engagement with its diverse stakeholders by means of advanced infrastructure, processes and services that allow the mobility, timeliness and flexibility, as well as the construction of new service experiences and autonomy in the systems used for managing the contacts and the contact center supplier.

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

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

Compañía de Galletas Noel ovens area employee, Medellín.

Progress achieved in 2016 GRI 103-3

As part of its corporate philosophy and behavior, Grupo Nutresa focuses its management on food safety, offering thus safe high-quality products that generate trust among the consumers regarding what they buy and eat. Therefore, the purpose of both the integrated management systems and the certifications is to guide and strengthen the performance of the processes with the aim of ensuring the quality and safety of the products, as well as a continuous improvement.

The management systems, under which the operation centers are certified, are permanently checked through external audits with the purpose of ensuring and verifying the degree of compliance with the requirements of each one of these systems.

Currently, Grupo Nutresa has 176 valid up-to-date certifications for the following systems: quality, safety, risks, good agricultural and livestock practices, commercial safety, environmental, Familiarly Responsible Company, EQUIPARES (labor fairness), and Healthy Organization. In 2016, 79,3% of the production was manufactured in plants that have certifications in food safety management system standards, including the standards approved by the Global Food Safety Initiative. **GRI FP5**

In compliance with the Genetically Modified Organisms policy, the Organization constantly requests a statement and an analysis that demonstrate the presence or absence of GMOs to the suppliers whose products are considered to be or have been produced with GMOs in order to comply with the legislation from producing and destination countries.

Grupo Nutresa continues to manage the risk of the presence of possible pollutants and allergens in its food products by using technical data sheets that facilitate the control and verification of the compliance of the supplies by the production plants.

The Organization supported the raw material and packaging material suppliers that had presented improvement opportunities during the on-site audits in the development of their capabilities with regard to quality and safety programs. In total, 67 people participated in the modules of the master plan focused on cleanliness, integrated pest control and chemical substance handling and management.

Grupo Nutresa delved into the analysis of risks associated with a possible consumer health problem related to direct supplies of the operations in Costa Rica and Chile.

Industrias Aliadas employee checking coffee quality.

Noncompliance related to the impacts of the products and services on health and safety GRI 416-2 [ODS 16]

	2014	2015	2016
Number of fines	3	1	0
Number of warnings	3	1	1
Number of noncompliances with the voluntary codes of products and services	12	4	4
Total	**18**	**6**	**5**

MANAGING THE VALUE CHAIN RESPONSIBLY

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

nutresa | A FUTURE TOGETHER

DEVELOPMENT OF OUR PEOPLE

Purpose

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

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

Risks and opportunities GRI 103-1

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

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

Servicios Nutresa employees, Medellín.

Outlook

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

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

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

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

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

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

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

IIndicator: Organizational Health Index (OHI).

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

Success stories and acknowledgments
GRI 103-3

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

Compañía Nacional de Chocolates was ranked in the first place in terms of organizational climate with an outstanding score of 90,4%, from a group of 57 companies with more than 500 employees from Colombia and abroad, which were evaluated by CINCEL in 2016.

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

Pozuelo employees, Costa Rica.

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

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


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

merco TALENTO

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

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

Nutresa Nuestra Academy for sales Assistants, Comercial Nutresa.

Progress archived in 2016 GRI 103-3

In 2016, all the employees embraced and incorporated the Nutresa Talents of the Being: Thinking without borders; Sustainable vision; Achievement-driven inspiration; Passion for customers, consumers and buyers; Sense of collectivism; Innovation and change management; and Development of both the self and other people. The purpose consisted in achieving the understanding and remembrance of the behaviors associated with said talents and incorporating them into the Development Management Model, which derives from a comprehensive management by the employee, giving equal importance to the fulfillment of business indicators and to the talent maturity level. Additionally, this model was implemented in Success Factors, an information platform that supports the human talent management. 14.773 performance management assessments were carried out over the year as part of this system, which has the purpose of ensuring the contribution of the employees to the Organization's performance and productivity.

successfactors™
An SAP Company

Regular performance assessments GRI 404-3 [ODS 5] [ODS 8]

	2015*	2016
PERCENTAGE OF MEN who are regularly assessed for performance and professional development.	52,3	58,6
PERCENTAGE OF WOMEN who are regularly assessed for performance and professional development.	33,1	42,6
PERCENTAGE OF EMPLOYEES who are regularly assessed for performance and professional development.	45,2	52,8

*The 2015 data were recalculated to have comparability.

The strategies focused on training and developing the Nutresa Talents of the Being were defined within the context of the Schools for Leaders, Employees, Customers and Strategic Allies, where the following modules were taught: agreement establishment, comprehensive contractor management, diversity and inclusion, business environment, knowledge management, protection of free competition, indirect service model, labor relations, consumer-focused pricing, digital marketing, productivity-aimed conversations, Human Rights and Familiarly Responsible Companies, with the participation of 3.223 people, a total of 230 hours of training, and a satisfaction rating of 4,55.

Skills and training management programs GRI 404-2 [ODS 8]

Program name	Business	Goal
"Prejubilo" (Pre-retirement)	Coffee	Facilitating reflective and educational processes that prepare the employees to face the changes related to this new stage of their lives, achieving thus their adaptation to change and full enjoyment of their retirement.
"Adultez Plena" (Plentiful Adulthood) Program	Cold Cuts	Preparing two years in advance the people who are reaching the age of retirement and fulfilling the corresponding requirements with the purpose of providing them with tools so that they start assimilating the change and enjoying the new lifestyle.
"Jubilados" (Retirees)	Ice Cream	Understanding the process of making the transition to retirement and anticipating actions focused on making it a successful new stage, securing the personal contribution and the satisfaction in the new status.
Mentorship in preparation for retirement	Biscuits	Comprehensive follow-up and support that allow an adequate labor disengagement process.
"Jubilados" (Retirees)	Biscuits	Identifying guidelines and strategies that contribute to the process of adapting to the change in the retirement stage according to the expectations, interests, needs and personal motivations.
"Competencias comerciales" (Commercial Capabilities)	Ice Cream	Facilitating tools for the employees to learn about profitability, negotiation, service and communication matters.
Working capabilities certifications	Biscuits	Supporting the operating staff for them to get certified in three applicable standards with regard to their capabilities.
Excel 2010- Level II	Ice Cream	Providing tools that facilitate tasks and optimize execution times.
"Buenas prácticas de manipulación" BPM (Good Handling Practices)	Retail Food	Achieving the levels of the Common European Framework, developing the employees' skills of interaction with people from other regions of the world where Grupo Nutresa operates.
English Lab	Servicios Nutresa	Achieving the levels of the Common European Framework, developing the employees' skills of interaction with people from other regions of the world where Grupo Nutresa operates.

The reinforcement of practices and scenarios for the development and training of professionals was made by means of 129 employee internships in all the companies and organizational processes both in Colombia and abroad, 438 promotions and the publication of 5.265 call for entries to fill open positions. In addition, 35.675 people enrolled in external training programs that represented an investment of COP 8,9 billion. **GRI 404-1**

Meals de Colombia employees, Bogotá

Employee training **GRI 404-1**

		MANAGEMENT		SENIOR EMPLOYEES		OPERATING STAFF		TOTAL
		Men	Women	Men	Women	Men	Women	
Number of people	Education and training	114	27	7.058	4.491	14.280	9.705	**35.675**
	Occupational health and safety	25	11	3.934	2.323	7.611	2.536	**16.440**
	Higher education	2	1	0	0	109	25	**137**
Total hours	Education and training	3.049	1.372	237.090	159.631	256.552	83.904	**741.598**
	Occupational health and safety	116	65	37.139	15.131	86.156	14.671	**153.278**
Investment (COP millions)	Education and training	359	308	3.046	2.326	2.235	661	**8.935**
	Occupational health and safety	10	11	167	74	465	86	**813**
	Higher education	6	0	330	105	175	17	**633**

Grupo Nutresa's presence as an employer in social networks was consolidated, achieving 40.868 interactions and 1% of candidates resulting from Facebook, Twitter and LinkedIn. This evidences a high capacity to attract talent directly and a strong employer brand positioning, which in turn opens employment possibilities in all the regions where the Organization operates and provides the global talent with opportunities to participate in the recruitment processes to fill the open positions.

Geographic distribution of direct employees according to their gender and country of origin GRI 102-8

Employees (2016) / apprentices and/or internship students (2016)
Employees (2015) / apprentices and/or internship students (2015)

United States: 2,3%

		Total
252 / 4	401 / 1	653 / 5
246 / 0	355 / 2	601 / 2

Guatemala: 1,4%

		Total
301 / 0	96 / 0	397 / 0
294 / 0	103 / 0	397 / 0

Ecuador: 0,6%

		Total
111 / 0	62 / 0	173 / 0
127 / 0	67 / 0	194/ 0

Panama: 2,0%

		Total
203 / 0	377 / 0	580 / 0
194 / 0	352 / 0	546 / 0

Mexico: 4,3%

		Total
746 / 3	488 / 3	1.234 / 6
728 / 6	517 / 8	1.245 / 14

El Salvador 0,1%

		Total
13 / 0	22 / 0	35 / 0
15 / 0	30 / 0	45 / 0

Dominican Republic: 0,8%

		Total
58 / 0	181 / 0	239 / 0
51 / 0	171 / 0	222 / 0

Peru 2,7%

		Total
302 / 2	480 / 2	782 / 4
251 / 0	408 / 5	659 / 5

Chile 6,7%

		Total
587 / 13	1.324 / 16	1.911 / 29
702 / 16	1.602 / 8	2.304 / 24

Nicaragua 0,7%

		Total
118 / 0	78 / 0	196 / 0
115 / 0	72 / 0	187 / 0

Colombia 68,5%

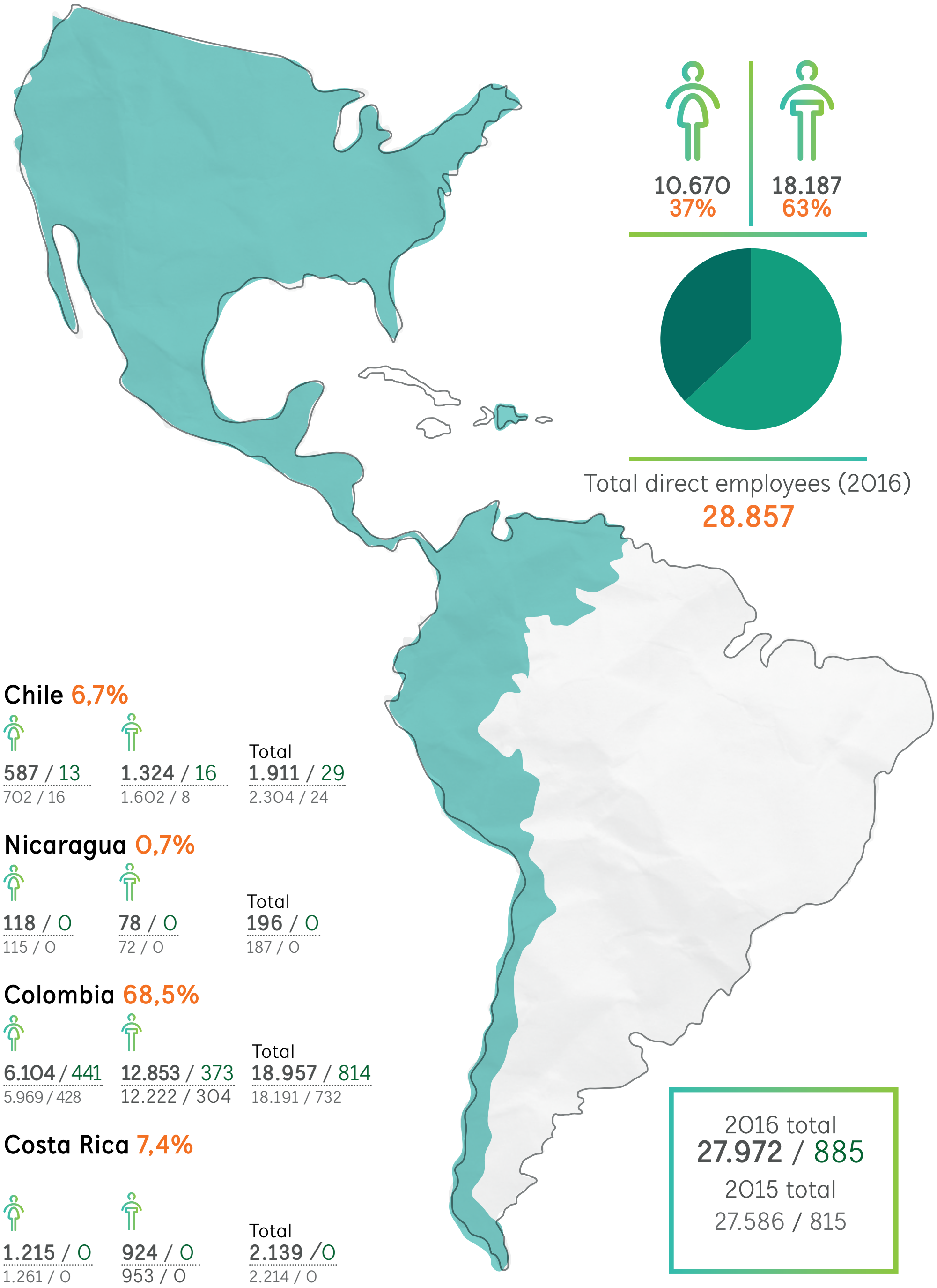
		Total
6.104 / 441	12.853 / 373	18.957 / 814
5.969 / 428	12.222 / 304	18.191 / 732

Costa Rica 7,4%

		Total
1.215 / 0	924 / 0	2.139 /0
1.261 / 0	953 / 0	2.214 / 0

Venezuela 2,4%

		Total
182 / 15	494 / 12	676 / 27
196 / 25	572 / 12	768 / 37



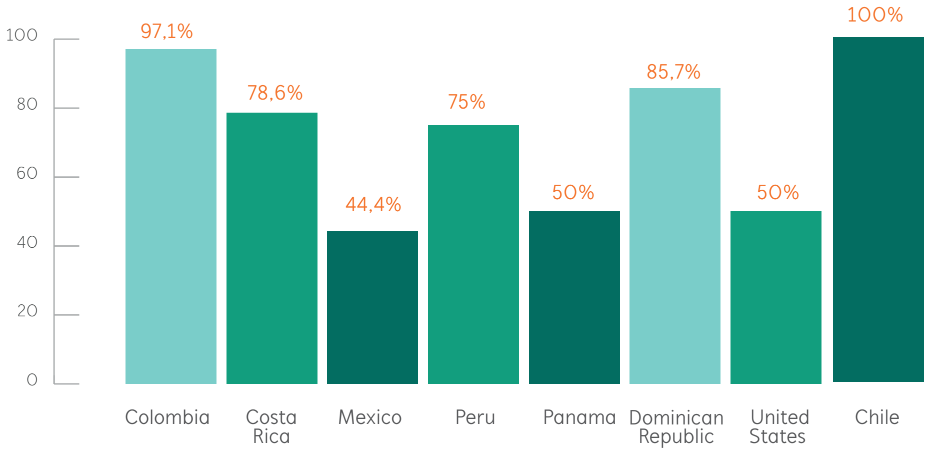
10.670
37%

18.187
63%

Total direct employees (2016)
28.857

2016 total
27.972 / 885
2015 total
27.586 / 815

Executive managers from the local community GRI 202-2



The Organization continues to settle on a level of excellence with regard to the management of the organizational climate after getting a consolidated result of 83,4%, with respect to a goal that had been established at 83,2%. The most outstanding variables were the following: organizational clarity, teamwork, stability, interpersonal relations, resource availability and respect.

Grupo Nutresa was acknowledged within the framework of Merco Talento 2016 in Colombia as the top company to work for in the food sector. While in Chile, Tresmontes Lucchetti was ranked among the top companies to work for in its sector, according to the local version of the same study.

The foregoing supports healthy indicators in terms of personnel rotation, which closed 2016 at 17,4% for the productive operations. Additionally, the Organization has put in place other talent retention strategies such as professionals mobility practices in project assignment, internships, participation in internal call for entries, employability training, and a salary policy that ensures competitiveness and fairness. Another aspect worth highlighting is the Organization's technical system for salary assessment, which determines the salaries according to the dimension of the contribution from the people with regard to their positions, and in which gender is not considered as a criterion for salary allocation.

Novaventa's commercial team, Medellín.

Hiring of personnel and rotation ratio GRI 401-1 [ODS 8]

	Production operations	Distribution and commercialization	Retail food
New employees	4.063	775	4.451
Rotation ratio	17,4%	11,1%	63,4%

Colcafé employees enjoying a cup of coffee.

Relation between the initial salary and the local minimum salary GRI 202-1

	MENS	WOMEN
Colombia	1,78	1,27
Costa Rica	1,72	1,10
Ecuador	1,25	1,11
Mexico	5,13	3,68
Panama	1,14	1,17
Peru	1,98	1,78
Dominican Republic	1,62	1,95
U.S.	1,31	1,08
Chile	1,93	1,27

All the management actions and facts described above drive to the consolidation of the human capital as one of the differentiators of Grupo Nutresa's business model.

QUALITY OF LIFE

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Managing the safety and health in the workplace based on world-class standards.	» Grupo Nutresa performed the diagnostic on the level of maturity in safety and health management in the workplace for four companies, identifying improvement opportunities and incorporating them into a work plan projected to 2020. » Four companies have been certified as Healthy Organizations. » Nine companies have been granted the OHSAS 18001 certification.
Mitigating the occupational illness risk in Grupo Nutresa's companies.	» Five jobs were identified as having the highest occupational risk in the Colombian companies: picking, manual palletization, packaging, loading and unloading, and stowage. A work plan was created for 2017, focusing on prevention and intervention.
Building the health and safety management model in the workplace for suppliers and contractors.	» The Organization defined monitoring criteria focused on regulations, risk identification and the management model. » Sustainability audits were performed to 30 contractor companies. The results in terms of workplace safety and health management were satisfactory, achieving an accident rate indicator of 4,44.
Promoting the balance in the employees' work, personal and family life.	» Balance, well-being and quality of life measures were defined in accordance with the segmentation of the internal personnel. » Seven Grupo Nutresa companies have been certified as Familiarly Responsible Companies (abbreviated EFR in Spanish). » 343 Grupo Nutresa employees work under the telecommuting methodology.

Pastas Doria employees having fun during recreational activities.

Risks and opportunities GRI 103-1

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

Outlook

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

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

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

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

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

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

Family Day, Compañía de Galletas Noel.

Success stories and acknowledgments

GRI 103-3

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

Progress achieved in 2016 GRI 103-3

The following actions were carried out to address this material topic:

•Management of safety and health in the workplace:
In 2016, the maturity level of four companies was diagnosed with regard to their management of safety and health in the workplace. The most significant findings are focused on promoting an influencing leadership style, generating transformations of behavior in real working situations and defining indicators to perform a more proactive follow-up to processes and programs. These endeavors are challenges that will be managed in alliance with the labor risk administrator, which will appoint the professionals who will be in charge of developing capabilities focused on the management of each one of the identified issues. This action plan will be managed jointly with the workplace safety and health peer committees, emergency and health brigades, emergency response coordinators and zero-accidents leaders, whose work will be monitored by Grupo Nutresa's tactical and strategic Human Rights committees. **GRI 403-4**

The pro-health, health peer and strategic Human Rights committees include employee representatives from all the companies (leaders from collective bargaining agreements and unions). The management of this matter is reported by these committees, feedback is received and work strategies are defined. **GRI 403-1**

Workers represented in safety and health committees GRI 403-1

	Number of members	Investment amount
COPASST	414	375
Zero accidents management	23.690	13.858
Brigades	1.955	2.006
Health management	23.690	5.194
Cohabitation committee	153	13

Emergency Brigade from the Rionegro production plant of Compañía Nacional de Chocolates.

The accident rates show a significant improvement over the past five years, going from 3,45 in 2012 to 2,11 in 2016. The lost-time injury frequency rate (LTIFR) also exhibited a reduction, decreasing by 36,1% with respect to 2012. This progress is also observed in the contractors' accident prevention management, who have incorporated effective models based on the Organization's model with the support from Grupo Nutresa's companies.

Health and safety in the workplace GRI 403-2 [ODS 1] [ODS 8]

	2014	2015		2016	
	Direct employees	Direct employees	Contractor employees	Direct employees	Contractor employees
Accident rate: number of accidents in relation to total employees	2,62	2,42	5,06	2,11	4,44
LTIFR: Lost time injury frequency rate	10,97	10,23	21,35	9,31	18,82
LDR: lost day rate	33,29	30,30	38,29	28,29	31,98
AR: absenteeism rate	553,93	573,58	391,46	575,35	106,16
OIFR: number of occupational illness cases per one million hours worked	1,15	1,37	0,94	1,55	0,16

Novaventa employees, Barranquilla Branch.

• Update to the job cha racterization matrix for Grupo Nutresa's companies in Colombia:
Five highrisk jobs were identified (picking, manual palletization, packaging, loading and unloading, and stowage) and approximately 73 automation projects were defined within the framework of risk prevention and management. The projects will be developed in 2017 with the purpose of reducing the number of occupational illnesses and improving the health conditions of the people with restric tions who perform these jobs. **GRI 403-2** **[ODS 1]** **[ODS 8]**

• Creation of the workplace safety and health management model for contractors: focused on policies, regulations, risk iden tification methodology and gapclosing programs. In 2016, the equation for calculating the third-party accident rate was standardized. A 4,44 result was obtained using said equation. The established goal for 2017 is 4,40.

• Sustainability audits to suppliers:
30 companies were audited with regard to workplace safety and health. The companies exhibited satisfactory results overall and some improvement opportunities in aspects such as: having a team of professional specialized in said field and obtaining the workplace safety and health system certifications. In 2017, the gap-closing plans will be monitored with the expectation that they translate into an improvement in the indicators and, most importantly, in the health and quality of life of the suppliers' employees.

Contractors' accident rates
Actual rate in 2016: **4,4** • goal for 2016: **4,87**
Goal for 2020: 3,73

• Familiarly Responsible Company, Healthy Organizations and OHSAS 18001 certifications:
In total, seven companies have been granted the Familiarly Responsible Company certification, four have received the Healthy Organizations certification, and nine have obtained the OHSAS 18001 certification. The goal for 2017 is the following

FRC certification: **1 company**
Healthy Organizations certification: **5 companies**
OHSAS certification: **8 companies**

•Consolidation of strategies for the segmentation of employee aids and benefits:
The Organization worked on updating the internal audience segmentation, achieving a higher level of adequacy with regard to the allocation of aids, benefits and reconciliation measures, as well as a higher effectiveness in the impact of the employees' satisfaction.

• Promotion of flexible work methods:
Grupo Nutresa has been incorporating flexible-hours and telecommuting practices that have increased the productivity and satisfaction of its employees. In 2016, the number of telecommuting employees increased to 343. The goal is to raise this indicator by 10% in 2017.

RESPONSIBLE SOURCING

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Improving and broadening the coverage of the strategic sourcing model.	» 16 remote and on-site training modules of the strategic sourcing model were developed for the negotiating teams. » United States was incorporated as a new region and to the Retail Food Business as a new business under the strategic sourcing model, generating thus savings that amounted to COP 4,0 billion. » A total of 335 regional negotiations were carried out in Costa Rica, Mexico, Dominican Republic, Peru, Chile and Colombia. » The strategic sourcing initiative for Grupo Nutresa as a whole addressed 155 categories and achieved savings that amounted to COP 82,17 billion within the operations in Chile, Peru, United States, Central America and Colombia.
Closing sustainable sourcing gaps.	» Social and environmental risks were identified in the sourcing chain for Tresmontes Lucchetti in both Chile and Mexico. » A project was started jointly with the World Wildlife Fund (WWF) in order to generate knowledge on and conduct a diagnostic of the palm oil production chain with the purpose of reducing the environmental and social risks inherent to said raw material faced by Grupo Nutresa.
Promoting the implementation of inclusive businesses and the development of organizational capabilities among farmers.	» 3 workshops were organized and held, and 54 inclusive business development initiatives were identified to be developed with suppliers. » 2.105 farmers from 34 associations were trained in the organizational development strengthening model.
Incorporating sustainability-focused audits.	» A sustainability-focused audit program was implemented with the aim of supplementing the current supplier audit programs. 30 audits were carried out by the Icontec (Colombian Institute of Technical Standards and Certification).

Risks and opportunities

GRI 103-1

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

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

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

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

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

Outlook

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

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

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

Success stories and acknowledgments

GRI 103-3

LEED certification granted to Gestión Cargo

Gestión Cargo's new distribution center was granted the LEED (Leadership in Energy and Environmental Design) certification for its compliance with world-class sustainable construction practices. As a result, the Company achieved a reduction of 165.000 kWh/year in terms of energy consumption and 52 m^3/year in terms of water consumption.

Gestión Cargo distribution center, Cartagena.

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

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

Incorporation of the National Sesame Seed Federation

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

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

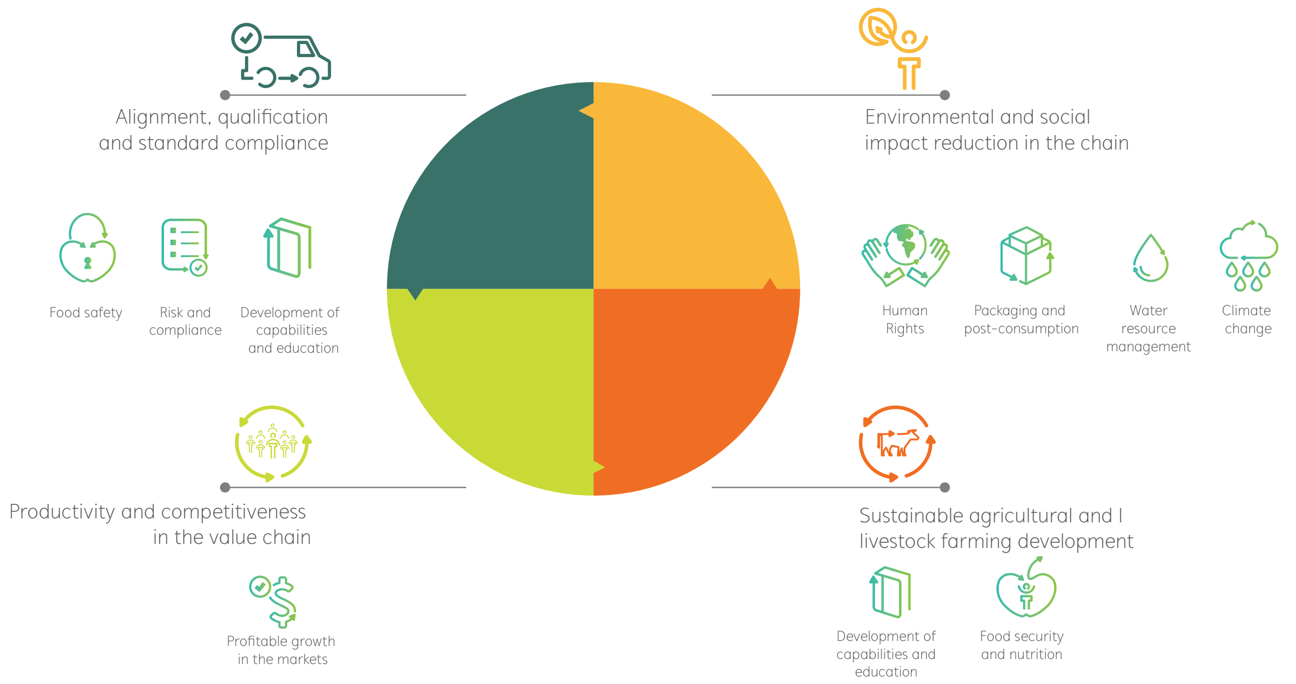
In this event, 19 accolades were awarded to 14 of approximately 230 companies that participated in both Colombia and Costa Rica. This program is aimed at systematically identifying and recognizing the practices, projects and initiatives related to the economic, social and environmental sustainability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

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

Progress achieved in 2016 GRI 103-3

Responsible sourcing model

This model is aligned with the Organization's material aspects.



Alignment, qualification and standard compliance

Grupo Nutresa has established programs aimed at verifying the level of compliance by the goods and service suppliers with regard to the diverse risks identified, and the Organization has focused on the development of capabilities and skills that simultaneously ensure the closing of gaps and the development of the suppliers.

Suppliers School Program

Through this program, Compañía de Galletas Pozuelo trained 30 suppliers in 2016 in the fields of integrated pest control, commercial safety, and in the services of the portal for suppliers. This same initiative was developed jointly with Fundación Nutresa in Colombia to support small and medium-sized companies in matters such as the master plan focused on cleanliness, integrated pest control and chemical substance handling and management. A total of 67 people participated in the program.

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Qualification and increase of capabilities

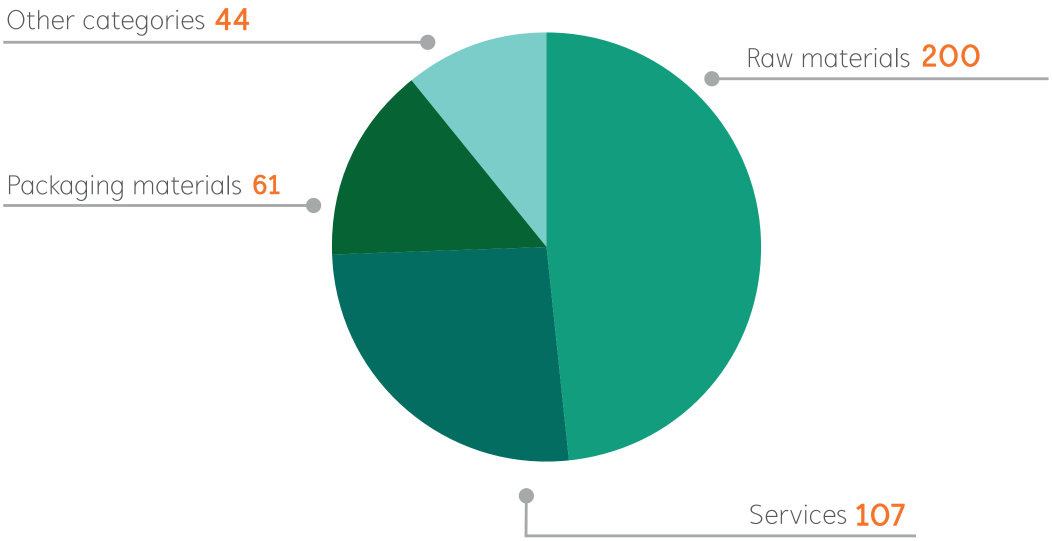
In 2016, 1.193 raw material, packaging material, service and indirect suppliers were trained with the purpose of increasing their capabilities with regard to integrated management systems, GMOs (Genetically Modified Organisms), sustainability, safety and health at the workplace, human management, diversity and inclusion, Human Rights, and legal compliance, among other matters. 7.252 people attended the training sessions, investing approximately 2.104 hours of study.

ANDI-CTA supplier development

Within the framework of the supplier development program for companies that are members of the ANDI (Colombian Industrialists Association), in 2016 the Organization started working jointly with four suppliers on strengthening the competitiveness and sustainability of the value chain. This work included the implementation of improvement projects by means of the Decalogue for Supplier Development, a methodology presented by the CTA (Antioquia's Technology Center), which is the institution in charge of the program.

Supplier assessment and auditing

412 audits were conducted to suppliers and contractors with the aim of assuring compliance, gap closing and capability increase in integrated management systems, as well as commercial, logistical and human management matters according to the standards defined by the Organization. From all the assessments, 30 of them correspond to a new sustainability audit program carried out by the Icontec as an independent institution, evaluating subjects related to Human Rights and labor practices, among other topics.



New suppliers that were screened under environmental and social criteria GRI 308-1, GRI 414-1 [ODS 5] [ODS 8] [ODS 16]

Based on the following criteria	Environmental	Social
Colombia	10%	4%
Chile	0%	0%
Costa Rica	100%	50%

Criteria assessed

Environmental: impact on the flora and fauna, use of hazardous substances, increase in waste generation, increase in the consumption of natural resources, climate variability, negative reaction of stakeholders due to the use of genetically modified organisms, larger amount of atmospheric emissions and animal abuse.

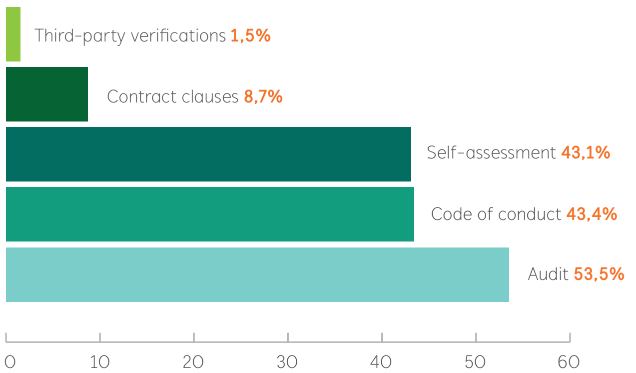
Social: unfair salaries and inadequate work environment, child labor, violation of the freedom of association right and of the collective bargaining right, damage to final consumers' health and damage to the neighboring community.

Negative environmental and social impacts in the supply chain and actions taken GRI 308-2, GRI 414-2

Based on the following criteria	Environmental			Social		
Country	Colombia	Chile	Costa Rica	Colombia	Chile	Costa Rica
Number of suppliers whose impact has been assessed.	139	15	2	93	15	3
Number of suppliers with actual significant negative impacts.	9	7	0	3	4	0
Percentage of suppliers with negative environmental impacts with which improvements have been agreed upon after the assessment.	88,9	0	NA	100	0	NA
Percentage of suppliers with actual and potential significant negative environmental impacts with which the commercial relation has been terminated as a result of the assessment.	0	0	NA	0	0	NA

Environmental: impact on the flora and fauna, use of hazardous substances, increase in waste generation, increase in the consumption of natural resources, climate variability, negative reaction of stakeholders due to the use of genetically modified organisms, larger amount of atmospheric emissions and animal abuse.
Social: application of legal standards related to staff hiring and inadequate work environment, violation of the freedom of association right and of the collective bargaining right, damage to final consumers' health.

Sourcing policy compliance verification mechanisms GRI FP1



Percentage of the volume purchased to critical suppliers, 68% corresponds to suppliers that comply with the Company's purchase policy.

Event for Suppliers in Costa Rica

Servicios Nutresa Costa Rica held its 8th Event for Suppliers with the purpose of aligning the sustainability and innovation strategic goals defined for the Central American companies with the entire sourcing chain.

Connectivity with suppliers

Jointly with the Biscuits Business, a project is being developed with the purpose of achieving a 100% digital relationship with the suppliers, and it has allowed to identify the training and gap-closing needs. This project is supplemented with Fundación Nutresa's digital citizenship training strategy, which includes the participation of cocoa, cashew and blackberry producers from the Montes de María, Chocó and Quindío regions.

Environmental and social impact reduction in the sourcing chain

Paloma Durán, Director of the U.N. Sustainable Development Goals Fund.

Sustainable Development Goals (SDG) Workshop

In 2016, the Organization organized and held a workshop with the participation of 18 Colombian and Costa Rican suppliers from different goods categories. It was hosted by Paloma Durán, Director of the U.N. Sustainable Development Goals Fund (SDGF), and its main purpose consisted in addressing the 2030 SDG agenda. Additionally, a discussion session was organized to address the way the organizations are incorporating the SDG into their management or how could they do so in the future. The final result of these workshops was the basis for developing the SDG Universality Report from the private sector, which includes several strategies and recommendations for the organizations to address.

The report is available at: **ttp://www.sdgfund.org/sites/default/files/Report-Universality-and-the-SDGs.pdf**

Palm oil chain sustainability project

The purpose of the project consists in conducting a sustainability diagnostic to the palm oil sourcing chain in order to establish strategies, mechanisms, standards and metric systems that allow to reduce the environmental and social risks of the supply of this raw material in Grupo Nutresa's companies. This initiative is executed through a covenant with the WWF and its completion is projected for 2017.

Human Rights

Within the framework of Grupo Nutresa's Human Rights policy and with the purpose of promoting the Diversity and Inclusion policy among the suppliers, the Organization organized an awareness-raising session on this matter with the participation of 28 goods and service suppliers.

Sustainability risk analysis

The Organization expanded the practice of deepening the analysis and assessment of environmental and social risks in the sourcing chain for the 24 categories of direct raw materials in Tresmontes Lucchetti's operations in Chile and Mexico. This analysis is the basis for the design and execution of sustainability risk mitigation and elimination strategies.

To find out more about the actions related to packaging management in the value chain, refer to the *Packaging and post-consumption chapter.*

Employees from Compañía Nacional de Chocolates in a cocoa plantation, Yariguíes Plantation.

Sustainable agricultural and livestock development

Grupo Nutresa has established general guidelines for the sourcing of all its supplies through the Code of Conduct for Suppliers, and it has developed specific guides for the main agricultural supplies (coffee, cocoa, wheat, milk and fruits) with the purpose of promoting sustainable practices in the sourcing of these raw materials. The guides include standards focused the protection of natural resources, good practices related to the use of agrochemicals and GMO traceability, among other topics.

Community-based coffee processing central plant

Colcafé supported the construction and start of operation of a coffee berry processing plant in partnership with the Andes Coffee-Growers Cooperative by means of a donation of more than COP 1,7 billion. The coffee processing central plant, which started operating in May 2016 and is located in the municipality of Ciudad Bolívar (Antioquia, Colombia), benefits more than 600 coffee-growing families. This enterprise pays the coffee growersa product quality premium with the aim of achieving an 80% reduction in the use of water with respect to the traditional coffee processing methodology, and allowing the coffee growers of this region to save the time they would normally had to spend on pulping, washing and drying the coffee beans with the ultimate purpose of improving their quality of life.

Promotion of coffee

By means of alliances and negotiations with international customers, in 2016 the Organization transferred resources that amounted to COP 8,17 billion associated with products certified with the Fairtrade seal. The social premium transferred is mainly used in initiatives focused on plantation productivity and quality, environmental projects, social services, education and other projects covered by this certification.

This is the behavior of the premiums transferred over the past years.

Development of capabilities among small suppliers

Fundación Nutresa supports the social management in base-level rural communities which, through training and education processes, develop business habits that allow them to increase their income and improve their quality of life.

In 2016, the Organization worked on promoting social and business capabilities among more than 2.100 farmers who produce sesame seeds, cashew nuts, coffee berries, blackberries and cocoa beans in five Colombian departments. Moreover, the Organization started operating in the department of Santander, benefiting 220 new cocoa producers, and pre-feasibilitystudies were conducted for the negotiation with cocoa, milk and honey producers in the departments of Huila, Tolima,Boyacá and Antioquia.

In the case of cocoa production, 122 alliances were supported for the plantation of 23.052 hectares in 24 Colombian departments, an endeavor that benefited 12.281 families.

For further details, please refer to the chapter *Development of capabilities and education.*

Opening of the Farallones Coffee Processing Central Plant.

Fairtrade Coffee

	2012	2013	2014	2015	2016
Communities benefited	20	22	34	34	**32**
Premiums paid plus surcharge (COP billions)	3.808	4.469	5.656	7.338	**8.170**

Farmers actively participate in the "Fondo Cacao para el Futuro" (Cocoa Fund for the Future), learning technical and business-related concepts. Antioquia, Colombia.

Promotion of cocoa

For the sustainable development of cocoa farming, the Chocolates Business invested COP 4,95 billion in advisory and training for the producers, and research and alliances with private organizations, governmental institutions and NGOs.

26.619 tons were purchased from 1.223 suppliers with cash payments and, in several cases, payments in advance. Sixassociations of Fairtrade-certified producers were supported with the purchase of 122,8 tons, which generated quality premiums that totaled COP 76,4 million, allowing to make progress in social investment projects for the producers.

Grupo Nutresa promotes the production of differentiated cocoa by purchasing 105,8 tons of single-origin cocoa (that amount to COP 899,5 million) in the Colombian department of Santander, paying a 10% surcharge over the common cocoa. Additionally, 75,7 tons of organic cocoa were purchased for COP 660,3 million, with a surcharge of 7,5%.

The Organization provided 146 training sessions in order to achieve technological transfer of 2.792 farmers by means of a specialized equipment for the agronomic management of cocoa plantations. Furthermore, cocoa-growing-friendly practices were shared with 6.376 farmers via 282.880 free text messages.

Research projec in the Yariguíes Plantation, Santander.

"Cacao para el Futuro" private fund

This project gathers private actors that contribute the capital, farmers that contribute the labor and the forest cover of their plantations and experts that ensure the technological package for the adequate sowing, harvesting and processing of cocoa with the purpose of developing the capabilities and improving the quality of life of cocoa growers. In 2016, COP 5,81 billion were invested in this endeavor. Currently, the Fund includes 57 farmers from 11 municipalities who farm 976 hectares.

Yariguíes Plantation training and research center

This center welcomed 701 visitors and renewed its Icontec certification for Good Agricultural Practices, as well as the CO_2 Forest Compensation Program certification. The Colombian Agricultural and Livestock Institute (abbreviated ICA in Spanish) renewed the Center's certification as Producer and Distributor of Vegetative Propagation Material due to the fact that it produced 1.257.317 units of vegetable material and 60 tons of cocoa.

Porcinorte Farm. Angostura, Colombia.

Policies and practices related to physical alterations and the use of anesthetic G4-FP10

- Notches in the ears of the piglets at birth as part of their individual identification at the core level of the population (that is 6% of all births).
- Piglet tail dock (cut) at birth to 100% of the population with tail clippers, cauterization and disinfection.
- Ear tagging with swine fever tags 100% of the population in their third week after birth.
- Number identification with tattoos made with tattooing hammers on the skin of 100% of the animal population.
- Use of anesthetic and analgesia in surgeries due to hernias or fights among the animals.

Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments G4-FP12 [ODS 2]

- Antibiotics: penicillins, tetracyclines, sulfonamides, enrofloxacin, amoxicillin, streptomycin, florfenicol, tulathromycin.
- Anti-inflammatories: ketoprofen, meloxicam.
- Hormone treatments: oxytocin, prostaglandin, chorionic gonadotropin.
- Growth promotion treatments: ractopamine.

Animal well-being

The Organization has defined pig production management procedures and practices aimed at ensuring not only the compliance with good agricultural and livestock production practices, but also the animal well-being in each one of the farms where Grupo Nutresa operates.

Animals raised and processed, and type of housing GRI FP9, GRI FP11 [ODS 2] [ODS 15]

	2014	2015	2016
Breeding pigs	155.063	161.371	**8.882**
Fattening pigs			**162.791**
Pigs in pens	148.100	154.384	**163.696**
Pigs in crates	6.963	6.987	**7.977**

*100% of the pigs, no matter their breed, receive the same treatment in the farms.

Strengthening the capabilities of wheat suppliers in Chile.

Wheat

Tresmontes Lucchetti organized knowledge transfer and direct support sessions with the participation of 79 wheat suppliers. Diverse topics were addressed in these sessions: improvements to farming techniques (irrigation, fertilization and seeds), operation of the international wheat market, Chilean pricing mechanism, qualities required by the industry, sustainability commitments, wheat improvement and chain-related challenges, among other.

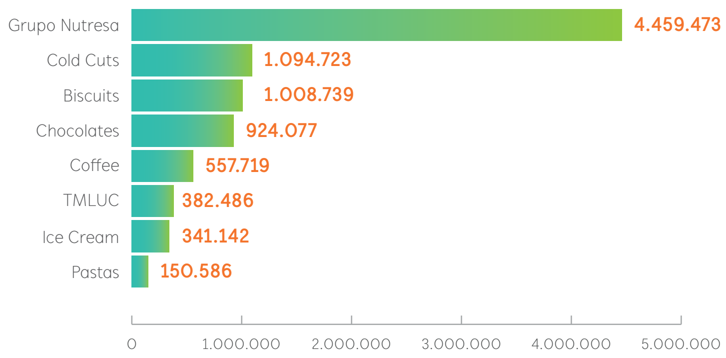
Productivity and competitiveness in the value chain

The strategic sourcing is focused on structuring strategies and models for the negotiation of supply sources that contribute to the competitiveness in all the categories of supplies and services.

In 2016, United States was incorporated as a new region and to the Retail Food Business as a new business under the strategic sourcing model.

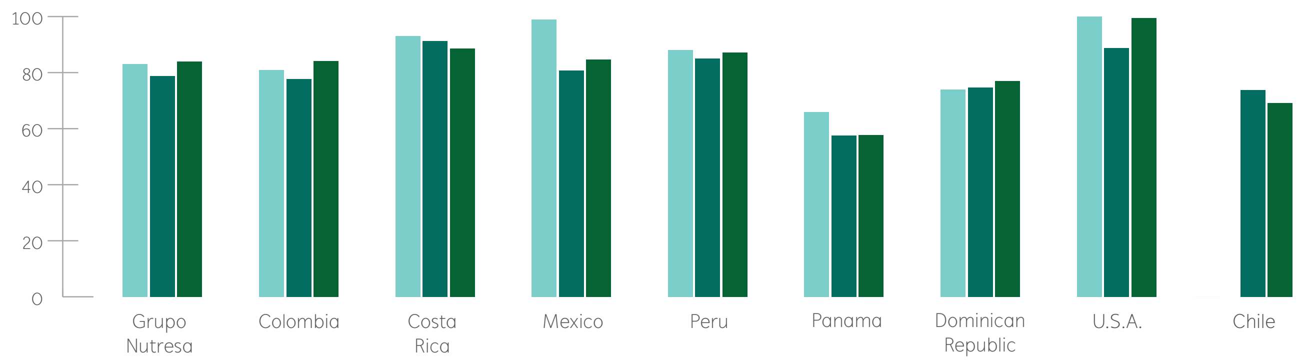
The Organization addressed 155 categories and achieved savings that amounted to COP 82,17 billion within the operations in Chile, Peru, United States, Central America and Colombia.

Purchases in 2016 (COP million)



*Annual purchases by each Business. Retail Food in Colombia and commercializing companies not included.

Grupo Nutresa's local purchases GRI 204-1

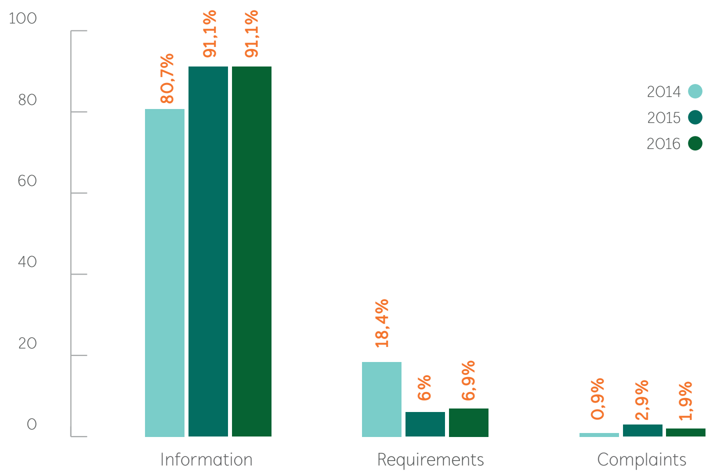


	Grupo Nutresa	Colombia	Costa Rica	Mexico	Peru	Panama	Dominican Republic	U.S.A.	Chile
2014	83,0%	81,0%	93,0%	99,0%	88,0%	66,0%	74,0%	100,0%	0,0%
2015	78,7%	77,7%	91,3%	80,8%	85,1%	57,5%	74,7%	88,8%	73,7%
2016	84,0%	84,2%	88,5%	84,6%	87,1%	57,8%	77,0%	99,5%	69,1%

*Includes commodities, raw materials, packaging materials, indirect purchases and services. Retail Food in Colombia and commercializing companies not included. Note: local suppliers are those located in each country where the Organization runs significant operations (transformation operations).

Support and service to suppliers

The Organization updated the technological platforms used for addressing the requirements of the suppliers and engaging them through the contact center. In 2016, Grupo Nutresa addressed 31.368 cases, from which 6.137 were associated with the support of logistical, financial and quality-related services.



RESPONSIBLE SALES

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Follow-up to customer satisfaction and loyalty.	» Satisfaction evaluates the alignment between what Grupo Nutresa delivers and the expectations of customers with regard to the performance and efficiency of the processes. The score in Colombia was 88,8 in Colombia and 91,6 in the international operations. » Loyalty indicates both the emotional connection with customers and their willingness to recommend us. Colombia scored 76,0 and the international operations scored 71,6 in this indicator.
Developing differentiated and specialized value propositions for customer segments.	» Based on the understanding of needs and characteristics of customers, the organization defined differentiated value propositions that would guarantee the generation of value, profitability and sustainability for both parties. » These propositions contain emotional, rational and convenient elements aimed to create bonds through a timely, consistent and comprehensive delivery in every moment of truth.
Implementing loyalty and engagement strategies to develop and strengthen customers' capabilities.	The following initiatives were developed: » Training » Co-creation with customers » Loyalty programs » Collaborative models » Experience centers » Events » Customer development » Use of sustainable materials » Impeccable visibility execution in the points of sale
Establishing effective communication channels with customers.	» New digital communication channels were enabled to serve the customers and provide differentiated experiences.
Consolidating inclusive and sustainable business models that contribute to the development of customers.	» The Organization strengthened the market penetration models that stimulate the creation of jobs and opportunities for vulnerable populations.

Risks and opportunities

GRI 103-1

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

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

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

Product display at a point of sale.

Outlook

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

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

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

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

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

Success stories and acknowledgments GRI 103-3

More than 607 customers received point-of-sale consulting from the Company´s commercial developers, allowing them to achieve a comprehensive development of their business for its growth and sustainability.

Comercial Nutresa employees, Bogotá.

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

Progress achieved in 2016 GRI 103-3

In order to manage sales responsibly, Grupo Nutresa focuses on customer, consumer and shopper knowledge, reinforcement of capabilities, social and environmental impact, loyalty and engagement strategies, and specialized value propositions.

Development of customers' capabilities and social impact in communities

In addition to developing customers' skills, the training programs seek to transcend to the communities where our customers operate, not only by focusing on the sustainability of their businesses but also by considering their comprehensive education based on the being and the doing. For this purpose, Grupo Nutresa developed the following initiatives in 2016:

- Monthly meetings with more than 6.700 Novaventa individual entrepreneurs, for addressing issues such as selfesteem, entrepreneurship, household economics, nutrition and wellbeing, consumer moments, among others.
- Novaventa and the Cold Cuts Business offered training to more than 1.300 customers with the aim of promoting the incorporation of technology that allows them to leverage their business and become replicators for their communities, contributing thus to the improvement of their quality of life.
- "Escuela de Clientes Nutresa" (Nutresa Customers School), through an alliance with Universidad Javeriana, provided training to 726 customers in Colombia with the aim of developing competitive businesses, increasing sales and improving their quality of life. These contents were replicated in the Biscuits Business in Costa Rica with the support of the Cámara Nacional de Comerciantes Detallistas y Afines (Canacodea, National Chamber of Retail and Allied Traders) and Universidad Fidelitas. 29 retailers graduated in the first cohort.

Entrepreneur from the Novaventa direct sales network.

- In Costa Rica and Panama, the Organization continued to work on the program for developing the mom and pop stores channel. In these two countries, this type of stores are owned and kept by Chinese immigrants. This program included the distribution of games and the development of interaction activities aimed at overcoming cultural barriers and strengthening the relationship with the customers. The Cold Cuts Business and Comercial Nutresa offered training to customers from the minimarket, wholesale, agents and coffee and bakery shops channels in order to enable capabilities regarding product development, portfolio diversification, category analysis, food handling, workplace health and safety systems, and logistics efficiency.
- La Recetta developed offers with special prices and special commercial conditions for nonprofit institutions that are customers of the Organization. The purpose of these offers is to grant them benefits that generate a positive impact in the communities where they operate.

"Día Diamante" (Diamond Day) event with Novaventa individual entrepreneurs.

Strengthening the relationship with customers

The National Meeting of Agents was held with the objective of recognizing them as allies, supporting them in their development as entrepreneurs and training them in issues related to labor legislation, risk control, tax laws, and the management of relations with themselves and with other people. They had the opportunity to interact with different suppliers according to their businesses. In total, 100 agents participated in this event.

Additionally, 34 co-creation and ideation workshops were organized with customers from the supermarkets and retail channels to identify their needs and create work plans for their businesses.

Novaventa held the annual "Día Diamante" (Diamond Day) event, which is a recognition program for the best direct selling customers. In its fourth edition, the event explored moments of consumption with all Grupo Nutresa's Businesses, the individual entrepreneurs were trained in aspects related to nutrition and well-being, and they were provided with relevant information about the brands. 2.500 people attended the event.

Loyalty and engagement model

Loyalty and engagement programs were implemented in all Businesses. Comercial Nutresa, with its Socios Nutresa program (Nutresa Partners Loyalty program), benefited 3.600 customers and thus expanded the program in the traditional channel in Colombia while reaching new segments such as minimarkets, wholesalers and coffee and bakery shops. For its part, the Ice Cream Business in Colombia, with its "Super Socios" (Super Partners Loyalty program) program, which involved 5.600 customers, delivered benefits and provided training according to the needs of each segment. In the same way in Costa Rica, Pozuelo extended its wholesaler loyalty program to other customers in Central America.

Employee from the Distribution Center, Industrias Aliadas.

Value propositions tailored to the needs of customers

All Grupo Nutresa's companies worked on redesigning value propositions for the customers. The propositions were adapted to the characteristics and needs of the different segments in order to deliver attributes aligned with the customers' rational, emotional and convenience expectations, generating value and sustainability in their businesses. These proposals are designed considering the different dimensions of loyalty, such as: service, relationship, product, commercial conditions and access.

Point of sale management and business development

The Organization continued to work on the "Bambú" Project. This project is aimed at promoting a model of Grupo Nutresa commercial developers that generates competitiveness and gives sustainability to mom and pop stores and minimarkets. It provides consultancy based on shopper studies, which supplies shops with a model of integral business. In 2016, 607 customers were benefited with this program in Colombia, and both the customers and Grupo Nutresa achieved high levels of satisfaction and sales growth.

Customer satisfaction and loyalty

Satisfaction evaluates the alignment between what Grupo Nutresa delivers and the expectations of customers with regard to the performance and efficiency of the processes. The score was 88,8 in Colombia and 91,6 in the international operations. This achievement places the Group's management on a high satisfaction level according to global standards.

Loyalty indicates both the emotional connection with customers and their willingness to recommend Grupo Nutresa's products. Colombia scored 76,0 and the international operations scored 71,6 in this indicator, which also reflects the Organization's level of excellence.

Sustainability in logistics operations

Opperar Colombia has improved the quality of life of nearly 900 people who work in the areas of dry-product storage and transportation for the Cold Cuts and La Recetta networks. It complies with standards of occupational well-being, remuneration and occupational health. Additionally, it relies on a fleet of new high-tech vehicles, which makes it possible to reduce the carbon and pollutant emissions associated with product transportation.

Meals de Colombia salespeople, Bogotá.

In 2016, Grupo Nutresa updated the measurement of the greenhouse gas inventory for the primary and secondary transportation of its finished products in Colombia. This action allowed to identify the higher pollution focal points, as well as practices that minimize emissions.

GHG emissions from primary and secondary transportation in Colombia:

55.293 **tons of CO_2eq.**

The second edition of the Clean Transport Guidelines was published. This edition has a broader coverage throughout the different stages of the cargo transportation process. This broader coverage required supplementing both the measurement and monitoring of greenhouse gas emissions caused by transportation in the production stages of the value chain. It also made it necessary to conduct a comprehensive assessment, benchmark good practices and establish indicators that allow to monitor the environmental performance in order to define the corresponding mitigation and compensation strategies.

In addition, alternative transportation technologies with a lower environmental impact were explored. For instance, two electric vehicles are operating in the Comercial Nutresa regional offices in Bogotá and Medellín. These electric vehicles provide ergonomic benefits for drivers and generate lower emission. **GRI 302-2** [ODS 7] [ODS 8] [ODS 12] [ODS 13]

In 2016, the energy consumption in the distribution to third parties totaled **148.290,96 kWh.**

Meals de Colombia freezer maintenance technician with a customer in Bogotá.

Environmentally friendly sales process

The Organization delivered 7.800 product-conservation refrigerators to its customers. These refrigerators do not use refrigerating gases and have a low energy consumption LED lighting system. The objective of this action is to guarantee an optimal product storage while contributing to the environmental sustainability. Additionally, customers were provided with bioplastic displays and merchandising material made from recycled cardboard and environmentally friendly water-based ink.

BUILDING A BETTER SOCIETY

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

nutresa | A FUTURE TOGETHER

HUMAN RIGHTS

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Ensuring the Human Rights management system.	» Human Rights management was aligned with the Colombian Guidelines, which facilitates the communication of the progress with regard to the management. » The matrix of risks related to Human Rights was supplemented with the incorporation of the non-Colombian companies. » The Human Rights Strategic Committee held 14 discussion sessions with representatives of the employees, collective agreement teams and unions from the Colombian companies.
Raising awareness and providing training in Human Rights.	» 4.499 employees received training in the fields of agreement establishment, diversity and inclusion, leadership, labor relations and Human Rights. » 44 contractors and suppliers received training in diversity and inclusion, and Human Rights.
Strengthening the reporting mechanisms for Human Rights matters.	» The Organization publicized the Ethics Line, the Cohabitation Committees and the Human Rights mailbox as formal means for reporting situations related to work harassment, sexual harassment, discrimination, fraud or violations. » The Ethics Line addressed 8 cases and the Cohabitation Committees received 12 reports of possible harassment cases, which were subsequently addressed.
Consolidating diversity-related and inclusion practices.	» Grupo Nutresa continued to work on the management of work plans for closing gaps in gender equality practices. » To date, the Organization has hired 251 people with special capabilities.
Promoting the freedom of association and collective bargaining.	» The Organization defined the strategy for managing the collective labor relations and bargaining with the participation of the companies' CEOs and the people in charge of human talent management.

Risks and opportunities GRI 103-1

Members of Colcafé's Cohabitation Committee, Bogotá.

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

These risks are minimized by means of a Human Rights management system that comprises actions implemented by the companies and their corresponding monitoring and support performed by two committees: one tactical and one strategic.

The Tactical Committee is in charge of identifying the risks, managing them and creating reporting mechanisms with the purpose of analyzing the possible violation cases and applying the due process. For its part, the Strategic Committee ensures the fulfillment of the work plans, submits a balance report to the employees on their management, and promotes a favorable environment for social discussion aimed at identifying improvement opportunities and achievements every year. The management of this system has produced positive impacts on the engagement and commitment of the employees, which translates into a differentiation opportunity with other market agents and invites to strengthen a leadership with a stronger regard for diversity and inclusion.

Outlook

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

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

Success stories and acknowledgments GRI 103-3

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

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

Progress achieved in 2016 GRI 103-3

Ensuring the Human Rights management system: Incorporated the criteria defined in "Guías Colombia," reporting guidelines issued by the "Ideas para la Paz" (Ideas for Peace) Foundation and the GRI, into the management and communication system. In 2017, the most relevant Human Rights management matters will be articulated in all the companies in such a way that all work plans will prioritize the same strategies.

Additionally, the Human Rights risk matrix was incorporated into the international operations and platforms. The working priorities will be the management of the supply chain, as well as the management of workplace safety and health for both direct employees and third parties.

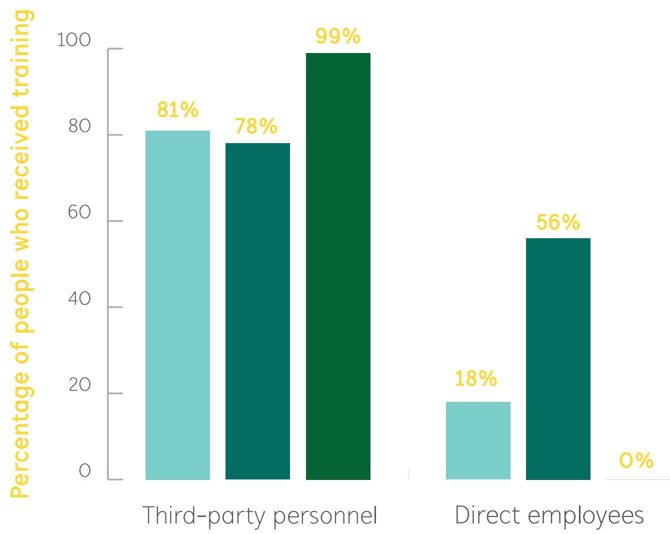
In 2016, the Tactical and Strategic Human Rights Committees were consolidated. By the end of the year, 4 tactical and 2 strategic committees were held, fulfilling 100% of the work plans that had been defined and producing a very positive perception among the employees who attend the discussion sessions as environments for participation and a direct dialog with the Organization' executive management.

Discussion session on Human Rights with representatives of the employees, collective agreement teams and unions from Comercial Nutresa.

Grupo Nutresa's Human Rights policy promotes practices in both its companies and the companies from the value chain with which the Organization has any kind of connection in order to ensure there is no type of employment of minors and forced labor occurring.**[https://www.gruponutresa.com/wp-content/uploads/2016/02/derechos_humanos_2013b.pdf]** The Organization has assurance mechanisms for screening suppliers and contractors in compliance with this policy by means of sustainability assessments and audits. **GRI 407-1, GRI 408-1, GRI 409-1**

Raising awareness and providing training in Human Rights: Grupo Nutresa consolidated the process of understanding by both employees and executive managers on how the Human Rights are applied in the Organization and the behaviors and practices to promote and respect them, and to remedy the situations when they are violated. 4.499 employees and 44 contractors and suppliers received training in Human Rights. This training has been provided since 2014 through different schools and it has been supplemented with an on-line training program. **GRI 412-2**

Security personnel who received Human Rights training GRI 410-1



Strengthening the reporting mechanisms for Human Rights matters: the Organization organized campaigns to promote the mechanisms through which the employees, suppliers and contractors are able to report frauds, harassment, discrimination or any act of violation. The formal mechanisms are the Ethics Line, the Cohabitation Committees and the Human Rights mailbox, which guarantee absolute confidentiality, impartiality and accessibility. These mechanisms have been publicized through diverse channels: intranets, bulletins, virtual bulletin boards, promotion scenarios, special leaflets, calendars, among other.
The Ethics Line is led by Servicios Nutresa's Internal Audit management, while the Cohabitation Committees are formed by representatives of both the employees and the Company and both mechanisms operate autonomously. For its part, the Human Rights mailbox is managed by the Tactical Human Rights Committee. In 2016, these reporting channels received the following cases:

Ethics Line
Countrywide: 01800 051 8188
In Medellín: 444 3699
lineaetica@gruponutresa.com

8

Cohabitation Committee

12

Human Rights mailbox
comitederechoshumanos@gruponutresa.com

1

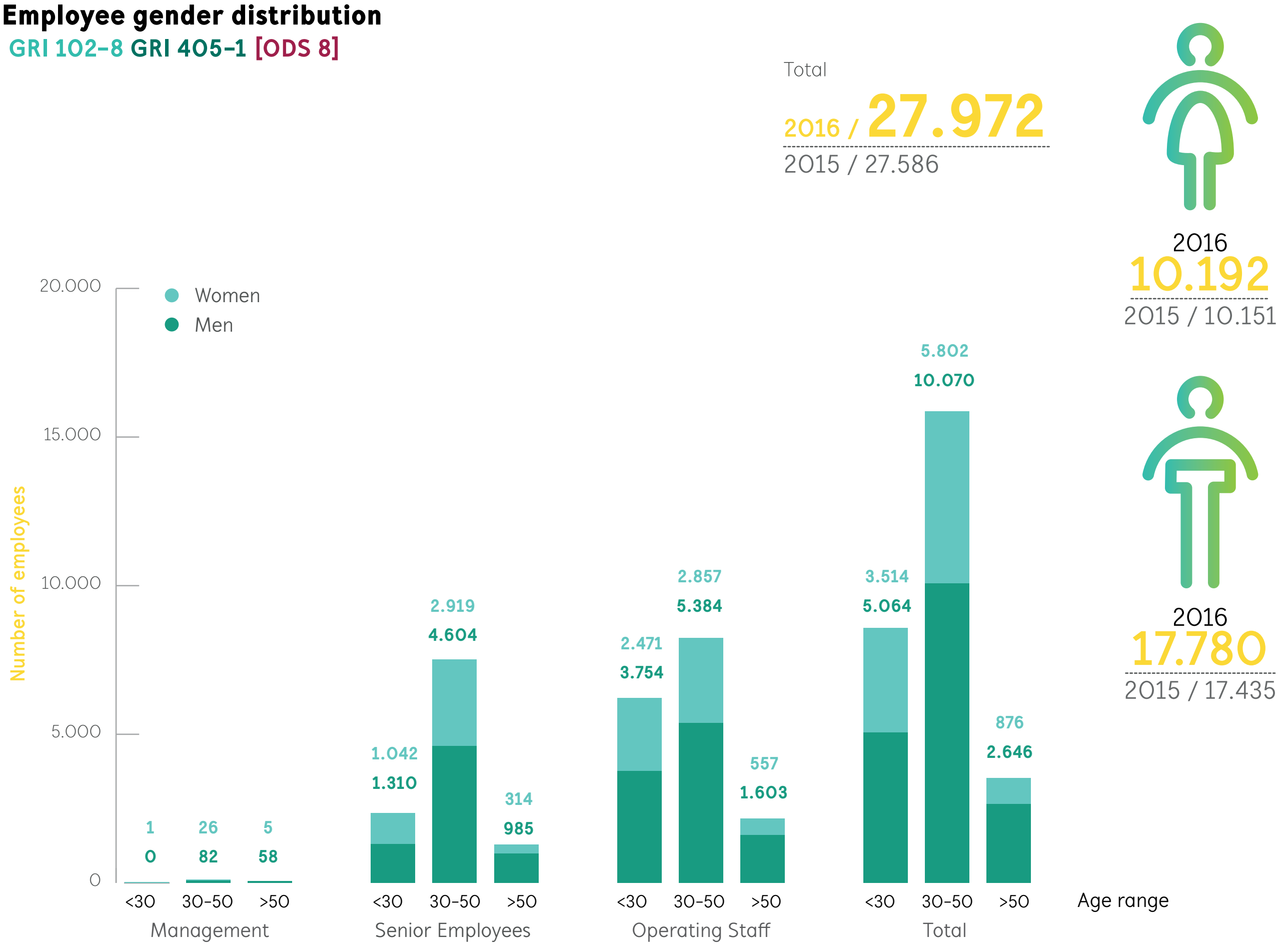
Consolidating diversity-related and inclusion practices: the Organization made progress in the understanding and incorporation of gender equality practices and management of people with special capabilities, the leaders participated in awareness-raising activities focused on the importance of working on a leadership that values diversity and enables inclusion possibilities. To date, the Organization has hired 251 people with special capabilities in all its companies. Grupo Nutresa also strengthened the participation of both its employees and third parties in diverse employment opportunities, a fact that is exhibited by the following indicators: 129 internships, 129 applications to calls for entries, and 281 internal promotions.

Colcafé employees with special capabilities.

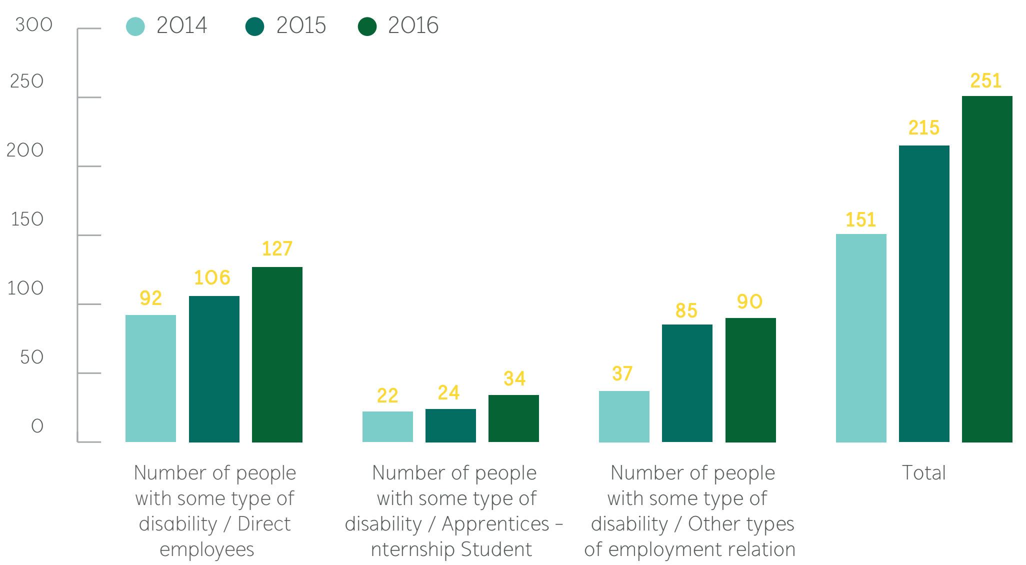
Number of discrimination cases GRI 406-1 [ODS 5] [ODS 8] [ODS 16]

	2014	2015	2016
Number of discrimination cases reported	9	1	**2**
Number of cases in which the Organization has analyzed and managed the situation	9	1	**2**
Number of cases closed	9	1	**2**

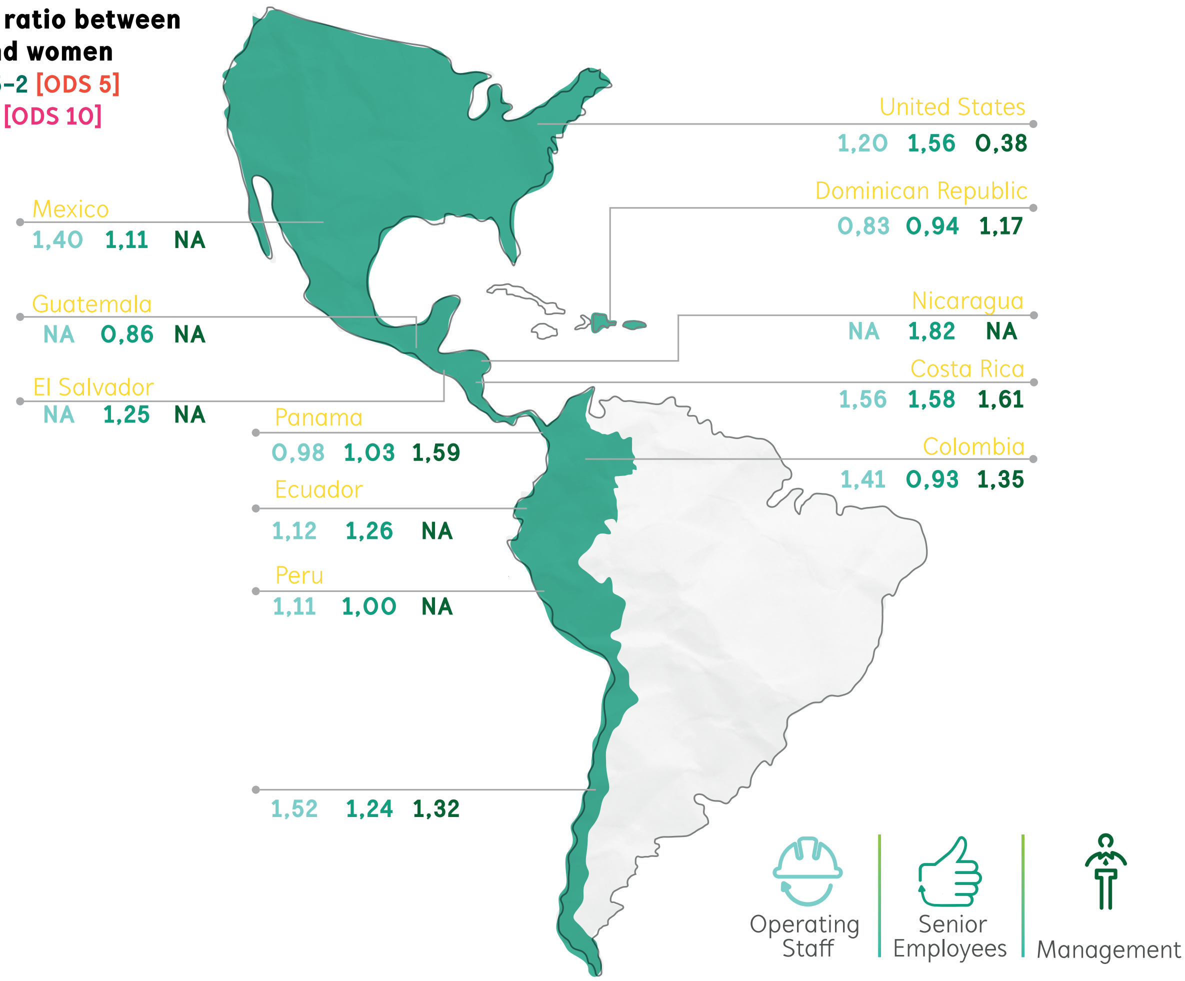
Employee gender distribution
GRI 102-8 GRI 405-1 [ODS 8]



Number of people with some type of disability GRI 102-8 GRI 405-1 [ODS 8]



Salary ratio between men and women
GRI 405-2 [ODS 5] [ODS 8] [ODS 10]



Promoting freedom of association and collective bargaining: in 2016, 6 collective labor agreements and 2 collective covenants were signed, thanks to which direct agreements were reached with the leaders who represent the employees in the negotiations. Additionally, the Organization also promoted diverse discussion, participation and joint construction environments. In 2016, 17,4% of the employees were members of unions and 44,8% were part of collective employee covenants. **GRI 102-41**

Collective covenant and union representatives participated in the Strategic Human Rights Committee, where they had the chance to share their perceptions and propose measures to mitigate the risks of violation. The Committee also has access to the information on high-impact projects, enabling to identify mitigation measures and benefits for the employees in the processes of change. Said information comprises an agenda with work and communication time tables along with key messages **GRI 402-1**

In a discussion conference, the Senior Management shared its knowledge on trends of freedom of association models around the world and on interaction and cohabitation practices.

Involvement in the global discussions on Human Rights
Grupo Nutresa participated in the fifth GRI Global Conference in Amsterdam with the purpose of discovering the best sustainability practices, innovations and trends that guide business decisions.

Within the framework of the Conference, the second laboratory of the Corporate Leadership Groups was carried out. The purpose of this laboratory is to address the challenges related to Human Rights and their impact on the companies' value chain. These challenges include the following: the growing regulations with regard to Human Rights, their impact on the operations, the change towards a model of risk internalization within the capital costs, and the transparency in the communication.

DEVELOPMENT OF CAPABILITIES AND EDUCATION

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Developing capabilities in the value chain.	» 2.500 suppliers and customers were trained in social and business topics. » Pilot activities were launched to explore six inclusive businesses in Chile, Colombia, Mexico and Ecuador. » 100 rural producers received training in the field of digital citizenship.
Strengthening the school management and promoting education-related alliances.	» Teachers and academic directors from 494 Colombian schools participated in training activities which allowed to improve the school management and the institutional culture. » 73,9% of the schools that were intervened with the "Líderes Siglo XXI" program in 2016 exhibited a satisfactory performance in the countrywide standardized tests and 71% maintained or improved the results in the Synthetic Index of Education Quality from the Ministry of National Education.
Fostering the technological capabilities of teachers and academic directors.	» The technological capabilities of 459 teachers and 59 academic directors from 20 schools were developed. » 89,8% of the beneficiaries achieved an optimal level of performance in technological competitions.
Strengthening Grupo Nutresa's volunteer network.	» 11.862 volunteers contribute to improving the life conditions of the communities through 19.546 supportive actions.

Risks and opportunities

GRI 103-1

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

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

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

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

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

Outlook

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

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

Number of capability-development projects		INDICATOR 1.000
Nutrition	» Banks implemented Good Manufacturing Practices » Education institutions with healthy lifestyles » Number of Education Secretariats trained in the healthy lifestyles strategy » Projects funded with development of capabilities	120
Education	» Education institutions graduated that have complied with at least two of the capability-development indicators » Teachers with a 70% or higher performance in an information and communications technologies competition » Education institutions improved the performance. » Projects funded with development of capabilities	763
Income generation	» Associations strengthened » Number of inclusive businesses implemented in Grupo Nutresa » Projects funded with development of capabilities	87
Volunteering	» Knowledge transfer volunteer service	30

Progress achieved in 2016 GRI 103-3

The following are the details of the social management tasks performed in each strategic region:

United States

Management lines:
Nutrition
Volunteer work
People benefited:
500

Mexico

Management lines:
Nutrition
Revenue generation and entrepreneurship
Volunteer work
People benefited:
1.372.504

Nicaragua

Management lines:
Nutrition
Volunteer work
People benefited:
1.105

Guatemala

Management lines:
Nutrition
Volunteer work
People benefited:
23.030

Dominican Republic

Management lines:
Nutrition
Revenue generation and entrepreneurship
Volunteer work
People benefited:
2.372

El Salvador

Management lines:
Volunteer work
People benefited:
4.903

Colombia

Management lines:
Nutrition
Education
Revenue generation and entrepreneurship
Volunteer work
People benefited:
2.300.900

Costa Rica

Management lines:
Nutrition
Revenue generation and entrepreneurship
Volunteer work
People benefited:
284.617

Panama

Management lines:
Nutrition
Volunteer work
People benefited:
125

Ecuador

Management lines:
Nutrition
Revenue generation and entrepreneurship
Volunteer work
People benefited:
23.994

Peru

Management lines:
Nutrition
Volunteer work
Beneficiados:
8.560

Chile

Management lines:
Nutrition
Revenue generation and entrepreneurship
Volunteer work
People benefited:
118.868

EDUCATION

Education is an essential element for enhancing the economic and social growth and development of countries. This is why Fundación Nutresa contributes to the fulfillment of the SDG 4 –Quality Education–, through the following programs:

Fundación Nutresa supports different communities in Colombia by developing their capacities in school management and technology, and by providing school kits.

"Líderes Siglo XXI" (21st Century Leaders)

Through this program, Fundación Nutresa promotes the reinforcement of the academic directors who lead the pedagogical and administrative processes in the schools that serve the most vulnerable population of Colombia. In 2016, teachers and directors from 494 schools were part of a training process that strengthened their school management capabilities through the transformation of their institutional culture and focused on improving the results of the teaching and learning process. This improvement was confirmed by a better performance of the students.

"Oriéntate el mundo a un clic" (Navigate the world with one click)

What is it?
A process aimed at strengthening the technological capabilities.

Three stages

1
Diagnostic of the capabilities of every beneficiary

2
Training in technical and pedagogical matters as well as classroom management

3
Development of a project in the classroom

Results 2016

In **2016** the program included:

459 Teachers

59 Academic directors

from **20** educational institutions in Colombia

89,3% % of the people involved in the program had a good performance, scoring **70%** or higher.

Supporting the training of teachers and academic directors strengthens the school management processes by transforming the institutional culture.

15th National Education Congress: innovation for teaching and learning

This event was aimed at raising awareness among the attendees about how important it is and the pressing need there is to include strategies that promote innovation and creativity in the school management processes as a tool for the improvement and competitiveness of the education sector.

The event included the participation of: High Tech High, a pedagogical transformation initiative focused on the human being, the Fraunhofer Institute for the understanding of factors and environments that promote motivation in learning, and Mario Alberto Niño Torres, Grupo Nutresa's Innovation and Nutrition Director, who presented a proposal of an innovation model for educational institutions based on the Organization's innovation model, Imagix.

Fundación Nutresa holds the National Education Congress every year. It constitutes an opportunity to update and build capabilities in quality and school management.

The first ever meeting of Colombian Education Secretaries was held during the event: 17 education secretaries participated and discussed the new educational model. Finally, more than 30 Grupo Nutresa innovation promoters offered an introductory workshop to present the stages of an innovation model.

1.063 teachers and academic directors, participated in the event, and they reported a **96% satisfaction.**

"Nutresa Quiere a los Niños" (Nutresa cares for children)

This ludic-pedagogical program promoted healthy lifestyles among more than 15.000 children in vulnerable rural and urban communities, where high levels of insecurity make the Organization's operations difficult. In the rural areas, the aim is to improve the access-to-education conditions of the children from farm-worker communities where the availability of resources for learning is limited by providing them with 6.000 school kits. In the urban areas, the program promotes the social integration of key neighborhood agents with a special focus on children.

"Nutresa Quiere a los Niños" has been providing school kits in rural educational institutions in Colombia for 22 years.

Education management evaluation

The impact of Fundación Nutresa's education line was evaluated in 2016, allowing an assessment of the status of the design, implementation and results of each one of the programs. The results indicated an average performance of 83,6%. This process, which was carried out in five Colombian departments, made it possible to assess the strength of the programs, their relevance to the context, as well as the policies and the needs. The systemic, methodical and controlled implementation of the programs allowed schools to achieve higher results in their management performance processes and in the transformation of the institutional culture.

The improvement opportunities identified consist in achieving a better alignment with the corporate strategy, and improving the systematization and documentation of the processes in order to achieve a more effective knowledge transfer.

For further information, go to **www.fundacionnutresa.com.**

Grupo Nutresa develops social and business capabili-ties in two associations of ceviche sellers in Cartagena, Colombia.

REVENUE GENERATION

The Organization continued to strengthen the business practi-ces of suppliers and customers, and offered training to more than 2.500 people in the fields of finance, accounting, societies, among other topics.

Seven Grupo Nutresa volun-teers, who are experts in infras-tructure, strategic planning, and finance, among other areas, offered training to more than 200 farmers who produce blac-kberry, cocoa beans, cashew nuts and sesame seeds in the depart-ments of Quindío and Chocó and in the Montes de María region, in Colombia.

Two agricultural meetings were held to exchange experiences and good practices, and to allow ne-tworking and integration among cocoa, cashew and sesame seed producers from northern Chocó and the Colombian north coast. Likewise, the "Ideas para la Paz" foundation supported Fundación Nutresa in the socialization of the Colombian peace agreements in these meetings.

Inclusive Business Strategy

Company	Country	Inclusive business
Novaventa	Colombia	Training in digital citizenship for more than 30 Entrepreneur Moms.
Meals de Colombia	Colombia	Development of the financial and commercial capabilities of 58 customers. 2.500 people benefited with the "Protegido día a día" (Protected day by day) insurance.
Pozuelo	Costa Rica	Customer school: 29 retailers trained in comprehensive capabilities, customer service, basic accounting and buyer visibility.
Compañía Nacional de Chocolates	Colombia	Development of socio-entrepreneurial capabilities and technical advice to small farmers.
Comercial Nutresa	Colombia	Social-entrepreneurial reinforcement and training in digital citizenship to 5 shopkeepers.
Tresmontes Lucchetti	Chile	58 marketers trained in comprehensive sales capabilities.

VOLUNTEER WORK

The Organization continues to strengthen this strategy by means of transformative actions involving volunteers, beneficiaries, communities, customers and suppliers. In 2016, there was a total of 11.862 volunteers from the entire strategic region: 185 of these volunteers developed capabilities and invested 33.048 hours of their own time to work with stakeholders.

"El Poder de Mil" (The power of one thousand), Grupo Nutresa's volunteers network

Through this recognition strategy, voluntary actions were carried out with neighboring communities of the production plants. The activities benefited more than 15.000 people through the improvement of community spaces. More than 1.100 volunteers from the strategic region participated in this endeavor.

Chile.

Costa Rica.

El Salvador.

Colombia.

Colombia.

Nicaragua.

Panama.

Dominican Republic.

Biscuits Business employee in a volunteering session.

"Aula" (Classroom) Program, training for volunteers

This program incorporated in its training strategy a model that allows volunteers to produce knowledge and share it with customers, suppliers and the community. The initiative benefited 58 marketers from the alternative channel of the Ice Cream Business and 46 suppliers. It constitutes the start of a process to close the gaps they have in terms of competitiveness.

11.862 **volunteers from the entire strategic region.**

FOOD SECURITY AND NUTRITION

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Consolidating alliances in relation to the embracement of healthy lifestyles.	» Progress was made in the application of the "CAP" evaluation (knowledge, attitudes and practices) in 20 education institutions. » Alliances were established with social and private-sector organizations to promote urban agriculture and create opportunities of self-consumption of vegetables, benefiting more than 672 families. » An alliance was consolidated with the National Institute of Public Health of Mexico with the purpose of implementing the Healthy Lifestyles Strategy in Ciudad Juárez.
Implementing the Rural Nourishment Plan in farm-worker communities in Colombia.	» Seven rural nourishment systems were established, allowing the communities to have access to healthy and nutritious food products. » A water quality analysis was performed in 15 associations that produce cocoa beans, cashew nuts and sesame seeds in the Montes de María and northern Chocó regions. Additionally, the members of these associations received training and education in the adequate use of this essential resource.
Reducing the loss and waste of food products in Grupo Nutresa's companies	» Grupo Nutresa's loss and waste reduction policy was designed in accordance with the guidelines issued by the Food and Agriculture Organization (FAO) of the United Nations. » 12 food banks achieved scores higher than 90% in the application of the PHS (abbreviation in Spanish for Hygienic-Sanitary Profile) in Colombia and three more scored higher than 60% in the strategic region.

Risks and Opportunities GRI 103-1

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

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

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

Outlook

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

The nutrition initiatives will continue to contribute to the fulfillment of SDG2 "Zero Hunger" through the implementation of nourishment systems and the promotion of urban and rural self-consumption. The challenge for 2017 will be to achieve the installation of more than 5.000 m^2 of vegetable gardens in Montes de María, Chocó y Sierra Nevada de Santa Marta. Additionally, in the short term, the Organization will continue to implement the rural nourishment plan so that the benefited communities not only obtain the food products, but also learn their properties and ensure a balanced diet for their members, supplemented with physical activity and key hygiene practices.

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

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

Success stories and acknowledgments

GRI 103-3

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

Through an alliance with Universidad de Antioquia, Fundación Nutresa developed its **first didactic booklet for the promotion of healthy lifestyles among children from high social risk rural areas.** This tool is distributed within the framework of the **"Nutresa Quiere a los Niños en Colombia" program,** and it promotes the embracement of healthy lifestyles such as a balanced diet, physical activity, key hygiene practices and sharing as a family.

Saciar Foundation, one of the food banks in Medellín, benefits the population of scarce resources with Grupo Nutresa products delivery.

Progress achieved in 2016

GRI 103-3

Grupo Nutresa continues to promote projects focused on the eradication of hunger and on the generation of nourishment opportunities for the low-income populations from the communities where it operates.

Strategy for reducing waste through food banks

The gap-closing process with the food banks significantly progressed: the Organization permanently supported 18 of them in Colombia and 6 in the strategic region, 19 of which fulfilled the actions of the improvement plan. Therefore, these banks are recognized as organizations that watch over the safety of products and have a self-sustainable character. Moreover, 928 tons of food products were delivered to 16 food banks in Colombia, Costa Rica, Mexico, Ecuador, Peru, Dominican Republic, United States and Chile, benefiting more than 5.998 people.

The food delivery to the Colombian Food Bank Association is supplemented with the reinforcement of the administrative management of these organizations.

Results of the Hygienic-Sanitary profiles of the food banks in both Colombia and the strategic region

COUNTRY	BANK	2015 RESULT	2016 RESULT
Colombia	Barranquilla	88%	**85%**
	Bogotá	79%	**98%**
	Bucaramanga	74%	**78%**
	Cali	99%	**100%**
	Cartagena	90%	**91%**
	Cartago	95%	**91%**
	Cúcuta	80%	**97%**
	Ibagué	87%	**98%**
	Manizales	94%	**99%**
	Medellín/Food bank	85%	**87%**
	Medellín/Saciar	85%	**94%**
	Montería	79%	**82%**
	Neiva	75%	**90%**
	Pasto	89%	**92%**
	Pereira	89%	**88%**
	Santa Marta	81%	**83%**
	Sincelejo	72%	**99%**
	Villavicencio	79%	**97%**
Ecuador	Quito	47%	**63%**
	Guayaquil	NA	**67%**
Mexico	Mexico City	On follow-up	**68%**
Costa Rica	San José	On follow-up	**46%**
Peru	Lima	On follow-up	**NA**
Chile	Santiago de Chile	On follow-up	**57%**

The delivery of products to base-level communities through the food banks avoids the disposal of 928 tons of products.

Grupo Nutresa supplements the nourishment of kids and youngsters in the school meals program of the Colombian government.

Reinforcement of the food banks

In pursuit of developing the capabilities of the communities benefited by the food banks, two innovative projects were carried out:

The pedagogic program with a food supplement, which is the result of the alliance among Fundación Nutresa, Alquería and the Bogotá Food Bank. This program allowed the implementation of an educational plan for the development of capabilities related to food security and nourishment for 75 kids of ages two to five from the base-level communities in the Suba district of Bogotá.

In order to measure the impact of this program, effect and management indicators were designed based on the kids' growth according to the age groups, selecting the weight indicator for children younger under five years old according to their age and height and, in the case of kids five years old and older, according to the body mass index.

928

tons of food were given in 2016.

Urban agriculture project with the Villavicencio Food Bank, which has the purpose of supporting 50 low-income families whose nutritional conditions have deteriorated after moving from rural areas to the city and who don't have the possibility to have access to the necessary elements for nourishing their family.

The Food Banks work under good manufacturing practice standards due to the support and training provided by Grupo Nutresa.

Kankawarwa feed system, Sierra Nevada de Santa Marta.

GERMINAR rural and urban feed systems

GERMINAR contributes to food security by facilitating the access to tools for the production of food and strengthening the capabilities related to eating habits, nourishment and healthy lifestyles of the families and communities, which end up being empowered to improve their quality of life.

This strategy develops capabilities among farmers with regard to productive, environmental, social and alliance-creation processes. This allows to develop family vegetable gardens which include food products that favor the biological exploitation of nutrients by means of a nutritious, healthy and ecologically sustainable production.

In 2016, seven vegetable gardens were implemented in the Montes de María and Sierra Nevada de Santa Marta regions in Colombia, and the Organization expects to broaden these systems in 2017 in order to complete 5.000 m^2 of land used for the local production of food. Furthermore, through a joint work with ASEBIOL (a consulting firm focused on environmental and microbiological quality control), training sessions were organized with the purpose of promoting healthy habits that guarantee an optimal consumption of food and potable water.

In the Sierra Nevada de Santa Marta, GERMINAR promotes a self-sustainable sowing system that minimizes the barriers that hinder the access to products which are rich in nutrients, and supplement the traditional diet of the Kankawarwa, Umake, Windiwa, Syngune and Kantinurwa Arhuaco communities.

The teachers of the educational institution from the indigenous community are in charge of working the vegetable gardens and advising the production, while the young leaders learn the entire process and spread the knowledge in their communities of origin. Thus, a process of exchange of knowledge on seed management and food production is developed, enabling the communities to sow, consume and learn the advantages of a healthy diet based on the local production.

Grupo Nutresa is permanently working on the **design of strategies that contribute to the eradication of hunger,** a better nourishment, and the production of food by means of community gardens.

REDUCING THE ENVIRONMENTAL IMPACT OF THE OPERATIONS AND PRODUCTS

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

nutresa

A FUTURE TOGETHER

WATER RESOURCE MANAGEMENT

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Optimizing water consumption.	» In Colombia, the Organization developed several projects that allowed achieving a reduction of 4,83% in the consumption of water per ton produced in comparison to 2015, and an accrued reduction of 25,8% since 2010. » In the cases of Mexico, Costa Rica, Peru and Chile, a 7,4% reduction was achieved with regard to 2015. » Water-current recovery processes were optimized in Colombia, achieving a reuse level of 10,87%, which is equivalent to 149.286 m^3.
Reducing the impact on the water resources by means of the adequate management of water disposals.	» The Cold Cuts, Ice Cream and Chocolates Businesses worked on the establishment and optimization of their wastewater treatment plants, investing a total of COP 5,7 billion.
Managing the water resources in the value chain.	» The Organization worked jointly with the World Wildlife Fund and with the Cuenca Verde water fund on water protection activities and on the reduction of the impacts across the entire supply chain. » 382 contractors and suppliers were evaluated to verify aspects related to the sustainability of the water resources, among other environmental matters.
Knowing and assessing the water-related risks in the operations.	» Grupo Nutresa assessed the water-related risks with regard to its operations in Colombia, Mexico, Costa Rica, Peru and Chile. The assessment covered the biophysical, regulatory and reputational risks.
Consolidating the model for establishing the real price of water.	» The Organization implemented the model for assessing the hydrological eco-efficiency initiatives, which will be applied to the financial assessment of projects.

Risks and opportunities GRI 103-1

Employees Colcafé, Medellín.

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

Within the management framework, the water-related risk assessment model consolidated by Grupo Nutresa in 2016 included biophysical, regulatory and reputational aspects.

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

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

Outlook

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

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

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

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

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

Success stories and acknowledgments GRI 103-3

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

Goal for 2020: Reducing by

30%

the water consumption per Ton.

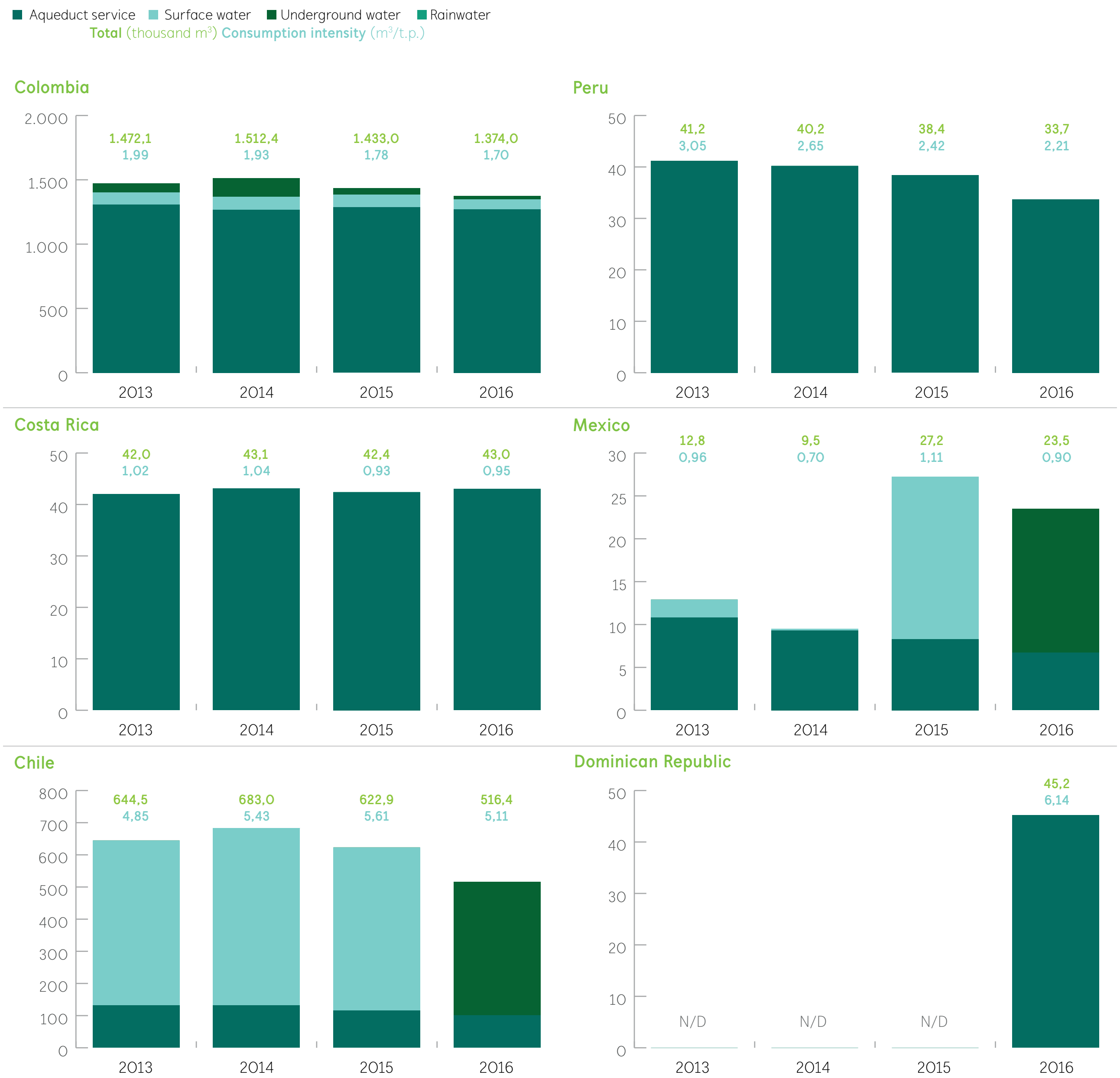
Progress achieved in 2016 GRI 103-3

Optimization initiatives

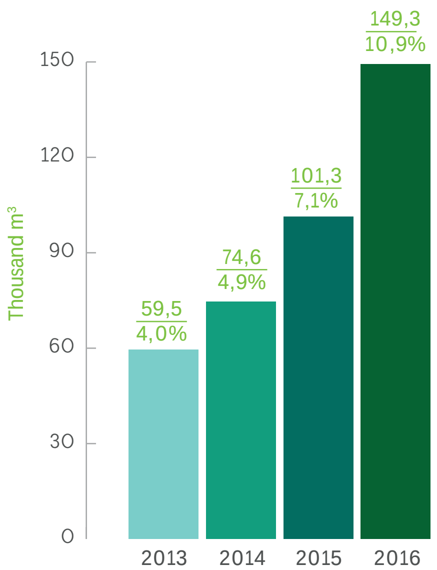
The Cold Cuts Business, in its production plants in Medellín, Bogotá, Barranquilla and Caloto, saved 38.000 m^3 due to the optimization of the cans sterilization process by recirculating the water from the cooling system and optimizing the water consumption in the thermal processes.

Furthermore, the Chocolates Business in Peru and the Coffee in Medellín saved 1.900 m^3 in the lubrication of pumps and drag chains in the productive processes. The Coffee Business production plant in Ibagué saved 3.400 m^3 through the reuse of water in soluble coffee extraction processes and the backwash of smoothing filters. In the Chocolates Business in Rionegro, 6.741 m^3 were saved by recovering steam condensation from the gas cauldrons.

Total water catchment according to the source GRI 303-1 [ODS 6]



Percentage and total volume of water recycled and reused GRI 303-3 [ODS 6] [ODS 8] [ODS 10]

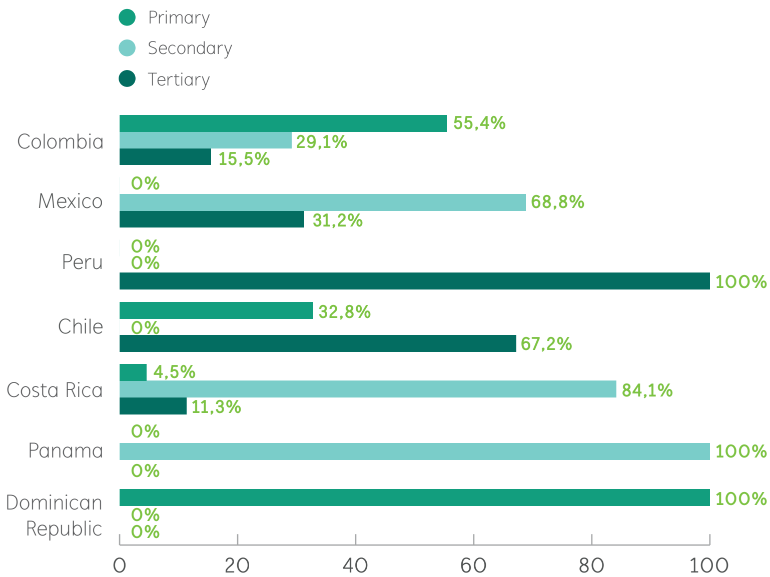


Autoclave water recirculation project, Cold Cuts Business.

Water disposal management and sanitation

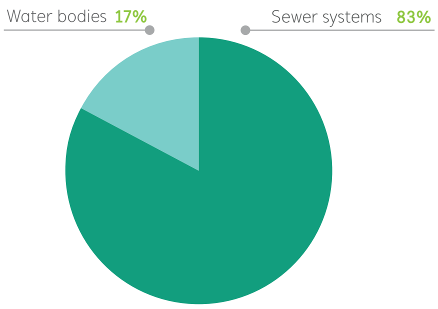
Among the main achievements in 2016, one that stands out is the compliance with the water disposal regulations that recently came into effect in Colombia. Significant investments were made in several production plants of the Cold Cuts, Coffee and Chocolates Businesses with the aim of ensuring the compliance with the water disposal parameters established in the regulations. Said investments totaled COP 5,7 billion. In the Cold Cuts Business, the treatment plants in Envigado, Barranquilla, Rionegro, Medellín, Caloto and Panama carried out the engineering and civil works stages in 2016 in order to complete the establishment of the treatment units in 2017. The Ice Cream Business production plant in Manizales is undergoing a revamping process with the incorporation of an anaerobic biological treatment unit.

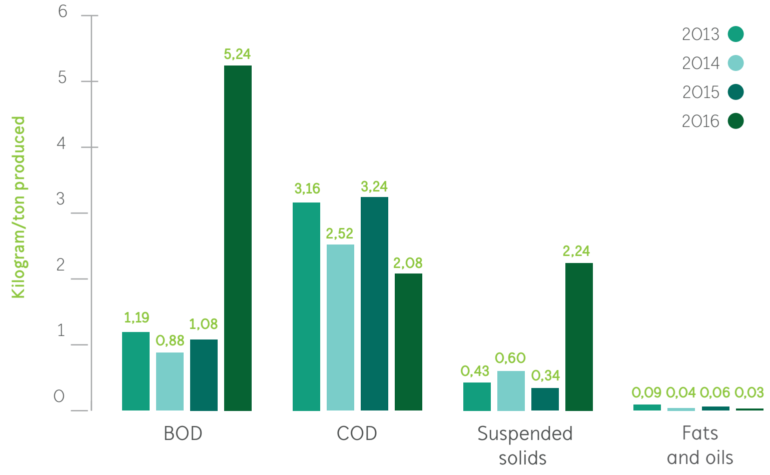
Type of disposal water treatment GRI 306-1 [ODS 3] [ODS 6] [ODS 12] [ODS 14]



Destination and quality of the disposal water

GRI 306-1 [ODS 3] [ODS 6] [ODS 12] [ODS 14]





Model for assessing water-related risks and the real price of water

Grupo Nutresa proactively works both on reducing water consumption and on identifying water-related risks in its production plants in Colombia, Mexico, Costa Rica, Peru and Chile. Thus, the Organization has consolidated a model for assessing water-related risks and another one for establishing the real price of water.

These models are articulated with the corporate operation framework and with the fulfillment of the United Nations Sustainable Development Goals. The fact of assessing the water-related risks of the production plants provides information that supports the decision-making process to reduce such risks. Consequently, estimating the real price of water allows to value a better and more accurate financial return of the initiatives related to water use efficiency, and to mobilize and boost the technological or social investments.

As part of its water resource management, Grupo Nutresa developed the **model for assessing water-related risks and the real price of water.**

In 2016, Grupo Nutresa conducted a process to identify and value the water-related risks, which were classified as biophysical, regulatory-related and reputational. The process of assessing such risks allowed to estimate a numerical value that is established as a risk factor, which is specific for each production plant, includes the water-related risk externalities and is considered as a key aspect to determine the real price of this natural resource.

The real price of water should include, in addition to the materials, energy and manpower necessary for its collection, treatment and supply to homes and industries, those aspects related to the natural capital concept and the sustainability of the ecosystems that provide us with this precious resource.

The detailed explanation of the water resource management is published in the report prepared for the CEO Water Mandate, which is titled "2015-2016 Progress Report" (https://www.gruponutresa.com/wp-content/uploads/2016/10/ceo-water-mandate-comunicacion-en-progeso-2015-16-grupo-nutresa.pdf).

It is also worth highlighting the exercise performed in both 2015 and 2016, through which the Organization created a materiality matrix intended to establish the relevant matters for its stakeholders with regard to water resources. This matrix helps in the decision-making process and frames the water management for the coming years.

Waste water treatment plant, Compañía Nacional de Chocolates, Rionegro.

Disclosure of policies and practices to stakeholders

Grupo Nutresa considera que las políticas permiten establecer un compromiso y definir una línea de acción hacia la sostenibilidad de los recursos naturales. Dicho compromiso se extiende, además, a los grupos relacionados y por esto hace pública su política de recurso hídrico y sus compromisos hacia la sostenibilidad del mismo en la cadena de valor, a través de alianzas estratégicas con Cuenca Verde y WWF.

Links of interest:
http://informe2013.gruponutresa.com/desarrollo-sostenible/sostenibilidad-ambiental/politica-recurso-de-hidrico/
https://www.gruponutresa.com/noticias/gruponutresa-socio-fundador-de-el-fondo-de-aguacuenca-verde-en-el-valle-de-aburra/

Water resource management in the value chain

It is worth highlighting the results of the coffee processing project that was developed jointly by the Andes Coffee Growers Cooperative and the Coffee Business. This processing central plant reduces water consumption and improves the quality of the disposal water. Water consumption has been reduced by 90% in the coffee pulp-removal, washing and drying processes, going from approximately 35 liters to only 4 liters per kilogram of dry coffee.

The waste water treatment plant includes a physical removal system that removes the solids and an aerobic biological process that ensures the compliance with the parameters demanded by the regulatory resolution 631 of 2015. The coffee drying process must be performed through thermal drying (by using mechanical dryers known as guardiolas), which uses hot air obtained from the combustion of coffee hull (residue from milling the dry coffee beans), which guarantees the use of clean energies.

In addition to the foregoing, coffee growers perceive a better coffee bean price as they are paid an additional quality premium when their product meets the standards for being used for the Matiz coffee brand.

ENERGY

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Reducing the energy intensity of the operations.	» The Organization achieved an accumulated reduction of 17,1% in energy consumption –kWh/t.p.– (thermal energy from non-renewable sources and electric power) for the 2010-2016 term in Colombia. » The energy efficiency (kWh/t.p.) decreased 0,8% in comparison to 2015 due to climate phenomena and problems in the hydraulic and thermal power generation infrastructure in Colombia.
Reducing the use of electric power in the operations.	» The electric energy consumption indicator (kWh/t.p.) decreased 1,1% with respect to 2015 and, for the 2010-2016 term, the accumulated reduction was 10,4%.
Reducing the use of thermal energy from non-renewable sources in the operations.	» The usage indicator for thermal energy from non-renewable sources (fossil fuels) (kWh/t.p.) increased 1,7% in relation to 2015. » For the 2010-2016 term, the decrease in the indicator for thermal energy from non-renewable sources (kWh/t.p.) was 20,0%.
Increasing the use of renewable energy sources.	» The use of cleaner energies (natural gas, electric power and biomass) was maintained close to 99,0% of the energy consumption. » Energy generation through biomass in the operations in Colombia, Chile, Mexico and Costa Rica represented 23,1% of the total energy consumption, with a growth of 36,2% in comparison to the past year. » The Organization started a project that consists in using renewable energy in the most important operation of the Chocolates Business in Colombia by means of solar panels, which represents approximately 4,7% of its energy supply and reduces its electric energy consumption by 17%.

Risks and opportunities GRI 103-1

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

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

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

In 2016, several climate phenomena and fuel price variability occurred, causing risk situations related to the energy supply and the shortage of electric power. These situations drove the Organization to look for other negotiation alternatives for the purchase of electric power produced exclusively from renewable sources like hydropower and wind power.

Outlook

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

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

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

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

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

Success stories and acknowledgments GRI 103-3

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

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

Progress achieved in 2016 GRI 103-3

Reducing the energy intensity in the operations

Grupo Nutresa achieved an accumulated 17,1% reduction in the indicator for the consumption of energy (from non-renewable thermal sources and electric power purchased from the Colombian distribution network) in the 2010-2016 term. The indicator showed a 0,8% increase in comparison to 2015 due to the fact that the climate phenomena in Colombia affected the production of hydraulic energy. Additionally, multiple availability failures occurred in several power generation plants and in the natural gas supply for the production of thermal energy and the provision to the industrial sector.

To reduce the risk of electric power rationing in Colombia, the Colombian government led an awareness-raising campaign for the citizens to take responsibility for rationally using and saving water and electricity. The campaign was widely supported by the industrial sector through the ANDI (Colombian Industrialists Association), and Grupo Nutresa's Colombia-based companies contributed to the cause with their full commitment and internal communication of related information.

As a measure for avoiding an electric power rationing, the Colombian industrial sector self-generated electric power by using the emergency plants at the production centers. Thus, the demand for energy from the network was reduced, but the consumption of liquid fuel (diesel) increased by 21,9%.

Total energy consumption GRI 302-1, GRI 302-3 [ODS 7] [ODS 8] [ODS 12] [ODS 13]

Reducing the use of electric power in the operations GRI 302-4

The specific electric energy consumption indicator (kWh/t.p.) decreased 1,1% with respect to 2015 and, for the 2010-2016 term, the accumulated reduction was 10,4%. The performance of this indicator is related to the implementation of technological overhauling projects, the use of LED lighting, the application of good operating practices and the conduction of energy audits. It is worth highlighting the good practices of the Cold Cuts Business in the optimization of the use of the cold generation systems and the smokehouses, which allowed to save 414.076 kWh and to obtain a significant improvement in its energy consumption indicators with a minimum investment (COP 14,4 million).

The use of cleaner energies was maintained at a level higher than 99% of the energy offer.

Reducing the use of thermal energy from non-renewable sources in the operations

The specific indicator for the consumption of thermal energy (kWh/t.p.) from non-renewable sources increased 1,7% in relation to 2015 due to the self-generation measures and the operating difficulties in some Businesses. For the 2010-2016 term, the accumulated decrease in the indicator for thermal energy consumption was 20%. It is also worth highlighting the effort that the Businesses have been making with regard to the technological update of the processes that involve the use of fossil fuels, as it is the case of the Coffee Business, which continues to work on the technological update of the roasting process at its production plants in Medellín, Bogotá and Ibagué. With this technological overhaul, the Organization has achieved a natural gas consumption reduction that totals more than 8.036 m^3/year, which are equivalent to 780.058 kWh. Similarly, the Chocolates Business took advantage of the flash steam from its cauldrons and installed economizers that utilize the temperature of the combustion gases. This solution represented an energy saving equivalent to 1.4 GWh over the year.

Photovoltaic solar panels, Colcafé Medellín.

Increasing the use of renewable energy sources

The energy consumption of Grupo Nutresa's industrial plants in Colombia totaled 575,9 GWh and it mainly comprised the use of natural gas (56,1%), electric power (27,5%), and biomass and renewable energies (15,4%). The use of biomass in the Coffee Business is a management action that stands out because it increased 17,6% with respect to 2015. The use of traditional fuels (which include diesel, coal, heavy crude oils and liquefied petroleum gas) represented 1,0% of Grupo Nutresa's total energy usage, exhibiting a 49% reduction in relation to the past year.

The energy consumption of Grupo Nutresa's industrial plants in Costa Rica, Chile, Mexico, Peru and the Dominican Republic totaled 257,4 GWh, and it mainly comprised the use of biomass (39,7%), electric power (24,3%), natural gas (22%), and solid and liquid fossil fuels (14%).

In Chile, Tresmontes Lucchetti uses biomass made of coffee grounds, tea dust, wheat husk and wood chips to generate steam in its industrial processes. This biomass represents 55,9% of the energy usage of the production plants in Chile and Mexico. In Costa Rica, the Chocolates Business production plant has a new biomass-powered cauldron that uses wood pellets and generates 53,6% of the thermal energy consumed by this plant.

Green energy supply negotiation

Grupo Nutresa reached an agreement in the negotiation of the electric power supply for all its industrial plants and commercialization and distribution facilities in Colombia. Electric power is supplied under a long-term contract which ensures that 30% of the supply comes from green energy stations, such as small hydroelectric power stations, run-of-the-river hydroelectric power stations and wind farms. To guarantee the sustainable supply of this energy, said contract includes 532.800 RECs (renewable energy certificates), each one of which is equivalent to 1 MWh generated without CO_2 emissions.

The electric power consumed in Colombia in 2016 totaled 158.2 GWh, which produced the emission of 34.918 tons of CO_2eq. The emission factor of the national electrical grid (which consists of hydraulic and thermal energy) was 0,221 tons of CO_2eq/ per 1 MWh. Thus, Grupo Nutresa anticipates that, in 2017, the green energy supply will prevent the emission of more than 34.000 tons of CO_2eq.

CLIMATE CHANGE

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Reducing the emission of greenhouse gases.	» A reduction of 5,5% was achieved, with which an accrued decrease of 21% was totaled for the 2010-2016 term.
Ensuring the use of cleaner fuels in all the operations and venture into the use of green or renewable energy sources.	» The Organization will continue to use biomass, which represents 23,1% of the energy offer in Colombia, Costa Rica, Mexico, Peru and Chile, which is equivalent to neutral carbon emissions that amount to 64.077 tons of CO_2eq.
Mitigating the impact of the products on the climate during their entire life cycle.	» Progress was made in the update of the measurement and certification of the carbon footprint for several products from the Tosh brand. » The "Carbon Neutral" certification of Tresmontes Lucchetti's line of products Livean and Zuko was maintained in Chile, as well as the renewal of its neutralization.
Consolidating the model for establishing the price of carbon to incorporate it into the project assessments in terms of eco-efficiency and greenhouse gases.	» The Organization defined the methodology for calculating the price of carbon, determining it is COP 18.000/ton of CO_2eq, in order to apply it in the financial valuation of the environmental investments.

Risks and opportunities

GRI 103-1

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

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

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

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

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

Yariguíes plantation. Santander, Colombia.

Outlook

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

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

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

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

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

Success stories and acknowledgments GRI 103-3

In the **Ice Cream Business**, an aspect worth highlighting is the progressive replacement of commercial refrigeration equipment that use R134a refrigerants with environmentally friendly equipment that use R290 refrigerants. This action has allowed an emission reduction of 861 tons of CO_2eq/year (Scope 3).

Another milestone worth highlighting, in the case of the **Chocolates Business** in Costa Rica, is the replacement of a cauldron that uses fossil fuels with a state-of-the-art cauldron that uses biomass as fuel (wood pellets from sawmill waste that is considered to produce neutral emissions). This action allowed to achieve a reduction of 300 tons of CO_2eq/year.

Goal for 2020: reducing by

33% CO_2 eq/per Ton.

Progress achieved in 2016 GRI 103-3

Grupo Nutresa considers climate change to be a material topic and a strategic priority to manage, which is why it focuses its efforts on the search for a greater energy efficiency and on the use of cleaner technologies that enable the reduction and compensation of the greenhouse gases in its productive processes.

Climate Change Policy

In 2016, the Organization defined a Climate Change Policy with the objective of establishing corporate conduct guidelines regarding climate change management, which includes the following aspects:

1. **Climate change governance:** assigning the responsibility of the management at different organizational levels.
2. **Risk quantification:** identifying and assessing the risks imposed by climate change on the Organization.
3. **Measurement:** measuring the direct and indirect impacts caused throughout the life cycle of the operations, products and services.
4. **Mitigation:** establishing greenhouse gas emission reduction goals and developing mitigation programs that allow to achieve them.
5. **Adaptation:** starting up measures that alleviate the climate change risks with the purpose of reducing the impacts climate change causes on the direct operations and the sourcing processes.
6. **Reporting:** communicating to the stakeholders the activities undertaken to manage risks and opportunities related to climate change, considering the disclosure of greenhouse gas emissions, as well as the actions focused on mitigating and adapting to said risks.

For the 2010-2016 term, the Organization achieved an **accumulated reduction in the indicator for emissions of greenhouse gases scopes 1 and 2 of 21%.**

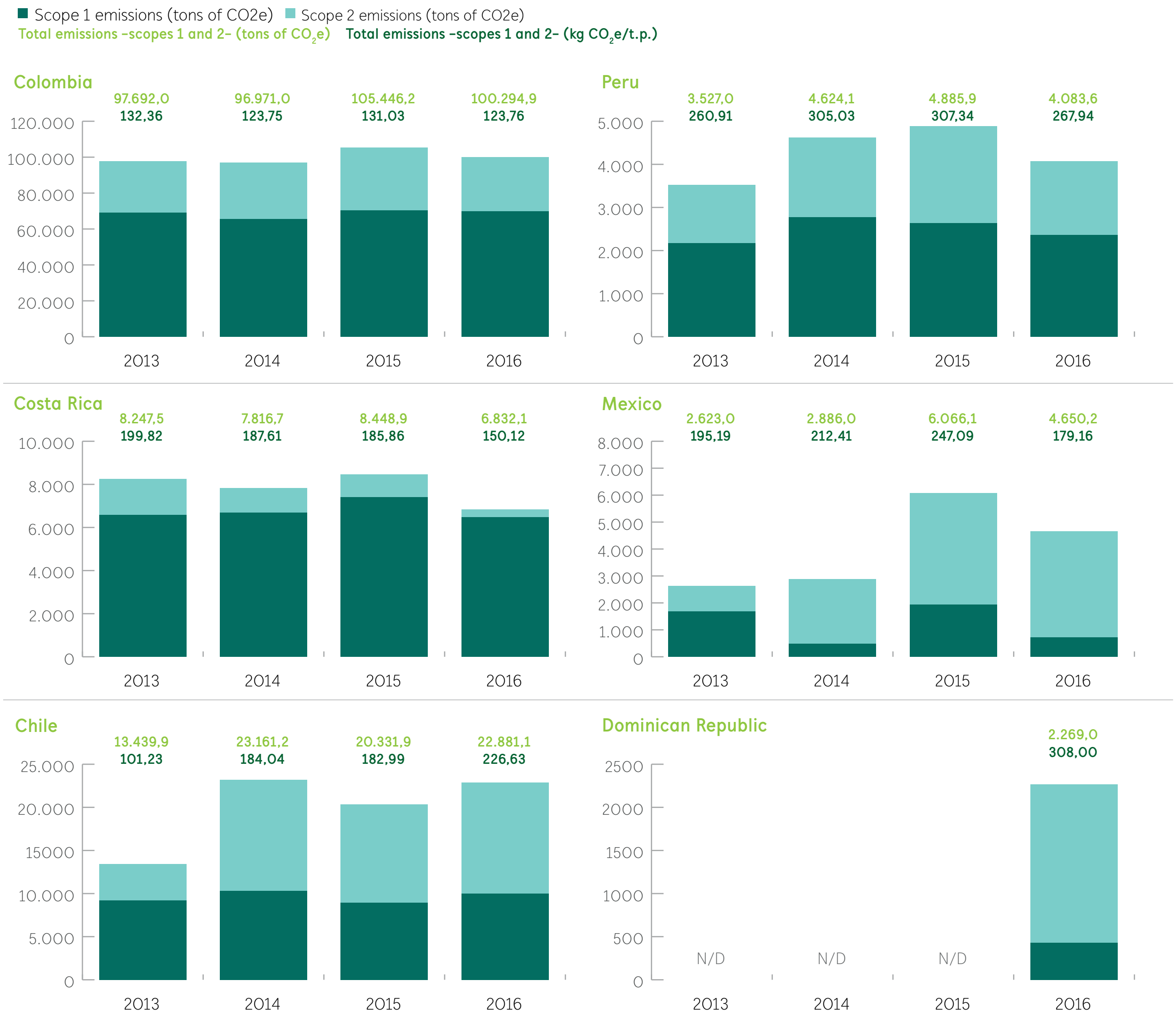
Emissions control system in the soluble coffee process, Colcafé Medellín.

Emission Reductions of greenhouse gases

In 2016, the Organization achieved a reduction in the emissions of GHG scopes 1 and 2 that totaled 937,8 tons of CO_2eq/year, which correspond to 0,9% of the total emissions in Colombia. This achievement was attained by means of the implementation of operational eco-efficiency improvements in all Businesses. In one of its production plants, the Chocolates Business carried out the recovery of condensation and the installation of economizers or heat exchangers to the cauldrons, as well as the redesign of the heating system of one of the tanks, allowing to achieve a reduction in emissions equivalent to 275,2 tons of CO_2eq/year. In the main Coffee Business operation, the roasting technology was changed and updated, reducing thus the emissions down to 154 tons of CO_2eq/year. Finally, in the Biscuits Business operation in Colombia, the traditional lighting was replaced with LED lighting and the conventional engines were replaced with high-efficiency electric engines, allowing to reduce the emissions by 9,8 tons of CO_2eq/year.

Direct and indirect emissions (scopes 1 and 2)

GRI 305-1, GRI 305-2, GRI 305-4 [ODS 3] [ODS 12] [ODS 13] [ODS 14] [ODS 15]



Carbon pricing

As part of the commitment to reduce GHG emissions, Grupo Nutresa determined that its internal price for carbon is COP 18.000/ton of CO_2eq. For the calculation of this internal price, the Organization considered factors such as the inventory of emissions, the cost of the compensations and purchases of green or alternative energies (if applicable), reference values of the carbon ton in international markets and of the carbon tax in the countries where it exists. This internal price is used for the financial assessments of the eco-efficiency projects with the purpose of recognizing the benefit at the moment of making investment decisions.

Compañía de Galletas Noel employee from the productive process department.

Employee incentives for reducing carbon emissions

The Organization continues to measure the management by means of indicators and motivating the good results through incentives for executive managers and employees who directly intervene in the management of initiatives related to climate change. These performance indicators are part of the variable compensation of the top-level positions of the executive management, operations managers, production managers, chiefs of maintenance and chiefs of environmental management.

Reduction of emissions of greenhouse gases
GRI 305-5 [ODS 13] [ODS 14] [ODS 15]

Net emissions reduction in tons of CO_2e	2015	2016
Thermal energy consumption reduction (scope 1)	68,8	**782,1**
Electric power consumption reduction (scope 2)	169,7	**155,7**

Financial consequences, diverse risks and opportunities for the Organization's activities due to the climate change GRI 201-2 [ODS 13]

Risks and effects of regulatory changes	In the corporate risk assessment exercise, Grupo Nutresa determined that climate change is a significantly important factor for the business, identifying short and medium-term scenarios for the creation of payments due to the GHG emission. In the long term, it anticipates that the product Environmental Footprint (PEF) labeling, based on the analysis of the life cycle, could be a legal impediment for coffee products, meat byproducts and pasta products.
Financial implications of the risks related to changes in the regulations before making decisions	Between COP 1,78 billion and COP 8,44 billion.
Estimated risk materialization time	5 to 7 years
Actions that have been taken or that will be taken to mitigate the risk	Check within this chapter the information related to: employee incentives for reducing carbon emissions, carbon price corporate model, innovation focused on a low-carbon development, and carbon footprint of products.
Risks and effects of changes in climate parameters	Due to the increasingly intense climate variations and the volatility of the oil prices, the Organization identified a risk in the volatility of the price of raw materials that could reduce the profitability.
Estimated materialization time of the risk	More than 6 years.
Actions that have been taken or that will be taken to mitigate the risk	Check within this chapter the information related to: innovation focused on a low-carbon development and carbon footprint of products.
Opportunities and effects derived from climate change	The awareness of consumers regarding the environmental impacts of the products is increasingly growing.
Estimated materialization time of the opportunities	1 to 5 years.
Actions that have been taken or that will be taken to take advantage of the opportunity	Check within this chapter the information related to: mitigation of the environmental impact of the products and services.

Innovation focused on a low-carbon development

The Innovative Success Stories program, which is part of the Imagix model (refer to the Effective Innovation chapter), and in which the Company's employees and suppliers can participate by suggesting improvements for the processes and products. The program also contemplates the acknowledgment of the ideas that are aimed at preventing, controlling and mitigating the environmental impacts, including the ones related to climate change.

Other indirect emissions of greenhouse gases (scope 3)

GRI 305-3 [ODS 3] [ODS 12] [ODS 13] [ODS 14] [ODS 15]

Content of the indicator	Air travels of the employees (tCO_2e)	Distribution (tCO_2e)	Total emissions of greenhouse gases -scope 3- (tCO_2e)
2016	2.970	55.293	58.263
2015	2.745	64.598	67.343

Carbon footprint of products

The Organization maintains the calculation of the carbon footprint for six product categories: biscuits, chocolates, hot dogs, coffee, ice creams and pasta (more than 300 product references). Furthermore, the Colombian Institute of Technical Standards and Certification (Icontec) performed the calculation and verification of the product carbon footprint to 64 TOSH biscuit product references, as well as the processes of the Coffee and Chocolates Businesses in Colombia. Additionally, the "Neutral Carbon" certification of Tresmontes Lucchetti's line of products Livean and Zuko was maintained in Chile, as well as the renewal of its neutralization.

Reforestation activity carried out by Nutresa Mexico employees.

PACKAGING AND POST-CONSUMPTION

Purpose

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

STRATEGY GRI 103-2	PROGRESS GRI 103-3
Consolidating the sustainable packaging policy by promoting the use of closed-cycle materials.	» 74% of the tons of packaging material purchased in 2016 corresponds to closed-cycle materials (corrugated cardboard, glass and tin).
Continuing to develop the strategy focused on the eco-design of wrappers and packaging in the operations.	» A reduction of 222 tons of packaging materials was achieved with the DTV methodology (design to create value), accumulating a total reduction of 707 tons over the past four years of implementation.
Reducing the consumption of packaging material per ton produced.	» A 5,4% decrease was achieved from 2010 to 2016, and optimization opportunities were identified in several material categories.
Designing and implementing a cycle-closing pilot plan for post-industrial flexible packaging materials.	» The Organization worked jointly with an ally that incorporates difficult-recyclability materials into the manufacturing process of furniture with plastic wood. Along with Fundación Nutresa, a plan was designed to supply said furniture to the public schools that are part of the Healthy Lifestyles program.
Evaluate alternatives for the management and closing of the life cycle of the post-consumption packaging materials.	» An innovative challenge was launched for Grupo Nutresa's employees with the purpose of finding cycle-closing alternatives for the post-consumption flexible packaging materials.

Risks and opportunities GRI 103-1

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

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

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

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

Outlook

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

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

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

Success stories and acknowledgments GRI 103-3

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

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

Compañía Nacional de Chocolates employees, Rionegro production plant.

Progress achieved in 2016

GRI 103-3

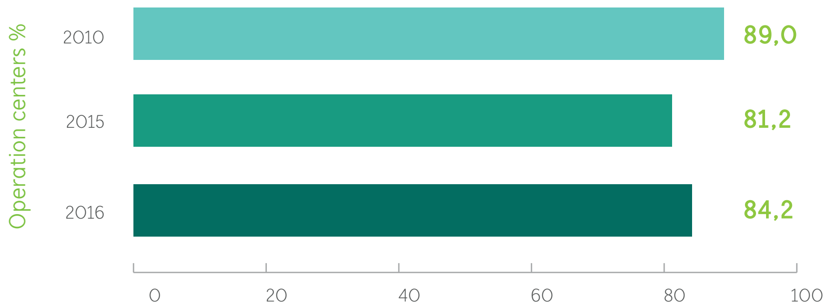
Grupo Nutresa's commitment to sustainable development, specifically regarding the use of packaging materials, is evidenced in its Sustainable Packaging policy and in its strategic goal for 2020 of reducing by 12% the consumption of packaging materials per ton produced.

To find out more about Grupo Nutresa's Sustainable Packaging policy, go to:
http://www.gruponutresa.com/sostenibilidad/sostenibilidad-ambiental/?lang=en

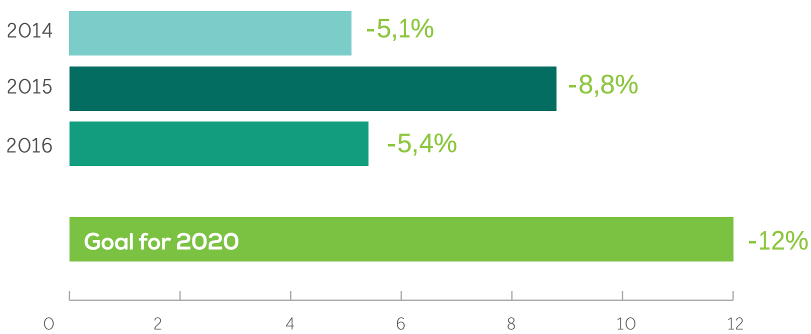
In order to monitor the compliance with the policy, the Organization keeps a close eye on the indicator of packaging-materials tons consumed per tons produced, which has had the following evolution over the past three years:

Litoempaques employee, Medellín.

Packaging materials consumption (kg/t.p.) GRI 301-1 [ODS 8] [ODS 12]



Reduction in the consumption of packaging materials with regard to the 2010 baseline (kg/t.p.)



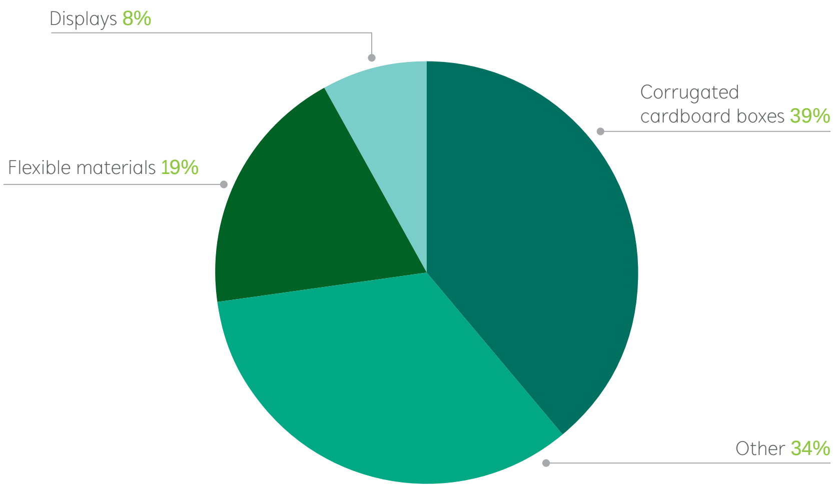
The Design-to-Value (DTV) methodology has been maintained in the product development process, which means that all the specifications of the packaging materials are evaluated based on the value they add to the consumer, eliminating or modifying those that are not positively valued. As a result, the Organization prevented the production of 222 tons of packaging material in 2016 thanks to the implementation of initiatives such as the reduction in the dimensions and thickness of the displays, flexible materials and corrugated cardboard boxes, additionally to the replacement of several materials with other materials that have a higher level of recyclability.

Moreover, Grupo Nutresa is pushing forward initiatives focused on decreasing the amount of flexible packaging materials that are discarded in the diverse operations due to their obsolescence. By collectively working with one of the main suppliers, the Organization has managed to adjust the printing systems to manufacture package batches more adjusted to the actual needs and, therefore, avoid generating waste of materials. Additionally, Grupo Nutresa has developed commercial relations with suppliers specialized in the manufacturing of minimum amounts in order to cover the growing need of increasingly segmented products.

Reduction of packaging materials in tons
Distribution according to categories and Businesses

Category	Total kilos
Flexible materials	41.366
Corrugated cardboard boxes	87.250
Displays	17.171
Other	76.031
TOTAL	**221.818**

Category	Total kilos
Biscuits	65.301
Cold Cuts	21.000
Chocolates	98.113
Pastas	20.837
TMLUC	16.567
TOTAL	**221.818**



3-in-1 package in TPM pilot line, Colcafé Medellín.

Despite the reduction in the amount of packaging materials as a result of implementing the DTV methodology, the indicator of consumption of kilograms of packaging material per ton produced presented a deterioration for the past year because it was highly affected by the changes in the production composition in the diverse operations. Therefore, an increase in the sales of products contained in glass and tin cans affect the relation between the amount of packaging materials per product. However, despite the fact that these materials are heavier, they can be fully reincorporated into the productive process, closing thus their life cycle.

The fulfillment of this indicator is increasingly challenging for Grupo Nutresa because the trend in the food industry is to offer increasingly smaller portions in order to meet the consumers' portability and convenience needs.

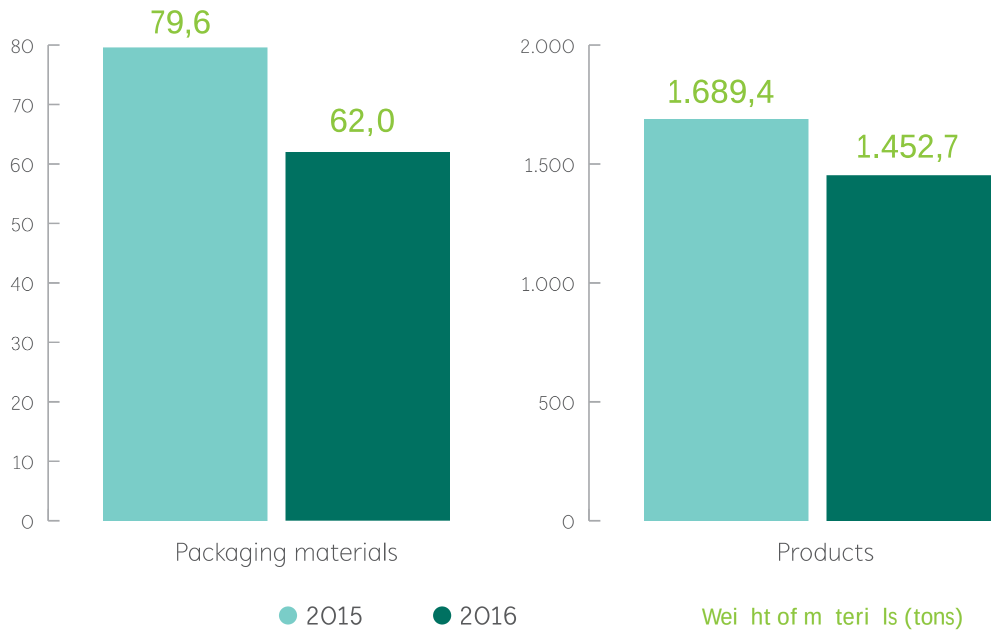
In 2016, the Organization worked through Fundación Nutresa with a supplier that manufactures furniture from difficult-recyclability materials with the aim of managing the post-industrial flexible packaging material waste to close its cycle. Grupo Nutresa conducted a diagnostic to the 20 education institutions covered by the Healthy Lifestyles program, identifying opportunities to use furniture manufactured with said material. In 2017, the implementation of the project will be started and the first stage will be developed in Antioquia.

In the same context, the Coffee Business has been working on a program called "Retoma, Disfruta y Recicla" (Retake, Enjoy and Recycle), which is aimed at closing the cycle of the waste generated by its latest innovation: "Cápsulas Express Nutresa" (Nutresa Express Coffee Capsules). This program highlights the brand's commitment to improve the environmental performance of its products.

Additionally, Grupo Nutresa continues to work on the search for environmentally and economically feasible alternatives to close the cycle of the flexible packaging material after product consumption under the leadership of the Packaging material Knowledge Node, which is a transverse initiative of the Organization. For such purpose, and as part of the open innovation strategy with third parties, Grupo Nutresa participated in the management session organized by Tecnnova, where this challenge was presented to multiple research centers.

Moreover, an open-participation challenge aimed at the employees was launched with the purpose of minimizing the consumption of packaging material of the products that are sent to the multiple commercial networks, identifying potential strategies such as: product availability changes to increase the number of units per corrugated box, the reuse of trays and profiles, and the design of generic boxes containing several product references.

Products and packaging materials recovered
GRI 301-3 [ODS 8] [ODS 12]



The Organization also works on the reuse of its resources to generate a lower environmental impact. That is the case of the initiative implemented by Helados Bon in the Dominican Republic, which consists in reusing the large plastic containers in which the ice cream is brought in to the shops.

727.673 large plastic containers were used in 2016, 590.645 of which were reused, achieving an approximate reuse rate of 80%. With the implementation of this initiative, the Organization avoided the disposal of 229 tons of plastic.

The strategy implemented by the Cold Cuts Business, which consists in replacing the corrugated cardboard with reusable plastic baskets to pack its finished product, was replicated in the Chocolates and Biscuits Businesses, preventing the purchase of 37.600 corrugated cardboard boxes per year, which are equivalent to 19 tons of packaging materials.

In alignment with the packaging policy, Grupo continues to favor the use of packaging materials made with supplies from certified forests and recycled and recyclable materials. That is why 74% of the packaging material tons purchased corresponds to recyclable materials. Additionally, the main strategic ally in the corrugated cardboard category uses material made with 100% recycled cellulose fiber for the manufacturing of boxes. Moreover, the Organization is permanently working with suppliers that have the Forest Stewardship Council (FSC) seal, which certifies that the origins of their raw materials are forest plantations. In the glass category, 54% of the supplies used by the supplier for the manufacturing of its products are recycled materials.

79,4% of the packaging cardboard and **54,0% of the glass for the containers and bottles** used by Grupo Nutresa **are made with recycled materials.**

GRI 301-2 [ODS 8] [ODS 12]

WASTE MANAGEMENT

Purpose

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

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

Risks and opportunities GRI 103-1

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

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

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

Outlook

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

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

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

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

Success stories and acknowledgments GRI 103-3

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

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

Goal for 2020:
90%
waste recovery

Meals de Colombia production employee, Bogotá production plant.

Progress achieved in 2016

GRI 103-3

Grupo Nutresa's solid waste management, which starts in the operating and administrative activities and ends with the final disposal, applies circular economy criteria that allow to close cycles and extend the service life of the materials.

Reduction in the generation of solid waste

The Chocolates Business optimized a package of the Chocolisto brand that exceeded the necessary dimensions and caused a paperboard waste higher than 15%. After an adjustment, the Business achieved a reduction of 21,5 tons of corrugated paper and paperboard per year. Additionally, the Organization achieved a reduction of the hazardous waste through separation at the source and the characterization of the ink cartridges for marking products, reducing this waste by 494 kg per year.

In Colombia, the Ice Cream Business implemented an initiative that is focused on improving the procedure for the recovery of ice cream in the event of an unforeseen stoppage in an ice pop production line. This solution allowed reducing the cream product consumption by 567,72 kg per year. Furthermore, in its production plant in Manizales, the Business implemented a model aimed at optimizing the sludge dehydration process at the waste water treatment plant, which allowed reducing the sludge production by 7,2 m^3/year.

Moreover, in the Ice Cream Business in the Dominican Republic, the Chocolates Business in Peru and the Cold Cuts Business in Panama, the Organization reinforced its waste management processes and defined performance and management indicators to implement strategies for the reduction, reuse and recovery of materials before the end of their life cycle.

Waste collection center, Colcafé Medellín.

Materials recovery and reuse alternatives

The waste generation indicator of the operations in Colombia is 24.8 kg/ton, which is duly managed to extend the service life of the materials and reduce the pressure on the landfills.

All Businesses have carried out actions to reduce waste generation in their production cycle. An important challenge in this sense is to achieve their implementation in the operations abroad to widen the scope and guarantee the control over the process.

An outstanding example is the reuse of 6.000 plastic bag units (which were previously taken directly to the final disposal stage) in the Ice Cream Business in the Dominican Republic as a supply for the disposal of other waste from the process. Additionally, the Ice Cream Business in Colombia carried out actions to recover kraft bags for the lab sampling process. Only in 2016, the Business managed to recover 153 kg of this material.

Moreover, the Coffee Business in Colombia, along with the supplier of laminated material, performed actions to recover and return the paperboard cores of the laminated material rolls, being able thus to close the cycle of the material and reduce waste generation. In 2016, the supplier managed to reuse 11.290 kg of paperboard. In addition, this Business reused laminated material generated as a waste from the manufacturing process of waste bins and achieved the recovery of 2.020 kg of said material.

Environmental culture regarding waste management

In 2016, the waste recovery indicator improved for the operations in Colombia, reaching a 90,1% rate. All Businesses implemented multiple strategies to strengthen the environmental culture and improve the separation at the source, the subsequent treatment and the final disposal.

The Pastas Business in Barranquilla implemented a campaign aimed at the employees to raise their awareness about the separation at the source, achieving a reduction of 5.336,9 kg of waste with regard to the previous year.

6,3%

Reduction in the total waste generation in 2016.

Involvement in the public agenda on waste management

Grupo Nutresa actively participated through the ANDI (Colombian Industrialists Association) in the diagnostic discussions and consultative processes related to the Solid Waste Management Policy in Colombia, at the same time it worked on getting prepared to comply with said policy and the regulations arising from it. The purpose of the foregoing is to minimize waste generation in the diverse processes of the Businesses, incorporate new treatment opportunities and identify waste valorization alternatives, such as energy generation, recycling and reuse of materials.

Management of the waste from the disaster in the Cold Cuts Business in Bogotá

In 2016, a fire occurred in the finished-product warehouse of the Cold Cuts Business in Bogotá, causing massive amounts of waste. In order to reduce the environmental impact, the Organization implemented a disaster response model and a waste evacuation plan to give it a correct disposal and thus avoid the proliferation of odors and pests, as well as the contamination of both water sources and the soil, protecting at the same time the reputation of the brand. Grupo Nutresa adequately treated and finally disposed 86 tons of organic waste and 1.264 more tons of other types of residues.

A sustainability-focused activity in the Cold Cuts Business.

FINANCIAL STATEMENTS

nutresa

A FUTURE TOGETHER

Consolidated financial statements

Statutory Auditor's Report

TO THE SHAREHOLDERS' OF GRUPO NUTRESA S. A.

February 27, 2017

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

Management's Responsibility on the Financial Statements

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

Auditor's Responsibility

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

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

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

TO THE SHAREHOLDERS' OF GRUPO NUTRESA S. A.

February 27, 2017

Opinion

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

Other Matters

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

Bibiana Moreno Vásquez
Statutory Auditor
Professional Card No. 167200-T
Member of PricewaterhouseCoopers Ltda.

Certification of the Financial Statements

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

CERTIFY:

24 of February of 2017

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

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

1. The assets and liabilities, are stated and the recorded transactions, have been recorded, during said years.

2. All realized economic transactions, have been recognized.

3. The assets represent rights, and liabilities represent obligations, obtained or under the responsibility of the Companies.

4. All elements have been recognized, in the appropriate amounts, and in accordance with the accounting principles, generally accepted.

5. The economic transactions, that impact the Companies, have been correctly classified, described, and disclosed.

6. The Financial Statements and Notes, do not contain misstatements, errors, differences or material inaccuracies, which could impact the financial position, equity, and operations of the Companies. Similarly, appropriate procedures, reporting systems, and control of the financial information, have been established, to insure accurate reporting to third–party users, of such.

CIGP.

Carlos Ignacio Gallego Palacio
President

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

Certification of the Financial Statements Law 964 of 2005

Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellín

THE UNDERSIGNED LEGAL REPRESENTATIVE OF GRUPO NUTRESA S.A.

CERTIFIES:

24 of February of 2017

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

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

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

CIGP.

Carlos Ignacio Gallego Palacio
President

Statement of Financial Position

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

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

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

Carlos Ignacio Gallego Palacio
President
(See attached certification)

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

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

Comprehensive Income Statement – Accumulated

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

	Notas		2016		2015
CONTINUING OPERATIONS					
Operating revenue	6	$	**8.676.640**	$	**7.945.417**
Cost of goods sold	30		(4.966.031)		(4.507.166)
Gross profit		$	**3.710.609**	$	**3.438.251**
Administrative expenses	30		(401.100)		(371.810)
Sales expenses	30		(2.384.866)		(2.144.502)
Production expenses	30		(147.694)		(137.446)
Exchange differences on operating assets and liabilities	33.2		15.873		2.619
Other operating income (expenses), net	31		22.149		(4.427)
Operating profit		$	**814.971**	$	**782.685**
Financial income	32.1		10.982		9.828
Financial expenses	32.2		(324.637)		(234.896)
Portfolio dividends	20		50.545		47.016
Exchange differences on non-operating assets and liabilities	33.2		(8.642)		27.181
Loss on net monetary position	29		(32.946)		(32.160)
Share of profit of associates and joint ventures	19		6.103		4.928
Other expenses, net			28.492		(288)
Income before tax and non-controlling interest		$	**544.868**	$	**604.294**
Current income tax	18.3		(172.866)		(183.561)
Deferred income tax	18.3		29.533		16.421
Profit after taxes from continuous operations		$	**401.535**	$	**437.154**
Discontinued operations, after income tax	34		(1.844)		(6.335)
Net profit for the year		$	**399.691**	$	**430.819**
Profit for the period attributable to:					
Controlling interest		$	395.734	$	428.152
Non-controlling interest	27.4		3.957		2.667
Net profit for the year		$	**399.691**	$	**430.819**
Earnings per share (*)					
Basic, attributable to controlling interest (in Colombian Pesos)	35		860,06		930,77
(*) Calculated on 460.123.458 shares, which have not been modified during the period, covered by these Financial Statements.					
OTHER COMPREHENSIVE INCOME					
Items that are not subsequently reclassified to profit and loss:					
Actuarial gains on defined benefit plans	28.1	$	(17.390)	$	6.727
Equity investments measured at fair value	28.2		395.023		(599.282)
Income tax from items that will not be reclassified	28.1-28.2		5.119		2.791
Total items that are not subsequently reclassified to profit and loss		$	**382.752**	$	**(589.764)**
Items that are or may be subsequently reclassified to profit and loss:					
Share of other comprehensive income of associate and joint ventures	28.3		(3.414)		5.939
Exchange differences on translation of foreign operations	28.4		(202.497)		352.864
Deferred income tax from items that will be reclassified	28.3		176		-
Total items that are or may be subsequently reclassified to profit and loss:		$	**(205.735)**	$	**358.803**
Other comprehensive income, net taxes		$	**177.017**	$	**(230.961)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$	**576.708**	$	**199.858**
Total comprehensive income attributable to:					
Controlling interest		$	572.828	$	195.269
Non-controlling interest			3.880		4.589
TOTAL COMPREHENSIVE INCOME		$	**576.708**	$	**199.858**

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

Carlos Ignacio Gallego Palacio
President
(See attached certification)

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Change in Equity Statement

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

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

The notes are an integral part of the Consolidated Financial Statements

CIGP

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Jaime León Montoya Vásquez
General Accountant
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(See attached auditor's report)

Cash-flows Statement

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

		2016		2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Collection from sales of goods and services	$	8.630.392	$	7.788.191
Payments to suppliers for goods and services		(6.198.605)		(5.640.140)
Payments to and on behalf of employees		(1.429.959)		(1.290.701)
Income taxes and tax on wealth, paid		(221.788)		(222.143)
Other cash inflows/outflows		27.897		(19.669)
Net cash flows from operating activities	**$**	**807.937**	**$**	**615.538**
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Payments to third parties for control of subsidiaries		-		(743.401)
Cash and cash equivalents from acquisitions		-		6.353
Decrease of cash and cash equivalents from classification of investments in subsidiaries to financial instruments		(3.179)		-
Purchases of equity of associates and joint ventures		(36.583)		(14.831)
Sales of property, plant and equipment		41.004		9.309
Purchases of property, plant and equipment and assets held for sales		(403.062)		(399.387)
Purchase of intangible assets (Note 17)		(8.108)		(11.208)
Dividends received		49.661		46.142
Interest received		7.221		7.437
Other cash inflows		28.751		19.489
Net cash flows used in investment activities	**$**	**(324.295)**	**$**	**(1.080.097)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans		25.391		738.986
Dividends paid (Note 27.3)		(224.805)		(208.480)
Interest paid		(276.981)		(197.100)
Other financial expenses		(32.409)		(27.487)
Other cash inflows		15.729		12.133
Net cash flows (used in) from financing activities	**$**	**(493.075)**	**$**	**318.052**
DECREASE IN CASH AND CASH EQUIVALENT FROM OPERATIONS	**$**	**(9.433)**	**$**	**(146.507)**
Net foreign exchange differences		(57.309)		40.708
Decrease cash and cash equivalents, net		**(66.742)**		**(105.799)**
Cash and cash equivalents at the beginning of the period		286.064		391.863
Cash and cash equivalents at the end of the period	**$**	**219.322**	**$**	**286.064**

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

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Jaime León Montoya Vásquez
General Accountant
Professional Card No. 45056-T
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Bibiana Moreno Vásquez
Statutory Auditor
Professional Card No. 167200-T
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(See attached auditor's report)

A MESSAGE FROM THE MANAGEMENT AT GRUPO NUTRESA

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

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

The differentiation of our unique business model:

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

RESULTS 2016

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

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

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

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

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

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

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

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

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

Liabilities increased 1,8%, closing at COP 5.3 trillion, primarily due to the increase of working-capital liabilities, while maintaining the debt at an adequate level according to our moderate financial-risk profile.

Equity closed at COP 8.4 trillion, an increase of 5,4% over the close of 2015.

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

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

MANAGEMENT MONITORING INDICATORS

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

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

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

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

Table 1

MANAGEMENT OF CAPITAL

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

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

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

NOTES
FOR THE CONSOLIDATED **FINANCIAL STATEMENTS**

For the period between January 1st and December 31st of 2016 and 2015

(Values are expressed as millions of Colombian Pesos, except for the values in foreign currency, exchange rates, and number of shares.)

NOTE 1.
CORPORATE INFORMATION

1.1 ENTITY AND CORPORATE PURPOSE OF PARENT COMPANY AND SUBSIDIARIES

Grupo Nutresa S.A. and its subsidiaries, (hereinafter referred to as: Grupo Nutresa, the Company, the Group, or Nutresa), constitute an integrated and diversified food industry group, that operates mainly in Colombia and Latin America.

The Parent Company is Grupo Nutresa S.A., a corporation of Colombian nationality, incorporated on April 12, 1920, with its headquarters in the City of Medellin, Colombia; its terms expire on April 12, 2050. The Corporate Business Purpose consists of the investment or application of available resources, in organized enterprises, under any of the forms permitted by law, whether domestic or foreign, and aimed at the use of any legal economic activity, either tangible or intangible assets, with the purpose of safeguarding its capital.

Below is information of subsidiaries: name, main activity, Country of Incorporation, functional currency, and percentage of shares held by Grupo Nutresa:

Table 2

Entity	Main Activity	Functional Currency (1)	% Participation	
			2016	2015
Colombia				
Industria Colombiana de Café S.A.S.	Production of coffee and coffee related products	COP	100,00	100,00
Compañía Nacional de Chocolates S. A. S.	Production of chocolates, its derivatives, and related products	COP	100,00	100,00
Compañía de Galletas Noel S. A. S.	Production of biscuits, cereals, et al.	COP	100,00	100,00
Industria de Alimentos Zenú S. A. S.	Production and sales of meats and its derivatives	COP	100,00	100,00
Productos Alimenticios Doria S. A. S.	Production of pasta, flour, and cereals	COP	100,00	100,00
Molino Santa Marta S.A.S.	Milling of grains	COP	100,00	100,00
Alimentos Cárnicos S.A.S.	Production of meats and its derivatives	COP	100,00	100,00
Tropical Coffee Company S. A. S.	Assembly and production of coffee products	COP	100,00	100,00
Litoempaques S. A. S.	Production or manufacturing of packaging material	COP	100,00	100,00
Pastas Comarrico S. A. S.	Production of pasta, flour, and cereals	COP	100,00	100,00
Novaventa S.A.S.	Sales of foods and other items via direct sales channels	COP	100,00	100,00
La Recetta Soluciones Gastronómicas Integradas S.A.S.	Distribution of foods via institutional channels	COP	70,00	70,00
Meals Mercadeo de Alimentos de Colombia S.A.S.	Production and sales of ice cream, dairy beverages, et al.	COP	100,00	100,00
Servicios Nutresa S.A.S.	Provision of specialized business services	COP	100,00	100,00
Setas Colombianas S.A.	Processing and sales of mushrooms	COP	99,48	99,48
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	Provision of logistics services	COP	100,00	100,00
Gestión Cargo Zona Franca S.A.S.	Provision of logistics services	COP	100,00	100,00
Comercial Nutresa S.A.S.	Sales of food products	COP	100,00	100,00
Industrias Aliadas S.A.S.	Provision of services related to coffee	COP	100,00	100,00
Opperar Colombia S.A.S.	Provision of transportation services	COP	100,00	100,00
Fideicomiso Grupo Nutresa	Management of financial resources	COP	100,00	100,00
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	Investment in cocoa production	COP	83,41	83,41
IRCC Ltda.	Production of foods and operation of food establishments providing to the consumer	COP	100,00	100,00
LYC S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00	100,00
PJ COL S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00	100,00
Panero S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00	100,00
New Brands S.A.	Production of dairy and ice cream	COP	100,00	100,00
Schadel Ltda.	Production of foods and operation of food establishments providing to the consumer	COP	99,88	99,88
Tabelco S.A.S. (2)	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	-
Chile				
Tresmontes Lucchetti S.A.	Provision of specialized business services	CLP	100,00	100,00
Nutresa Chile S.A.	Management of financial and investment services	CLP	100,00	100,00
Tresmontes Lucchetti Agroindustrial S.A.	Agricultural and industrial production	CLP	100,00	100,00
Tresmontes Lucchetti Servicios S.A.	Management of financial and investment services	CLP	100,00	100,00
Tresmontes S.A.	Production and sales of foods	CLP	100,00	100,00
Inmobiliaria Tresmontes Lucchetti S.A.	Management of financial and investment services	CLP	100,00	100,00

Entity	Main Activity	Functional Currency [1]	% Participation 2016	2015
Lucchetti Chile S.A.	Production of pasta, flour, and cereals	CLP	100,00	100,00
Novaceites S.A.	Production and sales of vegetable oils	CLP	50,00	50,00
Inmobiliaria y Rentas Tresmontes Lucchetti	Management of financial and investment services	CLP	100,00	100,00
Costa Rica				
Compañía Nacional de Chocolates DCR, S.A.	Production of chocolates and its derivatives	CRC	100,00	100,00
Compañía de Galletas Pozuelo DCR S.A.	Production of biscuits, et al.	CRC	100,00	100,00
Cía. Americana de Helados S.A.	Production and sales of ice cream	CRC	100,00	100,00
Servicios Nutresa CR S.A.	Specialized business services provider	CRC	100,00	100,00
Guatemala				
Comercial Pozuelo Guatemala S.A.	Distribution and sales of food products	QTZ	100,00	100,00
Heladera Guatemalteca S.A.	Production and sales of ice cream	QTZ	-	100,00
Distribuidora POPS S.A.	Sales of ice cream	QTZ	100,00	100,00
Nevada Guatemalteca S.A.	Property leasing services	QTZ	-	100,00
Guate-Pops S.A.	Personnel services	QTZ	-	100,00
Mexico				
Nutresa S.A. de C.V.	Production and sales of food products	MXN	100,00	100,00
Serer S.A. de C.V.	Personnel services	MXN	100,00	100,00
Comercializadora Tresmontes Lucchetti S.A. de C.V.	Sales of food products	MXN	100,00	100,00
Servicios Tresmontes Lucchetti S.A. de C.V.	Specialized business services provider	MXN	100,00	100,00
Tresmontes Lucchetti Mexico S.A. de C.V.	Production and sales of foods	MXN	100,00	100,00
TMLUC Servicios Industriales, S. A. de CV	Specialized business services provider	MXN	100,00	100,00
Panama				
Promociones y Publicidad Las Américas S.A.	Management of financial and investment services	PAB	100,00	100,00
Alimentos Cárnicos de Panama S.A.	Production of meats and its derivatives	PAB	100,00	100,00
Comercial Pozuelo Panama S. A	Production of biscuits, et al.	PAB	100,00	100,00
American Franchising Corp. (AFC)	Management of financial and investment services	USD	100,00	100,00
Aldage, Inc.	Management of financial and investment services	USD	100,00	100,00
LYC Bay Enterprise INC.	Management of financial and investment services	USD	100,00	100,00
Sun Bay Enterprise INC.	Management of financial and investment services	USD	100,00	100,00
The United States of America				
Abimar Foods Inc.	Production and sales of food products	USD	100,00	100,00
Cordialsa Usa, Inc.	Sales of food products	USD	100,00	100,00
Costa Rica's Creamery LLC.	Operation of food establishments providing to the consumer – Ice cream	USD	-	100,00
Gulla Properties Development LLC.[2]	Management of financial and investment resources	USD	-	-
Heanor Consulting LLC.[2]	Management of financial and investment services	USD	-	-
Venezuela				
Cordialsa Noel Venezuela S.A.[3]	Sales of food products	VEI	100,00	100,00
Industrias Alimenticias Hermo de Venezuela [3]	Production of foods	VEI	100,00	100,00

Entity	Main Activity	Country	Functional Currency (1)	% Participation	
				2016	2015
Other Countries					
TMLUC Argentina S.A.	Production and sales of food products	Argentina	ARS	100,00	100,00
Corp. Distrib. de Alimentos S.A. (Cordialsa)	Sales of food products	Ecuador	USD	100,00	100,00
Comercial Pozuelo El Salvador S.A. de C.V.	Distribution and sales of food products	El Salvador	USD	100,00	100,00
Americana de Alimentos S.A. de C.V.	Sales of food products	El Salvador	USD	100,00	100,00
Comercial Pozuelo Nicaragua S.A.	Sales of food products	Nicaragua	NIO	100,00	100,00
Industrias Lácteas Nicaragua S.A.	Sales and logistics management	Nicaragua	NIO	100,00	100,00
Compañía Nacional de Chocolates del Peru S.A.	Production of foods and beverages	Peru	PEN	100,00	100,00
TMLUC Peru S.A.	Production and sales of foods	Peru	PEN	100,00	100,00
Helados Bon	Production and sales of ice cream, beverages, and dairy, et al.	Dominican Republic	DOP	81,18	81,18
Compañía de Galletas Pozuelo de República Dominicana S.R.L.	Management of financial and investment services	Dominican Republic	DOP	100,00	100,00
Gabon Capital LTD.	Management of financial and investment services	BVI	USD	100,00	100,00
Baton Rouge Holdings LTD.	Management of financial and investment services	BVI	USD	100,00	100,00
Ellenbrook Holdings Limited	Management of financial and investment services	BVI	USD	-	100,00
Perlita Investments LTD.	Management of financial and investment services	BVI	USD	100,00	100,00
El Corral Investments INC	Management of financial resources and franchises	BVI	USD	100,00	100,00

(1) See Note 33.1, for descriptions of abbreviations for each currency and the primary impact on Grupo Nutresa's Financial Statements.

(2) At December 31, 2015, Grupo Nutresa had no direct or indirect participation of these companies; however, there was a private Shareholder agreement, resulting from the acquisition of Grupo El Corral, in which the Group was given control over the relevant decisions of these companies. This same agreement granted Grupo Nutresa control over Tabelco S.A.S., entity over which the ownership of 100% of the shares were obtained, according to, a private Shareholder Agreement in April, 2016.

(3) See note 20.1 changes in the classification of the investment.

Changes in the scope of consolidation

The following are the changes in consolidation parameters, during the period

2016: On March 1st, there was a merger between Guatemalteca Refrigerator S.A., Nevada Guatemalteca S.A., Guate-Pops S.A. and Distribuidora POPS S.A., thus leaving the latter in effect, in Guatemala. In April, there was a liquidation of the companies Heanor Consulting LLC, Gulla Properties Development and Ellenbrook Holdings Limited, which operated as an investment vehicle for companies acquired of Grupo El Corral. As of October 1, 2016, the investments in Compañías Industrias Alimenticias Hermo de Venezuela S. A. and Cordialsa Noel Venezuela S. A., were classified as Financial Instruments (Note 20.1).

2015: The acquisition of Grupo El Corral was realized and the assets and liabilities, of the companies acquired to February 28, 2015, as well as, its results, as of March 1, 2015, were incorporated into Grupo Nutresa's Consolidated Statements. In June, Servicios Nutresa CR S.A. was registered in Costa Rica. In August, a merger between Americana de Alimentos Ameral S.A. and Helados H.D. S.A. with Industrias Lácteas de Costa Rica S.A. was executed, thus leaving the latter active; similarly, Fransouno S.A. e Inmobiliaria Nevada S.A. was merged with Cía. Americana de Helados S.A., the latter active to date. In the U.S., the companies, POPS One LLC y POPS Two LLC, were liquidated and in September, Tresmontes Lucchetti Internacional S.A. and Tresmontes Lucchetti S.A. were merged. In November, Industrias Lácteas de Costa Rica was absorbed by Compañía Americana de Helados S.A. (American Ice Cream Co. Inc.), leaving the latter active.

NOTE 2.
BASIS OF PREPARATION

Grupo Nutresa´s Consolidated Financial Statements, for the period between January 1st and December 31st of 2016, were prepared in accordance with the International Financial Reporting Standards (hereinafter IFRS), issued by the International Accounting Standards Board, (hereinafter IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter IFRIC), and approved in Colombia through Decree 2784 of 2012, Decree 3023 of 2013, Decree 2420 of 2015, its regulations, and other accounting standards issued by the Financial Superintendence of Colombia.

2.1 FINANCIAL STATEMENTS AT THE CLOSE OF THE PERIOD

The Consolidated Financial Statements, at the close of the period, have been prepared in accordance with International Financial Reporting Standards. Some of the figures and disclosures, relating to the year 2015, presented in these Financial Statements may present variations, compared to the information published in the Financial Statements, of December 31, 2015, due to the fact that, the same, include adjustments, and reclassifications, which were realized, as a result of the audit and internal review, by the Management. The Group Management considers that these adjustments are not material and do not affect the reasonability of the previously published information.

The summary of changes in the Income Statement, is as follows:

	Original information	Adjusted Results	Difference
Total operating income	**7.945.417**	**7.945.417**	**-**
Cost of goods sold	(4.507.166)	(4.507.166)	-
Gross profit	**3.438.251**	**3.438.251**	**-**
Administrative, sales, and production expenses	(2.653.758)	(2.653.758)	-
Other operating income (expenses), net	(1.808)	(1.808)	-
Operating Income	**782.685**	**782.685**	**-**
Financial income/expenses	(225.068)	(225.068)	-
Other income (expenses), net	(339)	(339)	-
Portfolio dividends	47.016	47.016	-
Income before taxes and non-controlling interest	**604.294**	**604.294**	**-**
Income tax, net	(167.140)	(167.140)	-
Non-controlling interest	(2.667)	(2.667)	-
Discontinued operations	(6.335)	(6.335)	-
NET INCOME, controlling interest	**428.152**	**428.152**	**-**
EBITDA	**975.554**	**975.554**	**-**

Table 3

A summary of changes in the Statement of Financial Position is presented below:

	Original Information	Adjusted Balances	Difference
Assets	13.178.052	13.178.052	-
Liabilities	(5.135.208)	(5.223.090)	(87.882)
Equity	(8.042.844)	(7.954.962)	87.882

Table 4

In the Statement of Financial Position, the changes correspond mainly to, deferred taxes, see note 18.4.

2.2 BASIS OF MEASUREMENT

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the measurements at fair value of certain financial instruments, as described in the policies herewith. The book value of recognized assets and liabilities, that have been designated as hedged items, in fair value hedges, and which would otherwise be accounted for at amortized cost, and are adjusted to record changes in the fair values, attributable to those risks, that are covered under "Effective hedges".

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The Consolidated Financial Statements are presented in Colombian Pesos, which is both the functional and presentation currency of Grupo Nutresa S.A. These figures are expressed as millions of Colombian Pesos, except for net earnings per share and the representative market exchange rates, which are expressed as Colombian Pesos, and other currencies [E.g. USD, Euros, Pounds Sterling, et al.], which are expressed as monetary units.

2.4 CLASSIFICATION OF ITEMS IN CURRENT AND NON-CURRENT

Grupo Nutresa presents assets and liabilities in the Statement of Financial Position, classified as current and non-current. An asset is classified as current, when the entity: expects to realize the asset, or intends to sell or consume it within its normal operating cycle, holds the asset primarily for negotiating purposes, expects to realize the asset within twelve months after the reporting period is reported, or the asset is cash or cash equivalent, unless the asset is restricted for a period of twelve months after the close of the reporting period. All other assets are classified as non-current. A liability is classified as current when the entity expects to settle the liability within its normal operating cycle or holds the liability primarily for negotiating purposes

NOTE 3.
SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF CONSOLIDATION

3.1.1 INVESTMENTS IN SUBSIDIARIES

The Consolidated Financial Statements include Grupo Nutresa S.A.´s financial information, as well as, its subsidiaries, to December 31, 2016 and its corresponding comparative financial information. A subsidiary is an entity controlled by one of the companies that composes Grupo Nutresa. Control exists when any of the Group companies has the power to direct the relevant activities of the subsidiary, which are generally: the operating and financing activities to obtain benefits from them, and is exposed, or has rights, to those variable yields.

The accounting policies and practices are applied homogeneously, by the Parent Company and its subsidiary companies. In cases of subsidiaries located abroad, the practices do not differ significantly from the accounting practices used in the countries of origin, and/or have been homologized to those that have a significant impact on the Consolidated Financial Statements.

All balances and transactions between companies, as well as, the unrealized profits or losses, were eliminated in the consolidation process.

The Consolidated Statements, from the date of acquisition until the date that Grupo Nutresa loses its control, are included in the Financial Statements of subsidiaries; any residual interest that is retained is measured at fair value; the gains or losses arising from this measurement are recognized in the results for that period.

The Separate Financial Statements are the basis for the distribution of dividends and other appropriations by the Shareholders. The Consolidated Financial Statements are presented at the Shareholders' Meeting, for informational purposes only.

Consolidation of companies in which Grupo Nutresa owns less than the majority of voting rights:

The Group considers exercising control of the relevant activities of Novaceites S.A., despite that their actual controlling shares are 50% which does not give the majority of the voting rights. This conclusion is based on the composition of the Directive of Novaceites S.A., the Administration of TMLUC, as well as, the General Management of the Company and the level of involvement of TMLUC in its accounting and commercial processes.

Companies in which Grupo Nutresa holds the majority, of the voting rights, but does not have the control, as such:

The Group considers that it does not exercise control over the relevant activities of Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A. despite having a 100% stake. See detailed information in Note 20.1.

3.1.2 NON-CONTROLLING INTEREST

Non-controlling interest in net assets of the consolidated subsidiaries are presented separately within Grupo Nutresa's equity. Profit and loss, and "Other comprehensive income", is also attributed to non-controlling and controlling interest.

Subsidiaries' purchases or sales, involving non-controlling ownership, that do not involve a loss of control, are recognized directly in equity.

Grupo Nutresa considers non-controlling interest transactions, as transactions with Shareholders of the Company. When carrying out acquisitions of minority interest transactions, the difference between the consideration paid, and the interest acquired over the book value of the subsidiary´s net assets, is recognized as an equity transaction; therefore, goodwill for those acquisitions is not recognized.

3.2 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which Grupo Nutresa has significant influence over financial and operating policies, without having control or joint control. A joint venture is an entity that Grupo Nutresa controls jointly with other participants, where, together, they maintain a contractual agreement that establishes joint control over the relevant activities of the entity.

At the date of acquisition, the excess acquisition cost over the net fair value of the identifiable assets, liabilities, and contingent liabilities assumed by the associate or joint venture, is recognized as goodwill. Goodwill is included in the book value of the investment and is not amortized, nor is it individually tested for impairment.

The results, assets, and liabilities of the associate or joint venture are incorporated in the Consolidated Financial Statements, using the equity method, under which the investment is initially recorded at cost and is adjusted with changes of the participation of Grupo Nutresa, over the net assets of the associate or joint venture after the date of acquisition less any impairment loss on the investment. The losses of the associate or joint venture that exceed Grupo Nutresa's shares in the investment, are recognized as a provision, only when it is probable that there will be an outflow of economic benefit and there is a legal or implicit obligation.

Where the equity method is applicable, adjustments are made to homologize the accounting policies of the associate or joint venture with those of Grupo Nutresa, the portion that corresponding to Grupo Nutresa. The portion that corresponds to Grupo Nutresa, of gains and losses, obtained from the measurement at fair value at the date of acquisition, is incorporated into the Financial Statements, and unrealized gains and losses from transactions between Grupo Nutresa and the associate or joint venture are eliminated, to the extent of Grupo Nutresa´s participation in the associate or joint venture. The equity method is applied from the date of the acquisition to the date that significant influence or joint control over the entity is lost.

The portion of profit and loss, of an associate or joint venture, is presented in the Comprehensive Income Statement, in the results section for the period, net of taxes and non-controlling interest of the subsidiaries of the associate or joint venture. The portion of changes recognized directly in equity and "Other comprehensive income" of the associate or joint venture is presented in the Statement of Changes in Equity and other consolidated comprehensive income. Cash dividends received, from the associate or joint ventures, are recognized by reducing the book value of the investment.

Grupo Nutresa periodically analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment. Impairment losses are recognized in profit and loss, and are calculated as the difference between the recoverable amount of the associate or joint venture (which is the higher of the two values, between the value in use and its fair value minus cost to sell), and the book value.

When the significant influence over an associate or joint control is lost, Grupo Nutresa measures and recognizes any retained residual investment at fair value. The difference between the book value of the associate or joint venture (taking into account the relevant items of "Other comprehensive income") and the fair value of the retained residual investment at its value from sale is recognized in profit and loss in that period.

3.3 SIGNIFICANT ACCOUNTING POLICIES

Grupo Nutresa and its subsidiaries apply the accounting policies and procedures of the Parent Company. The following is a breakdown of the significant accounting policies that Grupo Nutresa applies in the preparation of its Consolidated Financial Statements. The following are the significant accounting policies applied by Grupo Nutresa in preparing its Consolidated Financial Statements:

3.3.1 BUSINESS COMBINATIONS AND GOODWILL

Operations whereby the joining of two or more entities or economic units into one single entity or group of entities occurs are considered business combinations.

Business combinations are accounted for using the acquisition method. Identifiable assets acquired, liabilities, and contingent liabilities assumed from the acquisition are recognized at fair value at the date of acquisition; acquisition expenses are recognized in profit and loss and goodwill as an asset in the Statement of Financial Position of the Consolidated.

The consideration transferred in the acquisition, is measured as the fair value of assets transferred, liabilities incurred or assumed, and equity instruments, issued by Grupo Nutresa, including any contingent consideration, to obtain control of the acquired.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of any non-controlling interest, and when applicable, the fair value of any previously held equity interest, over the net value of the assets acquired, liabilities, and contingent liabilities assumed at the date of acquisition. The resulting gain or loss from the measurement of previously held interest can be recognized in current earnings or "Other comprehensive income", accordingly. In previous periods for which it is reported, the acquirer may have recognized in "Other comprehensive income", changes in the value of its equity interest in the acquired. If so, the amount, that was recognized, in ""Other comprehensive income"", shall be recognized, on the same basis as it would be required, if the acquirer had disposed directly of the previously held equity interest. When the consideration transferred is less than the fair value of the net assets acquired, the corresponding gain is recognized in profit and loss, on the date of acquisition.

For each business combination, at the date of acquisition, Grupo Nutresa chooses to measure non-controlling interest at the proportionate share of the identifiable assets acquired, liabilities, and contingent liabilities assumed from the acquisition, or at fair value.

Any contingent consideration in a business combination is classified as liability or equity, and is recognized at fair value at the date of acquisition. Subsequent changes in fair value of a contingent consideration, classified as financial liability, are recognized in profit and losses, in that period or in "Other comprehensive income". When it is classified as equity, it is not re-measured and its subsequent settlement is recognized in equity. If the consideration is not classified as a financial liability, it is measured in accordance with applicable IFRS.

Goodwill acquired in a business combination is allocated, at the date of acquisition, to cash-generating units of Grupo Nutresa, that are expected to be benefitted by the combination, irrespective of whether other assets or liabilities of the acquired are assigned to these units.

When goodwill is part of a cash-generating unit, and part of the operation within that unit is sold, the goodwill associated with the operation disposed is included in the book value of the operation, when the gain or loss of the disposal of the operation is determined. Goodwill written off is determined based upon the percentage of the operation sold, which is the difference between the book value of the operation sold and the book value of the cash-generating unit.

3.3.2 TRANSLATION OF BALANCES AND TRANSACTIONS IN FOREIGN CURRENCIES

Transactions made in a currency other than the functional currency of the Company are translated using the exchange rate at the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the closing of the Financial Statements and taken from the information published by the official entity responsible for certifying this information; non-monetary items that are measured at fair value are translated using the exchange rates on the date when its fair value is determined and non-monetary items that are measured at historical cost, are translated using the official exchange rates, from the date of the original transaction.

All exchange differences arising from operating assets and liabilities are recognized on the Income Statement, as part of operating income or expenses; exchange differences in other assets and liabilities are recognized as income or expense, except for, monetary items that provide an effective hedge for a net investment in a foreign operation and from investments in shares classified as fair value through equity. These items and their tax impact are recognized in "Other comprehensive income" until disposal of the net investment, at which time are recognized in profit and loss.

Foreign subsidiaries

For the presentation of Grupo Nutresa's Consolidated Financial Statements, the financial situation, and results of entities whose functional currency is different from the presentation currency of the Company, and whose economy is not classified as hyperinflationary, are translated, is as follows:

- Assets and liabilities, including goodwill, and any adjustment to the fair value of assets and liabilities, arising from the acquisition are translated at end of period exchange rates.
- Income and expenses are translated at the monthly average exchange rate.

Exchange differences, arising from translation of foreign operations, are recognized in "other comprehensive income" on a separate account ledger named "Exchange differences on translation of foreign operations", as well as, exchange differences, in long-term receivable or payable accounts, which are part of, the net investment abroad. In the disposal of foreign operations, the amount of "other comprehensive income" that relates to the foreign operation is recognized in the period results.

Re-stated Financial Statements in hyperinflationary economies

The Financial Statements of subsidiaries, whose functional currency is corresponding to that of a hyperinflationary economy, including comparative information, is restated in terms of the current measured unit, at the date of closing of the reporting period, before being translated into pesos for consolidation. Gains or losses, on the net monetary position, are included in profit or loss.

3.3.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents, in the Statement of Financial Position and Statement of Cash Flows, include cash on hand and banks, highly liquid investments easily convertible to a determined amount of cash and subject to an insignificant risk of changes in its value, with a maturity of three months or less from the date of purchase. These items are initially recognized at historical cost and restated to recognize its fair value at the date of each annual accounting period.

3.3.4 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and, simultaneously, to a financial liability or equity instrument of another entity. Financial assets and liabilities are initially recognized at fair value plus (less) the transaction costs directly attributable, except for those who are subsequently measured at fair value.

At initial recognition, Grupo Nutresa classifies its financial assets for subsequent measurement at amortized cost or fair value, depending on Grupo Nutresa's business model for the administration of financial assets and the characteristics of the contractual cash flows of the instrument; or as derivatives designated as hedging instruments in an effective hedge, accordingly.

(i) Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to keep the contractual cash flows, and the contractual terms, on specific dates, cash flows that are solely for payments of principal and interest on the value of outstanding capital. Notwithstanding the foregoing, Grupo Nutresa designates a financial asset as irrevocably measured at fair value through profit and loss.

Grupo Nutresa has determined that the business model for accounts receivable is to receive the contractual cash flows, which is why they are included in this category.

(ii) Financial assets measured at fair value

The financial assets, different from those measured at amortized cost are subsequently measured at fair value, with changes recognized in profit and loss. However, for investments in equity instruments that are not held for trading purposes, Grupo Nutresa irrevocably chooses to present gains or losses on the fair value measurement in "Other comprehensive income". Upon disposal of investments at fair value, through "Other comprehensive income", the accumulated value of the OCI is transferred directly to retained earnings and are not reclassified to profit and loss, in that period. Cash dividends received from these investments are recognized in the Comprehensive Income Statement, in the profit and loss of that period.

The fair values of quoted investments are based on the valid quoted prices.

Financial assets measured at fair value are not tested for impairment.

(iii) Impairment of financial assets at amortized cost

Financial assets measured at amortized cost are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired, when there exists, objective evidence, that, as a result of one or more events occurring after the initial recognition of the financial asset, the estimated future flows of the financial asset, (or group of financial assets) have been impacted.

The criteria used to determine if there is objective evidence of impairment losses, includes:

- significant financial difficulty of the issuer or counterparty
- non-payment of principal and interest
- probability that the lender will declare bankruptcy or financial reorganization

The amount of the impairment is the difference between the book value of the asset, and the present value of estimated future cash flows, discounted at the original effective rate of the financial asset. The book value of the asset is reduced and the amount of the loss is recognized in profit and loss, for the period.

(iv) Derecognition

A financial asset, or a part of it, is derecognized from the Statement of Financial Position when it is sold, transferred, expires, or Grupo Nutresa loses control over the contractual rights or the cash flows of the instrument. A financial liability, or a portion of it, is derecognized from the Statement of Financial Position, when the contractual obligation has been settled, or has expired. When an existing financial liability is replaced by another, from the same counterparty on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification, it is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective book value is recognized in the Comprehensive Income Statement, in profit and loss.

(v) Financial liabilities

Financial liabilities are subsequently measured at amortized cost, using the effective interest rate. Financial liabilities include balances with suppliers and accounts payable, financial obligations, and other derivative financial liabilities. This category also includes those derivative financial instruments taken by the Group that are not designated as hedging instruments, in effective hedging risks.

Financial obligations are classified as such, for obligations that are obtained by resources, be it from credit institutions or other financial institutions, in the country or abroad.

(vi) Off-setting financial instruments

Financial assets and financial liabilities are offset so that the net value is reported on the Statement of Financial Position of the Consolidated, only if (i) there is, at present, a legally enforceable right to offset the amounts recognized, and (ii) there is an intention to settle on a net basis, or to realize the assets and settle the liabilities, simultaneously.

(vii) Derivative instruments and hedge accounts

A financial derivative is a financial instrument, whose value changes in response to changes in an observable market variable (such as an interest rate, foreign exchange, the price of a financial instrument, or a market index, including credit ratings) and whose initial investment is very small compared to other financial instruments with similar changes in response to market conditions, and are generally settled at a future date.

In the normal course of business, companies engage in transactions with derivative financial instruments with the sole purpose of reducing its exposure to fluctuations in exchange rates and interest rates on foreign currency obligations. These instruments include, among others, swaps, forwards, options, and futures over commodities traded for own-use.

Derivatives are classified under the category of financial assets or liabilities, according to, the nature of the derivative, and are measured at fair value on the Income Statement, except those that are designated as hedging instruments.

Commodities contracts, with the purpose of receipt or delivery a non-financial item, in accordance with the purchase, sale, or usage requirements expected by the entity, are considered "derivatives for own-use" and the impact is recognized as part of cost of the inventory.

Hedges which meet the strict criteria required for hedge accounting are accounted for as follows:

Fair value hedges: The Group uses these hedges to mitigate the risks of exchange rates and interest rates on recognized assets and liabilities. Changes in the fair value of the hedging instruments are recognized in the Income Statement, as a financial expense, and the hedged item is adjusted for the hedged risk and any gain or loss is recognized in the Income Statement as a financial expense.

3.3.5 INVENTORIES

Assets held for sale in the ordinary course of business, or in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process, or services provided, are classified as inventory.

Inventories are valued at the lower of, acquisition or manufacturing cost, or the net realizable value. Cost is determined using the average cost method. Net realizable value is the estimated selling price of inventory in the ordinary course of operations, less the applicable variable sales expenses. If the comparative analysis shows that the net realizable value is below the book value, the value impairment is recognized, as an adjustment in the Income Statement, decreasing the value of the inventory. When the circumstances warrant, the previously recognized impairment is reversed.

Inventories are valued using the weighted average method and the cost includes the costs directly related to the acquisition and those incurred to give them their current condition and location. The cost of finished goods and work in progress is comprised of: raw materials, direct labor, other direct costs, and indirect manufacturing expenses.

Trade discounts, rebates, and other similar items are deducted from the acquisition cost of inventory.

In the case of commodities, the cost of the inventory includes any gain or loss on the hedging of raw material procurement.

3.3.6 BIOLOGICAL ASSETS

Biological assets held by Grupo Nutresa are measured from initial recognition at the fair value less expenses to realize the sale; the changes are recognized in the Income Statement, for the period. Agricultural products coming from biological assets are measured at fair value less costs to sell at the time of collection or harvest, when they are transferred to inventory.

When fair value cannot be reliably measured, they are measured at cost and the existence of impairment indicators permanently assessed.

3.3.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the value of land, buildings, furniture, vehicles, machinery and equipment, computer hardware, and other facilities owned by the consolidated entities, which are used in the operation of the entity.

Fixed assets are measured at cost, net of accumulated depreciation, and accumulated impairment losses, if any. The cost includes: the acquisition price, costs directly related to the location of assets in place and the necessary conditions to operate in the manner intended by Grupo Nutresa, borrowing costs for construction projects that take a period of a year or more to be completed if the conditions for approval are met, and the present value of the expected cost for the decommissioning of the asset after its use, if the recognition criteria for a provision are met.

Trade discounts, rebates, and other similar items are deducted from the acquisition cost of the asset.

For significant components of property, plant and equipment that must be replaced periodically, the Group derecognizes the replaced component and recognizes the new component as an asset with a corresponding specific useful life, and depreciates it, accordingly. Likewise, when major maintenance is performed, its cost is recognized as a replacement of the book value of the asset to the extent that the requirements for recognition are met. All other routine repair and maintenance expenses are recognized in results, as they are incurred.

Substantial improvements on properties of third parties are recognized as part of Grupo Nutresa's fixed assets and depreciated for the shortest period between the useful life of the improvements made or the lease term.

Depreciation begins when the asset is available for use and is calculated on a straight-line basis over the estimated asset life as follows:

Buildings	20 to 60 years
Machinery (*)	10 to 40 years
Minor equipment - operating	2 to 10 years
Transport equipment	3 to 10 years
Communication and computer equipment	3 to 10 years
Furniture, fixtures, and office equipment	5 to 10 years

Table 5

(*) Some of the machinery related to production is depreciated using the hours produced method, according to the most appropriate manner, in which the consumption of the economic benefits of the asset is reflected

The residual values, useful lives, and depreciation methods of assets are reviewed at each year-end, and are adjusted prospectively, if required. The factors that can influence the adjustment are: changes in the use of the asset, unexpected significant wear, technological advances, changes in market prices, et al.

A component of property, plant and equipment or any substantial part of it initially recognized is derecognized upon sale or when no future economic benefit from its use or its sale is expected. Any gain or loss at the time of derecognizing the asset, (calculated as the difference between the net income from the sale and the book value of the asset), is included in the Income Statement when the asset is written-off.

At each accounting close, Grupo Nutresa evaluates its assets, to identify indicators, both external and internal, of reductions in its recoverable values. If there is evidence of impairment, property, plant and equipment are tested, to assess whether their book values are fully recoverable. In accordance with IAS 36 "Impairment of Assets", losses due to a reduction in the recoverable value are recognized for the amount at which the book value of the asset (or group of assets) exceeds its recoverable value (the greater between its fair value minus the disposal costs and their value in use), and is recognized in the Income Statement, as impairment of other assets.

When the book value exceeds the recoverable value, the book value is adjusted to its recoverable value, modifying the future depreciation, in accordance with its new remaining useful life.

3.3.8 INVESTMENT PROPERTIES

The land and buildings, owned by Grupo Nutresa, are recognized as investment properties, in order to, obtain an income or goodwill, rather being maintained for use or sale, in the ordinary course of operations.

Investment properties are initially measured at cost. The acquisition cost of an investment property includes its purchase price and any directly attributable expenditure. The cost of self-constructed investment property is its cost at the date when the construction or development is complete.

Subsequent to initial recognition, investment properties are measured at net cost of accumulated depreciation and loss accumulated impairment losses, if any.

Depreciation is calculated linearly over the asset's useful lives, estimated between 20 and 60 years. Residual values and useful lives are reviewed and adjusted prospectively, at yearend, or when required.

Investment properties are written off, either at the time of disposal, or when it is removed permanently from use and no future economic benefit is expected. The difference between the net disposal and the book value of the assets is recognized in income for the period, in which it was derecognized.

Transfers to or from investment properties are made only when there is a change in use. In the case of a transfer from investment property, to property, plant and equipment, the cost, taken into account in subsequent accounting, is the book value at the date of change of use.

3.3.9 INTANGIBLE ASSETS

An intangible asset is an identifiable asset, non-monetary, and without physical substance. Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in business combinations is its fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses in value.

The useful lives of intangible assets are determined as finite or indefinite. Intangible assets with finite useful lives are amortized over their useful life, linearly, and are assessed to determine whether they had any impairment whenever there are indications that the intangible asset might have suffered such impairment. The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at least at the close of each period. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits of the asset, are accounted for at the change of the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization expenses of intangible assets with finite useful lives are recognized in the Comprehensive Income Statement. The useful life of an intangible asset with a finite life is between 3 and 100 years.

Intangible assets with indefinite useful lives are not amortized, but are tested annually to determine if they have suffered impairment either individually or at the level of the cash-generating unit. The assessment of indefinite life is reviewed annually to determine whether the assessment remains valid. If not, the change in useful life from indefinite to finite is made prospectively.

Gains or losses, that arise when an intangible asset is written-off, are measured as the difference between the value obtained in the disposal, and the book value of the asset are recognized in the Comprehensive Income Statement, in profit and loss.

Research and development costs

Research costs are expensed as they are incurred. The expenditures directly related to the development in an individual project are recognized as intangible assets when the Grupo Nutresa can demonstrate:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;
- Its intention to complete the asset and its capacity to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to reliably measure the expenditure during development.

In the Statement of Financial Position, assets arising from development expenditures are stated at cost less accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future economic benefit. During the development period, the asset is subject to annual impairment tests to determine if loss of value exists.

Research costs and development costs not eligible for capitalization, are accounted as expenses in profit and loss.

3.3.10 IMPAIRMENT OF NON-FINANCIAL ASSETS, CASH GENERATING UNITS AND GOODWILL

Grupo Nutresa assesses if there is any indication that an asset, or cash generating unit, may be impaired in value, and estimates the recoverable amount of the asset or cash-generating unit, at the moment that an indication of impairment is detected, or annually (at December 31st), for goodwill, intangible assets with indefinite useful lives, and those not yet in use.

Grupo Nutresa uses its judgment in the determination of the Cash Generating Units (CGU), for the purposes of impairment testing, and defined as CGUs, those legally constituted entities, dedicated to production, assigning each one of those net assets of the legally constituted entities, dedicated to the provision of services to the producing units (in a transversal or individual way). The assessment of the impairment is realized, at the level of the CGU, or Group of CGUs, that contains the asset to be assessed.

The recoverable value of an asset is the greater of the fair value less costs to sell, either an asset or a cash-generating unit, and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of other assets or groups of assets; in this case the asset must be grouped to a cash-generating unit. When the book value of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is reduced to its recoverable amount.

In calculating the value in use, the estimated future cash flows, whether of an asset or a cash-generating unit, are discounted to their present value using a discount rate, which reflects market considerations of the value of money over time, as well as, the specific risks of the asset. An appropriate valuation model is used to determine the fair value minus the cost to sell.

The impairment losses of continuing operations are recognized in the Comprehensive Income Statement, in profit and loss, in those expense categories that correspond to the function of the impaired asset. Impairment losses attributable to a cash-generating unit are initially allocated to goodwill and, once exhausted, the impairment losses are proportionally attributed to other non-current assets of the cash-generating unit, based upon the book value of each asset.

The impairment for goodwill is determined by assessing the recoverable amount of each CGU (or group of cash-generating units) related to the goodwill. The impairment losses related to goodwill cannot be reversed in future periods.

For assets in general, excluding goodwill, at each reporting date (at the close of each period), an assessment of whether there is any indication that impairment losses previously recognized value no longer exists or have decreased, is performed. If any such indication exists, Grupo Nutresa estimates the recoverable amount of the asset or cash-generating unit. An impairment loss, previously recognized, is reversed only if there was a change in the assumptions used to determine the recoverable value of an asset, since the last time that the last impairment loss was recognized. The reversal is limited so that the book value of the asset does not exceed its recoverable amount, nor does it exceed the book value that would have been determined, net of depreciation, if it had not recognized impairment loss for the asset in previous years. Such a reversal is recognized in the Comprehensive Income Statement in profit and loss.

3.3.11 TAXES

This heading includes the value of mandatory general-nature taxation in favor of the State, by way of private closeouts, that are based on the taxes of the fiscal year and responsibility of each company, according to the tax norms of national and territorial governing entities, in each of the countries where Grupo Nutresa´s companies operate.

a) Income tax

(i) Current

Assets and liabilities for income tax for the period are measured by the values expected to be recovered or paid to the taxation authorities. The expense for income tax is recognized under current tax, in accordance with the tax clearance, between taxable income and accounting profit and loss, and is affected by the rate of income tax in the current year in accordance with the provisions of the tax rules of each country. Taxes and tax norms or laws used to compute these values are those that are approved at the end of the reporting period in the countries where Grupo Nutresa operates and generates taxable income.

(ii) Deferred

Deferred income tax is recognized using the liability method, and is calculated on temporary differences between the taxable bases of assets and liabilities in and book value. Deferred tax liabilities are generally recognized for all temporary tax differences imposed, and all of the deferred tax assets are recognized for: all temporary deductible differences, future compensation of tax credits, and unused tax losses, to the extent that it is likely there will be availability of future tax profit, against which, they can be attributed. Deferred taxes are not subject to financial discount.

Deferred asset and liability taxes are not recognized, if a temporary difference arises from the initial recognition of an asset or liability, in a transaction that is not a business combination, and at the time of the transaction, it impacted neither the accounting profit nor taxable profit and loss; and in the case of deferred tax liability, arising from the initial recognition of goodwill.

Deferred tax assets, that relate to investments in associates and joint ventures, and deferred tax liabilities, related to goodwill, are recognized only to the extent that it is probable that the temporary differences will be reversed in the near future, and it is likely there will be availability of future tax profit, against which these deductible differences will be charged.

The book value of deferred tax assets is reviewed at each reporting date, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available for use, in part or in totality, or a part of the asset, from said tax. Unrecognized deferred tax assets are reassessed at each reporting date, and are recognized to the extent that it is probable that future taxable profit income are likely to allow for their recovery.

Deferred assets and liabilities taxes are measured at the tax rates, that are expected to be applicable, in the period when the asset is realized, or the liability is settled, based on tax rates and tax , that were approved at the date of filing, or whose approval will be nearing completion by that date.

Deferred assets and liabilities taxes are offset, if there is a legally enforceable right to do so, and are with the same taxation authority.

Deferred tax is recognized in profit and loss, except when relating to items not recognized in profit and loss, in which case will be presented in "other comprehensive income" or directly in equity.

The current assets and liabilities, for income tax, are also offset, if related to the same taxation authority, and are intended to be settled at net value, or the asset realized and liability settled, simultaneously.

b) Income tax for equity - CREE

The income tax for equity – CREE, applicable to Colombian Companies, is the tax with which taxpayers, legal entities, and assimilated filers of income taxes, contribute to employee benefits, creation of employment, and social investment.

The income tax for equity – CREE applies a fee of 9% under the Law 1739 December 2014.

During the years 2015 and 2016, the Law 1739 of December 23, 2014, establishes a surcharge on income tax for equity - CREE, which is at the responsibility of the taxpayer, of this tax, and is applied to a taxable base, in excess of $800 COP, at rates of 5%, and 6%, per year, respectively.

With the issuance of Law 1819 of December 29, 2016, the income tax for equity – CREE, and the temporary surtax for 2017 and 2018 is waived; and the new income tax rates are determined.

c) Tax on wealth

The tax burden of the "wealth tax" is originated, for Colombian Companies, from possession of the same to the January 1st of the years 2015, 2016, and 2017, by taxpayers. Therefore, those taxpayers with gross assets minus debts, whose value exceeds $1.000, should determine their tax under the conditions established in the tax regulations.

According to the provisions of Article 6 of Law 1739 of 2014, and additionally, Article 297-2 of the tax statute, the accrual of wealth tax will take place on January 1st of the years 2015, 2016, and 2017, and may be allocated to capital reserves without affecting net income, in accordance with Article 10 of the same law.

3.3.12 EMPLOYEE BENEFITS

a) Short-term benefits

They are, (other than termination benefits), benefits expected to be settled in its totality, before the end of the following twelve months, at the end of the annual period, of which the services provided by employees, is reported. Short-term benefits are recognized to the extent that the employee renders the service, to the expected value to be paid.

b) Other long-term benefits

Long-term employee benefits, (that differ from post-employment benefits and termination benefits) that do not expire within twelve (12) months after the end of the annual period in which the employee renders services, are remunerated, such as long-term benefits, the variable compensation system, and retroactive severance interest. The cost of long-term benefits is distributed over the time measured between the employee starting date, and the expected date of when the benefit is received. These benefits are projected to the payment date, and are discounted with the projected unit credit method.

c) Pensions and other post-employment benefits

(i) Defined contribution plans

Contributions to defined contribution plans are recognized as expenses in the Comprehensive Income Statement, in profit and loss, on an accrual basis.

(ii) Defined benefit plans

Defined benefit plans are plans for post-employment benefits in which Grupo Nutresa has a legal or implicit obligation, of the payment of benefits. Subsidiary companies domiciled in Colombia, Ecuador, Mexico, and Peru, have actuarial liability as required by law.

The cost of this benefit is determined by the projected unit credit method. The liability is measured annually, by the present value of expected future payments required to settle the obligations arising from services rendered by employees in the current period and prior periods.

Updates of the liability for actuarial gains and losses are recognized in the Statement of Financial Position, against retained earnings through "Other comprehensive income". These items will not be reclassified to profit and loss, in subsequent periods; the cost of past and present services, and net interest on the liability, is recognized in profit and loss, distributed among cost of sales and administrative expenses, sales and distribution, likewise as are gains and losses by reductions in benefits and non-routine settlements.

Interest on the liability is calculated by applying the discount rate on said liability.

Payments made to retirees are deducted from the amounts provisioned for this benefit.

d) Termination benefits

Termination benefits are provided for the period of employment termination, as a result of the Company's decision to terminate a contract of employment, before the normal retirement date; or the employee's decision to accept an offer of benefits in exchange for termination of an employment contract. Termination benefits are measured in accordance with the provisions of the laws and the agreements between Grupo Nutresa and the employee, at the time the decision to terminate the employment relationship with the employee, is officially released.

3.3.13 LEASES

When determining the classification of an agreement, or conclusion of a contract as a lease, it is based on the essence of the nature of the same, at the date of its conclusion, assessing whether compliance with the agreement rests on the use of a specific asset or if the right to use the asset is conferred on the group, even if this right is not explicit in the agreement.

Leases are classified as financial or operating leases. They will be classified as finance leases, provided that the terms of the lease substantially transfer the risks and rewards, inherent in the ownership of the asset, and the asset is recorded at its fair value, at the inception of the lease or, if less, at the present value of the minimum lease payments; The present obligation of minimum payments and the purchase option will be recognized in the Statement of Financial Position, as a financial lease obligation. The lease payments are distributed between the financial expense and the reduction of the obligation, and the expense will be recognized immediately in the results unless they are attributable to the assets, according to the costs per loan.

Operating leases will be classified as such, those in which the risks and benefits inherent in the ownership of the asset, are not transferred by the lessor, and their payments will be recognized as a linear expense over the lease term.

3.3.14 PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

a) Provisions

Provisions are recognized when, as a result of, a past event, Grupo Nutresa has a present legal or constructive obligation to a settlement, and requires an outflow of resources, are considered probable, and can be estimated with certainty.

In cases where Grupo Nutresa expects the provision to be reimbursed in whole, or in part, the reimbursement is recognized as a separate asset, only in cases where such reimbursement is virtually certain.

Provisions are measured at best estimate of the disbursement of the expenditure required to settle the present obligation. The expense relating to any provision is presented in the Comprehensive Income Statement, net of all reimbursement. The increase in the provision, due to the passage of time, is recognized as financial expense.

b) Contingent liabilities

Possible obligations arising from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of Grupo Nutresa, or present obligations arising from past events, that are not likely, but there exists a possibility that an outflow of resources including economic benefits is required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the Statement of Financial Position and are instead revealed as contingent liabilities.

c) Contingent assets

Possible assets, arising out of past events and whose existence will be confirmed only by the occurrence, or possibly by the non-occurrence of one or more uncertain future events which are not entirely under the control Grupo Nutresa, are not recognized in the Statement of Financial Position, and are however, disclosed as contingent assets when it is a probable occurrence. When the contingent event is certain, then the asset is recognized and the associated income is recognized in profit and loss, for that period.

3.3.15 REVENUE

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be measured reliably.

The specific recognition criteria, listed below, must also be met for revenue to be recognized:

a) Sale of goods
Revenue, from the sale of goods, is recognized when the significant risks and rewards of ownership have been substantially transferred to the buyer.

b) Services
Revenue from providing services is recognized when these services are rendered, or according to the degree of completion (or percentage of completion) of contracts.

c) Interest
For all financial instruments measured at amortized cost, interest income or expense, is recognized with the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or those received through the expected life of the financial instrument, or in a shorter period, in the net book value of the financial asset or financial liability.

d) Dividend income
This income is recognized when Grupo Nutresa's right to receive payment is established, which is generally when the Shareholders approve the dividend, except when the dividend represents a recovery of investment costs. Dividend income is not recognized, when payment is made to all Shareholders, in the same proportion of stocks from the issuer.

3.3.16 PRODUCTION EXPENSES
Indirect production costs that do not contribute to move inventories to their present location and condition, and that are not necessary for the production process, are recorded as production expenses.

3.3.17 GOVERNMENT GRANTS
Government grants are recognized when there is reasonable assurance that they will be received and all conditions linked to them will be safely met. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods in which related costs that are intended for compensation are recognized as expense. When the grant relates to an asset, it is recorded as deferred income and is recognized as profit or loss on a systematic basis over the estimated useful life of the asset.

3.3.18 FAIR VALUE
Fair value is the price that would be received in selling an asset or paid to transfer a liability in an orderly transaction between independent market participants, at the measurement date. The fair value of all financial assets and liabilities is determined at the date of presentation of the Financial Statements, for recognition or disclosure in the Notes to the Financial Statements.

Grupo Nutresa uses valuation techniques which are appropriate under circumstances for which sufficient information is available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value is determined:

- Based on quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date (Level 1).
- Based on valuation techniques commonly used by market participants using variables other than the quoted prices that are observable for the asset or liability, either directly or indirectly (Level 2).
- Based on internal discount cash flow techniques or other valuation models, using estimated variables by Grupo Nutresa for the unobservable asset or liability, in the absence of variables observed in the market (Level 3).

Judgments include data such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could impact the reported fair value of financial instruments.

3.3.19 OPERATING SEGMENTS
An operating segment is a component of Grupo Nutresa that: engages in business activities from which it may earn income from ordinary activities and incur costs and expenses, from which it has financial information and whose operating results are regularly reviewed by the maximum authority in making operating decisions for Grupo Nutresa, The Board of Grupo Nutresa, to decide about the allocation of resources to segments, as well as, assess performance.

The financial information of the operating segments is prepared under the same accounting policies used in the preparation of the Consolidated Financial Statements of Grupo Nutresa.

For those operational segments that overreach the quantitative threshold of 10% of income, EBITDA, and operational income, as well as, the informational segments that are considered relevant for decision making by the Board of Directors; financial information is presented separately; the other segments are grouped in categories called "Other segments".

3.3.20 EARNINGS PER SHARE
Basic earnings per share are calculated by dividing profit or loss, for the period that is attributable to holders of ordinary shares, by the weighted average number of ordinary shares, outstanding.

The average number of shares outstanding, for the periods ended December 31, 2016 and 2015, is 460.123.458.

To calculate diluted earnings per share, profit for the period, attributable to holders of ordinary shares, and the weighted average number of shares outstanding, for all the inherent dilutive potential ordinary shares, is adjusted.

3.3.21 RELATIVE IMPORTANCE OR MATERIALITY

Information is material or has relative importance, if it can, individually, or collectively, influence the economic decisions taken by users, based on the Financial Statements. Materiality depends on the size and nature of error or inaccuracy and prosecuted depending on the particular circumstances in which they are produced. The size or nature of the item, or a combination of both, could be the determining factor.

3.4 NEW ACCOUNTING PRONOUNCEMENTS ON INTERNATIONAL REPORTING STANDARDS

3.4.1 NORMATIVE CHANGES

New standards, modifications and interpretations incorporated into the accounting framework accepted in Colombia, whose application must be assessed beyond January 1, 2017, or that can be applied in advance

The Decrees 2496 of December 24, 2015 and 2131 of December 22, 2016, introduced to the technical framework norms of financial information, new standards, modifications, or amendments or impacts by the IASB to the International Financial Reporting Standards between the year (s) 2015 and 2016, to evaluate its application in financial years beginning later than January 1, 2017, although its application could be made in advance.

IFRS 9 "Financial Instruments"

Financial instruments, addresses the classification, valuation and recognition of financial assets and financial liabilities. The full version of this IFRS was published in July 2016. It replaces the guidance in IAS 39, on the classification and valuation of financial instruments. IFRS 9 maintains, but simplifies, the miscellaneous valuation model and establishes three main valuation categories for financial assets: amortized cost, fair value with changes in other comprehensive income, and fair value with changes in profit or loss. The basis of classification depends on the business model of the entity and the characteristics of the contractual cash flows of the financial asset. Investments in equity instruments are required to be measured at fair value, through profit or loss, with the irrevocable option at the commencement of changes in fair value in other comprehensive non-recyclable income. There is now a new model of expected credit losses, that replaces the model of impairment losses incurred in IAS 39. For financial liabilities, there were no changes in the classification and valuation, except for the recognition of changes in the risk of own credit, in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 reflects the requirements for the effectiveness of coverage. Under IAS 39, a hedge must be highly effective, both prospectively and retrospectively. IFRS 9 replaces this line by requiring an economic relationship between the hedged item and the hedging instrument, and that the hedged ratio is the same that the entity actually uses for its risk management. Contemporary documentation is still required but is different from the one that was being prepared under IAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted.

IFRS 15 "Income from client contracts"

Issued in May 2016, it is a new standard that is applicable to all contracts with customers, except leases, financial instruments, and insurance contracts. This new standard aims to improve the inconsistencies and weaknesses of IAS 18 and provide a model that will facilitate the comparability of companies from different industries and regions. It provides a new model for revenue recognition and more detailed requirements for multi-item contracts. In addition, it requires more detailed disclosures. Its application is effective as of January 1, 2018, and early application is allowed. The Company is evaluating the impacts that this standard may generate.

IAS 16 "Property, plant and equipment", IAS 38 – "Intangibles assets"

IAS 16 and IAS 38 establish the principle of the depreciation and amortization basis, being the expected pattern of the consumption of the future economic benefits of an asset. In its amendments to IAS 16 and IAS 38, published in May 2015, the IASB clarified that the use of income-based methods to calculate the depreciation of an asset is not adequate, because the income generated by an activity that includes the use of an asset, generally reflect factors other than the consumption of the economic benefits incorporated into the asset. The IASB also clarified that income generally presents an inadequate basis for measuring the consumption of the economic benefits embodied in an intangible asset. However, this assumption may be rebutted in certain limited circumstances. The amendments are applicable, as of January 1, 2016. Early application is permitted.

IAS 16 "Property, plant and equipment", IAS 41 – "Agriculture"

The IASB made modifications to IAS 16 Property, Plant and Equipment, and IAS 41 Agriculture, in order to, distinguish producing plants from other biological assets. Production plants are only used to grow products during their productive life, and are observed to be similar to one element of the machinery, for which they are now dealt with in IAS 16. However, the agricultural products that grow in the production plants will remain within the scope of IAS 41, and will continue to be measured at fair value less minus the cost to sell.

IAS 7 "Cash-Flows Statement"
The amendment requires the disclosure of: changes in financing cash flows, changes arising from the acquisition, or loss of control, changes in exchange rates, changes in fair values, and other changes.

IAS 12 "Income tax"
When an entity evaluates whether taxable benefits will be available against which a temporary deductible difference can be used, it is considered whether the tax law restricts the sources of the taxable profits, against which it can make deductions. If tax legislation imposes no restrictions, an entity evaluates a temporary deductible difference in combination with all of its other deductible temporary differences.

Annual Improvements to IFRS, 2012-2015 Cycle
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: changes in method of disposal method.
- IFRS 7 Financial Instruments: Disclosure Information: applicability of the amendments to IFRS 7, to the Condensed Interim Financial Statements.
- IAS 19 Employee Benefits: Discount Rate: issued in a regional market

3.4.2 NEW STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB - ITS ACRONYM IN ENGLISH) THAT HAVE NOT BEEN INCORPORATED INTO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA

During the year 2016, and until the date of issuance of these Financial Statements, a new standard has been issued and amendments have been included to IFRSs, which could be incorporated into the Colombian regulatory framework, namely:

IFRS 16, Leases was issued in January 2016. It sets forth the principles for the recognition, measurement, presentation, and disclosure of leases. IFRS 16 introduces an accounting model for single tenants and requires a lessee to recognize assets and liabilities, for all leases with a maturity of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right of use asset that represents his right to use the underlying leased asset and a lease liability representing his obligation to make payments for the lease. IFRS 16, substantially maintains the accounting requirements of the lessor of IAS 17 Leases. Accordingly, a lessor will continue to classify its leases as operating leases or financial leases, and will account for these two types of leases differently. IFRS 16 applies to annual reporting periods, beginning on or after January 1, 2019. Advance application is permitted for entities, applying IFRS 15 Revenue from Ordinary Activities from Customer Contracts, prior to the date of initial application of IFRS 16. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining Whether an Agreement Contains a Lease, SIC-15 Operating Leases – Incentives, and SIC-27 Evaluating the Essence of Transactions That Adopt the Legal Form of a Lease.

Changes in the Effective Date of the Amendments to IFRS 10 and IAS 28, to defer indefinitely the effective date of Sale or Contribution of Assets, between an investor and its associate, or joint venture, that was issued in September 2015, pending the Result of the Council's Research Project on Equity Accounting. The deferment is in force from the time of its publication.

Management is evaluating the impact of adopting IFRS 16 in Grupo Nutresa, in its Statement of Financial Position and disclosures.

NOTE 4.
JUDGMENTS, ESTIMATES, AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparation of Grupo Nutresa's Financial Statements requires that management must make judgments, accounting estimates, and assumptions that impact the amount of revenue and expenses, assets, and liabilities, and related disclosures, as well as, the disclosure of contingent liabilities at the close of the reporting period. The Group bases its assumptions and estimates, considering all parameters available at the time of preparation of the Consolidated Financial Statements. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the book amounts of the assets or liabilities impacted.

In applying Grupo Nutresa's accounting policies, Management has made the following judgments and estimates, which have significant impact on the amounts recognized in these Consolidated Financial Statements:
- Classification of leases (Note 26)
- Income tax (Note 18)
- Employee benefits (Note 23)
- Impairment of non-financial assets (Note 16-17)
- Useful life and residual value of property, plant and equipment and intangibles (Note 14-15-17)
- Derivative financial instruments and hedges (Note 21.6)
- Deferred taxes (Note 18.4)

NOTE 5.
BUSINESS COMBINATIONS

5.1 BUSINESS COMBINATIONS REALIZED DURING THE CURRENT PERIOD

No business combinations were carried out during 2016.

5.2 BUSINESS COMBINATIONS OF PRIOR PERIODS

The February 19, 2015 the share purchase agreement was finalized at $743.401 in which Grupo Nutresa acquired 100% of the outstanding shares of Aldage, INC., owners of Colombian Companies that make up Grupo El Corral. The operation was financed with domestic bank loans of $685.000 and Grupo resources.

Grupo El Coral is the leader of retail foods in Colombia, with a total of 355 POS in the segment "fast casual" of hamburgers, with the brand El Corral, and in "casual dining" with its restaurants El Corral Gourmet, Leños y Carbón and Leños Gourmet. In addition to operating these chains, Grupo El Coral, operates international leading brands like Papa John's (pizza), Yogen Fruz (frozen yogurt), Krispy Kreme (donuts), and Taco Bell (Mexican food).

The acquisition of Grupo El Corral, includes the following companies:

Entity	Main Activity	Country of Constitution	Functional Currency	% Participation Grupo Nutresa
Aldage, Inc.	Administration of Investments	Panama	USD	100,00
Gabon Capital Ltd.	Administration of Investments	BVI	USD	100,00
Baton Rouge Holdings Ltd.	Administration of Investments	BVI	USD	100,00
LyC Bay Enterprises Inc.	Administration of Investments	Panama	USD	100,00
Sun Bay Enterprises Inc.	Administration of Investments	Panama	USD	100,00
Ellenbrook Holdings Limited (2)	Administration of Investments	BVI	USD	100,00
Perlita Investments Ltd.	Administration of Investments	BVI	USD	100,00
El Corral Investments Inc.	Administration of Investments	BVI	USD	100,00
Gulla Properties Development LLC. (1) (2)	Administration of Investments	USA	USD	-
Heanor Consulting LLC. (1) (2)	Administration of Investments	USA	USD	-
Industria de Restaurantes Casuales Ltda. – IRCC	Food production and operation of retail food establishments	Colombia	COP	100,00
LyC S.A.S.	Food production and operation of retail food establishments	Colombia	COP	100,00
PJ Col S.A.S.	Food production and operation of retail food establishments	Colombia	COP	100,00
Panero S.A.S.	Food production and operation of retail food establishments	Colombia	COP	100,00
New Brands S.A.	Production of lactates and ice cream	Colombia	COP	100,00
Schadel Ltda.	Production of lactates and ice cream	Colombia	COP	99,88
Tabelco S.A.S. (1)	Food production and operation of retail food establishments	Colombia	COP	-

Table 6

(1) At the time of the acquisition, Grupo Nutresa had no direct or indirect holding over these companies; however, there was a private shareholder agreement, derived from the acquisition of Grupo El Corral, in which the Group was given control over the relevant decisions.

(2) These companies, which operated as an investment vehicle, were liquidated during 2016.

The breakdown of the book value at the acquisition date, of net assets acquired as part of the business combination and goodwill is as follows:

Current assets	61.248
Non-current assets	484.151
Identifiable assets	**545.399**
Current liabilities	56.308
Non-current liabilities	280.501
Assumed liabilities	**336.809**
Total net assets acquired	**208.590**
Consideration transferred	743.401
Goodwill	**534.811**

Table 7

The goodwill recognized as $534.811 is allocated to the Retail Foods Segment and is not deductible from income tax, under the current tax regulations in Colombia.

The Group opted to measure the non-controlling interest in the acquired at the value of the proportionate share of the net assets; which, at the date of acquisition is $13.

Neither contingent consideration arrangements nor indemnification assets are identified.

Revenue from the ordinary activities and results of Grupo El Corral during the period are:

From 01/03/2015 until 31/12/2015	
Revenue	371.926
Profit and loss	22.897
From 01/01/2015 until 31/12/2015	
Revenue	436.860
Profit and loss	24.161

Table 8

NOTE 6.
OPERATING SEGMENTS

Grupo Nutresa`s operating segments reflect its structure and how Management, in particular, the Board of Directors, evaluates the financial information for decision-making in operational matters. For the administration, businesses are assessed by combining geographic areas and types of products. The segments for which financial information are presented are as follows:

- **Cold Cuts:** Production and sale of processed meats (sausage, pepperoni, ham, and bologna burgers), matured meat (Serrano ham, Spanish chorizo, and salami), ready to eat meals, canned foods, and mushrooms
- **Biscuits:** Production and marketing of sweet biscuits flavored lines, with crème filled wafers, and salted crackers, wafer-like crackers, and snacks
- **Chocolate:** Production and sale of chocolate bars, chocolate (bars and milk modifiers), chocolate candies, granola bars, and nuts
- **TMLUC:** Stands for Tresmontes Lucchetti, a business unit that produces and sells: instant cold drinks, pasta, coffee, snacks, edible oil, juices, soups, desserts, and teas
- **Coffee:** Production and marketing of roasted and ground coffee, instant coffee (powdered, granulated, and freeze-dried) and coffee extracts
- **Retail Foods:** Formats established for direct sale to consumers, like restaurants and ice cream parlors, where hamburger products, prepared meats, ice cream, and yogurt are offered
- **Ice Cream:** This segment includes desserts, water and milk-based ice cream pops, cones, Ice cream by the liter, as well as, ice cream cups and biscuits with ice cream.
- **Pasta:** Produced and sold in Colombia, as short, long, egg, with vegetables, with butter, and instant pasta

The Board of Directors monitors the operating results of the Business Units separately, for the purposes, of making decisions about allocating resources and assessing financial performance. The financial performance of the segments is evaluated, on the basis of sales and EBITDA generated, which are measured uniformly with the Consolidated Financial Statements. Financing operations, investment, and tax management are managed centrally, and are therefore, not allocated to operating segment.

The Management Reports and the ones generated by accountancy of the Company use the same policies as described in the note of accounting criteria, and there are no differences, in totality, between the total measurements of results, with respect to the accounting policies applied.

Transactions between segments correspond mainly to sales of finished products, raw materials, and services. The sales price between segments corresponds to the cost of the product, plus a profit margin. These transactions are eliminated in the Consolidated Financial Statements.

Assets and liabilities are managed by the administration of each of the Grupo Nutresa Companies; no segment allocation is assigned.

There are no individual customers whose transactions represent more than 10% of Grupo Nutresa's income.

6.1 INFORMATION ON FINANCIAL PERFORMANCE BY SEGMENTS:

a) Income from ordinary activities, by segments

	External clients		Inter-segments		Total	
	2016	2015	2016	2015	2016	2015
Cold Cuts	1.991.966	1.908.524	16.939	623	2.008.905	1.909.147
Biscuits	1.737.656	1.566.841	14.659	14.475	1.752.315	1.581.316
Chocolate	1.420.720	1.268.153	20.784	13.836	1.441.504	1.281.989
TMLUC	980.900	896.403	1.266	-	982.166	896.403
Coffee	956.445	891.103	7.187	3.304	963.632	894.407
Retail Food	657.034	542.296	-	-	657.034	542.296
Ice Cream	436.396	443.737	2.042	752	438.438	444.489
Pasta	286.731	257.928	268	548	286.999	258.476
Others	208.792	170.432	-	-	208.792	170.432
Total segments	**8.676.640**	**7.945.417**	**63.145**	**33.538**	**8.739.785**	**7.978.955**
Adjustments and eliminations					(63.145)	(33.538)
Consolidated					**8.676.640**	**7.945.417**

Table 9

b) EBITDA

	Operating Profit		Depreciation and Amortization		Unrealized Exchange Differences from Operating Assets and Liabilities		EBITDA	
	2016	2015	2016	2015	2016	2015	2016	2015
Cold Cuts	220.376	209.334	35.963	31.933	(12.865)	(9.046)	243.474	232.221
Biscuits	182.661	160.332	29.104	25.132	(1.046)	544	210.719	186.008
Chocolate	112.469	93.240	34.189	31.399	(33)	(424)	146.625	124.215
TMLUC	60.003	63.110	36.058	30.438	111	502	96.172	94.050
Coffee	132.338	133.847	21.401	20.269	1.299	1.329	155.038	155.445
Retail Foods	64.815	73.068	29.380	20.392	1	30	94.196	93.490
Ice Cream	23.015	30.414	30.671	31.005	(283)	(277)	53.403	61.142
Pasta	18.635	18.972	7.460	7.112	(36)	(164)	26.059	25.920
Others	659	368	3.866	2.523	(1.258)	172	3.267	3.063
Total segments	**814.971**	**782.685**	**228.092**	**200.203**	**(14.110)**	**(7.334)**	**1.028.953**	**975.554**

Table 10

6.2 INFORMATION BY GEOGRAPHICAL LOCATIONS

The breakdown of sales to external customers is herewith detailed, by primary geographical locations, where the Group operates, and is as follows:

	2016	2015
Colombia	5.362.653	4.915.836
Central America	828.011	731.212
United States	707.255	649.077
Chile	709.093	575.927
Mexico	295.616	295.659
Venezuela	188.536	230.108
Dominican Republic y Caribe	145.384	126.914
Peru	180.463	164.377
Ecuador	121.140	113.475
Others	138.489	142.832
Total	**8.676.640**	**7.945.417**

Table 11

Sales information is carried out with consideration of the geographical location of the end-user customer.

6.3 INFORMATION BY TYPE OF PRODUCT

Given that some segments are also categorized by geographical location, sales to external customers, are presented by type of product, as follows:

	2016	2015
Foods	4.728.118	4.374.350
Beverages	2.020.927	1.849.510
Candy and Snacks	1.390.596	1.301.546
Others	536.999	420.011
Total	**8.676.640**	**7.945.417**

Table 12

NOTE 7.
INVESTMENTS IN SUBSIDIARIES

The following details financial information of the major subsidiaries that represent 95% of the gross equity of Grupo Nutresa. This information was taken from the Financial Statements of the subsidiary companies at December 31st, certified and audited, subject to prescribed legal norms, in each country, where they operate, which are homologized, in order to, apply, in a uniform manner, the accounting policies and practices of the Parent and translated to the Colombian peso for the purposes of consolidation.

	2016					2015				
	Assets	Liabilities	Equity	Profit for the Period	Other Comprehensive Income for The Period	Assets	Liabilities	Equity	Profit for the Period	Other Comprehensive Income for The Period
Subsidiaries directly or indirectly 100% owned by Grupo Nutresa										
Grupo Nutresa S.A.	8.543.254	103.221	8.440.033	399.098	260.195	8.102.526	92.538	8.009.988	427.096	(207.093)
Nutresa Chile S.A.	1.467.723	55.097	1.412.626	508	(31)	1.459.528	56.952	1.402.576	(6.461)	(440)
Compañia de Galletas Noel S. A. S.	2.045.660	880.477	1.165.183	99.128	(63.543)	2.007.222	851.757	1.155.465	111.873	149.036
Compañia Nacional de Chocolates S. A. S.	1.621.352	595.814	1.025.538	58.332	(46.393)	1.604.850	578.928	1.025.922	52.731	117.486
American Franchising Corp. (AFC)	999.897	6	999.891	(17)	-	1.049.512	-	1.049.512	1.886	203.003
Alimentos Cárnicos S.A.S.	1.886.086	1.130.322	755.764	61.005	(4.608)	1.750.430	984.475	765.955	72.079	98.493
Tresmontes S. A.	1.171.679	497.826	673.853	15.592	(391)	1.314.115	659.927	654.188	31.173	1.785
Compañia de Galletas Pozuelo DCR S.A.	720.246	85.335	634.911	(56.484)	(3.319)	848.362	94.630	753.732	38.201	5.056
Industria Colombiana de Café S.A.S.	1.350.441	731.123	619.318	39.909	(14.275)	1.378.407	734.435	643.972	53.078	44.361
Lucchetti Chile S.A. (Newco)	656.474	61.699	594.775	5.989	(212)	711.510	126.504	585.006	6.518	584
Compañia Nacional de Chocolates del Peru S.A.	428.651	63.547	365.104	3.783	232	435.753	62.315	373.438	16.163	316
Meals Mercadeo de Alimentos de Colombia S.A.S.	779.130	551.423	227.707	4.774	(2.551)	753.315	489.984	263.331	14.302	2.360
InmobiliariaTresmontes Lucchetti S.A. (Newco)	233.649	22.689	210.960	3.061	(28)	239.293	32.776	206.517	2.720	209
Industria de Alimentos Zenú S. A. S.	350.471	141.653	208.818	23.528	(20.486)	368.019	159.096	208.923	19.429	(22)
Tresmontes Lucchetti S. A.	538.607	379.983	158.624	18.343	(521)	624.424	484.577	139.847	14.993	343
Abimar Foods Inc.	292.741	160.786	131.955	16.586	(1.218)	258.379	135.981	122.398	15.931	2.373
Productos Alimenticios Doria S. A. S.	307.682	180.184	127.498	6.840	(1.452)	324.534	190.991	133.543	12.502	1.953
Tresmontes Lucchetti Mexico S. A. de C. V.	178.190	61.523	116.667	(14.232)	1.337	247.324	85.627	161.696	(21.505)	(1.008)
Inmobiliaria y Rentas Tresmontes Lucchetti	115.489	-	115.489	-	-	114.706	-	114.706	-	-
Novaventa S. A. S.	182.521	66.068	116.453	21397	-	167.643	74.186	93.457	19.967	-
Other subsidiaries (1)	2.726.853	1.842.241	884.612	28.536	(45.967)	3.367.104	2.364.719	1.002.385	57.682	5.409
Subsidiaries with non-controlling interest										
Novaceites S.A.	63.801	12.325	51.476	4.010	(13)	68.712	21.555	47.157	2.425	84
Setas Colombianas S.A	65.958	16.127	49.831	5.051	-	70.107	23.364	46.743	3.439	-
Helados Bon	44.026	15.039	28.987	9.629	(553)	42.965	19.068	23.897	6.880	1.036
La Recetta Soluciones Gastronómicas Integradas S.A.S.	44.196	42.527	1.669	(25)	9	49.837	48.147	1.689	(81)	-
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	40.132	12.014	28.118	720	-	34.416	7.018	27.398	1.275	-

Table 13

(1) Other subsidiaries include equity of $884.612, for the following companies: Alimentos Cárnicos de Panama S.A., Alimentos Cárnicos Zona Franca Santa Fe S.A.S., Compañía Nacional de Chocolates DCR. S.A., Nutresa S.A. de C.V., Serer S.A. de C.V., Pastas Comarrico S. A. S., Industrias Aliadas S.A.S., Tropical Coffee Company S. A. S., Molino Santa Marta S.A.S., Comercial Pozuelo Nicaragua S.A., Comercial Pozuelo Panama S. A., Cía. Americana de Helados S.A., Americana de Alimentos S.A. de C.V., Comercial Nutresa S.A.S., Distribuidora POPS S.A., Corp. Distrib. de Alimentos S.A (Cordialsa), Comercial Pozuelo Guatemala S.A., Industrias Lácteas Nicaragua S.A., Novaventa S.A.S., Comercial Pozuelo El Salvador S.A. de C.V., Cordialsa Usa, Inc., TMLUC Argentina S.A., Comercializadora Tresmontes Lucchetti S.A. de C.V., Tresmontes Lucchetti Internacional S.A., TMLUC Peru S.A., Tresmontes Lucchetti Servicios S.A., Fideicomiso Grupo Nutresa, Inmobiliaria Nevada S.A., Gestión Cargo Zona Franca S.A.S., Opperar Colombia S.A.S., Servicios Nutresa S.A.S., Promociones y Publicidad Las Américas S.A., TMLUC Servicios Industriales, S. A. de CV , Servicios Tresmontes Lucchetti S.A. de C.V., A2-Aldage, Inc., Aldage Inc., Litoempaques S.A.S., Servicios Nutresa Costa Rica S.A., Tresmontes Lucchetti Agroindustrial S. A., Aldage, Inc., LYC Bay Enterprise INC., Sun Bay Enterprise INC., Gulla Properties Development LLC., Heanor Consulting LLC., Gabon Capital LTD., Baton Rouge Holdings LTD., Ellenbrook Holdings Limited, Perlita Investments LTD., El Corral Investments INC.

NOTE 8.
CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31st includes the following:

	2016	2015
Cash and banks	149.987	234.620
Short-term investments	69.335	51.444
Total	**219.322**	**286.064**

Table 14

Short-term collocations are realized for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and accrue interest at market rates of the respective short-term collocations. Balances with banks accrue interest at variable rates based on the return daily bank deposit rates. The average returns on cash and cash equivalents, in all currencies, is 4.1% (2015 - 2,7%)

These values have no restrictions over their availability.

At December 31, 2016, the Group had $2.500.000 (2015 – 2.100.000) available in committed unused credit lines.

NOTE 9.
TRADE AND OTHER RECEIVABLES

	2016	2015
Customer	811.653	842.362
Accounts receivable from employees	39.201	40.149
Loans to third-parties	2.298	2.248
Dividends receivable	12.496	11.612
Other accounts receivable	56.136	21.807
Impairment	(9.092)	(13.169)
Total trade and other receivables	**912.692**	**905.009**
Current portion	889.197	878.280
Non-current portion	23.495	26.729

Table 15

At December 31, accounts receivable from customers have the following stratifications:

	2016	2015
Not overdue	610.866	624.023
Up to 90 days	178.150	188.894
Between 91 and 180 days	9.556	10.588
Between 181 and 365 days	8.116	9.779
More than 365 days	4.965	9.078
Total	**811.653**	**842.362**

Table 16

To ensure recovery of trade debts and other accounts receivable, "blank promissory notes" are constituted with letters of instruction, advances are solicited, bank guarantees and, in some cases, collateral is requested. For loans to employees, mortgages and pledges are constituted, and promissory notes are signed.

The reconciliation of recognized impairment on accounts receivable is as follows:

	2016	2015
Book value at January 1st	**13.169**	**11.161**
Impairment losses recognized during the period	11.082	12.454
Use during the period	(14.340)	(12.446)
Reversal of impairment losses for the period	(529)	(444)
Exchange differences	(377)	1.662
Other changes	87	782
Book value at December 31st	**9.092**	**13.169**

Table 17

Grupo Nutresa derecognizes, against the impaired value, in an corrective account, the values of the impaired portfolio considered manifestly lost, when there is evidence of inactive balances from, commercial customers, with over 360 days accounts, past due, to December 31st of each year. Grupo Nutresa recognizes the totality of losses due to impairment through a corrective account and not directly.

The book amount of accounts receivable from customers, is denominated in the following currencies:

	2016	2015
Colombian Pesos	381.628	387.347
US Dollars of America	158.975	150.098
Other currencies	271.050	304.917
Total	**811.653**	**842.362**

Table 18

NOTE 10.
INVENTORIES

	2016	2015
Raw materials	304.804	339.195
Works in progress	55.754	55.703
Finished products	369.609	374.369
Packing materials	98.802	104.778
Consumable materials and spare parts	77.168	75.184
Inventories in transit	127.783	87.826
Adjustments to the net realizable values	(5.503)	(4.086)
Total	**1.028.417**	**1.032.969**

Table 19

Net write-offs of inventory values are recognized as cost, during the period, in the amounted of $1.476 (2015 - $719).

Write- down inventories are recognized as expenses, in the amount of $65.478, during the period 2016 (2015 - $60.873); these penalties are within the normal range expected by the Group, according to, the production process, and associated with factors of the type of product, such as expiration dates, rotation, and handling of food.

The impairment of inventories is determined based on an analysis of the conditions and the rotation of inventories. The estimate is recorded, against the results of the year, in the amount of $944 (2015 - $485).

As of December 31st of 2016 and 2015, there are no inventories committed as collateral for liabilities. The Group expects to realize its inventories, in less than 12 months.

NOTE 11.
BIOLOGICAL ASSETS

	2016	2015
Biological assets – cattle	42.763	24.636
Biological assets – pig	29.414	25.269
Forest plantation	10.933	8.913
Total	**83.110**	**58.818**
Current portion	**75.677**	**53.119**
Non-current portion	**7.433**	**5.699**

Table 20

The following are the amounts and principal locations of the biological assets:

	Quantities		Location
	2016	2015	
Biological assets – cattle (1)	30,400 units	22,394 units	Antioquia, Córdoba, Cesar, Santander, Sucre, and Caldas - Colombia
Biological assets – pig (1)	73,251 units	67,833 units	Antioquia and Caldas - Colombia
	12,418 units	13,184 units	Provincia de Oeste - Panama
Forest plantations			
Cocoa plantations (2)	170 ha	170 ha	Santander - Colombia
Mushroom crops (3)	40.290 m^2	40.290 m^2	Yarumal - Colombia

Table 21

(1) Pork livestock farming in Colombia is carried out own farms, farms in participation, and leased farms; its production is used as raw material for the development of business products of the Cold Cuts Business.

Pigs and cattle, in Colombia, are measured at fair value, using as a reference, the market values published by the National Association of Pig Farmers and livestock auctions at fairs in each location; this measurement is at the Level 2 of the fair value hierarchy, of IFRS 13.

Pigs that are produced abroad, in 2016 is $4.709 (2015 - $5.125), are measured upon initial recognition under the cost model,, taking into account, that there is no active market.

(2) Owned cocoa plantations are intended to encourage the development of the cocoa crops through to agroforestry systems (Cacao timber), to farmers in the Country, in addition to supply of raw material consumption of Group; they have an average life of 15 years, and therefore, are classified as non-current assets.

(3) Mushroom crops are used by Setas Colombianas S.A., in its production process, located in Yarumal, Colombia, and is measured under the cost model, considering that there no active market exists, for these crops

The gain or loss for the period, due to changes in fair value minus the costs to sell of biological assets, in 2016 is $8.696 (2015 - $1.582), and is included in operating income.

At the end of the reporting period, and the comparative period, there are no restrictions on the ownership of the Group's biological assets, nor significant contractual commitments for its development or acquisition, and have not been pledged as collateral for debt compliance.

NOTE 12.
OTHER ASSETS

Other assets are comprised of the following:

	2016	2015
Other current assets		
Current taxes (See note 18.2)	208.803	146.006
Prepaid expenses [1]	29.009	58.679
Financial derivative instruments (See Note 21.6)	9.020	16.077
Total other current assets	**246.832**	**220.762**
Other non-current assets		
Non current taxes	970	-
Prepaid expenses	5.915	4.182
Other financial instruments measured at fair value [2]	40.109	34.324
Other non-current assets	1.667	2.139
Total other non-current assets	**48.661**	**40.645**
Total other assets	**295.493**	**261.407**

Table 22

(1) The expenses paid in advance, correspond mainly to insurance in the amount of $12.397 (2015 - $16.978), contractors for $4.223 (2015 - $14.264), and leases for $1.068 (2015 - $937).

The decrease is mainly due to the fact, that the balance at December 2015, it includes pre-payments of $19.560 from the companies Industrias Alimenticias Hermo and Cordialsa de Venezuela, which were excluded from the consolidation perimeter of Grupo Nutresa, as of October 2016 and onwards, as explained in Note 20.1.

(2) Other financial instruments measured at fair value corresponding to the rights held by the private equity "Cacao para el futuro" - Compartment A, in cocoa plantations. See Note 37 for the information for the measurement of the fair value of this asset.

NOTES 13.
NON-CURRENT ASSETS HELD FOR SALE

Currently under construction, are five distribution centers that form part of "build to suit" and that will house the finished product for secondary distribution in Colombia, in the cities of Florence, Palermo, Pasto, Cartagena, and Montería.

This initiative is framed under the strategy of sustainable development, in construction, and ensures the welfare for human resources, as well as, the product. Grupo Nutresa realizes the design and construction of these buildings which will be sold to a real estate fund, once construction is complete in mid-2016, to then be taken into operating leases by Grupo Nutresa, thereby achieving a significant release of working capital.

As of December 31, 2016, the balance of $100.330 (December 2015 - $71.679), included machinery and equipment for $631, land purchased for $15.586, and constructions in progress for $84.113; These constructions are expected to be completed in the first quarter of 2017, for which, resources are committed for, in the amount of $14.377.

In the year 2016, real estate sales were carried out classified in this category for a value of $35.069, transfers were made to properties, plant and equipment, in the amount of $9.784, and additional investments in projects-in-progress, in the amount of $73.504.

NOTE 14.
PROPERTY, PLANT AND EQUIPMENT, NET

The movement of property, plant and equipment occurring during the period, is as follows:

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Total
Cost	**778.971**	**910.913**	**2.059.609**	**22.433**	**30.186**	**47.113**	**102.462**	**180.986**	**4.132.673**
Depreciation and/ or impairment	**(327)**	**(103.136)**	**(560.123)**	**(12.614)**	**(17.110)**	**(29.256)**	**(26.385)**	**-**	**(748.951)**
Balance at January 1, 2016	**778.644**	**807.777**	**1.499.486**	**9.819**	**13.076**	**17.857**	**76.077**	**180.986**	**3.383.722**
Acquisitions	-	872	11.950	2.092	6.243	4.754	19.971	283.676	329.558
Disposals	(96)	(4.335)	(7.299)	(653)	(35)	(19)	(117)	(3.194)	(15.748)
Depreciation	-	(33.195)	(157.513)	(2.913)	(4.273)	(4.683)	(12.459)	-	(215.036)
Impairment	-	-	(173)	(5)	(4)	-	-	-	(182)
Transfers	10.537	17.444	275.066	1.664	812	4.038	(878)	(307.161)	1.522
Classification to financial instruments (Venezuela)	(526)	(18.509)	(12.381)	(34)	(73)	(59)	-	(6.778)	(38.360)
Adjustments in hyperinflationary economies	262	10.274	8.319	6	(32)	85	-	3.527	22.441
Currency translation impact	(7.488)	(28.945)	(38.082)	(552)	(516)	(1.026)	(452)	(7.343)	(84.404)
Cost	**781.644**	**891.388**	**2.260.229**	**23.464**	**33.963**	**51.888**	**116.709**	**143.713**	**4.302.998**
Depreciation and/ or impairment	**(311)**	**(140.005)**	**(680.856)**	**(14.040)**	**(18.765)**	**(30.941)**	**(34.567)**	**-**	**(919.485)**
Balance at December 31, 2016	**781.333**	**751.383**	**1.579.373**	**9.424**	**15.198**	**20.947**	**82.142**	**143.713**	**3.383.513**
Cost	**751.664**	**706.040**	**1.564.133**	**30.349**	**18.056**	**38.615**	**10.402**	**316.809**	**3.436.068**
Depreciation and/ or impairment	**(200)**	**(57.541)**	**(363.350)**	**(13.222)**	**(11.888)**	**(22.812)**	**(3.720)**	**-**	**(472.733)**
Balance at January 1, 2015	**751.464**	**648.499**	**1.200.783**	**17.127**	**6.168**	**15.803**	**6.682**	**316.809**	**2.963.335**
Acquisitions	-	9.612	20.239	1.973	3.511	729	12.492	346.408	394.964
Business combinations	1.868	16.521	44.188	1.046	2.455	3.218	63.390	1.001	133.687
Disposals	(2.401)	(2.336)	(3.365)	(432)	(106)	(168)	(171)	(79)	(9.058)
Depreciation	-	(31.091)	(144.295)	(2.935)	(3.638)	(4.232)	(8.231)	-	(194.422)
Impairment	-	(7)	(162)	-	7	-	-	-	(162)
Transfers	(273)	144.092	329.880	(10.141)	4.281	596	538	(519.382)	(50.409)
Adjustments in hyperinflationary economies	606	9.833	9.540	83	2	12	-	3.396	23.472
Currency translation impact	27.380	12.654	42.678	3.098	396	1.899	1.377	32.833	122.315
Cost	**778.971**	**910.913**	**2.059.609**	**22.433**	**30.186**	**47.113**	**102.462**	**180.986**	**4.132.673**
Depreciation and/ or impairment	**(327)**	**(103.136)**	**(560.123)**	**(12.614)**	**(17.110)**	**(29.256)**	**(26.385)**	**-**	**(748.951)**
Balance at December 31, 2015	**778.644**	**807.777**	**1.499.486**	**9.819**	**13.076**	**17.857**	**76.077**	**180.986**	**3.383.722**

Table 23

As of December 31, 2016, there was collateral of property, plant and equipment, at a book value of $178.910, to cover financial obligations or credit quotas. (2015 $178.910).

The main acquisitions in 2016, are part of the purchase of a plant of cattle slaughtering in the Cold Cuts Business, new lines of production of pasta and biscuits, and in 2015, corresponds primarily to the new lines of biscuit production and reposition of assets in the business.

NOTE 15.
INVESTMENT PROPERTIES

The movement of investment properties is detailed, during 2016 and 2015, as follows:

	Land	Buildings	Total
Cost	68.336	14.777	83.113
Depreciation and impairment	-	(720)	(720)
Balance at January 1, 2016	**68.336**	**14.057**	**82.393**
Depreciation	-	(184)	(184)
Transfers	-	(2.641)	(2.641)
Impact of differences of currency translation	-	(7.726)	(7.726)
Cost	68.336	4.040	72.376
Depreciation and impairment	-	(534)	(534)
Balance at December 31, 2016	**68.336**	**3.506**	**71.842**
Cost	80.483	15.992	96.475
Depreciation and impairment	-	(195)	(195)
Balance at January 1, 2015	**80.483**	**15.797**	**96.280**
Withdrawals	(461)	(880)	(1.341)
Depreciation	-	(581)	(581)
Transfers	(11.686)	-	(11.686)
Adjustments in hyperinflationary economies	-	7.090	7.090
Impact of differences of currency translation	-	(7.369)	(7.369)
Cost	68.336	14.777	83.113
Depreciation and impairment	-	(720)	(720)
Balance at December 31, 2015	**68.336**	**14.057**	**82.393**

Table 24

At December 31, 2016, there were no materials commitments for acquisition or construction of the investment properties.

The fair value of investment properties, at December 31, 2016, amounted to $98.064 (2015 $103.538), and was determined by an independent appraiser using an income and market approach. The variation is mainly explained by the classification of investments in Venezuela, as Financial Instruments in the amount of $9.900, and the rest, based on prices from active market share prices, adjusted for differences in nature, location and/or condition of each property particular; or by financial discounting of future cash flows obtained from leased property.

NOTE 16.
GOODWILL

The movement of book values of goodwill, assigned to each one of the segments of the Group, is as follows:

2016

Reportable Segment	CGU	Balance at January 1st	Exchange Differences	Balance at December 31st
Retail Foods	Grupo El Corral	534.811	-	534.811
	Grupo Pops	170.494	-	170.494
	Helados Bon	51.530	-	51.530
Coffee	Industrias Aliadas S.A.S	4.313	-	4.313
Cold Cuts	Setas Colombianas S.A.	906	-	906
Chocolate	Nutresa de Mexico	182.642	(2.571)	180.071
Biscuits	Abimar Foods Inc.	96.546	-	96.546
	Galletas Pozuelo	36.995	(2.896)	34.099
TMLUC	Grupo TMLUC	955.166	6.518	961.684
		2.033.403	**1.051**	**2.034.454**

Table 25

2015

Reportable Segment	CGU	Balance at January 1st	Additions (*)	Exchange Differences	Balance at December 31st
Retail Foods	Grupo El Corral (*)	-	534.811	-	534.811
	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	Industrias Aliadas S.A.S	4.313	-	-	4.313
Cold Cuts	Setas Colombianas S.A.	906	-	-	906
Chocolate	Nutresa de Mexico	172.248	-	10.394	182.642
Biscuitss	Abimar Foods Inc.	96.546	-	-	96.546
	Galletas Pozuelo	27.950	-	9.045	36.995
TMLUC	Grupo TMLUC	849.085	-	106.081	955.166
		1.373.072	**534.811**	**125.520**	**2.033.403**

Table 26

(*) In 2015, the addition corresponds to the business combination for the acquisition of Grupo El Corral (See Note 5.2).

16.1 ASSESSMENT OF IMPAIRMENT OF GOODWILL

Goodwill is not subject to amortization. The Group reviews the existence of impairment, annually, by comparing the book value of net assets allocated to the Cash Generating Unit (CGU), with their recoverable value. During the current period, as well as, in the previous, no impairment loss was recognized.

The recoverable segments Coffee, Cold Cuts, Chocolate, Biscuits, TMLUC, and some CGU from the Consumer Food Segment are calculated, based on the value in use, which corresponds to the discounted future cash flows.

The recoverable amount of the CGU of Grupo El Corral is estimated, based on the fair value less costs of disposal. To estimate the fair value less costs of disposal, the methodology of discounted cash flow less costs of disposal, was applied. To apply this methodology, a discount rate. The method of calculation is the weighted average cost of capital, which weighs the cost of shareholders, with the cost of debt. The estimate of the variables for both the cost of capital, and to debt, is based on market information available at the date of valuation. Regarding the estimate of the projections, the best estimates were used by the Management, and were adjusted, based on the historic results. These projections include those projects that are authorized, at the date of valuation.

For each CGU or group of CGU, the recoverable amount is higher than its book amount. Cash flows have been projected for a period of 10 years, which consists of five years of explicit plans and an additional 5 years, where a stabilization period is projected, with a decreasing convergence equivalent to the anticipated nominal economic comportment, and the perpetual long-term growth, according to the requirements of the applicable norms, giving more consistency to the normal evolution of the businesses and projections. These flows have been established throughout the experience of the Group.

The operating income included within the future cash flows correspond to the income of the businesses that conform to the CGU or group of CGU's, and the projected comportment considered the expected evolution of the market and the growth strategies approved by the Direction, for the following years, determinant, at the moment that the evolution of the gross profit margin is defined, which includes a study of the cost factors based upon the efficiencies projected by the Administration.

Grupo Nutresa uses a specific growth rate that is similar to the average rate of long-term growth, for the industry, and is 1.5%, indexed to the inflation of the country, where is each CGU is assessed; all flows have been discounted, according to the specific for that relevant country, and varies according the variables determined, for each CGU, according to the WACC "weighted average cost of capital" methodology. The average discount rate used, is in a range established, between 8% and 14%.

Grupo Nutresa considers that there is no reasonable change possible, in the previous key assumption indicators listed above, used in the assessment of impairment, in such way that the book value of a CGU, exceeds its recoverable amount.

NOTE 17.
OTHER INTANGIBLE ASSETS

	Brands	Software and Licenses	Concessions and Franchises	Others	Total
Cost	1.160.527	41.242	54.351	3.627	1.259.747
Amortization and impairment	(54.714)	(24.465)	(564)	(47)	(79.790)
Balance at January 1, 2016	**1.105.813**	**16.777**	**53.787**	**3.580**	**1.179.957**
Acquisitions	-	4.448	607	3.053	8.108
Amortization	(4.125)	(5.679)	(192)	(256)	(10.252)
Transfers	-	(510)	-	458	(52)
Impact of currency translation	(13.996)	(7)	(80)	(7)	(14.090)
Cost	1.145.839	35.660	54.877	7.131	1.243.507
Amortization and impairment	(58.147)	(20.631)	(755)	(303)	(79.836)
Balance at December 31, 2016	**1.087.692**	**15.029**	**54.122**	**6.828**	**1.163.671**
Cost	801.740	31.325	27	59	833.151
Amortization and impairment	(50.569)	(15.742)	(11)	-	(66.322)
Balance at January 1, 2015	**751.171**	**15.583**	**16**	**59**	**766.829**
Acquisitions	117	7.659	512	2.920	11.208
Business combinations (See Note 5)	269.545	953	53.367	-	323.865
Amortization	(4.029)	(6.214)	(122)	(47)	(10.412)
Transfers	1.193	(2.075)	8	640	(234)
Impact of currency translation	87.816	871	6	8	88.701
Cost	1.160.527	41.242	54.351	3.627	1.259.747
Amortization and impairment	(54.714)	(24.465)	(564)	(47)	(79.790)
Balance at December 31, 2015	**1.105.813**	**16.777**	**53.787**	**3.580**	**1.179.957**

Table 27

17.1 BRANDS

This corresponds to the brands acquired through business combinations or transactions with third parties.

The following table shows the allocation of brands to each business segment and the classification by useful life at December 31st of 2016 and 2015:

2016			
Reportable Segment	**Finite Useful Life Brands**	**Indefinite Useful Life Brands**	**Total**
Retail Foods	-	268.327	268.327
Cold Cuts	1.031	-	1.031
Chocolate	-	16.840	16.840
Biscuits	-	183.293	183.293
Ice Cream	287.196	-	287.196
TMLUC	-	331.005	331.005
Total	**288.227**	**799.465**	**1.087.692**

Table 28

2015			
Reportable Segment	**Finite Useful Life Brands**	**Indefinite Useful Life Brands**	**Total**
Retail Foods	-	268.992	268.992
Cold Cuts	1.398	-	1.398
Chocolate	-	17.442	17.442
Biscuits	-	198.864	198.864
Ice Cream	290.356	-	290.356
TMLUC	-	328.761	328.761
Total	**291.754**	**814.059**	**1.105.813**

Table 29

Brands with a finite useful life are amortized with a useful life of 99 years.

Brands with a net book value of $799.465 (2015 - $814.059) are considered to have indefinite useful lives, due to the fact that a consistent basis it is not determined, in reference to the flows that are expected to generate each one of the brands; these assets are not amortized and are assessed for impairment, annually.

17.1.1 IMPAIRMENT OF THE VALUE OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

The brands that have indefinite useful lives are subject, annually, to an assessment of impairment, using the projection of future cash flows, to determine its value in-use; in this assessment, such variables, as: the discounted rate, the increased rate of long-term, among other variables, similar to those used in the impairment assessment of goodwill (See Note 16.1), are taken into account. During 2016 and 2015, no losses from impairment of brands were not recognized.

In relation to intangible assets with finite useful lives, Grupo Nutresa considers that there are no situations that can impact the projections of expected results, in the remainder of the useful life, and in whose opinion, to December 31st of 2016 and 2015, there exists no indications of impairment of intangible assets with a finite useful life.

NOTE 18.
INCOME TAXES AND PAYABLE TAXES

18.1 APPLICABLE NORMS

The effective tax provisions and applicable, state that nominal rates of income tax for Grupo Nutresa, are as follows:

Income tax %	2015	2016	2017	2018	2019	2020
Colombia	39,0	40,0	40,0	37,0	33,0	33,0
Costa Rica	30,0	30,0	30,0	30,0	30,0	30,0
Ecuador	22,0	22,0	22,0	22,0	22,0	22,0
El Salvador	30,0	30,0	30,0	30,0	30,0	30,0
Estados Unidos	30,0	34,0	34,0	34,0	34,0	34,0
Guatemala	25,0	25,0	25,0	25,0	25,0	25,0
Mexico	30,0	30,0	30,0	30,0	30,0	30,0
Nicaragua	30,0	30,0	30,0	30,0	30,0	30,0
Panama	25,0	25,0	25,0	25,0	25,0	25,0
Peru	28,0	28,0	29,5	29,5	29,5	29,5
Dominican Republic	27,0	27,0	27,0	27,0	27,0	27,0
Chile	22,5	24,0	25,5	27,0	27,0	27,0
Argentina	35,0	35,0	35,0	35,0	35,0	35,0

Table 30

a) Colombia

Until the taxable year 2016, tax revenues are taxed at the rate of 25%, to income tax, except taxpayers by express provision, handle special rates, such as those located in free zones, and 10% income from occasional profit.

The income tax for equity, "CREE", a fee of 9% is applied, in accordance with Law 1739 of December 2014. In addition, during 2015 and 2016, the Law 1739 of 2014 established a surtax on income tax for equity "CREE", which is the responsibility of the taxpayers of this tax at rates of 5%, 6% per year, respectively.

The Structural Tax Reform - Law 1819 of December 29, 2016 – aside of repealing the income tax for equity - CREE, as of January 1, 2017, modified the income tax rate, as well, as follows:

	Before the Reform	Within the Reform	Nominal Variation
2017	Income tax: 25% CREE: 9% CREE surtax: 8% (TB*>800 Millon) **Total: 42%**	Income tax: 34% Income surtax: 6% (TB*>800 Millon) **Total: 40%**	Reduction of 2%
2018	Income tax: 25% CREE: 9% CREE surtax: 9% (TB*>800 Millon) **Total: 43%**	Income tax: 33% Income surtax: 4% (TB*>800 Millon) **Total: 37%**	Reduction of 6%
2019 Forward	Income tax: 25% CREE: 9% **Total: 34%**	Income tax: 33% **Total: 33%**	Reduction of 1%

Table 31

*TB: Tax Base

b) Chile

In Chile, the law implemented separate "capital income" and "earned income" systems. The first are taxed with tax class act, which mainly impacts businesses. This tax has a fixed rate of 24% for the year 2016, and 25.5% for the year 2017, on the tax base, which is calculated effecting aggregates or decreases mandated by law. The tax paid in this way, is imputable against the Global Complementary, which taxes the entire income of natural persons residing in the country; or additional, levies on income generated in Chile, to natural and legal persons, residing outside the country, according to, the case.

c) Mexico

The income tax rate of Mexico is 30%; which is applied to taxable income for the year.

d) Costa Rica

Income tax is calculated based on the actual income for the year, with advances during the estimated year. The provisions for taxes on income accounts includes, in addition, taxable income tax for the year, the tax effect applicable to temporary differences between accounting and tax items, used for calculation of income tax. The value of tax such differences are recorded in an account of deferred income tax. The rate of income tax is 30%.

e) Panama

The income tax is determined based on the actual income for the year. The income tax rate is 25%.

f) Ecuador

According to the Law of Tax Regime, companies incorporated in Ecuador, have tax incentives applications for investments that run in any part of the country, which is the progressive reduction of percentage points in the tax rent, and they're subject to the tax rate of 22%. .

18.2 CURRENT TAX ASSETS AND LIABILITIES

The balance of current tax assets at December 31st includes:

	2016	2015
Income tax and complementary (1)	123.903	110.275
Income tax for equity "CREE" (2)	16.805	10.158
Equity tax (3)	49.486	-
Sales tax payable	15.801	22.982
Other taxes	2.808	2.591
Total	**208.803**	**146.006**

Table 32

(1) Income tax assets and complementary, include automatic withholdings of $8.648 (2015 - $9.022), credit balances of $94.883 (2015 - $67.546), tax advances of $20.162 (2015 - $32.923), tax rebates for $56 (2015 - $782), and withholding $154 (2015 - $2).

(2) Assets from income tax for equity " CREE" include automatic withholdings of $1.895 (2015 - $582), and credit balances of $ 14.910 (2015 - $ 9.576).

(3) Grupo Nutresa has six (6) companies that signed on with, in 2009, the Colombian Government, judicial stability contracts; one of the stabilized tax was the equity tax, which, according to the interpretation of the Directorate National Tax and Customs, according to those contracts, these companies hold the obligation to pay, despite being sheltered by the contracts. These companies proceeded to fulfill the legal obligation. Parallel to this situation, other contributors took legal action and demanded the concept through the sentence 18636 of August 30, 2016, and nullifying the concept, by judgment 05001-23-31-000-2012-00612-01 [21012]. As a result of said, and applying Article 594-2 of the Tax Code, these statements do not produce legal effects; generating a credit balance, from the payment due in the amount of $ 37.965, in the Changes in Equity Statement, and $ 11.521 in the Comprehensive Income Statement.

The current taxes payable balances to December 31st include:

	2016	2015
Income tax and complementary	39.336	61.273
Income tax for equity - CREE	8.478	11.002
Sales tax payable	79.453	65.662
Withholding taxes, payable	28.556	27.105
Other taxes	7.539	7.281
Total	**163.362**	**172.323**

Table 33

The Group applies the laws with professional judgment to determine and recognize the provision for current tax and deferred income, on its Consolidated Financial Statements. The final tax determination depends on the new regulatory requirements, the existence of sufficient taxable profit for the use of tax shields, and fiscal positions, as the treatment of untaxed income, and special deductions, according to the current regulations and applicable, and the analysis of favorability probability of expert opinions. The Group recognizes liabilities, for anticipated tax audits, observed based on estimates, if applicable pay additional taxes. When the final tax outcome of these situations is different, from the amounts that were initially recorded, differences are charged to tax on current and deferred income assets and liabilities in the period in which this fact is determined

18.3 INCOME TAX EXPENSES

Current income tax expenses are as follows:

	2016	2015
Income tax	127.915	134.013
Income tax for equity - CREE	27.819	33.017
CREE surcharge	17.132	16.531
Total	**172.866**	**183.561**
Deferred taxes (*)	(29.533)	(16.421)
Total tax expenses	**143.333**	**167.140**

Table 34

(*) Deferred income tax, arises mainly from the recognition of unrealized financial instruments, fiscal credits, and differences in accountable, and taxable depreciation bases, which constitute a future tax benefit. Additionally, the sales of intangibles, obliges that the recognized deferred tax be reversed, in previous years.

In the year 2015, deferred tax, is recognized, in Colombia at a rate of 39%. In December 2016, as a result of, the tax reform, items such as: property, plant and equipment, employee benefits, inventories, et al., are recognized at the rate of 33% or 34%, considering the time that the temporary difference is reversed

18.4 DEFERRED TAX INCOME

The breakdown of the deferred tax assets and liabilities are as follows:

	2016	2015
Deferred tax assets		
Goodwill tax, TMLUC	169.179	184.055
Employee benefits	56.713	58.096
Accounts payable	5.231	6.991
Tax losses	95.981	71.464
Tax credits	5.341	3.237
Debtors	14.044	2.872
Other assets	10.505	28.746
Total deferred tax assets	**356.994**	**355.461**
Deferred tax liabilities		
Property, plant and equipment	343.415	347.350
Intangibles	244.174	309.482
Investments	6.421	5.315
Other passives	111.690	65.545
Total income tax liability	**705.700**	**727.692**
Net deferred tax liabilities	**348.706**	**372.231**

Table 35

The deferred tax asset is recognized and supported, on the basis that the Group has generating positive taxable income, and it is projected to generate future income sufficient to compensate tax credits and tax losses, from previous periods, prior to maturity, and obtain future tax benefits, for goodwill tax in Chile, employee benefits, as well as, items recognized in the deferred tax assets. Projections of annual taxable income and actual data, are reviewed to determine the impact and adjustments, on asset values, and their recoverability in future periods.

The deferred tax liability, on intangibles, relates mainly to brands and goodwill. In the year 2016 Grupo Nutresa, recognized the deferred tax liability, associated with goodwill for $92.155, of which $4.273, were the result of the year in 2016, and $ 87.882 was credited directly to equity, in the respective accounts.

In the process of consolidation at year-end 2016, a difference identified in the interpretation rules of deferred goodwill taxes, of which are not eliminated in the process of consolidation, due to the fact the Separate Financial Statements the goodwill is part of the cost of permanent investments, in accordance with IAS 12. It is important to highlight that this impact was recognized in the Consolidated Financial Statements, as was in the opening balance of First-time adoption.

The application of the definitions, established in IAS 8 - Materiality and Relative Importance, the Management of the Group considered that this difference in the rules interpretation does not constitute a material difference, that could influence the economic decisions made by users of the Financial Statements in 2015, they were the first Financial Statements under International Financial Reporting Standards, in Colombia. Additionally, it is important to note that in Colombia, and according to Article 34 of Law 222 and Article 150, of the Code of Commerce, which regulates the distribution of dividends, it is stipulated that such distribution is not performed in the Consolidated Financial Statements.

	Deferred tax liabilities	Other reserves
Opening balance January 1, 2014	-	-
Initial recognition of deferred goodwill tax	62.342	62.342
Opening balance January 1, 2014, adjusted	62.342	62.342
Tax deferred recognition of goodwill, payable 2014	14.505	14.505
Balance at December 31, 2014, adjusted	76.847	76.847
Tax deferred recognition of goodwill, payable 2015	11.035	11.035
Balance at December 31, 2015 adjusted	**87.882**	**87.882**

Table 36

The movement of deferred tax during the period was as follows:

	2016	2015
Opening balance, net deferred tax liabilities	**372.231**	**250.776**
Deferred tax expenses, recognized in income for the period	(29.533)	(16.421)
Income tax relating to items, credited directly to equity	-	11.035
Income tax relating to components, of other comprehensive income	(5.742)	(2.791)
Increase for business combinations	-	121.059
Impact of variation in rates of foreign exchange	11.750	4.261
Other impact	-	4.312
Opening balance, net deferred tax liabilities	**348.706**	**372.231**

Table 37

The temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, for which were not recognized deferred tax liabilities, are $6.597.239 (2016) and $6.498.528 (2015), said deferred tax liability, would be from $2.204.150 (2016) and $ 2.177.091 (2015).

The income tax relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of $(5.419) (2015 - $2.297), the participation in associates and joint ventures, accounted for by using the Equity Method, in the amount of $(176) (2015 - $0), and that related to changes in the fair value of financial liabilities in the amount of $(147) (2015 - $(5.088).

18.5 EFFECTIVE TAX RATES

The effective tax rate differs from the theoretical rate by the effect produced by applying the tax rules. As part of tax regulations, benefits such as: untaxed income (e.g. dividends, research incentives, et al.); additionally, there are tax deductions restricted, such as in the case of taxation of the financial movement, that is deductible only in Colombia at 50%, non-deductibility of tax, provisions, costs, and expenses, from previous years, fines, sanctions, et al. Legal entity stability contracts, signed by six companies of the Group, allows legal security and effective legal entity tax planning, without surtaxes of tax burdens; within these contracts, the allowance of deduction of major real productive investment expenses in fixed-assets, investments in science and technology, donations, fiscal amortization of the goodwill are permitted, as well as the application of depreciation and amortization, different to those that the accounting standard establishes. All these special treatments, results in a difference between the effective rate and the deferred tax, with respect to the theoretical rate in each country.

The following is the reconciliation of the applicable tax rate and the effective tax rate:

	2016		2015	
	Value	%	Value	%
Accounting profit	**544.868**		**604.294**	
Applicable tax rate expenses	**191.845**	**35,21**	**211.986**	**35,08**
Portfolio of untaxed dividends	(19.493)	(3,58)	(17.476)	(2,89)
Unrealized untaxed financial instruments	2.506	0,46	(3.916)	(0,65)
Other untaxed accounting income	(12.580)	(2,31)	(7.176)	(1,19)
Non-deductible tax expense	(3.890)	(0,71)	6.407	1,06
Non-deductible tax to financial transactions	3.847	0,71	3.193	0,53
Provision portfolio	3.980	0,73	40	0,01
Depreciation	3.725	0,68	6.988	1,16
Other non-deductible expenses accounting	13.658	2,51	43.876	7,26
Tax liquidity for deductions recovery	6.800	1,25	1.407	0,23
Other tax income	3.218	0,59	14.275	2,36
Amortization	(7.807)	(1,43)	(13.857)	(2,29)
Special deductions for productive fixed-assets	(11.864)	(2,18)	(17.332)	(2,87)
Compensation of excess presumptive income and losses	(1.200)	(0,22)	(593)	(0,10)
Other tax deductions	(3.302)	(0,61)	(36.875)	(6,10)
Other tax impact	(26.110)	(4,79)	(23.807)	(3,94)
Total tax expenses	**143.333**	**26,31**	**167.140**	**27,66**

Table 38

The income tax expense is calculated using the weighted average tax rates, applicable in each of the countries where it Grupo Nutresa operates.

The effective tax rate decreases due to the deferred tax, composed primarily by the changes in rates of income tax and surtax, established in Law 1819 of 2016, unrealized financial instruments, tax credits, and differences in the bases of accountable and taxable depreciation, that constitute a future fiscal benefit.

In addition, the effective rate is impacted in applying rules established in legal entity stability contracts, that allow special deductions and constant tax rates, by the presence of the Group, in free zone with a differential income rate, non-deductible expenses, treated as non-temporary differences, and based on presumptive income tax.

18.6 PRESUMPTIVE INCOME TAX EXCESS AND LOSSES

At December 31, 2016, the tax losses of the Company's subsidiaries amounted to $393.592 (2015 - $ 339.567). As of the expedition of Law 1819 of 2016, the compensation of tax losses in Colombia is limited to 12 taxable periods, following the year that they were generated. Tax losses are recognized in deferred tax assets, corresponding to Chile, they do not expire.

The excess presumptive tax on ordinary income of the Company's subsidiaries, outstanding amount of $16.087 (2015 - $11.932). According to current tax regulations, excesses of presumptive tax on ordinary income, can be offset with ordinary liquid income tax within the five following years, fiscally readjusted. Excess presumptive income tax, recognized in deferred tax assets, correspond to Mexico, and do not expire.

Expiration date	Excess presumptive income tax
No expiration date	3.213
2019	765
2020	3.869
2021	8.240
	16.087

Table 39

18.7 TAX ON WEALTH

In accordance with that established in Article 6 of Law 1739 of 2014, which adds Article 297-2 of the tax statute, the causation of wealth tax is realized on January 1st of the years 2015, 2016, and 2017, and may be charged to equity reserves, without affecting net income, in accordance with Article 10 of the same law. For 2016, such were recognized in reserves at disposal to the highest social organ in the amount of $21.992, of (2015 - $24.949).

18.8 INFORMATION ON CURRENT LEGAL PROCEEDINGS

In August 2016, Chilean companies from the Tresmontes Lucchetti Business, subsidiaries of Grupo Nutresa, received resolution of the Internal Revenue Service (SII) of Chile; in which said entity has objected to the tax on income, presented on the results of the fiscal year 2014, of those companies. The object of discussion in this resolution, is the tax benefit, according to the Law, and corresponds to corporate reorganizations realized, and that generate tax refunds requested. For the former, the Management of these companies in Chile presented, on August 24, 2016, the tax claim to the Tax and Customs Courts of Santiago de Chile, in accordance with the provisions of the Law.

As of December 31, 2016, Industria de Alimentos Zenú S.A.S. and Alimentos Cárnicos S.A.S., subsidiaries of Grupo Nutresa, are in the process of discussions with the Directorate of National Tax and Customs, for the unrecognized deduction for amortization of goodwill, generated in the acquisition of shares, of income of the taxable year 2011.

18.9 APPROVED PENDING TAX NORMS FOR APPLICATION - TAX REFORMS

With the expedition of Law 1819 of December 29, 2016, the tax norms of Colombia were reformed mainly on increasing the general VAT rate from 16% to 19%, and the consolidation of the income tax with a rate of 33%, and surcharge of 6% and 4%, for the year 2017 and 2018, respectively, based on the new regulatory frameworks IFRS. The taxable year 2017 will have transitional rate of 34%, and rental rate for legal persons, who are users of free zone, increases from 15% to 20%.

The compensation of tax losses is limited to 12 following taxable periods, following the year or that were generated, plus expanding the Terms of certainty of the income tax, wherein said losses are compensated to 6 year, counted from the date of filing.

For purposes of income tax, it is assumed that the liquid income tax of the taxpayer is not less than 3.5% of the liquid equity, immediately preceding period. Before the expedition of the standard, the presumption was 3%.

Additionally, following the recommendations of the Organization for Cooperation and Economic Development, in the fight against tax evasion and the transfer of tax benefits between countries, the government implemented measurements, such as penalization of the privatization of liberty for big evaders, and strengthens the regulations with relationship to the sanction regime for transfer pricing.

With the expedition of Legislative Decree 1261 of 2016, the taxable rate increased to 29.5% in Peru, replacing the 28%, as of 2017.

NOTE 19.
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures to December 31st of 2016 and 2015 are as follows:

			Book Value		2016		2015	
	Country	% Participation	2016	2015	Share of Income for the Period	Share of Other Comprehensive Income	Share of Income for the Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S.A.	Colombia	40	132.627	75.505	5.406	(1.084)	6.225	1.304
Dan Kaffe Sdn. Bhd.	Malaysia	44	22.733	23.886	1.158	(2.311)	(58)	2.848
Estrella Andina S.A.S.	Colombia	30	6.025	6.484	(459)	-	(855)	-
Joint ventures								
Oriental Coffee Alliance Sdn. Bhd.	Malaysia	50	3.125	3.146	(2)	(19)	(384)	1.787
Total associates and joint ventures			**164.510**	**109.021**	**6.103**	**(3.414)**	**4.928**	**5.939**

Table 40

Bimbo de Colombia S.A. is a company domiciled in Tenjo, Colombia, dedicated primarily to the manufacturing of baked goods.

Dan Kaffe Sdn. Bhd. is a company dedicated to the production of frozen coffee extract and dry instant coffee. It is a strategic partner for the coffee business due to their high production standards, ideal location, and growth potential, as it allows for combination of the world-class Colcafé, soluble coffee experience, and with deep knowledge of the Japanese partner of the Asian market, the flavor, ingredients, and advanced technologies, provisioning capabilities of pending raw materials, and widespread commercial network, throughout the region.

Estrella Andina S.A.S. is a simplified joint stock company, engaged in the marketing of ready-made meals in cafeterias.

Oriental Coffee Alliance Sdn. Bhd. is a company dedicated to the sale of Dan Kaffe Malaysia (DKM) products, as well as, some Colcafé products and also part of the Group, in Asia. This partnership with the Mitsubishi Corporation, allows Grupo Nutresa advance their initially set objectives, with the acquisition of DKM, to expand its role in the global coffee industry, diversify production, and the origin of its soluble coffee, and break into the rapid growth market of coffee in Asia.

	2016	2015
Opening balance at January 1st	**109.021**	**83.323**
Increase contributions (*)	52.800	14.831
Participation in profit and loss for the period	6.103	4.928
Participation in comprehensive income	(3.414)	5.939
Balance at December 31st	**164.510**	**109.021**

Table 41

(*) In March 2016, the Shareholders' meeting of Bimbo de Colombia S.A. authorized a capital increase of $132.000, in order to develop investment projects planned for this year; Grupo Nutresa made an investment of $52.800, without generating changes in its ownership. Grupo Nutresa considers that future cash flows from this investment will be sufficient to cover the book value of the investment.

In 2015, the participation of Dan Kaffe Sdn. Increased through the capitalization of accounts receivable, in the amount of $10.333. This operation does not generate changes in the situation of control over the company. In addition, Estrella Andina is capitalized in the amount of $4.498, without changes in shareholding.

During 2016 and 2015, no dividends were received from these investments..

The following is a summary of financial information of associates and joint ventures

	2016					2015				
	Assets	Liabilities	Equity	Profit and Loss	Total Comprehensive Income for the Period	Assets	Liabilities	Equity	Profit and Loss	Total Comprehensive Income for the Period
Associates										
Bimbo de Colombia S.A.	511.912	218.613	293.299	13.516	(876)	409.084	221.261	187.823	(15.564)	3.130
Dan Kaffe Sdn. Bhd	70.726	16.054	54.672	2.533	(1.185)	71.754	18.089	53.665	(148)	-
Estrella Andina S.A.S.	22.880	2.964	19.916	(1.531)	-	23.130	1.439	21.691	(2.849)	-
Joint Ventures										
Oriental Coffee Alliance Sdn. Bhd	4.079	1.063	3.016	(5)	-	3.477	150	3.327	(1.228)	-

Table 42

None of the associates and joint ventures, held by the Group are listed on a stock market, and consequently, there are no quoted market prices for the investment.

NOTE 20.
OTHER NON-CURRENT FINANCIAL ASSETS

Grupo Nutresa classifies portfolio investments that are not held for trading, as financial instruments measured at fair value, through "other comprehensive income".

The results for the period include income from dividends on said instruments, and are recognized, by Nutresa, on the date that the right to receive future payments is established, which is the date of declaration of dividends by the issuing company. The "Other comprehensive income" includes changes in the fair value of these financial instruments.

The breakdown of financial instruments is as follows:

Book Value	Number of Shares Held	Participation as % in Total Ordinary Shares	December 2016	December 2015
Grupo de Inversiones Suramericana S.A.	59.387.803	12,66	2.268.614	2.120.145
Grupo Argos S.A.	79.804.628	12,36	1.538.633	1.292.835
Other Companies			77.959	5.169
			3.885.206	**3.418.149**

Table 43

	2016		2015	
	Dividend Income	Loss on Fair Value Measurement	Divident Income	Profit on Fair Value Measurement
Grupo de Inversiones Suramericana S.A.	27.081	148.470	25.062	(255.367)
Grupo Argos S.A.	22.904	245.798	21.388	(343.160)
Other Companies	560	755	566	(755)
	50.545	**395.023**	**47.016**	**(599.282)**

Table 44

At December 31, 2016, accounts receivable from dividends of financial instruments are in the amount of $12.496 (2015 - $11.612).

At December 31, 2016, there were pledges for 36.875.000 (2015 - 26.000.000) shares of Grupo de Inversiones Suramericana S.A., in favor of financial entities in Colombia, as collateral for obligations contracted by Grupo Nutresa and its subsidiaries.

20.1 CHANGES IN THE CLASSIFICATION OF AN INVESTMENT

Grupo Nutresa operates in Venezuela, since 1995, across two 100% subsidiaries, called Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A.; the first of these is dedicated to the production and sale of food cold cuts, and the second, to the marketing in that country, of the products manufactured by Grupo Nutresa, and the management of investments in real estate.

Venezuela is considered a hyperinflationary economy, since 2009, reason why it is recognized in Consolidated Equity of Grupo Nutresa, reserves due to hyperinflation $396.367 (2015 - $329.130). Until September 30, 2016, assets, liabilities, and profit and loss of the operation in Venezuela, is included in the Consolidated Financial Statements, after homologizing the accounting policies to those of the Parent Company, and translating the Financial Statements of Venezuelan Bolivars to Colombian Pesos at a rate of 657,55 VEF/USD (4,38 pesos per Bolivars) pesos.

The following is a summary of the assets and liabilities corresponding to the companies in Venezuela, included in the Consolidated Financial Statements of Grupo Nutresa September 30, 2016 is as follows:

	September 2016
Total assets	84.768
Total liabilities	(30.775)
Equity, net	**(53.993)**

Table 45

In the accumulated, at September 30, 2016, the results of the operation in Venezuela, accounted for 2.93% of consolidated net sales, and 2.96% of EBITDA. Following the summary of these results is as follows:

	January - September 2016
Total operating income	**187.828**
Gross Profit	**49.447**
Administrative, sales, and production expenses	(24.984)
Other operating income (expenses), net	12.279
Operating income	**36.742**
NET LOSSES	**(2.819)**
EBITDA	**23.745**

Table 46

The changing conditions in the Venezuelan market, including regulations in the exchange market, and limited of the purchase of currency, through official systems, together with other government controls, such as price controls and profitability, imports, and labor laws, et al., limits the ability of the company to maintain a normal level of production, it decreases the ability of the Management to take and implement operational decisions, restricts the ability to access liquidity resulting from such operations, and the realization of these benefits to investors in other countries through the payment of dividends. The Management of Grupo Nutresa considers that this situation will hold-fast, in the foreseeable future, and therefore, sets up a loss of control in the investment, that is had in these company, as established in IFRS 10. As of October 1, 2016, these investments were classified as financial instruments, and were measured under IFRS 9, classified under "measurement at fair value, with impact to profit and loss". Accordingly, financial results in future periods, include income, only to the extent that dividends are distributed to shareholders, or expenses, in cases where this is an impairment in value.

The estimate of the fair value of Industrias Alimenticias Hermo de Venezuela S.A., at the time of the change in the situation of control, realized, using the discounted cash flows Method, including estimates of the exchange rate and the discount rate, which reflects inflation and the uncertainty of the economy in Venezuela, which did not generate significant impacts on the consolidated of Grupo Nutresa. This mediation is considered non-recurring and is classified at Level 3, in accordance with the fair value hierarchy of IFRS 13.

For Cordialsa Noel Venezuela S. A., the estimate of fair value is realized, using independent experts for valuation of real estate, which the company owns in Venezuela, using the methods market value, which is obtained from the research conducted in sub-alternate records, patented in the purchase and sale of similar properties in use, located in the same area or nearby, in a period of prudently short-term, with respect to the date of assessment, a measurement that generated a profit of $16.971.

This accounting classification does not compromise the production and commercial operation of Grupo Nutresa in Venezuela, its staff, nor their relationships with customers and suppliers.

NOTE 21.
FINANCIAL OBLIGATIONS

21.1 FINANCIAL LIABILITIES AT AMORTIZED COST

Financial obligations held by Grupo Nutresa are classified as measured, by using the amortized cost method, and are based on the Group's Business Model. Book values, at the end of the reporting period, are as follows:

	2016	2015
Loans	2.692.845	2.537.306
Bonds	375.491	510.924
Leases (Note 26.1.1)	14.840	18.712
Gross debt	**3.083.176**	**3.066.942**
Accrued interest and others	41.942	27.322
Total	**3.125.118**	**3.094.264**
Current	847.689	1.059.660
Non-current	**2.277.429**	**2.034.604**

Table 47

At December 2015, the financial obligations, mainly loans, taken out by Colombian companies in dollars, incorporates adjustments to the amortized cost, in the amount of $7.896, as a result of the measurement at fair value of hedging exchange rates, as described in Note 21.6, henceforth. At December 2016, there are no derivative transactions, classified as hedges, on financial obligations.

21.2 BONDS

Grupo Nutresa generated issuance of two bonds:

- In July 2008, Compañía Nacional de Chocolates de Peru S.A. issued corporate bonds with Grupo Nutresa, serving as guarantor. The issuance was executed in the amount of $118.520.000 Sols, with a maturity date of 10 years (2018), at a fixed interest 8,84% E.A., payable in arrears and amortized at maturity. In 2016, expenses attributable to interest in the amounts of $9.282 (2015 – $9.009) were recorded. The balance of this obligation in pesos at December 2016 is $105.923 (2015 - $109.465).
- In August 2009, an issue of corporate bonds took place in Colombia, through Fideicomiso Grupo Nutresa, which is managed by Alianza Fiduciaria S.A., the issuance was realized in the amount of $500.000, maturing in four coupons at 5, 7, 10, and 12 years, with interest payable quarterly, in arrears, and amortized to maturity of each coupon. In 2016, there were interest expenses in the amount of $44.889 (2015 - $38.223). The emission has a balance at December 2016, including accrued interest in the amount of $273.171(2015 - 406.396), and has the following characteristics:

Maturity	Interest Rate	2016	2015
2016	IPC + 4,96%	-	133.436
2019	IPC + 5,33%	137.224	137.148
2021	IPC + 5,75%	135.947	135.812
	Total	**273.171**	**406.396**

Table 48

In August 2016, the payment of the second coupon of bonds, in the amount of $131.815, was realized.

21.3 MATURITY

Period	2016	2015
1 year (including payable interest)	847.689	1.059.660
2 to 5 years	1.908.160	1.385.167
More than 5 years	369.269	649.437
Total	**3.125.118**	**3.094.264**

Table 49

21.4 BALANCE BY CURRENCY

	2016			2015		
Currency	**Original Currency**		**COP**	**Original Currency**		**COP**
COP	2.594.075	$	2.594.075	2.565.286	$	2.565.286
CLP	76.012.000.000		339.854	67.678.319.984		300.145
USD	14.539.278		43.400	27.377.015		86.223
PEN	118.520.000		105.847	118.520.000		109.465
VEF	-		-	367.326.632		5.823
Total		**$**	**3.083.176**		**$**	**3.066.942**

Table 50

21.5 INTEREST RATES

Changes in interest rates may impact the interest expense, for financial liabilities that are tied to a variable interest rate. For the Company, the interest rate risk is primarily attributable to operational debt; which includes debt securities, the issuance of bank loans, and leases. These are susceptible to changes in base rates, (CPI - IBR- DTF - TAB [Chile] - LIBOR), that are used to determine the applicable rates on bonds and loans.

The following table shows the structure of the financial risk due to exchange rates:

	2016	2015
Variable interest rate debt	2.860.907	2.620.381
Fixed interest rate debt	222.269	446.561
Total	**3.083.176**	**3.066.942**
Average rate	**9,51%**	**7,50%**

Table 51

21.6 DERIVATIVES AND FINANCIAL HEDGING INSTRUMENTS

Grupo Nutresa, at certain times, resorts to borrowing in dollars in order to secure more competitive interest rates in the market, and uses derivatives to mitigate the risk of the exchange rate, in these operations. These derivatives are designated as accounting hedges, which implies that the fair value measurement of the derivative instrument is recognized as an adjustment to the amortized cost of the financial obligation, designated as a hedged item. At December 31, 2015, hedged debt amounted to USD 40.000.000; at December 31, 2016, there is no hedged debt in USD.

In addition, Grupo Nutresa uses financial derivatives to manage and cover the cash flow positions against the US dollar, in the different geographies where it operates; these derivatives are not designated as hedge accounting, are measured at fair value, and are included in the Statement of Financial Position, under the category of "Other current assets" and "Other current liabilities", respectively. The Group does not use derivative financial instruments for speculative purposes.

The following details the assets and liabilities from financial derivative instruments:

	2016		2015	
	Asset	**Liability**	**Asset**	**Liability**
Hedges				
Fair value of exchange rates on financial obligations	-	-	10.997	(3.101)
Total designated derivatives	**-**	**-**	**10.997**	**(3.101)**
Non-designated derivatives				
Forwards and options on currencies	8.457	(7.678)	13.101	(10.589)
Forwards and options on commodities	563	(2.013)	2.976	(2.862)
Total non-designated derivatives	**9.020**	**(9.691)**	**16.077**	**(13.451)**
Net value of financial derivatives		***(671)***	***10.522***	

Table 52

The valuation of non-designated derivative financial instruments, generated a loss in the Income Statement in the amount of $16.870 (2015 - income of $14.948), registered as part of the exchange difference of financial assets and liabilities.

All non-designated derivatives are measured at fair value, on a monthly basis, according to the Black Scholes Model. These items are classified in Level 2 of the hierarchy of fair value (Note 37).

NOTE 22.
TRADE AND OTHER PAYABLES

Trade and other payables at December 31st are listed below:

	2016	2015
Suppliers	471.127	419.665
Cost and expenses payable	317.650	304.269
Dividends payable (See note 27.3)	64.203	59.308
Payroll deductions and contributions	36.018	42.352
Total	**888.998**	**825.594**
Current	**888.840**	**825.435**
Non-current	**158**	**159**

Table 53

Trade and other payables, normally have to be paid on an average in the following 34 days, and do not accrue interest.

NOTE 23.
EMPLOYEE BENEFITS LIABILITIES

The balance of liabilities due to employee benefits at December 31st of 2016 and 2015 is as follows:

	2016	2015
Short-term benefits	**86.056**	**128.212**
Post-Employment benefits	**168.640**	**144.714**
Defined contribution plans	31.955	29.340
Defined benefit plans	136.685	115.374
Other long-term benefits (Note 23.2)	**123.640**	**99.235**
Total liabilities for employee benefits	**378.336**	**372.161**
Current	**161.592**	**160.628**
Non-current	**216.744**	**211.533**

Table 54

23.1 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

Applicable regulations:

Colombia:

Defined Contributions:

Severance: The Colombian Government allowed companies which, subject to approval of its employees, transfer their obligation to severance benefits of private pension funds. The severance of all worker with labor contracts, after entry into force of Law 50 of 1990, and former workers, who benefited from this system, are accounted for as a defined contribution plan.

Defined benefits:

Pensions: Grupo Nutresa has beneficiaries from the defined pension plan benefits, according to legal regulations (Former Model of Regime for defined pension payouts). There are no current employees, who can access this benefit.

Severance: According to Colombian labor laws, employees hired before the entry into force of Law 50 of 1990, are entitled to receive one month's salary, in effect for each year or services, and proportionally, a fraction of year or as aid of severance, for any reason the end of employment, including: retirement, disability, death, el al. The benefit is liquidated, at the time of retirement of an employee, based on the last salary earned. There may be distributions before the date of retirement, at the request of the worker, which are not compulsory distributable. Severance is retroactive settled for of 668 workers belonging to the labor force, before the Law 50 of 1990.

Ecuador:

Employer retirement: Plan un-funded defined benefit. The legal basis for this benefit is typified in the Ecuadorian Labor Code, Chapter XI, Paragraph 3rd; Articles 216 to 219. The monthly annuity payment is required, taking in option to deliver a global fund, equivalent of the basis of a duly substantiated, and used to cover compliance, and additional determined by law, so that the same worker can administer, this capital on their own. Workers, who for twenty-five years or more have rendered services, continued or un-interruptedly, have a right to be retired by their employers.

Bonus of dismissal: Plan un-funded defined benefit. The legal basis for this benefit is typified in the Ecuadorian Labor Code, Chapter X; Articles 184 to 186. Dismissal is written notice that a working person, does the employer know, that his will is to terminate the employment contract, including by electronic means. The benefit payment is required, even in cases where the employment relationship is terminated by an agreement, between the parties. Also, the bonus of eviction will be paid, in all cases in which labor relations were completed, in accordance with Number 2 of Article 169, of the Labor Code.

Chile:

Only indemnifications, that are entitled, and which are established in the collective and individual contracts, are recorded and provided for. These are due to death, voluntary resignation, due to a serious and personal illness, and personnel that are entitled to all events.

A reconciliation of the movements, of the defined benefit plans, is as follows:

	Pensions		Retroactive severance		Other defined benefit plans		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015
Present value of obligations at January 1st	**49.433**	**47.456**	**15.666**	**21.483**	**50.275**	**50.228**	**115.374**	**119.167**
(+) Cost of services	2.088	2.189	531	707	3.196	191	5.815	3.087
(+) Interest expenses	3.073	2.893	1.336	1.210	4.189	2.785	8.598	6.888
(+/-) Actuarial losses and/or gains	4.102	(551)	5.652	(3.122)	7.636	(3.054)	17.390	(6.727)
(+/-) Other movements	(293)	-	-	-	2.463	-	2.170	-
(-) Payments	(6.308)	(5.697)	(4.534)	(4.612)	(600)	(367)	(11.442)	(10.676)
(+/-) Difference in exchange rate	(315)	3.143	-	-	(905)	492	(1.220)	3.635
Present value of obligations at December 31st	**51.780**	**49.433**	**18.651**	**15.666**	**66.254**	**50.275**	**136.685**	**115.374**

Table 55

Actuarial gains and losses are recognized in the Income Statement, under other comprehensive income.

The Group registered defined contribution plans, for pensions, during the period of $ 69.225 million (2015: $ 61.935 million); and severance, during the period, in the amount of $ 41.754 million (2015: $28.127 million).

The undiscounted estimated for payments for defined benefits, over the next five years, are as follows, for the Group:

Year of expiration	Future value
2017	7.060
2018	18.815
2019	20.239
2020	8.670
2021	9.729
Total	**64.513**

Table 56

23.2 OTHER LONG-TERM BENEFITS

The long-term benefits include primarily, Seniority Premiums and superior achievements.

The following is the reconciliation of movements of other long-term employee benefits:

	Seniority Premium		Other Long-term Benefits		Total	
	2016	2015	2016	2015	2016	2015
Present value of obligations at January 1st	**62.865**	**62.342**	**36.370**	**30.973**	**99.235**	**93.315**
(+) Cost of service	6.115	6.895	22.486	15.378	28.601	22.273
(+/-) Interest income or (expense)	5.235	3.841	2.588	1.856	7.823	5.697
(+/-) Actuarial gains or losses	(1.570)	(5.207)	(1.832)	(689)	(3.402)	(5.896)
(-) Payments	(1.150)	-	38.415	-	37.265	-
(+) Business combinations	(8.387)	(5.766)	(37.083)	(11.093)	(45.470)	(16.859)
(+/-) Other movements	-	646	-	-	-	646
(+/-) Exchange rate differences	(33)	114	(379)	(55)	(412)	59
Present value of obligation at December 31st	**63.075**	**62.865**	**60.565**	**36.370**	**123.640**	**99.235**

Table 57

23.3 EXPENSES FOR EMPLOYEE BENEFITS

The amounts recognized as expenses for employee benefits were:

	2016	2015
Short-term benefits	1.270.140	1.198.896
Post-employment benefits	116.794	93.150
Defined contribution plans	110.979	90.063
Defined benefit plans	5.815	3.087
Other long-term employee benefits	25.199	16.378
Termination benefits	11.996	11.735
Total	**1.424.129**	**1.320.159**

Table 58

23.4 ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used in the actuarial measurement of the defined and long-term plans are:

	2016	2015
Discount rates	6,11% - 12%	6,31% - 8,81%
Salary increase rates	3% - 7%	3% - 6,7%
Employee turn-over rates	1% - 23%	2,54%

Table 59

23.5 SENSITIVITY ANALYSIS

A quantitative analysis of sensitivity to a change in a significant key assumption, as of December 31, 2016, would generate the following impact on the obligation for defined benefits, as well as, long-term:

	Pensions	Retroactive severance	Seniority premiums
Discount rate + 1%	(2.298)	(891)	(4.065)
Discount rate -1%	2.772	967	4.586
Salary increase rate + 1%	2.683	2.584	4.089
Salary increase rate -1%	(2.254)	(2.434)	(3.684)

Table 60

In Resolution 1555 of 2010, the mortality rates for men and women, are found.

Wage increase rates were determined, based on the macroeconomic variables of each country.

There were no changes, in the methods and assumptions, used for the preparation of the analysis of sensitivity, in previous years.

NOTE 24.
PROVISIONS, CONTINGENT LIABILITIES, AND ASSETS

	Contingencies	Return of goods	Onerous contracts	Total
Balance at January 1, 2016	**1.875**	**1.155**	**1.385**	**4.415**
Additions		1.300	206	1.506
Applications	(564)	(1.155)	(529)	(2.248)
Reversals and unused amounts	(939)	-	-	(939)
Balance at December 31, 2016	**372**	**1.300**	**1.062**	**2.734**

Table 61

	Contingencies	Return of goods	Onerous contracts	Total
Balance at January 1, 2015	**1.431**	**986**	**0**	**2.417**
Additions	750	1.155	1.385	3.290
Applications	(174)	(986)	-	(1.160)
Reversals and unused amounts	(132)	-	-	(132)
Balance at December 31, 2015	**1.875**	**1.155**	**1.385**	**4.415**

Table 62

Legal contingencies: Grupo Nutresa has labor and administrative disputes, which are currently pending before administrative and judicial entities, in the respective countries in which it operates. Taking into account that the reports of the Legal Counsel, the Management considers said litigations will not significantly impact the financial condition or solvency of the Group, inclusive, in the event of an adverse outcome of any litigation. There are no such relevant judicial proceedings that should be disclosed in the Financial Statements, at December 31st of 2016 and 2015.

Returned goods: A provision is recognized for the return of goods of holiday seasoned products, made by customers in the following period, mainly in the Biscuit Business.

Onerous contracts: At the time of the acquisition of Grupo El Corral, a provision is recognized, for the amount of $1.385 for lease contracts on property, which is not currently involved in any commercial activity and therefore generates no income. The provision was calculated by projecting payable rent within 18 months.

Contingent assets and liabilities

No contingent assets and liabilities are identified that are quantitatively or qualitatively material, and should be disclosed in the Financial Statements to December 31st of 2016 and 2015.

NOTE 25.
OTHER LIABILITIES

	2016	2015
Derivative financial instruments (See Note 21.6)	9.691	13.451
Pre-payments and advances received (*)	35.104	8.443
Other	5.551	4.747
Total other liabilities	**50.346**	**26.641**
Current	**49.746**	**26.641**
Non-current	**600**	**-**

Table 63

(*) Corresponds primarily to income and advances received from indemnifications from lost income and consequential damage claims, caused by accidents, presented in April 2016, from the Cold Cuts plant in Bogota (Fontibón).

NOTE 26.
LEASES

26.1 GRUPO NUTRESA AS LESSEE

The Group leases mainly computer equipment, vehicles, buildings for storage, offices, and commercial stores; these contracts have been evaluated on the basis of the terms and conditions of the agreements, the lease term, the economic life of the asset, among others, to assess the substantial transfer of risks and benefits, of the ownership of these assets.

26.1.1 FINANCIAL LEASES

The amount of property, plant and equipment in financial leases totaled $20.349 at December 31, 2016 (2015 - $21.391). The financial liabilities for these leases amounted to $14.840 (2015 - $18.712).

Future minimum payments for leases, under these contracts, and the present value of the minimum payments are as follows:

	2016
Up to 1 year	4.154
2 to 5 years	9.756
More than 5 years	8.359
Total of payments	**22.269**
Minus finance charges	7.429
Present value	**14.840**

Table 64

The Group maintains 94 financial leases and leases with option to buy, related to various components of property, plant and equipment. Each leasing contract has particular clauses, for each particular contract, which sets rates, ranging from DTF + 2,23%, and average length is between 1 and 13 years.

26.1.2 OPERATING LEASES

The Group has entered into operating leases on land, building, production equipment machinery, transportation equipment and computer equipment, which have average terms of 5 years.

To December 31, 2016 operating lease expenses were $196.591 (2015 - $229.342), mainly generated from property leases, which were used for the normal operation of the company.

The minimum payments for operating leases, under "non-cancellable" contract, at December 31st are as follows:

	2016
Up to 1 year	134.794
From 2 to 5 years	429.940
More than 5 years	445.481
Total of payments	**1.010.215**

Table 65

26.2 GRUPO NUTRESA AS LESSOR

Grupo Nutresa has properties under operating leases, (primarily buildings) with a book value of $5.938 (2015 – 16.489), upon which income of $1.158 (2015 - $1.611), with a duration period between 1 to 10 years.

The total amount of future minimum non-cancelable operating lease payments at December 31st, are as follows:

	2016
Up to 1 year	1.430
From 2 to 5 years	5.795
More than 5 years	6.345
Total of payments	**13.570**

Table 66

NOTE 27.
EQUITY

27.1 SUBSCRIBED AND PAID SHARES

As of December 31st, of 2016 and 2015, the balance of capital of the Parent Company was $2.301, representing a total of 460.123.458 shares, fully paid and subscribed shares. There were no changes to the make-up of the capital, during neither the period, nor the comparative period.

There is a paid-in capital of shares for $546.831, from the issuance of shares made in previous periods.

The shares of the company are listed on the Stock Exchange of Colombia to December 31, 2016, and its value was $24.900, per share ($22.620 at December 31, 2015).

At December 31, 2016, the common shares are held by 13.167 shareholders (2015-14.576). The corporate structure, of the company, at December 31, 2016 and December 31, 2015, is as follows:

	2016		2015	
Group of Investors	**Number of shares**	**% Participation**	**Number of shares**	**% Participation**
Grupo de Inversiones Suramericana S.A.	162.883.420	35,4	164.344.564	35,7
Grupo Argos S.A.	45.243.781	9,8	45.243.781	9,8
Colombian Funds	75.561.157	16,4	71.090.281	15,5
International Funds	34.467.295	7,5	26.706.553	5,8
Other investors	141.967.805	30,9	152.738.279	33,2
Total outstanding shares	**460.123.458**	**100,0**	**460.123.458**	**100,0**

Table 67

27.2 RESERVES

Of the accounts that make up the equity, reserves at December 31st of 2016 and 2015, are as follows:

	2016	2015
Legal reserves	79.256	75.010
Hyperinflationary reserves (Note 29)	396.367	329.130
Non-distributable occasional reserves	1.558.597	-
Other reserves	1.621.060	1.455.397
Total Reserves	**3.655.280**	**1.859.537**

Table 68

Legal reserves: In accordance with Colombian Commercial Law, 10% of the net income each year should be appropriated as a legal reserve, until the balance is equivalent to at least 50% of the subscribed capital. The reserve is not distributable before the liquidation of the Company, but must be used to absorb losses. The excess over the minimum required by law is freely available to the Shareholders.

Occasional non-distributable reserves: Corresponds to the voluntary reserve approved by the Shareholders in a meeting on March 18, 2016, about the retained earnings, generated in the process of First-time adoption of IFRS.

Other reserves: Corresponds to voluntary reserves, substantially unrestricted by the Shareholders

27.3 DISTRIBUTION OF DIVIDENDS

The ordinary Shareholders of Grupo Nutresa S.A., at the meeting, held on March 18, 2016, declared ordinary share dividends of $41,55 per-share and per-month, equivalent to $498 annually per share (2015 - $462 annually per share), over 460.123.458 outstanding shares, during the months from April 2016 to March 2017, inclusive, for a total of $229.141 (2015 - $212.577).

This dividend was declared by taking net income in the amount of $222.713 (2015) and untaxed occasional reserves for $6.428

Between January and December 2016, dividends, in the amount of $167.587 (2015 - $155.588), were paid.

At December 30, 2016, accounts payable pending, are in the amount of $121.418 (2015 - $59.308).

27.4 NON-CONTROLLING INTEREST

Equity of non-controlling interest at December 31st of 2016 and 2015 is as follows:

Subsidiary	Country of Origin	% Non-controlling interest		2016		2015	
		2016	2015	Non-controlling Interest in Equity	Gains Or (Losses) Attributable to Non-controlling Interest	Non-controlling Interest in Equity	Gains or (losses) Attributable to Non-controlling Interest
Novaceites S.A.	Chile	50,00	50,00	27.071	2.005	24.897	1.211
La Recetta Soluciones Gastronómicas Integradas S.A.S.	Colombia	30,00	30,00	495	(7)	375	(24)
Setas Colombianas S.A.	Colombia	0,52	0,52	257	26	260	18
Helados Bon	Dominican Republic	18,82	18,82	5.744	1.812	4.308	1.310
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	Colombia	16,59	16,59	4.665	119	4.528	211
Schadel Ltda.	Colombia	0,12	0,12	9	2	9	1
Others				-	-	(18)	(60)
Total				**38.241**	**3.957**	**34.359**	**2.667**

Table 69

During 2016, Setas de Colombia S.A. distributed dividends in the amount of $1.725 (2015 - $2.050), of which $9 was paid to non-controlling interests (2015 - $11). Helados Bon distributed dividends in the amount of $2.297 (2015 - $0), of which $432, were paid to the non-controlling interest.

NOTE 28.
OTHER COMPREHENSIVE INCOME, ACCUMULATED

Below is a breakdown of each of the components of accumulated other comprehensive results, in the Consolidated Financial Statements

	2016	2015
Actuarial gains/losses (28.1)	(19.866)	(7.895)
Financial Instruments (28.2)	3.632.476	3.237.753
Associates and joint ventures (28.3)	3.467	6.705
Exchange translation reserves (28.4)	136.016	338.513
Total other comprehensive income, accumulated	**3.752.093**	**3.575.076**
Non-controlling interest	(5.521)	(5.598)
Total OCI attributed to controlling interest	**3.746.572**	**3.569.478**

Table 70

During the period, no reclassification of gains/losses previously recognized in other comprehensive income to profit and loss, was realized.

The following is a breakdown of each component of comprehensive income reconciliation, of the opening and closing balances at December 31st of 2016 and 2015:

28.1 ACTUARIAL GAINS (LOSSES) ON THE RE-MEASUREMENT OF DEFINED BENEFIT PLANS

The component of new measurements of defined benefit plans represents the accumulative value of the actuarial gains and losses, mainly due to pensions, retroactive severance, and other retirement benefits in Colombia and Chile. The net value of the new measurements is transferred to retained earnings and not reclassified to the Income Statement:

	2016	2015
Book value at January 1st	**(7.895)**	**(12.325)**
Gains/losses from re-measurement	(17.390)	6.727
Income tax	5.419	(2.297)
Book value at December 31st	**(19.866)**	**(7.895)**

Table 71

See Note 23.1, for detailed information about the post-employment defined benefit plans, that result in these actuarial gains and losses.

28.2 FINANCIAL INSTRUMENTS - EQUITY INVESTMENTS MEASURED AT FAIR VALUE THROUGH EQUITY

The component of other comprehensive income from equity investments measured at fair value through profit and loss represents the accumulated values of the gains or losses valuation to fair value minus the amounts transferred to retained earnings when these investments are sold. Changes of fair value are not reclassified to the Income Statement.

	2016	2015
Book value at January 1st	**3.237.753**	**3.831.947**
Profit/loss measurements for the period	395.023	(599.282)
Associates income tax	(300)	5.088
Book value at December 31st	**3.632.476**	**3.237.753**

Table 72

See Note 20 for detailed information on these investments.

28.3 ASSOCIATES AND JOINT VENTURES - INTEREST IN OTHER ACCUMULATED COMPREHENSIVE INCOME

The component of other comprehensive income of investments in associates and joint ventures represents the accumulated value of gains or losses from participation in other comprehensive income of the investee. These retained earnings will be transferred to profit and loss in the cases dictated by the accounting standards.

	2016	2015
Book value to January 1st	**6.705**	**766**
Gains and losses for the period	(3.414)	5.939
Income tax, associates	176	-
Book value to December 31st	**3.467**	**6.705**

Table 73

See note 19, for detailed information on investments in associates and joint ventures.

28.4 RESERVES FOR TRANSLATION OF FOREIGN OPERATIONS

Grupo Nutresa's Consolidated Financial Statements include foreign subsidiaries, located mainly in Chile, Costa Rica, the United States, Mexico, Peru, Panama, and other Latin American countries that represent 36,18% to 37,62% of total consolidated assets in 2016 and 2015, respectively; the Financial Statements of these subsidiaries are translated into Colombian pesos, in accordance with the accounting policies of Grupo Nutresa. The impact of exchange rates on the translation of assets, liabilities, and results of foreign companies in other comprehensive income is as follows:

		2016	2015
Chile	CLP	9.985	179.973
Costa rica	CRC	(47.519)	139.107
United States	USD	(6.213)	28.453
Mexico	MXN	(48.148)	13.709
Peru	PEN	(11.019)	43.730
Venezuela	VEF	(95.066)	(57.854)
Panama	PAB	(1.742)	(4.822)
Others		(2.775)	10.568
Impact of exchange translation for the period		**(202.497)**	**352.864**
Reserves for exchange translation at the opening balance		338.513	(14.351)
Reserves for exchange translation at the closing balance		**136.016**	**338.513**

Table 74

The translation of Financial Statements in the preparation of the Consolidated Financial Statements does not generate a tax impact.

The accumulated translation differences are reclassified to current earnings, partially or totally, when the operation is available abroad.

Impact from translation of Venezuela

Exchange Agreement 33 of February 2015, applicable to Industria de Alimentos Hermo de Venezuela S.A. and Cordialsa Noel de Venezuela S.A., created the Marginal Currency Systems Administration (SIMADI). This system establishes that the exchange rates for purchase and sale of foreign currency shall be established by the parties, involved in the transaction. During 2016 and 2015, the subsidiaries of the company obtained a foreign exchange settlement, through this mechanism. At the end of 2016, through SIMADI the exchange rate stood at 657,5501 Bolivars per US Dollar (2015 - $198,6986 Bolivars per US Dollar).

The Financial Statements of the Venezuelan companies were included in the Financial Statements of Grupo Nutresa, until September 2016, as mentioned in Note 20.1, impacting the period January to September 2016, and from January to December 2015, using this exchange rate are detailed as follows:

- A reduction in net equity in "differences from translation" in the amount of $95.066 (2015- $57.854) (See Note 28.4), as a result of the impact of the translation to Colombian Pesos at the new exchange rate partially offset by the impact on equity of inflation adjustment for the period $67.237 (2015 - $ 49.303).
- The results of Grupo Nutresa in Venezuela have been converted to the new exchange rate, implying a decrease in EBITDA of $24.601 (2015- $90.817) and the profit for the year of approximately $-24.697 (2015 - $12.086).

NOTE 29.
HYPERINFLATIONARY ECONOMIES

Venezuela is considered a hyperinflationary country as of 2009, by Grupo Nutresa, and from that year, the Financial Statements of Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Venezuela S.A. are restated in terms of the measurement of current unit, at the closing date for period. As mentioned in Note 20.1, the Financial Statements of these companies were incorporated into the Financial Statements of Grupo Nutresa, until September 30, 2016, the date on which they were classified as financial instruments. Losses on the net monetary position, for the period from January to September 2016, was $32.946 (January to December 2015 - $ 32.160).

Inflation rates used to prepare the information for 2016 are 234.6% for the period January - September 2016 (January-December 2015 to 190.6%).

The accumulated reserves for the revaluation at December 31, 2016, increased to $396.367 (2015 – 329.130); this reserve was reclassified to "other comprehensive income", associated with investments, in financial instruments, in the companies that originated it.

NOTE 30.
EXPENDITURE BY NATURE

Below is a detailed breakdown of cost and expenditures, by nature, for the period:

	2016	2015
Inventory consumption and other costs	3.835.532	3.463.889
Employee benefits (Note 23.3)	1.424.129	1.320.159
Other services	680.388	522.681
Transport services	466.716	434.003
Depreciation and amortization (*)	302.263	284.913
Leases (Note 26.1.2)	228.092	200.203
Seasonal services	196.591	229.342
Advertising material	193.367	152.388
Energy and gas	134.538	116.929
Maintenance	120.825	126.897
Fees	108.698	103.721
Taxes other than income tax	94.873	100.266
Insurance	70.590	64.091
Impairment of assets	32.800	28.760
Other expenses	10.289	12.682
Total	**7.899.691**	**7.160.924**

Table 75

(*) Expenses for depreciation and amortization, impacted profit and loss, for the period, as follows:

	2016	2015
Cost of sales	139.786	124.014
Administration expenses	70.919	60.879
Sales and distribution expenses	15.019	12.880
Production expenses	2.368	2.430
Total	**228.092**	**200.203**

Table 76

NOTE 31.
OTHER OPERATING INCOME (EXPENSES), NET

The following is a breakdown of other operating income (expenses):

	2016	2015
Indemnities and recuperations (1)	28.207	1.171
Government grants (2)	5.547	3.880
Disposal and removal of property, plant and equipment and intangibles	3.988	1.631
Sponsorships	1.011	2.754
Fines, penalties, litigation, and legal processes	(854)	(1.968)
Other income and expenses	(4.108)	(653)
Donations	(11.642)	(11.242)
Total	**22.149**	**(4.427)**

Table 77

(1) Corresponds, primarily to compensation for loss of profits and emerging damages. On April 22, 2016, a fire broke out at the plant, Alimentos Cárnicos (Fontibón), un Bogotá. The affected area compromised an area of operation of 3000 m2, where the "Centro de Distribución Nacional y Regional" (National and Regional Distribution Center), of finished products. At December 31, 2016, the total value of the reserve, that the insurance company has determined for indemnification is $ 45,066, for loss of profits and emergent damages, and reimbursements have been received in the amount of $ 30,328;. It is estimated, that at the end of 2017, the total payment of the indemnification of the claim for the loss will be made, according to the closing of the items to be indemnified.

(2) With regard to income recorded in Abimar Foods Inc., for grants received from the Development Corporation of Abilene – DCOA, an organization that provides financial assistance to private companies to facilitate the maintenance and expansion of employment or to attract more investment that contribute to Abilene's economic development. This grant has been essential in the initiation of operations of the new production line of crackers, which began operations in June 2015. DCOA granted a loan, in the amount of USD 2.500.000, for two years, and without interest. In addition, upon pre-certification of the investment, and compliance with other requirements necessary to obtain the grant, USD $1.500.000 (COP $3.880) is received in 2015, as well as, USD $1.300.000 in 2016 (COP $4.048); and as a cash grant in 2016 of USD $500.000 (COP $1.499) was received.

NOTE 32.
FINANCIAL INCOME AND EXPENSES

32.1 FINANCIAL INCOME

The balance at December 31st of 2016 and 2015 included:

	2016	2015
Interest	8.972	7.892
Valuation of other financial instruments (Fondo Cacao)	1.415	1.434
Others	595	502
Total	**10.982**	**9.828**

Table 78

Income from the assessment of other financial instruments corresponds to the valuation of the rights held by the private equity "Cacao para el Futuro".

32.2 FINANCIAL EXPENSES

The financial expenses recognized in the Income Statement at December 31st of 2016 and 2015, are as follows:

	2016	2015
Loans interest	220.988	148.416
Bonds interest	54.171	47.232
Interest from financial leases	653	733
Other interest	16.419	11.034
Total interest expenses	**292.231**	**207.415**
Other financial expenses	**32.406**	**27.481**
Total financial expenses	**324.637**	**234.896**

Table 79

The increase in interest expenses in 2016 is primarily due to the increase in benchmark rates, such as CPI, IBR, DTF, among others (81,1%), and due to the higher level of debt for the acquisition of Grupo El Corral and working capital (18,9%).

NOTE 33.
EXCHANGE RATE VARIATION IMPACT

33.1 MAIN CURRENCIES AND EXCHANGE RATES

Herewith is an evolution of exchange rates at close, to Colombian Pesos from foreign currencies, corresponding to the functional currency of Grupo Nutresa´s subsidiaries, which have a significant impact on the Consolidated Financial Statements:

		2016	2015
Balboas	PAB	3000,71	3.149,47
Colons	CRC	5,34	5,78
Cordobas	NIO	102,33	112,77
Peruvian Sols	PEN	893,07	923,6
Dollars	USD	3000,71	3.149,47
Mexican Pesos	MXN	145,53	181,63
Quetzals	GTQ	398,92	412,65
Bolivars	VEF	4,45	15,85
Dominican Pesos	DOP	64,25	69,14
Chilean Pesos	CLP	4,48	4,43
Argentinean Pesos	ARS	189,32	242,72

Table 80

33.2 DIFFERENCES IN EXCHANGE RATES FROM FOREIGN CURRENCY TRANSACTIONS

The differences in exchange rates of assets and liabilities, recognized in profit and loss, are as follows:

	2016	2015
Realized	1.763	(4.715)
Unrealized	14.110	7.334
Operating exchange differences	**15.873**	**2.619**
Non-operating exchange differences	**(8.642)**	**27.181**
Total income from exchange differences	**7.231**	**29.800**

Table 81

Note 21.6 discloses information related to hedging transactions that have an impact on profit/loss from exchange differences.

NOTE 34.
DISCONTINUED OPERATIONS

2016: During the year, the close of two distribution centers, was realized, in the ice cream business and the closure of the bread company, in the food to the consumer business; where significant efforts to comply with the proposed plans, were realized, and initiatives were launched to make them competitive and achieve the goals; but the expected results were not met, and the levels of market share were not reached, to ensure the sustainability of the operation. In addition, the expenses associated with the Tresmontes Lucchetti project of 2015, were recorded.

2015: Under the project of Tresmontes Lucchetti for a manufacturing plant in Jalisco-Mexico, the instant iced beverages production lines were transferred from the Tresmontes S.A. in Chile, to the new complex Tresmontes Lucchetti Mexico. This transfer resulted in costs attributable to severance for personnel, production, logistics, exportation, and administration associated with these production lines and provisions for northern markets.

All expenses incurred in the restructuring in Tresmontes S.A. were recognized in the Consolidated Financial Statements, as part of discontinued operations, in the second quarter of 2015.

This restructuring of the production is intended to diversify risk, production efficiency, and afford provisions in a timely manner, to fulfill the needs of the North American and Caribbean markets.

The following, is a breakdown of the principal income and expenses, incurred in this project:

	2016	2015
Income	188	-
Costs	(31)	(161)
Expenses	(1.990)	(6.151)
Operational losses	**(1.833)**	**(6.312)**
Financial income	-	21
Financial expenses	(11)	(44)
Loss before taxes	**(1.844)**	**(6.335)**
Net loss	**(1.844)**	**(6.335)**

Table 82

NOTE 35.
EARNINGS PER SHARE

The amount of basic earnings per share is calculated by dividing net profit for the year attributable to holders of ordinary equity of the Parent, by the weighted average number of ordinary outstanding shares during the year.

Below is the information about earnings and number of shares used in the computations of basic earnings per share:

	2016	2015
Net income attributable to holders of ordinary equity of the Parent	**395.734**	**428.152**
Continuing operations	401.535	437.154
Discontinued operations	(1.844)	(6.335)
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest	**860,06**	**930,77**

Table 83

There are no equity instruments with potential dilutive impact on earnings per share.

In addition, it is important to mention that in Colombia, a distribution and payment of dividends, are not realized in the consolidated Financial Statements.

NOTE 36.
FINANCIAL RISKS: OBJECTIVE AND POLICIES

The activities of the Parent Company and its subsidiaries are exposed to various financial risks: market risk (including foreign exchange risk, interest rate risk and commodities price risk), counterparty credit risk, and liquidity risk. The Risk Management Policy of the Company is focused on the risks that impede or jeopardize the achievement of its financial objectives seeking to minimize potential adverse effects on financial profitability. The Company uses financial derivatives to hedge some of the risks described above likewise has a risk committee that defines and controls the policies relating to market risks (raw material prices, exchange rate, interest rate), and counterparty credit.

36.1 EXCHANGE RATE RISK

The Company operates internationally and therefore is exposed to the risk of exchange rate operations with foreign currencies, especially the U.S. dollar. The exchange rate risk arises mainly from commercial operations and liabilities, where in some cases, derivatives are used to mitigate it. The existing basic standards allow free negotiation of foreign currency through banks and other financial institutions at freely determined exchange rates. However, most foreign currency transactions still require official approval.

The impact of the translation of the Financial Statements of subsidiaries, whose functional currency is different from the Colombian peso, is presented in Note 28. The Company and its subsidiaries held the following assets and liabilities in foreign currencies accounted for the equivalent in Colombian pesos to December 31st.

	2016		2015	
	USD	**$**	**USD**	**$**
Current assets	381.985.875	1.146.229	428.791.075	1.350.464
Non-current assets	988.140.705	2.965.124	954.708.792	3.006.827
Total assets	**1.370.126.580**	**4.111.353**	**1.383.499.867**	**4.357.291**
Current liabilities	(207.606.196)	(622.966)	(252.361.533)	(794.805)
Non-current liabilities	(135.117.723)	(405.449)	(136.412.189)	(429.626)
Total liabilities	**(342.723.919)**	**(1.028.415)**	**(388.773.722)**	**(1.224.431)**
Net assets	**1.027.402.661**	**3.082.938**	**994.726.145**	**3.132.860**

Table 84

The Group also maintains obligations in foreign currencies which are exposed to exchange rate risks (the balances of financial obligations in other currencies are detailed in Note 21.4).

To evaluate the sensitivity of balances of financial obligations related to exchange rates, all of the obligations, to December 31, 2016, in currencies other than the Colombian pesos and that do not have cash flow hedges, are evaluated. A 10% increase in exchange rates, in reference to the dollars, generates an increase of $5.709 over the book value.

36.2 EXCHANGE RATE RISK

Changes in interest rates affect the interest expense on financial liabilities tied to a variable interest rate; like they can modify the fair value of financial liabilities that have a fixed interest rate. For the Company, the interest rate risk comes mainly from debt operations, including debt securities, bank lending, and leasing. These financings are exposed to the risk of interest rate, mainly due to changes in base rates (mostly IPC - IBR - DTF - TAB [Chile] and to a lesser extent, LIBOR - TIIE [Mexico]) that are used to determine the applicable interest rates on bonds and loans. The Company uses derivative financial instruments to cover part of the debt service. Information on the structure of financial risk tied to fixed interest rate and variable interest rate, and the corresponding hedging transactions are detailed in Note 21.5.

To provide an idea of the sensitivity of financial expenses to interest rates, an increase of +100bp has been supposed, a scenario in which the interest expense of the Group would increase by $28.609.

36.3 COUNTERPARTY CREDIT RISK

Liquid assets are invested primarily in savings accounts; collective funds and short-term CDT comply with the risk policy of the Company, in both amount and issuer. In addition, the Company evaluates credit risk of counterparties for the financial institutions with which it is related.

36.4 LIQUIDITY RISK

The Parent Company and its subsidiaries, are able to finance their liquidity requirements and capital resources, through various sources, including:

- Cash generated from operations
- Lines of short and long-term credits
- Debt emissions for medium and long-term
- Issuance of treasury shares

NOTE 37.
FAIR VALUE MEASUREMENT

The following table shows the fair value hierarchy measurement of assets and liabilities of the Group:

2016				
Type of asset	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Assets whose fair value is disclosed in the notes to the Financial Statements				
Investment properties (Note 15)	-	98.064	-	98.064
Assets measured at fair value	**3.807.247**	**106.906**	**77.959**	**3.992.112**
*** Recurrent**	**3.807.247**	**106.906**	**-**	**3.914.153**
Investments in quoted shares (Note 20)	3.807.247			3.807.247
Other financial assets (Note 12)		40.109		40.109
Financial derivatives (Note 21.6)		(671)		(671)
Biological assets (Note 11)		67.468		67.468
***Non- recurrent**	**-**	**-**	**77.959**	**77.959**
Investments in non-quoted shares (Note 20)	-	-	77.959	77.959
Total	**3.807.247**	**204.970**	**77.959**	**4.090.176**

Table 85

2015				
Type of asset	**Hierarchy of Fair Value Measurement**			**Fair value of assets**
	Level 1	**Level 2**	**Level 3**	
Assets whose fair value is disclosed in the notes to the Financial Statements				
Investment properties (Note 15)	-	103.538	-	103.538
Assets measured at fair value	**3.412.980**	**89.626**	**5.169**	**3.507.775**
*** Recurrent**	**3.412.980**	**89.626**	**-**	**3.502.606**
Investments in quoted shares (Note 20)	3.412.980	**-**	**-**	3.412.980
Other financial assets (Note 12)	**-**	34.324	**-**	34.324
Financial derivatives (Note 21.6)	**-**	10.522	**-**	10.522
Biological assets (Note 11)	**-**	44.780	**-**	44.780
***Non- recurrent**	**-**	**-**	**5.169**	**5.169**
Investments in non-quoted shares (Note 20)	-	-	5.169	5.169
Total	**3.412.980**	**193.164**	**5.169**	**3.611.313**

Table 86

Investment property: The fair value of investment property was determined, by an independent appraiser using the income approach and market. This means that valuations are based on quoted prices in active markets, adjusted for differences in the nature, location and / or condition of the particular property; in addition to the properties for which no active market was found, the method of discounted cash flows was used, using the future cash flows derived from the leasing of real estate.

Investments in listed shares: The fair value of shares traded and that are classified as high trading volume is determined based on the price quoted on the Colombian Stock Exchange; this measurement is in the Hierarchy 1, established by IFRS 13 for measuring fair value. This category includes investments held by Grupo Nutresa in Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A. This measurement is done monthly.

Investments in other companies classified in this category are measured at fair value on a non-recurrent basis, only when a market value is available. The Company considers omission of recurrent measurement of these investments is immaterial for the presentation of Grupo Nutresa's Financial Statements.

There have been no changes in the fair value hierarchy for the measurement of these investments, nor have there been changes in the valuation techniques used.

Other financial assets: Corresponds to the rights held for "Fondo de Capital Privado – Cacao para el futuro", valued according to the regulations of the fund, using the methodology approved by the Financial Superintendence of Colombia. The valuation uses variables like the price of cocoa at $6,4 pesos/ton, an average productivity of 1.800 – 1.900 tons per hectare, cost of the debt of DTF + 3,6%, and a expected redemption term of 18 years.

Financial derivatives: All financial derivatives are measured at fair value, on a monthly basis, according to the Black Scholes Model. These items are classified in Level 2, of the fair value hierarchy

Biological assets: Corresponds to the inventory of pigs and cattle in Colombia, which are measured at fair value, using as a reference the market value published by the National Association of Pig Farmers and livestock auctions at fairs in each location.

NOTE 38.
DISCLOSURE OF RELATED PARTIES

The following table shows related parties' transactions, at the year-end:

	2016							
Company	**Receivables Balance**	**Payables Balance**	**Purchases of goods and services**	**Sales of goods and services**	**Dividends income**	**Dividends paid**	**Interests income**	**Interests expenses**
Associates and joint ventures								
Bimbo de Colombia S.A.	1.461	17.633	56.428	40.113	-	-	-	-
Dan Kaffe (Malaysia) Sdn. Bhd.	30	3	(39)	2.332	-	-	-	-
Oriental Coffee Alliance (OCA)	-	20	256	-	-	-	-	-
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	21.482	9.320	67.477	29.246	27.081	79.182	-	-
Other related parties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grupo Bancolombia	669	911.031	55.122	2.539	-	-	42	77.677
Grupo Argos	5.800	-	54	1.138	22.904	19.864	-	-
Fundación Nutresa	-	-	5.388	-	-	-	-	-
Corporación Vidarium	569	-	2.784	-	-	-	-	-
Members, Board of Directors	**-**	**130**	**805**	**-**	**-**	**-**	**-**	**-**

Table 87

	2015							
Company	**Receivables Balance**	**Payables Balance**	**Purchases of goods and services**	**Sales of goods and services**	**Dividends income**	**Dividends paid**	**Interests income**	**Interests expenses**
Associates and joint ventures								
Bimbo de Colombia S.A.	543	658	2	39.130	-	-	-	-
Dan Kaffe (Malaysia) Sdn. Bhd.	56	8	17	(350)	-	-	46	-
Oriental Coffee Alliance (OCA)	-	-	24	-	-	-	-	-
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	13.799	7.896	60.283	26.489	25.062	73.750	-	-
Other related parties								
Grupo Bancolombia	535	891.982	48.492	2.202	-	-	59	57.259
Grupo Argos	5.448	-	-	1.084	21.388	17.383	-	-
Fundación Nutresa	40	-	5.400	-	-	-	-	-
Corporación Vidarium	164	24	2.735	-	-	-	-	-
Members, Board of Directors	**-**	**103**	**459**	**-**	**-**	**-**	**-**	**-**

Table 88

Purchases and sales were executed in equivalent conditions than those of the market. Outstanding balances are expected to be settled under normal conditions; these balances have not been granted, nor received guarantees. No expense has been recognized in the current or prior periods, regarding uncollectable debts or doubtful accounts related amounts owed by related parties.

During the period payments in the amount of $130.212 (2015 - $103.674) for 172 (2015 – 166) key personnel were made.

NOTE 39.
EVENTS AFTER THE REPORTING PERIOD

These Consolidated Financial Statements were authorized for issue by the Board of Grupo Nutresa on February 24, 2017 and will be subject to approval by March 29, 2017 at the Shareholders' Meeting.

In January 2017, the Superintendence of Corporations, authorized the spin-off of the investment properties of Gestión Cargo Zona Franca S.A.S., in the amount of $65.904, together with societies Meals Mercadeo de Alimentos de Colombia S.A.S. and Alimentos Cárnicos S.A.S.

Separate financial statements

Statutory Auditor's Report

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

February 27, 2017

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

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

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

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

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

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

February 27, 2017

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

a) The Company's accounting records were kept in conformity with legal regulations and accounting technique.

b) The operations recorded in the books and the acts of the management officials were adjusted to the bylaws and to the decisions of the Shareholders' Meeting.

c) The correspondence, the accounting vouchers, and the minute's books and share register were properly kept and safeguarded.

d) Internal control measures and of preservation and custody of the Company's assets and those of third parties in its possession were observed.

e) Regulations set out in External Circular 062 issued in 2007, by which the Superintendence of Finance established the obligation of implementing mechanisms to prevent and control money laundering and terrorism financing, coming from illicit activities through the stock market, have been complied with.

f) Due concordance existed between the accompanying financial statements and the management's report. The administrators left support in the management's report of the fact that the free circulation of invoices issued by suppliers or sellers was not interrupted.

g) The information included in the forms, for self-computation of the contributions to the Integral Social Security System, and particularly the data relating the affiliates and their revenues on which quotations to the system were based, were taken from the accounting records and supporting documents. The Company did not owe payment of overdue contributions to the Integral Social Security System.

Bibiana Moreno Vásquez
Statutory Auditor
Professional Card No. 167200-T
Member of PricewaterhouseCoopers Ltda.

Certification of the Financial Statements

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

CERTIFY:

24 of February of 2017

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

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

1. The assets and liabilities, are stated and the recorded transactions, have been recorded, during said years.

2. All realized economic transactions, have been recognized.

3. The assets represent rights, and liabilities represent obligations, obtained or under the responsibility of the Companies.

4. All elements have been recognized, in the appropriate amounts, and in accordance with the accounting principles, generally accepted.

5. The economic transactions, that impact the Companies, have been correctly classified, described, and disclosed.

6. The Financial Statements and Notes, do not contain misstatements, errors, differences or material inaccuracies, which could impact the financial position, equity, and operations of the Companies. Similarly, appropriate procedures, reporting systems, and control of the financial information, have been established, to insure accurate reporting to third–party users, of such.

CIGP.

Carlos Ignacio Gallego Palacio
President

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

Certification of the Financial Statements Law 964 of 2005

Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellín

THE UNDERSIGNED LEGAL REPRESENTATIVE OF GRUPO NUTRESA S.A.

CERTIFIES:

24 of February of 2017

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

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

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

Carlos Ignacio Gallego Palacio
President

Statement of Financial Position

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

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

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

Carlos Ignacio Gallego Palacio
President
(See attached certification)

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

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

Comprehensive Income Statement

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

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

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

CIGP

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Jaime León Montoya Vásquez
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Change in Equity Statement

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

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

The notes are an integral part of the consolidated financial statements

Carlos Ignacio Gallego Palacio
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Cash-Flow Statement

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

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

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

Carlos Ignacio Gallego Palacio
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NOTES
FOR THE SEPARATE FINANCIAL **STATEMENTS**

For the period between January 1st and December 31st 2016 and 2015
(Values are expressed as millions of Colombian Pesos, except for the values in foreign currency, exchange rates, and number of shares.)

NOTE 1.
CORPORATE INFORMATION

1.1 ENTITY AND CORPORATE PURPOSE

Grupo Nutresa S. A., (hereinafter referred to as: Grupo Nutresa, the Company, or Nutresa, indistinctly) a corporation of Colombian nationality, incorporated on April 12, 1920, with its headquarters in the City of Medellin, Colombia; its terms expire on April 12, 2050. The Corporate Business Purpose consists of the investment or application of available resources, in organized enterprises, under any of the forms permitted by law, whether domestic or foreign, and aimed at the use of any legal economic activity, either tangible or intangible assets, with the purpose of safeguarding its capital.

The Company is the Parent of Grupo Nutresa, constitutes an integrated and diversified food industry group that operates mainly in Colombia and Latin America.

NOTE 2.
BASIS OF PREPARATION

Grupo Nutresa S.A. separate financial statements, for the period between January 1st and December 31st of 2015, were prepared in accordance with the International Financial Reporting Standards (hereinafter IFRS), issued by the International Accounting Standards Board, (hereinafter IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter IFRIC), and approved in Colombia through Decree 2784 of 2012, Decree 3023 of 2013, Decree 2420 of 2015, their regulations, and other accounting standards, issued by the Financial Superintendence of Colombia.

The Separate financial statements are prepared in accordance with IAS 27. Grupo Nutresa S.A., as the Parent Company, presents the Separate financial statements available on our website: www.gruponutresa.com

2.1 BASIS OF MEASUREMENT

The Separate financial statements have been prepared on a historical cost basis, except for the measurements at fair value of certain financial instruments, as described in the policies herewith. The carrying value of recognized assets and liabilities that have been designated as hedged items in fair value hedges, which would otherwise be accounted for at amortized cost, have been adjusted to record changes in the fair values, attributable to those risks that are covered under "effective hedges".

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Colombian Pesos, which is both the functional and presentation currency of Grupo Nutresa S.A. These figures are expressed as millions of Colombian Pesos, except for net earnings per share and the representative market exchange rates, which are expressed as Colombian Pesos, and other currencies [E.g. USD, Euros, Pounds Sterling, among others], which are expressed as monetary units.

2.3 CLASSIFICATION OF ITEMS IN CURRENT AND NON-CURRENT

Grupo Nutresa S.A. presents assets and liabilities in the Statement of Financial Position, classified as current and non-current. An asset is classified as current when the entity: expects to realize the asset, or intends to sell or consume within its normal operating cycle, holds the asset primarily for negotiating purposes, expects to realize the asset within twelve months after the reporting period is reported, or the asset is cash or cash equivalent, unless the asset is restricted for a period of twelve months after the close of the reporting period. All other assets are classified as non-current. A liability is classified as current when the entity expects to settle the liability within its normal operating cycle or holds the liability primarily for negotiating purposes.

NOTE 3.
SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, applied in the preparation of these Separate Financial Statements, for the period January 1st and December 31st of 2016, are consistent, with those used in the preparation of the Annual Financial Statements, prepared under IFRS, for the period ended December 31, 2015.

The following are the significant accounting policies Grupo Nutresa S. A. applied in the preparation of its financial statements:

3.1 INVESTMENTS IN SUBSIDIARIES

A subsidiary is an entity controlled by one of the companies that make up Grupo Nutresa S.A. Control exists when any of the Group companies has the power to direct the relevant activities of the subsidiary, which are generally: the operating activities and the financing to obtain benefits from its activities, and is exposed, or has rights, to those variable yields.

Investments in subsidiaries are measured in the Separate financial statements of Grupo Nutresa S.A., using *the equity method* according to the established regulations in Colombia, under which the investment is initially recorded at cost, and is adjusted with the changes in participation of Grupo Nutresa, over the net assets of the subsidiary after the date of acquisition minus any impairment loss of the investment. The losses of the subsidiary that exceed Grupo Nutresa's participation in the investment, are recognized as provisions, only when it is probable that there will be an outflow of economic benefits and there is a legal or implicit obligation.

3.2 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which Grupo Nutresa has significant influence over financial and operating policies, without having control or joint control.

A joint venture is an entity that Grupo Nutresa S.A. controls jointly with other participants, where, together, they maintain a contractual agreement that establishes joint control over the relevant activities of the entity.

At the date of acquisition, the excess acquisition cost over the net fair value of the identifiable assets, liabilities, and contingent liabilities assumed by the associate or joint venture, is recognized as goodwill. Goodwill is included in the book value of the investment and is not amortized, nor is it individually tested for impairment.

Investments in associates or joint ventures are measured in the Separate financial statements, using *the equity method*, under which the investment is initially recorded at cost and is adjusted with changes of the participation of Grupo Nutresa S.A., over the net assets of the associate or joint venture after the date of acquisition minus any impairment loss on the investment. The losses of the associate or joint venture that exceed Grupo Nutresa's shares in the investment, are recognized as a provision, only when it is probable that there will be an outflow of economic benefit and there is a legal or implicit obligation.

Where *the equity method* is applicable, adjustments are made to homologize the accounting policies of the associate or joint venture with those of Grupo Nutresa S.A., the portion that corresponding to Grupo Nutresa of profit and loss obtained from the measurement of at fair value at the date of acquisition is incorporated into the financial statements, and gains and losses from transactions between Grupo Nutresa S.A. and the associate or joint venture are eliminated, to the extent of Grupo Nutresa´s participation in the associate or joint venture. *The equity method* is applied from the date of the acquisition to the date that significant influence or joint control over the entity is lost.

The portion of profit and loss of an associate or joint venture is presented in the statement of comprehensive income, in the results section for the period, net of taxes and non-controlling interest in the subsidiaries of the associate or joint venture. The portion of changes recognized directly in equity and other comprehensive income of the associate or joint venture is presented in the statement of changes in equity and other consolidated comprehensive income. Cash dividends received, from the associate or joint ventures, are recognized by reducing the carrying value of the investment.

Grupo Nutresa S.A. periodically analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment. Impairment losses are recognized in profit and loss, and are calculated as the difference between the recoverable amount of the associate or joint venture (which is the higher of the two values, between the value in use and its fair value minus cost to sell), and the book value.

When the significant influence over an associate or joint control is lost, Grupo Nutresa measures and recognizes any retained residual investment at fair value. The difference between the carrying amount of the associate or joint venture (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment at its value from sale is recognized in profit and loss in that period.

3.3 FOREIGN CURRENCY

Transactions made in a currency other than the functional currency of the Company are translated using the exchange rate at the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the closing of the financial statements and taken from the information published by the official body responsible for certifying this information; non-monetary items that are measured at fair value are converted using the exchange rates on the date when its fair value is determined and non-monetary items that are measured at historical cost, are translated using the exchange rates determined on the date of the original transaction.

All exchange differences arising from operating assets and liabilities are recognized on the income statement, as part of revenue and operating expenses; exchange differences in other assets and liabilities are recognized as income or expense, except for, monetary items that provide an effective hedge for a net investment in a foreign operation and from investments in shares classified as fair value through equity. These items and their tax impact are recognized in other comprehensive income until disposal of the net investment, at which time are recognized in profit and loss.

3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents, in the statement of financial position and statement of cash flows, include cash on hand and banks, highly liquid investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in its value, with a maturity of three months or less from the date of purchase. These items are initially recognized at historical cost and restated to recognize its fair value at the date of each accounting year.

3.5 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and, simultaneously, to a financial liability or equity instrument of another entity. Financial assets and liabilities are initially recognized at fair value plus (less) the transaction costs directly attributable, except for those who are subsequently measured at fair value.

At initial recognition, Grupo Nutresa S.A. classifies its financial assets for subsequent measurement at amortized cost or fair value, depending on Grupo Nutresa's business model for the administration of financial assets and the characteristics of the contractual cash flows of the instrument; or as derivatives designated as hedging instruments in an effective hedge, accordingly.

(i) Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to keep the contractual cash flows, and the contractual terms, on specific dates, cash flows that are solely for payments of principal and interest on the outstanding principal value. Notwithstanding the foregoing, Grupo Nutresa S.A. designates a financial asset as irrevocably measured at fair value through profit and loss.

Grupo Nutresa S.A. has determined that the business model for accounts receivable is to receive the contractual cash flows, which is why they are included in this category.

(ii) Financial assets measured at fair value

The different financial assets of those measured at amortized cost are subsequently measured at fair value, with changes recognized in profit and loss. However, for investments in equity instruments that are not held for trading purposes, Grupo Nutresa S.A. irrevocably chooses to present gains and losses on the fair value measurement in other comprehensive income. On disposal of investments at fair value, through other comprehensive income, the accumulated value of the gain or loss is transferred directly to retained earnings and are not reclassified to profit and loss, in that period. Cash dividends received from these investments are recognized in the statement of comprehensive income, in the profit and loss of that period.

The fair values of quoted investments are based on the current trading prices.

Financial assets measured at fair value are not tested for impairment.

(iii) Financial Impairment of financial assets at amortized cost

Financial assets measured at amortized cost are evaluated for indicators of impairment at each balance sheet date. Financial assets are impaired when there exists, objective evidence, that, as a result of one or more events occurring after the initial recognition of the financial asset, the estimated future flows of the financial asset, (or group of financial assets) have been affected.

The criteria used to determine if there is objective evidence of impairment losses, includes:

- significant financial difficulty of the issuer or counterparty
- non-payment of principal and interest
- probability that the lender will declare bankruptcy or financial reorganization

The amount of the impairment is the difference between the carrying value of the asset, and the present value of estimated future cash flows, discounted at the original effective rate of the financial asset. The carrying value of the asset is reduced and the amount of the loss and is recognized in profit and losses.

(iv) Derecognition

A financial asset or a part of it, is dropped from the statement of financial position when it is sold, transferred, expires, or Grupo Nutresa loses control over the contractual rights or the cash flows of the instrument. A financial liability, or a portion of it, is derecognized from the statement of financial position, when the contractual obligation has been discharged or has expired. When an existing financial liability is replaced by another, from the same counterparty on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification, it is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying value is recognized in the statement of comprehensive income in profit and loss.

(v) Financial liabilities

Financial liabilities are subsequently measured at amortized cost, using the effective interest rate. Financial liabilities include balances with suppliers and accounts payable, financial obligations, and other derivative financial liabilities. This category also includes those derivative financial instruments taken by the Company that are not designated as hedging instruments, in effective hedging risks.

(vi) Off-setting financial instruments

Financial assets and financial liabilities are offset so that the net value is reported on the consolidated statement of financial position, only if (i) there is, at present, a legally enforceable right to offset the amounts recognized, and (ii) there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.6 TAXES

This includes the value of mandatory general-nature taxation, in favor of the State, under the responsibility of the Company, by means of the private liquidation, that is determined on the tax bases of the fiscal period, according to, the tax norms of national, and territorial governing bodies, in each of the countries where Grupo Nutresa S.A. operates.

a) Income tax

(i) Current

Current assets and liabilities, generated from the income tax, for the period, are measured by the values expected to be recovered or paid to the taxation authorities. Expenses for income tax is recognized under current tax, in accordance with the tax clearance, between taxable income and accounting profit and loss, impacted by the rate of income tax in the current year, in accordance with the effective tax rules in Colombia. Taxes rates and tax norms or laws used to compute these values are those that are approved at the end of the reporting period, over which it is reported.

(ii) Deferred

Deferred income tax is recognized using the liability method and is calculated on temporary differences between the carrying value of assets and liabilities in the statement of financial positions and book value. Deferred tax liabilities are generally recognized for all temporary tax differences imposed, and all of the deferred tax assets are recognized for: all temporary deductible differences, future compensation of tax credits, and unused tax losses, to the extent that it is likely there will be availability of future tax profit, against which, they can be attributed. Deferred taxes are not subject to financial discount.

Deferred asset and liability taxes are not recognized if a temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affected neither the accounting profit nor taxable profit and loss.

The deferred tax liabilities related to investments in subsidiaries, associates, and interests in joint ventures, are not recognized when the timing of the reversal of temporary differences can be controlled, and it is probable that such differences will not reverse in the near future, and the deferred tax assets related to investments in subsidiaries, associates, and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences will reverse in the near future and it is likely the availability of future tax profit, against which these deductible differences, will be charged.

The book value of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable income will be available, in part or in totality, of the deferred tax asset, to be used. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future taxable income will be recoverable.

Deferred assets and liabilities taxes are measured at the tax rates that are expected to be applicable in the period when the asset is realized or the liability is settled, based on tax rates and tax rules that were approved at the date of filing, or whose approval will be nearing completion by that date.

Deferred assets and liabilities tax are offset if there is a legally enforceable right to do so, and are with the same taxation authority.

Deferred tax is recognized in profit and loss, except when relating to items recognized outside profit and loss, in which case will be presented in other comprehensive income or directly in equity.

The assets and current liabilities for income tax also are offset if related to the same taxation authority and are intended to be settled at net value, or the asset realized and liability settled simultaneously.

b) Income tax for equity CREE

The income tax for equity – CREE, applicable to Colombian Companies, is the assessment for taxpaying legal entities to contribute to the employee benefits, employment, and social investment.

The basis for determining the income tax for equity–CREE, cannot be less than 3% of the net fiscal equity on the last day of the immediately preceding fiscal year.

The income tax for equity-"CREE" applies a fee of 9% under the Law 1739 December 2014.

During the years 2015, 2016, the Law 1739 of December 23, 2014, establishes a surcharge on income tax for equity - CREE, which is at the responsibility of the taxpayer of this tax and is applied to a taxable base in excess of $800 COP, at rates of 5%, 6%, per year, respectively.

With the issuance of Law 1819 of December 29, 2016, income tax is repealed for equity – CREE, and consequently, for the temporary surcharge for the years 2017 and 2018; and new income tax rates are determined.

c) Tax on wealth

The tax burden of the "wealth tax" originates, for Colombian Companies, from possession of the same to the January 1st of the years 2015, 2016, and 2017, by taxpayers. Therefore, those taxpayers with gross assets minus debts, whose value exceeds $1.000, should determine their tax under the conditions established in the tax regulations.

According to the provisions of Article 6 of Law 1739 of 2014, which adds article 297-2 of the tax statute, the accrual of wealth tax will take place on January 1st of the years 2015, 2016, and 2017, and will be allocated to capital reserves without affecting net income, in accordance with Article 10 of the same law.

3.7 EMPLOYEE BENEFITS

a) Short-term benefits

They are, (other than termination benefits), benefits expected to be settled wholly, before the end of the following twelve months, at the end of the annual period, of which the services provided by employees, is reported. Short-term benefits are recognized to the extent that the employee renders the service, to the expected value to be paid.

b) Other long-term benefits

Long-term employee benefits, (that differ from post-employment benefits and termination benefits) that do not expire within twelve (12) months after the end of the annual period in which the employees renders services, are remunerated, such as long-term benefits, the variable compensation system, and retroactive severance interest. The cost of long-term benefits is distributed over the time the employee start date and the expected date of when the benefit is received. These benefits are projected to the payment date, and are discounted with the projected unit credit method.

c) Pension and other post-employment benefits

(i) Defined benefit plans

Defined benefit plans are plans for post-employment benefits in which Grupo Nutresa S.A. has a legal or constructive obligation for the payment of benefits.

The cost of this benefit is determined by the projected unit credit method. The liability is measured annually, by the present value of expected future payments required to settle the obligations arising from services rendered by employees in the current period and prior periods.

Updates of the liability for actuarial gains and losses are recognized in the statement of financial position, against retained earnings through other comprehensive income. These items will not be reclassified to current earnings in subsequent periods; the cost of past and present services, and net interest on the liability, is recognized in profit and loss, distributed among cost of sales and administrative expenses, sales and distribution, likewise as are gains and losses by reductions in benefits and non-routine settlements.

Interest on the liability is calculated by applying the discount rate on said liability.

3.8 PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

a) Provisions

Provisions are recognized when, as a result of a past event, Grupo Nutresa S.A. has a present legal or constructive obligation to a settlement, and requires an outflow of resources, are considered probable, and can be estimated with certainty.

In cases where Grupo Nutresa expects the provision to be reimbursed in whole, or in part, the reimbursement is recognized as a separate asset, only in cases where such reimbursement is virtually certain.

Provisions are measured at best estimate of the disbursement of the expenditure required to settle the present obligation. The expense relating to any provision is presented in the statement of comprehensive income, net result of all reimbursement. The increase in the provision, due to the passage of time, is recognized as interest expense.

b) Contingent liabilities

Possible obligations arising from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one more uncertain future events, not wholly within the control of Grupo Nutresa, or present obligations arising from past events, are not likely, but are possible that an outflow of resources including economic benefits is required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the statement of financial position and are instead revealed as contingent liabilities.

c) Contingent assets

Possible assets, arising out of past events and whose existence will be confirmed only by the occurrence, or possibly by the non-occurrence of one or more uncertain future events which are not entirely under the control Grupo Nutresa S.A., are not recognized in the statement of financial position, and are however, disclosed as contingent assets when it is a probable occurrence. When the contingent assets is certain then it is recognized assets and income for that period.

3.9 REVENUE

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be measured reliably.

The specific recognition criteria listed below must also be met for revenue to be recognized:

a) Services

Revenue from providing services is recognized when these services are rendered, or according to the degree of completion (or percentage of completion) of contracts.

b) Interest

For all financial instruments measured at amortized cost, interest income, or expense, is recognized with the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or those received through the expected life of the financial instrument, or in a shorter period, in the carrying value of the financial asset or financial liability.

c) Dividend incomes

This revenue is recognized when Grupo Nutresa's right to receive payment is established, which is generally when the shareholders approve the dividend, except when the dividend represents a recovery of investment costs. Dividend income is not recognized, when payment is made to all shareholders, in the same proportion in shares of the issuer.

3.10 FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of all financial assets and liabilities is determined at the date of presentation of the financial statements, for recognition or disclosure in the Notes to the Financial Statements.

Grupo Nutresa uses valuation techniques which are appropriate under circumstances for which sufficient information is available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value is determined:

- Based on quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date (level 1).
- Based on valuation techniques commonly used by market participants using variables other than the quoted prices that are observable for the asset or liability, either directly or indirectly (level 2).
- Based on internal discount cash flow techniques or other valuation models, using estimated variables by Grupo Nutresa S.A. for the unobservable asset or liability, in the absence of variables observed in the market (level 3).

Judgments include data such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Note 9 provides more detailed information on assets measured at fair value and assessment methods employed.

3.11 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit and loss attributable to ordinary equity holders, by the weighted average number of ordinary shares outstanding during the period.

The average number of shares outstanding, for the periods ended December 31, 2016 and 2015, is 460.123.458.

Diluted earnings per share are calculated by adjusting, profit and loss attributable to ordinary equity holders, and the weighted average number of shares of dilutive potential ordinary shares.

3.12 RELATIVE IMPORTANCE OR MATERIALITY

Information is material or has relative importance, if it can, individually, or collectively, influence the economic decisions taken by users, based on the financial statements. Materiality depends on the size and nature of error or inaccuracy and prosecuted depending on the particular circumstances in which they are produced. The size or nature of the item, or a combination of both, could be the determining factor.

3.13 NEW PRONOUNCEMENTS ON INTERNATIONAL REPORTING STANDARDS OF FINANCIAL INFORMATION

3.13.1 NORMATIVE CHANGES

New standards, modifications, and interpretations incorporated into the accounting framework accepted in Colombia, whose application must be evaluated beyond January 1, 2017, or that can be applied in advance.

Decrees 2496 of December 24, 2015 and 2131 of December 22, 2016, introduced to the regulatory technical financial information framework, new standards, modifications, or amendments issued or created by the IASB to the International Financial Reporting Standards, for the years between 2015 and 2016, to evaluate its application in financial years, beginning after January 1, 2017, although it may be applied in advance.

IFRS 9 "Financial Instruments"

Encompasses the classification, assessment, and recognition of financial assets and financial liabilities. The full version of this IFRS, was issued in July 2016. It substitutes the guidelines in IAS 39, on the classification and assessment of financial instruments. IFRS 9 maintains, but simplifies, the varied assessment model and establishes three main categories of assessment for financial assets: amortized cost, fair value with changes in other comprehensive income and fair value with changes in profit and loss. The classification base depends on the entity's business model and the characteristics of the contractual cash flows of the financial asset. If necessary, net investments in equity instruments are required to be measured at fair value, through profit or loss, with the irrevocable option at the beginning of the presentation of the changes in fair value in other comprehensive non-recyclable income. There is now, a new model of expected credit losses, that replaces the model of impairment losses incurred in IAS 39. For financial liabilities, there were no changes in the classification and assessment, except for the recognition of changes in own credit risk, in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 flexes the requirements for the effectiveness of the coverage. Under IAS 39, a hedge must be highly effective, both prospectively and retrospectively. IFRS 9 replaces this line by requiring an economic relationship between the hedged item and the hedging instrument, and that the hedged ratio is the same that the entity actually uses for its risk management. Contemporary documentation is still necessary, but is different from the one that was being prepared under IAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted.

IAS 7 "Statement of Cash Flows"

The amendment requires the disclosure of: changes in financing cash flows, changes arising from the acquisition or loss of control, changes in exchange rates, changes in fair values, and other changes.

IAS 12 "Income tax"

When an entity evaluates whether taxable benefits will be available against which it can use a temporary deductible difference, consider whether the tax law restricts the sources of the taxable benefits against which deductions can be made. If tax law does not impose restrictions, an entity evaluates a temporary deductible difference in combination with all other temporary deductible differences.

Annual Improvements to IFRS, 2012-2015 Cycle

IFRS 7 Financial Instruments: disclosures. Applicability of the amendments to IFRS 7 to condensed interim financial statements.

IAS 19 Employee Benefits. Discount rate: Issue in a regional market.

3.13.2 NEW STANDARDS, MODIFICATIONS, AND INTERPRETATIONS, ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (ITS ACRONYM: IASB, IN ENGLISH), THAT HAVE NOT BEEN INCORPORATED INTO THE ACCOUNTING FRAMEWORK, ACCEPTED IN COLOMBIA

During the year 2016, and up to the date of issuance of these financial statements, a new standard has been issued and amendments to IFRS, have been included, which could be incorporated into the Colombian regulatory framework, namely:

IFRS 16 Leases was issued in January 2016. It establishes the principles for the recognition, measurement, presentation, and disclosure of leases. IFRS 16 introduces an accounting model for single tenants and requires a tenant to recognize assets and liabilities, for all leases, with a maturity of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right of use of an asset, which represents his right to use the underlying leased asset, and a lease liability representing his obligation to make payments for the lease. IFRS 16 substantially maintains the accounting requirements of the lessor of IAS 17 Leases. Consequently, a lessor will continue to classify its leases, as operating leases or leases, and will account for these two types of leases differently. IFRS 16 applies to annual reporting periods, beginning on or after January 1, 2019. Advance application is permitted for entities applying IFRS 15: Income from ordinary activities arising from contracts with customers, before the date of initial application of IFRS 16. IFRS 16 replaces IAS 17 Leases, IFRIC 4 determination of whether an agreement contains a lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluation of the essence of transactions that adopt the legal form of a lease.

Changes in the effective date, of amendments to IFRS 10 and IAS 28, to defer indefinitely, the effective date of sale or contribution of assets, between an investor and its associate or joint venture, that was issued in September 2015, pending the Result of the Council's research project, on equity accounting. The deferment is in force from the time of its publication.

NOTE 4.
JUDGMENTS, ESTIMATES, AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparation of Grupo Nutresa's financial statements requires that management must make judgments, accounting estimates, and assumptions that impact the amount of revenue and expenses, assets and liabilities, and related disclosures, as well as, the disclosure of contingent liabilities at the close of the reporting period. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the carrying amounts recorded in books of the assets or liabilities impacted.

In applying Grupo Nutresa's accounting policies, Management has made the following judgments and estimates, which have significant impact on the amounts recognized in these separate financial statements:

- Income tax (Note 10)
- Deferred tax (Note 10.4)
- Employee benefits (Note 12)

NOTE 5.
TRADE AND OTHER RECEIVABLES

The balance of trade receivables and other accounts receivable comprised the following items:

	2016	2015
Accounts receivable from employees	23	427
Dividends receivable from third parties (Note 9)	12.496	11.611
Dividends receivable, related parties	772	1.928
Accounts receivable, related parties	7.734	9.568
Other accounts receivable	45	45
Total debtors and accounts receivable	**21.070**	**23.579**
Current portion	18.098	23.203
Non-current portion	2.972	376

Table 1

NOTE 6.
OTHER ASSETS

Other assets are comprised of the following:

	2016	2015
Other current assets		
Current taxes (See note 10.2)	900	564
Prepaid expenses (*)	38	42
Total other current assets	**938**	**606**
Other non-current assets		
Prepaid expenses	7	21
Total other assets	**945**	**627**

Table 2

(*) The prepaid expenses relate mainly to insurance.

NOTE 7.
INVESTMENTS IN SUBSIDIARIES

Detailed below, are the book values of the subsidiaries of Grupo Nutresa S.A., to the date of the period, over which is reported:

	% Participation	2016	2015
Compañía de Galletas Noel S.A.S.	100	1.162.078	1.152.392
Compañía Nacional de Chocolates S. A. S.	100	1.001.328	1.001.998
Tropical Coffee Company S.A.S.	100	16.603	15.618
Industria Colombiana de Café S.A.S.	100	616.439	641.655
Industria de Alimentos Zenú S.A.S.	100	209.705	203.983
Litoempaques S.A.S.	100	21.882	21.531
Meals Mercadeo de Alimentos de Colombia S.A.S.	100	227.740	263.345
Molino Santa Marta S.A.S.	100	79.687	75.175
Novaventa S.A.S.	93	107.689	86.418
Pastas Comarrico S.A.S.	100	24.711	25.162
Productos Alimenticios Doria S.A.S.	100	127.451	133.520
Alimentos Cárnicos S.A.S.	100	755.603	765.695
Setas Colombianas S.A.	94	46.477	43.797
Compañía Nacional de Chocolates Perú S.A.	100	10	11
La Recetta Soluciones Gastronómicas Integradas S.A.S.	70	1.166	1.182
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	100	5.554	5.502
Gestión Cargo Zona Franca S.A.S.	100	53.667	44.360
Comercial Nutresa S.A.S.	100	28.296	25.582
Industrias Aliadas S.A.	83	78.681	69.014
Opperar Colombia S.A.S.	100	846	694
Servicios Nutresa S.A.S. (*)	100	2.356	-
Fideicomiso Grupo Nutresa	100	265	265
Subtotal		**4.568.234**	**4.576.899**
Servicios Nutresa S.A.S. (*)	100%	-	(12.275)
Subtotal		**4.568.234**	**4.564.624**

Table 3

(*) Grupo Nutresa made a capitalization, on December 20, 2016, for $13.090 in Servicios Nutresa S.A.S., which did not change its ownership, but increased the subscribed and paid capital, of said company.

A detailed breakdown of the dividends received, and the result of the application of the *equity method*, on investments in subsidiaries, during the reporting periods, is as follows:

	2016			2015		
	Dividends received	**Share of Income For The Period**	**Share of Other Comprehensive Income**	**Dividends received**	**Share of Income For The Period**	**Share of Other Comprehensive Income**
Compañía de Galletas Noel S.A.S.	32.130	99.199	57.384	45.697	110.565	(143.728)
Compañía Nacional de Chocolates S. A. S.	19.279	58.016	39.408	41.540	54.808	(113.586)
Tropical Coffee Company S.A.S.	-	1.080	94	2.199	(43)	25
Industria Colombiana de Café S.A.S.	47.365	39.346	17.198	26.987	52.519	(41.052)
Industria de Alimentos Zenú S.A.S.	13.641	22.219	2.855	-	18.163	1.630
Litoempaques S.A.S.	-	442	91	-	(65)	117
Meals Mercadeo de Alimentos de Colombia S.A.S.	36.774	4.792	3.623	17.705	14.363	(197)
Molino Santa Marta S.A.S.	-	3.351	(1.161)	-	685	602
Novaventa S.A.S.	-	19.791	(1.480)	-	18.467	617
Pastas Comarrico S.A.S.	1.900	1.564	115	-	2.522	133
Productos Alimenticios Doria S.A.S.	10.638	6.816	2.247	-	12.540	(1.050)
Alimentos Cárnicos S.A.S.	62.849	60.952	8.194	42.206	72.067	(94.233)
Setas Colombianas S.A.	1.621	4.819	518	1.927	3.220	257
Compañía Nacional de Chocolates Perú S.A.	-	0	1	-	1	(1)
La Recetta Soluciones Gastronómicas Integradas S.A.S.	-	(19)	(3)	-	(56)	5
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	-	54	2	-	10	2
Gestión Cargo Zona Franca S.A.S.	-	9.629	322	-	9.770	367
Comercial Nutresa S.A.S.	-	3.502	788	-	1.559	418
Industrias Aliadas S.A.S.	-	10.041	374	-	9.818	426
Opperar Colombia S.A.S.	-	152	-	-	(10)	-
Servicios Nutresa S.A.S.	-	3.051	1.509	-	(81)	-
Fideicomiso Grupo Nutresa	-	(1)	-	-	(6)	-
Subtotal	**226.197**	**348.796**	**132.079**	**178.261**	**380.816**	**(389.248)**

Table 4

Dividends received in subsidiaries are recognized, as a lower value of the investment, as part of the application of the *equity method*. As of December 31st, $772 is receivable for this concept (December 2015 - $1.928), see note 5.

NOTE 8.
INVESTMENT IN ASSOCIATES

The following is a breakdown of the investments over which Grupo Nutresa S.A. has significant influence, and which are classified as associates:

			Book Value		2016		2015	
	Country	% Participation	2016	2015	Share of Income for the Period	Share of Other Comprehen-sive Income	Share of Income for the Period	Share of Other Comprehen-sive Income
Associates								
Bimbo de Colombia S. A.	Colombia	40	132.627	75.505	5.406	(1.084)	6.225	1.304
Estrella Andina S. A. S.	Colombia	30	6.025	6.484	(459)	-	(855)	-
Total asociadas			**138.652**	**81.989**	**4.947**	**(1.084)**	**5.370**	**1.304**

Table 5

Bimbo de Colombia S. A.

Bimbo de Colombia S.A. is a company domiciled in Tenjo, Colombia, dedicated primarily to the manufacturing of baked goods.

Estrella Andina S. A. S.

Estrella Andina S.A.S. is a simplified joint stock company, engaged in the marketing of ready-made meals in the cafeterias, in which Nutresa has a 30% stake. Alsea has the other 70%.

The movements of investments in associates, for the year ended December 31st of 2015 and 2014, are as follows:

	2016	2015
Opening balance at January 1	81.989	70.817
Increase of contributions (*)	52.800	4.498
Participation in profit and loss	4.947	-
Participation in comprehensive income	(1.084)	6.674
Balance at December 31st	**138.652**	**81.989**

Table 6

(*) In March 2016, the General Shareholders' Meeting of Bimbo de Colombia S.A., authorized a capital increase of $132.000 with the objective of having capital to develop the investment projects planned for that year, according to the ordinary act AA-037; in which Grupo Nutresa S.A., made an investment of $ 52.800 of which, in cash, $36.583 has been paid, without generating changes, in its participation percentage. Grupo Nutresa considers that the future flows, derived from this investment, will be sufficient to cover the book value of the investment.

During 2016 and 2015, no dividends were received for this investment.

None of the associates held by Grupo Nutresa is listed on a stock market, therefore, there is no quoted market price for the investment.

NOTE 9.
OTHER NON-CURRENT FINANCIAL ASSETS

Grupo Nutresa classified portfolio investments that are not held for trading as financial instruments measured at fair value through other comprehensive income.

The results for the period include income from dividends on these instruments, and which are recognized, by Nutresa, on the date that the right to receive future payments is established, which is the date of declaration of dividends by the issuing company. "Other comprehensive income" includes changes in the fair value of these financial instruments.

The breakdown of financial instruments, is as follows:

Book Value	Number of Shares Held	Participation as % in Total Ordinary Shares	2016	2015
Grupo de Inversiones Suramericana S. A.	59.387.803	12,66	2.268.614	2.120.145
Grupo Argos S. A.	79.804.628	12,36	1.538.633	1.292.835
Others societies			2.120	2.120
			3.809.367	**3.415.100**

Table 7

	2016		2015	
	Dividend Income	Income on Fair Value Measurement	Dividend Income	Loss on Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	27.081	148.470	25.062	(255.367)
Grupo Argos S. A.	22.904	245.798	21.388	(343.160)
Others societies	468	-	460	-
	50.453	**394.268**	**46.910**	**(598.527)**

Table 8

Dividend income, recognized in March 2016 and 2015, for portfolio investments, corresponds to the total annual dividend decreed, by the issuers.

At December 31, 2016, dividends on financial instruments, receivable are $12.496 (December 2015 - $11.611).

The decreed value per share for 2016, by these issuers, is $287 (Colombian pesos) and $456 (Colombian pesos), annually per share, corresponding to Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A., respectively, which will be paid quarterly, in the amount of $71,75 (Colombian pesos) and $114 (Colombian pesos), respectively. For 2015, the annual value per share is $268 (Colombian pesos) ($67 (Colombian pesos) Quarterly), and $422 (Colombian pesos), ($105,5 (Colombian pesos) Quarterly), respectively.

Fair value measurement of financial instruments

The fair values of shares traded, and which are classified as high trading volume, are determined based on the quoted price of the Stock Exchange of Colombia; this measurement is located within the hierarchy 1, established by IFRS 13, for the measurement of fair value. Investments owned by Grupo Nutresa S.A., in Grupo de Inversiones Suramericana S. A. and Grupo Argos S.A., are recorded under this category. This measurement is done monthly.

There have been no changes in the fair value hierarchy for the measurement of these investments, nor have there been changes in the valuation techniques used.

Investments in other companies classified under this category are measured at fair value on a non-recurrent basis, only when a market value is available. The Company considers omission of recurrent measurement of these investments is immaterial for the presentation of Grupo Nutresa's financial statements.

Liens

At December 31, 2016, 36.875.000 (2015 – 26.000.000) shares of Grupo de Inversiones Suramericana S.A., were pledged, in favor of financial institutions in Colombia, as collateral for contracted obligations of Grupo Nutresa and its subsidiaries.

NOTE 10.
INCOME TAXES AND PAYABLE TAXES

10.1 APPLICABLE REGULATIONS

Until the taxable year 2016, tax revenues are taxed at the rate of 25%, to income tax, except for taxpayers, who by express provision handle special rates, such as those located in free zones, at 10% income from occasional profit.

A 9% fee is applicable to the income tax for equity "CREE", according to the Law 1739 of December 2014.

In addition, during the years 2015 and 2016, the Law 1739 of 2014, established an income tax surcharge for equity - CREE, which was at the responsibility of taxpayers of this tax at rates of 5% and 6% per year, respectively.

The structural tax reform - Law 1819 of December 29, 2016 - non-derogating income tax for equity - CREE, amended the income tax rate as follows:

	Before the Reformation	With reform	Nominal Variation
2017	Rent: 25% CREE: 9% CREE surtax: 8% (TB > 800 million) **Total: 42%**	Rent: 34% Surcharge for rent: 6% (TB > 800 million) **Total: 40%**	Reduction of 2%
2018	Rent: 25% CREE: 9% CREE surtax: 9% (TB > 800 million) **Total: 43%**	Rent: 33% Surcharge for rent: 4% (TB > 800 million) **Total: 37%**	Reduction of 6%
2019 Forward	Rent: 25% CREE: 9% **Total: 34%**	Rent: 33% **Total: 33%**	Reduction of 1%

Table 9

** TB: Tax Base income*

10.2 CURRENT TAX ASSETS AND LIABILITIES

The balance of current tax assets at December 31st is as follows:

	2016	2015
Income tax and complementary (*)	770	393
Sales tax	48	88
Other taxes	82	83
Total	**900**	**564**

Table 10

(*) The assets by income tax and complementary are constituted by balances in favor.

INCOME TAX AND TAX PAYABLE

The current payable tax balance at December 31st is as follows:

	2016	2015
Tax for equity - CREE	29	7
Withholding taxes, payable	56	161
Other taxes	103	-
Total	**188**	**168**

Table 11

The Company applies the effective laws, on a professional basis, to determine and recognizes the provision for current and deferred profit, in its financial statements. The final tax determination depends on the new regulatory requirements, the existence of sufficient tax revenues, for the use of fiscal shields, and fiscal positions, such as the treatment of untaxed income and special deductions in accordance with current and applicable regulations and the probability analysis of favorability of expert opinions. The Company recognizes liabilities for situations, observed in preliminary tax audits, based on estimates of whether it is appropriate to pay additional taxes. When the final tax result of these situations is different from the amounts initially recorded, the differences are charged to the current and deferred income tax assets and liabilities, in the period in which this fact is determined.

10.3 INCOME TAX EXPENSES

The current income tax expenses are as follows:

	2016	2015
Income tax	165	404
Taxes for equity - CREE	57	74
CREE surcharges	-	1
Total	**222**	**479**
Deferred taxes (*)	1.269	1.893
Total tax expenses	**1.491**	**2.372**

Table 12

(*) The composition of deferred income tax arises, primarily from, the recognition of employee benefits and investments.
In 2015, deferred income taxes were recognized at a rate of 39%. In December 2016, as a result of taxation reforms, the items are recognized at rates of 33% or 34%, considering the moment in which said recognition is reversed.

10.4 DEFERRED INCOME TAX

The following represents deferred asset and liabilities taxes:

	2016	2015
Deferred tax assets		
Employee benefits	4.762	4.195
Tax losses	19	18
Tax credits	113	-
Other assets	51	53
Total deferred tax assets	**4.945**	**4.266**
Deferred tax liabilities		
Investments	6.416	5.297
Total deferred tax liabilities	**6.416**	**5.297**
Deferred tax liabilities, net	**1.471**	**1.031**

Table 13

The deferred tax asset is recognized, and supported, on the base, that the Company is generating positive taxable income, and is projected to generate future income, sufficient to offset credits and tax losses, from prior periods, before maturity and to obtain future tax benefits, for labor obligations, and other items recognized, in deferred tax assets. Projections of taxable income and annual real data, are reviewed to determine the impact, and adjustments on asset values and their recoverability in future periods.

Temporary differences, related to investments in subsidiaries, associates, and interest in joint ventures, for which deferred tax liabilities have not been recognized, are $ 5.711.885 (2016) and $5.733.653 (2015), whose deferred tax liability would be $1.884.922 (2016) and $1.949.442 (2015).

The deferred tax movements during the period are as follows:

	2016	2015
Initial balance, net	**1.031**	**(1.317)**
Deferred income tax expenses recognized in profit and loss	1.269	1.893
Income tax relating to components of other comprehensive income	(829)	455
Ending balance, net	**1.471**	**1.031**

Table 14

The tax to profit related to components other comprehensive income is determined, by the new measurement of the employee benefit plans for $(520) and $455, the participation in associates and business combinations that are account for through the *equity method* in the amount of $(176) and $0 (2015) and are related to the changes at fair value of financial liabilities in the amount of $(133) and $0 (2015).

10.5 EFFECTIVE TAX RATE

The effective tax rate differs from the theoretical rate, due to the impact produced by applying the tax rules. Within tax regulations, there are benefits such as non-taxable income (e.g. dividends, research incentives, etc.); there are, also, restricted tax deductions, such as in the case of financial transactions tax, a deductible applicable only in Colombia, 50% non-taxable, provisions, costs and expenses from previous years, fines, penalties, among others. All these special situations create differences in the effective tax rate, with respect to the theoretical rate, in each country.

Below is reconciliation, of both the applicable tax rate and the effective tax rates:

	2016		2015	
	Value	%	Value	%
Accounting profit	**400.589**		**429.468**	
Tax expenses at applicable tax rates	**160.235**	**40,00**	**167.493**	**39,00**
Non-taxed portfolio dividends	(19.421)	(4,85)	(17.437)	(4,06)
Non-taxable income, unrealized financial instruments	(141.497)	(35,32)	(148.831)	(34,65)
Other non-taxable accounting income	(1)	(0,00)	(8)	(0,00)
Non-deductible tax expenses	551	0,14	435	0,10
Charge to non-deductible financial movement	-	0,00	1	0,00
Other non-deductible accounting expenses	445	0,11	468	0,11
Other tax income	-	0,00	5	0,00
Other tax deductions	(9)	(0,00)	(23)	(0,01)
Other tax effects	1.188	0,29	269	0,06
Total tax expenses	**1.491**	**0,37**	**2.372**	**0,55**

Table 15

The effective tax rate is reduced by the deferred tax, composed mainly of changes in the income tax and surtax rates, established in Law 1819 of 2016, and non-deductible expenses treated as non-temporary differences.

10.6 EXCESS PRESUMPTIVE INCOME TAX AND TAX LOSSES

As of December 31, 2016, tax losses amount to $ 56 (2015 - $ 71). As of the issuance of Law 1819 of 2016, the offset of these tax losses is limited to 12 taxable periods, following the year in which they were generated.

The excess of presumptive income over ordinary income to be offset, amounted to $ 333 (2015 - $ 0). In accordance with current tax provisions, the excess of presumptive income over ordinary income, can be offset against ordinary liquid income, within the next five years.

Expiration date	Excess of presumptive income
2021	333
	333

Table 16

10.7 TAX ON WEALTH

According to Article 6 of Law 1739 of 2014, which adds Article 297-2 of the tax statute, the accrual of tax on wealth will take place on January 1st of the years 2015, 2016, and 2017, and will be charged to capital reserves without affecting net income, in accordance with Article 10 of the same law. For 2016, $106 (2015 - $130) is recognized as charges to the reserves at the disposal of the highest corporate body.

10.8 TAX RULES APPROVED PENDING APPLICATION – TAX REFORM

With the issuance of Law 1819 of December 29, 2016, the tax status of Colombia, is reformed mainly in the increase of the general VAT rate, from 16% to 19%, and the consolidation of the income tax at a rate of 33% and surtax of 6% and 4%. for 2017 and 2018, respectively, based on the new IFRS regulatory frameworks. The taxable year 2017. will have a transitory rate of 34%. and the rental rate for legal entities. that are free zone users. increases from 15% to 20%.

The offsetting of tax losses is limited to 12 taxable periods. following the year in which they were generated, further extending the term of finality of the statements. where these losses are offset to 6 years. from the date of filing.

For income tax purposes, it is assumed that the taxpayer's net income is not less than 3.5% of the net assets of the immediately preceding period. Before the issuance of the standard, the presumption was 3%.

In addition, following the recommendations of the Organization for Economic Co-operation and Development, in combating tax evasion and transfer of tax benefits between countries, the Government implemented measures such as: deprivation of liberty for large evaders and strengthening the Regulations, in relation to the sanctions regime for transfer prices.

NOTE 11.
TRADE AND ACCOUNTS PAYABLE

Trade and accounts payable at December 31st are listed below:

	2016	2015
Cost and expenses payable	16.820	1.156
Dividends payable (See note 13.3)	64.033	59.168
Payroll deductions and contributions	266	264
Loans and accounts payable to related parties	17	60
Total	**81.136**	**60.648**
Total Current	**80.968**	**60.490**
Total Non-current	**168**	**158**

Table 17

Suppliers and accounts payable are normally paid on average within the next 29 days and do not earn interest.

NOTE 12.
EMPLOYEE BENEFITS LIABILITIES

Employee benefits, correspond to all considerations, arising from formal plans or agreements, legal requirements, granted by the Company, in exchange for services rendered by employees, or for severance indemnities. Benefits include all remuneration, realized directly to employees, or their beneficiaries or dependents of employees, (spouse, children and others), and/or third parties, whose settlement can be made through cash payments, and/or supply of goods and services (non-monetary profit).

The balance of liabilities for employee benefits at December 31, 2016 and December 2015, is as follows:

	2016	2015
Short-term benefits	483	1.811
Post-Employment benefits (12.2.1)		
Defined benefits plans	12.916	9.937
Other long-term benefits (12.2.2)	2.082	2.402
Total liabilities for employee benefits	**15.481**	**14.150**
Current	**1.068**	**1.811**
Non-current	**14.413**	**12.339**

Table 18

12.1 MEASUREMENT

The liability for post-employment benefits is estimated using the current technique of the projected credit unit, which requires the use of financial and demographic assumptions, including but not limited to: discount rate, inflation index, wage increase expectation, life expectancy, and employee turnover rate. The estimation of the liability, as well as the determination of the values of the assumptions, used in the valuation, is performed by an independent external actuary. Given the long-term horizon of these benefit plans, the estimates are subject to a significant degree of uncertainty, any change in actuarial assumptions directly impacts the value of the pension obligation, and other post-employment benefits.

The main actuarial assumptions used in the actuarial measurement of the defined and long-term plans are:

	2016	2015
Discount rates	9,84%	7,69%
Salary increase rates	4,93%	6,00%
Employee turn-over rates	-	2,54%

Table 19

Resolution 1555 of 2010 presents the following mortality rates, for men and women.

A quantitative analysis of sensitivity to a change in the significant key assumptions, as of December 31, 2016, would generate the following impact on the defined benefit obligation, as well as, long-term benefits:

	Other defined benefits	Long Term Benefits
Discount rate +1%	(103)	(42)
Discount rate -1%	104	45
Rate of salary increases +1%	46	40
Rate of salary increases -1%	(45)	(38)

Table 20

12.2 RECONCILIATION OF MOVEMENT
12.2.1 DEFINED BENEFITS PLANS
A reconciliation of the movements of the defined benefit plans is as follows:

	Other defined benefits plans	
	2016	**2015**
Present value of obligations at January 1st	**9.937**	**10.152**
(+) Cost of service	538	482
(+) Interest expenses	861	640
(+/-) Actuarial gains or losses	1.739	(1.337)
(+/-) Others	(159)	-
Present value of obligation at December 31st	**12.916**	**9.937**

Table 21

Actuarial gains and losses are recognized in the income statement under other comprehensive income.

The following payments are estimates provided by the Group to defined benefit:

Year of Expiration	Undiscounted Value
2016	-
2017	-
2018	-
2019	-
2020	-
More than 5 years	48.481
Total	**48.481**

Table 22

12.2.2 OTHER LONG-TERM BENEFITS
Seniority premiums: this benefit is paid to the employee for every five years of service. The liability is recognized gradually, as the employee renders the services, that will make it creditor. Its measurement is realized, through the use of actuarial techniques that are updated annually. Current gains and losses, arising from experience, and changes in actuarial assumptions, are charged or credited to income for the period in which they arise.

The Company does not have specific assets to support the long-term benefits. The liability from long-term benefits, is determined separately for each plan, using the actuarial valuation method of the projected credit unit, using actuarial assumptions, as of the date of the reporting period. The current service cost, past service cost, interest cost, actuarial gains and losses, as well as, any liquidation or reduction of the plan is recognized in the profit and loss.

The following is the reconciliation of movements of other long-term employee benefits:

	2016	**2015**
Present value of obligations at January 1st	**2.402**	**1.832**
(+) Cost of service	86	853
(+) Interest expenses	167	116
(+/-) Actuarial gains (losses)	(30)	(30)
(-) Payments	(1.440)	(369)
(+/-) Others	897	-
Present value of obligation at December 31st	**2.082**	**2.402**

Table 23

12.3 EXPENSES FOR EMPLOYEE BENEFITS

Amounts recognized as expenses for employee benefits, are as follows:

	2016	2015
Short-term benefits	5.080	6.472
Post-employment benefits	538	482
Other long-term employee benefits	56	853
Subtotal	**5.674**	**7.807**
Reimbursement for contracts of mandate	(5.585)	(6.606)
Total	**89**	**1.201**

Table 24

NOTE 13.

EQUITY

13.1. SUBSCRIBED AND PAID SHARES

As of December 31st of 2016 and 2015, the balance of capital of the Parent Company was $2.301, representing a total of 460.123.458 fully paid and subscribed shares. There were no changes to the make-up of the capital during neither to the period nor the comparative period.

There is a paid-in capital of shares for $ 546.831, from the issuance of shares made in previous periods.

The Company's shares are listed on the Colombian Stock Exchange as of December 31, 2016, and its market value was $24,900 per share ($22,620 as of December 31, 2015).

The corporate structure of the company, as of December 31, 2016 and December 2015, is as follows:

	2016		2015	
Investor Group	**Number of Shares**	**% Participation**	**Number of Shares**	**% Participation**
Grupo de Inversiones Suramericana S. A.	162.883.420	35,4	164.344.564	35,7
Grupo Argos S. A.	45.243.781	9,8	45.243.781	9,8
Colombian Funds	75.561.157	16,4	71.090.281	15,5
International Funds	34.467.295	7,5	26.706.553	5,8
Other Investors	141.967.805	30,9	152.738.279	33,2
Total outstanding shares	**460.123.458**	**100,0**	**460.123.458**	**100,0**

Table 25

According to the register of shareholders, at December 31, 2016, there are 13.167 shareholders (2015 – 14.576).

13.2 RESERVES

Of the accounts that make up the equity, reserves at December 31st of 2016 and 2015 are as follows:

	2016	2015
Legal reserves	2.711	2.711
Occasional non-distributed reserves	1.558.597	-
Other reserves	2.031.363	1.833.514
Total Reserves	**3.592.671**	**1.836.225**

Table 26

Legal reserves: In accordance with Colombian Commercial Law, 10% of the net income each year should be appropriated as a legal reserve, until the balance is equivalent to at least 50% of the subscribed capital. The reserve is not distributable before the liquidation of the Company, but must be used to absorb losses. The excess over the minimum required by law is freely available to the Shareholders.

Occasional non-distributed reserves: corresponds to the voluntary reserve, approved by the Shareholder's Assembly a at Meeting on March 18, 2016, in reference to accumulated profits, generated in the process of First-time Adoption of IFRS.

Other reserves: includes the value caused by tax on wealth, payment of dividends, and other reserves substantially unrestricted by Shareholders.

13.3. DISTRIBUTION OF DIVIDENDS

The Ordinary Shareholders Meeting, held on March 18, 2016, decreed ordinary share dividends of $41,5 (2015 – $38,5) per-share and per-month, equivalent to $498 annually per share (2015- $462 per share) over 460.123.458 outstanding shares, during the months between April 2016 and March 2017, inclusive, for a total of $229.141 (2015- $212.577 between April 2015 and March 2016)

This dividend was decreed, by taking from the profits of the year 2015 $ 222.713 and of the non-taxed occasional reserves $ 6.428.

At of December 31, 2016, dividends have been paid in the amount of $ 224.277 (2015 - $ 208.571), and $ 64.033, are payable for this concept (Dec 2015 - $ 59.168).

Appropriations authorized by the General Meeting of Shareholders, are recorded as reserves, charged to profit and loss, of the year, for compliance with legal provisions or to cover expansion plans, or financing needs. The Company carries the profits of the year to accumulated profits, and these to reserves. The value of appropriations is $ 1.762.980, of which $ 1.558.597 corresponds to the first-time adoption of the IFRS (2015 - $ 164.877).

NOTE 14.
OTHER COMPREHENSIVE INCOME, ACCUMULATED

Below is a breakdown of each of the components of accumulated other comprehensive results, in the separate financial statements:

	2016	2015
Actuarial losses (14.1)	(4.770)	(3.551)
Valuation of financial instruments (14.2)	3.632.890	3.238.489
Associates and joint ventures (14.3)	(358)	550
Subsidiaries (14.4)	271.370	403.449
Total other comprehensive income, accumulated	**3.899.132**	**3.638.937**

Table 27

During the period, no reclassification of gains/losses previously recognized in other comprehensive income to profit and loss, was realized.

The following is a breakdown of each component of comprehensive income reconciliation, of the opening and closing balances at December 31st of 2016 and 2015:

14.1. (LOSSES) GAINS ON RE-MEASUREMENT OF DEFINED BENEFIT PLANS

The component of new measurements of defined benefit plans represents the accumulative value of the actuarial gains and losses, primarily from" Other defined employee benefits". The net value of the new measurements are transferred to retained earnings and not reclassified to the income statement:

	2016	2015
Book value at January 1st	**(3.551)**	**(4.433)**
(Losses)/gains from re-measurement	(1.739)	1.337
Income tax	520	(455)
Book value at December 31st	**(4.770)**	**(3.551)**

Table 28

14.2 VALUATION OF FINANCIAL INSTRUMENTS – EQUITY INVESTMENTS MEASURED AT FAIR VALUE THROUGH EQUITY

The component of other comprehensive income from equity investments measured at fair value through profit and loss represents the accumulated value of the gains or losses valuation to fair value minus the values transferred to retained earnings when these investments are sold. Changes of fair value are not reclassified to the income statement.

	2016	2015
Book value at January 1st	**3.238.489**	**3.837.016**
Profit (loss) measurements for the period	394.268	(598.527)
Income tax	133	
Book value at December 31st	**3.632.890**	**3.238.489**

Table 29

See Note 9 for detailed information on these investments.

14.3 ASSOCIATES AND JOINT VENTURES – INTEREST IN OTHER COMPREHENSIVE INCOME, ACCUMULATED

The component of other comprehensive income from investments in associates and joint ventures, represents the accumulated value of gains or losses, from the participation in other comprehensive income of the investee. These accumulated profits may be transferred to profit or loss for the period in the cases provided by accounting standards.

	2016	2015
Book value at January 1st	**550**	**(754)**
(Losses)/ gains from measurements of the period	(1.084)	1.304
Income tax	176	-
Book value at December 31st	**(358)**	**550**

Table 30

14.4 SUBSIDIARIES – INTEREST IN OTHER COMPREHENSIVE INCOME, ACCUMULATED

The component of other comprehensive income of investments of subsidiaries measured to the *equity method*, through profit or loss, represents the accumulated value of gains or losses of valuation from the *equity method*, minus the values transferred to retained earnings, when these investments have been sold. Changes in fair value can be reclassified to profit and loss for the period.

	2016	2015
Book value at January 1st	**403.449**	**14.201**
(Losses)/ gains from measurements of the period	(132.079)	389.248
Book value at December 31st	**271.370**	**403.449**

Table 31

See Note 7, for more detailed information, regarding investments in subsidiaries and the application of the equity method of the other comprehensive income.

NOTE 15.
EXPENDITURE BY NATURE

Below is a detailed breakdown of expenditures by nature, for the period:

		2016		2015
Taxes other than income tax	$	1.394	$	1.136
Fees		1.135		990
Other services		570		492
Other expenses		515		428
Travel expenses		106		62
Employee benefits		89		1.201
Contributions and memberships		51		-
Insurance		48		44
Leases	$	42	$	37
Total	**$**	**3.950**	**$**	**4.390**

Table 32

Grupo Nutresa S.A., as of November 2014, began operating under a range of commercial services of "mandated without representation", offering shared services to the companies of the Group, for the management of comprehensive executive services.

NOTE 16.
EARNINGS PER SHARE

The amount of basic earnings per share is calculated by dividing net profit for the year attributable to holders of ordinary equity of the Parent, by the weighted average number of ordinary outstanding shares during the year.
Below is the information about earnings and number of shares used in the computations of basic earnings per share:

	2016	2015
Net income attributable to holders of ordinary equity of the Parent	399.098	427.096
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest	**867,37**	**928,22**

Table 33

There are no equity instruments with potential dilutive impact on earnings per share.

NOTE 17.
DISCLOSURE OF RELATED PARTIES

The following table represents the values of transactions between related parties at year-end:

	2016					
Company	**Purchases of Goods and Services**	**Sales of Goods and Services**	**Receivables Balance**	**Payables Balance**	**Dividend Income**	**Dividends Paid**
Subsidiaries						
Alimentos Cárnicos S.A.S.	-	2.778	229	-	62.849	-
Compañía de Galletas Noel S.A.S.	-	2.331	198	-	32.130	-
Compañía Nacional de Chocolates S.A.S.	-	1.384	3.029	-	19.279	-
Industria Colombiana de Café S.A.S.	-	1.649	138	-	47.365	-
Industria de Alimentos Zenú S.A.S.	-	-	-	-	13.641	-
IRCC Ltda.	-	334	63	11	-	-
Litoempaques S.A.S.	4	-	-	-	-	-
Meals Mercadeo de Alimentos de Colombia S.A.S.	-	778	60	-	36.774	-
Pastas Comarrico S.A.S.	-	-	-	-	1.900	-
Productos Alimenticios Doria S.A.S.	-	395	27	-	10.638	-
Servicios Nutresa S.A.S.	12	13.090	3.990	6	-	-
Setas Colombianas S.A.	-		772	-	1.621	-
Associates and joint ventures						
Bimbo de Colombia S.A.	52.800	-	-	16.217	-	-
Entities with joint control or significant influence over the entity						
Grupo de Inversiones Suramericana S.A.	171	-	6.770	41	27.081	79.182
Other related parties						
Grupo Bancolombia S.A.	176	-		20	-	-
Grupo Argos S.A.	-	-	5.726	-	22.904	19.864
Members, Board of Directors	**805**	**-**		**.130**	**-**	**-**

	2015					
Company	**Purchases of Goods and Services**	**Sales of Goods and Services**	**Receivables Balance**	**Payables Balance**	**Dividend Income**	**Dividends Paid**
Subsidiaries						
Alimentos Cárnicos S.A.S.	-	3.631	1.483	-	42.206	-
Compañía de Galletas Noel S.A.S.	-	2.826	1.994	-	45.696	-
Compañía Nacional de Chocolates S.A.S.	-	1.976	3.213	4	41.540	-
Industria Colombiana de Café S.A.S.	-	1.815	263	-	26.987	-
Litoempaques S.A.S.	3	-	-	-	-	-
Meals Mercadeo de Alimentos de Colombia S. A. S.	-	1.240	199	-	17.706	-
Productos Alimenticios Doria S. A. S.	-	528	76	-	-	-
Servicios Nutresa S. A. S.	13	-	2.339	55	-	-
Setas Colombianas S. A.	-	-	1.927	-	1.927	-
Tropical Coffe Company S.A.S.	-	-	-	-	2.200	-
Entities with joint control or significant influence over the entity						
Grupo de Inversiones Suramericana S. A	60	-	6.265	52	25.062	73.750
Other related parties						
Grupo Bancolombia S. A.	56	-	-	16	-	-
Grupo Argos S. A.	-	-	5.347	-	21.388	17.383
Members, Board of Directors	459	-	-	103	-	-

Table 34

Purchases and sales were executed in equivalent conditions than those of the market. Outstanding balances are expected to be settled under normal conditions; these balances have not been granted, nor received guarantees. No expense has been recognized in the current or prior periods, regarding uncollectable debts or doubtful accounts related amounts owed by related parties.

During the period payments in the amount of $4.646 (2015 - $6.729) for 2 key personnel (2015 – 3 employees) were made.

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NOTE 18.
EVENTS AFTER THE REPORTING PERIOD

These Separate Financial Statements were prepared for purposes of supervision and were authorized for issue, by the Board of Grupo Nutresa S.A., on February 24, 2017. No significant events, after the close of the financial statements, and until the date of approval, that may significantly affect the financial position of Grupo Nutresa S.A., reflected in the Financial Statement.