IT INSPIRES US

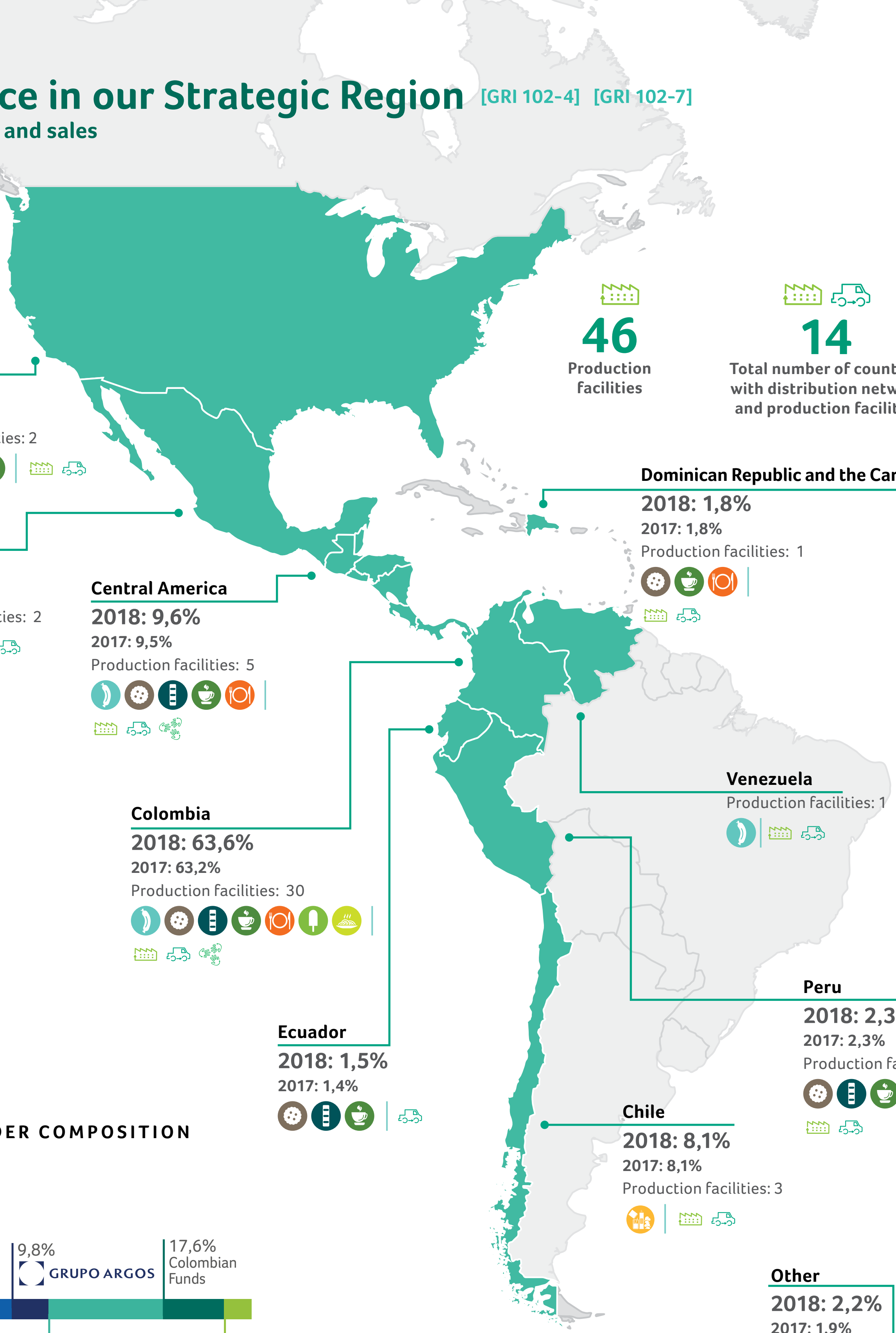
A FUTURE TOGETHER

Grupo nutresa

Integrated Report 2018

Presence in our Strategic Region [GRI 102-4] [GRI 102-7]

Distribution and sales



46 Production facilities

14 Total number of countries with distribution network and production facilities

United States
2018: 7,3%
2017: 8,2%
Production facilities: 2

Mexico
2018: 3,6%
2017: 3,6%
Production facilities: 2

Central America
2018: 9,6%
2017: 9,5%
Production facilities: 5

Dominican Republic and the Caribbean
2018: 1,8%
2017: 1,8%
Production facilities: 1

Venezuela
Production facilities: 1

Malaysia
Production facilities: 1

Colombia
2018: 63,6%
2017: 63,2%
Production facilities: 30

Ecuador
2018: 1,5%
2017: 1,4%

Peru
2018: 2,3%
2017: 2,3%
Production facilities: 1

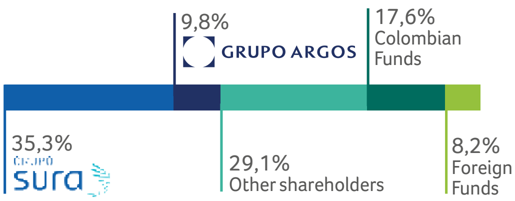
Chile
2018: 8,1%
2017: 8,1%
Production facilities: 3

Other
2018: 2,2%
2017: 1,9%

SHAREHOLDER COMPOSITION

Source: Deceval

11.288
Shareholders



LEYEND

Cold Cuts, Biscuits, Chocolates, Tresmontes Lucchetti, Coffee, Retail Food, Ice Cream, Pasta

Production | Distribution | Services

Market Share

Source: Nielsen

In Colombia

59,2%
Consolidated market share in Colombia

- **71,0%** Cold Cuts
- **54,0%** Biscuits
- **69,6%** Chocolate confectionery
- **62,7%** Hot chocolate
- **53,9%** Nuts
- **23,1%** Milk modifiers
- **51,3%** Roast and ground coffee
- **38,0%** Soluble coffee
- **51,5%** Pasta

In Chile

- **59,4%** ICB*
- **28,1%** Pasta
- **18,0%** Coffee
- **15,2%** Potato chips

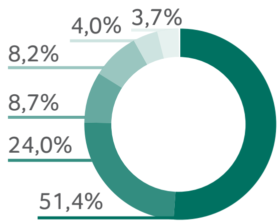
In Mexico

- **35,4%** ICB*

*Instant Cold Beverages

#1
In Hamburgers and Steakhouse categories in Colombia
In ice cream shops in Costa Rica and the Dominican Republic

Grupo Nutresa's Sales by Channel



- Traditional (convenience stores and traditional neighborhood stores)
- Supermarket chains
- Alternative
- Retail Food
- Institutional
- Industrial

POINTS OF SALE:
1.415.838
Sales Team: **9.202**

NOVAVENTA NETWORK:
171.333
Mom-entrepreneurs

EMPLOYEES:
44.999
Colombia: **72,6%**
Abroad: **27,4%**
(Direct employees, indirect employees and apprentices)

Men: **63,8%**
Women: **36,2%**
(Direct employees and apprentices)

Differentiators of our Business Model

Our people
We promote participative environments, the development of skills focused on both being and doing, the acknowledgment 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; they nourish, generate well-being and have become a part of people's daily lifestyle, with an excellent price-value ratio.

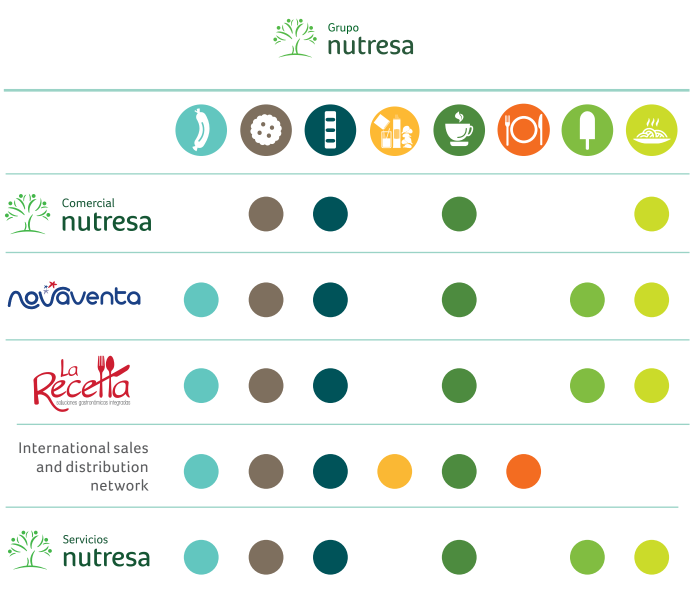
Our distribution networks
Our wide distribution network and our market reach capabilities, which are organized by channels and segments and include specialized service teams, allows us to have an excellent product availability in terms of frequency, as well as a close relationship with our customers.

Digital Strategy

For Grupo Nutresa, digital transformation is an essential part of an assertive, proactive and innovative corporate model aimed at building a Future Together.

We continually develop key initiatives, which enable us to evolve on three dimensions: processes, channels and businesses, with the premise of offering better experiences to both shoppers and consumers.

Business Structure [GRI 102-24]



Main Risks of our Business Model

- Volatility in commodities prices and exchanges rates.
- Changes in regulations related to both nutrition and health in the countries where we operate.
- Business disruption due to a highly competitive environment.

Our Long-Term Commitment

Grupo nutresa 100 YEARS
MEGA 2020
Duplicate our sales 2013

Our goal: between **12%** and **14%** of the EBITDA margin

To achieve this goal, we offer our consumers food products and experiences from highly recognized and valued 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.

FOR MORE INFORMATION: 2018report.gruponutresa.com

The information included in this executive summary is consistent with the information contained in the Grupo Nutresa S.A. Integrated Report, which is available at: **http://2018report.gruponutresa.com/pdf/integrated_report_2018.pdf**

With the purpose of forming a broader and deeper opinion on the actions carried out and the results obtained by Grupo Nutresa S.A. in relation to its economic, social and environmental performance, please read the Grupo Nutresa S.A. Integrated Report as well.

The scope and the results of our work are described in the assurance report, which can be found at this website: **http://2018report.gruponutresa.com/pdf/verification_report.pdf**

KPMG Advisory Services S.A.S. | March 2019

For more information

2018 Results
Of Our Strategic Goals for 2020

Acting with integrity

Employees trained in the Corporate Governance Code
+16.000

Employees from our strategic region trained in risk, crisis and business continuity management
+2.000

Awareness and training of employees in ML/TF (Money laundering and terrorist financing)
+15.800

16 Workshops on risk management and business continuity

Promoting a healthy lifestyle

Products with GDA labeling
2018: **86,4%**
2017: 86,3%

Products processed in certified centers
2018: **84,6%**
2017: 79,2%

Volume of sales that meets Nutresa's nutritional profile
2018: **68,2%**
2017: 63,6%

3.072 Products adjusted to the Nutresa nutritional profile

Building a better society

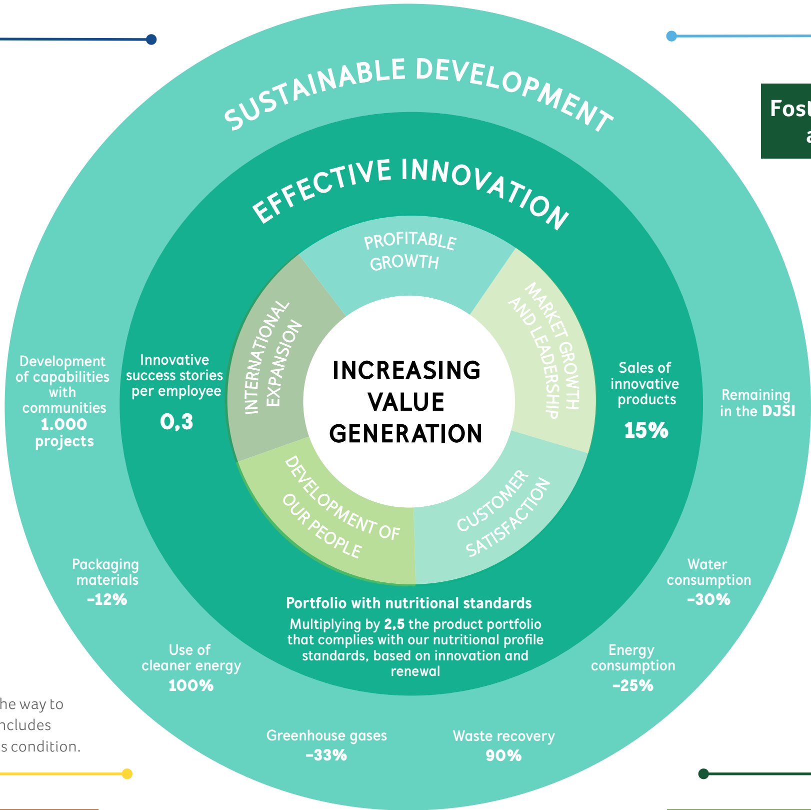
Capabilities-development projects
2018: **879**
2017: 789

Employees with any type of disability
2018: **199***
2017: 288

20
Human Rights discussion sessions

Investment in communities
2018: **70.972**
2017: 62.367
COP Million

* During 2018, Grupo Nutresa modified the way to measure disability, this year report only includes those individuals who were hired with this condition.



Fostering profitable growth and effective innovation

Variation in productivity
2018: **3,2%**
2017: 0,7%

Innovative success stories per employee
2018: **0,21**
2017: 0,22

New products sales*
2018: **21,5%**
2017: 20,2%

Brands with sales over USD 50 Million
2018: **18**
2017: 18

* Sales of innovative products, measurement of the last three years

Managing the value chain responsibly

Accident frequency rate
2018: **1,53**
2017: 2,02

Customer satisfaction indicator in Colombia
2018: **89,0%**
2017: 88,3%

Investment in quality of life, training and work aids
2018: **104.389**
2017: 101.814
COP Million

Sourcing from local suppliers
2018: **83,0%**
2017: 80,0%

Organizational climate
2018: **83,0%**
2017: 83,3%

Reducing the environmental impact of the operations and products

Energy consumption reduction*
2018: **-20,4%**
2017: -17,3%

Greenhouse gas emission reduction* [1]
2018: **-43,7%**
2017: -41,4%

Water consumption reduction*
2018: **-29,2%**
2017: -28,1%

Packaging materials reduction*
2018: **-0,7%**
2017: -2,4%

Investment in environmental management in Colombia
COP Million
2018: **30.078**
2017: 27.022

Base 2010 *Per ton of food produced in Colombia

[1] Reduction due to the procurement of certified green electricity, considered zero emissions.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

SAM Sustainability Award Silver Class 2019

GRI Community Grupo Nutresa 2019

Emisor bvc Comprometido IR

"The Issuers Recognition – IR granted by the Colombian Stock Exchange is not a certification about the quality of the securities listed at the BVC nor the solvency of the issuer".

Profitable Growth [GRI 102-7]

Growth
Decreased

Total sales
COP Billion

9.016
2017: 8.696

Growth
3,7%

	Cold Cuts	Biscuits	Chocolates	Tresmontes Lucchetti	Coffee	Retail Food	Ice Cream	Pasta
2018	1.850	1.823	1.553	995	986	738	444	302
2017	1.824	1.768	1.464	978	1.002	697	423	294
Growth	1,4%	3,1%	6,1%	1,7%	-1,6%	5,8%	4,9%	2,9%

EBITDA
COP Billion

1.126
2017: 1.044

Growth
7,9%

Margin 2018
12,5%

Margin 2017
12,0%

	Cold Cuts	Biscuits	Chocolates	Tresmontes Lucchetti	Coffee	Retail Food	Ice Cream	Pasta
2018	228	244	250	129	99	85	54	33
2017	209	220	206	127	121	86	42	29
Growth	8,8%	10,6%	20,8%	1,8%	-18,4%	-1,1%	27,9%	12,3%
Margin 2018	12,3%	13,4%	16,1%	13,0%	10,0%	11,6%	12,2%	10,8%
Margin 2017	11,5%	12,5%	14,1%	13,0%	12,1%	12,4%	10,0%	10,0%

Sales in Colombia
COP Billion

5.737
2017: 5.495

Percentage of total sales
63,6%

Growth
4,4%

Volume 2018
2,1%

Volume 2017
-2,6%

Price 2018*
2,0%

Price 2017*
5,2%

*Variation doesn't include Retail Food

	Cold Cuts	Biscuits	Chocolates	Tresmontes Lucchetti	Coffee	Retail Food	Ice Cream	Pasta
2018	1.682	898	955	N/A	623	521	444	300
2017	1.660	877	919		594	485	423	293
Growth	1,3%	2,4%	3,9%		4,8%	7,6%	4,9%	2,4%
Vol. 2018	0,9%	-1,2%	3,5%		2,4%	N/A	4,2%	0,7%
Vol. 2017	-2,8%	-3,8%	-1,3%		3,8%		-8,9%	1,5%
Price 2018	0,4%	3,6%	0,4%		2,3%		0,7%	1,6%
Price 2017	1,8%	6,6%	4,6%		0,7%		6,6%	0,8%

International sales
USD Million

1.109
2017: 1.084

Percentage of total sales
36,4%

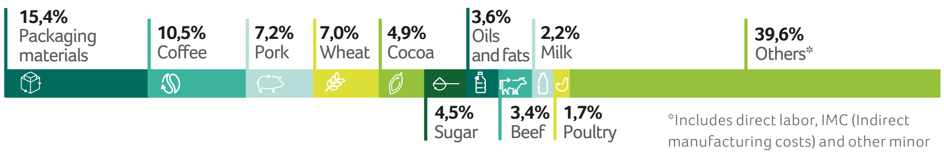
Growth
2,3%

	Cold Cuts	Biscuits	Chocolates	Tresmontes Lucchetti	Coffee	Retail Food	Ice Cream	Pasta
2018	57	313	201	338	123	73	N/A	N/A
2017	55	302	184	332	138	72		
Growth	2,6%	3,6%	9,2%	1,8%	-10,9%	1,8%		

New products sales
(Percentage of total sales)

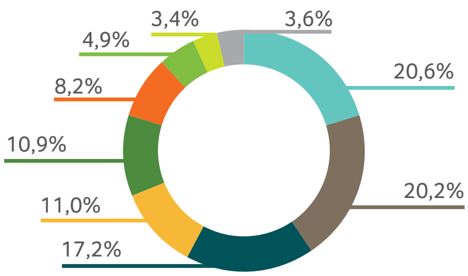
21,5%
2017: 20,2%

Diversification of commodities
Production cost %



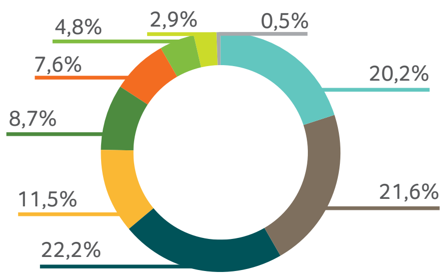
*Includes direct labor, IMC (Indirect manufacturing costs) and other minor commodities.

Percentage of sales by business unit



- Cold Cuts
- Biscuits
- Chocolates
- Tresmontes Lucchetti
- Coffee
- Retail Food
- Ice Cream
- Pasta
- Other

Percentage of EBITDA by business unit



Coffee landscape, Colombia.

Grupo Nutresa highlights through this Report, the life and work of its stakeholders, who enrich and contribute to the Group's vision and projects. We pay homage to the inspiring lives of those who work hand in hand with the Organization to build A Future Together.

Grupo
nutresa

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Content

ABOUT THIS **INTEGRATED REPORT**

Grupo Nutresa has prepared its Integrated Report 2018 [GRI 102-1] [GRI 102-50] with the purpose of illustrating for its stakeholders how it manages the risks and opportunities related to the matters that have a materially deeper impact on its ability to create value for the society.

The entire report contains details of the strategy, future outlook and main progress and success stories related to the matters associated with the six strategic priorities regarding sustainability: 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. Additionally, it contains information on the progress related to the fulfillment of the ten principles of the Global Compact, thus representing the tenth progress report submitted to the United Nations. [GRI 102-12]

This report was prepared in accordance with the GRI standard (Comprehensive option), and with the food sector supplement of the G4 guide [GRI 102-54]. In addition, it incorporates the principles and elements of the International Integrated Reporting Council's framework (IIRC), and it covers 21 relevant matters 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 were included (GRI 103-1). The report also includes indicators that reflect how the Organization contributes to the fulfillment of the Sustainable Development Goals (SDGs). [GRI 102-12]

For this report, the data of the indicators **[GRI 302-1]** were restated by changing the caloric power of the biomass use in the Tresmontes Lucchetti Business and **[GRI 305-7]** by correcting the particulate matter emission factors, Sulfur dioxide and nitrogen oxides [GRI 102-48] [GRI 102-49]. In 2018, the way to measure disability was modified, this year report only includes those individuals who were hired with this condition, without considering those who obtained the condition within the Company. This Report does not include information of the Retail Food Business regarding reliable food, responsible sourcing, nutrition and healthy lifestyle.

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 the surveillance and control agencies. The companies follow 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. All this information has been audited by PricewaterhouseCoopers [GRI 102-56].

The non-financial information is verified by KPMG Advisory y Tax & Legal [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 accordance with the Comprehensive option of the GRI standards. Likewise, KPMG has conducted an analysis of the consistency between the information described in the chapter about the "Self-diagnosis" of the Incorporation of the Integrated Reporting Principles and Elements, which is available on the report's website.

For the sake of clarity and an easier reading experience, a specific format has been defined with the purpose of enabling a clear identification of the basic GRI contents in relation to each material matter and the Sustainable Development Goals with which they are connected. This report is available in its entirety on the website 2018report.gruponutresa.com, both in English and Spanish.

Reading guidance:

- General contents, for example: [GRI 101-2]
- Material matters, for instance: **[GRI 301-1] [G4 FP1]**
- Sustainable Development Goals, for example: **[SDG 16]**

Coffee landscape, Colombia.

Coffee buying process in the Farallones Benefit Central, Colombia.

ENGAGEMENT MODEL

[GRI 102-21] [GRI 102-40] [GRI 102-42] [GRI 102-43]

Grupo Nutresa incorporates practices related to relevant engagement, discussion and continuous feedback, which are adapted to each stakeholder group.

In 2018, Grupo Nutresa designed the Engagement Model with the aim of enhancing the materiality; strengthening the capabilities that allow the identification, prioritization and the effective engagement with the stakeholders; and promoting a constructive and participative communication with them.

Based on this model, the Organization will seek the consolidation of the results from the engagement with the stakeholders, thus enabling to review the current relevance of the materiality matrix and the work plans of the Businesses.

Stages of the model

Engagement Purpose

Shareholders

To create sustainable economic value in a trust-based environment with our shareholders and investors by applying good corporate governance practices and timely disclosing relevant information.

Consumers and shoppers

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

Grupo nutresa

Customers

To offer our customers differentiated value propositions consisting of reliable products and leading brands that enable their growth, satisfaction and loyalty.

Suppliers

To achieve the reinforcement and development of suppliers and contractors as partners in the sourcing chain with the aim of promoting mutual growth and ensuring an adequate and timely supply for the Organization.

Communities

To strengthen the development of capabilities and the self-management of the communities with the promotion of alliances and the mobilization of tangible and intangible resources.

Government

To contribute to the development of public policy proposals that favor the progress of the entire society.

Employees

To promote environments of adequate communication and participation that strengthen trustworthy relations and contribute to the improvement of organizational practices that favor the employees' quality of life, development and productivity.

MATERIALITY ANALYSIS

[GRI 102-46] [GRI 102-47]

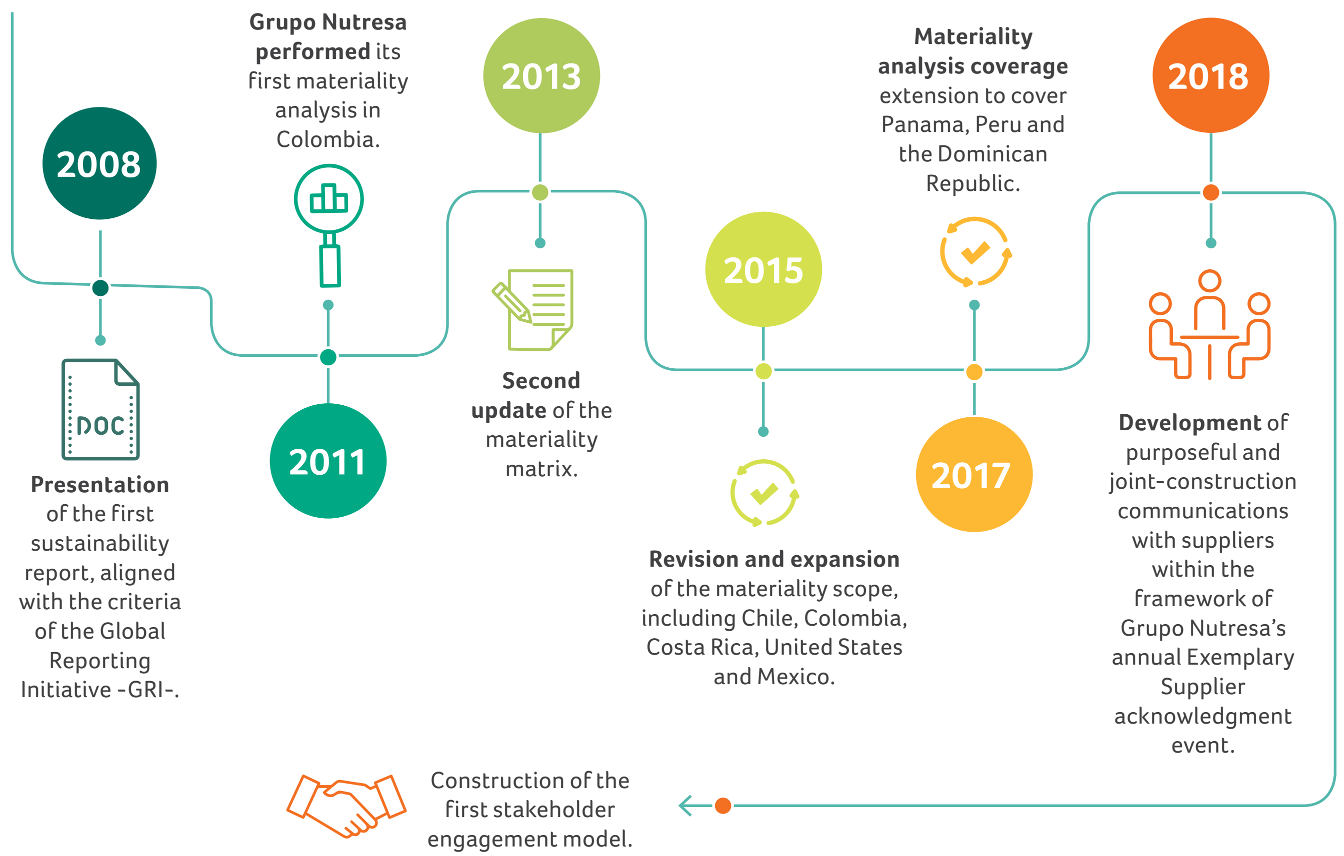
Grupo Nutresa performs its materiality analysis with the purpose of identifying the matters that contribute the most to its ability to create value in the short, medium and long term.

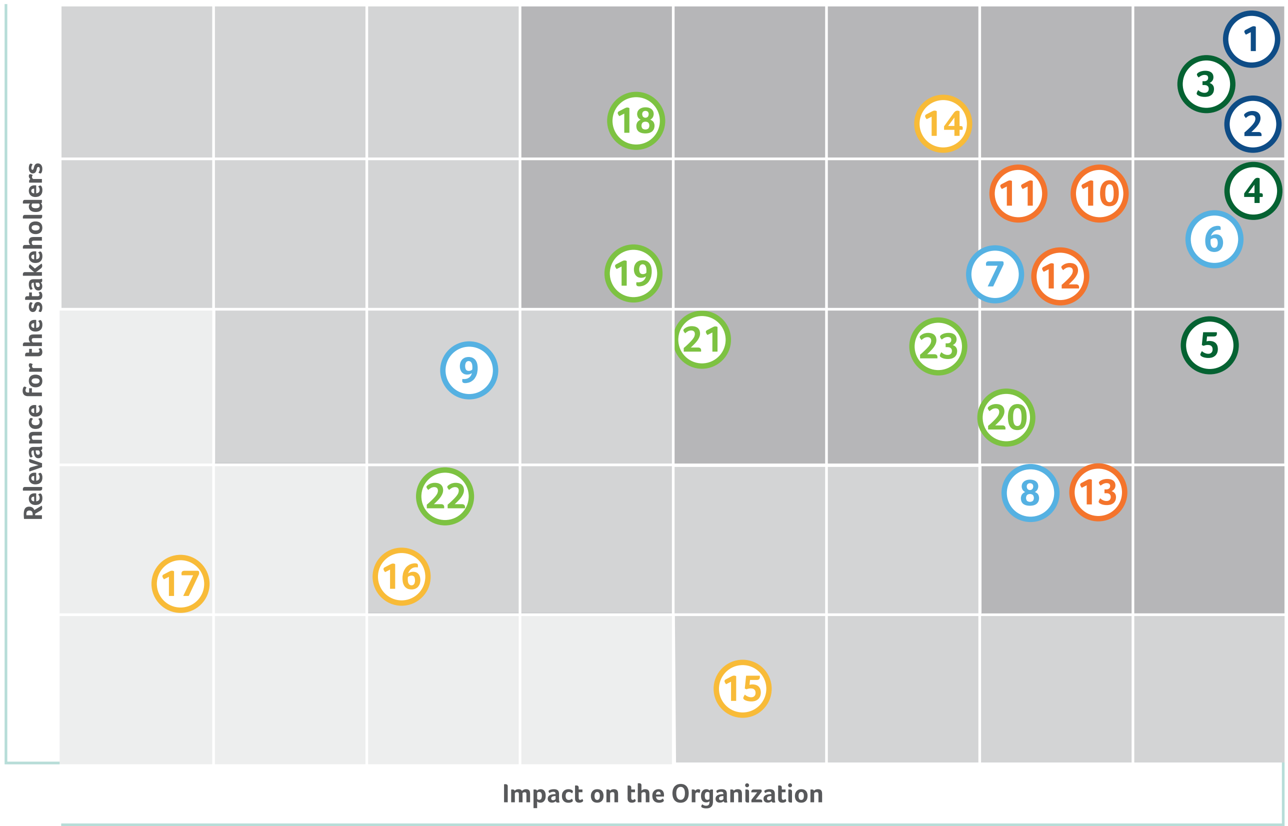
The Organization has been performing this analysis since 2011 and it considers the opinions of its most relevant stakeholders, as well as the global risks and the emerging trends from the food and restaurants sector and from companies with omnichannel models. Additionally, a reference study was conducted based on international industry peers and on the assessment criteria established by multiple sustainability monitoring and ranking agents.

Twenty-three relevant matters were identified through said analysis, 18 of which were classified as high-impact or material topics. For said classification, the following aspects were assessed:

- **Impact on the Organization:** based on the strategy, the strategic goals for 2020, the corporate risks and the business differentiators, among other.
- **Importance for the stakeholders:** based on discussion sessions, surveys and interviews conducted with the stakeholders in eight countries: Chile, Colombia, Costa Rica, United States, Mexico, Panama, Peru and Dominican Republic.

Grupo Nutresa has been focusing its operations and projects within the sustainability management framework for over a decade. This framework is based on the Organization's materiality analysis, which actively includes insights from all the stakeholders. The following are main milestones reached:





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. Reliable food
9. Food security

Managing the value chain responsibly

10. Development of our people
11. Quality of life
12. Responsible sourcing
13. Responsible sales

Building a better society

14. Human Rights
15. Development of collaborative proposals for public policies
16. Quality of education
17. Externalities

Reducing the environmental impact of the operations and products

18. Management of water resources
19. Energy
20. Climate change
21. Air quality
22. Waste management
23. Packaging and post-consumption

CONTRIBUTION TO THE **SUSTAINABLE DEVELOPMENT GOALS**

The adoption of the Sustainable Development Goals established by the United Nations is a priority in the global work agenda, and even more so for Latin America. Therefore, countries such as Colombia, Mexico and Ecuador submitted national reports on the implementation progress in 2018. Over the upcoming years, the challenge for the governments will be the improvement of the statistical systems at the country level, so that the development plans of each country can be aligned with the SDGs. Moreover, for the organizations the challenge will consist in aligning their accountability systems with the corresponding parameters of each country.

In this regard, Grupo Nutresa has identified in all its strategic priorities how it can contribute in a more effective way to the achievement of the SDGs. Additionally, the Company has selected the following indicators to report its progress in relation to the attainment of the objectives established in the agenda for 2030.

[1.1]

COP 482 million
Average annual income of producer associations from sales to Grupo Nutresa

[1.6]

COP 70.972 million
Social investment in the communities

12.879
Volunteers

31.425
Hours invested in volunteer work

[17.16]

3,4 times *
Resources mobilized through allies for social investment

*This information corresponds to the alliances executed by Fundación Nutresa, which were active in 2018.

[13.1]

-43,7%
Greenhouse gas emission reduction*

98,4%
Use of cleaner energy

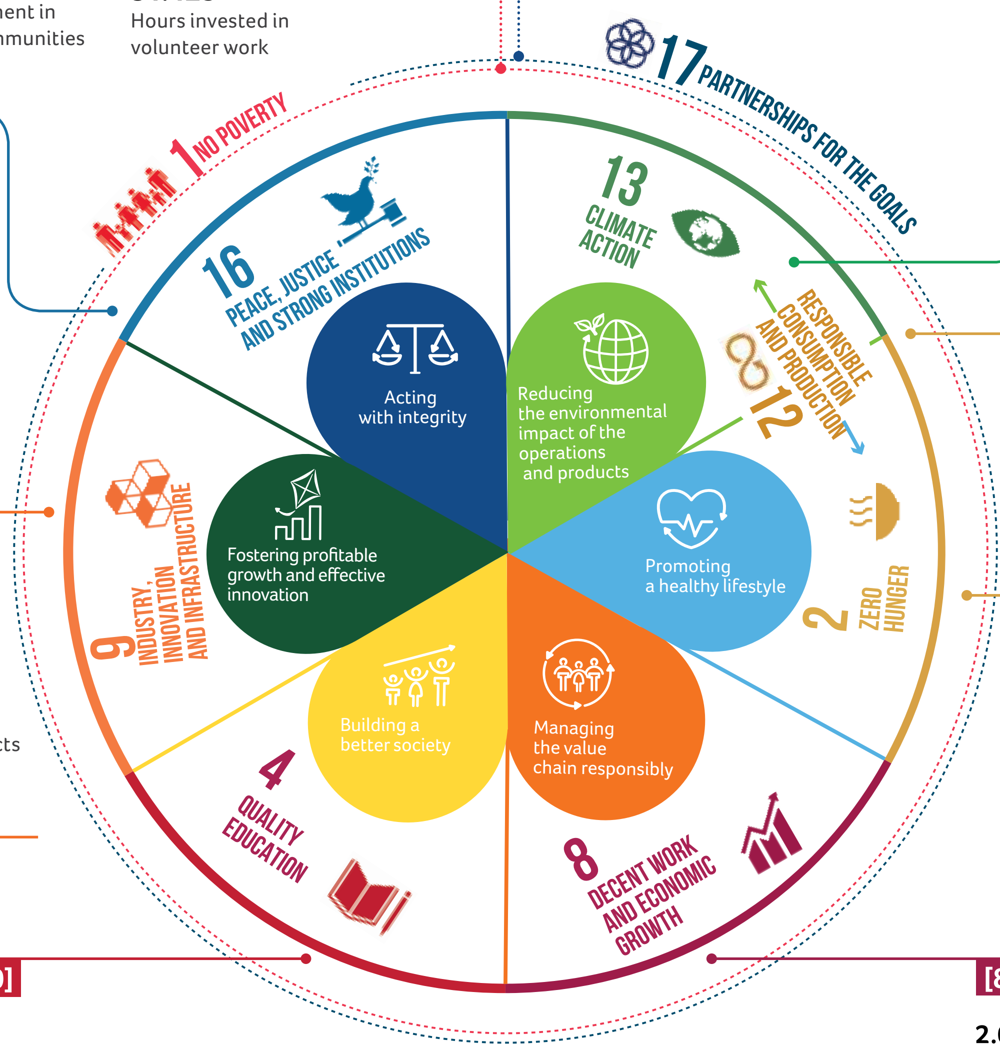
*In relation to 2010. Per ton produced in Colombia.

[16.5]

+15.800
Employees trained in the prevention of money laundering and terrorism financing

[16.6]

COP 7.326 million
Social investment in post-conflict matters



[12.2]

-29,2%
Water consumption reduction*

-20,4%
Energy consumption reduction*

COP 30.078 million
Investment in environmental management actions in Colombia

[12.3]

864,1 tons
Of products delivered to food banks in Colombia

[12.5]

77,7%
Closed-cycle packaging materials used

-0,7%
Reduction in the consumption of packaging materials*

90,8%
Waste recovery*

*In relation to 2010. Per ton produced in Colombia.

[9.4]

15
Patents and industrial designs

218
People working on R&D+i

0,5%
Of sales invested in R&D+i

21,5%
Sales of new products

[2.1]

577.664
People benefited through food banks in Colombia

COP 816.640 million
Sales of products enriched with macro and micronutrients lacking in the strategic region

[4.1]

434
Schools benefited through Grupo Nutresa's programs

206
Beneficiary schools that obtained a satisfactory performance in standardized tests

[4.10]

64,0
Average institutional quality performance

240
Teachers who received training and reached the desired level in terms of technical capabilities

[8.3]

2.065
Small farmers trained in socio-entrepreneurial matters

Employment generation

28.580
Direct employees and apprentices

16.419
Indirect employees

[8.5]

32,7
Average hours of training per employee

COP 104.389 million
Invested in quality of life, training and work aids for employees

[8.7]

13
Matrices of Human Rights risks in Grupo Nutresa

Safe work environment

1,42
LTIFR[1]

0,11
OIFR[2]

[1] Lost-time injury frequency rat*

[2] Absenteeism rate due to occupational illnesses

For an easier understanding, the numbers of the goals and objectives related to the indicators have been included as follows: [1.1]

MARÍA ELENA UPEGUI MEJÍA is the Director of *Vidarium*, Grupo Nutresa's center for scientific research on nourishment, health and nutrition. This is an institution where researchers and scientists generate, manage and contribute knowledge for the society and the Organization.

Generating knowledge to contribute to nutrition

Time, teamwork and creating ally networks in Colombia and around the world are some of the necessary conditions for innovating, transforming and enhancing Grupo Nutresa's product portfolio. *Vidarium* studies aspects related to epidemiology in the strategic region, producing knowledge for the benefit of the entire society.

Thus, this team of professionals strive to identify how food can help to reduce problems such as cardiovascular risks, obesity and gastrointestinal disorders. With their research at the cell and metabolic levels, these specialists contribute to the construction of a scientific community that transcends the Colombian territory and connects with the world.

"Our research consists in understanding the value of nourishment and ensuring the production of nutritious and safe food."

María Elena Upegui Mejía, Vidarium Director.

Vidarium produces and manages scientific knowledge on nourishment, health and nutrition. In 2018, the research center broadened its knowledge on Colombians' intestinal flora and on multiple related important substances, which can be modulated through nourishment with the purpose of contributing to people's health.

MANAGEMENT **REPORT**

[GRI 102-10] [GRI 102-14] [GRI 102-54]

IT INSPIRES US

Sustainability

Grupo Nutresa contributes to the development of humanity by acting consciously and transcendently, with the ultimate goal of being an Organization centered around people.

The opportunity to be part of the life of millions of consumers through the products and experiences we offer challenges and drives us to propose solutions that acknowledge and meet the needs and aspirations of our stakeholders.

Our Group is managed by a talented team based on a dynamic and sustainable business model, which relies on a portfolio of brands that generate value for the communities of our strategic region.

Carlos Ignacio Gallego Palacio, President Grupo Nutresa, in the opening of the first Cocoa Tree Nursery for Peace of Grupo Nutresa, Colombia.


nutresa

In 2018, we continued to work with our corporate performance framework of Sustainable Development, installing processes and capabilities that, combined with the application of new technologies, will enable us to keep making progress towards our goal of increasing value over time.

This year, we continued to strengthen our corporate pillars with a portfolio of leading and innovative brands, and we actively invested in the development of the distribution channels to make them more efficient and competitive. All of this was possible thanks to the work of an agile and motivated team that is deeply committed to the progress of our Organization. Additionally, we executed a disciplined transformation and productivity agenda that will allow us to be more competent when reaching our markets and in the interpretation and adaptation to a changing environment.

Our commitment to corporate sustainability allowed us to be included, for the eighth consecutive year, in the Dow Jones Sustainability Index –DJSI–, ranking second in the global food sector. We also continued to be part of the Dow Jones Sustainability Emerging Markets Indices and the MILA Pacific Alliance Index, and we received SAM's Silver Award for the fifth consecutive year in its most recent Sustainability Yearbook.

> Today more than ever we are strongly linked to the global sustainable development agenda. The adoption of commitments regarding climate change in the Conference of the Parties, COP 21, held in Paris; the United Nations Sustainable Development Goals for 2030; and the standards established by the Organisation for Economic Co-operation and Development –OECD–, demand significant transformations in our business models, which we duly promote, support and manage.

To take on these challenges, we work on the generation of internal knowledge and capabilities that enable us to understand them and ensure their contribution to making us a better company. Likewise, we create and strengthen different alliances to manage them because the scale of these challenges demands the combination of multiple efforts in order to address them effectively.

We have built a culture focused on innovation and continuous improvement, particularly in terms of

IT INSPIRES US

Health and nutrition

Through our health and nutrition strategy, we have already adjusted 3.072 products to the Nutresa nutritional profile, reaching 97,8% of our 2020 goal.

sustainability. We recognize the progress, but we are also aware of the required improvements. Therefore, we work consistently on identifying our gaps through a systemic benchmarking process, an adequate reading of our setting, the monitoring of both trends and risks, and active communication with our stakeholders in order to build plans and actions aligned with the future we envision.

Comprehensive and transparent accountability is an integral part of our value promise, which is why the results presented in this Integrated Report have been prepared in accordance with the framework of the International Integrated Reporting Council (IIRC) and with the GRI standard (comprehensive option). This means that this report has been prepared according to globally accepted reporting guidelines, and it has also been developed based on our materiality matrix, considering the most relevant matters for the Organization and our Stakeholders.

We invite you to review in full the document and the supplementary information available on our website https://www.gruponutresa.com/en/

INCREASING VALUE GENERATION

Our financial results are supported on the continuous improvement of our brands' value proposition. We believe that strong brands with differentiated products and experiences translate into value for customers, shoppers and consumers, contribute to the leadership and preference of our portfolio and, consequently, to the profitable, increasing and sustainable growth of our Organization.

Over the term, Grupo Nutresa sustained a positive sales dynamic both locally and internationally, with COP 9,0 trillion in consolidated sales, which represents a 3,7% year-on-year growth. The sales in Colombia totaled COP 5,7 trillion, exhibiting a growth of 4,4% with regard to 2017, and representing 63,6% of Grupo Nutresa's consolidated sales. The international sales, in Colombian pesos, were 2,5% higher than those recorded in 2017 and amounted to COP 3,3 trillion, which represents 36,4% of the total sales. In dollars, these revenues totaled USD 1.109 million, 2,3% higher than the previous year.

The gross profit for the period, which amounted to COP 4,0 trillion, grew by 5,4% when compared to 2017, reflecting the effect of the increase in sales, along with a productivity strategy and a more efficient procurement of commodities managed through a flexible and competitive global sourcing model.

SALES

Grupo Nutresa

36,4% International Sales

63,6% Sales in Colombia

3,7%
Total Sales
COP 9,0 trillion

4,4%
Sales in Colombia
COP 5,7 trillion

2,3%
International Sales
USD 1.109 million

The operating profit amounted to COP 849.296 million, with a 9,7% year-on-year increase. This growth was achieved through a cautious expenses management and by means of programs and efforts focused on improving the Organization's profitability. In turn, Grupo Nutresa reports a consolidated ebitda of COP 1,13 trillion, with a sales margin of 12,5% and a 7,9% growth compared to 2017.

The net post-operative expenses, which amounted to COP 145.081 million, were 42,3% lower than in 2017. This reduction is mainly explained by the significant decrease in the financial expenses as a result from a good cash flow–which allowed us to cut down Grupo Nutresa's debt– and by lower interest rates in the main markets where the Organization operates.

Finally, the Company reports a consolidated net profit of COP 505.308 million, a 20,3% growth based on the net profit recorded in 2017. This year's combined net profit represents 5,6% of the consolidated sales.

In the Statement of Financial Position, we report assets that amount to COP 13,5 trillion, with a reduction of 5,5% in relation to 2017. This reduction is explained mainly by the lower market value of our investments over the term, which decreased along the same line of the lower dynamic of the local stock exchange.

In terms of liabilities, we report a 3,2% contraction, amounting to COP 5,2 trillion, mainly due to an 8% decline in Grupo Nutresa's total debt over the year.

Total equity reached COP 8,3 trillion, which represents a decrease of 6,9% compared to the previous year.

In 2018, we advanced in an integral way towards our goals, delivering satisfactory results with a more agile, innovative and competitive Organization, and we consolidated an organizational productivity agenda that allows us to report a tangible improvement in the return on invested capital for our shareholders.

EBITDA

COP **1,13 trillion**

GRUPO NUTRESA S.A. INDIVIDUAL RESULTS

In compliance with the Colombian regulations, Grupo Nutresa S.A. reports its individual results: COP 515.387 million in operating revenues, from which COP 457.738 million correspond to the profit obtained through the equity method of our investments in food companies, and COP 57.649 million correspond to dividends from the investment portfolio. The net profit totaled COP 510.161 million.

INNOVATION AND OTHER RELEVANT PROJECTS

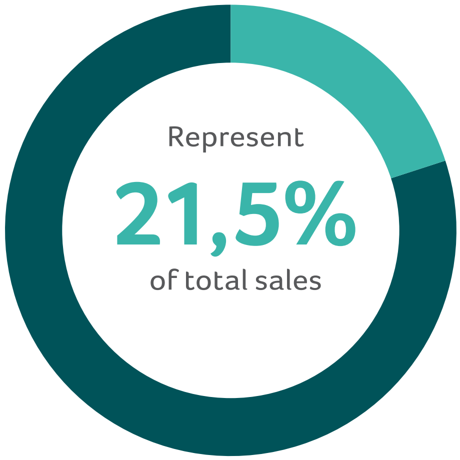
Grupo Nutresa has been preparing itself to experience innovation through a culture that enables the design of dynamic business models that create profitable growth opportunities. Over the term, we worked on making adjustments to our Imagix innovation model in search for a higher degree of articulation in our processes, developing more capabilities among the employees, structuring more ambitious and innovative portfolios, and strengthening our culture at all levels of the Organization.

Our innovation is dynamic, it involves all the business areas and incorporates a digital strategy supported on eight concrete competences that enable us to manage incremental and radical innovation projects across processes, channels and businesses.

Furthermore, with the aim of proactively evolving with our environment and the multiple agents of the ecosystem, we have created Nutresa Ventures, a venture-driven fund aimed to search for external capabilities that provide agility, knowledge and differentiation in the long term.

We report that Grupo Nutresa's innovation-driven sales in 2018 represented 21,5% of total sales, a result that allowed us to go beyond the targeted goal of 15% we had established for 2020.

New product sales



Among the relevant projects, we highlight the expansion of the nuts and chocolate confectionery categories to Central America, the Caribbean and South America, as well as the expansion of our brand Bénet into vitamin capsules that focus on supplementing and improving the nutrition of our consumers. It is also important to report the acquisition of a majority interest in the company Productos Naturela, which produces and commercializes healthy and functional food products. This investment reinforces Grupo Nutresa's presence in the healthy snacks market, a fast-growing category that is aligned with our purpose of expanding towards healthy and nutritional products.

NUTRITION, HEALTH AND WELL-BEING

The increase of chronic diseases in the population continues to raise concerns among communities and government institutions throughout the world. In this regard, the food sector has the opportunity to contribute with a response to said concerns by leading initiatives, and offering alternatives designed to improve people's health.

> Consumer well-being is a fundamental pillar of Grupo Nutresa's strategy, which is why we are convinced that contributing to the solution of health issues with our behavior as an organization is an essential part of achieving and maintaining a transformational leadership.

This firm belief has led us to use research and effective innovation as tools for formulating solutions based on products and experiences that foster the adoption of healthy lifestyles and improve the quality of life of our consumers. *Sello Rojo Vive*, *Pietrán* without added nitrites, *Veggie Burger* and *Veggie Bites*, as well as *Bénet* vitamins and other food supplements, are some examples of new products that offer specialized and convenient nutritional alternatives with proven benefits for people's health.

In addition, we continued to improve our portfolio and to make changes to specific nutrient contents with the aim of finding nutritional profiles that are more beneficial to our health.

With the management actions carried out in 2018, we consolidated a total of 3.072 products adjusted to the Nutresa nutritional profile, achieving 97,8% of the goal set for 2020. Moreover, progress was also made in the commitment of presenting detailed nutritional information on the front panel of our products, currently covering 86,4% of the product portfolio. We also continued self-regulating ourselves in terms of advertising targeted to children under 12, with an adjustment to 98,3% of our content based on social responsibility principles.

All these actions contribute to raising awareness in this regard, with the purpose of encouraging changes in people's health and nutrition habits, and reaffirming our commitment to continue developing alternatives and leading actions and initiatives that promote people's well-being.

"Nutresa Quiere a los Niños" (Nutresa cares for children) Program in Titiribí, Colombia.

IT INSPIRES US

Global agenda

Grupo Nutresa focuses its management activities on nine SDGs, contributing to their achievement by means of the Organization's strategic priorities in terms of sustainability and by working jointly with its stakeholders.

NATURAL CAPITAL

Climate change, the loss of biodiversity and the accumulation of plastic in the oceans, are not problems unrelated to the food sector. As an organization, we are aware of the importance of carrying out our productive processes in harmony and balance with the environment, while generating value for our stakeholders.

Therefore, we should highlight the work performed in 2018 regarding circular economy, the reduction of our water footprint and the environmental management across the supply chain. Along the same line, throughout the year we consolidated an interdisciplinary team that is in charge of the research and development of more sustainable packaging material alternatives, as well as the identification of and participation in multi-sector alliances focused on recovering and utilizing these materials.

Likewise, progress was made in the implementation of our Food Loss and Waste Reduction Policy, understanding our impact and enhancing internal capabilities focused on reducing food losses and waste, and making the best use out of them.

In alignment with the Sustainable Development Goals, we have set a goal of achieving a reduction of 50% in waste and 30% in losses in our operations by 2030.

Coffee seedbed nursery in the Farallones Benefit Central, Colombia.

Over the year, we continued to identify the sustainability risks and trends regarding our main commodities, and we consolidated our water treatment systems, which are intended to reduce our overall water footprint.

The adoption of good environmental management practices was strengthened in the operations throughout our strategic region, achieving significant progress in our corporate goals for 2020 in terms of reduction in resource consumption and carbon emissions: water by 29,2%; energy by 20,4%; and CO2, emissions by 43,7%.

SOCIAL CAPITAL

Humanity faces great challenges in terms of the planet's sustainability and the construction of a thriving society. The countries where we operate require an inclusive high-quality education that facilitates the access to opportunities for everyone, with sufficient availability of qualified teachers and school training habits based on a sustainable philosophy, which promotes adequate nutrition and healthy lifestyles.

In the matter of the promotion of food security, the challenge in our strategic region is to encourage food production through methods that protect the ecosystem, adapt to climate change and help reducing food waste in the production and distribution chain.

In this context, we continued fostering actions for the development of capabilities in the communities in pursuit of better basic and middle education results in Colombia through programs such as "Líderes Siglo XXI" (21st Century Leaders), "Oriéntate" (Find your way) and "Nutresa Quiere a los Niños" (Nutresa cares for children), benefiting 341.783 people from the school communities.

We promoted entrepreneurship, productivity and sustainability in low-income populations from our value chain by means of the development of inclusive businesses and the organizational and productive strengthening of 455.597 clients and supplier associations.

Across the entire strategic region, we contributed to the reduction of undernutrition, the promotion of healthy lifestyles in the communities and the development of capabilities in the food banks. Along the same line, key practices related to healthy diets, hygiene and physical activity were reinforced in school communities in Colombia, Chile and Mexico. In terms of food security challenges, we promoted the self-supply of healthy food in urban and rural communities through our "Germinar" program.

A social investment of COP 70.972 million was made in 2018, benefiting 2.745.347 people and contributing to the construction of more sustainable territories with the support from 12.879 volunteers, who have joined this big network and put their capabilities and resources to use for achieving these results.

Moreover, the progress of our society also requires the development of our people's talent, therefore this continues to be one of our priority goals as an Organization. In this regard in 2018, we materialized practices focused on strengthening the skills of our leaders, the talent planning and development of our employees, the monitoring of their commitment, and the organizational working climate. Grupo Nutresa also worked on reinforcing its performance management, improving employee productivity, and enhancing its organizational capabilities.

In 2018, Grupo Nutresa was acknowledged by Merco Talento as the best company to work for in Colombia, achieving a high level of recognition in terms of the quality of life and the personal and professional development opportunities it offers to its employees. This acknowledgment was also based on the principles and values demonstrated by those who lead and collaborate in the multiple areas of the Organization.

Additionally, Tresmontes Lucchetti was acknowledged by Chile's "Sociedad de Fomento Fabril" (Manufacturing Promotion Society or Sofofa) with the 2018 Business Evolution Index Award, a recognition of its contribution to the construction of a climate of mutual trust with all agents of society.

In order to keep facing the implicit challenges of attracting and retaining the best talent, we will keep contributing to the development of our employees through training programs focused on personal development, effective innovation, sustainability, leadership, the enhancement of digital capabilities and analytics, among others. We are convinced that these initiatives contribute to the integral development of our people and to their commitment to the Organization's higher purpose of building a better world where sustainable development is for everyone.

Market share

Grupo Nutresa in Colombia

59,2%

BUSINESS GROUP SPECIAL REPORT

By the end of 2018, the Nutresa Business Group was formed by 71 companies, clustered as follows for administrative purposes: eight food Businesses and their production platforms in Colombia and abroad; an international distribution network; three local distribution companies; and four companies that render administrative, logistical and transport services, which provide the corresponding support to the Group's companies.

In compliance with the provisions of the Colombian laws, particularly Article 29 of Act 222 of 1995, Grupo Nutresa S.A., as the parent company of the Business Group, received from its subordinates for the sales of goods and services the sum of COP 2.073 million, and the amount of COP 283.660 million as dividends. In 2018, Grupo Nutresa S. A. did not endorse financial obligations of its subordinates, which did not carry out operations for third parties by influence or in the interest of the parent company.

Moreover, in 2018, Grupo Nutresa S. A. did not make or stopped making decisions to address the interest or by influence of any of its subordinate companies, and none of them made or stopped making decisions to address the interest or by influence of Grupo Nutresa S. A.

LEGAL PROVISIONS

Grupo Nutresa and its subordinates strictly complied with all intellectual property and copyright regulations, their trademarks are duly registered, and they all own the respective licenses of the software installed at all facilities and keep the corresponding evidence that allows to verify such compliance.

In 2018, the Organization did not receive any notices of lawsuits and there were no judicial rulings that could affect its financial condition. No fines or significant penalties were imposed on Grupo Nutresa's companies or their executive managers.

Note 17 of Grupo Nutresa's separate financial statements, which are published on our website, contains all the details of the operations with shareholders and the persons addressed in Article 47 of Act 222 of 1995 and other concordant regulations. All such operations were carried out 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. 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 from Act 964 of 2005.

Projects that supply the Coffee Business, Colombia.

Social investment in the strategic region

COP **70.972 million**

IT INSPIRES US

Integrity

As part of the I act with integrity (Actúo Íntegramente) strategy, we trained more than 16.000 employees, promoting an ethical, transparent and integral acting.

ASSESSMENT OF THE FINANCIAL INFORMATION DISCLOSURE AND CONTROL SYSTEMS

Grupo Nutresa's internal control system includes 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, the market and the general public.

Comprehensive risk management processes, accountability systems, control plans and programs, budget and cost tools, chart of accounts, standardized policies and procedures, integrated information systems and templates for documenting and recording operations, and dashboards that allow the Administration to continuously monitor the processes are some of the internal control resources Grupo Nutresa uses.

The Internal Audit Department, through an independent and comprehensive assurance management work based on the international framework for the professional practice established by The Institute of Internal Auditors –IIA Global–, verifies the fulfillment 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 is responsible for verifying and certifying relevant aspects such as the Company’s compliance with legal, statutory and administrative standards, the reasonableness of its financial statements and the information disclosed therein.

Hidrosogamoso dam, Colombia.

The results of the Administration's continuous monitoring activities and of the assessments carried out by the Internal Audit Department and by the Tax Auditor were disclosed in a timely manner to the corresponding authorities, including the Finance, Audit and Risks Committee. This disclosure allowed to confirm that 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 acknowledged 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 or by the confidentiality agreements related to the disclosure of this type of operations.

Based on the aforementioned activities, there were no significant deficiencies in the design and operation of the internal control measures that could have kept the Company from adequately recording, processing, summarizing and presenting the financial information of the corresponding term or cases of fraud with an effect on the quality of such information. There were no changes in the financial information assessment methodology either.

Mauricio Reina Echeverri
Chairman of the Board of Directors

David Emilio Bojanini García
Gonzalo Alberto Pérez Rojas
María Clara Aristizábal Restrepo
Jaime Alberto Palacio Botero
Antonio Mario Celia Martínez-Aparicio
Cipriano López González

Carlos Ignacio Gallego Palacio
CEO of Grupo Nutresa

OUTLOOK

For Grupo Nutresa, 2018 was a year of consolidation and evolution. The Organization continued to build a better portfolio of products and experiences for clients, shoppers and consumers. We also implemented productivity improvements that enabled us to become a more competent organization and reaffirm our corporate values of integrity and transparency across all levels of the Company. At the same time, we evolved the way we operate, developing new channel alternatives with the aim of improving our dynamism and efficiency in the market, and we integrated new avenues of growth into our portfolio.

These new capabilities, in addition to those that we improve on a daily basis in the Organization, enable us to take on this new year with hope.

For this reason, 2019 will be a year for maintaining the execution of our strategy in a consistent and responsible way, managing bigger and better opportunities for growth, development, and value generation for the Organization and our stakeholders.

ACKNOWLEDGMENTS

The results we report as a holding are possible thanks to a talented team that is deeply devoted and committed to fulfilling Grupo Nutresa's goals. We would like to express our profound gratitude to our employees for their involvement in the construction of a better Organization, that is more human, conscious, and competitive.

We would also like to thank our suppliers for their solid and committed support; our clients, shoppers and consumers for their preference and trust in our work; and our shareholders for supporting our vision of building a future where sustainable development is for everyone.

BEATRIZ ELENA JARAMILLO GAÑAN,
is one of the beneficiaries of Grupo Nutresa's *Germinar* program, which fosters capabilities related to the sustainable consumption in rural communities in Colombia. In her productive garden, Beatriz grows products that enable her to enrich her diet, her kitchen and the relations with her neighbors.

Sowing good habits

In the rural population called Alto de los Jaramillo, located in the Colombian municipality of Ciudad Bolívar, Beatriz, Leonel and their two children grow, tend to and harvest vegetables such as lettuce, carrots, onions and coriander as part of Grupo Nutresa's *Germinar* program. These seeds of life reach their table as an alternative for their nourishment, economic sustainability and access to new flavors, recipes and organic practices that help them to take care of both their health and our planet's future.

These productive gardens, grown with their own hands and shared knowledge, also represent an opportunity to bond with their neighbors and exchange perishable produce. Beatriz and other women from the rural population maintain constant communication, talk about the produce they have for exchanging, and meet to trade them and share stories. This is an exercise that motivates them to share and learn with the aim of enhancing their life in the countryside.

"I enjoy growing my own food, spending time with my family, saving money, preventing illnesses and bonding with other people."

Beatriz Elena Jaramillo Gañan,
beneficiary of the *Germinar* program

***Germinar*, a program developed by Grupo Nutresa, promotes productive systems with organic practices. It contributes to food security, to fostering healthy lifestyles and to the well-being of families from populations that are part of the value chain in Colombia. The program started in 2012 with communities that grow cocoa beans in the state of Chocó. Now, it benefits communities from the states of Bolívar, Córdoba, Magdalena, Meta and Sucre in Colombia.**

BOARD OF **DIRECTORS**

[GRI 102-18] [GRI 102-22]

Average years on the Board: 9,7

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

1 | 2 | 3 | 4 | 7
Finance, Audit and Risks Committee

1 | 4 | 6
Appointment and Remuneration Committee

1 | 2 | 4 | 6
Corporate Governance and Board Matters Committee

1 | 4 | 5 | 6
Strategic Planning and Sustainability Committee

● **Independent Members**

● **Non-Independent Members**

* Year in which the Member joined the Board of Directors.

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.

OTHER BOARDS
OCENSA – Oleoducto Central S. A.

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.

OTHER BOARDS
Acoplásticos – Colombian Association of Plastic Industries.

CIPRIANO LÓPEZ GONZÁLEZ
2016*

Finance, Audit and Risks Committee.

Self-employed

PRIOR EXPERIENCE
CEO, Industrias Haceb
Chief Commercial Operations Manager, Industrias Haceb.
Sales and Negotiation Executive Director, Bavaria S.A.
Negotiation Director, Danone.
Chief Planning and Control Director, IMUSA.

ACADEMIC BACKGROUND
Master's degree in Business Administration, Bordeaux Business School.
Degree in Mechanical Engineering, Universidad Pontificia Bolivariana.
Senior Management and Strategic Leadership, Universidad de los Andes.
Advanced studies at Dartmouth College, Stanford University, Harvard University, Notre Dame University, Wharton, University of Pennsylvania, Johns Hopkins University and Singularity University.

OTHER BOARDS
Tuya S.A., National Business Association of Colombia's Chamber of Electrical Appliances, National Business Association of Colombia's Antioquia Branch, Proantioquia, Eafit's High Council.

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.

Visiting Professor in practice, London School of Economics

PRIOR EXPERIENCE
CEO, Promigas S.A.
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, Universidad de Los Andes and London School of Economics.

OTHER BOARDS
Universidad del Norte Foundation, Entrepreneurs for the Education ExE Foundation, La Cueva Foundation, Foundation for the Higher Education and Development, Ideas for Peace Foundation.

MARÍA CLARA ARISTIZÁBAL RESTREPO
2013*

Strategic Planning and Sustainability Committee.

Head Real Estate Business, Grupo Argos S.A.

PRIOR EXPERIENCE
Corporate Strategy Executive Manager, Grupo Argos S.A.
Investor 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.

OTHER BOARDS
Pactia S.A.S., Eafit's High Council.

DAVID EMILIO BOJANINI GARCÍA
2005*

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

CEO, Grupo de Inversiones Suramericana S.A.

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.

OTHER BOARDS
Bancolombia S.A., Sura Asset Management S.A., Suramericana S.A., Grupo Argos S.A.

ADVISORY BOARDS
Proantioquia, CPC (Private Competitiveness Council), CCI (International Colombia Corporation), ExE (Entrepreneurs for the Education), El Cinco Foundation.

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.

OTHER BOARDS
Bancolombia S.A., Celsia S.A.

MANAGEMENT **TEAM**

[GRI 102-18] [GRI 102-19] [GRI 102-20]

The Management Team ensures the **Organization's capabilities** to guarantee a sustainable and profitable growth.

Corporate team

CARLOS IGNACIO GALLEGO PALACIO
Chief Executive Officer

Prior Experience
- President, Chocolates Business.
- Vice President, South Strategic Region.
- President, Servicios Nutresa
- General Director, Fundación Nutresa
- Industrial Vice President, 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
Chief Financial Officer

Prior Experience
- Chief Financial Officer, 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
Vice President, Corporate Secretary General Counsel

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.

Transverse Units Team

SOL BEATRIZ ARANGO MESA
President, Servicios Nutresa
Vice President, Sustainable Development;
General Director, Fundación Nutresa

Prior Experience
- President, Chocolates Business.
- Vice President, 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).

Business Units Team

DIEGO MEDINA LEAL
President, Cold Cuts Business
Vice President, Logistics

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
President, Biscuits Business
International Vice President

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.

JUAN FERNANDO CASTAÑEDA PRADA
President, Chocolates Business
Vice President, Marketing and Sales - Commercial Networks

Prior Experience
- Marketing Manager, Compañía de Galletas Noel S.A.
- Marketing Director, Procter & Gamble, Latin America.
- Manufacturing and Operations Manager, Procter & Gamble, Brazil.

Academic Background
- Degree in Production Engineering, Universidad Eafit.

JUSTO GARCÍA GAMBOA
President, Tresmontes Lucchetti
Vice President, Chile and Mexico Strategic Region

Prior Experience
- Chief Executive Officer, Tresmontes Lucchetti.
- Commercial Department Leader, Tresmontes Lucchetti.

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

MIGUEL MORENO MÚNERA
President, Coffee Business

Prior Experience
- Chief Executive Officer, Fehr Foods.
- Chief Business Development Director, Fehr Foods.
- Financial Manager, Compañía de Galletas Noel.
- Corporate Finance Director, Grupo Nutresa.

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

JUAN CHUSÁN ANDRADE
President, Retail Food Business

Prior Experience
- Chief Executive Officer, NegociosInternacionales Gastronomía y Negocios (GyN).
- New Business Director and CEO, Brazil 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
President, Ice Cream Business
Vice President, Innovation and Nutrition

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
President, Pasta Business

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.

STRATEGY FOR OUR
FIRST CENTURY 1920-2020

"Our centenarian strategy is aimed at **doubling our 2013 sales by 2020**, with a profitability maintained 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 valued brands. Our products nourish,generate well-being and pleasure,** have **the best pricevalue 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 sales 2013

Mission

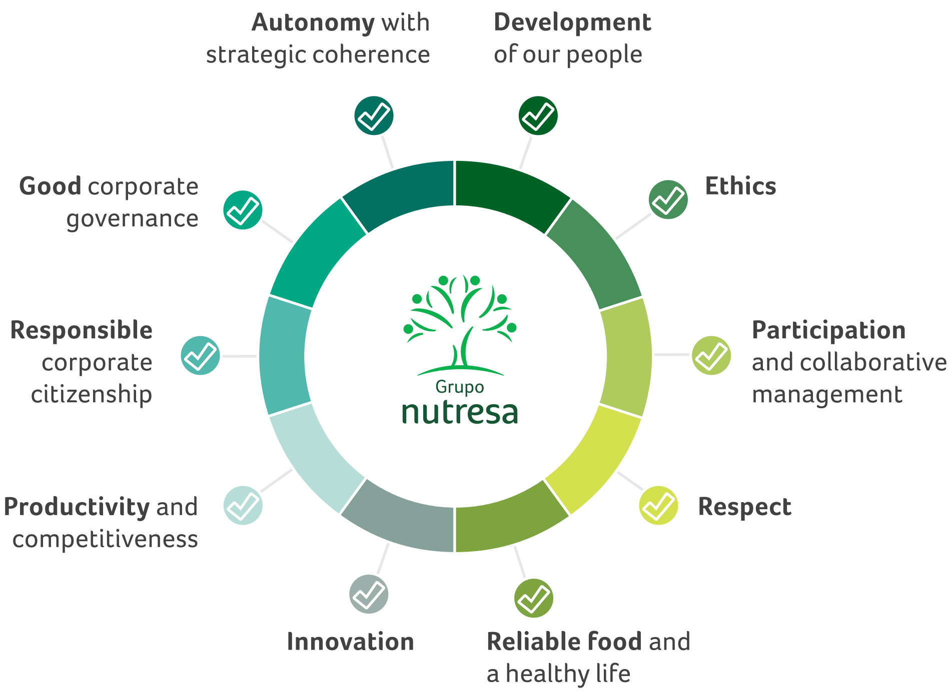
The mission of our Company is the increasing generation of value, achieving a return on investments greater than the cost of the capital used.

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 excellent distribution networks.**

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]



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:

83,0%

OUR BRANDS

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

18 brands

with sales over USD 50 million

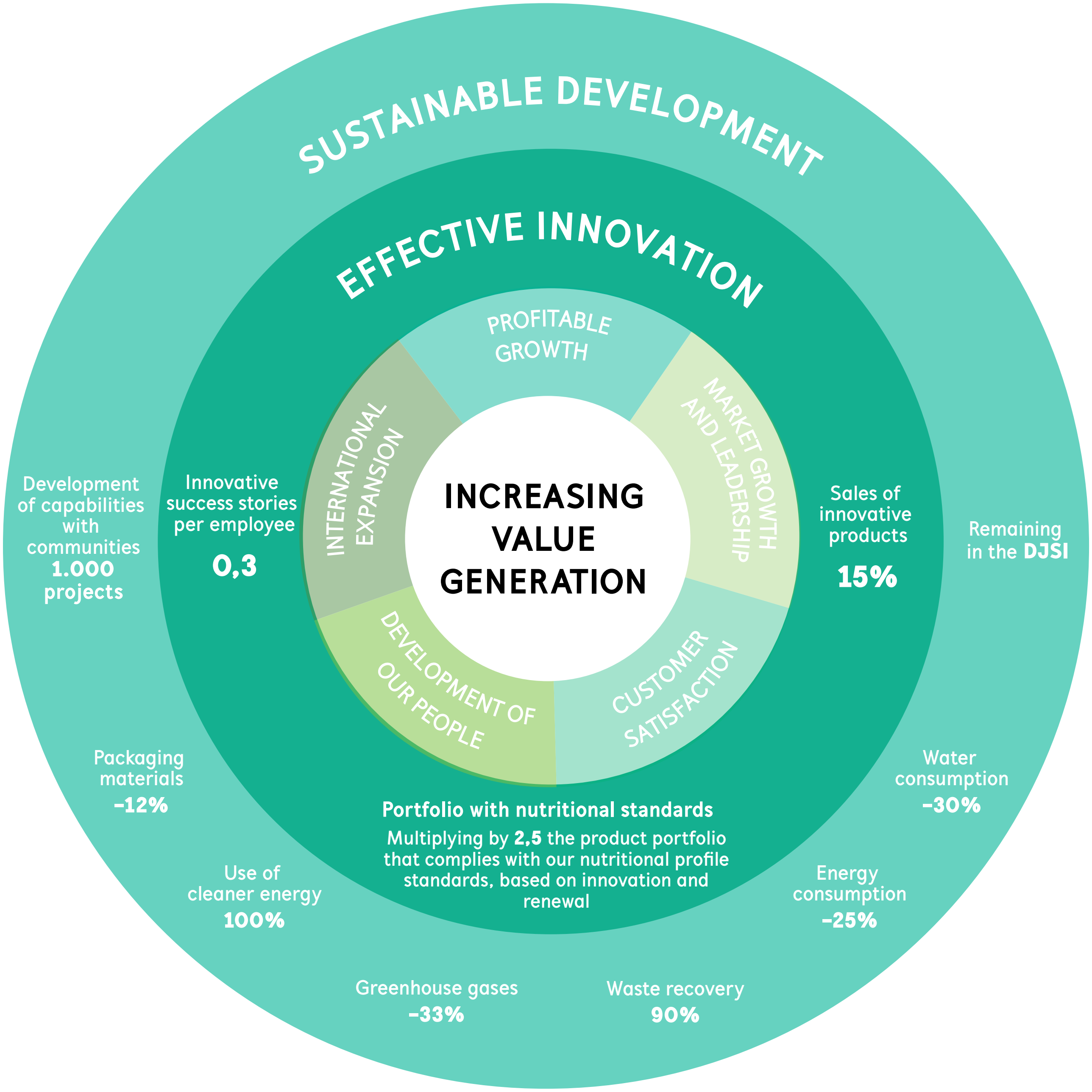
OUR DISTRIBUTION NETWORKS

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

1.415.838

points of sale

STRATEGIC GOALS **FOR 2020**



The following are the results for 2018, the goals for 2019, and the objectives for 2020:

ECONOMIC DIMENSION

Doubling the 2013 sales by 2020 (COP trillion)

2020: 11,8
2018: 9,0

Sales of innovative products:

2020: 15%
2018: 21,5%

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

2020: 3.140 SKUs
2018: 3.072 SKUs

Sales abroad (USD million)

2020: 2.000
2018: 1.109

Innovative success stories per employee:

2020: 0,3
2018: 0,21

Level of customer satisfaction

2020: Maintaining the level of excellence
2018: Colombia 89,0
Strategic region 91,9

EBITDA margin

2020: between 12% and 14%
2018: 12,5%

Productivity (kg/Hdl)

2020: +5% per year
2018: 3,2%

SOCIAL DIMENSION

Accident frequency rate

2020: 1,4
2018: 1,53
2019: 1,47

Organizational climate

2020: 83,3% **2018: 83,0%**
2019: Maintaining the level of excellence

Capability-development projects

2020: 1.000
2018: 879
2019: 955

ENVIRONMENTAL DIMENSION

Water consumption (m3/t.p.)

2020: -30%
2018: -29,2%
2019: -30%

Waste generation

2020: -20%
2018: -8,0%
2019: -8,0%

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

2020: -12%
2018: -0,7%
2019: -3,3%

Waste recovery

2020: 90%
2018: 90,8%
2019: 90%

Use of cleaner energy

2020: 100%
2018: 98,4%
2019: 99%

Energy consumption (kWh/t.p.)

2020: -25%
2018: -20,4%
2019: -20,1%

Greenhouse gases (CO2e/t.p.)

2020: -33%
2018: -43,7%*
2019: -33%

*Reduction due to the procurement of certified green electricity, considered zero emissions.

DIGITAL STRATEGY

Grupo Nutresa is advancing in its digital transformation process through the development of key initiatives, which enable us to evolve on three dimensions: processes, channels and businesses, with the premise of offering better experiences to both shoppers and consumers.

In 2018, we work on the three dimensions of the model. Among others, we advance in:

PROCESSES

The distribution and inventory management efficiency was increased with optimization-focused analytics tools.

BUSINESSES

The Organization ventured into new digital channels, both its own and third-party channels, for the commercialization, marketing and service.

CONSUMERS AND SHOPPERS

CHANNELS

Grupo Nutresa's Brand and Network Management Model was enhanced with the use of analytical models and actionable practices.

In this regard, Grupo Nutresa will continue to reinforce the main strategic drivers:

- Disruption of traditional models.
- Consolidation of the relationship with the entrepreneurship ecosystem.
- Evolution of the talent by means of the transformation of digital capabilities.
- Agility as an element for continuous value generation.
- Transition of the technological platforms.

INTEGRATED RISK MANAGEMENT
AND MAIN BUSINESS RISKS

RISK ASSESSMENT

In 2018, Grupo Nutresa started adopting a new model for the analysis and management of trends and risks by its Board of Directors and Corporate Committee in its strategic planning processes.

In addition, the Company performs analysis exercises on the influence produced by the emerging risks and trends on the Businesses, risk assessments in the projects and workshops across the entire Organization in Colombia and abroad. For this purpose, the current 24 corporate risks were taken into account, as well as the catalog of associated tactical risks.

Workshops on risk management and business continuity	120 33,3%
Assessments of risks at the strategic, tactical and operative levels	22.309 27,5%
Employees trained	2.003 100,3%

Variations with respect to 2017.

MAIN RISKS	MITIGATING ACTIONS
Volatility in commodity prices and exchange rates.	• **Coverage policies** with defined risk levels, aligned with the market dynamics. • **Process** management by a specialized committee, with permanent auditing by internal and external bodies. • **A highly** trained team dedicated to monitoring and negotiating supplies. • **Search** for new opportunities and models for an efficient and competitive commodities sourcing at a worldwide scale. • **Diversification** of commodities, geographies and businesses. • **Risk** analytics applied to the quantification of impacts in complex scenarios.
Negative impact of a highly competitive environment on the Businesses.	• **Development** and enhancement of organizational capabilities focused on the market needs. • **Reinforcement** of the talent defined as “passion about customers, consumers and shoppers.” • **Identification** of opportunities and threats caused by cultural changes. • **Brands** and Networks Management Model based on the deep and integrated understanding of the market. • **Leading** brands that are highly recognized and appreciated. • **High-value** innovation and portfolio differentiation. • **Profitable** market development based on consumer segmentation. • **Broad** distribution network with value propositions differentiated by customer segment. • **Attractive** propositions with an excellent price-value ratio. • **High** levels of customer satisfaction and loyalty.
Regulatory environment with regard to nutrition and health, which has a negative impact on the business.	• **Adoption** of the defined Nutrition Policy. • **Understanding** of the needs of the communities and their health and nutrition issues with the aim of contributing to the definition of solution alternatives. • **Compliance** with the regulations in force and monitoring of the setting, focusing on identifying regulatory changes and getting prepared for their incorporation. • **Involvement** in the discussion and formulation of public policies. • **Development** of health and nutrition research that allows to improve the quality of life of the population through innovative food propositions. • **Support** to and participation in programs that promote healthy lifestyles. • **Vidarium:** nutrition, health and well-being research center.

CORPORATE RISKS

STRATEGIC

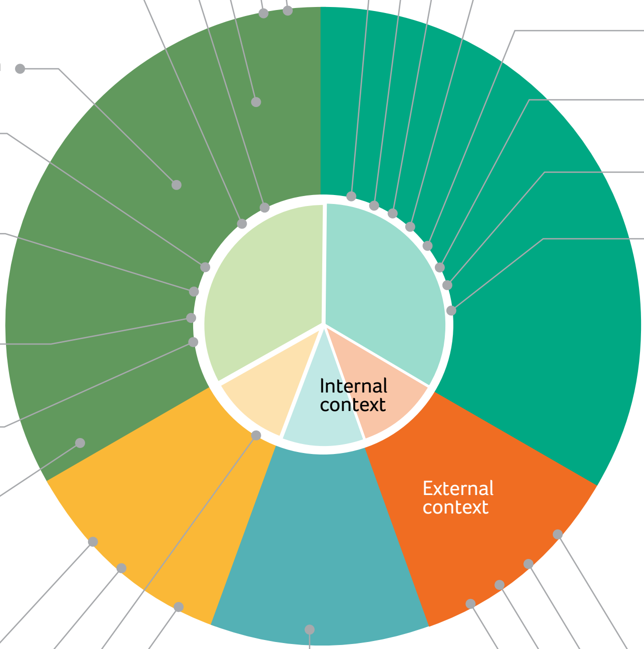
Connected with the strategic formulation of the Organization and its relationship with the business environment.

- **Negative** impact of a highly competitive environment on the Businesses.
- **Negative** impact on the Organization due to changes in public policies (economic, social and environmental).
- **Lack** of availability of human talent.
- **Not** having access systems and channels that create value for customers and consumers.
- **Lack** of management of communication that responds to changes in the media and to the consumer as an interlocutor.
- **Not** knowing and making tangible the needs and expectations of the consumer in a timely manner.
- **Inadequate** formulation or implementation of the strategy.
- **Lack** of operation models that support and enhance the development of the strategy.
- **Absence** of dynamic and systematic characterization of markets, regions and strategic segments.
- **Lack** of understanding sustainable development as the genuine capacity of the entire organization.
- **Systematic** loss of confidence in the food industry.

OPERATIONAL:

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

- **Negative** impact on the integrity or safety of the employees in the performance of their jobs
- **Negative** impact on the environment.
- **Collapse** of information and communication systems and technologies.
- **Internal** or external violations of Human Rights.
- **Impact** to third parties due to operations or products.
- **Loss** of the Company's key information.
- **Ethical** offenses or inappropriate behavior of employees or third parties.
- **Regulatory** noncompliance.



FINANCIAL

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

- **Volatility** in raw materials prices and exchange rates.
- **Counterparty** risks.
- **Indebtedness** and liquidity risks.
- **Systemic** risk or risk of contagion.

CLIMATE AND NATURE-RELATED

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

- **Negative** impact caused by climate and natural phenomena.

EMERGING

New risks currently developing or changing.

- **Inefficacy** in the management strategies and in the mobilization of new generations as workforce.
- **Uncertainty** caused by the implementation of new technologies.
- **Changes** in the preferences of consumers and shoppers
- **Inability** to adapt to and mitigate the impact of climate change.

BUSINESS MODEL [GRI 102-6] [GRI 102-9] [GRI 102-15]

INPUT

Financial capital
- Working capital
- Funding
- Capital from investors

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

Human capital
- Proficient people

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

Natural capital
- Energy
- Water
- Commodities

Social capital
- Communities
- Customers
- Consumers
- Suppliers

VALUE CHAIN

Sourcing

- **55** supplier development projects
- **190** farms and plantations
- **83%** of purchases to local suppliers
- **COP 19.499 million** in social investment for suppliers

Gestión Cargo

Commodities logistics

Operation

Cold Cuts · Biscuits · Chocolates · Tresmontes Lucchetti · Coffee · Retail Food · Ice Cream · Pasta

- **46** production plants
- **44.999** employees
- **18** brands with sales over USD 50 million
- **837.990** hours invested in training
- **10.598** performance assessments
- **28** ISO 14001-certified operation centers
- **COP 104.389 million** invested in well-being and quality of life

Distribution and commercialization

Comercial Nutresa · La Recetta · Novaventa · Opperar Colombia

- **85** distribution centers
- **9.202** vendors
- **COP 30.544 million** in social investment for customers

Retail Food

- **336** restaurants
- **501** ice cream shops
- **26** coffee shops*

* Starbucks coffee shops in Colombia. Grupo Nutresa owns a stake of 31%.

[GRI 302-1] [GRI 303-1] [GRI 305-1] [GRI 305-2]

STRATEGIC SUSTAINABILITY PRIORITIES

RESULTS

OUTPUT

Work on promoting healthy lifestyles, producing nutritious and safe food, and ensuring an adequate communi-cation that builds trust and allows to make conscious and informed decisions. Grupo Nutresa also promotes initiatives focused on the mitigation of hunger, creating possibilities of nutrition and healthy lifestyles.

3.072
product items fulfill the nutritional profile

25,6%
of sales correspond to products with reduced critical components

1,0%
Products with reduced critical components

Comprehensive development of its employees to improve their productivity and quality of life, incorporating social and environmental variables in the sourcing chain and strengthening the distribution network with sales channels that enable an adequate offer of its products in the market.

83,0%
organizational climate score

42,5 kg/Hmod
productivity

456.732
Customers trained

Enhancement of the capabilities of the communities with which the Organization interacts in order to promote their growth and develop-ment. Additionally, the Organization fosters the respect for Human Rights among its stakeholders.

2.065
small farmers trained in socio-entrepreneurial matters

879
Capability-development projects 2013-2018

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

-20,4%
energy consumption reduction*

-29,2%
water consumption reduction*

-43,7%
greenhouse gas emission reduction*

*Reduction in relation to the 2010 baseline.

A general behavior based on ethics and good conduct, on the design and implementation of clear procedures for identifying and addressing risks, and on a continuous work on the assurance of the compliance with the regulations and standards that govern its operation.

Eighth
consecutive year in the DJSI World.

Sixth
consecutive year being awarded the Investor Relations "IR" acknowledgment.

Design and creation of a differentia-ted offer of products, brands and experiences in its multiple market segments, based on an innovative culture in terms of processes, products and business models.

COP 9.016 billion
in sales

COP 1.126 billion
ebitda

59,2%
market share in Colombia

9,5%
ROIC

Food production*

996.948,5
tons produced*

2,1 thousand m³
of water consumed*

743,5 GWh
of energy consumed*

109.751,1 tCO_2e
of GHG emitted*

- Meat byproducts
- Vegetable products
- Milk modifiers
- Chocolate bars
- Nuts and trail mixes
- Coated cookies
- Cereal bars
- Cookies
- Biscuits and crackers
- Vegetable protein
- Baked snacks
- Ice cream products
- Ice pops
- Fruit beverages
- Coffee
- Instant mix products
- Classic pasta products
- Stuffed pasta products
- Flavored pasta products and specialties
- Pasta with sauce or instant pasta products
- Instant mix products
- Nectars
- Soups, cream-style soups and broths
- Fried snacks

*Data from Colombia, Mexico, Costa Rica, Peru, Chile, Dominican Republic y Panama.

Commercialization

109,9 GWh
Energy consumption in distribution operations: *

50.884 tCO_2e
GHG emissions from distribution operations*

- Storage
- Distribution
- Sales

** Includes the distribution performed by both the Organization itself and third parties

Retail Food

33.333.280,0
main dishes sold***

158,6 miles de m³
Water consumption***

57,9 GWh
Energy consumption***

9.454 tCO_2e
Greenhouse gas emission***

- Burger bars
- Pizzerias
- Coffee shops
- Steakhouses
- Ice cream shops

*** Data from Colombia

MARÍA ELENA TOBÓN VÁSQUEZ is a coffee grower from Ciudad Bolívar who is part of the De los Andes Cooperative organization. Her work is supported by the Farallones coffee benefit plant, which was built by the cooperative organization and Colcafé. The benefit plant is the place where the coffee beans are pulped, washed, dried and selected. This has enabled her to improve her quality of life, saving both resources and time.

Building to improve productivity and quality of life

María Elena Tobón Vásquez describes herself as a hardworking coffee grower. From her very first memories, she remembers the scent of the coffee plantations and her father's hard work in a process that is as ordinary and commonplace as it is laborious and painstaking: picking, pulping, washing, drying, selecting and selling the coffee beans. María Elena has kept her legacy alive and, since the Farallones coffee benefit plant was built by the De los Andes cooperative organization and Colcafé in Ciudad Bolívar, Antioquia, she just has to pick the coffee beans and take them to the delivery station to sell her harvest. This lets her improve her quality of life, saving resources and time, and gives her the chance to rest and spend more time with her family, and to focus on new ideas and solutions to increase the productivity of her plantation.

María Elena's work ends when she delivers her coffee beans in bulk or in sacks. This is when the work of the benefit plant starts with the process standardization, which has the aim of offering high quality and better flavor to the end consumers. This methodology also contributes to the protection of the environment by reducing water and energy consumption, and guaranteeing a higher level of transparency in the pricing stage. The objective of this project is to transform the processing plant partners and the new generations of coffee growers into entrepreneurs who take care and develop their farms in order to contribute to building a better future and to the conservation of the coffee growing legacy.

"Coffee fills me with energy and illusion to enjoy life".

María Elena Tobón Vásquez, coffee grower from Ciudad Bolívar, Antioquia, who has benefited from the coffee benefit plant.

The Farallones coffee benefit plant improves the living conditions of the community, generates savings, increases the coffee growers' income and reduces the impact on the environment. In addition, it has allowed to cut the processing costs down for the entire cycle: pulping, washing, drying and selecting. The consistency in the quality of the coffee has also been improved and training programs have been established for coffee growers and their families.

CORPORATE **GOVERNANCE**

Employees from the Novaventa Operations Center in Antioquia, Colombia.

To establish a framework of transparent behavior, integrity and ethics for Grupo Nutresa by developing management, information disclosure and control policies, which are aligned with the highest international standards of corporate governance, thus having a positive impact on the company's reputation for the benefit of shareholders and other stakeholders.

STRATEGY [GRI 103-2]	**PROGRESS 2018** [GRI 103-3]
Updating the Organization's corporate governance measures.	• **Formulation** of a communication and training strategy titled "Actúo Íntegramente" (I act with integrity) as part of the Business Ethics program that was implemented in 2017. Its purpose is to foster and promote principles of ethics, transparency and integrity in the Organization to generate a positive impact on the employees, customers, consumers, suppliers and related third parties. • **Approval** by the Board of Directors of the measures devised to ensure the compliance with Official Notice 24 of 2010, which guarantees the equitable treatment of the shareholders.
Socializing the good governance measures and raising awareness among all employees.	• **Organization** and execution of five virtual and in-person courses as part of the "Actúo Íntegramente" (I act with integrity) strategy. More than 16.000 employees from Grupo Nutresa's companies in Colombia and abroad received training through the courses. Additionally, eight comic strips dealing with subjects of interest and good corporate governance were published, with all of Grupo Nutresa's employees as their target audience.
Watching over the compliance with the governance practices incorporated by the Company.	• **More** than 16.000 employees received training related to the Code of Corporate Governance with the purpose of ensuring ethical conduct and transparency. • **More** than 700 cases of possible conflicts of interest and transparency-related matters were reported. The cases were addressed by the Committee of Ethics, Transparency and Conflicts of Interest, which defined criteria aligned with transparency, integrity and Code of Corporate Governance compliance.
Strengthening the reporting mechanisms for matters related to ethics and conduct.	• **Promotion** of the use of the complaints mechanisms for reporting any conduct that breaches the guidelines contained in the Code of Corporate Governance. This promotion included the publication of eight comic strips under the "Actúo Íntegramente" (I act with integrity) strategy and the 20 discussion conferences on Human Rights. • **Creation** of a form that has the purpose of informing the Committee of Ethics, Transparency and Conflicts of Interest about the events of possible cases that may occur in this regard. The form was duly integrated into the Success Factors tool.

The Organization solidifies its **corporate values among employees and third parties,** emphasizing ethical conduct and self-control.

RISKS AND OPPORTUNITIES

[GRI 103-1]

As part of the fulfillment of its commitment to its stakeholders, Grupo Nutresa has established that one of its main objectives is to maintain the corporate governance aligned with the highest worldwide standards in this regard. The purpose of such objective is to guarantee that the actions of its governance bodies and its management are executed based on the values and moral principles that shape an ethical behavior focused on transparency and integrity.

The implementation of policies, programs and guidelines that foster the ethical behavior, intended for the governance bodies, employees, customers, suppliers and shareholders, remains an essential tool for the fulfillment of the strategic goals and the generation of value through the products and services, resulting in benefits for the multiple stakeholders.

The the main risk related to corporate governance is the weakening of Grupo Nutresa's reputation as a result of the materialization of corruption. That is why the constant disclosure of the corporate policies, the awareness-raising activities and training constitute mechanisms that preserve the trust of all the stakeholders. Moreover, the execution of recurring audits allows identifying opportunities to strengthen the multiple processes and to react in a timely manner in the event of non-fulfillment in terms of the Organization's conduct guidelines.

OUTLOOK

The corporate governance regulatory framework has been streamlined over the past 15 years, promoting global practices focused on ethics, transparency and integrity, which have a positive impact on the efficiency of the companies and, most importantly, build trust in the market. Grupo Nutresa, being committed to building trust and generating value, has supported these practices through the adoption, implementation and disclosure of its good governance policies and guidelines, which have been deployed for all the members of the Company.

In the short-term, the Organization has the objective of solidifying the corporate values among employees and third parties, underpinning ethical conduct and self-control, as well as enhancing the conviction about the virtues of the corporate governance, without neglecting the effective application of the policies and the verification of their fulfillment. In addition, Grupo Nutresa will continue to incorporate the recommendations of best corporate practices from the Colombian "Código País" guide and, in particular, the ones related to information disclosure and to relations with investors.

In the medium and long term, the corporate governance practices included in the Code of Corporate Governance and in all the policies emerging from it will be updated, implemented and disclosed with the aim of keeping the Organization's alignment with the highest international transparency standards in order to further solidify the relations with its stakeholders.

Employees from the Coffee Business in the soluble coffee extraction area, Medellín, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS
[GRI 103-3]

For the sixth consecutive year, Grupo Nutresa received the Investor Relations (IR) acknowledgment, which is awarded by the Colombian Stock Exchange to the companies with the best practices in terms of information disclosure and relations with investors. In addition, the Organization was selected as Leading Company in the categories (i) IR issuers with the highest content standards, and (ii) IR issuers with the highest corporate governance standards.

The Colombian President's Transparency Secretariat acknowledged Grupo Nutresa for having high standards in the field of the fight against corruption based on the criteria of the Active Anti-Corruption Company Management Committee (EAA) - Businesses with Principles. In the light of this acknowledgment, the Company was included in the registry of Active Anti-Corruption Companies.

PROGRESS 2018
[GRI 103-3]

The Board of Directors is formed by seven members, who are elected for one-year terms. In 2018, the Shareholders Assembly reelected the seven members for the April 2018-March 2019 term.

All Board members have diverse profiles, knowledge and experience in finance, business, strategy, risks and sustainability, and they meet the skill set requirements defined as necessary for said governance body. The Organization has established a skills matrix with the expected abilities for the Board as a collegiate body and the information related to their fulfillment by the current members is published on the Company's website.

Nonetheless, Grupo Nutresa has incorporated more rigorous criteria, which are established in the Code of Corporate Governance, 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.

Employees from the production department of the Biscuits Business in Medellín, Colombia.

Grupo Nutresa **has incorporated more rigorous criteria** than the ones established by the law to determine the independence of the Board members.

In 2018, the Appointment and Remuneration Committee presented an analysis report on the Board of Directors profiles to both the Board and the investors. The report includes the compliance with the requirements for holding the position of independent members by the proposed candidates for forming the Board over the 2018-2019 term. Moreover, 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 related to corporate governance with regard to the Organization.

The Board gathered on a monthly basis and all the support committees met twice in 2018, 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 Corporate Governance.

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. The Board worked on these improvement opportunities throughout the year.

Members of the Tresmontes Lucchetti Business Ethics Committee, Chile.

"Actúo Íntegramente" (I act with integrity)

In 2018, the Organization implemented a training program for both employees and third parties by means of the communication strategy known as "Actúo Íntegramente" (I act with integrity), which is focused on the matters set out next and has the following numbers of participants in its multiple components:

In-person and virtual courses

1. **I act with integrity because I do reliable businesses:** 15.838 employees from all of Grupo Nutresa's companies participated in this course.
2. **I act with integrity because I know and apply the Code of Corporate Governance:** 16.320 employees from all of Grupo Nutresa's companies attended the course, and 718 of them reported possible conflicts of interest in Colombia.
3. **I act with integrity because I respect all Human Rights:** 6.449 employees from all of Grupo Nutresa's companies participated in this course.
4. **I act with integrity when I eliminate biases in the recruitment processes:** 30 employees from all of Grupo Nutresa's companies attended this course.
5. **I act with integrity because I ensure information security:** 676 employees from all of Grupo Nutresa's companies participated in this course.

The aforementioned comic strips deal with these subjects:

- Fraud prevention.
- Prevention of conflicts of interest.
- Offerings and gifts.
- Confidential information.
- Corruption prevention.
- Doing reliable businesses.
- Discrimination by thought.
- Prevention of transnational bribery.

More than 16.000 employees received training related to the Code of Corporate Governance with the purpose of ensuring ethical conduct and transparency.

Employee from Opperar, Colombia.

Superior Achievement Acknowledgment System

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

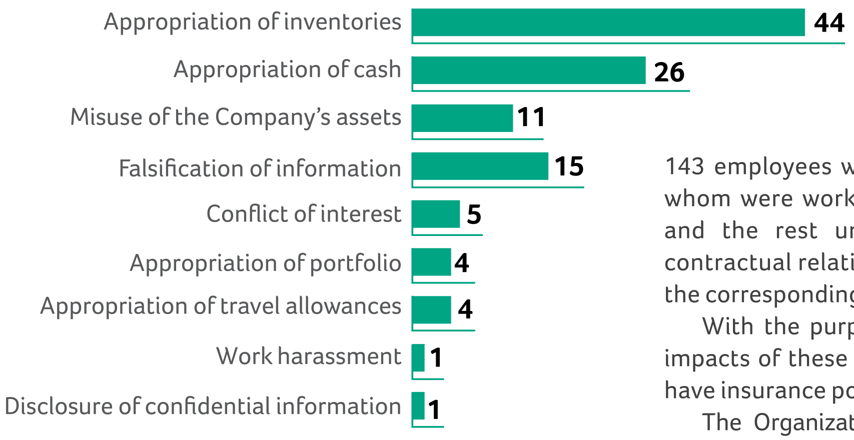
Employees from the Cold Cuts Business in Cali, Colombia.

Ethics Hotline

[SDG 16.5] [SDG 16.6]

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 and financing of terrorism, including the risk of corruption, are the most significant risks related to this matter, which are managed through policies, codes and awareness-raising and training initiatives, facilitating the development of the relations with the corresponding stakeholders. [GRI 102-17] [SDG 16.5] [SDG 16.6]

In 2018, the Organization found out about 111 incidents in which the Code of Corporate Governance was breached [GRI 205-3] [SDG 16.5], amounting to approximately COP 2.046 million and being classified as follows:



143 employees were involved in these incidents, 87% of whom were working 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 businesses have insurance policies with adequate coverage.

The Organization also addressed 128 reports received through the Ethics Hotline, which were channeled by the responsible departments of each one of the Businesses. 14% of the reports were related to direct employees and 86% of them involved third parties. Approximately 15% of the reported situations were confirmed with a full investigation. **[GRI 205-3]**

Employees from the Chocolates Business in Medellín, Colombia.

RISK AND **COMPLIANCE**

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 all employees, and the generation of trust and two-way communication with the stakeholders.

STRATEGY [GRI 103-2]	PROGRESS 2018 [GRI 103-3]
Integrating risk management into the corporate strategy.	• **Implementation** of the trend and risk management methodology as part of the strategic planning process in the Board of Directors and in Grupo Nutresa's Corporate Committee. • **Update** of the risk maps of both the Businesses and the holding company. Additionally, the risk assessment was extended in the tactical level to all the operation facilities. • **Execution** of a global trends impact analysis and identification of associated emerging risks. • **Consolidation** of the Reputation Management Committee with the purpose of managing the Organization's reputational risk through an agenda developed in four work sessions over the year.
Strengthening the Organization's risk management culture.	• **More** than 2.000 employees received training in risk, crisis and continuity management. • **Appropriation** of the risk application software as a management tool, with more than 22.300 assessments.
Increasing the organizational resilience.	• **Increase** in the degree of maturity of the business continuity management system and its expansion to companies in Chile, Costa Rica and Colombia. • **Dissemination** of the crisis management manual in Colombia and in international platforms.
Monitoring and ensuring the legal and regulatory compliance.	• **Certification** of the Business Ethics Program. [SDG 16.5] [SDG 16.6] • **Implementación** del proyecto de vigilancia legal de alimentos para las compañías de Colombia. • **Progress** in bridging gaps within the implementation of the self-control and management system for the prevention of the risk associated with money laundering and terrorism financing in Colombia; update of the methodology for the assessment of this risk; development of more than 16 workshops and awareness-raising activities; and provision of training for 121 auditors of the system and for more than 19.500 employees and third parties. [GRI 205-2]

More than **22.300 risk assessments** were conducted by means of the Organization's application software.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Achieving the alignment of the risk management with the corporate strategy and ensuring that it facilitates the decision-making process are both priorities for Grupo Nutresa. That is why it is fundamental for the Organization to have a standardized methodology that is ahead of the curve regarding any changes introduced to the international standards.

Furthermore, it is essential to adequately and timely identify the trends that help to understand how the setting is transforming, with the purpose of detecting opportunities and posing strategies that generate value.

The foregoing observation entails opportunities such as the need to strengthen the risk awareness culture at all levels, the development of setting monitoring and surveillance capabilities, and the management work related to the emerging risks.

As to the management of the reputational risks Grupo Nutresa faces due to the execution of its operations, it becomes imperative to have suitable tools and competent human talent for being able to respond to crisis situations. Likewise, it becomes necessary to reinforce the Reputation Management Committee in order to adequately monitor sensitive matters in the corporate context.

Finally, important or significant risks in terms of reputation and competitiveness may arise from the regulatory compliance, which is why the Company develops legal surveillance activities focused on the effective management and mitigation, including the strengthening of the self-control and management system for the prevention of the risks associated with money laundering and terrorism financing.

OUTLOOK

The priority work fronts in the comprehensive risk management will comprise the consolidation of the new model for managing current and emerging risks, and of the trends and opportunities based on the recent update of the ISO 31000 standard.

Moreover, the Organization will focus on the implementation of key risk indicators and a reporting framework that will facilitate monitoring and overseeing them. This includes the follow-up to the behavior of said risks in relation to the levels of appetite and tolerance established for Grupo Nutresa.

In terms of the business continuity system, the Company will consolidate its geographic expansion and work on the creation of a model focused on promoting the development of the necessary capabilities for this management endeavor in the sourcing chain. Based on the management of the reputation and its associated risks, the Organization will continue to foster effective communication and engagement with stakeholders, abiding by the guidance of the Reputation Management Committee.

In the subject of regulatory compliance, Grupo Nutresa pretends to expand, in the short term, the coverage of the legal surveillance project to issues additional to labeling, and to apply the methodology for monitoring the environmental regulations.

Finally, regarding the management actions related to the risk of money laundering and terrorism financing, the Company will strive to ensure the appropriation of monitoring tools that allow to improve the efficiency and reliability of the system, supported on analytics-based models. In addition, the role of the companies' compliance officers will be reinforced.

Employees from the Coffee Business in the distribution center of the production plant in Medellín, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS
[GRI 103-3]

For the sixth consecutive year, the risk and crisis management practice was acknowledged in the Dow Jones Sustainability Index as one of the best in the world in the food category. Within this practice, the governance model and the promotion of the risk management culture stood out.

The Colombian Financial Information and Analysis Unit (Uiaf) acknowledged Grupo Nutresa for the high quality of its reports related to the management of the risk associated with money laundering and terrorism financing, which were issued for such agency and stood out above the sector average.

Furthermore, the Organization was once again acknowledged as the second company with the best reputation in Colombia and the top one in the food sector based on the criteria established by the corporate monitor “Merco Empresas Colombia”, representing a highly positive reputational balance.

Employees from the Ice Cream Business in Pasto, Colombia.

PROGRESS 2018 [GRI 103-3]

Risk and crisis

As part of the strategic planning process, in 2018, Grupo Nutresa started adopting a new model for the analysis and management of trends and risks by its Board of Directors and Corporate Committee. The analysis was developed through workshops organized by a strategic ally. These workshops allowed to identify global, cultural and Business-focused trends that enabled an update and reformulation of the strategic risk catalog. This methodology will be used going forward for the implementation of the model in all of Grupo Nutresa's Businesses.

Additionally, the Organization consolidated the implementation of the comprehensive risk management methodology at the tactical and operational levels. This was achieved by means of the alignment with the integrated management systems, through which the risk awareness culture was promoted with a virtual course that facilitated the understanding of key concepts, the assessment methodology and the tools available for their implementation. Moreover, these teams autonomously developed the tactical risk assessments in the operation facilities.

The aforementioned facts can be observed in the appropriation of the Comprehensive Risk Management application software as the risk management tool, with a 27% growth rate in comparison with 2017, which is equivalent to more than 22.300 risk assessments performed under the methodology standardized for Grupo Nutresa. [GRI 205-1]

These assessments took into account the impact on the human, natural, financial, physical and social capitals, and included the analysis of financial, strategic, operational, Human Rights, corruption, money laundering and terrorism financing, climate and nature-related risks, and in projects. [GRI 205-1] [GRI 205-2] [GRI 412-1]

The implementation has been achieved thanks to the fostering of risk-based thinking and to the development of capabilities at all levels within the Organization. That is how, in 2018, more than 2.000 employees received training in aspects such as risk and crisis management and business continuity in 120 different training sessions. Additionally, with the participation of Grupo Nutresa's employees who occupy the position of contract auditors, the Company organized a talk and discussion activity dealing with risk management and compliance, as well as training sessions related to risks and business continuity for key suppliers for the Organization's companies.

With the progress presented and the development of an internal survey carried out by a specialized third party, Grupo Nutresa was able to obtain the maturity level results in terms of its risk management. Based on this analysis, it was found that the system is in a superior position within the maturity measurement scale, with several outstanding aspects such as the standardization, the methodology implementation level and the generation of value. In addition, the Company identified the main opportunities for the model to continue with its improvement process.

Regarding organizational resilience, progress was made in the reinforcement of the business continuity management system with the achievement of its expansion and the development of the complete cycle in the Tresmontes Lucchetti Business in Chile, the Retail Food Business in Colombia, and the Biscuits Business in Costa Rica.

In alignment with the foregoing, in 2018, Grupo Nutresa disseminated its updated crisis management manual, which has a preventive and proactive approach that enables the Organization to get prepared in advance by detecting potential crises in order to address them in a timely and adequate manner. In the workshops that were carried out, the Company worked on solidifying the understanding of the crisis situation management structure, and implemented the guidelines that allow to coordinate the response efforts from the participants in the light of this type of events.

Ever since the confirmation by the Reputation Management Committee, which was issued due to the relevance of the different situations that could put the Organization's reputation at risk, Grupo Nutresa has been consolidating its operation through the analysis of specific events and the definition of guidelines for responding in case of sensitive situations.

Employees from the Biscuits Business production plant in Medellín, Colombia.

The Company carried out activities focused on raising awareness among the employees about situations that may occur in their daily life and that go against an upright, transparent and inclusion-driven behavior

Compliance management

For Grupo Nutresa, the legal and regulatory compliance management is a top priority. Its scope includes the participation in work groups defined for the discussion of bills, regulations and standards, whether it is directly or through external consultants, specialized means or trade associations. The following are the main activities carried out by the Organization in this regard over 2018:

- Reinforcement of the self-control and management system for the prevention of the risk associated with money laundering and terrorism financing through gap-bridging actions, and implementation of the risk assessment methodology and the audits to the system with the purpose of evaluating its efficiency and effectiveness. This system will continue to drive the compliance with the regulations in force regarding this matter.
- business ethics program known as "Actúo Íntegramente" (I act with integrity), which has the purpose of promoting transparency, preventing the risks related to money laundering and terrorism financing, fostering the respect for Human Rights, and fighting against corruption. **[SDG 16.5] [SDG 16.6]** This was achieved by means of activities focused on raising the awareness among the employees about those situations that may occur in their daily activities and that go against an upright, transparent and inclusion-driven behavior, and on reinforcing the use of the complaint mechanisms that Grupo Nutresa has made available as a tool for watching over transparency and business ethics.
- Support to government agencies and trade associations with the analysis of their impact on the new tax rules to work on making the tax burdens as efficient as possible, thus complying with them in a timely manner, fostering the profitable growth of businesses and minimizing their effects on employment.
- Environmentally-focused regulatory monitoring by means of the update of the environmental legal matrices for the identification of gaps and the assessment of regulatory risks and their potential impact on the natural capital.
- Implementation of the Personal Data Protection Program to comply with the applicable regulations and procedures.
- Development of a software for flexibly managing the preparation of different types of contracts.
- Training of the commercial and marketing teams and ensuring they are up to date in matters of regulations related to e-commerce, respect for free competition and promotional activities; and training of the teams focused on research and development, innovation and marketing, also ensuring they are up to date, regarding matters of intellectual property laws.

No significant sanctions or fines due to the breaching of the regulations or laws were imposed on Grupo Nutresa S.A. and its companies. **[GRI 307-1] [GRI 419-1]**

Employees at the extraction area of the production plant in Ibagué, Colombia.

GLORIA BARRERA ZAPATA is one of Novaventa's entrepreneur leaders. Through her work, she empowers a team of women who have found in catalog sales a possibility to earn additional income, thus supporting their household economy.

Collaborating to thrive

Gloria Barrera Zapata never considered living off sales before. It all started when she showed Grupo Nutresa's Novaventa catalog to her family and a few months later, without even realizing it, that had become her main source of income. In Novaventa's catalog, Gloria found a job with many benefits: it allowed her to work on her own schedule and to be with her family, and it enabled her to think strategically and, most of all, to feel empowered and become a leader.

Gloria is part of a group of women who are constantly enhancing their capabilities as individual entrepreneurs. They meet every week to figure out ways of reaching more families with Grupo Nutresa's products, which have brought so much well-being to them.

Novaventa's catalog sales channel is a program devised to generate well-being for the individual entrepreneurs through economic independence and by means of tools that enable them to adequately manage their households.

"I do my job with passion. Every day I wake up believing that this is a great opportunity, and that is what I always try to pass on. I am convinced that if I believe it, my colleagues will also believe it".

Gloria Barrera Zapata, Novaventa Individual Entrepreneur.

COLD CUTS nutresa

Diego Medina Leal

President

Part of Grupo Nutresa since 1997

57 years old

Relevant aspects from 2018

We carried out activities to increase the flexibility in the production models and the agility in our response to the market needs.

We executed an effective management of the portfolio of brands and products in Colombia. *Zenú* shapes and leads the growth of the category; *Ranchera* generates experiences centered on "Mundo Ranchera" (Ranchera world); *Pietrán* provides healthy alternatives; and *Rica* and *Cúnit* offer accessible options with a good cost-benefit ratio.

We increased the beef exports from Colombia by 16% in terms of total tons exported. Based on a study conducted by *Kantar*, our *Blue Ribbon* and *Berard* brands in Panama were classified by the consumers as number one and two, accordingly. Additionally, we expanded our distribution, directly reaching 5.500 customers.

We continued to work on the update of the *Go to Market* model with the aim of maintaining the excellent customer service levels, fully completing its implementation in Colombia.

We analyzed the meat sourcing chain jointly with the World Wildlife Fund (WWF), including the identification of risks, improvement opportunities and tools to manage and deal with them.

Sales COP billion

Total Sales

	2018	2017	2016
Growth percentage	1,4%	1,1%*	4,4%*
Sales	**1.850**	1.824	1.992

1,3% CAGR

Growth percentage

*Excluding Venezuela since October of 2016

The Cold Cuts Business represents

20,6%

of Grupo Nutresa's total sales

Sales in Colombia

	2018	2017	2016
Growth percentage	1,3%	-1,1%	6,7%
Sales	**1.682**	1.660	1.678
Price	0,4%	1,8%	8,6%
Volume	0,9%	-2,8%	-1,7%

0,1% CAGR

The sales in Colombia represent

90,9%

of the total business unit sales

International Sales

USD million

	2018	2017	2016
Growth percentage	2,6%	34,5%*	
Sales	**57**	55	103

17,5% CAGR

Growth percentage

*Excluding Venezuela since October of 2016

The international sales represent

9,1%

of the total business unit sales

EBITDA COP billion

	2018	2017	2016
Growth percentage	8,8%	-4,6%	4,8%
EBITDA	**228**	209	243
Margin	12,3%	11,5%	12,2%

1,9% CAGR

The Cold Cuts Business represents

20,2%

of Grupo Nutresa's ebitda.

Most innovative product

***Pietrán*'s Veggie Burger and Veggie Bites.** Products with a high level of innovation in relation to other products of vegetable origin in the market. Within three months after being launched, these products accomplished a market share of 53% in the category of vegetable-protein products.

Employees

International **13,1%**

Local **86,9%**

8.913

TOTAL

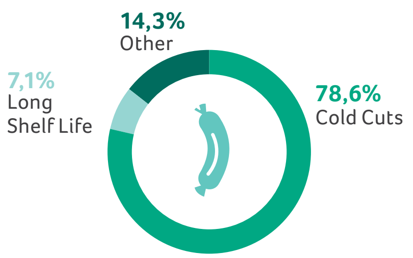
(Direct employees, indirect employees and apprentices)

Women **24,5%**

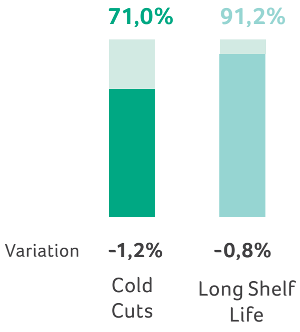
Men **75,5%**

(Direct employees and apprentices)

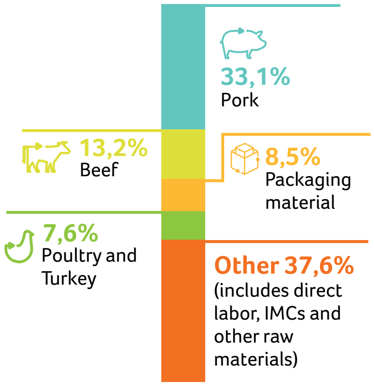
Main categories
(% of total sales)



Market share in Colombia



Raw materials and other



Outlook for 2019

Maintaining a competitive position by looking for efficiencies and improvements to the processes across the entire supply chain, incorporating a demand-driven operating model.

Implementing the handbook of good sustainability practices in our beef and pork sourcing processes.

Continue strengthening our brands by developing more vegetable protein alternatives and healthy solutions, and by creating new portfolio alternatives for each one of the consumer moments.

Increasing our presence in international markets with the strengthening of our brands in Panama, the export of mushrooms to Central America and the Caribbean, and the export of fresh meats to the Middle East and Russia.

BISCUITS nutresa

Alberto Hoyos Lopera

President

Part of Grupo Nutresa since 1993

54 years old

Relevant aspects from 2018

A solid revenue dynamic was achieved, with an effective management of operating costs and expenses, in addition to the improvement in both productivity and growth in the profit margin.

We executed the disinvestment of our interests in the companies Litoempaques and Logypack with the aim of ensuring a higher level of concentration in the Biscuits and Healthy Snacks businesses.

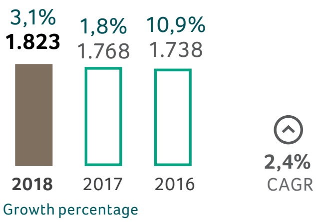
Grupo Nutresa's Brand and Network Management Model was implemented, generating efficiencies and improving the impact on consumers. The portfolio was streamlined, going from 30 brands in 2017 to 23 brands in 2018.

We consolidated the formalization of our first two invention patents: one related to baking efficiency with a scope for Colombia, and one related to the production of healthy snacks with a scope for the strategic region.

We built Tosh's higher purpose: "To be the brand that fosters living in harmony with yourself and your world." We also obtained its Carbon Neutral certification. In addition, we made progress in the process focused on expanding the healthy snacks portfolio with the launch of a value proposition adapted to the local market in Costa Rica.

Sales COP billion

Total Sales

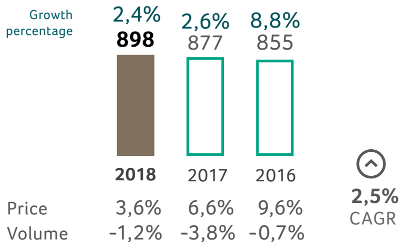


The Biscuits Business represents

20,2%

of Grupo Nutresa's total sales

Sales in Colombia



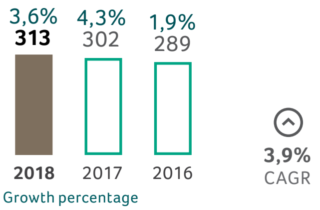
The sales in Colombia represent

49,3%

of the total business unit sales

International Sales

USD million

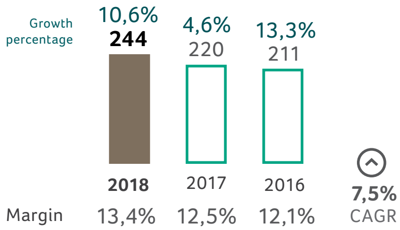


The international sales represent

50,7%

of the total business unit sales

EBITDA COP billion



The Biscuits Business represents

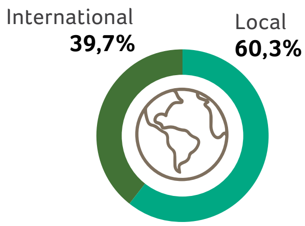
21,6%

of Grupo Nutresa's ebitda

Most innovative Product

Tosh Wafer. A multi-grain wafer biscuit with natural fruit chunks, without added sugar and naturally sweetened with Stevia in two flavor presentations: kiwifruit and coconut. This new product is focused on fulfilling the needs of our consumers and the healthy diet trends.

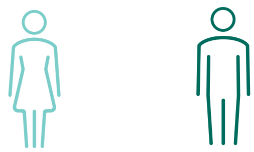
Employees



5.373

TOTAL

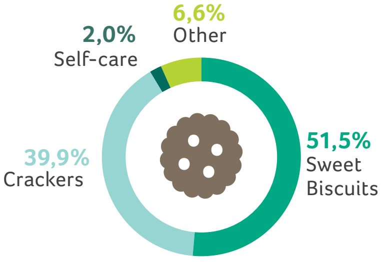
(Direct employees, indirect employees and apprentices)



Women **26,4%** Men **73,6%**

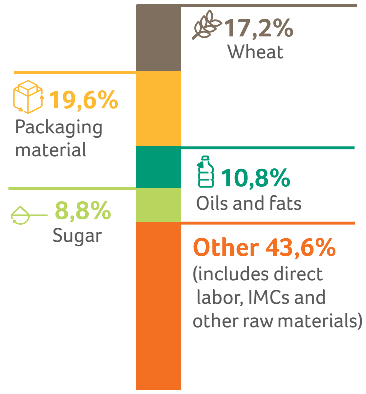
(Direct employees and apprentices)

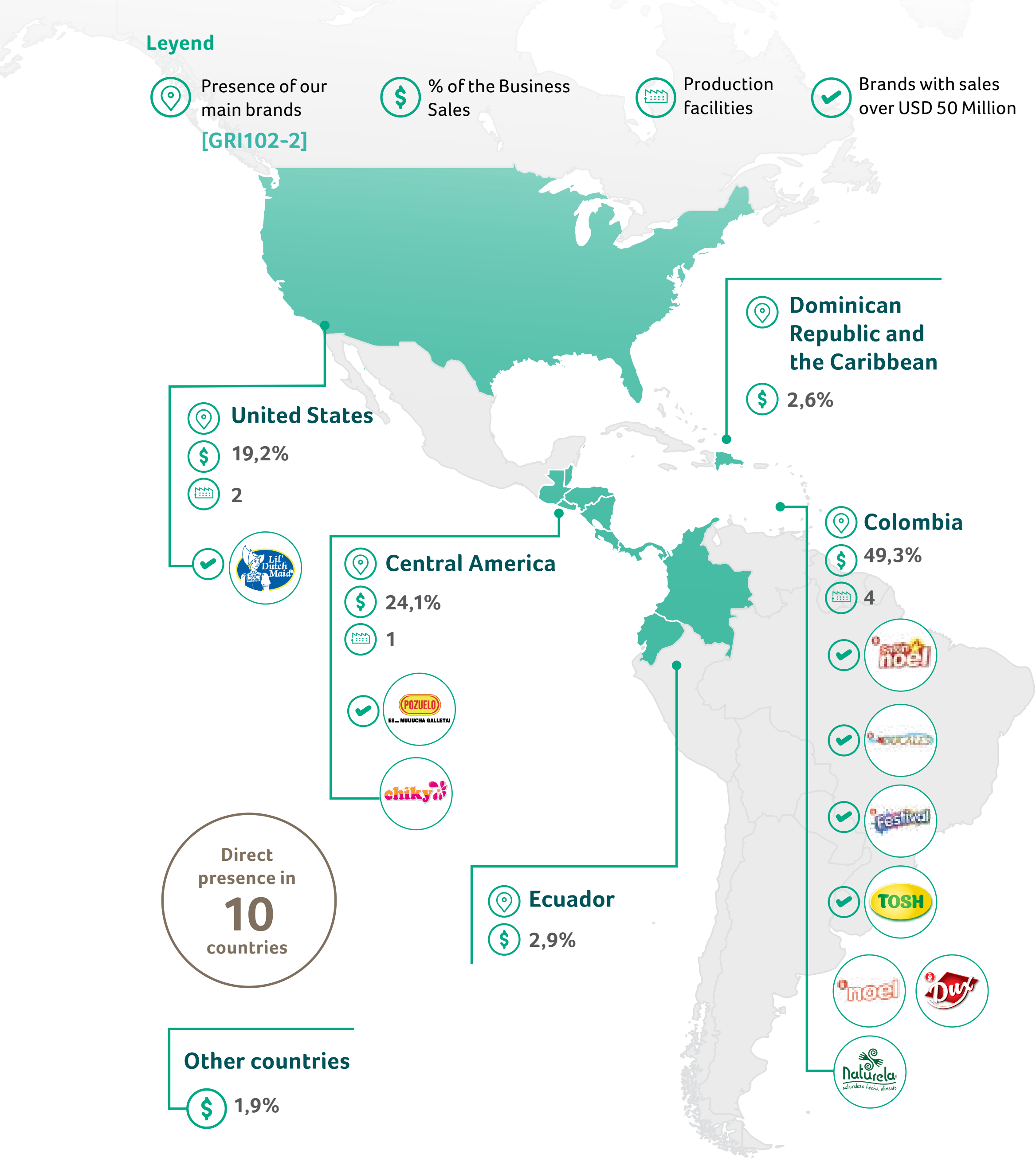
Main categories
(% of total sales)



Market share in Colombia

Raw materials and other





Outlook for 2019

Maintaining the productivity and efficiency plans for the productive platforms in Colombia, Costa Rica and the United States, as well as the leveraging of the advantages provided by the sourcing and global procurement process.

Incorporating Naturela's knowledge with the aim of enhancing our nutrition and wellness portfolio, and including new sources of protein and natural ingredients.

Maintaining our market share in Colombia and Central America through innovation, the strengthening of the power of the brands, and the active participation in all the channels in both geographies.

Broadening the portfolios of the LDM and Tru-Blu brands based on the growth of our channels in the United States.

Venturing into retail chains specialized in health and wellness in the United States by means of organic and non-GMO value propositions.

CHOCOLATES nutresa

Juan Fernando Castañeda Prada

President

Part of Grupo Nutresa since 2011

51 years old

Relevant aspects from 2018

We carried out a notable management in relation to the purchase of raw materials, productivity and increased value innovation with a positive impact on the Business's margins.

We strengthened the presence of the Granuts brand in 19 countries in the region, entering strategic markets such as Mexico and Brazil, with a growth of 81%.

Progress was made in the industrial business category, with presence in 11 countries and the launch of the *Cordillera* brand in the United States, Mexico and Ecuador.

We were acknowledged by the Andi Foundation with the Inclusion-Oriented Company seal in the category of Inclusion-Oriented Linkages for our work with Colombian cocoa bean producers.

We inaugurated the first Cocoa Tree Nursery for Peace in Colombia, which has a delivery capacity of 1,2 million seedlings per year with the aim of promoting the development of these plantations in the Caribbean.

Sales COP billion

Total Sales

	2018	2017	2016
Growth percentage	6,1%	3,0%	12,0%
Sales	**1.553**	1.464	1.421

4,5% CAGR

The Chocolates Business represents

17,2%

of Grupo Nutresa's total sales

Sales in Colombia

	2018	2017	2016
Growth percentage	3,9%	3,2%	11,9%
Sales	**955**	919	891
Price	0,4%	4,6%	9,7%
Volume	3,5%	-1,3%	2,1%

3,5% CAGR

The sales in Colombia represent

61,5%

of the total business unit sales

International Sales
USD million

	2018	2017	2016
Growth percentage	9,2%	5,6%	2,5%
Sales	**201**	184	174

7,4% CAGR

The international sales represent

38,5%

of the total business unit sales

EBITDA COP billion

	2018	2017	2016
Growth percentage	20,8%	40,8%	18,0%
EBITDA	**250**	206	147
Margin	16,1%	14,1%	10,3%

30,4% CAGR

The Chocolates Business represents

22,2%

of Grupo Nutresa's ebitda

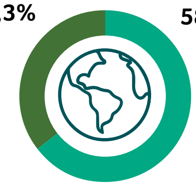
Most innovative product

Chocotera, automatic hot chocolate pot: It is the result of a co-creation exercise carried out with *Haceb*, leading domestic appliance brand in Colombia. It was developed with the aim of facilitating the preparation of hot chocolate and increasing its consumption per capita in the householdsh.

Employees

International **41,3%**

Local **58,7%**



3.878

TOTAL

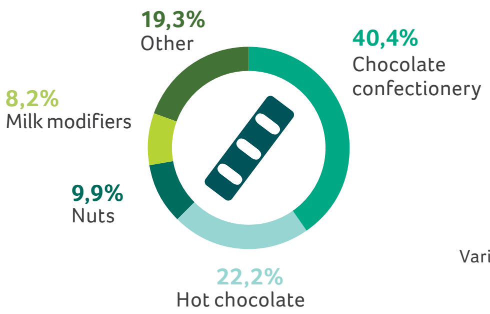
(Direct employees, indirect employees and apprentices)

Women **35,8%**

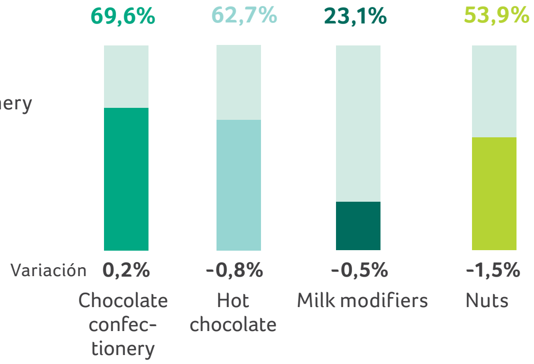
Men **64,2%**

(Direct employees and apprentices)

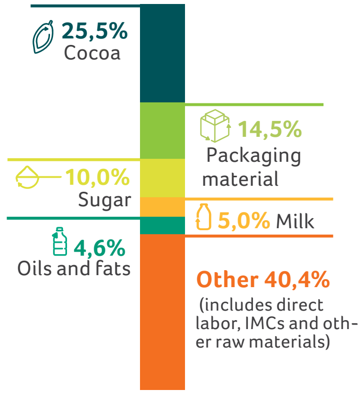
Main categories
(% of total sales)

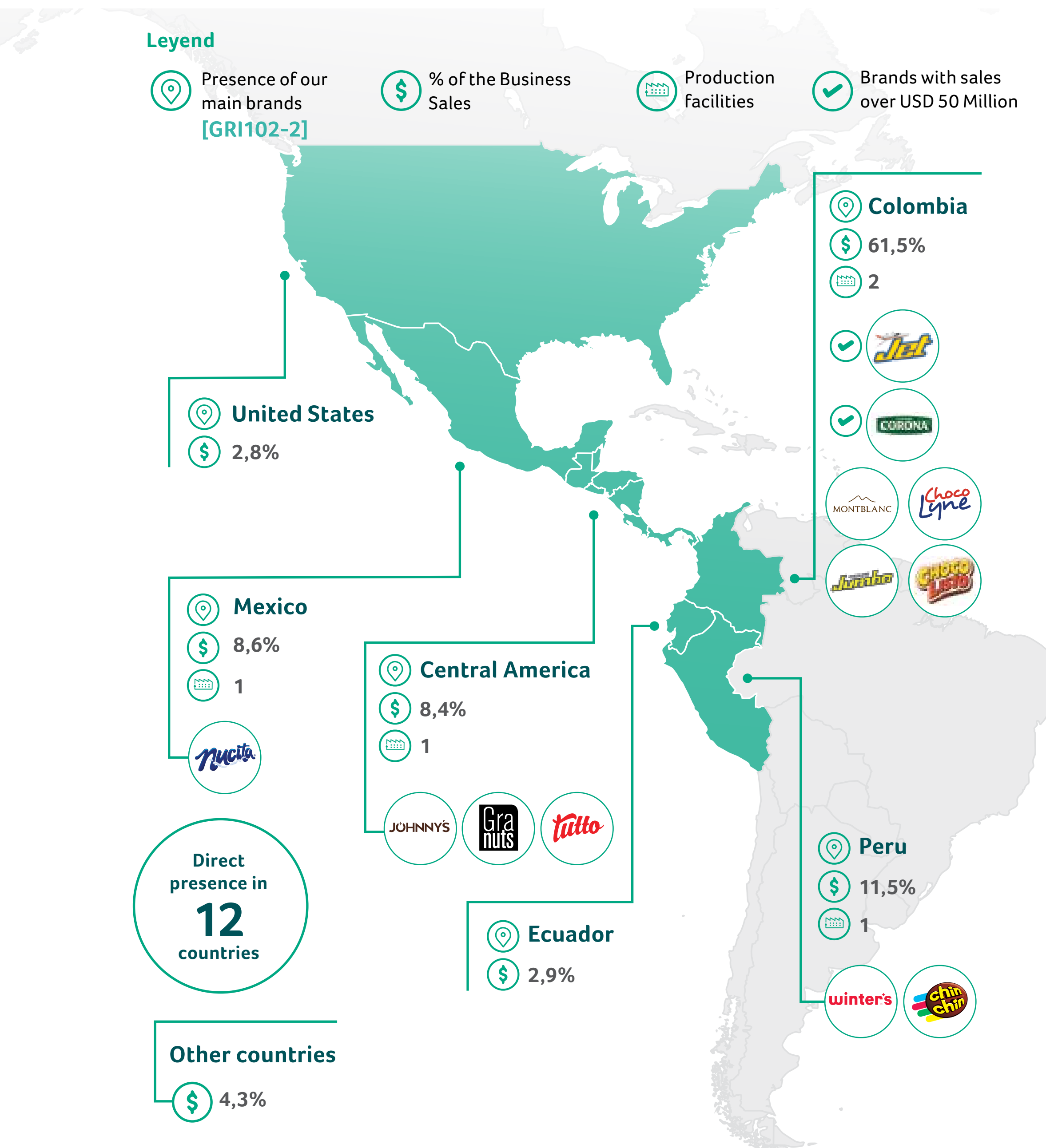


Market share in Colombia



Raw materials and other





Outlook for 2019

Making progress in the productivity projects and managing the purchase of raw materials to maintain our competitiveness in the strategic region.

Maintaining the development of a portfolio with nutritional standards that address the nutrition, functionality and health trends.

Keep developing our categories in the strategic region through differentiated value propositions and communication and innovation plans suited to our consumers and supported on our regional brand strategy.

Continue positioning the *Cordillera* brand in the industrial product market in the strategic region, focusing on the United States in the bakery industrial segment with a value proposition leveraged on service agility and product solution flexibility.

Maintaining our cocoa sustainability program and its role as alternative agricultural solution within the context of the post-conflict era in Colombia.

TRESMONTES LUCCHETTI

Justo García Gamboa

President

Part of Grupo Nutresa since 2013

56 years old

Relevant aspects from 2018

Chile

Tresmontes Lucchetti entered the chocolate candy category under the *Muibon* brand with a broad and novel proposal, enjoying a good level of acceptance in the market.

The profitability of the Business was boosted by focusing on the main categories that had the highest levels of profitability and by adequately managing the channels that presented a special progress in terms of distribution to major retail chains.

Progress was made in the implementation of our efficiency and productivity model, with a particular emphasis on expenditure.

Progress was made in the formation and the results of our Food Service department.

We received the Business Evolution Award, given by Manufacturing Promotion Society in Chile. This accolade was awarded for being the most outstanding company in terms of the adoption of good business practices in sustainability.

Mexico

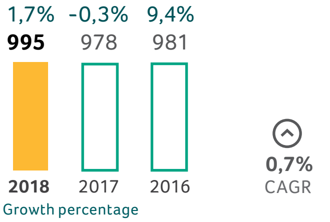
Progress was made in the instant cold beverage market with *Zuko* and we worked on our innovation effort by launching the *Livean* brand with a new value proposition.

The industrial area of pasta products was reinforced, guiding the staff team and allocating resources for the development in the local business.

The operation profitability enhancement was continued through price management, effective marketing and expenditure productivity. In addition, the working capital was optimized by using the sales and operations planning tool.

Sales COP billion

Total Sales



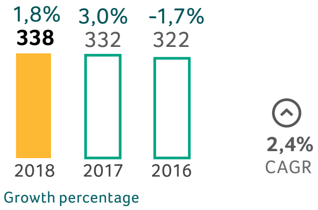
Tresmontes Lucchetti represents

11,0%

of Grupo Nutresa's total sales

International Sales

USD million

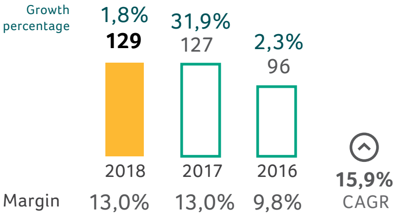


The international sales represent

100%

of the total business unit sales

EBITDA COP billion



Tresmontes Lucchetti represents

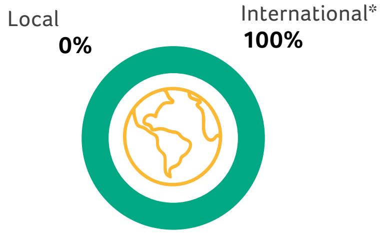
11,5%

of Grupo Nutresa's ebitda

Most innovative product

MUIBON. Venture into the chocolate confectionery market in Chile with the launch of the Muibon portfolio, with 13 product references that participate in four market segments. The Muibon products are offered in individual and family-size presentations, which are sold through both the supermarket and traditional channels.

Employees



4.643

TOTAL

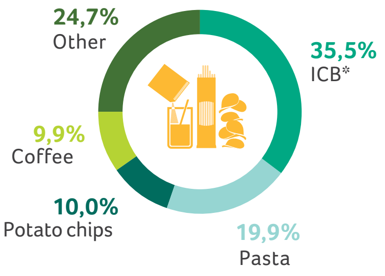
(Direct employees, indirect employees and apprentices)

Women **32,9%** Men **67,1%**

(Direct employees and apprentices)

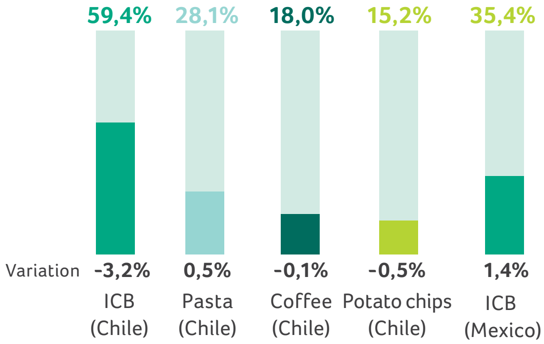
*It includes employees from Mexico and Chile

Main categories
(% of total sales)

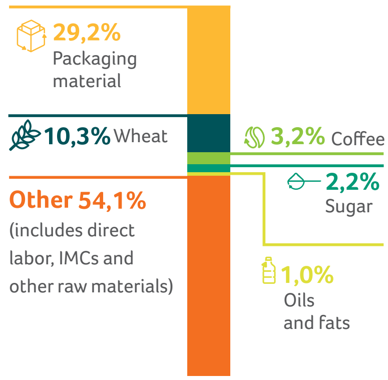


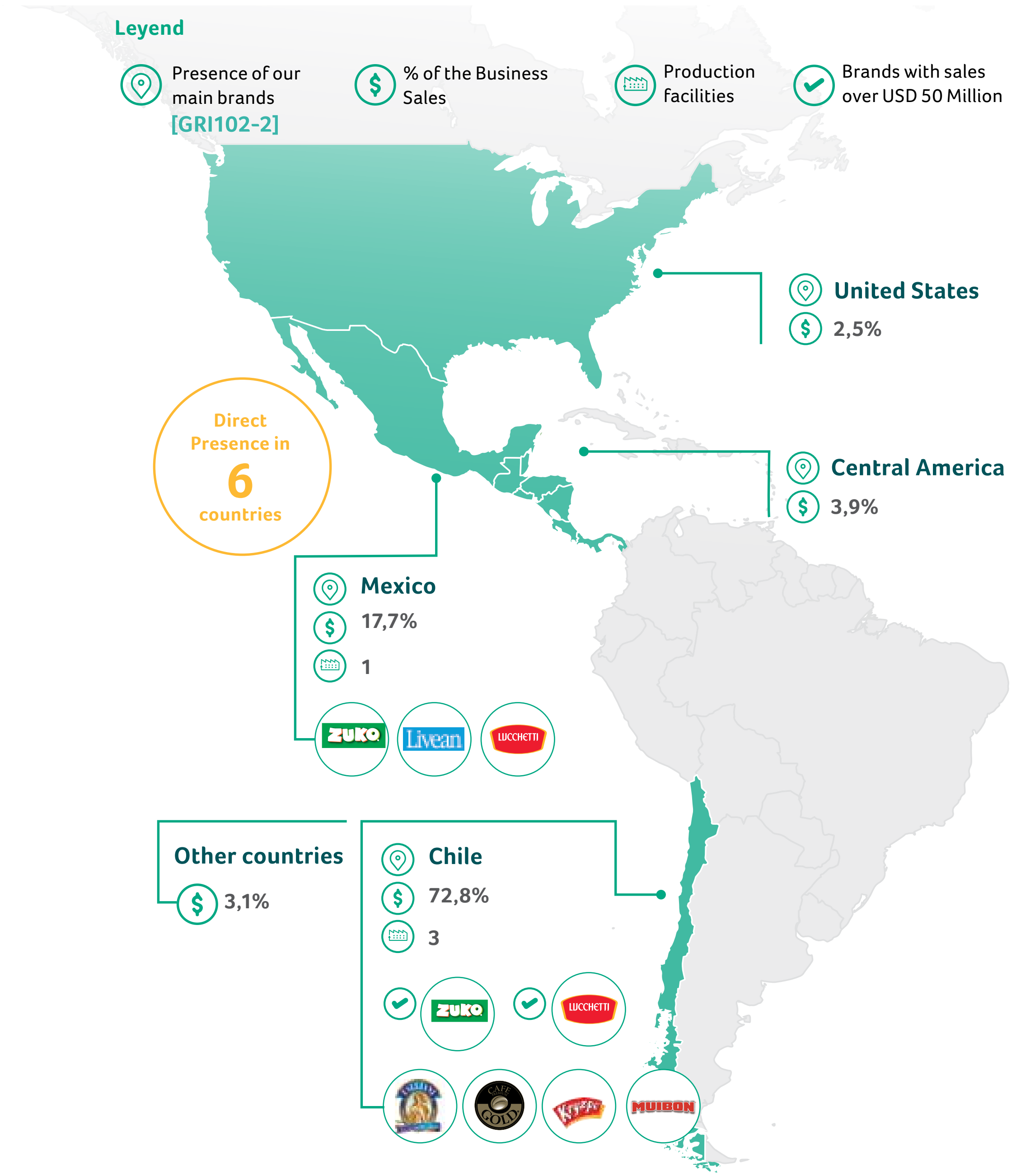
*Instant Cold Beverages

Market share



Raw materials and other





Outlook for 2019

Chile

Entering a new Grupo Nutresa category.

Advancing with new *Muibon* proposals in order to consolidate our participation in the chocolate candy category.

Promoting comprehensive plans in the instant cold beverage category with the aim of fostering the growth of the market share, focusing on the renewal of value propositions in the portfolio.

Concentrating the development on coffee and snacks categories to boost their performance.

Consolidating the specialized distribution strategy in the multiple channels served by the Business.

Developing productivity plans in all the cost and expenditure variables, and making progress in the Brands and Networks Management Model.

Mexico

Keep boosting the instant cold beverage category with *Zuko* and *Livean* through a plan that enhances their prominence and closeness to the consumers.

Implementing the transaction and management system integration project.

COFFEE nutresa

Miguel Moreno Múnera
President
Part of Grupo Nutresa since 2003
41 years old

Relevant aspects from 2018

We underwent a decline in profitability, mainly due to the combination of higher costs of commodities in Colombia and lower prices of products in the international markets.

Our market share grew and our brands were strengthened in Colombia. Additionally, we had a challenging year in terms of our instant black coffee due to the price differentials with regard to other market players.

We recorded a positive growth in the alternative-channel sales, combining the vending machine sales and the catalog sales.

We expanded the coverage of our brands abroad, particularly in Ecuador, Panama and Costa Rica, with the portfolio segmentation strategy based on the characteristics of each market.

We underwent a reduction in sales to international customers due to tender processes and changes in their business models.

Sales COP billion

Total Sales

	2018	2017	2016	CAGR
Sales	**986**	1.002	956	**1,5%**
Growth percentage	-1,6%	4,8%	7,3%	

The Coffee Business represents **10,9%** of Grupo Nutresa's total sales

Sales in Colombia

	2018	2017	2016	CAGR
Sales	**623**	594	569	**4,6%**
Growth percentage	4,8%	4,5%	7,1%	
Price	2,3%	0,7%	4,8%	
Volume	2,4%	3,8%	2,2%	

The sales in Colombia represent **63,2%** of the total business unit sales

International Sales
USD million

	2018	2017	2016	CAGR
Sales	**123**	138	126	**-1,3%**
Growth percentage	-10,9%	9,3%	-3,9%	

The international sales represent **36,8%** of the total business unit sales

EBITDA COP billion

	2018	2017	2016	CAGR
EBITDA	**99**	121	155	**-20,3%**
Growth percentage	-18,4%	-22,1%	-0,3%	
Margin	10,0%	12,1%	16,2%	

The Coffee Business represents **8,7%** of Grupo Nutresa's ebitda

Most innovative product

Sello Rojo Vive. This is a 100% natural, additive-free coffee that contains four times more antioxidants than traditional coffee products. It helps to prevent heart diseases and it has been endorsed by the Colombian Heart Foundation.

Employees

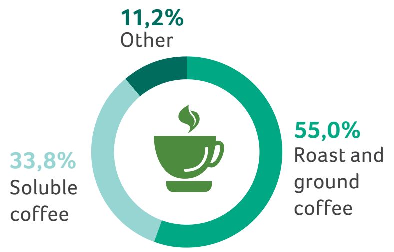
International **0%**
Local **100%**

1.885
TOTAL
(Direct employees, indirect employees and apprentices)

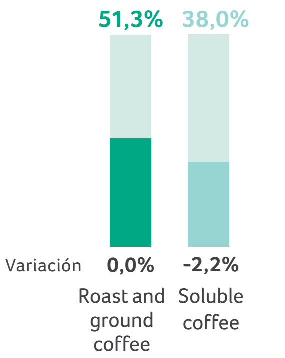
Women **17,6%**
Men **82,4%**
(Direct employees and apprentices)

Main categories

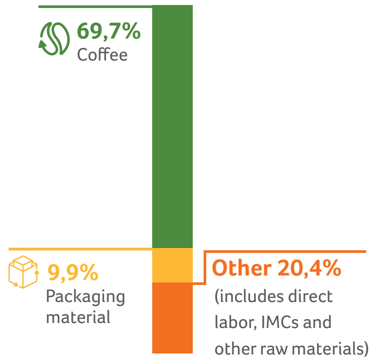
(% of total sales)

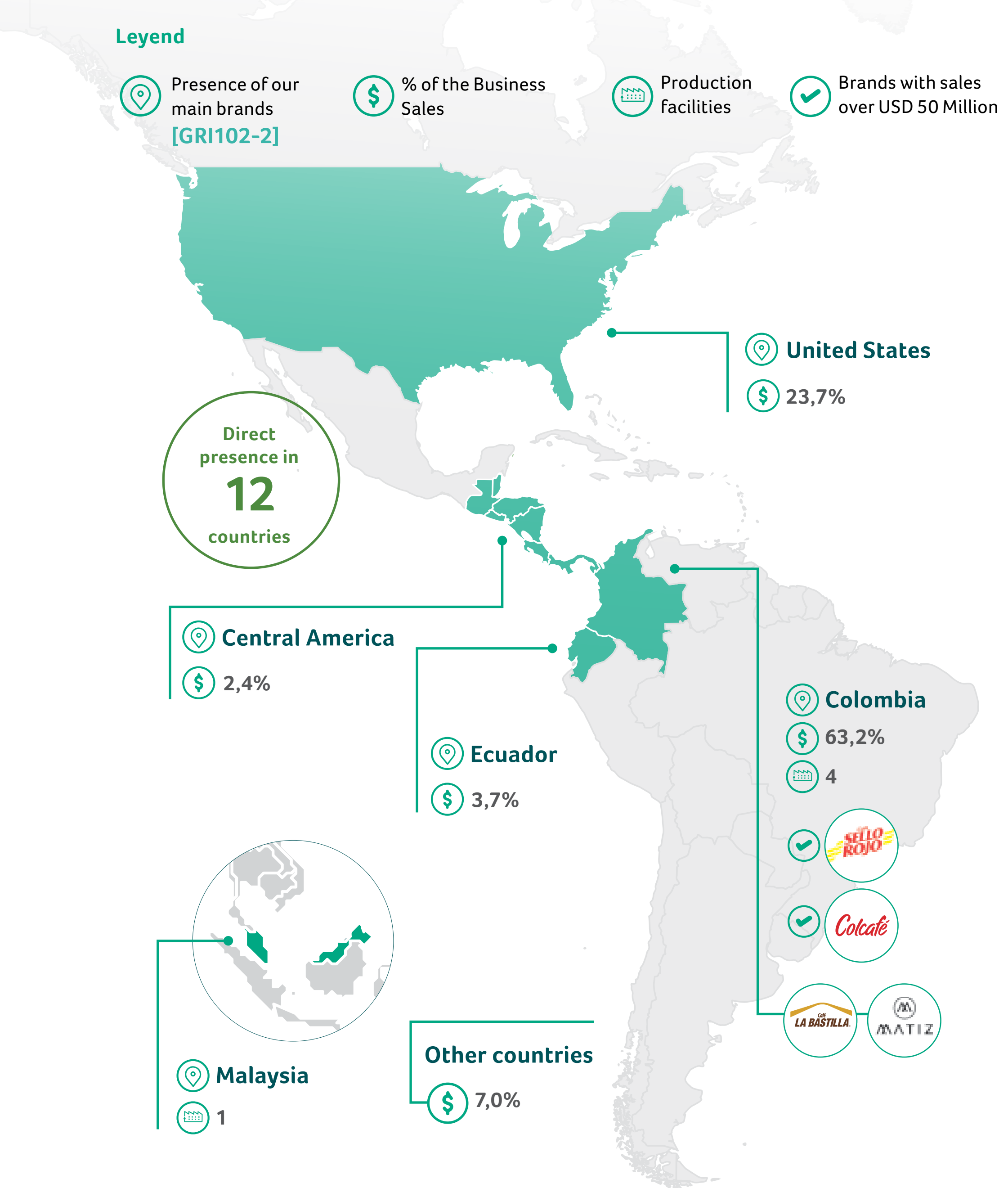


Market share in Colombia



Raw materials and other





Outlook for 2019

Continue working on a commodities purchase strategy that ensures an adequate coverage of risks and guarantees the fulfillment of our competitiveness and consumer preference goals.

Maintaining the positioning dynamics of our brands in Colombia and improving the performance of the soluble coffee products with comprehensive brand strategies.

Keep focusing on innovation to ensure increasing the value of coffee as a fundamental pillar for profitable growth.

Executing an international customer plan focused on strategic collaboration in order to achieve growth in our B2B business.

Executing the strategy supported on the best talent and focused on a culture that relies on maximum performance, agility and flexibility.

Keep developing the strategy based on sustainability with the execution of chain support plans that contribute to improving productivity.

RETAIL FOOD

Juan Chusán Andrade

President

Part of Grupo Nutresa since 2013

54 years old

Relevant aspects from 2018

- **We continued to improve** the consumer experience by renovating our *El Corral* and *Leños & Carbón* restaurants.
- **We focused** our strategy on our own brands and on the expansion of the *Papa Johns* franchise to new markets.
- **We continued** strengthening the connection of the *Bon* ice cream shops with their consumers by means of campaigns centered around the local culture, and we ventured into the Trinidad and Tobago market.
- **The Junior Menu strategy was launched** in the Pops ice cream shops with the purpose of consolidating the transactions and the productivity projects in the field of operations and logistics.
- **We kept** consolidating the food delivery channel through the use of third-party platforms to effectively reach the consumers.
- **We created** the "Un Solo Equipo" (We're all one team) culture across the entire Business and in all of our brands to consolidate the sense of belonging among the employees.

Sales COP billion

Total Sales

	2018	2017	2016	CAGR
Growth percentage	5,8%	6,1%	21,2%	
Sales	**738**	697	657	6,0%

The Retail Food Business represents **8,2%** of Grupo Nutresa's total sales

Sales in Colombia

	2018	2017	2016	CAGR
Growth percentage	7,6%	8,7%		
Sales	**521**	485	446	8,1%

The sales in Colombia represent **70,7%** of the total business unit sales

International Sales

USD million

	2018	2017	2016	CAGR
Growth percentage	1,8%	4,0%	5,5%	
Sales	**73**	72	69	2,9%

The international sales represent **29,3%** of the total business unit sales

EBITDA COP billion

	2018	2017	2016	CAGR
Growth percentage	-1,1%	-8,5%	0,8%	
EBITDA	**85**	86	94	-4,8%
Margin	11,6%	12,4%	14,3%	

The Retail Food Business represents **7,6%** of Grupo Nutresa's ebitda

Most innovative Product

Lettuce wrap and Wholemeal wrap, options for people who want to take care of themselves without missing out on Hamburguesas El Corral's original recipe. They can have any hamburger or sandwich with any of these two options instead of bread.

Employees

International **24,3%**

Local **75,7%**

7.341

TOTAL

(Direct employees, indirect employees and apprentices)

Women **58,3%** Men **41,7%**

(Direct employees and apprentices)

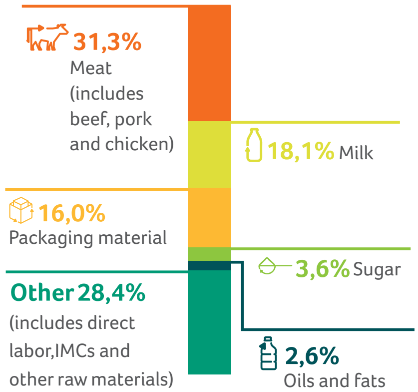
Market share

#1

In Hamburgers and Steakhouse categories in Colombia

In Ice Cream shops in Dominican Republic and Costa Rica

Raw materials and other



Outlook for 2019

Continue making progress in the strategy of opening and renovating El Corral restaurants.

Strengthening the international expansion of our Bon ice cream shops in the Caribbean and maintaining the growth of the transactions in the Dominican Republic.

Entrenching the operating model of our Pops ice cream shops.

Developing digital platforms that enable us to achieve more closeness to the consumers.

ICE CREAM nutresa

Mario Alberto Niño Torres

President

Part of Grupo Nutresa since 2006

52 years old

Relevant aspects from 2018

We implemented the new market entry model with excellent results in traditional channels.

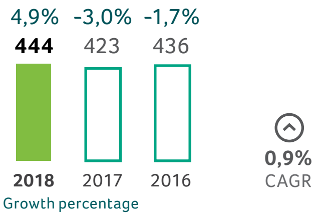
We executed productivity improvement projects at all levels in the Business, producing a significant improvement in the year's profitability with regard to 2017.

We consolidated Grupo Nutresa's efficiency and productivity strategy, maintaining stable production costs and good performance in the management of commodities, and implementing productivity projects in our production plants.

We continued to get to know our consumers better and to generate high-profitability, major-impact innovations, thus optimizing our brands and investments.

Sales COP billion

Total Sales

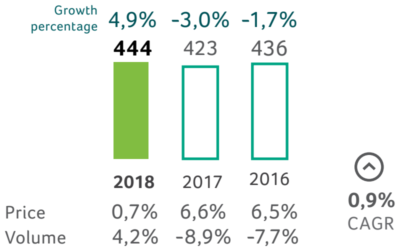


The Ice Cream Business represents

4,9%

of Grupo Nutresa's total sales

Sales in Colombia

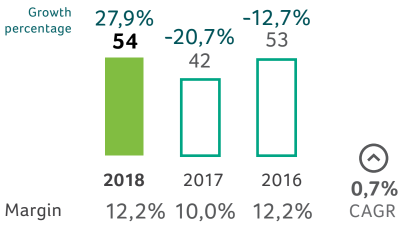


The sales in Colombia represent

100%

of the total business unit sales

EBITDA COP billion



The Ice Cream Business represents

4,8%

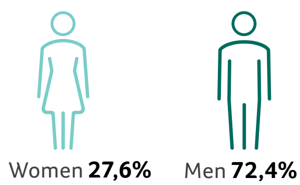
of Grupo Nutresa's ebitda

Most innovative product

Crem Helado Artesanal paid homage to the traditional Colombian recipes. The brand drew inspiration from *manjar blanco* (Colombian blancmange) and *lulada* (traditional Colombian fruit beverage) to create the new *Crem Helado Artesanal Manjar Blanco* filled with *arequipe* (dulce de leche) and *Crem Helado Artesanal Lulada.*

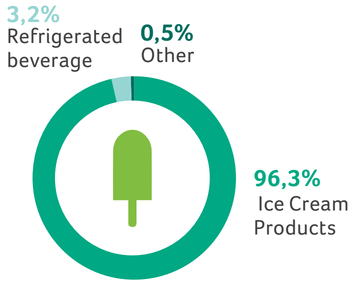
Employees

(Direct employees, indirect employees and apprentices)

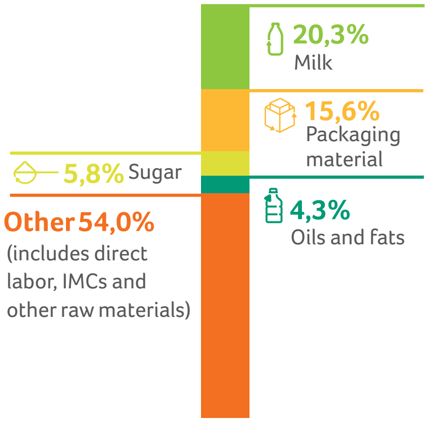


(Direct employees and apprentices)

Main categories
(% of total sales)



Raw materials and other



Outlook for 2019

Updating the market entry model for the alternative channels.

Entrenching the productivity projects, with adequate structures that boost the profitability in the Business.

Bringing our Crem Helado brand closer to the consumers and customers through the comprehensive renovation in terms of concept and image.

Keep working on the process of consolidation of our Meals cultural model.

Consolidating our quality and environmental management models, guaranteeing the best practices in the industry.

PASTA nutresa

Fabián Andrés Restrepo Zambrano

President

Part of Grupo Nutresa since 1996

44 years old

Relevant aspects from 2018

We improved the profitability of the Business based on productivity and operational efficiency initiatives.

The working capital management was strengthened mainly based on the reduction of inventory days.

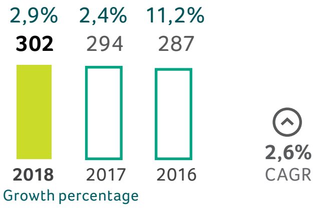
We maintained our market share in terms of value and volume, supported on differentiation and innovation with three brands that have specialized roles in the corresponding segments.

We achieved an increase in the organizational climate score, exceeding the goal established for this indicator, which reflects the satisfaction and commitment of the employees.

We obtained the ISO 45001:2018 certification for the Mosquera facilities, thus becoming Grupo Nutresa's first production plant to receive this certification update.

Sales COP billion

Total Sales

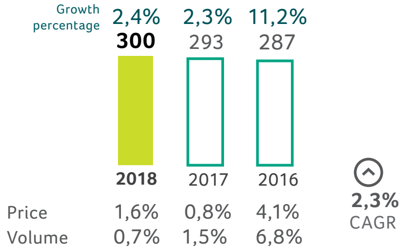


The Pasta Business represents

3,4%

of Grupo Nutresa's total sales

Sales in Colombia

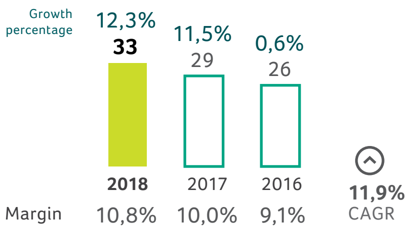


The sales in Colombia represent

99,2%

of the total business unit sales

EBITDA COP billion



The Pasta Business represents

2,9%

of Grupo Nutresa's ebitda

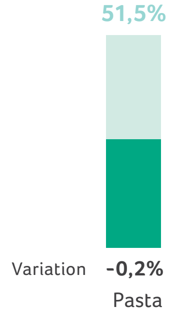
Employees

Most innovative product

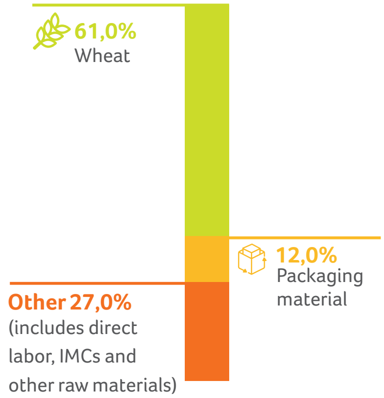
Flavored tomato sauces: Ranch, Italian with fine herbs, and Fresh vegetables from the garden. Ready-to-use tomato sauces with natural and fresh ingredients, which are a perfect combination with *Doria* pasta products as they complement the flavor of meals.

Main categories
(% of total sales)

Market share in Colombia



Raw materials and other



Outlook for 2019

Maintaining the generation of value and growth by innovating and strengthening brands, and venturing into other markets.

Making progress in the management of productivity to continue improving the financial results.

Strengthening the leadership as a development driver and the well-being of our people, thus benefiting the organizational climate, the commitment and the Business's achievement of results.

Keep fostering innovation as a strategic driver.

COMMERCIAL NETWORKS

Juan Fernando Castañeda Prada

Vice President, Marketing and Sales-Commercial Networks

Part of Grupo Nutresa since 2011

51 years old

Relevant aspects from 2018

We managed the networks focused on generating efficiency based on the sales fundamentals: numerical distribution increase, marketing and trade investment optimization.

Our defined value propositions allowed us to focus and prioritize the investment on customers according to their motivation factors, strengthening the service with a reduction in the channel service costs.

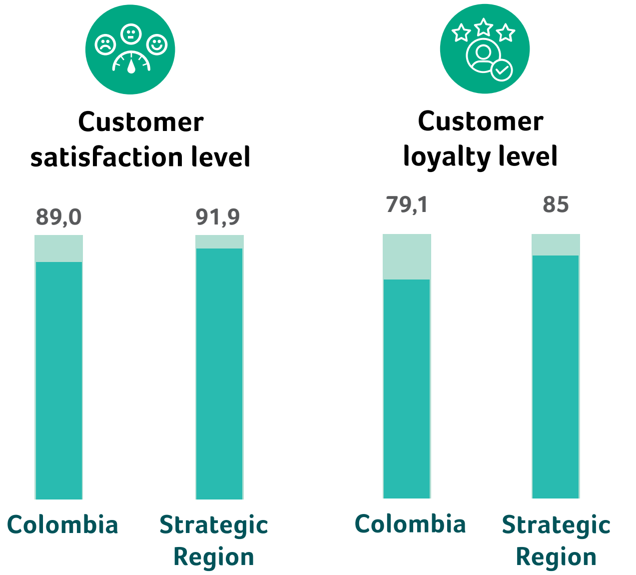
Progress was made in the construction and implementation of the value propositions throughout the other geographies, particularly in Central America and Mexico, with the aim of articulating the advantages of the model.

We incorporated technological advances and transformed our processes with the purpose of improving the experiences and consolidating a differentiated service, with outstanding results in the customer satisfaction and loyalty surveys.

We achieved a positive impact on more than 3.000 traditional-channel customers through a program focused on mass networks in Colombia, with the development and transformation of their operations and points of sale, thus generating double-digit growth rates in their businesses overall.

We enhanced the capabilities related to management and portfolios, and we incorporated specialized technologies in Novaventa –the catalog sales network– and vending machines in Colombia to deliver a better value equation to the consumers. The network reached a coverage of 87% in Colombia, with more than 170.000 individual entrepreneurs and an operation consolidated through vending shops.

We strengthened our institutional network with a value proposition based on a specialized portfolio adapted to the needs of customers, as well as specialized, expert assistance within an operational efficiency model.



Employees*

6.560
TOTAL
(Direct employees, indirect employees and apprentices)

Women **34,4%**
Men **65,6%**
(Direct employees and apprentices)

*Employees from Comercial Nutresa, La Recetta and Novaventa.

Outlook for 2019

Updating and enhancing our value propositions in the international context, as well as the new segments, with the aim of attaining a higher level of convenience and offering more and better alternatives in the healthy segments.

Incorporating digital business models that facilitate our connection with customers, shoppers and consumers to continue creating new business opportunities and generating efficiency in our operation.

Expanding our ability to directly reach consumers with differentiated brand experiences, easy access and a good price-value ratio.

Generating new consumer moments at home and elsewhere for our categories.

NUTRESA SERVICES

Sol Beatriz Arango Mesa

President

Part of Grupo Nutresa since 1992

57 years old

Relevant aspects from 2018

We incorporated new services and user experiences with the purpose of contributing to the development of capabilities, the capture of synergies and our customers' productivity.

The "Actúo Íntegramente" (I act with integrity) program was strengthened to promote business ethics and practices related to transparency, the fight against corruption, diversity, inclusion and good corporate governance.

We implemented new technological solutions and tools with the aim of optimizing and redefining technology processes and services that allow us to be at the forefront in the field.

We achieved a level of excellence in terms of customer satisfaction.

The strategic sourcing methodology was expanded to new categories and geographies, with savings that amount to more than COP 86 billion, and we consolidated our Shanghai facilities as a global sourcing hub.

We designed a new-technology appropriation model with the aim of identifying and implementing cases of use among our customers.

We achieved outstanding results in the survey related to organizational climate, commitment and job satisfaction, which is something that contributes to attract and retain the talent required by the Organization.

Types of services

Shared services

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

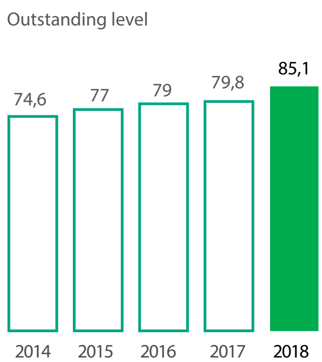
Corporate services

- Innovation, Markets Intelligence, Media and Sustainability

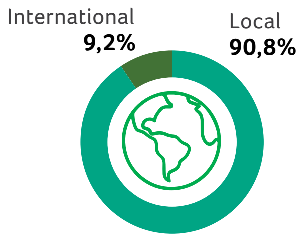
Transverse support

- Fundación Nutresa, Vidarium and Gestión Cargo

Client satisfaction measurement evolution



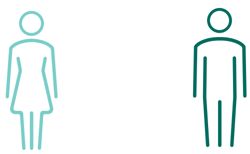
Employees



913

TOTAL

(Direct employees, indirect employees and apprentices)



Women **49,7%** Men **50,3%**

(Direct employees and apprentices)

Outlook for 2019

Maintaining the level of service excellence in order to achieve an increasing understanding of the needs and priorities of our customers.

Contributing to the appropriation of new technologies that enhance the competitiveness of the Businesses, improve the efficiency throughout the entire processes, and develop new capabilities related to critical thinking, analytics and agility.

Strengthening the development of transformation-focused leaders that promote collaboration and the connection of the work teams with both the strategies and Grupo Nutresa's higher purpose.

Developing new operation platforms in special economic zones with the aim of integrating our customers into the global value networks and identifying more supply sources and savings in order to contribute to overcoming the challenges related to competitiveness.

What started as an idea thought by **SIBERIA ELENA** and **CAROLINA ORDUZ ROMERO,** and their niece **ANDREA BOLÍVAR ORDUZ,** became a visionary company that, thanks to Spirulina, gained visibility in the healthy food market with its brand *Naturela*. Today, 16 years later and thanks to their capability to innovate and their vision of a nourishment-based well-being, they are part of Grupo Nutresa.

Thriving with new ingredients

Sisters Siberia Elena and Carolina Orduz Romero, and their niece Andrea Bolívar Orduz, created *Naturela*, a company with a portfolio of 19 products, including powder Spirulina and a line of healthy snacks as some of the most outstanding among them. Spirulina is a super food discovered in Africa and it contains proteins, minerals, calcium, magnesium, vitamin B complex and other important components.

Their idea of generating nourishment-based well-being started taking shape thanks to their experimentation and determined work. In 2017, their effort to reach more people with their products materialized as a new big step: becoming part of Grupo Nutresa. This allowed them to use its distribution channels and to learn from its innovation capabilities. *Naturela* is spelled with an N, as in nutrition and Nutresa, and they say that is not a coincidence.

“Grupo Nutresa is aligned with our philosophy, values and fundamental purpose, we both strive to generate well-being through food and nourishment.”

Carolina Orduz, founder of *Naturela*.

By investing in companies such as *Naturela*, Grupo Nutresa fosters entrepreneurship projects and products with a differentiated purpose that contribute to the nutrition and well-being of consumers.

New Matiz experience shops in Colombia.

PROFITABLE GROWTH IN THE MARKETS AND **RELIABLE BRANDS** WITH AN EXCELLENT PRICE-VALUE RATIO

Profitably developing the strategic markets with brands, distribution networks and human talent, delivering value propositions with memorable and differentiated experiences to consumers, shoppers and customers in order to fulfill their needs and motivations.

Grupo Nutresa's Brands and Networks Management Model enables an internal alignment and provides a vision for managing a broad portfolio of brands and products in different geographies, thus fostering people's quality of life and well-being.

Promoting a market-focused Organization based on the cross-sectional knowledge, the development and the enhancement of organizational capabilities that reinforce the models and practices in the region.

STRATEGY [GRI 103-2]	PROGRESS 2018 [GRI 103-3]
Strengthening the value propositions of the brands.	• **Deep** consolidation in the alignment of the brands with Grupo Nutresa's consumer segmentation and the strengthening of their positioning based on the development of innovation and on the communication of its differentiated elements. • **Reinforcement** of the brands' value propositions in multiple segments and their expansion into other categories and geographies. Festival and Tosh in ice cream products, Pietrán with vegetable protein, Granuts in Brazil, Cordillera in the U.S., Mexico and Ecuador, and Culture Blends in the Philippines. • **Progress** in the creation of experience-based stores with highly differentiated products under the Evok brand.
Managing the portfolio of brands and products in accordance with the market needs.	• **Innovation** related to well-being, nutrition and health in multiple brands, such as Bénet, Tosh Snacks, Café Sello Rojo Vive and Pietrán Veggie. • **Development** of portfolios based on relevant concepts related to sustainability and nutrition, such as clean label, non-GMO, organic, fairtrade and natural ingredients.
Strengthening the commercial networks and generating customer loyalty.	• **Incorporation** of technological advances and process transformation, as well as the enhancement of the capabilities related to customer experience management focused on ensuring the loyalty of our customers. • **Orientation** of the network management towards generating efficiency based on the sales fundamentals. • **Enhancement** of the capabilities related to management and alternative channel portfolio with the aim of delivering a greater value to consumers and shoppers.
Strengthening the internationalization model.	• **Application** of the brand management model across the different geographies for mainstreaming brands and managing innovations. • **Development** and enhancement of our own distribution capabilities in CAM and the U.S. • **Customer** segmentation in the industrial businesses, allowing to steer it from the current commercial networks to increased-value businesses that are sustainable over time.

RISKS AND OPPORTUNITIES [GRI 103-1]

The trade disputes and the political and economic instability in the countries of the strategic region, along with tax reforms that impact the dynamics of consumption, are risk elements that must be taken into account for the strategy of the businesses. Therefore, the portfolio diversification and the adjustment to the value propositions in terms of prices and channel presence are a constant opportunity for maintaining the leadership in the markets.

Moreover, the permanent expansion and the strengthening of retail, including the arrival of agents that provide new business models and purchase and consumption experiences, generate risks for the Organization. Thus, Grupo Nutresa continues to work on a segmented and differentiated portfolio based on increased-value innovation and on the creation of new consumer moments at home and elsewhere.

As a result of the constant change in the consumption patterns and buying habits of consumers, new agents arise in the categories where Grupo Nutresa participates, entailing a constant competitive monitoring for the brands with the purpose of enhancing their value propositions to get closer to consumers.

Finally, the sustainability-aware consumption trends are increasingly gaining relevance among the new generations, becoming opportunities for the brands to strengthen their propositions towards the development of products more aligned with them.

Grupo Nutresa will develop capabilities focused on making a more assertive reading of **the trends and capitalizing on opportunities.**

OUTLOOK

Under the light of the culture of a market-focused Organization, Grupo Nutresa will intensify its work on value propositions adapted to the needs of consumers, shoppers and customers based on a deep knowledge of them in order to create differentiated experiences and sustainable relations. The mainstreaming of the brands among the different categories and geographies will be a boosting element for the brands themselves to build a stronger connection with their consumers.

The Organization will keep seeking to capitalize more potently the wellness trend through the improvement of the nutritional profiles with new healthy ingredients and the so-called superfood products, and through the enhancement of portfolios that respond to convenience and channels that enable a closer interaction with the market.

New channels and business models will continue to be explored and developed to boost the presence of the brands in alignment with the consumers' transformation, which also looks for convenience through technology and out-of-home consumption.

Lastly, the Company will develop capabilities focused on making a more assertive reading of the trends and capitalizing their opportunities through the development of solutions for consumers, shoppers and customers. For this purpose, it is essential to utilize the existing information in order to produce big data analysis and analytics.

Employee from the Biscuits Business at the production line in Medellín, Colombia.

Leños & Carbón restaurant in Cali, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS

[GRI 103-3]

- **Market launch of the Cold Cuts Business's Pietrán Veggie Burger & Veggie Bites.** It is a new vegetable protein option that strengthens its value proposition, including in its portfolio an option for vegetarians and broadening the consumer base of the brand. In 2018, the corresponding sales were greater than COP 1 billion.

MUIBON

- In 2018, **the Tresmontes Lucchetti Business** entered the chocolates category in Chile with the Muibon brand. The products of this brand are produced by the Chocolates Business, which reflects the synergies occurring within the Organization. During the first year, the corresponding sales amounted to USD 4 million.

- **The Ice Cream Business** launched three products focused on different targets as a response to the challenge posed by the World Cup of having specific products for this season and transforming them into consumer moments. These products generated additional sales for COP 7 billion.

POZUELO
ES... MUUUCHA GALLETA!

- **Pozuelo** was awarded the "Supplier of Excellence" acknowledgment by Walmart Central America for its seamless management in terms of service, channel support and product quality.

- **The Chocotera from Corona, automatic hot chocolate pot was launched into the market as part of the strategy focused on facilitating the preparation** for hot chocolate consumers and creating new consumer moments. This product was the result of a co-creation exercise carried out with Haceb (local appliance manufacturer), and it is a new appliance capable of replacing the traditional preparation method. By the end of the year, approximately 80.000 automatic hot chocolate pots had been sold.

Novaventa experience center for individual entrepreneurs in Medellín, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS
[GRI 103-3]

- **Market launch of Sello Rojo Vive by the Coffee Business.** This is the first functional coffee in the market with scientifically proven benefits that help to prevent the risk of cardiovascular diseases. Since its launch, the product has achieved sales for more than COP 1 billion.

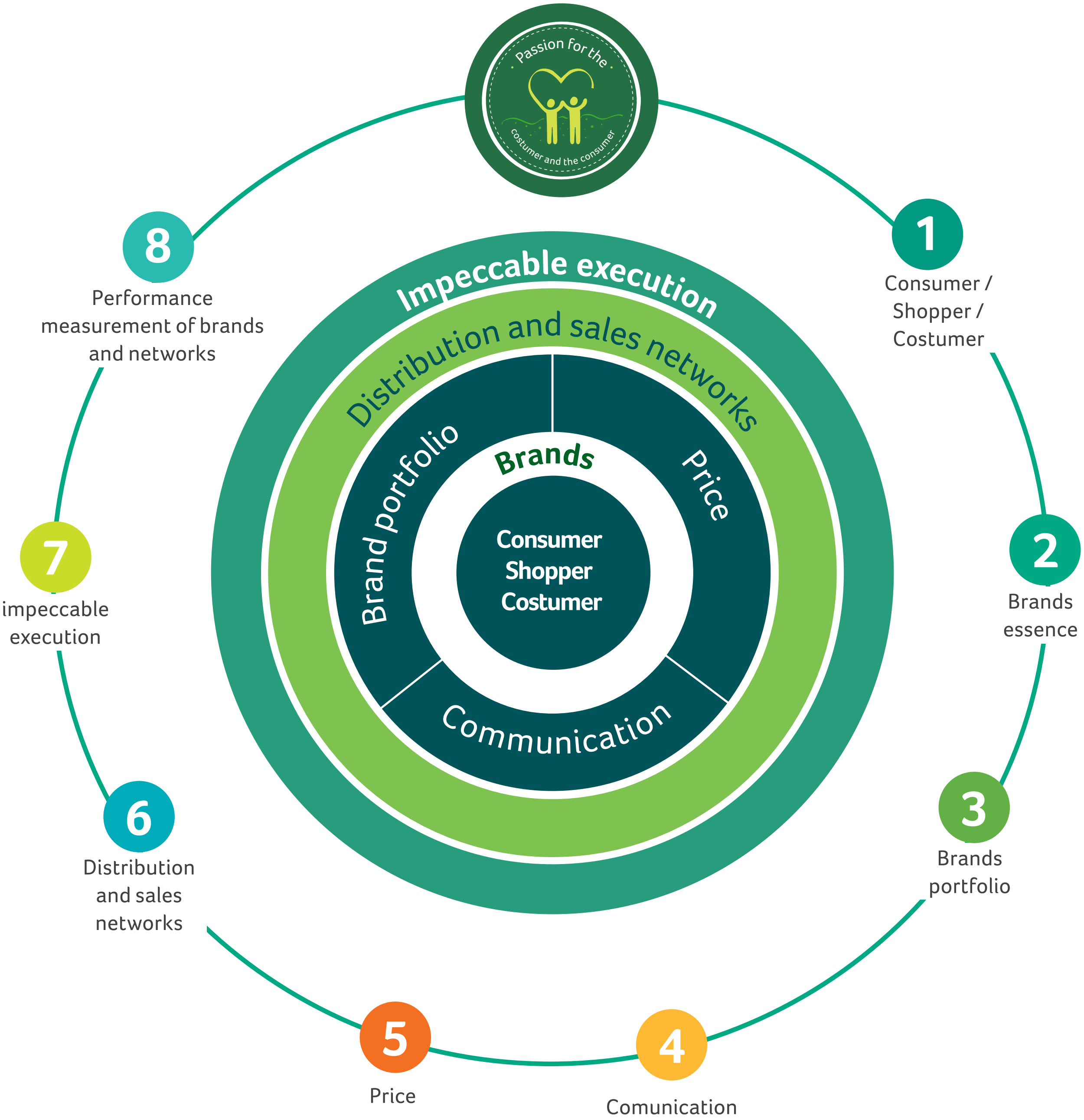
- **The Biscuits Business received an acknowledgment** from the Medellín Education Secretariat for "Mundo Noel" (Noel World) as a recognition for its first ten years. The acknowledgment was awarded to highlight the work done through Mundo Noel, with more than 490.000 visits by kids from education institutions in Medellín and its metropolitan area.

- **Multi-category launch of Albóndigas Zenú (meatballs) by the Cold Cuts Business.** This is a protein solution for lunch, which comes in practical presentations and ready for consumption. The product achieved sales for 8.258 million. This represents a contribution to the growth of the segments of refrigerated processed meat products and long self-life ready-to-eat food products.

- **Launch of Cordillera in the U.S., Mexico and Ecuador by the Chocolates Business. The Company reached a sales mark of USD 8 million,** and a global value proposition was enabled based on cross-sectional capabilities and on Grupo Nutresa's Brand and Network Management Model.

PROGRESS 2018
[GRI 103-3]

Grupo Nutresa’s Brand and Network Management Model



Employees from the Ice Cream Business in Bogotá, Colombia.

The Brands and Networks Management Model continues to develop the key capabilities for the definition of Grupo Nutresa's commercial strategy, and it is centered on consumers, shoppers and customers, who are assisted and supported throughout their evolution.

In 2018, the Organization made progress in guaranteeing the strategic alignment and the organizational rhythm with the aim of giving an adequate response to the demands of the setting, maintaining the strengthening of the human talent and taking advantage of the knowledge and cross-sectional capabilities under the approach of a "Market-Focused Organization". This was supported on recognizing the "passionate about customers, consumers and shoppers" talents as differentiating elements of the culture.

The commercial teams continued to execute strategies and initiatives focused on the alignment of the brands with the consumer segmentation and strengthened their positioning based on the development of innovation and on differentiated brand communication.

In this regard, our brands Granuts/La Especial, Corral, Tosh, Pietrán, Corona, Cremhelado, Festival, Doria, Monticello and Sello Rojo stand out.

On another note, the Organization has carried out actions focused on increasing the dynamics of the sales volumes and on maintaining the leadership, thus guaranteeing its differentiation. In this context, the brand-health studies continue to provide opportunities related to the alignment between the positioning attributes and their roles and defined segmentation.

Given the current configuration of more rational shoppers looking for a better cost-benefit ratio and convenience in their consumption, Grupo Nutresa has been building a deep shopper marketing knowledge, and its application has led to the enhancement and evolution of the Organization's strategic capabilities.

The creation of experiences and a service differentiated as a strategic priority have incorporated technological breakthroughs, transforming processes with outstanding results in the customer satisfaction and loyalty surveys conducted by the firm Ipsos.

The defined value propositions are allowing to focus and prioritize the investment on customers based on their motivation factors, strengthening the win-win relationship with a reduction in the channel service costs. The Company has made progress in the construction and implementation of the value propositions throughout its other geographies, particularly in Central America and Mexico, with the aim of articulating in them the advantages of the segmented model while developing the service and differentiation capabilities.

Hamburguesas El Corral restaurant, Colombia.

In alignment with the work on its customers' sustainability, between 2017 and 2018 in Colombia, Grupo Nutresa supported and assisted a total of 3.000 traditional-channel customers in the development and transformation of their operations and points of sale, thus generating double-digit growth rates in their businesses overall and in the Company's portfolio. Similar actions have been implemented in Panama and Costa Rica with more than 1.300 customers.

Novaventa, the catalog sales and vending machines network in Colombia, continued to enhance its management and portfolio capabilities with the purpose of delivering a better value equation to its customers. The capabilities and internal processes were adapted according to this, and technologies specialized for this channel were incorporated. Today, the network covers 87% of the Colombian territory. In addition, Grupo Nutresa keeps innovating in its ability to deliver more adjusted value proposition to the consultants and to help them in the constant development of their business through the catalog.

Both in Colombia and internationally, the service networks focused on industries and institutions continue to get stronger with a value proposition based on a specialized portfolio adapted to the needs of customers, as well as technical assistance within a service and operational efficiency model.

Finally, the impact of the use of new digital technologies in the life of consumers, shoppers and customers was intensified. Grupo Nutresa has been solidifying its presence in the digital world with its brands across different virtual environments, improving the usability of its website and increasing its sales through the digital customer platforms. For its part, the Retail food Business has created platforms like Pre-order and Kioskos for El Corral, as well as new information technologies, ordering means and methods of payment.

Internationalization Model

The international expansion is Grupo Nutresa's most relevant diversification pillar. By the end of 2018, the international sales were made in 74 countries and represented 36,4% of the total sales. Additionally, the service has been maintained with its own networks in 14 countries, where the Company has been utilizing its cross-sectional knowledge for developing them.

The implementation of the Brands and Networks Management Model as a tool for the international expansion has been a relevant factor in Grupo Nutresa's development, strengthening and growing value generation in the region, particularly in the mainstreaming and unification of brand concepts that act according to their local affinity and to the defined segment. An example of this is the Cordillera brand, which was comprehensively developed based on the Brands and Networks Management Model as a value proposition for the industrial (B2B) segment across the entire strategic region.

In the context of the distribution channels, there was an evolution of the engagement with the retail market through new collaboration models that enabled the generation of two-way value. The Organization also worked on deepening the direct distribution in the traditional channel in Central America, and transitioned from the third-party distribution model to the DSD (Direct Sales and Distribution) model in the northeastern region of the United States.

Raw materials volatility management

For the Organization, the efficient management of commodities is a key aspect because it is a decisive factor in both the operating costs and competitiveness. In 2018, their behavior was mixed with a downward trend. In order to manage the risk of this volatility, Grupo Nutresa has established coverage policies with determined risk levels, a team specialized in the negotiation of supplies, and a permanent search at a worldwide scale for methods focused on achieving a more efficient sourcing.

Direct economic value generated and distributed [GRI 201-1]

(COP Million)	2015	2016	2017	2018
Revenue from net sales	7.945.417	8.676.640	8.695.604	**9.016.066**
Revenue from financial investments	56.844	61.527	68.327	**74.308**
Revenue from sales of property, plant, and equipment	8.339	917	17.804	**28.640**
Direct economic value generated	8.010.600	8.739.084	8.781.735	**9.119.014**
Operating expenses	5.640.140	6.106.637	5.942.715	**6.342.582**
Salaries	768.070	820.042	867.952	**940.571**
Social benefits	413.037	431.774	482.283	**452.376**
Dividends paid to shareholders	212.588	229.582	245.706	**260.614**
Interest payments to credit providers	180.660	250.289	259.085	**198.915**
Payments to the government	290.548	255.842	221.880	**282.857**
Community investments	46.651	55.273	62.367	**70.420**
Benefits	88.797	98.387	102.767	**105.436**
Direct economic value distributed	7.640.490	8.247.826	8.184.755	**8.653.771**
Economic value retained	370.110	491.258	596.980	**465.243**

Employee at the distribution center of the Biscuits Business in Medellín, Colombia.

EFFECTIVE **INNOVATION**

For Grupo Nutresa, innovation is a strategic driver that becomes the engine of growth and competitiveness for the achievement of results in the strategic region and the markets where it operates.

Innovation is based on the deep knowledge of customers, consumers and the construction of a long-term vision resulting from forward planning exercises, and, combined with a culture that enables processes of this nature, it materializes in products, services, processes and new business models that add value.

STRATEGY [GRI 103-2]	**PROGRESS 2018** [GRI 103-3]
Implementing the innovation-focused strategy, and structuring the governability model.	• **Deployment** of the Imagix Model evolution in ten companies in Colombia, United States, Peru, Ecuador and Central America. • **Update** of the innovation matrix for the Businesses, which allowed to obtain a higher level of clarity in the balance of innovation portfolios.
Strengthening the innovation programs: "Éxitos Innovadores" (Innovative Success Stories), "Prácticas Ejemplares" (Exemplary Practices), "Soluciones Innovadoras" (Innovative Solutions) and Out of the Box.	• **Design** of a new concept focused on enabling open innovation in Grupo Nutresa, shaping the "Soluciones Innovadoras" program into a version that responds to the need of building new growth opportunities. • **Development** of the third edition of the "Out of the Box" program, with 45 proposals submitted, five developed and two acknowledged. • **Redesign** of the innovation promoter program and training of 136 promoters in the pilot execution, with three training sessions for Pro promoters, one for Expert promoters and another one for Master promoters. • **4.854** Innovative Success Stories received acknowledgments across all of Grupo Nutresa's geographies and Businesses. • **Three** Exemplary Practices were awarded acknowledgments.
Building Grupo Nutresa's innovation projects portfolio.	• **Implementation** of a new technology platform for the indicator board pilot in the Chocolates Business. • **Configuration** of a portfolio with 16 innovation projects developed by teams based on methodologies related to strategic challenges of the Businesses, with the aim of searching for new high-impact business models for new or nonexistent markets.
Consolidating the knowledge management culture.	• **Development** of a self-management strategy for the synergy communities. • **Design** of a strategy that enables the tangibilization of knowledge management. It will be implemented in 2019.
Discovering and progressing in the identification of new digital technologies and their contribution to innovation and productivity.	• **Organization** and execution of "Talleres de Descubrir" (Workshops for Discovering). • **Construction** of the innovation ecosystem, through which such technologies will be explored. • **Identification** of more than 60 opportunities to apply new technologies in the Businesses.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Grupo Nutresa has identified risks related to the implementation of effective innovation: not reading the changes in the Organization's environment and context at the right time. Such changes could consist in legislations, provisions regarding packaging, intensive use of resources, price and availability of commodities, for which the Organization has multiple monitoring and prevention mechanisms.

Grupo Nutresa's driver of innovation is its human capital and its main challenge is to strengthen its participation in the implementation of the Imagix Model, in the adoption of new expert capabilities that enable a higher speed and diversity in terms of the proposals, and in the achievement of the evolution of its innovation programs. Thus, the main gaps in this regard were identified in order to enhance the capabilities and bring innovation to other environments and settings.

For the Organization, it is a priority to be aligned with the dynamics of its environment and context, and to understand innovation beyond the product. Therefore, Grupo Nutresa develops forward planning processes, with periodic reviews for correcting the course if necessary, that enable it to operate in advance, maintain its leadership in the food sector, and be at the forefront of the industry.

Finally, there is a major opportunity to develop intra-entrepreneurship initiatives, approach startups, obtain a diverse innovation portfolio –supported on indicators that allow to perform a timely management– and boost the creation of new business models jointly with other companies and agents from the ecosystem. Open innovation becomes particularly relevant in the process of attracting new capabilities and incorporating the new technologies in the value chain to generate a higher level of competitiveness.

Open innovation becomes particularly relevant in the process of attracting new capabilities and incorporating new technologies.

OUTLOOK

Grupo Nutresa gets ready to deal with the multiple challenges of the industry at the right time, maintaining its leadership in the region and getting prepared to face any other challenges posed by the market. That is why for 2020, the Organization has set the goal of achieving innovation-driven sales equivalent to 15% of the total sales and seeks to achieve 0,3 Innovative Success Stories per employee.

The Company will continue to gather efforts for giving continuity to the comprehensive management of both innovation and the portfolio of short, medium and long-term projects. A greater emphasis will be laid on social and environmental innovation, and the innovation-related incentives and acknowledgments for employees will be reassessed.

It is a great challenge to create strategies that allow to act in alignment with the evolution of the legislations in the regions where Grupo Nutresa operates, strengthen the internal entrepreneurship and connect with external agents that allow to design adequate solutions. Additional expert capabilities will be created for the development and incubation of disruptive, long-term projects, and the Organization will have a better understanding of the lifestyles, consumption trends, aspirations and needs of both customers and consumers, thus enabling the generation of new value propositions.

Over the coming years, the Company will reinforce the execution of a strategy focused on making the most out of its ecosystem. The aim of this reinforcement is to bring new capabilities, knowledge, technologies and talent that allow to create a higher level of competitiveness for the future and to reinvent the business based on the market trends and the goals set forth from the perspective of forward planning.

Employees doing planning work at the Coffee Business production plant in Medellín, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS
[GRI 103-3]

Grupo Nutresa was acknowledged in the innovation ranking compiled by the Dinero magazine and the Andi (National Business Association of Colombia) with the first place in the category of companies with greater innovation perception among the businesspeople who participate in the measurement, the third with the biggest share of PhD-degree holders in their workforce and in the top ten of companies with the most product launches.

PROGRESS 2018

[GRI 103-3] [SDG 9.4]

Processes

- Development of new products or services.
- Basic and applied research.
- Open innovation.
- Strategic monitoring (competitive and technological).
- Forward planning.
- Intellectual property.

Resources

- **0,6%** of the sales invested in innovation.
- Venture capital fund for the development of two Out of the Box projects.
- **218** people dedicated to R&D+i.

Imagix
Apasionados por la innovación

Culture

- **4.854** Innovative Success Stories.
- **347** innovation promoters.
- **136** people trained in innovation.

Innovation portfolio

- Development of an indicator board management tool.
- Identification of the portfolio baseline for businesses and main innovation projects.
- Balance of innovation portfolios in the short, medium and long term, and different disruption levels.
- 16 strategic projects under development through training in innovation-focused capabilities and leadership.

Ecosystem

- Permanent articulation between businesses and different actors of the ecosystem, such as: universities, enterprises, research centers, suppliers, among others.

Innovation promoters from the Tresmontes Lucchetti Business, Chile.

STRATEGY

- **Implementation of the innovation strategy.** Consolidation of the innovation strategy, and launch of the IMAGIX model in the Businesses in Colombia, which articulates the capabilities for a sustainable innovation in the long term, transforming it into a drive of growth.
- **Deployment of the Imagix Model.** Development of a strategy with four stages (awareness-raising, expectation, launch and advanced development) with the aim of enhancing the understanding and implementation of the Imagix Model in the Businesses in Colombia, United States, Peru, Ecuador and Central America.
- **Continuation of the plan focused on bridging gaps in innovation capabilities** identified through the measurement performed in 2016, implementing training in innovation-related capabilities and leadership with 49 participants from all the Businesses, in addition to the evolution of the Innovative Solutions program as a system that enables open innovation in Grupo Nutresa.
- **Execution of a review and an adjustment of the innovation planning** for the 2018-2020 term in alignment with the strategy. The result of this process was the identification of goals for each one of the Imagix Model axes.
- **Start of the understanding and adoption of the Imagix Model** in the Retail Food Business in Colombia.

CULTURE

- **Innovation training:** 136 innovation promoters were trained, in addition to 195 people in agility, 53 in service design, 20 in user experience, 15 in identification and structuring of strategic innovation challenges, and 23 people in graphic facilitation.

- **Innovation indicators:** start of the indicator board pilot initiative with the Chocolates Business in order to measure the impact and manage the innovation portfolio based on the strategic goals.

- **Innovation leadership:** production and publication of eight episodes of interviews to the presidents of the Businesses. The interviews explore the vision about innovation of each one of them and how it is implemented in their corresponding Business.

Innovation culture programs

Imagix éxitos INNOVADORES

- **Innovative Success Stories:** program focused on the participation in the formulation and implementation of ideas focused on the objective of creating a continued improvement culture, fostering curiosity and observation, and promoting the voluntary participation across all levels in the Organization. 4.854 Innovative Success Stories were achieved, which is equivalent to 0,2 per employee.

Imagix soluciones INNOVADORAS

- **Innovative Solutions:** open participation program for all employees from all companies. The program is focused on solving strategic or tactical impact challenges with the objective of creating a collaborative work culture, and promoting participation and the innovation tools in work teams and among people who want to contribute solutions.

2 challenges launched in 2018, for a total of 57 since the launch of the program.

357 participants in 2018.

74 solutions presented.

33 employees received acknowledgments.

Out of the box DALE LA VUELTA

- **Out of the Box:** capital fund for radical innovation projects with the aim of learning to manage innovation projects with a high uncertainty level and venturing into long-term endeavors. The Company organized the third edition, where 45 proposals were presented and four of them were selected to be developed. Two of the proposals received acknowledgments.

Imagix Prácticas EJEMPLARES

- **Exemplary Practices:** acknowledgment of management experiences and projects with outstanding results, which are also replicable in other businesses. It promotes the collaborative work and the transfer of knowledge and good practices.

Three Exemplary Practices received acknowledgments in 2018

1. Pioneer business models for clean energy generation: generation of electric power by means of a photovoltaic system installed on the roofs of the Chocolates Business production plant in Rionegro.

2. Reinstatement of the distribution operation after the fire in the Cold Cuts Business and Servicios Nutresa distribution center in Bogotá.

3. Intellectual property as an innovation driver for the Coffee Business and Servicios Nutresa.

Effective innovation activity at the Coffee Business production plant in Medellín, Colombia.

» **People dedicated full-time to R&D+i:**

218

» **Research Awards:** program focused on promoting the Organization's research culture and strengthening its intellectual capital.

Fourteen research projects were submitted. They were evaluated by academic peers and the three projects with the highest scores received awards:

1

First place

Correlation between physicochemical properties and sensory attributes in chocolate beverages, submitted by the Chocolates Business.

2

Second place

Phenomenological-basis semi-physical model for the prediction of the conching degree of chocolate, submitted by the Chocolates Business.

3

Third place

Substitution of the sucrose in the preparation of chocolate candy using body agents and a non-caloric sweetening agent, submitted by the Chocolates Business.

The Company has a capital fund for radical innovation projects with the aim of learning to **manage high-uncertainty projects.**

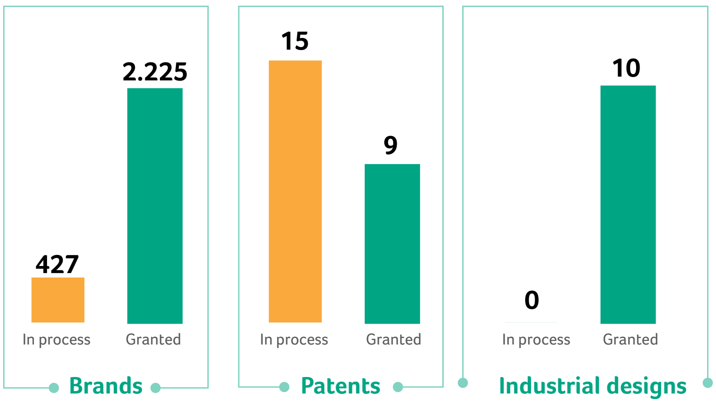
PORTFOLIO MANAGEMENT

- Each Business conducted an analysis of the current state of its portfolio of innovation projects, achieving a starting point for defining the indicators and looking for a strategic management of the innovation portfolio.
- Parallel development of 16 strategic innovation projects with the team of Master promoters in training, in addition to the ones conducted by the Businesses.

PROCESSES

Intellectual property [SDG 9.4]

Intellectual property maintains the competitive advantages and is increasingly relevant within the Imagix innovation model because it allows to protect and preserve the generated knowledge, identify fundamental technological trends in the forward planning exercises, and reduce the risks related to the infringement of third-party intellectual property copyrights. The monitoring of intellectual property allows to establish the knowledge boundaries for competitors.



ECOSYSTEM

Open innovation

- The generation of networks and the strengthening of relations with the innovation ecosystem are fundamental for Grupo Nutresa. That is why in 2018 there were multiple initiatives with third parties, including universities, research centers, suppliers, clients and entrepreneurship centers, which contributed knowledge, methods, tools, capabilities and valuable resources for the development of new products and processes.
- A proposal for a governance model was developed for an articulated management of the ecosystem that allows channeling, taking advantage of and strengthening relations and initiatives carried out collaboratively with external actors.

Technological monitoring

In 2018, the Technological Monitoring Direction Department continued to support the development and enhancement of each Business's capabilities to monitor its technological and competitive environment, identifying, interpreting, analyzing and contextualizing signs and trends, both local and global, within the framework of workshops, projects and strategic initiatives.

The implementation of the process and the technological monitoring tools in the Businesses has allowed to boost the execution of Grupo Nutresa's innovation model and strategies through the timely delivery of diagnoses, conclusions and recommendations. These elements guide the R&D processes, as well as the processes focused on the appropriation and transference of new technological capabilities. They also orientate the identification of potential agents, networks, synergies and/or alliances that strengthen the innovation ecosystem of the Businesses, as well as the creation of roadmaps that steer the gap-bridging process in technological aspects.

The monitoring actions carried out by the specialists in each Business were supplemented by the Direction Department with 26 deep monitoring studies and more than 50 alert-related deliverable materials. In total, Grupo Nutresa has a total of 152 trained custodians.

Targeted improvement process at the Coffee Business production plant in Bogotá, Colombia.

RESOURCES

The Organization allocates significant economic resources and its human capital to drive innovation.

The total investment in R&D+i amounted to **COP 55.473 million,** which corresponds to 0,6% of the total sales.

107 KIDS FROM THE LOS MICOS RURAL CENTER
in Colombia having fun while learning about eating properly and about healthy lifestyles through the "Nutresa Quiere a los Niños" (Nutresa cares for children) program.

Creating fun learning experiences to spread joy and well-being

"This program inspires us to take care of what we have, to eat properly and to exercise for improving physically and mentally. It consists in very special activities both at home and at school that have a deep positive impact on the future of our children."
Beatriz Elena Muñoz Arenas, director of the *Los Micos* Rural Education Center.

One hundred and seven children from the *Los Micos* Rural Education Center in Titiribí, Colombia, solidify their values and learn to eat properly. They strengthen their minds and bodies and, through relevant, simple and assertive messages, project what they want while they grow up.

By studying the booklet created as part of Grupo Nutresa's healthy lifestyles promotion strategy, the kids have fun while learning about healthy eating habits, hygiene practices and physical activity with drawings, stage plays, classroom exercises, games and sports practices.

This process transcends classrooms and, with the support from teachers and parents, it enables the adoption of healthy lifestyles.

The "Nutresa Quiere a los Niños" (Nutresa cares for children) program promotes healthy lifestyles based on fundamental subjects such as balanced eating habits, physical activity, hygiene practices and sharing as a family. In 2018, the program reached 92 education institutions in Colombia, benefiting approximately 6.000 students from high-vulnerability and difficult-access rural areas. Additionally, eighteen community-based art festivals were organized in urban territories, with an attendance of 7.804 kids.

Healthy lifestyles promotion program in La Guajira, Colombia.

NUTRITION, HEALTHY **LIFESTYLE** AND RESPONSIBLE **MARKETING**

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 responsible consumption through clear labeling and unabridged advertising that allow the consumer to make informed decisions.

STRATEGY [GRI 103-2]	PROGRESS 2018 [GRI 103-3]
Adjusting the nutritional profile of the products.	• **3.072** products adjusted to the Nutresa nutritional profile, achieving a fulfillment level of 97,8% of the goal set for 2020. **[G4- FP6] [G4-FP7] [SDG 2.1]**
Implementing the front-panel nutritional label in all the products.	• **86,4%** of the portfolio complies with the front-panel labeling requirements.
Promoting healthy lifestyles.	• **Continuation** of the Healthy Organizations program for the internal community, the “Nutresa Quiere a los Niños” (Nutresa cares for children) and “Germinar” strategies, and the “Alimentando Sueños” (Feeding dreams) and “Estilos de Vida Saludable” (Healthy lifestyles) alliances in school populations. • **16** education institutions, 12.623 students, 660 teachers and administrative personnel, and 102 food handlers in Colombia were benefited.
Reducing the nutrients of interest in public health.	• **251** product references reduced in sodium content, 117 reduced in sugar content, 85 reduced in saturated fat content, and the nitrite content of 93 meat products was modified. **[G4- FP6] [G4-FP7] [SDG 2.1]**
Managing the advertising responsibly.	• **Application** of the advertising self-regulation with regard to kids younger than 12 years old. 98,3% of the advertising was adjusted to this criterion.

The sector is calling to promote **a great transformation** that should correspond to a new framework of action.

Grupo Nutresa interprets the changes in its setting **as an inspiration to innovate** because it is an opportunity to promote new products and business models.

RISKS AND OPPORTUNITIES

[GRI 103-1]

In the light of the ground gained by chronic diseases, the concern about the health conditions of the populations continues to increase. It is clear that the multiple causes and factors of these health problems require interventions on several fronts. Among these fronts, the ones related to food composition, labeling, advertising and physical activity promotion have a considerable impact on Grupo Nutresa's operations, as well as the taxes that are being imposed in consideration of food product composition.

The strategies that have been implemented in some regions have not produced the desired impact, creating additional pressure that lead to increasingly restrictive regulatory frameworks. The understanding of the issue, the monitoring of the emerging knowledge and the continuous work give the food sector the possibility to make a timely response that contributes to the solution.

The transformations are urgent, but they must be supported on sufficient scientific evidence, which is something that has been becoming a restrictive factor for the evaluation of general intervention proposals. It is necessary to invest in research in order to determine the impact of the management proposals being submitted, and it is also necessary to transcend the speculative discussions about the results of their implementation.

Grupo Nutresa has incorporated measures focused on mitigating the impact of this generalized condition, and it interprets it as an inspiration to innovate because it is an opportunity to promote new products and business models.

OUTLOOK

With the aim of maintaining the consumers' preference with product alternatives that contribute to the preservation of their health, the research and development teams will work on the subject without putting aside the reductions of critical nutrients, the evaluation of new ingredients and the development of new products. All of this will be performed in alignment with the goal of multiplying by 2,5 the number of products adjusted to the Nutresa nutritional profile (based on the 2012 baseline). In addition, with the research agendas that are being executed, the Company will achieve a better appropriation of emerging knowledge and techniques for accelerating the development of new portfolios. **[G4-FP6] [G4-FP7] [SDG 2.1]**

The sector is bound to lead a major transformation because not only the products should answer to a new framework of action, but also the way how it communicates and commercialize them should be governed by it. Grupo Nutresa has embraced this framework and it will be materialized through concrete reformulation strategies, the development of new products inspired by health and nutrition, front-panel labeling, the promotion of healthy lifestyles, the work on food security, and nutritional education strategies.

The well-being of the child population is also a major concern for Grupo Nutresa, which is why the Organization has joined the public-private alliance known as "Alimentando Sueños" (Feeding dreams). The objective of this action is to make Colombia the country with the best level of child nutrition in Latin America by 2030, along with the work being performed in Chile and Mexico through the Tresmontes Lucchetti Business, and the alliance established with the Ministry of National Education and other entities in Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS

[GRI 103-3]

It is worth highlighting the innovation made by the **Cold Cuts Business in its Pietrán brand,** which consists in the substitution of preservatives and the elimination of added nitrites. This innovation allowed to offer products that are a good source of protein, with a low fat percentage and a reduced sodium content, and without preservatives, all of this while maintaining their flavor.

Another aspect that stands out is the launch of **Sello Rojo Vive by the Coffee Business,** a coffee product especially processed to preserve its natural antioxidants. Each cup of coffee prepared with 6 g of Sello Rojo Vive in 100 ml of water provides antioxidants that contribute to the care for the circulatory system as it protects the blood lipids from the oxidative stress, without negatively affecting the vascular function and the cholesterol levels.

It is also worth highlighting Bénet's new launch of gums and soft capsules with vitamins, minerals, fiber and fatty acids (omega 3, 6 and 9); diet supplements and food products fortified with vitamins and minerals to cover the essential nutrient needs, guaranteeing the adequate functioning of the organism.

"Nutresa Quiere a los Niños" school kit program in Ituango, Colombia.

"Nutresa Quiere a los Niños" school kit in Ituango, Colombia.

PROGRESS 2018 [GRI 103-3]

Product portfolio

The concepts of diet and nutrition are inherent to the nature of Grupo Nutresa's businesses, and the Organization is aware of the importance of offering to its consumers products that fulfill their aspirations in terms of nutrition, pleasure and well-being. This represents a constant and multi-angled challenge for the Company, because it needs to avoid compromising the consumers' enjoyment while working on reformulations and improvements to both products and processes in order to incorporate the most recent knowledge about food and health matters and the nutritional realities of the population to contribute to the well-being of all consumers. For the portfolios, reformulations constitute technical challenges because, beyond the nutritional importance of the ingredients, there is the technological function they perform in the food matrix. Therefore, research and development are indispensable for achieving successful reformulations with minimum impact on both the productivity and the cost of the products.

The Nutrition Policy holds a first-level hierarchical position in Grupo Nutresa's marketing strategy, at the same level than the challenges of consolidating recognized and beloved brands, achieving profitable growth and innovating with a value-based focus. The Organization is undergoing a transition in which brands adopt the key elements of the policy in the context of their essence, which in some cases may require to refine their positioning, advance in the reformulation agenda or analyze possible portfolio waivers.

Maim progress made in health-related issues [GRI 416-1] [SDG 2.1]

COLD CUTS

Meat byproducts

26 product items were reformulated to meet Grupo Nutresa's nutritional profile, achieving a 56,5% adjustment of the baseline portfolio. Additionally, the sodium content was reduced in 27 product items and the sodium nitrite content was reduced in 44 product items. Salt consumption was reduced by 1% and sodium nitrite consumption was lowered by 11,9% in comparison with the amounts used in 2017, achieving an accumulated reduction (based on the consumption for 2015 as reference) of 20% and 34,8% respectively.

PASTA

Pasta with sauce or instant pasta products

The cheese sauce powder that are part of the product was reformulated, eliminating the monosodium glutamate from its composition.

ICE CREAM

Ice cream products

Elimination of preservatives from eight SKUs; the fruit preparation was reformulated, achieving microbiological stability throughout its shelf-life.

Ice pops

Elimination of preservatives from three SKUs; the fruit preparation was reformulated, achieving microbiological stability throughout its shelf-life.

COFFEE

Coffee

Launch of the Sello Rojo Vive roasted and ground coffee, a product that contains four times more natural antioxidants than the traditional coffee and helps to decrease the risk of suffering from cardiovascular diseases.

CHOCOLATES

Beverages

- Launch of the Corona Delicatto drinking chocolate (in bar presentation), which contains 54% less sugar than the traditional Corona chocolate.

Cereals

- Launch of the Tosh yogurt cereal, a granola bar with cereals and berries: strawberry, cranberries and blueberries. Good source of protein, contributing 5 g of protein per serving.

Cereal bars

- Launch of the cereal bars with Greek yogurt-flavored coating, cereal bars with red berries, cereal bars with yellow berries, which contribute 5 g of protein.

Nuts and trail mixes

- Sodium and sugar reformulations in several products from the La Especial and Granuts portfolios:
- La Especial nuts with 70% less sodium.
- La Especial blueberries with 40% less sodium and 15% less sugar.
- Granuts blueberries with 50% less sodium and 15% less sugar.
- Granuts chili corn with 28% less sodium.
- Launch of the Tosh almonds and Granuts almonds products in Colombia and Central America, a healthy option for almond lovers as they are toasted products with low sodium contents.
- Launch of the nuts product portfolio in Brazil and Mexico under the Granuts brand: Japanese peanuts, nuts trail mix, corn, nuts and blueberries trail mix, nuts with chocolate trail mix."

TMLUC

All categories

- Launch of the Lucchetti traditional lasagna and vegetable lasagna fortified with vitamins and minerals.
- Launch of the Lucchetti fortified wholemeal pasta.
- Launch of the Zuko products, refreshing low-calorie beverages with 0% added sugar, no artificial color additives and no preservatives.
- Launch of new Livean products, sugar-free, sweetened with Stevia and natural color additives.
- Reduction of the sugar content (51% to 62%) in the Zuko nectar products.
- Launch of the low-calorie Livean classic lemonade with 0% added sugar.
- Reduction of the sodium content (19% to 32%) in the Lucchetti and Talliani tomato sauces.
- Launch of the Lucchetti Italian sauce with 50% less sodium in comparison with the regular Lucchetti Italian sauce.
- Reduction of the sodium content (8% to 11%) in the Kryzpo cheese-flavored snacks, onion cream-style soup, ham and pizza (10 SKUs).

BISCUITS

Biscuits and crackers

The sodium content of 20 products was reduced.

Cookies

- Launch of the Tosh coconut and kiwi-fruit multi-cereal wafers: with no added sugar, no preservatives, no artificial colors, 0% cholesterol.
- Launch of the Maria Leche cookies: enriched with calcium and vitamin D, 0% cholesterol.
- Launch of the Tosh coconut and almond cookies: sugar-free, low sodium content, source of fiber, with zinc, selenium and vitamin E, 0% cholesterol.

Baked snacks

- Launch of the Tosh wild rice snacks: wholemeal, gluten-free, 0% cholesterol, with no artificial colors or flavors.
- Launch of the Tosh sea salt snacks: wholemeal, gluten-free, low sodium content, 0% cholesterol, with no artificial colors or flavors.
- Launch of the Tosh tomato and Parmesan snacks: wholemeal, 0% cholesterol, with no artificial colors or flavors.
- Launch of the Tosh Neapolitan snacks: low fat content, 0% cholesterol, with no artificial colors or flavors."

Program for the promotion of healthy lifestyles at the Manuel Bravo school in Casablanca, Chile.

Internal community

Since 2013, Grupo Nutresa has incorporated practices that stimulate healthy lifestyles in the internal community, focusing on the promotion of physical activity, smoke-free environments and healthy diets. Therefore, the Organization implements different measures based on the comprehensive strengthening of the human being at all levels, which not only enable having a better job performance, but also orientate the employees towards achieving harmony in all the dimensions of the being. The benchmark for this activity is the one established by the Colombian Heart Foundation and the Colombian Society of Cardiology, which is applied throughout the entire Organization in all aspects related to healthy lifestyles. Moreover, the parameters established by the Spanish "Más Familia" Foundation are the benchmark used for the reconciliation between the personal, family and work life of the employees.

The Organization will continue to work on the purpose of nourishing people's potential by means of scientifically designed, **daily-use products with functional benefits.**

Results of the strategy

The nutrition and health strategy follow-up indicators show a constant progress on the multiple fronts and exhibit an improved product portfolio in terms of nutritional characteristics, the promotion of healthy lifestyles and the front-panel labeling (which is important for consumers at the moment of making their decision). In addition, the launch of products with health-driven statements such as Sello Rojo Vive, which is the result of coffee research on both the technological and the health-related aspects, as well as the launch of Bénet's gums and diet supplements and the participation in Naturela, start consolidating the offer of nutritional and functional products within the new framework of action for the sector. In 2019, Grupo Nutresa will continue to work on the purpose of nourishing people's potential by means of scientifically designed, daily-use products with functional benefits.

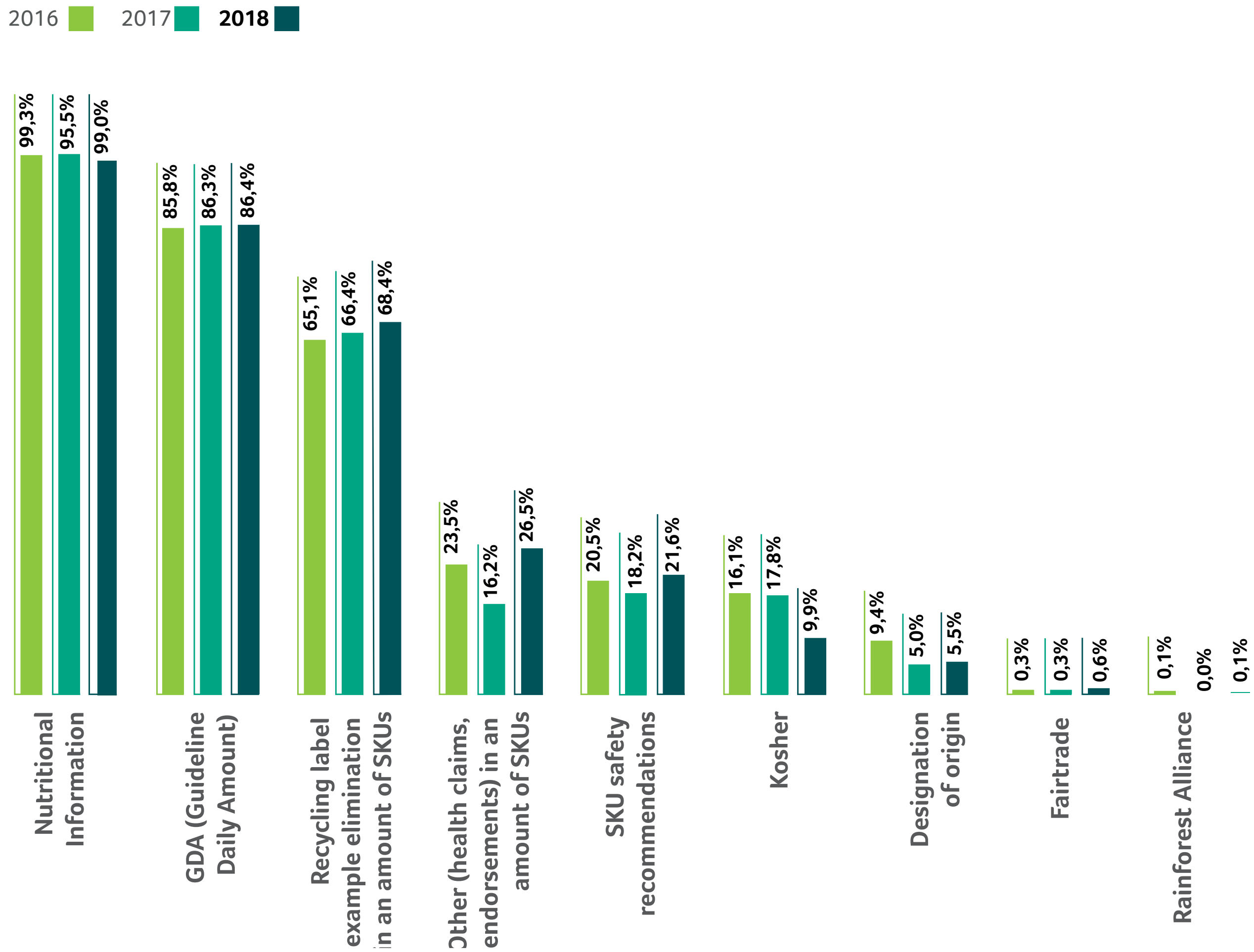
The front-panel labeling, initially as the application of voluntary codes, currently has diverse presentations due to the evolution of the regulations, which have generated different codes according to the country. However, the front labels of Grupo Nutresa's products contain nutritional information in all geographies where the Company operates in order to comply with the corresponding regulations where there is one in force. The progress achieved in the implementation of front-panel labeling is at 86.4% of the portfolio.

The self-regulation of advertising targeting kids younger than 12 years old establishes that advertising may be produced only if the product fulfills an established nutritional profile. Grupo Nutresa has signed this voluntary commitment with the Chamber of Food of the National Business Association of Colombia (Andi), and the Organization applies it across all the geographies where it operates, except in those where there is a mandatory standard.

Incidents of noncompliance related to labeling and marketing communications
[GRI 417-2] [GRI 417-3]

	2016		2017		2018	
	Labeling	Communication	Labeling	Communication	Labeling	Communication
Number of fines	0	0	0	1	**0**	**0**
Number of warnings	0	0	2	0	**1**	**0**
Number of voluntary code violations	0	0	0	0	**0**	**0**
Total	**0**	**0**	**2**	**1**	**1**	**0**

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



The nutrition and health strategy achieves a constant progress on its multiple fronts, and it is reflected on an improved product portfolio in **terms of nutritional characteristics.**

It is essential not to lose sight of the fact that the achievement of effective results in the prevention of non-communicable diseases is an effort of society as a whole, and it requires a significant involvement in the education of consumers, the management of self-care and, particularly, the adoption of healthy lifestyles.

For the general population, the promotion of healthy lifestyles is mainly focused on children. The central purpose of this focus is to promote the adoption of such lifestyles in the school communities through the development of their capabilities related to making adequate and informed decisions about healthy diets, physical activity and key hygiene practices. The development of these capabilities will contribute to the improvement of their well-being and quality of life.

Employee in a manufacturing information process at the Biscuits Business production plant in Medellín, Colombia.

The following were the main results of the Healthy Lifestyles Strategy in Colombia:

- **16 state-run education institutions** were intervened in the states of Cauca, Antioquia, Guajira and Putumayo.
- **4.455 people** from the school communities participated in 432 activities dealing with the diverse components of the strategy.
- **12.623 students** were benefited.

For the **Healthy Diets** thematic axis, the global level of capabilities went from 45% to 54%, migrating from a low to an intermediate level. As to the **Physical Activity** axis, the global level of capabilities increased from 51% to 67%, remaining in an intermediate classification. Lastly, the **Key Hygiene Practices** thematic axis, which was at an intermediate global level of capabilities with 64% at the baseline, increased 8 percentage points in the second application as it climbed to 72%.

The strategy consolidated the development, distribution and technical transfer of diverse pedagogical and didactic resources that each of the participant education institutions currently has. The material includes training modules, toolboxes and reinforcement of the pedagogical initiatives.

Germinar program from Grupo Nutresa in Ciudad Bolivar, Antioquia, Colombia.

FOOD **SECURITY**

Designing and undertaking initiatives focused on the eradication of hunger, which create possibilities related to nutrition and to the development of capabilities for the communities in the strategic region. Also, implementing actions focused on the reduction of food loss and waste in Grupo Nutresa's value chain.

STRATEGY [GRI 103-2]	PROGRESS 2018 [GRI 103-3]
Implementing food security actions in rural and urban communities in Colombia.	• **Continuity** in the promotion of local food options among 71 base-level families that produce cocoa beans, cashew nuts and sesame seeds in the Montes de María region, Chocó, Magdalena and Meta. • **Start** of the construction of new healthy nourishment systems with coffee-growing communities. • **Training** of 275 families in subjects related to self-consumption and access to food products, achieving a total productive-gardens area of 8.300 m^2.
Reducing food loss and waste in Grupo Nutresa's companies.	• **Establishment** of a goal to reduce waste by 50% and operation loss by 30% in all of Grupo Nutresa's activities by 2030, purposes that are aligned with the global pledges. • **Training** of people from all of Grupo Nutresa's operations in the subject of food loss and waste, with the purpose of developing their capabilities related to the implementation of reduction measures. • **Improvement** of the hygienic-sanitary profile rating in 22 food banks in the strategic region due to the implementation of good food-handling practices.

The Company has defined **goals to optimize and innovate** in the use and reduction of food loss and waste.

Grupo Nutresa will continue working to reach new populations with its Germinar program to achieve **sustainable production of food** to mitigate the risks associated with food insecurity.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Climate change, the deterioration of the environment, migration and the forced displacement of populations put the food security of low-income communities at risk and increases the problems related to undernutrition and food shortage. This entails consequences such as the population suffering and the creation of gaps in the competitiveness of the countries where Grupo Nutresa operates.

Additionally, more than 1,2 billion tons of food are lost or wasted every year around the world, contributing to the depletion of the natural resources and to the lack of food security, and inhibiting the growth and development of the countries. This not only generates risks for the operation in terms of finding capable talent and operating in barely prosperous settings, it also brings opportunities related to the promotion of sustainable agricultural practices and to the reduction of inefficiency in the production and supply chains.

That is why Grupo Nutresa develops strategies that enable it to comprehensively address these issues jointly with allies such as the food banks, which bring the products that have not been commercialized by the companies to other populations, with the purpose of mitigating the food waste risk in the value chain and contributing to the reduction of undernutrition.

In addition to the foregoing, the determination of corporate goals focused on optimizing and innovating in the efficient use and loss and waste reduction become opportunities for the Company.

OUTLOOK

Grupo Nutresa will continue to work on its Germinar program with the goal for 2020 of strengthening and expanding the current nourishment systems and reaching new populations in order to achieve the sustainable production of food to mitigate the risks associated with food insecurity. In 2019, the Organization will continue to enhance the existing productive gardens and the construction of new systems will be started in communities that are part of ceviche-selling associations in Cartagena, Colombia.

Moreover, in the light of the goals for 2020, Grupo Nutresa will continue to work with 24 food banks in Colombia, Mexico, Central America, Ecuador, Peru and Chile, delivering products as part of its strategy focused on reducing food loss and waste. The Company will also continue to develop logistical and food-handling capabilities with the aim of reinforcing the recovering, reutilization and distribution work.

Finally, within its operation, the Organization will carry out actions intended to achieve, by 2030, the goal of reducing food loss and waste, and to fulfill the year-on-year purposes established for each business.

Germinar program in Sierra Nevada de Santa Marta, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS

[GRI 103-3]

Grupo Nutresa was awarded the Inspiring Company 2018 acknowledgment for *Germinar* and its social impact on the promotion of food security, the positive results for the Company and the inclusion of population groups living in poverty. This acknowledgment was awarded by the National Business Association of Colombia (Andi). [SDG 2.1]

Consolidation and signing of the alliance with 52 companies that are members of the Andi's Chamber of Food Industry and the Colombian Food Bank Association -Abaco-. The central objective of this alliance is to support children nutrition in Colombia. It is an initiative that brings companies, governments, civil organizations and scientific and academic associations together to fight against children undernutrition with the aim of making Colombia the country with the best children nutrition levels in Latin America by 2030.

Children's canteen improved as part of the healthy lifestyles promotion program in Valle del Cauca, Colombia.

PROGRESS 2018
[GRI 103-3]

"Germinar" Food Security Strategy [SDG 2.1]

Grupo Nutresa continued to foster productive systems with organic and healthy-lifestyle practices in the territory with the purpose of contributing to food security and to the well-being of the families involved in the projects that the Company develops with the populations from its value chain.

A total nourishment-systems area of 8.300 m^2 has been built up to 2018 in order to promote organic techniques and practices: bio-factory, seedbeds, post-harvest and food distribution strategies.

Moreover, the development of capabilities in this field has enabled the communities to learn new methods for the conservation of their natural setting and the care for the flora and fauna species. It has also allowed the communities to learn to use of waste in the production of natural fertilizers with the aim of increasing waste reuse and the development of capabilities such as leadership and teamwork for the empowerment of their own well-being.

Diversity of fruits and vegetables and availability of these in Germinar markets [SDG 2.1]

8.300 Total square meters built as healthy eating systems.	**15.388** Number of rations of fruits and vegetables delivered to beneficiary families *.	**6.655** Total mass of fruits and vegetables available after the intervention (kg).

* Figure calculated taking into account that the World Health Organization recommends as a population goal the daily intake of a minimum 0.4 kg of fruits and vegetables to prevent chronic diseases such as heart disease, cancer, diabetes or obesity.

Germinar program in Ciudad Bolivar, Colombia.

GERMINAR
sembramos buenos hábitos

Food and nutrition

- Access to other food products that supplement the essential household products.
- Safe food availability

Environmental

- Improvement to the conditions of the soil.
- Recovery and reuse of some solid waste produced in the community.
- Establishment and reduction of CO_2 emissions.
- Creation of an irrigation system for an adequate water management.

Social

- Development of capabilities related to topics such as nourishment, leadership, organizational model and good agricultural and manufacturing practices.
- Articulation with organizations that work in the nutrition field in the area.

Economic

- Reduction in the costs due to the availability of productive garden food produce.
- Product exchange that may generate an additional income for the family.

Healthy lifestyles promotion program in Valle del Cauca, Colombia.

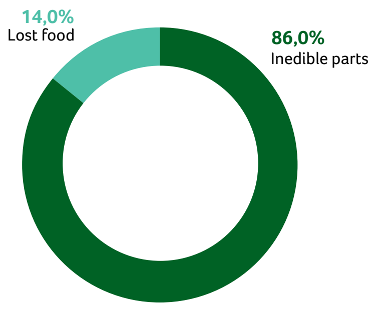
Strategy for the reduction of food loss and waste

[SDG 2.1] [SDG 12.3]

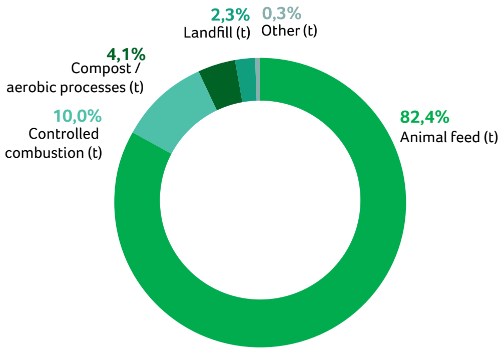
Grupo Nutresa continued working on the implementation of its Food Loss and Waste Reduction Policy, which was launched in 2017 in Colombia.

In this regard, process leaders from all the Company's Businesses received training in the management of tools for the collection of information related to Grupo Nutresa's food loss and waste. This way the Organization made progress in setting forth the goals and in the consolidation of an action plan that allows it to materialize its contribution to the objective for 2030 in alignment with the Sustainable Development Goals (SDGs) and the Consumer Goods Forum, which proposes a 50% waste reduction and 30% food loss reduction per ton produced.

Loss according to its type



Destination of lost food



This will allow Grupo Nutresa to concentrate on actions focused on improvements in the operation, the use and the recovery of waste that is not traditionally used.

Reinforcement of the food banks in the strategic region

The work carried out jointly with the food banks in Colombia, Mexico, Central America, Peru, Ecuador and Chile has enabled Grupo Nutresa to expand, with the support from its allies, its actions focused on mitigating risks in its value chain and delivering non-commercialized quality products to other populations.

In 2018, 864,1 tons of products were delivered to food banks in Colombia for the benefit of 577.664 people across the country. In addition, the Organization continued to reinforce food banks in order to improve their capabilities in aspects such as logistics, quality and infrastructure. This work was made by means of training and educational meeting events with volunteers from multiple food companies that are members of Abaco.

COUNTRY	BANK	2015	2016	2017	2018
Colombia	Barranquilla	88%	85%	88%	**97%**
	Bogotá	79%	98%	89%	**99%**
	Bucaramanga	74%	78%	83%	**96%**
	Cali	99%	100%	99%	**99%**
	Cartagena	90%	91%	NA	**88%**
	Cartago	95%	91%	74%	**99%**
	Cúcuta	80%	97%	87%	**97%**
	Ibagué	87%	98%	92%	**97%**
	Manizales	94%	99%	97%	**98%**
	Medellín / Food Bank	85%	87%	91%	**98%**
	Montería	79%	82%	95%	**99%**
	Neiva	75%	90%	73%	**92%**
	Pasto	89%	92%	86%	**88%**
	Pereira	89%	88%	83%	**80%**
	Medellín/ Saciar	85%	94%	78%	**91%**
	Santa Marta	81%	83%	80%	**94%**
	Sincelejo	72%	99%	97%	**100%**
	Villavicencio	79%	97%	97%	**98%**
Chile	Santiago	N. A.	57%	58%	**N. A.**
Costa Rica	San José	N. A.	28%	33%	**56%**
Ecuador	Quito	47%	63%	75%	**79%**
	Guayaquil	N. A.	67%	82%	**80%**
Mexico	Mexico City	N. A.	68%	N. A.	**N. A.**
Dominican Republic	Santo Domingo	N. A.	N. A.	N. A.	**45%**

Employee from the quality assurance department of the Coffee Business, Colombia.

RELIABLE FOOD

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 2018 [GRI 103-3]
Consolidating the implementation, certification and maintenance of the management systems.	• **Conservation and/or renewal of certifications** – ISO 9001 quality and renewal of the 2015 version of 29 operation centers. – BPM (Good Manufacturing Practices): 10 operation centers. – HACCP (Hazard analysis and critical control points): 23 operation centers. – Smeta (audit developed for assessing the ethical performance in the supply chains): 4 operation centers. • **Standards recognized by the GFSI (Global Food Safety Initiative):** 13 operation centers. • **Certificaciones de producto** – *Kosher:* 11 operation centers. – *Halal: 6 operation centers.* – *Fairtrade*: 2 operation centers. – *Organic:* 3 operation centers. – *Carbon neutral:* 4 operation centers. • **In the agricultural sector** – Good agricultural practice, Forest Compensation and Rainforest: 5 operation centers. – UTZ (Program and label for sustainable agriculture): 1 operation center. • **New certifications obtained** – ISO 45001 for the Biscuits Business production plant in Costa Rica and for the Pastas Business in Mosquera. – "Marca Esencial" (Essential Brand): Chocolates Business in Costa Rica. – Pronutri Certification: Biscuits Business in Costa Rica.
Maintaining the food protection model.	• **Continuation** of the work to guarantee the product authenticity and the incorporation (into all the Businesses) of practices that prevent the tampering with economic purposes, especially in all aspects related to the raw materials, packaging materials and products.
Ensuring the compliance with the legal regulations for materials that make contact with food and beverage products.	• **30** suppliers received training with the purpose of enhancing their capabilities for applying the fundamentals required for packaging materials and containers intended for the food industry, and complying with the regulations in force and with Grupo Nutresa's requirements.
Generating capabilities for the exports to the U.S. through the implementation of the Food Safety Modernization Act (FSMA).	• **Total** compliance with the requirements of the standard in the Coffee, Biscuits and Chocolates, Business in Colombia with FSMA compliance certificates issued by a certifying body.

RISKS AND OPPORTUNITIES [GRI 103-1]

Grupo Nutresa maintains the legal monitoring and surveillance procedures to prevent the materialization of regulatory noncompliance risks related to the quality and food safety regulations in the countries where it operates and commercializes its products.

Due to the importance given to the matter, the Company fosters the creation of recurring activities for the active participation, discussion and revision of quality and safety standards. In addition to the food-related legal compliance, Grupo Nutresa constantly updates its standards with the aim of ensuring and being at the forefront of the compliance with the certified Quality and Safety Management Systems in the international context.

Moreover, the Organization maintains a constant communication with stakeholders with the purpose of strengthening the multiple communication channels in social networks and websites to make it easier to receive and answer consumers' questions, complaints and opinions regarding quality and safety.

This constant communication is focused on mitigating the reputational risk of the businesses due to the growth of the digital platforms, which have become an important communication channel that challenges the Organization to promptly and correctly enhance its means of interaction.

OUTLOOK

Grupo Nutresa has established crisis management practices and procedures that preventively direct management actions, the timely treatment and people involvement, and provide the guidelines that allow to coordinate the response efforts in case of any crisis event, mitigating its negative impact.

The crisis management manual is intended to provide a flexible framework that enables the effective and efficient use of the resources of all Businesses during adverse events. The objective is to ensure the participation and commitment of all the people involved in the application of the defined guidelines. Therefore, in 2019, the Organization will continue to work on spreading this corporate manual and organizing crisis simulation workshops in all its Businesses and locations.

Finally, the Company will work on measuring and managing the maturity degree of the management systems from all of its Businesses with the aim of identifying better practices and establishing action plans focused on harnessing synergies, developing capabilities and generating productivity.

Preparation of hamburgers in the Retail Food Business, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS
[GRI 103-3]

Roasters for testing at the commodities laboratory in the Coffee Business production plant in Medellín, Colombia.

The classic panettone and Cocoa Winter's products of the Chocolates Business in Peru received the Gold Star award from the Belgian International Taste & Quality Institute (iTQi). The first product stood out due to its texture and aroma, in addition to surprising with its flavor and hints of orange, a very important attribute of the Peruvian panettone that differentiates it from the world standard. The second product was highlighted for its flavor, appearance and aroma.

The Chocolates Business production plant in Rionegro received for the fourth consecutive year the AA rating as part of the certification in the global food safety standard, BRC V7. This is the highest acknowledgment under this standard, which is defined by the GFSI for announced audits. This means that the products comply with the legal framework and the standards related to safety and quality, additionally demonstrating the Organization's constant commitment to its customers and consumers.

The Pastas Business Monticello brand was acknowledged for its Fusilli product reference for the third consecutive year with the Gold Award, which is granted by the Monde Selection in Belgium. This award is given as the highest accolade for the superior quality of this product in the category, which is the result of strict quality standards and the care for every single detail in order to offer one of the best pasta products in the world.

Employee from the Biscuits Business at the production line in Medellín, Colombia.

PROGRESS 2018
[GRI 103-3]

Certifications of the management systems
Grupo Nutresa, a company that is deeply committed to its customers and consumers, continues implementing an Integrated Management System in each one of its Businesses and in all the countries where it operates. This integrated system includes quality management, food safety, environmental management, workplace health and safety, and control and security systems, all of which are based on the minimization of the risks that could adversely affect the stakeholders.

Currently, the Organization has 242 valid up-to-date certifications for the following systems: quality, safety, risks, good agricultural and livestock practices, commercial safety and environmental, which support its commitment and enable the Company to be a top competitor and have a strong presence in the corresponding markets. Additionally, these certifications guide and strengthen the performance of the multiple processes.

In 2018, 84,6% of the production was manufactured in plants that hold certifications on food safety management systems standards, including the standards approved by the Global Food Safety Initiative –GFSI–. **[GRI G4-FP5]**

Food protection model
The comprehensive food protection model is based on three fundamental pillars: safety, food defense and product authenticity. This model was implemented in 100% of the Coffee, Biscuits and Chocolates Businesses, and the Organization is working on its implementation in all its other Businesses.

After a detailed study of the requirements established by the FSMA act and after the self-assessment performed by all the Businesses that export their products to the U.S., Grupo Nutresa has been working on bridging the gaps of their full compliance. Moreover, through the Biscuits Business in the U.S., the Organization has worked on determining the applicable FSVP requirements of the law and, as of the end of the year, a +90% compliance has been achieved, with work plans to reach 100% in the first quarter of 2019. Most of the Businesses closed 2018 at a compliance level of 100% with regard to the requirements; in fact, the Coffee Business in Medellín and the Chocolates Business in Rionegro obtained certificates of compliance with the FSMA issued by a certifying body.

Development of quality and safety capabilities
In 2018, the Company developed capabilities among 66% of the employees who support the quality and safety systems with regard to the following aspects:

Quality: sensory analysis, physicochemical analysis techniques for food, statistical process control, metrology, regulations for food laboratories in Colombia, packaging materials and structures for food products, and service management for internal and external customers.

Safety: good manufacturing practices, prerequisite programs, HACCP or analysis of hazards and critical control points, individuals with qualifications in preventive control methods based on the Food Safety Modernization Act of the U.S., molecular biology for the detection of pathogens, allergen analysis, food microbiology, risk management, and global GFSI-recognized standards such as FSSC 22000, IFS and BRC.

Employee from the cold room department at the distribution center of the Ice Cream Business in Pasto, Colombia.

Supplier follow-up and development

The requirement guides for the regulatory compliance of materials that make direct contact with the food products were updated through the supplier protocols. This activity was carried out with the support by the Institute of Food Science and Technology –Intal–, by means of a workshop on sanitary suitability of materials that make direct contact with the food products, which had the participation of 30 suppliers. The main objective consisted in enhancing, among the strategic allies, the capability for applying the fundamentals required for packaging materials and containers intended for the food industry and complying with the regulations in force and with Grupo Nutresa's requirements.

Crisis management

Grupo Nutresa promotes a preventive and proactive approach to deal in an organized and adequate manner with circumstantial situations that represent the possibility of crises related to its products or that could put consumers' health at risk due to possible deviations in product safety. For this purpose, the Organization has created a crisis management manual that was published and socialized in 2018 through simulation workshops in the Businesses and groups in Costa Rica, Peru, Chile, Panama and Colombia.

Compliance with food regulations

Grupo Nutresa actively participates in standardization and regulation initiatives with institutions from the public and private sectors such as Icontec, Andi, Invima and other regulatory bodies it has been working with for the collective formulation of regulations and standards that govern the food industry in the region of interest. This participation enables Grupo Nutresa to be at the forefront and contribute to the formulation of the aforementioned strategies based on its experience and knowledge.

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

	2016	2017	2018
Number of fines	-	0	**0**
Number of warnings	1	7	**1**
Number of noncompliances with the voluntary codes of products and services	4	0	**0**
Total	**5**	**7**	**1**

FERNEY CEBALLOS VARGAS has transformed a personal opportunity into a possibility of development for his employees. The growth of his business comes hand-in-hand with the support provided through Grupo *Nutresa's Bambú* customer development program.

Transforming to grow

Ferney Ceballos Vargas bought *Granero Fernando*, a small grocery store, with the help from his brothers. He had always worked at estates, which made serving customers not an easy task for him, but the idea of having his own business filled him with pride and motivation.

The energy that motivated Ferney drove him to look for help to strengthen his initiative in terms of product visibility, technology and service. He found support in Grupo *Nutresa's Bambú* program and, just a year later, his business had doubled in size and sales. *Granero Fernando* became a pillar of his life project and the sustenance of his employees, who Ferney guides as the leader he always wanted to be.

The *Bambú* program is a commercial development model devised to improve the competitiveness and sustainability of stores and mini-markets through the adaptation of their spaces, the enhancement of their strategies and the incorporation of technology. A total of 3.202 businesspeople benefited from this initiative.

"Grupo Nutresa and its consultants have helped me to take my business to where it is now. Thanks to this, the general conditions of my entire family have improved a lot. I owe everything good that has happened to this business to the *Bambú* program."

Ferney Ceballos Vargas, shopkeeper beneficiary of the *Bambú* program.

Employees from the production department of the Biscuits Business in its library and knowledge center at the production plant facilities Medellín, Colombia.

DEVELOPMENT **OF OUR PEOPLE**

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 2018 [GRI 103-3]
Strengthening the channels and networks used to attract human talent.	• **Strengthening** of the talent identification and attraction processes through the incorporation of new networks and channels. • **2.177** internal and external open call-for-entries. • **Presence** in three college events with the participation of more than 42.000 students.
Consolidating practices focused on planning, training and developing the human talent.	• **Implementation** of the planning process regarding the key human talent for all of Grupo Nutresa's companies, thus starting the identification and assessment of people with high potential. • **25.632** employees participated in training and development programs focused on enhancing capabilities related to innovation, sustainability, leadership, upright behavior and digital skills. • **624** promotions were carried out, and 177 internal internships were held, thus promoting development environments.
Managing the employees' performance.	• **Consolidation** of the performance management process in order to measure people's contribution to the fulfillment of the organizational goals, apart from identifying the employees' level of development regarding the required capabilities.
Managing the organizational climate and commitment.	• **Incorporation** of a new measurement and management model for aspects of work-related commitment, climate and satisfaction. This is how the Organization evolved towards the identification of more comprehensive organizational variables that have a stronger impact on the organizational performance with a result of 83%.
Strengthening the volunteer service as a scenario for the development of the human capital.	• **12.879** volunteers were mobilized through 18.932 solidarity actions that contribute to the sustainable development.

Leadership continues to be an essential capability for Grupo Nutresa; therefore, one of the most important strategies regarding human talent management focuses on **enabling the leaders in a comprehensive way.**

RISKS AND OPPORTUNITIES

[GRI 103-1]

The most significant risk identified in connection with Grupo Nutresa's human talent management is related to the capacity to connect and inspire people's purposes with those of the Organization, in order to ensure the understanding of the strategy and the way how each person contributes to the fulfillment of the goals. Deepening into and ensuring the appropriation of the strategy's relevant concepts, connecting the roles and departments throughout the entire organization, and empowering the leaders in their communication and understanding are the challenges that, if not properly managed, will negatively affect the achievement of results.

Another risk identified is the development of the capabilities required for transitioning to a new era of work that demands the transformation of current skills and the acquisition of new ones, the fulfillment of the roles for which there is no talent availability, and the adoption of other working styles. Leadership continues to be an essential capability for Grupo Nutresa's companies. Therefore, one of the most important strategies regarding human talent management focuses on enabling the leaders in a comprehensive way in order to secure the commitment and alignment of the work teams with the Organization's purposes through them.

The capability to attract and ensure the commitment of the best human talent is another one of Grupo Nutresa's opportunities and one of its operation focal points, based on the conviction about the importance of having a multi-generational and digital organizational environment that has learning expectations and diverse working styles.

OUTLOOK

The human talent development strategies for 2020 will be focused on giving continuity to the training and development of leaders and high-potential human talent, based on work plans that ensure the bridging of gaps in the capabilities and talents required by Grupo Nutresa.

Moreover, Grupo Nutresa will develop key capabilities such as adaptability, flexibility, speed, innovation, sustainability and productivity, in addition to a digital working environment that transforms the processes and the interaction with the multiple stakeholders. The Organization will continue to consolidate a self-care culture based on initiatives that promote people's comprehensive health, minimizing the risks associated with accidents, occupational illnesses and absenteeism.

Within the context of the challenges posed by the Company's setting, Grupo Nutrsesa will implement initiatives focused on ensuring the connection of the employees with the organizational strategies. Finally, the Organization aspires to remain being the most attractive company to work for in Colombia, and to consolidate its brand as employer across all the regions where it operates. Additionally, the Company will continue to manage the commitment, climate and satisfaction among the employees.

SUCCESS STORIES AND ACKNOWLEDGMENTS

[GRI 103-3]

Grupo Nutresa was acknowledged as the company with the greatest capacity to attract and retain talent in Colombia, and as the most attractive in the food sector according to the Business Monitor of Corporate Reputation –MERCO– in its 9th edition.

The Organization was ranked 11th in the Top 50 list of best companies to work for in Colombia, which is compiled by the Best Workplaces web portal. The companies are selected among those registered in the web portal based on the experiences of their current and former employees.

The Tresmontes Lucchetti Business in Chile received the Business Evolution Index Award from "Sociedad de Fomento Fabril" (Manufacturing Promotion Society). This accolade was awarded for having obtained the top score in the practices that contribute the most to the construction of a climate of mutual trust and harmony with all society agents. The relations with employees, people's rights and diversity, and training and education are variables that stand out within such practices.

Employees from the Biscuits Business in the celebration of the international volunteer day in Medellín, Colombia.

Employees from the Retail Food Business at the Corral Campestre restaurant in Bogotá, Colombia.

PROGRESS 2018

[GRI 103-3]

In 2018, 33 training programs were executed, with the participation of 16.334 employees. These programs were focused on developing the cross-sectional capabilities and talents found across all of Grupo Nutresa's companies: leadership, innovation, sustainability, digital skills and passion for customers and consumers.

Employee training [GRI 404-1] [SDG 8.5]

		2016			2017			2018		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of people	Academic and training activities	21.452	14.223	**35.675**	18.039	10.290	**28.329**	16.647	8.985	**25.632**
	Occupational health and safety	11.570	4.870	**16.440**	11.845	4.911	**16.756**	11.636	4.232	**15.868**
	Higher education	111	26	**137**	137	56	**193**	156	72	**228**
Total hours	Academic and training activities	496.691	244.907	**741.598**	602.929	311.948	**914.877**	543.211	294.779	**837.990**
	Occupational health and safety	123.411	29.867	**153.278**	165.017	34.081	**199.098**	109.145	25.731	**134.876**
Investment (COP millions)	Academic and training activities	5.640	3.295	**8.935**	5.148	3.160	**8.308**	4.989	2.707	**7.696**
	Occupational health and safety	643	171	**813**	704	166	**870**	729	159	**888**
	Higher education	511	122	**633**	207	113	**320**	344	216	**560**

Skills and training management programs [GRI 404-2] [SDG 8.5]

COFFEE

"Prejubilo" (Pre-retirement) Program

To facilitate, by means of reflective and constructive processes, the preparation of the employees to face the changes that the retirement stage will bring.

CHOCOLATES

Preparation for retirement

To prepare the employees who will soon be transitioning to enjoy their retirement from the work environment so that the changes are undergone in a positive manner in relation to both the personal and the family aspects.

Employees School

To improve the organizational climate, the autonomous performance in the job post, the quality of the processes and products, and the safe behavior in the Company's facilities and in general.

novaventa

Logistics School

To strengthen the employees' knowledge on: reception and dispatch, basic math, basic Excel and BMP. Training and certification with the support of the SENA (National Learning Service).

RETAIL FOOD

Self-knowledge

To facilitate the employees' personal growth in order to strengthen their commitment to the development of their talents.

Comercial nutresa

Online Diploma Course on Business Management and Administration for Indirect Sales Coordinators

To learn about and interpret the key management aspects of a company, using the knowledge acquired to achieve a better understanding of the direct customer in the commercial process. Academic Partner: ADEN International Business School.

BISCUITS

Understanding how computers work translates into being more competitive in the professional world

To develop capabilities related to the operation of computers and digital tools that supplement the employees' academic training and improve their results in the Company and in general.

COLD CUTS

Change Management

To achieve the implementation of the Change Management process by using the individual impact matrix, the lessons learned, the organizational impact scale matrix and the risk analysis in a more effective way for the processes of change and adaptation.

Servicios nutresa

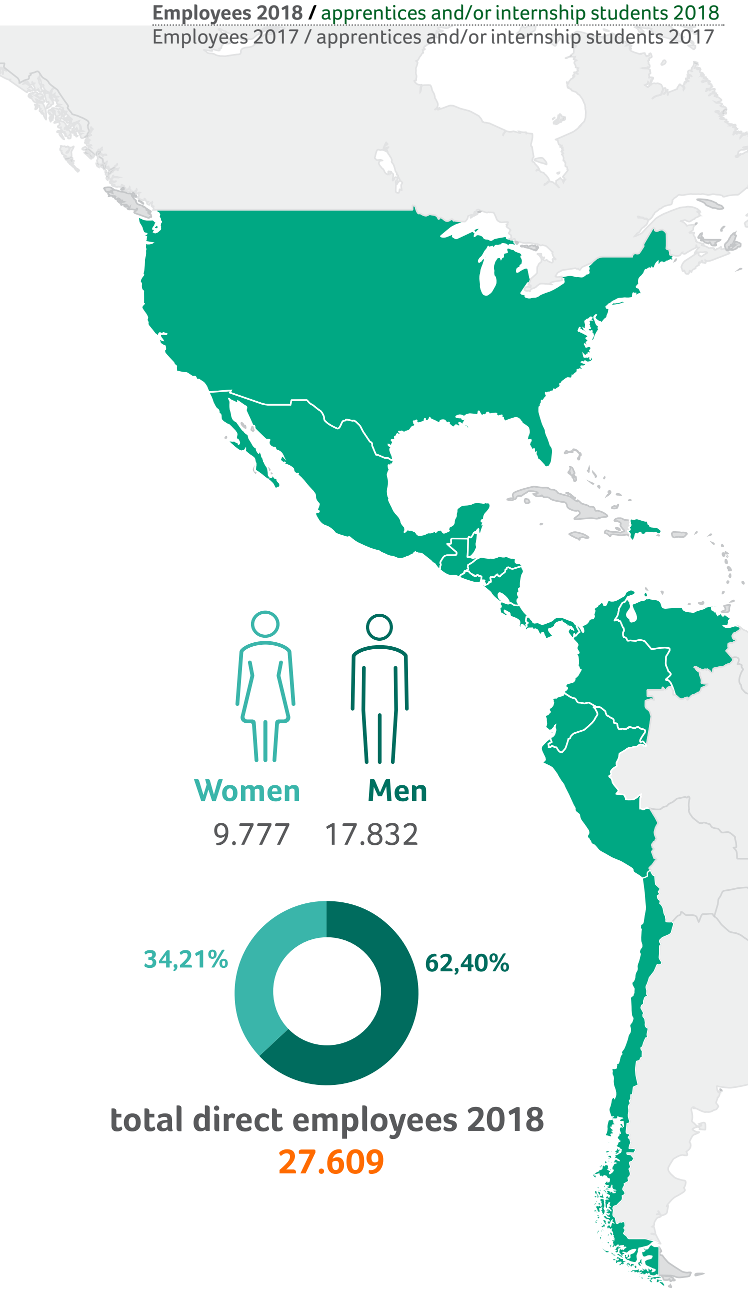
Transformationa Leadership

To boost the capabilities of the leaders for ensuring that the teams are managed within a respectful, inclusive and diverse environment.

Grupo Nutresa continues to work on the consolidation of indicators related to the productivity of the human talent: sales per employee and intensity of personnel expenses in relation to sales will be the metrics used to achieve a solid understanding of aspects inherent to people's productivity.

Geographic distribution of direct employees according to their gender and country of origin [GRI 102-8] [SDG 8.3]

Employees 2018 / apprentices and/or internship students 2018
Employees 2017 / apprentices and/or internship students 2017



Total

28.576
967

27.972
885

United States 2,22%

Women	Men	Total
250 / 1	**380 / 3**	**630 / 4**
269 / 0	461 / 3	730 / 3

Guatemala 1,31%

Women	Men	Total
278 / 0	**96 / 0**	**374 / 0**
308 / 0	100 / 0	408 / 0

Ecuador 0,58%

Women	Men	Total
99 / 0	**66 / 0**	**165 / 0**
116 / 0	62 / 0	178/ 0

Panama 2,23%

Women	Men	Total
230 / 0	**406 / 0**	**636 / 0**
241 / 0	406 / 0	580 / 0

Mexico 3,13%

Women	Men	Total
519 / 3	**365 / 8**	**884 / 11**
354 / 3	513 / 3	867 / 6

El Salvador 0,12%

Women	Men	Total
17 / 0	**16 / 0**	**33 / 0**
15 / 0	20 / 0	35 / 0

Dominican Republic 0,92%

Women	Men	Total
64 / 0	**197 / 2**	**261 / 2**
63 / 0	184 / 0	247 / 0

Peru 2,39%

Women	Men	Total
249 / 4	**422 / 8**	**671 / 12**
305 / 4	491 / 4	786 / 8

Chile 0,69%

Women	Men	Total
572 / 12	**1.330 / 20**	**1.902 / 32**
582 / 22	1.294 / 24	1.876 / 46

Nicaragua 0,69%

Women	Men	Total
117 / 0	**81 / 0**	**198 / 0**
143 / 0	86 / 0	299 / 0

Colombia 69,64%

Women	Men	Total
6.047 / 528	**12.981 / 344**	**19.028 / 872**
6.138 / 492	13.106 / 400	19.244 / 892

Costa Rica 8,10%

Women	Men	Total
1.128 / 0	**1.187 / 0**	**2.315 / 0**
1.232 / 0	1.052 / 0	2.284 / 0

Venezuela 1,90%

Women	Men	Total
148 / 18	**363 / 15**	**511 / 33**
171 / 23	441/ 17	613 / 40

Women 9.777
Men 17.832

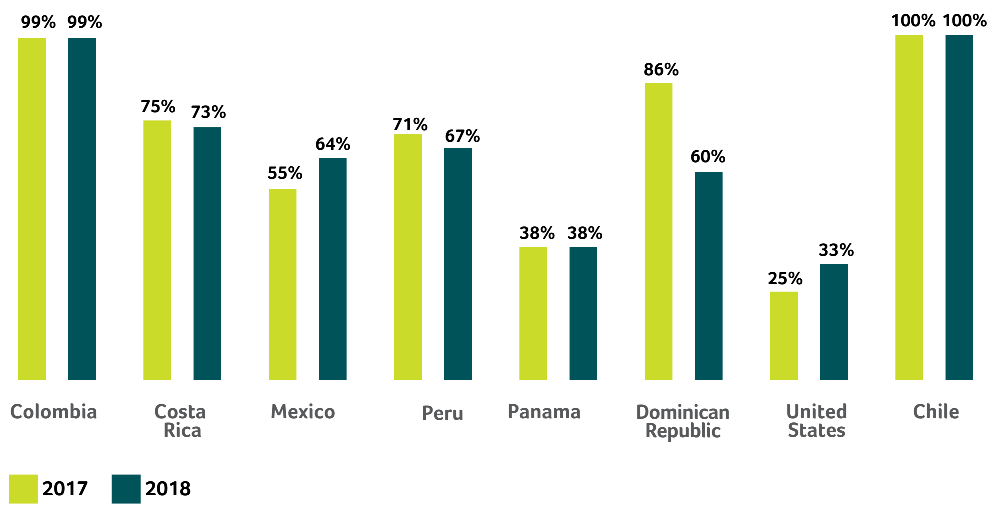
34,21%
62,40%

total direct employees 2018
27.609

The Organization maintains its position as the best company to work for in Colombia, with healthy employee turnover indicators in comparison to the sector benchmarks. For 2018, Grupo Nutresa's consolidated employee turnover indicator stood at 26,3%

Interdisciplinary work team from the Coffee Business at the production plant in Medellín, Colombia.

Executives from the local community [GRI 202-2]



New employee hires and employee turnover [GRI 401-1]

	Operation		Distribution and commercialization		Retail Food Business	
	2017	2018	2017	2018	2017	2018
New employees	4.293	**3.871**	1024	**532**	4.013	**3.410**
Employee turnover ratio	20,7%	**19,3%**	11,1%	**12,6%**	57,8%	**53,2%**

Fundación Nutresa employee participating in a "Vamos Nutresa" activity in the Alto de Los Jaramillo rural population, state of Antioquia, Colombia.

Volunteer service as the talent scenario

Corporate volunteer work continues to be a program focused on developing the Nutresa talents of the being, through which 12.879 volunteers were mobilized to participate in initiatives that add value and contribute to the enhancement of capabilities in the communities and among the volunteers that work in an active and committed manner.

Through "Poder de Mil" (Power of a thousand), a program that acknowledges employees involved in volunteer service, 7.401 people were benefited thanks to the work and commitment of 1.258 volunteers who carried out work focused on improving the locative conditions of neighboring and other communities in 11 cities or countries during the 19 volunteer work activities that were executed. **[SDG 1.6]**

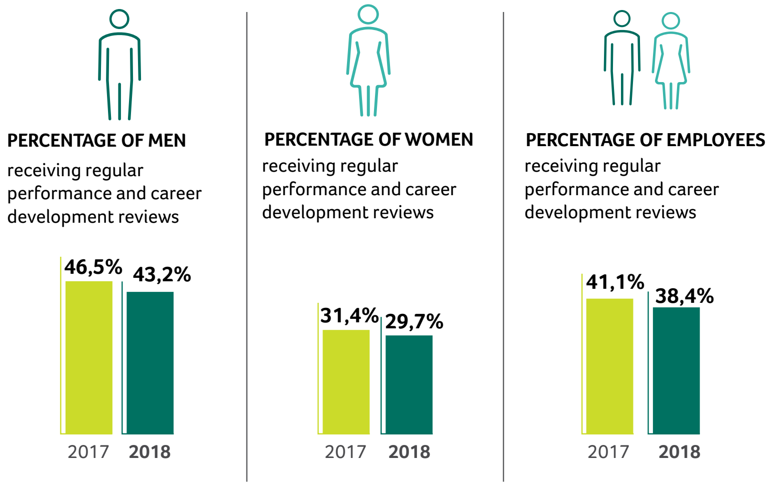
Through the "Aula" (Classroom) program, a platform focused on the training in and the development of capabilities among allies from the value chain, 9 practical work activities were carried out, enabling the incorporation of knowledge into initiatives launched by volunteers and neighboring communities, and mobilizing 28 volunteers and five community leaders.

Moreover, in 2018, the Organization executed initiatives intended to bring the production plants closer to the neighboring communities, benefiting base-level people who are part of the value chain with the investment of time in actions that improve the quality of life of the communities. Thus, 18.932 solidarity actions were carried out, producing a positive impact on more than 144.918 people thanks to the mobilization of both the human talent and resources, based on a sustainable development approach.

Employee development management

This process is intended to strengthen the alignment of the personal projects with the organizational goals and projects with the aim of boosting people's contribution to the Organization. In addition, it invites all leaders and employees to jointly build management plans that integrate a human-professional balance.

Regular performance assessment [GRI 404-3]



Novaventa employee at the
Medellín facilities, Colombia.

Climate, satisfaction and loyalty measurement

The results obtained continue to place Grupo Nutresa at a high-favorability level in comparison with the top-ranked companies in the global scenario, exhibiting the deep commitment of the employees, a high level of satisfaction and a healthy organizational climate.

Ratios of standard entry level wage by gender compared to local minimum wage [GRI 202-1]

	MEN	WOMEN
Colombia	2,00	1,50
Costa Rica	1,40	1,10
Ecuador	1,30	1,30
Mexico	2,80	2,60
Panama	1,30	1,40
Peru	2,20	2,10
Dominican Republic	1,50	1,30
United States	1,80	1,60
Chile	1,50	1,20

Novaventa employees at the Medellín facilities, Colombia.

QUALITY **OF LIFE**

Promoting safe and healthy work environments that contribute to the reinforcement 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 2018 [GRI 103-3]
Managing the workplace health and safety based on world-class standards.	• **Implementation** of effective programs focused on bridging bags and significantly reducing the accident and absenteeism risks in Grupo Nutresa's companies in all geographies. • **Improvement** in the indicators of accidents suffered by direct employees, as the accident frequency rate went from 2,02 in 2017 to 1,53 in 2018, anticipating the fulfillment of the goal established for 2020.
Occupational illness issue management in Grupo Nutresa's companies.	• **Update** of the occupational illness map in all of Grupo Nutresa's companies with the purpose of reinforcing the prevention strategy and defining an alliance with the occupational risk insurance administrator. The Organization created the project titled **Risk Attributable to Occupational Illness** working jointly with the occupational risk insurance administrator in order to determine the percentage of occupational illness cases that could be prevented if the exposure to the risk factor is eliminated. • **Incorporation** of performance management indicator dashboards into the executive levels, as well as occupational illness management indicators dashboards, fulfilling the established goal of zero occupational illnesses among employees who have been working for the Company for less than four years.
Strengthening the management model for workplace health and safety for suppliers and contractors.	• **Positive** reduction results in the indicators of accidents suffered by contractors, as the accident frequency rate decreased from 4,27 in 2017 to 3,81 in 2018. • **Organization** of the first Grupo Nutresa contract auditor meeting, with a participation of 918 attendees from all of the Organization's companies. In this event, Grupo Nutresa underlined the importance of the workplace health and safety management systems for suppliers and contractors. • **Organization** of the workplace health and safety workshop focused on WHS leaders and managers from the contractor companies, with the participation of 40 attendees. The objective of the event was to gain commitment towards self-care and towards the care for their employees, in addition to contributing concrete tools for the development of capabilities.
Promoting the balance in the employees' work, personal and family life.	• **Incorporation** of practices focused on the promotion of a harmonious and balanced life in all human dimensions. Based on this action, nine companies were certified as Familiarly Responsible Companies (abbreviated EFR in Spanish).
Measuring and managing the psychosocial risk.	• **Psychosocial** risk intervention plan management, with the execution of actions intended to promote healthy working conditions and preventing harmful effects on health. • **Launch** of a mindfulness practice appropriation pilot project, with the involvement of 221 Grupo Nutresa employees with the aim of identifying its effectiveness in decreasing the psychosocial risk.

The Organization is certain about the fact that having healthy and **harmonious employees creates a positive** impact on the attainment of favorable and sustainable results.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Grupo Nutresa is committed to the health and well-being of its employees, demonstrating it with the creation of strategies focused on promoting the quality of life in the workplace and the dimensions that contribute to achieving a balanced life. The Organization is certain about the fact that having healthy and harmonious employees creates a positive impact on the attainment of favorable and sustainable results. Therefore, the Company seeks to mitigate the risks related to the occurrence of accidents and to the emergence of physical and mental illnesses that, if not timely addressed, could cause absenteeism, lack of motivation and commitment, and a decrease in the productivity of the employees.

Practices such as telecommuting, flexible working hours, free time and comfortable work styles and environments, apart from increasing work quality, foster the possibility of attracting the best talent, as they are increasingly valued in the employment market and also have a greater economic impact in comparison to the cost of employee turnover, which is a growing risk for many organizations.

Finally, all of Grupo Nutresa's companies are visualizing a clear opportunity in the digital technologies related to automation, robotization and artificial intelligence, among other, for using them in processes that entail a high level of exposure to accident and absenteeism risks. Consequently, the Organization is exploring and implementing some of these new technologies that, in addition to bringing health benefits, contribute to productivity.

OUTLOOK

Grupo Nutresa will steer its strategy towards the continued promotion of healthy habits and lifestyles, and it will continue to develop a high level of awareness about the importance of self-care. In addition to this strategy, the Organization will keep on exploring opportunities regarding automation and robotization in high exposure processes, identifying the most critical processes in order to intervene them as a priority.

Another challenge considered in the strategies is related to contractor and supplier management, based on the goal of achieving that they reach the desired standards in Grupo Nutresa's context, thus improving the productivity indicators.

As of the end of 2018, the Organization fulfilled the goal that was set for 2020 in relation to the direct-employee accident frequency rate indicator, which is why a new goal of 1,40 has been set for the same year. Moreover, Grupo Nutresa will continue to work jointly with the occupational risk insurance administrator on the implementation of the project titled Risk Attributable to Occupational Illness, which will consist of four stages: establishing the occupational illness burden by each company, determining the occupational illness reduction after the implementation of the control measures, reviewing the cases to achieve an occupational illness rate lower than the sector average, and managing the safe return to work in the cases of persistent or definitive occupational illnesses.

Lastly, another challenge that will continue to be worked on is the promotion and implementation of programs related to wholesome awareness, concentration, focus, enjoyment and balance, which is why the Company will keep adopting alternative solutions such as mindfulness, yoga, meditation, emotion management, and dream hygiene, among other.

SUCCESS STORIES AND ACKNOWLEDGMENTS
[GRI 103-3]

The Tresmontes Lucchetti Business in Chile was acknowledged by the Ministry of Health as a health-promoter workplace, excellence level.

Photo above: Employees from the Servicios Nutresa audit department during an active work break at the facilities in Medellín, Colombia.

Photo below: Distribution center employees during active work breaks at the Coffee Business production plant in Bogotá, Colombia.

Grupo Nutresa will explore opportunities regarding automation and robotization in high-exposure processes, identifying the most critical processes in order to address them as a priority.

PROGRESS 2018 [GRI 103-3]

Well-being and quality of life are two of the most material topics in employee management. In 2018, the practices with the greatest impact were focused on the promotion of healthy lifestyles, and the sports and recreational programs were the most impactful among them. Grupo Nutresa invested COP 13.164 billion in these activities, which had the participation of 25.949 employees.

For the promotion of sports activities, some companies have their own gym facilities, and the other have established agreements with physical conditioning centers, achieving a high level of satisfaction and use by the employees. In alignment with the sustainable development strategy, the "Muévete Nutresa" (Get moving, Nutresa) mobility program, which not only promotes the protection of the environment but also the integration with coworkers and the sports habits as alternatives for their transport.

Additionally in 2018, the Organization implemented the "Buen Comienzo" (Good Start) program, through which the employees' families with children from zero to two years old received specialist advise about early stimulation, nutrition, breastfeeding, and parenting guidelines with the purpose of contributing an active presence of parents in the care for their children.

Workplace health and safety management through the incorporation of world-class standards

Grupo Nutresa has a comprehensive risk management manual, which has the dispositions of the ISO 31000 (2009 version) standard as its methodology. The aim of the manual consists in applying to every process the identification, analysis, assessment and treatment of the risks according to a catalog of tools that have been pre-established for this purpose. **[GRI 403-1] [GRI 403-2]**

Additionally, the Organization uses methodologies such as the GTC 45; the batteries of the Ministry of Employment for psychosocial risk; the assessment of hydrogen concentration in the battery room; the Job Strain Index (JSI)[1] tool for assessing musculoskeletal risks; hygiene evaluations for assessing risks related to noise, particulate material and lighting; and the application of RETIE criteria for evaluating the electrical risks and the IIAR criterion for assessing technical risks related to the use of ammonia, among other. **[GRI 403-2]**

For incident analysis and preventive, corrective and improvement action management, different analysis methodologies are used according the needs of each company. The following are some of the methodologies used: CapDO, five why analysis, the cause-effect diagram and the tree of causes. Moreover, it is important to highlight the empowerment achieved in the risk management area by the small work teams with the coordination of safety and process leaders. **[GRI 403-2][GRI 403-3][GRI 403-7]**

[SDG 8.8]

Currently, 15 Grupo Nutresa companies are certified under a technical workplace health and safety standard; 67% of them are certified under the OSHAS 18001:2007 technical standard, which was the only standard available for management system certification until 2018, but the ISO 45001:2018 technical standard was published in March 2018. This new international standard guarantees a higher level of compatibility with other standards such as the ISO 9001 and the 14001, and facilitates the implementation and integration of the management systems. The companies Doria and Pozuelo in Costa Rica were able to obtain the certification under this new standard. All the other companies should complete the migration by 2021. **[GRI 403-1]**

[1]Workload Index.

Employees from the administrative department of the Biscuits Business in Medellín, Colombia.

Mitigating the occupational illness risk in Grupo Nutresa's companies

Grupo Nutresa's companies develop preventive medicine programs focused on minimizing the common illness risks. Some of these programs are: cardiovascular risk prevention, early detection of both women's and men's cancer, eye health, healthy lifestyles (promotion of physical activity, healthy diets and smoke-free environments), prevention of alcohol and psychoactive substance consumption, oral health problem prevention, gastrointestinal and respiratory disease prevention, among other prevention and health promotion programs.

In addition, based on the occupational medicine approach, epidemiology surveillance programs are being implemented with the aim of reducing the occurrence and prevalence of the occupational illness related to the factors of the risks the employees are exposed to, such as: hearing, musculoskeletal, psychosocial, respiratory, biological and extreme temperatures risks. These programs are supplemented with entry, regular and post-employment medical exams, and in the case of executive personnel, additional executive checkups are conducted with a frequency established according to the needs of each company.

With regard to the matter of emergencies, the plan is based on the timely response by the employees as first responders in relation to first aid or adverse circumstances such as fires, spills, natural events, among other, and the specialization of the emergency brigades in terms of prevention of and response to second-degree emergencies. In this regard, Grupo Nutresa also has ensured safe conditions in all its facilities with fire sprinkler system networks, smoke detection systems, chemical detection systems, emergency exits, alarm systems, spill response kits, fire extinguishers, first aid kits, alliances with external governmental bodies for the response to and management of risks and disasters, and coverage of the protected area with fully equipped ambulance and medical staff services.

Servicios Nutresa employee exercising at the facilities in Medellín, Colombia.

The Organization also has plans focused on the reintegration, relocation and adaptation to work, a strategy intended for employees with medical restrictions or recommendations so that they undergo a return-to-work adaptation process that suits their limitations. Additionally, occupational hygiene assessments are carried out with the purpose of modifying the workstations requiring so to minimize the risk factors. There are also intervention and training programs in force centered around the safe execution of high-risk jobs such as work-at-height, confined space work, hot work, cargo hoisting work and chemical substance handling, allowing to minimize the occurrence probability of accidents during the execution of these jobs.

Lastly, Grupo Nutresa continued to work on the implementation of programs focused on mitigating the most significant risks in each company. The following are some of the aspects addressed in these programs: posture hygiene and active pauses, employee rotation and turnover, and employment reintegration management after a medical leave. Ultimately, the aim of the programs is to prevent the deterioration of the health conditions among employees with diagnosed pathologies.

Employees covered by occupational health and safety systems [GRI 403-8] [SDG 8.8]

Total employees covered	Employees covered by systems internally audited	Employees covered by systems externally audited by third parties
37.980	**26.479**	**13.763**

In terms of the management actions related to safe working conditions, the Organization continued to work on the implementation and management of the workplace health and safety system by consolidating a self-care culture, the preventive identification and analysis of risks, and the empowerment of leaders regarding the support and promotion of a healthy atmosphere among their work teams. In relation to the mitigation of occupational illness emergence risks, the most important action was oriented towards identifying the processes that present the highest level of exposure to risks and the incorporation of an indicator related to the lack of growth of occupational illnesses. **[GRI 403-4]**

Worker participation, consultation, and communication on occupational health and safety [GRI 403-4] [SDG 8.8]

Number of people involved in the committees	Number of members
Copasst	497
Zero accidents management	23.657
Brigades	1.940
Health management	23.657
The Cohabitation Committee	184
Frequency of the meetings with employee leaders	• 58% of Grupo Nutresa's companies organize meetings with the leaders on a monthly basis. • 17% of the companies organize weekly meetings with the leaders.

Employee health checkup at the Coffee Business production plant in Medellín, Colombia.

Finally, in the field of general illness emergence risk management, the Organization is working on creating programs focused on physical activity, smoke-free environments, early detection of breast and prostate cancer, and healthy diets. Additionally, all the companies celebrated the health week as a cultural milestone emphasizing self-care.

Worker training on occupational health and safety [GRI 403-5] [SDG 8.8]

BUSINESS	PROGRAM	OBJECTIVE
Coffee	"Formación Brigada" (Brigade Training)	Developing capabilities related to the comprehensive management of second-degree emergencies among brigade members, enabling significant improvements both in drill exercises and in actual emergency management situations.
Chocolates	"Reino Seguro" (Safe Kingdom)	Learning through games to strengthen the most important concepts about workplace health and safety, and reinforcing the identification and control of work-related risks.
	"Pieza Clave" (Key Piece)	Working on self-care and interdependence by raising the employees' awareness about fostering a safe behavior.
	"Cuvret"	Raising awareness about health and safety aspects by using different methodologies.
Cold Cuts	"Trabajos de Alto Riesgo" (High-risk jobs)	Developing capabilities among employees who perform high-risk jobs, particularly for safe work-at-height.
	"Cuido de mí y mis Compañeros" (I take care of myself and my coworkers) and "Alimento a Panamá con Calidad y Seguridad" (Feeding Panama based on quality and safety)	Raising awareness about the importance of the safety-focused attitude every employee must maintain to prevent accidents or incidents in the workplace.
Biscuits	"Formación de Emergencias" (Emergency training)	Getting brigade members certified on firefighting and pre-hospital assistance. Getting the production plant updated in matters related to: safe places and sheltering, personal protection gear, emergency plans, GHS, blocking and labeling.
Ice Cream	"Nuevas Alas" (New wings)	Facilitating the reincorporation into work of the employees who must follow medical recommendations in order to achieve favorable work conditions based on their health condition and/or functionality.
Tresmontes Lucchetti	Occupational health and safety diploma course	Providing training for middle-ranking officials in aspects related to the adequate tools for the development of their day-to-day tasks based on the perspectives of occupational risk prevention.
novaventa	"Caja de experiencias" (Experience box)	Striving to promote awareness about self-care and the care for others.
Comercial nutresa	"Retorno al Trabajo" (Return to work)	Training the leaders to ensure the effectiveness of the system for employment reintegration of employees with pathologies.
	"Mi Vida en Equilibrio" (My balanced life)	Providing training in psychosocial subjects for the commercial teams regarding life and work-related aspects that affect health as a balanced state, in addition to delivering tools for the exploration of alternatives that enable taking action to achieve a balance and manage daily life tensions.
Gestión Cargo – Servicios nutresa	"Mundial de la Seguridad y Salud en el Trabajo" (Workplace Health and Safety World Cup)	Reinforcing the training related to the safety standards, emphasizing posture hygiene particularly in three types of jobs: administrative, equipment operation and load handling.
Servicios nutresa	"Apropiación del Cuidado" (Care appropriation)	Promoting a preventive self-management based on the control of unsafe acts and conditions, and strengthening the safety culture through the sense of self-care and safety responsibility by building commitments between all the employees and their team leaders.

Strengthening the workplace health and safety management model for suppliers and contractors

Grupo Nutresa has implemented a contractor management model that has the purpose of establishing the guidelines in terms of workplace health and safety. The use of this model ensures that the multiple agents involved in the relations with contractors know, request and enforce such guidelines with the aim of guaranteeing that the services are rendered based on the management system standards, as well as on the standards set forth by the current legal regulations, in addition to all of Grupo Nutresa's dispositions.

In 2018, the first Grupo Nutresa contract auditor meeting was organized and held, addressing topics on the development of capabilities and sustainability for the responsible management of contractors and allies in the value chain. This event also allowed to highlight the importance of workplace health and safety management systems among suppliers and contractors.

Additionally, the Company organized and held a workplace health and safety workshop focused on WHS leaders and managers from the contractor companies, with the participation of 40 attendees. The objective of this event was to acknowledge the importance of the implementation of the workplace health and safety management system (Decree 1072) and to gain commitment towards self-care and towards the care for the suppliers' and contractors' employees, in addition to contributing concrete tools for the development of capabilities.

Employee from the Biscuits Business in Nicaragua.

Workplace health and safety [GRI 403-9] [GRI 403-10] [SDG 8.8]

	2016		2017		2018	
	Direct employees	Contractors	Direct employees	Contractors	Direct employees	Contractors
Accident frequency rate Number of accidents in relation to total employees	2,11	4,44	2,02	4,27	1,53	3,81
Serious accident frequency rate Number of accidents with serious or severe consequences per 200.000 hours worked	N/A	N/A	N/A	N/A	0,01	0,00
LTIFR Number of accidents that caused lost time per 200.000 hours worked	1,86	3,76	1,85	3,62	1,42	3,23
OIFR Number of occupational illness cases per 200.000 hours worked	0,31	0,03	0,14	0,02	0,11	0,03
Work-related fatalities	0	0	1	0	0	1
Occupational illness fatalities	0	0	0	0	0	0

Cocoa Tree Nursery for Peace project run by Chocolates Business in Codazzi, state of Cesar, Colombia.

RESPONSIBLE **SOURCING**

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 2018** [GRI 103-3]
Improving and broadening the coverage of the strategic sourcing model.	• **422** initiatives were executed based on the strategic sourcing methodology, with savings totaling COP 86.478 million in Chile, Central America, Colombia, United States, Peru and Dominican Republic. • **Regional** negotiation in the packaging materials category, projecting savings higher than COP 15.000 million.
Bridging sustainable-sourcing gaps.	• **Progress** in the diagnosis of the beef production chain performed jointly with the World Wildlife Fund (WWF) and identification of the main risks and the tools to address them. • **432** suppliers of goods and services received training focused on promoting their development, guaranteeing the gap-bridging processes and fulfilling the standards for the operations. • **Organization** of Grupo Nutresa's First Meeting of Contract Auditors, which is focused on enhancing their role and raising their awareness on the importance of their work.
Promoting the implementation of inclusive businesses and the development of organizational capabilities among farmers.	• **Implementation** of the new Social Accompaniment Methodology (abbreviated MAS in Spanish) for the empowerment of small agricultural producers in the social and business contexts, with the incorporation of productivity criteria in 57 organizations and the generation of greater efficiency levels that result in better supplies and raw materials for the Organization. • **2.065** small farmers belonging to associations of producers benefited from the investment of 547 hours of training focused on developing their business capabilities.
Incorporating sustainability-focused audits.	• **Broadening** of the scope of the sustainability audits program to Costa Rica. A total of 52 audits were conducted in Colombia, Chile and Costa Rica. • **26** training sessions were organized and held with the aim of developing sustainability-related capabilities among suppliers.
Implementing digital capabilities in the negotiation/procurement and sourcing processes.	• **Implementation** of the @Contratos tool in Colombia and expansion of the coverage of the @Catálogo tool in Costa Rica to improve productivity, be more efficient and facilitate Grupo Nutresa's negotiation/procurement and sourcing processes.

RISKS AND OPPORTUNITIES

[GRI 103-1]

The responsible sourcing model allows Grupo Nutresa to manage the risks and opportunities related to animal well-being, the migration of farmers to the cities, generational replacement, commodities price volatility and level-two critical suppliers, apart from promoting the adoption of sustainable practices among agricultural suppliers.

In 2018, the Company reinforced its methodology of collaborative work with the farmer communities by implementing initiatives that are attractive for new generations and that improve the agricultural practices for increasing productivity and business management in the countryside. In addition, Grupo Nutresa carried out actions in the categories of purchases for the treatment of the multiple risks the Organization may be exposed to, with both direct suppliers and level-two (and above) suppliers. That is why the Company decided to work jointly with allies that are experts in the field, in order to ensure that the main ten commodities are produced under sustainable practices.

Finally, the production of commodities requires systemic, technology-based and advanced practices to improve productivity. These practices become new opportunities that should be addressed with the aim of having qualified and committed workforce available, ensuring they understand the dynamics of the territories, the technicalities of farming and the corresponding mode of production.

The Company decided to work jointly with expert allies to ensure that **its main ten commodities are produced under sustainable practices.**

OUTLOOK

Grupo Nutresa will continue incorporating the best digital purchasing practices in the negotiation/procurement and sourcing processes. The Organization will consolidate the incorporation of tools focused on facilitating the internal management of the negotiation, contracting and invoicing procedures to improve the commodities demand management process, optimize the working capital, and ensure the harnessing of value across the entire chain.

For 2020, Grupo Nutresa will consolidate the implementation of the Social Accompaniment Methodology (abbreviated MAS in Spanish) through its Foundation in order to develop technical, environmental, social and business capabilities among more than 60 organizations in Colombia. In addition, the Company will expand the methodology focused on the implementation of inclusive businesses within its strategic region, first in Chile with small durum wheat producers and then in Costa Rica with honey producers.

The Organization will also continue developing capabilities and implementing the responsible sourcing model across the multiple operations and geographies where it has presence with the purpose of bridging any existing gaps. Additionally, Grupo Nutresa will continue working with the support of allies to respond to the sustainability challenges and take on the emerging risks, apart from contributing to the fulfillment of the Sustainable Development Goals (SDGs).

SUCCESS STORIES AND ACKNOWLEDGMENTS
[GRI 103-3]

The Chocolates Business was acknowledged as the first company in Colombia to be awarded the Inclusion-Oriented Company seal in the category of Inclusion-Oriented Linkages. This was based on the implementation of practices focused on the inclusion of vulnerable population in their value chain. This acknowledgment was awarded by an alliance formed by the Andi Foundation and USAID Colombia, with support by Deloitte.

It is worth highlighting the opening of the Chocolates Business's Cocoa Tree Nursery for Peace, in alliance with Agrosavia, the Canadian Cooperation Agency Socodevi and Repsol. This project is focused on strengthening the cocoa production initiatives and the reconstruction of the social fabric in Colombia. The purpose of this initiative is to spread and distribute plant material for small and medium producers, with a productive capacity of 1.200.000 seedlings. It is located in the Colombian state of Cesar.

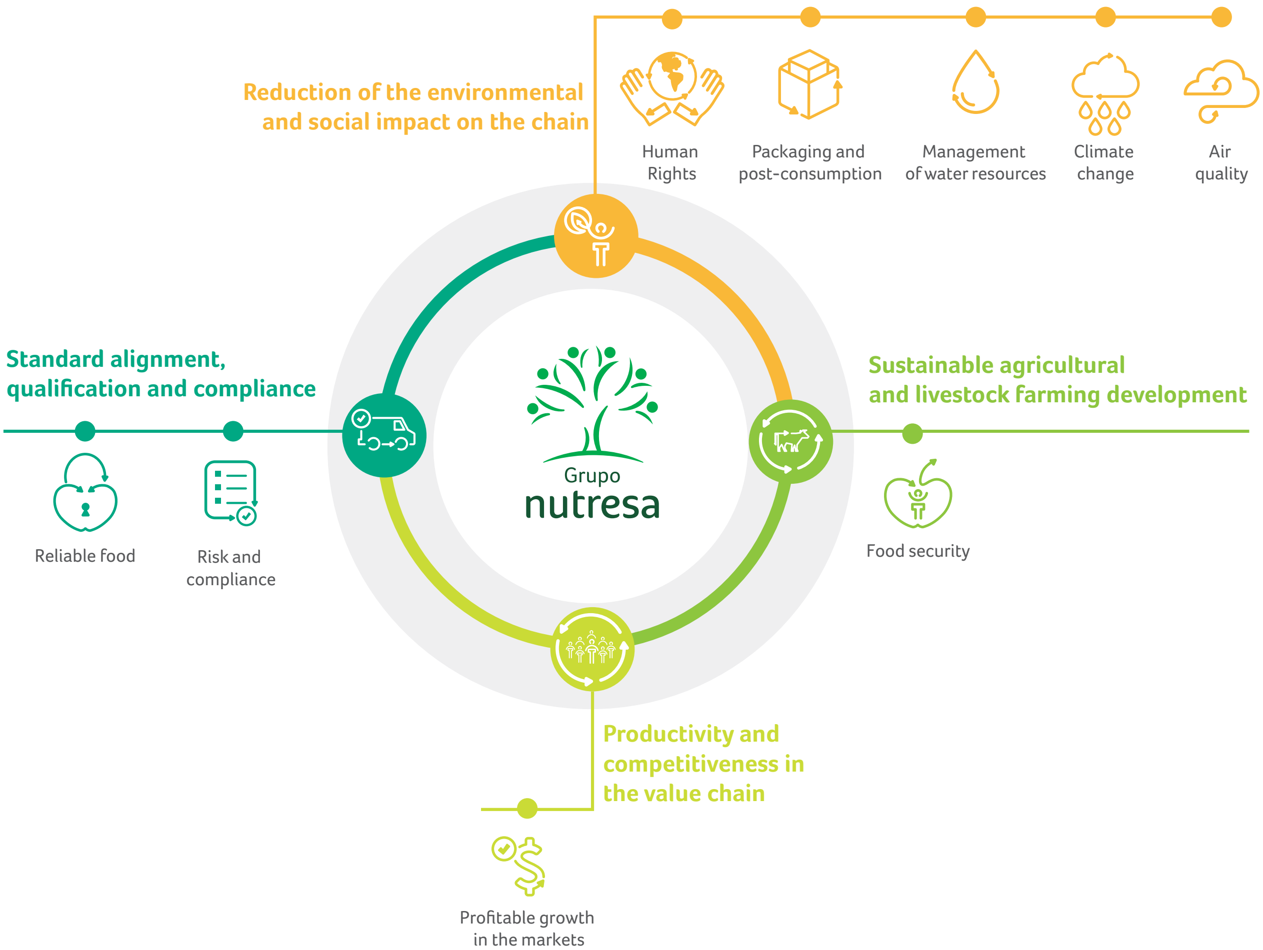
Photo above: Inclusion-Oriented Company Seal awarded by the Andi Foundation to the Chocolates Business in Bogotá, Colombia.

Photo below: Opening of the first Cocoa Tree Nursery for Peace of the Chocolates Business in Codazzi, state of Cesar, Colombia.

PROGRESS 2018 [GRI 103-3]

RESPONSIBLE SOURCING MODEL

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



Alignment, qualification and standard compliance

The alignment of practices and the development of skills and capabilities to achieve the fulfillment of requirements and standards among suppliers is one of the key management approaches for the attainment of Grupo Nutresa's goals.

In 2018, 432 suppliers of goods and services received training focused on their development and on ensuring the compliance with operations-related standards and requirements. As part of the training processes, the Organization addressed subjects such as product quality and safety, workplace health and safety, Human Rights, sustainability, corruption prevention, and safety-related legal updates, among other. 1.706 people attended the training sessions, in which approximately 149 hours were invested.

Additionally, Grupo Nutresa updated the methodology used to address the analysis and scaling of new requirements with the incorporation of two stages related to the analysis and preliminary rating of risks, apart from the assessment of residual risks associated with said requirements once the measures have been implemented.

Finally, to ensure the quality and safety of Grupo Nutresa's products, in 2018 the Organization asked its suppliers of commodities to submit a statement of compliance with the regulations in force in terms of contaminants in food. Based on this process, the Company achieved more than 74% of compliance with this requirement.

Employees from the procurement department of the Chocolates Business at a cocoa plantation in the Yariguíes farm in Santander, Colombia.

Qualification and enhancement of capabilities

In 2018, Grupo Nutresa organized the course titled "Migration of packaging materials intended to come into contact with food and beverage products" for all its suppliers of packaging materials. Its objective consisted in enhancing the capability for applying the fundamentals required for packaging materials and containers intended for the food industry and complying with the regulations in force and with Grupo Nutresa's requirements.

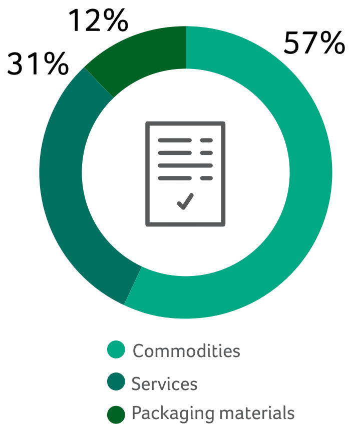
The training session was executed by the Institute of Science and Technology in Colombia and it comprised three modules: sanitary suitability, regulatory framework and good manufacturing practices. A total of 30 companies participated in the course.

Moreover, through "Grupo Pares", an initiative led by Isagen, Grupo Nutresa participated in the suppliers development and strengthening process, which consisted in providing training to 259 companies and 303 people in the field of the regulations related to workplace health and safety. This program allowed making progress in the identification of multiple initiatives and joint-work opportunities related to sustainability, ethics and compliance for the development of common suppliers with training environments that foster their improvement.

Supplier assessment and auditing

96% of the suppliers that have undergone on-site assessments have favorable or higher ratings. Additionally in 2018, the Organization conducted 542 audits to suppliers of goods and services based on the programs for sustainability audits and integrated management systems. Finally, the sustainability audits program was expanded to Costa Rica.

Supplier Assessment and Audit 2018



Percentage of new suppliers that were screened using environmental and social criteria [GRI 308-1] [GRI 414-1]

Based on the following criteria	Environmental 2017	Environmental 2018	Social 2017	Social 2018
Colombia	40%	**60%**	40%	**100%**
Chile	0,0%	**10%**	3%	**1%**
Costa Rica	N.A.	**100%**	N.A.	**0%**

Honey producers developed by Fundación Nutresa in San Rafael, state of Antioquia, Colombia.

Sustainability-related risks assessed

- Environmental: impact on the flora and fauna, use of hazardous substances, increase in waste generation and in the consumption of natural resources, climate variability, negative reaction of stakeholders due to the use of genetically modified organisms, increase in the 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 end-consumers' health and damage to the neighboring community.

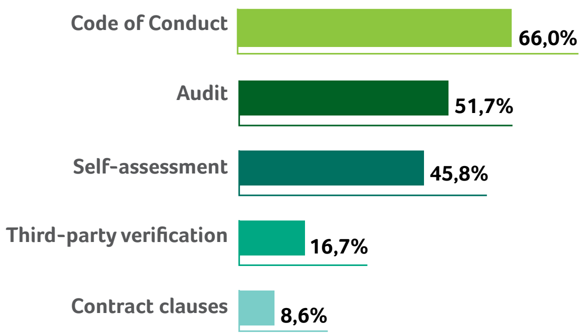
Negative environmental and social impacts in the supply chain and actions taken
[GRI 308-2] [GRI 414-2]

Based on the following criteria:	Environmental			Social		
Country	Colombia	Chile	Costa Rica	Colombia	Chile	Costa Rica
Number of suppliers screened/assessed.	213	22	25	208	22	35
Number of suppliers with negative impact.	14	17	14	6	9	6
Number of suppliers with negative impact with which improvements have been agreed.	3	0	14	2	0	6
Percentage of suppliers with negative impact with which improvements have been agreed.	21%	0%	100%	33%	0%	100%
Number of suppliers with negative impact with which the commercial relation has been terminated.	0	0	0	1	0	0
Percentage of suppliers with negative impact with which the commercial relation has been terminated.	0%	0%	0%	17%	0%	0%

Talk and discussion session in Grupo Nutresa's Exemplary Supplier acknowledgment event in Medellín, Colombia.

Sourcing policy compliance verification mechanisms

Critical suppliers represent 80% of the main suppliers in terms of purchase amounts. From the total amount purchased from them, 69% corresponds to direct suppliers of goods that comply with the Company's purchase policy. **[G4-FP1]**



Connectivity with suppliers

In 2018, the Organization implemented the online business services for the Chocolates Business in Mexico and the Retail Food Business in Costa Rica. As part of this process, Grupo Nutresa provided training to 139 people from 77 suppliers of goods in logistics, financial and quality-related services. Additionally, in Mexico, the Organization performed activities focused on ensuring the alignment of its suppliers with the responsible sourcing model, the Code of Conduct for Suppliers and the implementation of the self-assessment based on the ten principles of the Global Compact for the analysis of risks in the sourcing chain.

The Company improved its the purchase orders service on its web portal www.gruponutresaenlinea.com with the aim of allowing suppliers to approve or decline a purchase order and confirm the shipments, thus enabling Grupo Nutresa's business allies to have a better control, traceability and self-management of the process.

ENVIRONMENTAL AND SOCIAL IMPACT REDUCTION IN THE SOURCING CHAIN

Management of sustainability-related risks regarding commodities

In 2018, Grupo Nutresa analyzed the Cold Cuts Business' meat sourcing chain in Colombia jointly with the World Wildlife Fund (WWF), and risks and opportunities were identified, as well as tools to manage and deal with them. As a result of this evaluation, the Company created a guide of good livestock practices for the production of beef. This guide will be shared with the suppliers from this category in 2019.

Discussion on corruption prevention in the business sector

In 2018, the Company partnered with the non-governmental organization called "Transparencia por Colombia" (Transparency for Colombia) in order to invite a group of suppliers to a talk and discuss event with the purpose of getting to know their views and difficulties related to the corruption issue in the country. More specifically, the event focused on how corruption is having a negative impact on small and medium-size companies in terms of their initiatives, business environment and engagement with the public domain.

Additionally, over 2018, a virtual Human Rights course was designed with the aim of sharing it free of charge among suppliers and third-party personnel in 2019. One of the purposes of this course is to disclose the concepts associated with Human Rights, diversity and inclusion through the application of practical cases and exercises, demonstrating thus the respect for the self and others.

Supplier acknowledgment program

For the fourth consecutive year, Grupo Nutresa acknowledged the work of its allies by means of its "Exemplary Supplier" program. In this edition, the work of the regional suppliers network was acknowledged, including Chile. With this initiative, the Company seeks to develop the capabilities of the suppliers and promote the best practices in the fields of sustainability, innovation and productivity. 23 accolades were awarded this year.

As part of the acknowledgment program, Grupo Nutresa also held the first edition of The Open Space Technology, a talk with the aim of sharing knowledge and enabling a collaborative learning ecosystem for inspiring both people and organizations. This event was thought as an opportunity for the companies that have been awarded an acknowledgment or that have contended for the acknowledgment to share their practices, which can be useful for other companies in improving their internal processes in such context. This activity had the participation of 89 executives from 51 companies, including both suppliers and Grupo Nutresa's companies.

Recipients of Grupo Nutresa's Exemplary Supplier acknowledgment in Medellín, Colombia.

Supplier of the Coffee Business in the southwestern region of the state of Antioquia, Colombia.

SUSTAINABLE AGRICULTURAL AND LIVESTOCK DEVELOPMENT

Cocoa production management

In 2018, the Chocolates Business contributed in a sustainable way to the cocoa production sector by investing COP 2,30 billion for the comprehensive support to the sector, presence in 22 Colombian states and for the benefit of 14.768 families with 26.615 hectares of cocoa tree plantations, which were sponsored by means of 239 training sessions and technical tours of the productive units. The results include connections established with 9.177 chain agents by means of 505.028 text messages, images and URLs. The Business' inclusive purchases amounted to 29.446 tons from 798 suppliers over the year. From these purchases, 35,49% was acquired from cooperative organizations and associations with the purpose of improving the income and quality of life of their members.

Promotion of coffee

The Coffee Business continued generating benefits for the coffee-growing communities certified under the Fair Trade seal, a program based on the cooperation among producers and marketers. Through alliances and negotiations with international customers, the Company has transferred resources amounting to more than COP 63 billion since the start of the program.

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.

Over the past five years, not only the amount of the transferred premiums has been increased, the number of benefited communities across the multiple coffee-growing regions in the Country has also grown.

The chart below shows the behavior of the premiums transferred over the past years.

Fair Trade coffee					
	2014	2015	2016	2017	2018
Communities benefited	34	34	32	46	31
Premiums paid plus surcharge (COP billions)	5.656	7.338	8.170	10.181	11.209

Durum wheat suppliers of the
Tresmontes Lucchetti Business, Chile.

Wheat

In 2018, the Public-Private Collaboration Agreement for the development of small durum wheat suppliers was renewed with the Agricultural and Livestock Development Institute (Indap), the National Agricultural and Livestock Research Institute (Inia) and the Tresmontes Lucchetti Business in Chile. Twenty-four small farmers were incorporated into the matrix and received training in the durum wheat growing process, as well as crop development support with the purpose of improving product quality and productivity. Additionally in 2018, the Organization achieved the goal of ensuring that 100% of the suppliers that work under the contract farming system with Lucchetti Chile S. A. have implemented Grupo Nutresa's Code of Conduct into their operation.

Animal well-being

The Organization is committed to animal well-being and such commitment is evident in its animal well-being policy[1] , which has the aim of ensuring an adequate environment for the animals that will be the source of raw materials throughout their development process, guaranteeing productive practices based on sustainability criteria. This includes the work with direct egg suppliers and internally within the Cold Cuts Business. Particularly, in 2018, said Business approved the selection of the technology that will be used for intervening the pig farms, as well as the engineering details for the adaptation of the first farm. The estimated investment for this initial intervention is close to COP 1,2 billion.

[1] Available **Clic here**

Grupo Nutresa will **continue developing capabilities and implementing the responsible sourcing model** across the multiple operations and geographies where it operates.

Animals raised and processed, and type of housing
[G4-FP9] [G4-FP11]

	2018
Breeding pigs	9.267
Fattening pigs	204.800
Pigs in pens	205.925
Pigs in crates	8.142
Cattle in pastures	32.988
Fattening cattle	32.988

Reproduction and genetics practices used
[G4-FP10]

- Crossbreeding program.
- Purchase of imported and local genetic material.
- Distribution of semen and/or livestock for the reproduction farms.

Other initiatives impacting animal well-being

- Practice of euthanasia procedures when required to end suffering.
- Immunocastration in males.
- Constant supervision of births.
- Homogenization of litters based on the number of nipples.
- Biosecurity practices.

Policies and practices related to physical alterations and the use of anesthetic

- **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 the total births in the population).
- **Piglet tail dock (cut) at birth:** at birth to 100% of the population with tail dock, cauterization and, finally, disinfection.
- **Ear tagging:** with "swine fever" tags 100% of the population in their third week after birth.
- **Number identification at birth:** a tattoo machine is used to mark both ears with the litter number.
- **Number identification on the litter foot:** with tattoos made with tattooing hammers (individual within the farm) on the skin on 100% of the animals/(reinstatement) year of the breeding animals.
- **Number identification for the slaughter process:** with tattoos made with tattooing hammers (farm of origin ID and lot number) on the skin of 100% of the animal population intended for slaughter.

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

- **Antibiotics:** penicillins, tetracyclines, sulfonamides, enrofloxacin, amoxicillin, streptomycin, florfenicol, and tulathromycin.
- **Anti-inflammatories:** ketoprofen and meloxicam.
- **Hormones:** oxytocin, prostaglandin and chorionic gonadotropin.
- **Growth promotion treatments:** ractopamine. Although it is not technically a growth promotion drug, it is included because it helps in building a greater amount of muscle with regard to the amount of fat.
- **Practices used in the application:** basically the intramuscular route is used for treatments and hormone use. The intraperitoneal and oral routes are used for hydration processes.

As an internal practice, the Organization has custom livestock transport trucks, with bodyworks that ensure the comfort of the animals when loading and unloading, adequate ventilation, drinking water supply, anti-slip floors and dividers. In addition, all operators, drivers and transport assistants receive animal well-being training.

Plantations that supply the Coffee Business in Antioquia, Colombia.

Yariguíes plantation of
the Chocolates Business
in Santander, Colombia.

Development of capabilities among community organizations

In 2018, Grupo Nutresa assisted the communities that produce cashew nuts, sesame seeds, blackberries, milk, honey, cocoa beans, coffee beans and durum wheat in both Colombia and the strategic region.

Through its Foundation, the Company worked with 57 farmer organizations in Colombia with the purpose of promoting entrepreneurship, productivity and sustainability in low-income populations in the value chain. With this intervention, more than 2.065 small farmers from the Colombian states of Sucre, Bolívar, Córdoba, Antioquia, Chocó, Quindío, Boyacá, Cundinamarca and Tolima were benefited with 547 hours of training in subjects such as associativity, value chain, project formulation, leadership and teamwork, among other. In addition, the Organization performed a diagnostic among small durum wheat producers in Chile and formulated a support plan for the development of technical and business capabilities.

Furthermore, more than COP 727 million were invested, allowing to develop new capabilities and to generate a greater impact on the territory with the support from other agents such as the Andi Foundation, Bucaramanga's Chamber of Commerce, the Ministry of Commerce's Productive Transformation Program, Bancoldex, Sena, Finagro and several universities.

Finally, Grupo Nutresa implemented the pilot of its Social Intervention Methodology, whose methodological approach is based on the participative construction of sustainable practices and skills while allowing the benefited groups to develop competences of being, mitigate the generational replacement loss risk and improve product quality and productivity. The methodology was successfully implemented over the year in the communities and territories stated above.

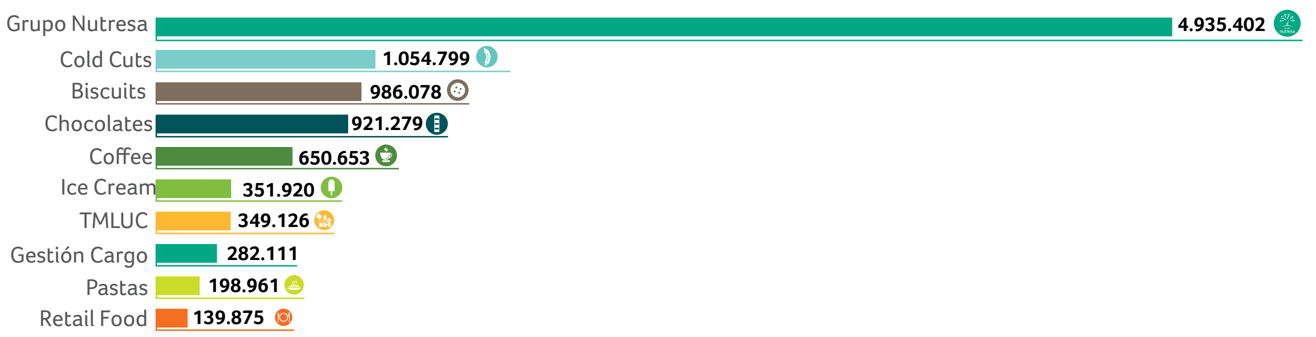
PRODUCTIVITY AND COMPETITIVENESS IN THE VALUE CHAIN

By means of the strategic sourcing, Grupo Nutresa seeks to structure and execute actions that contribute to improving competitiveness in the processes focused on the negotiation and sourcing of goods and services required by the Organization. In 2018, the Company achieved savings that amounted to COP 86,5 billion based on 422 negotiation initiatives.

In this regard, the Organization worked on categories such as vehicle renting and market intelligence, in addition to the categories of direct and indirect supplies in Colombia, Chile, Central America, United States, Peru and the Dominican Republic.
Moreover, three ideation workshops were organized and held with the participation of multiple suppliers in both Colombia and Costa Rica with the aim of improving the productivity in the sourcing process based on innovation and product redesign. The workshops produced 67 possible initiatives.

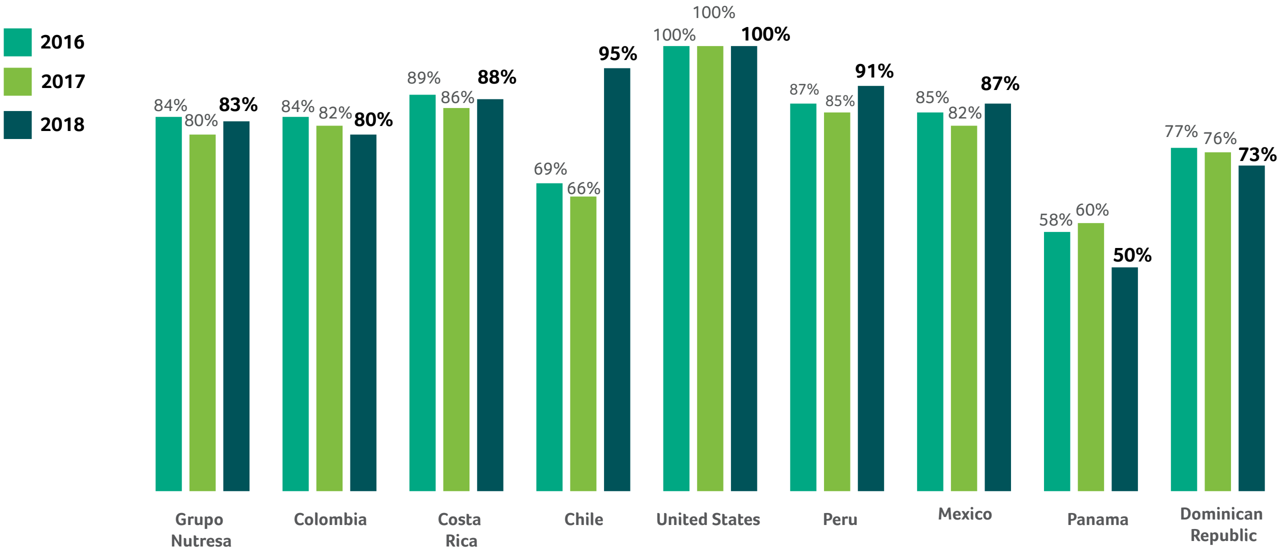
Grupo Nutresa's purchases (COP million) [GRI 204-1]

Total purchases in 2018 by Business (COP billion)



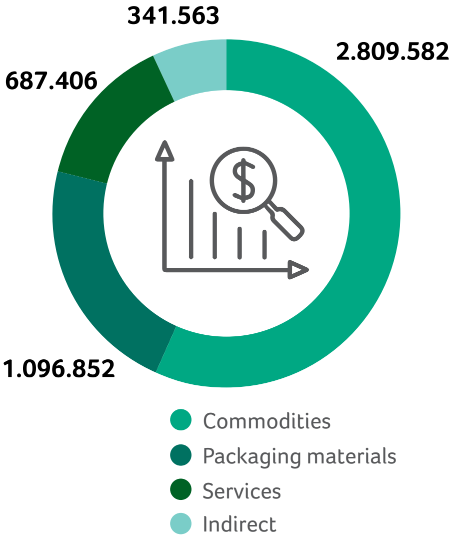
Annual purchases by each Business. The marketing companies, the fixed assets, the Organization's own finished and marketable products are not included.

Grupo Nutresa's local purchases [GRI 204-1]



* Includes commodities, raw materials, packaging materials, indirect purchases and services. The marketing companies, the Organization's own finished and marketable products and the fixed assets are not included. Note: local suppliers are those located in each country where the Organization runs significant operations (transformation operations).

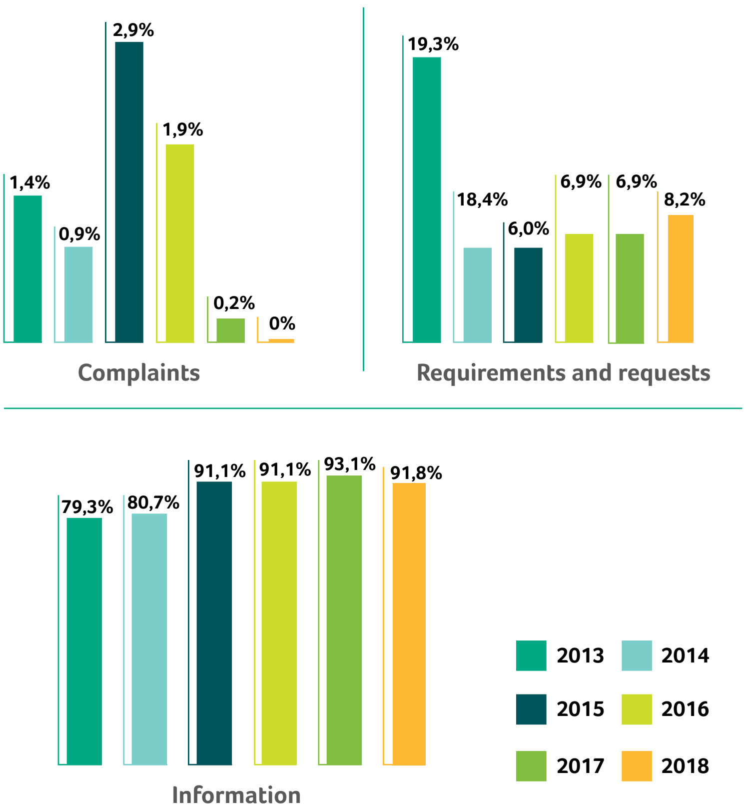
Grupo Nutresa's 2018 total purchases by categories (COP billion)



Support and service provided to suppliers

In 2018, Grupo Nutresa addressed 27.490 communications, from which 25.231 were associated with the support of logistical, financial and quality-related services. Finally, 2.257 communications were scaled up.

Contact communication type percentages



Employee from the sales force department of Novaventa's direct sales channel in Bogotá, Colombia.

RESPONSIBLE **SALES**

Providing customers with differentiated value propositions that contribute to their growth, profitability and sustainability, allowing Grupo Nutresa to contribute to the development of the communities by means of their commercial relations.

STRATEGY [GRI 103-2]	PROGRESS 2018 [GRI 103-3]
Incorporating, into the value propositions, elements that contribute to our customers' sustainability and competitiveness and to our own.	• **Reinforcement** of the value propositions intended for our customers, which provide differentiation and contribute to their sustainability and competitiveness in a win-win relationship, reflected on the results of the satisfaction survey conducted by the firm Ipsos Napoleón Franco. In this survey, the Organization was given a 89-point rating (over 100) in Colombia and 91,9 in the international operations. • **In** the case of the loyalty ratings, the scores were 79,1 in Colombia and 85 in the international operations, reaching levels of excellence in both indicators.
Incorporating elements that develop and enhance the capabilities of our customers in the loyalty-building and engagement plans.	• **A** total of 8.204 customers received training regarding capabilities related to the adequate administration of their businesses and for being prepared to tackle the recurring challenges of the market. • **Incorporation** of elements that contribute to our customers' evolution, growth and quality-of-life improvement in the customer loyalty-building plans. • **Support** and assistance to more than 4.300 customers from the traditional channel in Colombia, Panama and Costa Rica regarding the physical and operative transformation of their business, resulting in sales growth across their entire product stock.
Guaranteeing the processes focused on listening to our customers and consumers and managing their observations.	• **Evolution** of the Center for the Interaction with Customers and Consumers, including advanced technology, expeditious service processes and highly qualified personnel.
Consolidating inclusive and sustainable business models that contribute to the development of customers.	• **Progress** made in the gap-bridging processes of five inclusive businesses involving base-level communities in the Ice Cream Business, Comercial Nutresa, Novaventa and the Biscuits Business in Colombia, as well as in the Tresmontes Lucchetti Business in Chile.

RISKS AND OPPORTUNITIES
[GRI 103-1]

Grupo Nutresa continues to further into the knowledge and understanding of the multiple customer segments in order to fine-tune the strategies and initiatives intended to strengthen the relationship and the business growth, supporting them in their development needs so that they can deal with the constant introduction of new actors into the market.

The acceleration of change in the markets and the speed of the technological advances generate an opportunity for Grupo Nutresa's digital transformation. Customer information as the knowledge basis is a key aspect in this transformation, allowing to make progress in the individualization of the needs and a greater generation of value for both parties.

The Organization has been diversifying its service and assistance channels, facilitating the access to them and improving their timely management to respond to the changes occurring in the market and to provide a better service experience.

Customer positioning as an essential part of the business activity of Grupo Nutresa's Businesses becomes an opportunity to integrate allies and new strategies that generate social and economic value into the Organization's initiatives. In addition, the strengthening of the distribution channels allows to expand the coverage and improve the product and service offer.

Comercial Nutresa salesman with a confectionery planogram at a customer's point of sale in Medellín, Colombia.

OUTLOOK

The changes of the customers' competitive setting with the introduction of new business formats and models require a greater preparation by the current customers for them to be able to subsist. That is why Grupo Nutresa will keep on strengthening the loyalty-building elements with actions that contribute to the development of the customers' capabilities.

The Company will continue to work on developing mechanisms that allow to know and understand the needs of our customers in advance, with the purpose of designing and executing experiences that respond to and exceed their expectations.

The Organization will keep on managing its customers' information as the knowledge basis for the decision-making process and a continuous improvement that enables it to listen to, act upon and learn in order to deliver a differentiated and consistent experience in every interaction.

In order to fulfill its goals for 2020, Grupo Nutresa will continue to develop capabilities in its chain, adding value to the business and to the communities involved in the strategies. That is why the training contents will be continuously updated to guarantee their relevance in terms of the market challenges, thus developing capabilities among our customers for them to achieve a higher level of competitiveness and sustainability.

SUCCESS STORIES AND ACKNOWLEDGMENTS

[GRI 103-3]

Pozuelo was awarded the "Galardón Detallista" (Retailer Accolade) acknowledgment by the customers affiliated with the National Chamber of Retailers and Akin Agents of Costa Rica for the management work of its sales force, the support provided by the company and the quality of its products.

The Tresmontes Lucchetti Business received the Business Evolution Award from "Sociedad de Fomento Fabril" (Manufacturing Promotion Society) in Chile. This accolade recognizes practices in the areas of corporate governance, sustainability, inclusion, education and innovation, with transparency as its cross-sectional axis.

Comercial Nutresa was presented with the **Julio Villazón Baquero Business Merit as Business of the Year** for its business track record in innovation practices, organizational changes and competitive strategies that stimulate the productive and commercial transformation, and that have served as inspiration for young entrepreneurship promises.

Antioquia region sales executive from the Cold Cuts Business, Colombia.

PROGRESS 2018 [GRI 103-3]

Customer training for the generation of capabilities

The customer training programs are developed in a practical way to respond to the needs of each segment and to develop capabilities among them and in their setting.

In 2018, more than 4.000 customers received training in capabilities related to the adequate administration for their businesses, point-of-sale management, regulatory compliance, and product transformation and profitability enhancement. The purpose of the training activities consisted in making their businesses more competitive, comprehensively increasing their sales, ensuring a better service provision to their consumers and, in turn, improving their quality of life.

Additionally, more than 150 commercial agents and marketers received training with the aim of becoming sustainable entrepreneurs by developing their managerial capabilities.

In the Food Service channel in Colombia, La Recetta organized theoretical and practical training activities about bread-making and confectionery as part of a program focused on the resocialization of productive projects for prison inmates, totaling 90 people in three states.

Fundación Nutresa's program "Aula Itinerante" (Traveling classroom) was implemented with the aim of reinforcing the Ice Cream Business's alternative sales channel among 52 customers in Montería, Valledupar, Cúcuta and Pasto.

In the catalog sales channel, the training modules were enhanced in order to develop capabilities among the individual entrepreneurs regarding subjects as social networks and nutrition.

Finally, Fundación Nutresa's social intervention methodology was implemented in two ceviche-producing associations located in La Boquilla, Cartagena. The activities carried out with these associations consisted in performing diagnostic exercises, as well as determining the baseline for the families that form them, and several intervention routes have been established based on these exercises for the development of capabilities.

Novaventa employee loading a vending machine in Barranquilla, Colombia.

Customer loyalty buildup

In 2018, more than 16.500 customers received the benefits of the multiple loyalty-building and engagement programs that acknowledge their loyalty and commitment to Grupo Nutresa's brands. The programs are focused on supporting customers on their day-to-day challenges and rewarding their loyalty by means of events, the delivery of experiences, seminar scholarships, training and learning opportunities, and redemptions that contribute to the consolidation of their businesses.

With a sustainability-based focus, between 2017 and 2018, a total of 3.000 traditional-channel customers were supported and assisted in the development and transformation of their operations and points of sale, thus generating double-digit growth rates in their businesses overall and in the Company's portfolio. Similar actions were implemented in Panama and Costa Rica, with more than 1.300 customers.

By means of the alliance established with Bancolombia, a total of 283 credits totaling COP 6,5 billion were granted to Comercial Nutresa's traditional-channel customers.

Distribution center of the Cold Cuts Business in Montería, Colombia.

New support and sales channels

Grupo Nutresa continues to work on the development of digital capabilities to transform the way how it interacts and creates value with its customers through the implementation of practices such as e-commerce, website integration, social network presence and management, process automation, and exploration and design of new business models that allow to improve the customer experience in each interaction.

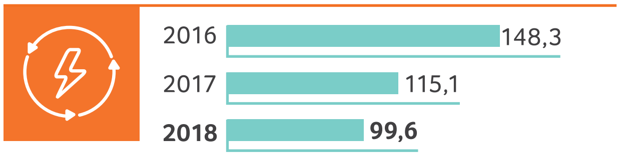
Development of the employees' customer-focused capabilities

The human and technical capabilities of the employees and commercial allies are strengthened to provide the customers with qualified assistance and advice based on empathy and on the understanding of their needs, going from transactional models to relational models that build competitiveness and sustainability for them.

Environmentally friendly sales processes

Grupo Nutresa continued working on the implementation of initiatives that contribute to the reduction of the environmental impact in the operations, such as: the purchase of 2.940 carbon credit units in 2018 in order to compensate the emissions derived from product distribution, the optimization of the vehicle fleet with the aim of reducing the number of vehicles necessary for the operation, the negotiation with suppliers to request the use of environmentally friendly materials for exhibition elements, commercial assets, advertising material and promotional activities that allow a broader utilization at the moment of their final disposal.

Total energy consumption (GWh) outside of the Organization [GRI 302-2]



CARLOS ANDRÉS BOLÍVAR MONTAÑO, is an *Hamburguesas El Corral* employee with special speech capabilities who has become a role model in terms of the service he provides to customers. His exemplary life story is a testimony of personal growth and self-improvement.

Serving without barriers

The passion Carlos Andrés feels for soccer is the same passion that distinguish him in terms of his attitude when providing a good service to customers. He is always making sure that all his *Hamburguesas El Corral* customers have everything they need, he is willing to help his colleagues at all times, and he normally is the first one ready for any activity.

Thanks to his smile, willingness and service agility, Carlos Andrés is always able to win the hearts of consumers and work team members. His dreams are to start a family and keep making his job an experience filled with opportunities to continue growing as a person.

With the firm belief of having a diverse and inclusive team, Grupo Nutresa works jointly with the Best Buddies Foundation to incorporate people with special capabilities into its operations. As of 2018, the Organization has brought in 199 employees across all its Businesses.

"I had lost faith in recruitment processes because I went through a few of them with no success. When they told me I was going to be part of the Hamburguesas El Corral team, it was one of the happiest moments of my life."

Carlos Andrés Bolívar Montaño, *Hamburguesas El Corral* employee.

Employee performing maintenance on the electronic components of a Novaventa vending machine in Medellín, Colombia.

HUMAN **RIGHTS**

Consolidating an inclusive and diverse work culture by means of a management system that promotes the 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 2018 [GRI 103-3]
Ensuring the effectiveness of the Human Rights management system.	• **Update** and analysis of the Human Rights risk matrix in Colombia with the aim of nourishing strategies to prevent any violations. • **Reception** and management of 36 possible Human Rights violation cases through the complaints mechanisms. • **Twenty** talk and discussion sessions led by the Strategic Human Rights Committee were held, with the participation of 200 employees from all Grupo Nutresa companies.
Training in aspects related to Human Rights.	• **Launch** of the virtual course titled *"I act with integrity because I respect all Human Rights"*, with the participation of 6.449 employees. • **Training** activities dealing with the elimination of unintended biases in the recruitment process. The activities were targeted at the leaders who are responsible for such processes in all Grupo Nutresa companies.
Consolidating diversity-related and inclusion practices.	• **43** people with special capabilities incorporated in Grupo Nutresa through an alliance with *Best Buddies*; and ten people from *Alianza soluciones*, an institution that supports both victims and former aggressors of the Colombian armed conflict after the peace accords, were also incorporated.
Developing capabilities among the leaders in order to enable them to promote and manage the respect for Human Rights, developing a mentality focused on the openness to diversity and inclusion.	• **Continuation** of the **Transformative Leadership** program, which promotes the respect for people, the importance of the eradication of prejudices, and the capability to work with diverse teams. 97 employees from all of the Company's Businesses participated in this program.
Developing Human Rights management capabilities among suppliers and contractors.	• **Launch** of the virtual course titled **"I act with integrity because I respect all Human Rights"**, with the participation of ten allied companies.
Construction of trust-based relations with representatives of collective covenants and collective bargaining agreements.	• Work on important matters with the union organizations in each company according to the corresponding work agenda. • Signing of 17 agreements with unions and employees.

Grupo Nutresa will continue to intensify itswork with allies from the **value chain** to make sure that the **best practices** in this field are incorporated

RISKS AND OPPORTUNITIES

[GRI 103-1]

Social matters are becoming increasingly stronger around the world and organizations must be committed to the creation of a work context that values and recognizes human beings as active and primary agents in the achievement of the organizational goals. Therefore, Grupo Nutresa deeply believes in human development and respect for people as two of its competitive advantages for attracting and securing the commitment of the best human talent. In 2018, having identified that one of the major opportunities lies in the work with the leaders, the Organization strengthened its support and its work teams with the purpose of achieving a deeper understanding about how to manage Human Rights aspects and the risks the Company would face if there is a case of infringement.

Another one of the opportunities in this regard lies in the work with suppliers and contractors, which is why it becomes necessary to develop awareness and capabilities among them for the promotion of and respect for Human Rights within their organizations. If this alignment is not ensured, Grupo Nutresa's companies could incur possible risks of Human Rights violations by third parties.

OUTLOOK

By 2020, Grupo Nutresa's Businesses will work on remaining at the forefront in terms of diversity-related and inclusion practices, and they will strive to ensure 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 supply chain to make sure that suppliers, contractors and customers also incorporate the best practices in this regard. The Company will continue to develop the capabilities of its leaders by means of training and empowerment so that they become the main promoters of a culture that values diversity in all its forms. Grupo Nutresa will also continue to promote participation and discussion mechanisms among both employees and third parties in order to identify improvement opportunities.

Another challenge will be to maintain the relevance of the complaints and reporting channels and mechanisms, and to encourage employees to use them, in order to demonstrate the effectiveness of the strategies and the trust with regard to the management of said mechanisms. For this purpose, the Organization will implement strategies focused on developing leaders, incorporating gender equality practices in all its companies, bridging gaps in the management of suppliers and contractors, and strengthening the programs that are focused on incorporating people with disabilities.

With the aim of promoting the work inclusion of post-conflict agents in Colombia, the Company will keep working on the support to the "Alianza Soluciones" (Solutions alliance) program, a multi-sector initiative that seeks to promote the employability and work inclusion of people affected by the Colombian armed conflict. Additionally, Grupo Nutresa will continue to work on training activities focused on Human Rights and, especially, on the construction of a culture of peace and reconciliation in all its companies and with the strategic allies.

Indoor operation employees at the Novaventa operations center in Cali, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS

[GRI 103-3]

The Coffee Business received an acknowledgment from Comfenalco Antioquia recognizing it as the most inspiring company in Antioquia in terms of work inclusion. Comfenalco also recognized the Business's commitment to bridging employment gaps in vulnerable populations.

The Tresmontes Lucchetti Business in Chile received the United Nations Global Compact award within the framework of the presentation of the results of the study that measures the level of integration of the United Nations Global Compact principles into the management of the companies in Chile, being ranked in first place in the Human Rights category. This study, which was developed jointly with the Global Compact and the Andrés Bello University, took into account the guidelines proposed by the 17 Sustainable Development Goals of the United Nations.

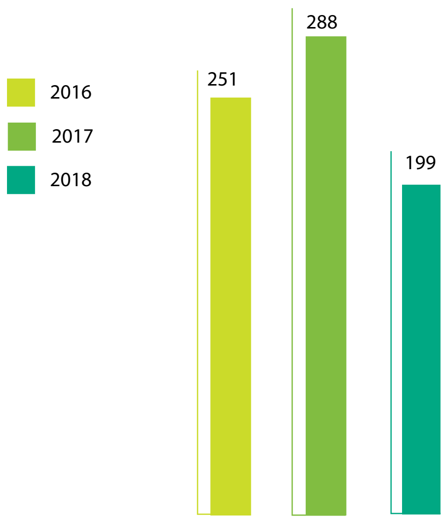
Production employees at the Biscuits Business production plant in San José, Costa Rica.

PROGRESS 2018 [GRI 103-3]

In 2018, the Human Rights work plan was consolidated, prioritizing five chapters that encompass the management and the promotion of Human Rights in Grupo Nutresa: risk update and management, leadership, supply chain management, absenteeism management, accidents and occupational illnesses.

Additionally, the Organization worked on two major projects that drive the diversity and inclusion strategy: "Alianza Soluciones" (Solutions alliance), a multi-sector initiative that seeks to promote the employability and work inclusion of people affected by the Colombian armed conflict through the strengthening of the Organization's human talent models by means of a differential approach, ending the year with ten people hired; and "Best Buddies," an initiative focused on reinforcing the hiring of people with intellectual disability, and that, thanks to the joint work with this organization, allowed to incorporate 43 employees with special capabilities in Grupo Nutresa's operations.

Number of people with some type of disability
[GRI 102-8] [GRI 405-1] [ODS 8.5]

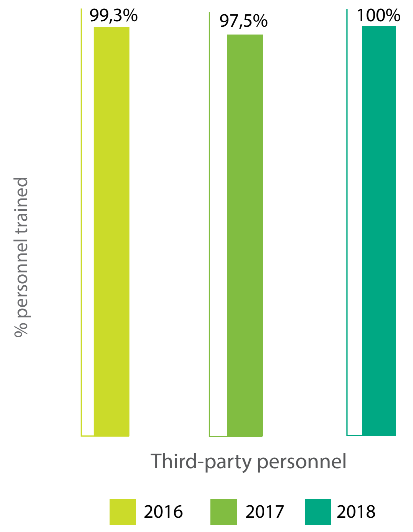


During 2018, Grupo Nutresa modified the way to measure disability, this year report only includes those individuals who were hired with this condition.

Moreover, a practical exercise was carried out jointly with the consulting firm *Trust* and the Tactical Human Rights Committee, which consisted in the identification, characterization and rating of actual and potential risks related to Human Rights. This exercise allowed to achieve a better understanding of the impact and the treatment measures that produced the update of the Human Rights risk matrix for Colombia as a result.

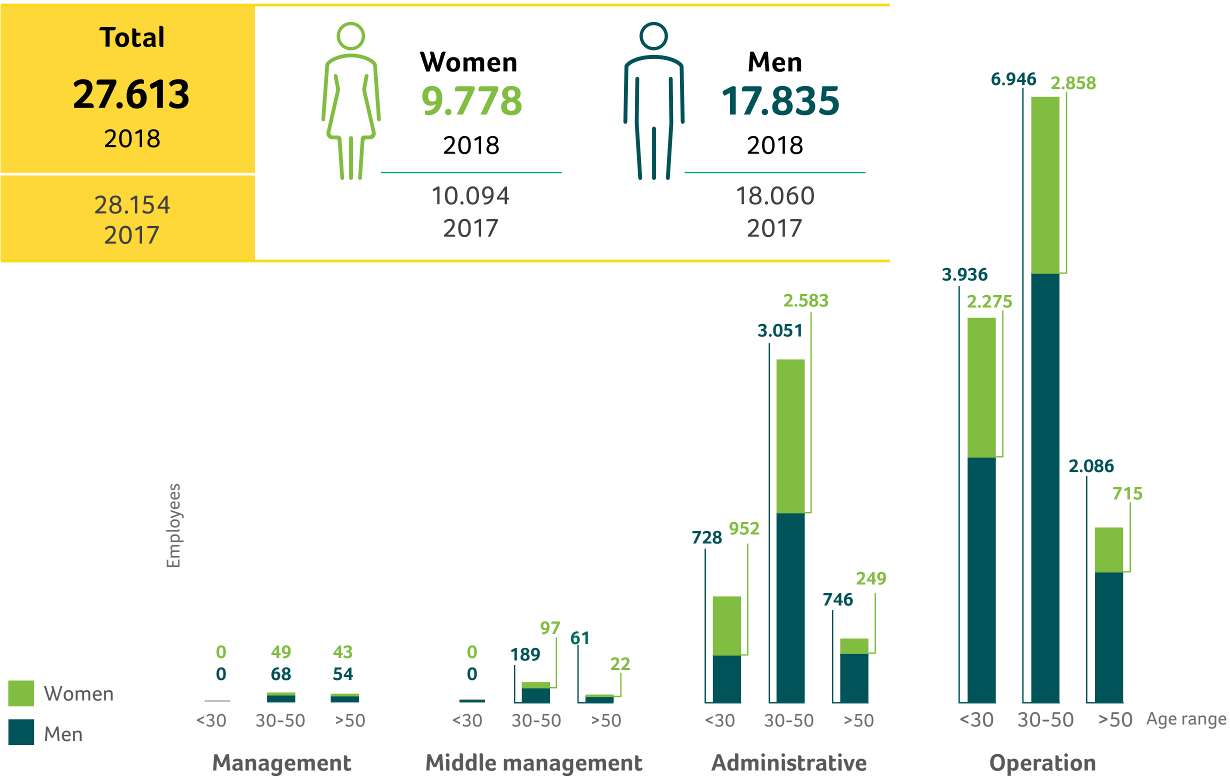
The Organization also prepared and executed the virtual training module titled *I act with integrity because I respect all Human Rights*, intended for both employees and strategic allies with the aim of ensuring a better understanding of this essential matter by means of practical cases that have been reported through Grupo Nutresa's complaints mechanisms.

Security personnel who received Human Rights training [GRI 410-1]

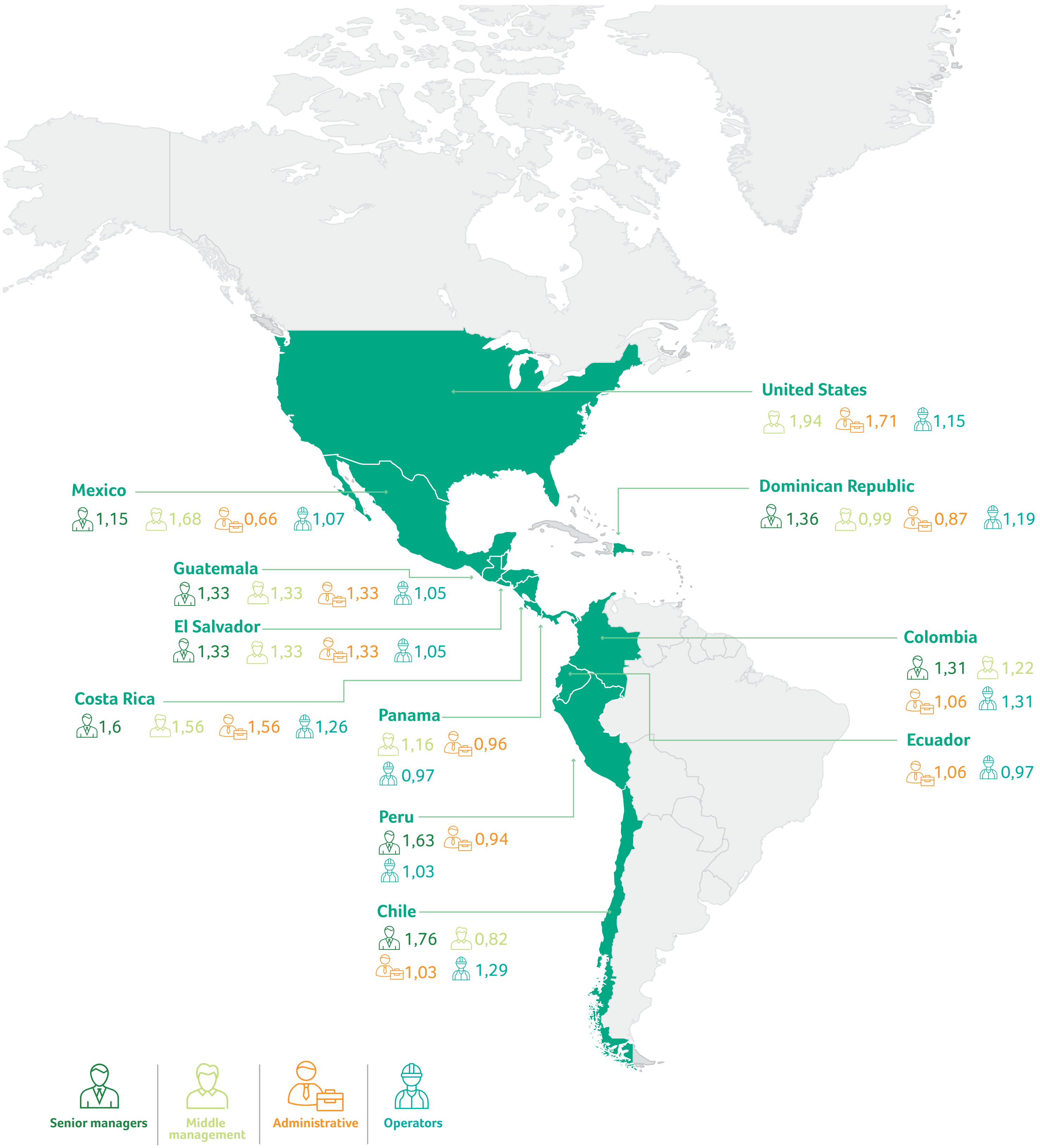


Additionally, the Company carried out training activities focused on the elimination of biases in the recruitment processes. These activities are initially focused on the leaders in charge of said processes because they become the allies who are in the best position to minimize or eliminate the prejudices and/or biases in this type of processes, thus ensuring a diverse human talent overall. In 2019, Grupo Nutresa expects to resume these activities with three more groups of leaders and strategic allies. Also in 2019, the awareness-raising comic strips that are part of the "Actúo Íntegramente" strategy will deal with issues such as work-related and sexual harassment, and gender and belief discrimination.

Diverse human talent [GRI 102-8] [GRI 405-1] [ODS 8.3]



Ratio of basic salary and remuneration of women to men [GRI 405-2] [ODS 8.5]



> For Grupo Nutresa, the environments that foster conversation and listening are essential for its **stakeholder engagement strategy.**

In 2018, Grupo Nutresa continued to provide training for contractors by means of the Strategic Allies School. The training activities were focused on the adoption of good labor practices that allow to maintain consistency with the corporate philosophy and to ensure the bridging of the gaps identified in the sustainability audits. The complete bridging of the gaps identified through the diagnosis performed the previous year was achieved. As a general standard, all the contracts that have been signed with the contractors include a compliance chapter related to Human Rights. Furthermore, Grupo Nutresa rejects child labor and forced labor, which is why the Employee, Supplier and Contractor Selection Policy explicitly prohibits the incorporation of minors and establishes the rejection of any form of forced labor.

In 2018, seventeen collective agreements were signed with the union organizations and collective bargaining organizations, achieving common purposes that enable the sustainability in this regard in all companies. For Grupo Nutresa, the environments that foster conversation and listening are essential for its stakeholder engagement strategy, creating and maintaining a climate of trust and respect where all people involved feel safe and confident to express themselves. **[GRI 408-1] [GRI 409-1] [ODS 8.7]**

The representatives of both the union organizations and the collective bargaining organizations participated in talk and discuss events focused on Human Rights. These events are favorable environments for discussion between the Strategic Human Rights Committee and the employees, who have the opportunity to voice their opinions regarding the Human Rights management performed by each one of Grupo Nutresa's companies with the aim of identifying improvement opportunities and breakthroughs in the promotion of and respect for Human Rights. **[GRI 407-1]**

The Company participated in the "Guías Colombia" (Colombia Guides) initiative with the preparation of a new community engagement document and with the validation of the self-diagnosis tool for the identification of gaps in aspects related to Human Rights. This initiative will be implemented in 2019 as part of Grupo Nutresa's commitment to make progress in the due diligence process regarding this matter.

The Organization carried out an awareness-raising activity focused on workforce gender management in the companies within the organizational scope. The activity was executed by the human management departments, supported by the organization that represents the International Labour Organization –ILO– in Colombia, *Equilatera*. In this regard, Grupo Nutresa signed the agreement with the Pacific alliance through the Andi (National Business Association of Colombia), which will be the basis for the continuation of the incorporation of professionals from other countries like Mexico, Peru and Chile into the Organization's companies.

Lastly, Grupo Nutresa will keep strengthening its complaints mechanisms, building trust and promoting the identification of behaviors that go against its organizational philosophy. The Company will continue to evolve to consolidate a work culture that appreciates diversity in all its forms, and to develop an inclusion-driven, diverse and socially aware leadership. **[GRI 412-2]**

Number of incidents of discrimination [GRI 406-1]

	2016	2017	2018
Number of incidents of discrimination reported	2	27	**36**
Number of incidents in which the Organization has analyzed and managed the situation	2	27	**36**
Number of cases closed	2	22	**30**

QUALITY OF **EDUCATION**

Developing pedagogical, leadership and management capabilities among teachers and academic directors by implementing pertinent, effective and sustainable initiatives that have an impact on the improvement of learning and boost competitiveness in the community in order to contribute to the reduction of inequality.

Delivery of school kits provided as part of the "Nutresa Quiere a los Niños" (Nutresa cares for children) Program in Ituango, Colombia.

STRATEGY [GRI 103-2]	**PROGRESS 2018** [GRI 103-3] [SDG 4.1]
Developing leadership and school management capabilities in the direction, academic, administrative, community and co-existence departments.	• **Training** and support in academic improvement processes in 434 public education institutions in Colombia. • **95,5%** of the schools maintained or improved their performance in the countrywide standardized tests, 29,1% are classified in the highest levels (A+ and A), and 43,8% exceed the average level. • **1.450** teachers and academic directors participated in the 16th National Education Congress: Lead to educate. This event had an academic program focused on the subject of learning-driven school leadership.
Strengthening the digital capabilities of the school communities.	• **Strengthening** of the technological capabilities of 462 teachers and 76 academic directors. • **Design** and implementation of 218 classroom projects involving the use of digital tools.
Developing management capabilities focused on the promotion of healthy lifestyles.	• **6.000** Colombian kids benefited from the delivery of school kits that favor and motivate their learning process. • **Implementation** of the Healthy Lifestyles (abbreviated EVS in Spanish) promotion methodology, focusing on the development of capabilities in 92 education institutions. This effort benefits 3.000 students.

The Organization fosters education as a **sustainable development mechanism** by promoting human beings who are innovative, creative and sensitive.

Students benefited through the “Nutresa Quiere a los Niños” (Nutresa cares for children) Program in Colombia.

RISKS AND OPPORTUNITIES
[GRI 103-1]

Grupo Nutresa strives in supporting education as an opportunity to strengthen the country’s human capital with the aim of generating an increase in productivity, improving the social welfare and reaching social equality and justice levels that ensure a harmonious cohabitation. Additionally, the Company fosters education as a sustainable development mechanism by promoting human beings who are innovative, creative and sensitive to the corresponding political, economic and environmental needs, and by doing so with a long-term focus too with the aim of improving the life conditions of not only current but also future generations.

An inclusive and equitable high-quality education favors the fulfillment of the Sustainable Development Goals and is essential to overcome poverty, increase the possibility to have access to opportunities, enable resilience, promote gender equality, enhance the capabilities related to the use of natural resources, increase the possibilities to have access to better jobs, and favor the economic growth and promote social involvement and cohesion.

Grupo Nutresa invests in education as an opportunity to strengthen the Country’s human talent with the purpose of increasing the competitiveness of the nation, contributing to a reinforced social capital capable of efficiently addressing the inherent risks of poverty and inequality in the economic and social contexts.

OUTLOOK

In order to fulfill its goals for 2020 and through Fundación Nutresa, the Organization will continue to develop projects that allow to enhance the capabilities in Colombian education institutions, as well as the technological and digital capabilities in education environments. School-related quality and the promotion of healthy lifestyles will be a priority that the Organization wants to boost in the school communities.

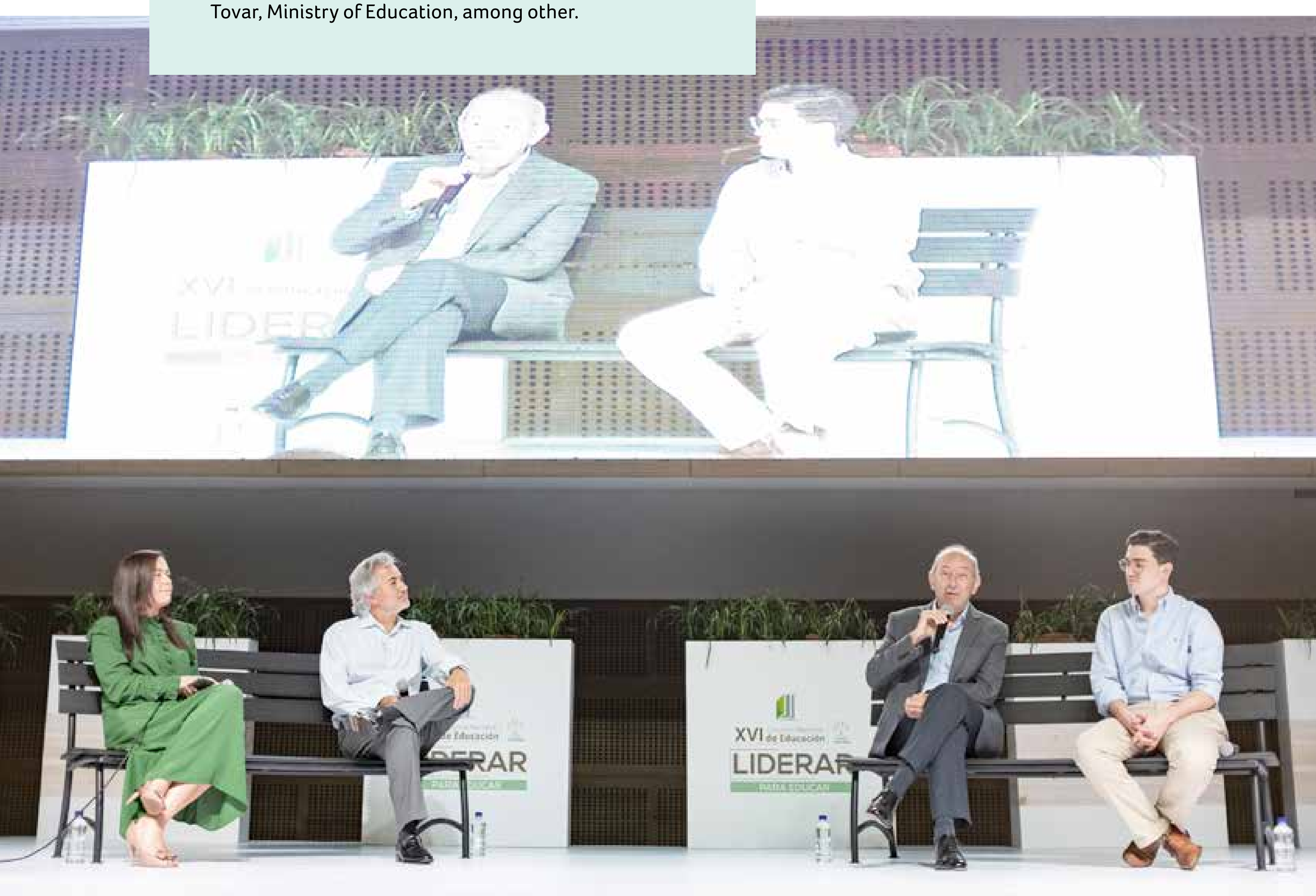
In the short and medium terms, the work will be focused on developing actions and strategies that ensure the reinforcement of school leadership as an element that boosts a sustainable improvement reflected on an increased learning level among the students and a competitive and productive social capital for the country.

Additionally, the creation of alliances with both the public and private sectors will also be a priority in order to enable the participation in public policy formulation, the sustainability of the school transformation processes, and the promotion of healthy lifestyles.

SUCCESS STORIES AND ACKNOWLEDGMENTS
[GRI 103-3]

It is worth highlighting the development of the 16th National Education Congress: Lead to educate, with the participation of 1.450 teachers and academic directors. The congress had an academic program centered around the subject of learning-driven school leadership, and included the participation of Dr. David Hopkins from the United Kingdom, who is a world-class expert highly recognized for his research and practical work in school-related improvement, Dr. Renatto Opertti from the IBE UNESCO International Bureau of Education, and Dr. Yaneth Cristina Giha Tovar, Ministry of Education, among other.

“Lead to build a better society” panel in the National Education Congress in Cali, Colombia.



Grupo Nutresa directs its initiatives toward the **strengthening of the capabilities** of the teachers and academic directors in Colombian public schools.

"Oriéntate, el mundo a un clic" (Find your way, the entire world just one click away) Program in Zipaquirá, Colombia.

PROGRESS 2018
[GRI 103-3]

By means of its education programs, Fundación Nutresa contributes to the fulfillment of the objectives set by the United Nations for sustainable development goal No. 4: Quality Education, specifically to the ones focused on ensuring an equitable and high-quality education with pertinent and effective academic results; the embracement of reading, writing and arithmetic capabilities by both women and men; and the increase in the offer of qualified teachers.

To achieve the foregoing objectives, the Company directs initiatives toward the strengthening of the capabilities of the teachers and academic directors in Colombian public schools. These two academic actors are the focal point of the initiatives because they have the possibility to directly transform their academic practices with the purpose of making them more competent and addressing the current needs in a more appropriate way. As a result of this management activity, 95,5% of the schools have maintained or improved their performance in the countrywide standardized tests, 29,1% are classified in the highest levels (A+ and A), and 43,8% already exceed the average level. * *Monitoring performed to 442 schools graduated/closed between 2012 and 2018 in 12 states and 95 municipalities.*

21st Century Leaders Program [ODS 4]

Proyecto Educativo Líderes Siglo XXI
Una ventana al futuro de Colombia

This program focuses on developing leadership and school-management capabilities in the direction, academic, administrative, community and co-existence departments. It is a support and training process for academic directors and teachers, with an average duration of three years over which methodologies focused on improving the academic aspects and strengthening the institutional culture are taught in collective learning scenarios.

434
education institutions.

1.209
teachers and academic directors in training.

8
states: Antioquia, Bolívar, Cauca, Cundinamarca, Chocó, Risaralda, Santander and Valle del Cauca.

322.400
students benefited.

1.450
hours of training, assistance and collaborative work.

nutresa
QUIERE A LOS NIÑOS

NQN - "Nutresa Quiere a los Niños" (Nutresa cares for children) [ODS 4.1]

By means of recreational and pedagogical festivals and with the delivery of school kits, this initiative promotes healthy lifestyles based on four pillars: a balanced diet, an increase in physical activity, key hygiene practices and sharing quality time as a family.

18
community festivals.

7.804
community festivals attendees.

6.000
kids benefited with the school kits.

3.000
kids benefited with the model for developing capabilities related to healthy lifestyles.

15
states intervened: Antioquia, Arauca, Atlántico, Bolívar, Boyacá, Caquetá, Cauca, Cesar, Cundinamarca, Magdalena, Putumayo, Quindío, Risaralda, Santander and Valle del Cauca.

Oriéntate
El mundo a un clic

"Oriéntate, el mundo a un clic" (Find your way, the entire world just one click away)

This program strengthens the digital capabilities of the school communities: teachers, academic directors, students and parents.

444
teachers received training.

46
academic directors received training.

1.402
parents received training.

19
education institutions.

243
classroom projects.

Teacher who is a beneficiary of the "Oriéntate, el mundo a un clic" (Find your way, the entire world just one click away) program in Zipaquirá, Colombia.

Implementation of the 21st Century Leaders Program in Cali, Colombia.

16th National Education Congress

In 2018, a collaborative methodology was developed with the participation of high-profile technical experts (Colombian Ministry of National Education), education secretaries, education deans, business leaders, directors of foundations), and the contribution by almost 600 education agents: teachers, directors and allies. These people, with their ideas, suggestions and expectations, contributed to the conceptual, methodological and logistical design of the event. The entire exercise was mediated by the implementation of technological developments that, in addition to optimizing the use of time, guarantee and safeguard the information for current and future use.

The congress achieved the creation of an academic program focused on the subject of learning-driven school leadership. The following were the participants of the congress program: Diana Uribe (historian), Pirry (journalist), Jeisson Aristizábal (inclusion leader), three international school leadership experiences from Mexico and Chile, nine local successful school experiences, three high-impact life experiences (Perrograf, Josefina Klinger and Luis Miguel Bermúdez), one expert talk and discussion session (Carlos Ignacio Gallego, César Caicedo and Juan David Aristizábal), the 3rd Secretary Meeting, and a collective construction exercise: The sustainable school.

The event was organized with the support by 15 allies from the private sector (United Nations, UNESCO, Dividendo por Colombia, the Canadian Embassy, Argos, Bancolombia, Haceb, Eafit, Smurfit Kappa, Alquería, Mamonal, Colombina, Carvajal, Proantioquia and Sura), 13 education secretariats and the Ministry of National Education.

A total of 1.450 academic directors and teachers, 30 education secretaries, 10 allies from the private sector, and 14 district entities attended the event.

Promotion of healthy lifestyles

In 2018, the Organization performed awareness-raising activities in communities to address the importance of a balanced diet, the increase in physical activity and the implementation of key hygiene practices on a daily basis. In this regard, the Nutresa cares for children program supported the strengthening of action plans focused on the embracement of healthy lifestyles in 92 education institutions across the country, where the Organization delivered school kits and the booklet tittled *"Una aventura para crecer feliz y más saludable "* (An adventure for growing happy and healthy) for the benefit of approximately 3.000 students in highly-vulnerable, difficult-access rural areas. Additionally, the Company organized 18 community-based art festivals, which were attended by 7.804 kids who enjoyed diverse music and theater shows.

Finally, in an alliance with the Ministry of National Education and UNICEF, Fundación Nutresa supported the implementation of the methodological route for the promotion of healthy lifestyles in four Colombian states: Guajira, Putumayo, Antioquia and Cauca, with the participation of the school communities from 16 schools. The strategy fostered training, territorial management and social mobilization processes.

OMAR JOSÉ CHADID GONZÁLEZ started the creation and strengthening process of the *Ecocacao* Cooperative Organization in Santander. The Cooperative is a cocoa bean supplier for the Chocolates Business in Colombia who has contributed, based on rural development alternatives, to the strengthening of the social fabric and to the economic growth in his territory.

Sowing to support a territory

The work of the *Ecocacao* Cooperative Organization has been centered around generating well-being and fostering progress in the cocoa-producing territories in Colombia with the purpose of promoting people's personal growth, bringing life to the land by using it adequately for harvesting and commercializing this produce. Omar José contributes his experience with the aim of supporting rural development with a strategic vision and promoting quality of life and the progress of the families and the territory.

In the Santander region, cocoa plantations were started as a productive and sustainable alternative focused on building peace and overcoming inequality. It has been a seventeen-year experience developing capabilities by means of technical training and the organization of social, cultural and environmental activities that currently benefit more than 860 partners in 64 municipalities and eight Colombian states.

Anderson Alberto Rondano Gómez, general manager and legal representative of the *Ecocacao* Cooperative Organization.

"I fell in love with cocoa production and with this territory. That is what created the challenge of establishing a cooperative organization that combined the dreams of farmers and transformed the poorest territories with productive projects."
Omar José Chadid González, general manager and legal representative of the *Ecocacao* Cooperative Organization.

Since 1958, the Chocolates Business has been supporting cocoa producers by guaranteeing the purchase of the production, fair payment and technical, social and business assistance in the formulation, execution and development of projects. Currently, there are 152 productive alliances in 22 Colombian states, benefiting more than 14.000 families.

New wastewater treatment plant at the Coffee Business in Medellín, Colombia.

MANAGEMENT OF **WATER RESOURCES**

Reducing the direct and indirect impact on the water resources across the entire value chain and mitigating the risks associated with shortage situations or deterioration of 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 2018 [GRI 103-3]
Optimizing water consumption.	• **Reduction** of 1,5% in the consumption of water per ton produced in comparison to 2017, and an accrued reduction of 29,2% since 2010 thanks to the development of multiple projects in Colombia. • **7,1%** water consumption reduction with regard to 2017 in Mexico, Costa Rica, Peru and Chile.
Reducing the impact on the water resources by means of the adequate management of water disposals.	• **Investment** of COP 11.186 million in the wastewater treatment plant operations in the Cold Cuts, Coffee, Ice Cream, Tresmontes Lucchetti, Biscuits and Chocolates Businesses in Mexico. **[GRI 303-2]**
Managing the water resources in the value chain.	• **Execution** of activities for the protection of the basins associated with the rivers Palo and Gualí in Colombia. • **Sustainable** sourcing study conducted by the Cold Cuts Business in Aguachica, and organization of an event focused on communicating hydrological risk issues to suppliers.
Knowing and assessing the water-related risks in the operations, consolidating the model that focuses on determining the real price of water.	• **Implementation** of the hydrological risk model, based on quality, availability, regulation and conflicts, which incorporates the external alterations in order to estimate the real price of water. This is a financial assessment of projects involving water resources.

Grupo Nutresa will continue investing in the development of better technologies for **wastewater treatment and water recirculation.**

RISKS AND OPPORTUNITIES

[GRI 103-1]

Grupo Nutresa's management of water resources takes into account the risks related to availability, quality, regulation and reputation regarding water in the strategic region. It is also significantly relevant across the entire value chain because, as a food producer company, the water-related risks must be monitored for the production of the raw materials and for the industrial operations.

This management has been a topic that has evolved based on the eco-efficiency of the industrial plants, a matter related to the assessment of the risk in the multiple components of the value chain. In this regard, there have been major breakthroughs regarding eco-efficiency and it is expected that the goal established for 2020 (reducing water consumption by 30% per ton produced) will be successfully fulfilled.

However, the challenges in the value chain are significant and require the participation of the Organization, the suppliers, contractors, employees and, in general, the communities. Therefore, in 2019, Grupo Nutresa will address the hydrological risks of the main commodities and formulate action plans with regional solutions, such as the water funds in Colombia and in other countries from the strategic region.

OUTLOOK

The continuous growth of the global population and the economic growth in society increase the global demand for water. Two the economic activities with a high water demand are those carried out by the agricultural and livestock sector and by the industrial sector, which bear a great responsibility in the sustainable management of this essential resource.

That is why, in the short term, the Company will establish treatment measures for the water-related risks identified in the production plants with the purpose of ensuring the continuity of the operations and the adequate relations with the neighboring communities. Additionally, the Organization will keep incorporating, in the financial assessment of projects, the real value of water according to its calculations. The purpose of this incorporation is to visualize, in financial terms, the cost of the impact on the water resources and reveal the returns arising from the investment in initiatives focused on the reduction of direct and indirect consumption and disposal.

Along the same line, Grupo Nutresa will continue to work on the protection of the water basins and watersheds by means of collective mechanisms such as the water funds. The Company will also maintain its investments in the development of better technologies for wastewater treatment and water recirculation, even foreseeing that some of its operation centers will become zero-disposal production plants in the medium term.

Hand washing at the distribution center of the Cold Cuts Business in Bucaramanga, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS

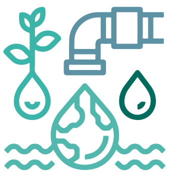
[GRI 103-3]

- **A reduction of** 3.019 m^3 in the water consumption of the Biscuits Business in Costa Rica, which was the result of a project focused on the reuse of wastewater for the sanitary services. This project was selected as the winner of the “Compromiso con la Excelencia” (Commitment to Excellence) program, which was organized by the Costa Rican Chamber of Industries in November 2018.

Promotion of water saving practices at Servicios Nutresa in Medellín, Colombia.

PROGRESS 2018
[GRI 103-3]

The Organization considers the water resources to be one of its material topics. That is why it has established policies, action plans and follow-up programs for eco-efficiency and the sustainable use of this essential resource. According to the materiality study, this topic maintains its significant relevance for both the stakeholders and the Organization, and it is managed through work plans focused on:



- Responsible use of water;
- Water protection - Joint work in the value chain;
- Water footprint of products;
- Water disposal.

Furthermore, through its comprehensive risk management, the Company manages the guidelines for monitoring, compliance and anticipation of the local and regional regulations in matters related to water resources.

Supply sources [GRI 303-3]

In 2018, Grupo Nutresa's water withdrawal was distributed as follows:

1.481,3 from local aqueduct services.

61,3 from surface sources.

406,0 from underground sources.

0,04 from rain water.

0,1 from water recirculation and reuse.

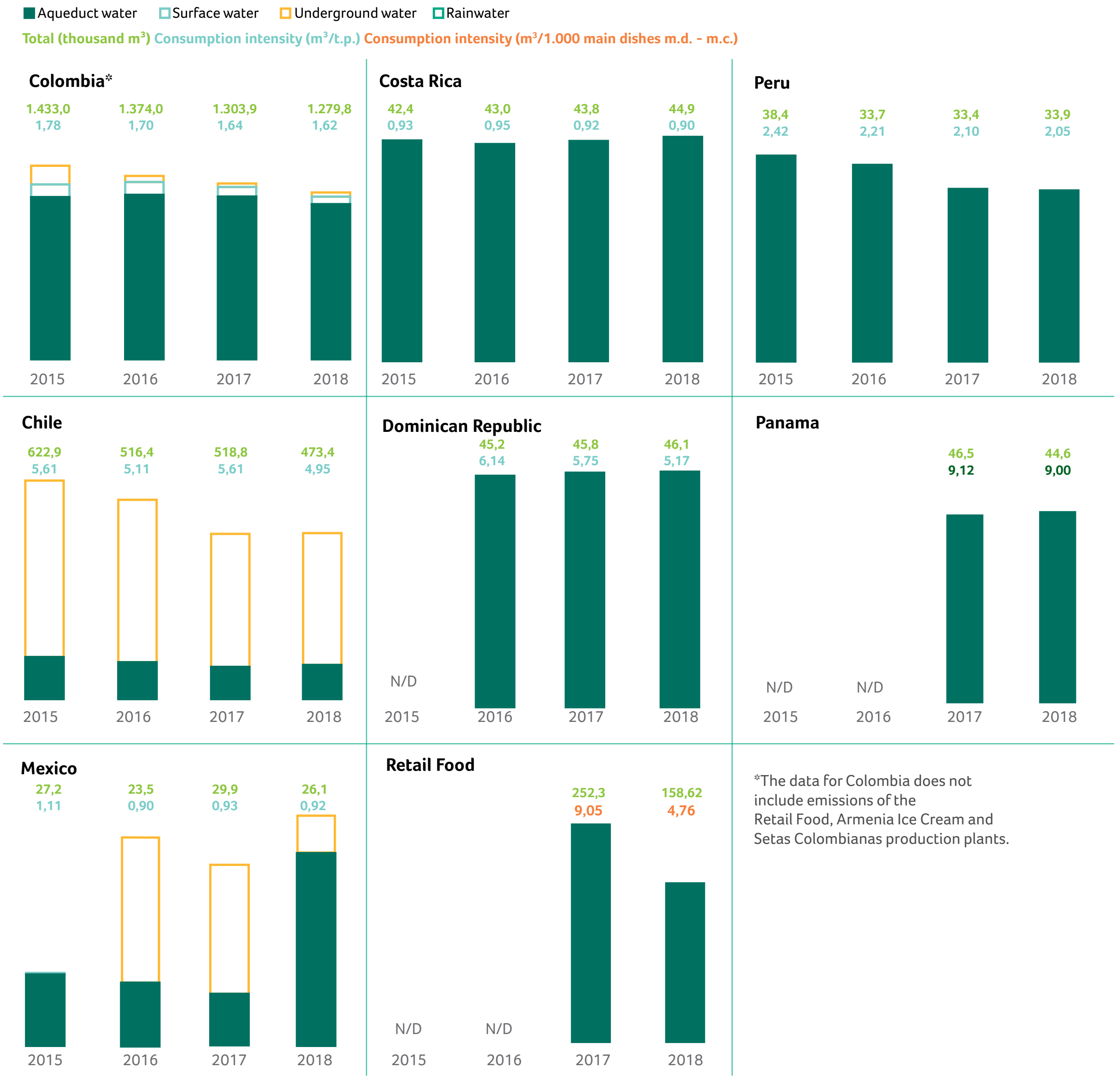
Includes withdrawal in the plants of Chile, Colombia, Costa Rica, Mexico, Panama, Peru and the Dominican Republic.

Goals and follow-up to indicators

The Organization has defined environmental goals such as the reduction of water consumption per ton produced for the term ranging from 2010 to 2020. The goal is to reduce water consumption by 30% in the industrial operations, which is assessed on a monthly basis with the aim of implementing timely action plans if there are any deviations.

Total water withdrawal by source [GRI 303-1] [ODS 12.3]

The charts below show Grupo Nutresa's water consumption figures for 2018 in Colombia and its production plants abroad.



*The data for Colombia does not include emissions of the Retail Food, Armenia Ice Cream and Setas Colombianas production plants.

Grupo Nutresa will continue investing in the development of **better technologies** for wastewater treatment and water recirculation.

Control of the water flow operations at the wastewater treatment plant of the Coffee Business in Medellín, Colombia.

Management of the impact related to water disposal [GRI 303-2]

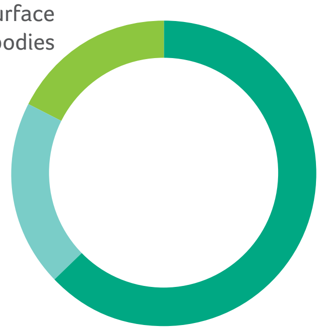
The Organization considers the compliance with the legal dispositions to be a minimum requirement in all its operations. In all regions where it operates, the Company conducts legal surveillance in order to establish the level of compliance and to undertake actions focused on bridging the existing gaps. Thus, the water disposal quality regulation is considered as a priority in the investments for equipment, treatment plants and eco-efficient operations. Grupo Nutresa has made investments of COP 10.479 million in Colombia and of COP 776,7 million in the international production plants.

Moreover, in Colombia, the Resolution 631 of 2015 establishes the maximum permissible limits for diverse wastewater disposal parameters, whether it is into the sewage system or into surface water bodies. The Resolution contains permissible limits based on the different industrial activities and, in our case, the parameters that must be measured are described in the food and beverage sector section.

Likewise, for the strategic region (Mexico, Central America, Peru and Chile), the Organization has a specific set of rules for the compliance with wastewater disposal parameters.

Some regional regulations require the measurement of the pollutant load removal as a parameter. Other regulations determine the maximum concentration limits not only for BOD and COD, but also for the presence of elements such as nitrogen, phosphorus, sulphates, hydrocarbons, heavy metals and metalloids.

Water discharge by quality and destination [GRI 303-4] [ODS 12.5]

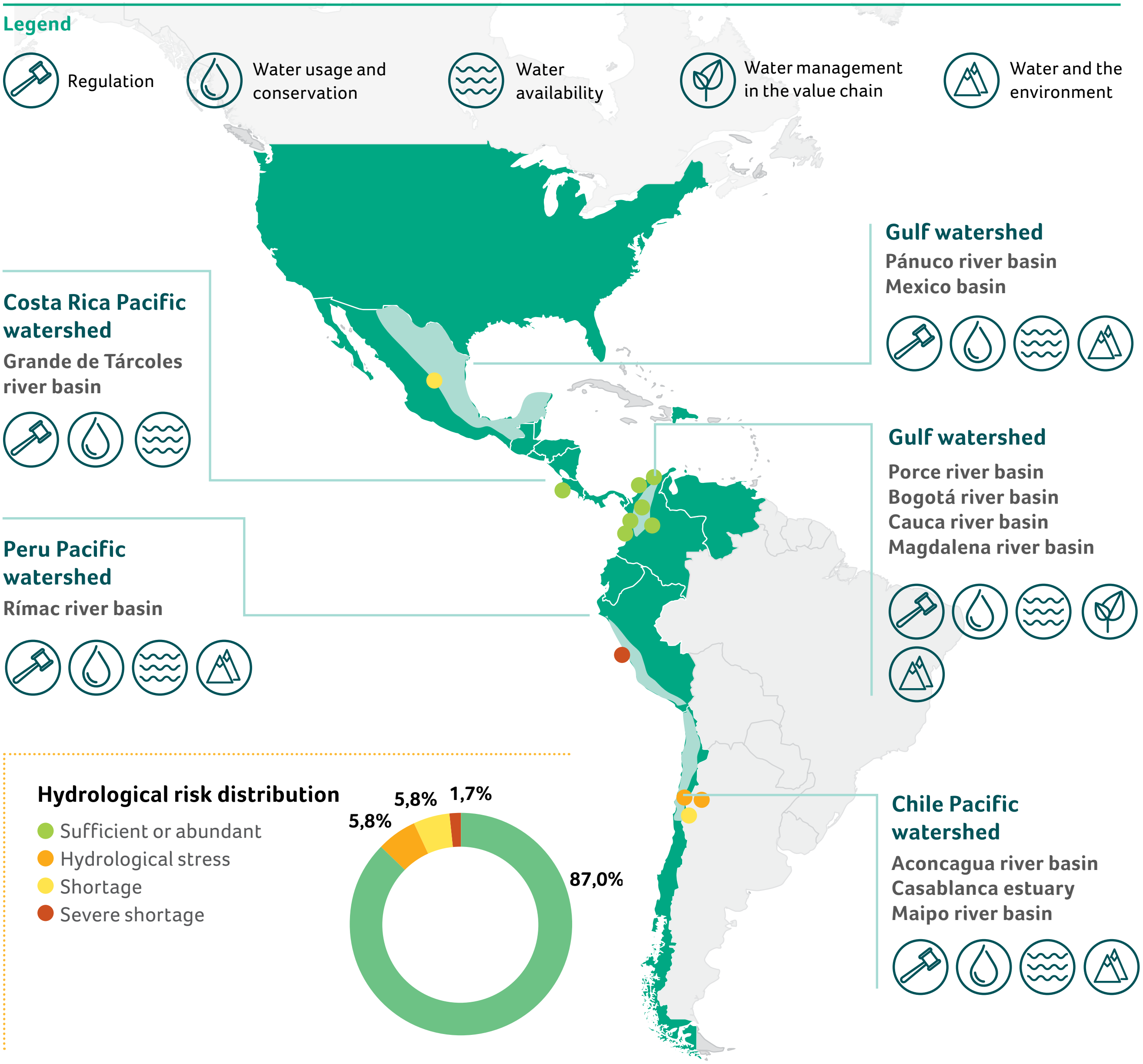


Basins of influence and scope

Grupo Nutresa, interested in knowing what is the possible exposure in the hydrological stress areas of its production plants, used the Global Water Tool (GWT) created by the World Business Council for Sustainable Development (WBCSD), which has the purpose of identifying the water-related risks and opportunities by means of global data of the main water basins. Likewise, the Organization used the risk mapping tool created by the World Resources Institute, called Aqueduct, which allows companies, investors, governments and other users to understand where and how are the water-related risks and opportunities emerging across the world. These mechanisms were implemented by the Chocolates Business production plants in Mexico and Peru, the Biscuits Business production plant in Costa Rica, and the Tresmontes Lucchetti Business in Chile.

The GWT results for the basin analysis indicate that currently there are stress conditions for one production plant of the Tresmontes Lucchetti Business in Santiago de Chile and for the Chocolate Business production plant in Mexico City; shortage conditions for three Tresmontes Lucchetti production plants in Chile: two in Valparaíso and one in Casa Blanca; and extreme shortage for the Chocolate Business production plant in Peru.

Basin management [GRI 303-1]



Consistently with the global hydrological risk framework, Grupo Nutresa works on the **conservation of the water resources** in its operations and value chain.

Regulation

[GRI 303-1]

According to the executive summary of the World Water Forum 2018 in its sub-regional report for South America , the main actions that need to be implemented in the short-term are the enhancement of sectoral reforms, the institutional reinforcement and the improvement of the regulatory frameworks with the aim of promoting the participation of private entities in the water sector. Furthermore, the report recommends the establishment and promotion of national water funds in order to support the initiatives centered around the sustainability of water resources. It is expected that the regulations across Grupo Nutresa's entire strategic region will undergo amendments in both the short and medium terms.

Along this line, Mexico is reviewing major projects of concessions of basins to private entities, which is something that will probably produce a change in the roles of the multiple agents in charge of managing water resources in that country. In Peru, the National Water Authority continues to work on the action plans focused on mitigating the hydrological risk across the country. One of the actions carried out is the blue certificate, a Peruvian initiative that encourages a voluntary commitment by the companies to offset the water usage impact on the basins of influence of their projects.

Grupo Nutresa remains vigilant of new provisions and will review its hydrological risk model in order to evaluate on a regular basis the regulatory component within the quantification model, and take relevant actions.

[1]https://bit.ly/2SAOkXX.

Water usage and conservation

[GRI 303-1]

En Consistently with the global hydrological risk framework, Grupo Nutresa works on the conservation of the water resources in its operations and value chain. In 2018, the initiatives were focused on consumption reduction, recirculation and water quality in the disposal process.

In addition to working on reducing water consumption per ton produced, the technological development of the processes has allowed to include recirculation practices in the operations.

The Chocolates Business production plant in Rionegro implemented a process that consists in reusing the water derived from the purge of the cooling towers. By means of a small improvement in the filtering during the purge process, it has been possible to reduce the consumption of drinking water by 1.728 m^3 per year.

The Coffee Business utilized treated water in the roasted and ground coffee process. Through this activity, the treated water in the wastewater treatment plant was redirected to the toilet service. This allowed to achieve savings of more than 700 m^3, which is equivalent to 11% of the yearly consumption.

In Novaventa's operation center in El Carmen de Viboral, in Antioquia's eastern region, a water recirculation initiative was implemented for the tests of the fire sprinkler system that enabled saving 364 m3 of water per year.

In the Biscuits Business facilities in Buga, the spray irrigation system of the wheat mills was replaced, achieving savings of 293 m3 of water per year.

Finally, 14 water-saving showers were installed in the employee bathrooms of the Chocolates Business in Mexico, generating savings of 1.140 m^3 of water per year.

Water analysis and operational control at the Coffee Business production plant in Medellín, Colombia.

Water security management

[GRI 303-1]

In the milling facilities of the Biscuits Business in Santa Marta, Colombia, which is located in a zone with a high water availability stress level, the Company implemented an alternate underground water supply system with the construction of a 10 m3 tank. This tank allows storing water from the well, decreasing the pressure arising from the need to use tank trucks and from mill operation stoppages.

With the objective of assessing the water supply in the Aguachica production plant, the Organization conducted the Study on surface and underground hydrological availability to evaluate water supply alternatives for the facilities, concluding that the water supply for the production plant will consist of three sources: supply from the local aqueduct, water reuse and an underground source (deep well).

That is why it is necessary to perform drilling work to construct a deep well, build and start operating a water reuse plant, and install a drinking water treatment system. Currently, the project is at the stage of detail engineering and legal environmental proceedings. Additionally, a study on the surface water availability of the Aguas Claras stream was submitted as part of the plan to extend the concession for the benefit of the community.

Water and the environment

The Pastas Business, through its production plant in Mosquera, carried out tree planting activities in the Gualí wetland. The employees performed the soil preparation, planting and fencing work for 30 trees of local species from this particular ecosystem. These activities were carried out within the framework of the World Environment Day, and fostered the sense of protection towards the wetland and the bodies of water.

Additionally, the Cold Cuts Business in Medellín worked on the protection of the La Toscana stream by raising awareness about the importance of protecting and conserving this type of bodies of water. The awareness-raising activities included the participation of 68 people from the volunteer program called Poder de Mil (Power of a thousand), the neighboring community and the educational institution Julio César García.

Moreover, the Cold Cuts Business's Caloto production plant carried out the reforestation of the Palo river basin, which is the water source that supplies this production plant. The reforestation consisted in planting 100 native-species trees, and an investment plan is being executed jointly with the Regional Autonomous Corporation of Cauca, which has the objective of contributing to the sustainable development of the sub-basin, with the protection of water supply sources, the structured regulation of livestock farming and the implementation of the best agricultural and livestock practices. The investment associated with the project in 2018 amounted to COP 60 million.

Employee using the bicycle parking station at the Coffee Business production plant in Medellín, Colombia.

CLIMATE **CHANGE** AND AIR **QUALITY**

Minimizing the impact on air quality and contributing to the mitigation of and adaptation to climate change by implementing actions focused on reducing the emissions, permanently searching for the highest energy efficiency, incorporating clean technologies, efficiently using the commodities in Grupo Nutresa's operations, and adapting the products intended for consumers with a higher level of awareness.

STRATEGY [GRI 103-2]	PROGRESS 2018 [GRI 103-3]
Raising awareness about climate change.	• **Continuity** in the application of the Company's Climate Change Policy. • **Performance** of awareness-raising and communication activities focused on environmental protection and climate change mitigation for consumers and employees with the launch of the Tosh brand as carbon neutral in Colombia and Costa Rica.
Reducing the emissions of greenhouse gases.	• **Accumulated** reduction in the emissions of greenhouse gases scopes 1 and 2 of 43,7% for the 2010-2018 term in Colombia. • **Continuation** in the purchase and supply of green energy certified as zero emissions as it is generated from renewable sources such as hydroelectric power stations and wind farm projects. This allowed to reduce scope 2 emissions by 100% between 2010 and 2018. • **Carbon-neutral** recertification in the Chocolates Business production plant in Costa Rica.
Expanding the use of lower-impact commercial assets.	• **Continuity** in the replacement of refrigerants of commercial refrigerators with refrigerants that have a lower warming potential in the Ice Cream Business.
Mitigating the impact of the products on the climate throughout their entire life cycle.	• **Carbon** neutral certification and seal for the Tosh brand products in the Biscuits, Chocolates and Coffee Businesses in Colombia and Costa Rica, with an offset of 18.083 tons of CO_2e/year through forest conservation projects. • **Preservation** of the emissions neutrality of the Chocolates Business's brand Evok in Colombia, and Tresmontes Lucchetti's brands Livean and Zuko in Chile.
Reducing the impact on air quality.	• **Continuation** of the application of optimization practices in both the consumption and use of clean fuels, representing 98,4% in the production plants in Colombia and 82,4% in the production plants abroad. • **Adherence** by all of Grupo Nutresa's Businesses to the Pact for Air Quality in Medellín, Colombia. • **Formulation** of sustainable mobility plans that include emissions reduction goals related to the employees' commutes, the promotion of the use of bicycles, adaptation of parking lots, the use of shared routes and the implementation of telecommuting.
Climate, physical and regulatory risk assessment.	• **Assessment** of the impact of some risks and externalities in Colombia with the aim of knowing the methodologies and incorporating it into the decision-making process.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Some of the risks are related to the detriment to the Organization due to changes in public policies, regulatory noncompliance, impact on the environment, and climate and natural phenomena. Apart from other, such as the commitments gained in the Paris Conference of the Parties –COP 21–, which have led to legislations with diverse forms of carbon taxes and proposals to establish quotas by sector that challenge the Organization to rethink its processes.

Moreover, the physical risks keep on intensifying in the region as tropical storms and hurricanes are increasingly getting worse and coming closer to the operation centers. However, this generates opportunities to address the responsible consumption preferences, favoring the products that have sustainable features, with a low carbon intensity in its life cycle or whose carbon footprint would be offset.

Grupo Nutresa has conducted climate change risk quantification studies related to the production of the main supplies and identifying the financial implications and their consequences, which provide useful information for making better-grounded decisions.

Finally, air quality is another significant challenge for the Organization due to the growing problems that some cities in the strategic region have been undergoing. These problems, in turn, provoke regulatory changes and the imposition of restrictions that entail the modification of process logistics or that can generate operational and reputational risks.

Grupo Nutresa will continue promoting a culture focused on the importance of mitigating the climate change effects through the dissemination, both tactical and operative, of the **Climate Change Policy.**

Outlook

Grupo Nutresa will continue promoting a culture focused on the importance of mitigating the climate change effects through the dissemination, both tactical and operative, of the Climate Change Policy. Additionally, the Organization will keep working on the decrease of its direct emissions to reduce the environmental impact, as well as its exposure to tax burdens. Furthermore, the Company will work on establishing adaptation measures according to its vulnerability level. Therefore, over the coming years, it will continue to reinforce its physical and transitional risk management strategies across its entire value chain by establishing specific plans to address such risks.

With regard to the matters related to air quality, Grupo Nutresa will continue to participate in collective efforts with governments and other companies in order to develop proposals of policies, guidelines and incentives that ensure an adequate technological transition and reduce the impact of this issue. The Organization will also keep improving its industrial processes and the atmospheric control systems to reduce the fixed emissions. Likewise, the Company will work on improving its transport processes to reduce the environmental impact of the fleets of vehicles used to distribute its products with the use of cleaner fuels, the modernization of engine technology and the efficiency in both driving and route design.

One of the electric vehicles of Opperar's transport fleet in Medellín, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS

[GRI 103-3]

It is worth highlighting the Tosh brand due to its newly obtained certification thanks to the offset of the CO_2 emissions generated throughout its entire life cycle, thus achieving a neutral carbon footprint. The offset was achieved through: forest management and conservation projects in the Sonsón páramo (alpine tundra) in Antioquia, Colombia, with the BanCO_2 project (13.150 tons of CO_2e); the Yariguíes farm, an agroforestry initiative undertaken by the Chocolates Business in Barrancabermeja, Colombia (2.933 tons of CO2e); the National Forest Financing Fund (Fonafifo) and forest conservation programs (2.000 tons of CO_2e) in the Caribbean, sponsored by the Ministry of the Environment and Energy (Minae) in Costa Rica. With these practices, Tosh is the first Colombian mass-distribution food brand with a neutral carbon footprint, certified by the Icontec (Colombian Institute of Technical Standards), for its five categories in the 32 countries where it has commercial presence.

Another action that stands out is the installation of 224 solar panels in the Biscuits Business in Costa Rica, which enables savings totaling 53.698 kWh in energy consumption, and a reduction of the greenhouse gas emissions that amounts to 4,1 tons of CO_2e in a year.

It should also be underlined that the Biscuits Business in Costa Rica was awarded the "Bandera Azul" acknowledgment, in the climate change category, by governmental bodies due to the actions being developed in Pozuelo's production plant, which are focused on environmental management and awareness-raising.

Another aspect worth highlighting is the work performed by Opperar in the development of carbon emission reduction strategies for the finished-product transport fleet with the incorporation of vehicles fueled by natural gas, the use of fuel additives to reduce the emissions, and the offset of emissions through the purchase of carbon credits. The Company acquired carbon credits for more than 7.000 tons of CO_2 e/year.

Coffee Business employee contributing to sustainable mobility by responsibly riding her bike to work in Bogotá, Colombia.

PROGRESS 2018

[GRI 103-3]

Culture

Climate change is a significant issue for the Organization and its stakeholders, which is why it becomes vital to develop the employees' capabilities and to build a culture of awareness about this matter. It is also fundamental to ensure understanding of and commitment to the individual contribution and responsibility for the fulfillment of the objectives established by the Company. That is why, in 2018, the Organization carried out training activities and launched campaigns focused on raising the awareness about climate change, producing the following results:

Sustainability Sessions: awareness-raising activities in Servicios Nutresa, Gestión Cargo and the Biscuits, Chocolates, Cold Cuts, Coffee, Comercial Nutresa, Novaventa and Servicios Nutresa Businesses, and in the Biscuits Business in Costa Rica as well. This sessions were focused on enhancing the employees' capabilities related to sustainable mobility, inclusion diversity, circular economy and volunteer work through activities such as tree planting, the launch of bicycle parking stations, the socialization of the MES plans, the dissemination of the life cycle analysis, the organization of the sustainable bazaar and the promotion of electric cars and bicycles.

MES plans: design and formulation of MES plans (Spanish abbreviation for Sustainable Business Mobility) in the Coffee, Cold Cuts, Biscuits, Servicios Nutresa and Comercial Nutresa Businesses, with the purpose of defining mobility strategies focused on reducing the negative air quality impact and the CO_2 emissions from employee commutes.

Pact for Air Quality: Grupo Nutresa and its companies joined the Pact for Air Quality in Medellín and the Aburrá Valley Metropolitan Area in Colombia.

Reduction of emissions generated by the employees

Continuation of the telecommuting practices over the year for 408 employees from all of Grupo Nutresa's Businesses, contributing to the reduction in CO_2 emissions that would have been produced from the commute from their homes to their corresponding workplaces, which would be equivalent to 378 tons of CO_2e.

Reduction of emissions

In 2018, Grupo Nutresa made progress in the application of good environmental practices, technological overhaul and the implementation of innovative success stories with the aim of improving the eco-efficiency of the processes and reducing the carbon emissions from the operations and products.

Direct and indirect (scopes 1 and 2) emissions [GRI 305-1] [GRI 305-2] [GRI 305-4] [ODS 13.1] [ODS 12.2]

*The data for Colombia does not include the consumption of the Retail Food, Armenia Ice Cream and Setas Colombianas production plants.

Reduction of emissions generated by industrial processes [GRI 305-5] [ODS 13.1]

Grupo Nutresa continues to work on the prevention of air pollution by overhauling its technology to use cleaner fuels such as natural gas and biomass. The Organization also invested in pollution control systems that ensure emission levels significantly lower than those allowed by the regulations currently in force. This practice has resulted in a 98,4% use of cleaner energies in the industrial processes and, on the basis of a 2015-2018 term, the reduction in atmospheric emissions of particulate material, nitrogen oxides, sulfur oxides and other air pollutants.

Additionally, good practices have been consolidated with the purpose of optimizing the consumption of natural gas. Among these practices, the following are some of the most noteworthy:

- Improvement of the hot air recirculation system and adjustments to the operation in the roasting process of the Coffee Business production plant in Medellín. This activity decreased the consumption of natural gas during the cycle, with savings amounting to 279.447 m3 of natural gas (6% reduction in the process energy indicator) and a reduction of 558 tons of CO_2e/year.
- Installation of a new industrial oven for the Waffer product line in the Pozuelo production plant of the Biscuits Business in Costa Rica, which started operating in January 2018, representing a reduction of 26.883 gallons of LPG based on its greater efficiency. This is equivalent to a reduction of 164 tons of CO_2e.
- Modification and improvement of the operation frequency of the pumps from 50 Hz to 40 Hz in the glycol station in the distribution center of the Cold Cuts Business in Medellín. The decrease in the consumption reached 50%, going from 14,9 kWh to 7,73 kWh and yearly savings amounting to 106.117 kWh, which is equivalent to a reduction of 11,5 tons of $C0_2$ e.
- Redesign of the CIP heating system for the two phases in the Ice Cream Business production plant in Manizales, with valves and a piping network that enables automatic phase switching. This guarantees the full recovery of the condensate by means of a pump trap, and the maximum level of energy from the steam, with savings in the consumption of natural gas amounting to 10.752 m_3/year, representing a reduction of 21,4 tons of CO_2e.

Reduction of GHG emissions
[GRI 305-5] [ODS 13.1]

Colombia - Production plants	2016	2017	2018
Scope 1 emissions	782,1	87,3	**757,6**
Scope 2 emissions	155,7	387,4	**61,7**

Reduction of emissions generated by transport activities

Grupo Nutresa has worked on the reduction of the greenhouse gas emissions of its finished-product transport fleet by means of different strategies: preventive maintenance to vehicles and refrigeration equipment to ensure an optimal operation, assessment of new technologies for vehicles and fuel (gas and electrical power), and the assurance of a vehicle service life of between three and eight years with replacement plans, as well as the optimization of routes that allow to improve the transport execution efficiency.

Opperar continues to make progress in the development of strategies that contribute to the reduction of the carbon emissions produced by Grupo Nutresa's finished-product transport fleet, such as:

- Incorporation of five gas-fueled vehicles into the secondary transport fleet in Medellín.
- Incorporation of nine Mercedes Benz vehicles and one Kenworth Euro V semi-trailer truck (with urea additive).
- Carbon credit offset: for the consumption of 516.667 gallons of fuel (diesel) and the acquisition of carbon credit for 5.236 tons of CO_2e/year.

In 2018, the Cold Cuts Business offset the footprint of its primary finished-product transport with an average of 2.841,6 tons of CO_2, which are equivalent to 337.007 gallons of fuel. The offset was performed through the purchase of carbon credit units.

Distribution center of the Cold Cuts Business production plant in Bogotá, Colombia.

Scope 1 and 3 GHG emissions from the distribution operation, and other indirect emissions [GRI 305-3] [ODS 13.1]

	Scope 3 emissions from employee air travel (tons of CO_2e)	Scope 1 emissions from distribution (tons of CO_2e)	Scope 3 emissions from distribution (tons of CO_2e)
2018	3.057,8	18.546,0	23.902,0
2017	2.970	12.372	31.886
2016	4.003	9.575	41.945

Commercial assets with a lower impact

In search for the reduction of the environmental impact generated in the commercialization process, the Organization has developed diverse practices such as: the transition to LED lighting equipment, an optimal use of refrigeration equipment including preventive maintenance and operation monitoring, and the implementation of overhaul plans to be able to use environmentally-friendlier refrigerants.

The Ice Cream Business continues to work on the gradual replacement of commercial refrigeration equipment with appliances that use refrigerants that produce a lesser environmental impact and that generate fugitive emissions of greenhouse gases. In 2018, the Organization acquired 2.794 freezers that use refrigerant gas R290, which has a 99,9% lower global warming potential than the refrigerant previously used, R134A, representing a reduction in emissions of 1.198 tons of CO_2e/year.

Carbon-neutral products and operations

In 2018, Tosh became the first Colombian mass-distribution food brand with a neutral carbon footprint, certified by the Icontec (Colombian Institute of Technical Standards), for its five categories in the 32 countries where it has commercial presence.

The brand completed the measurement, reduction and offset of the greenhouse gas (GHG) emissions. The reduction was achieved by means of the eco-design of packaging elements, the use of clean fuels and renewable energies, the thermal eco-efficiency, the rational use of energy, and the clean transport management with suppliers.

As part of the launch of the certification, Grupo Nutresa participated in 12 environmental events, the creation of seven educational videos and the corresponding communication through newspaper, radio and TV media, achieving 56.854 reactions with the exclusive C-Neutral digital pieces.

An aspect worth highlighting is that the news about the certification was simultaneously communicated with a unique message in the three countries where the brand is the market leader, and a highly positive reception by the consumers was observed.

In Grupo Nutresa, the carbon neutral products are growing under the brands Tosh, Livean and Evok with more than 90 certified product references that contribute to offsetting the C02 emissions through forest conservation projects.

Biscuits Business production plant in Medellín, Colombia.

Climate change risks

In 2018, Grupo Nutresa concluded an exercise focused on prioritizing and quantifying the physical and regulatory risks posed by climate change throughout its sourcing, production, commercialization and consumption processes. The results are applied within the Organization in the risk matrices of the Businesses, and the Company develops and applies the necessary mitigation and adaptation measures to establish action plans for the short, medium and long term in order to respond upon the variability expected from the climate.

Air quality

In terms of the air quality control and improvement management in the production plants, Grupo Nutresa is making progress with actions and in commitments established in the Pact for Air Quality, such as:

- Fulfilling the goal for 2020 that consists in using 100% of cleaner energies, such as natural gas, biomass and electricity in the industrial operations.
- Keep executing eco-efficiency programs, cleaner production initiatives and investments in new technologies oriented towards the reduction of energy consumption and emissions.
- Developing sustainable mobility plans that articulate and strengthen the current initiatives such as telecommuting, flexible working hours, shared vehicle route platforms, business route service for employees, and the incentives to the use of public transport and other alternative means.
- Having a modern vehicle fleet with less than ten years of use and with the latest emission control technology for the directly administered logistics operations. Also, continue exploring cleaner transport alternatives such as natural gas-fueled vehicles, hybrid and electric vehicles, and expanding their use to the maximum as long as it is economically feasible.
- Keep implementing practices focused on increasing the efficiency in the use of fuels, such as the preventive vehicle maintenance, eco-driving training, and the measurement and monitoring of indicators for detecting and addressing anomalies early.
- Continue working on the optimization of routes and on enabling flexible distribution schedules, as it is the case of night deliveries.
- Keep working with formal transport companies in the logistics operations carried out via third parties. The Organization will also maintain its promotion of the environmental impact reduction and the good practices regarding road safety among these third parties by means of tools such as the Clean Transport Handbook, which is a public-access document that is available to all Colombian transport operators.

Picking process at the Opperar distribution center in Cartagena, Colombia.

The following are other outstanding initiatives related to the operations regarding the reduction of atmospheric emissions and focused on improving air quality:

- **Replacement of the boiler fuel in the Cold Cuts Business production plant in Aguachica.** The fuel used for the operation of the boiler in the Aguachica production plant (fuel oil) was replaced with LPG (liquefied petroleum gas), which is a cleaner fuel that produces less direct gas emissions into the atmosphere, thus improving the air quality and decreasing, in addition, the scope 1 greenhouse gas emissions.
- **Training related to refrigeration and control of leaks.** Implementation of a refrigeration and climate change training plan for the refrigeration technicians in Mexico with the aim of achieving a more efficient handling of the refrigerants and preventing leaks. This practice allowed to improve the CO_2 tons indicator by 58% in comparison with 2017, and by 68% with regard to 2013.

Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions [GRI 305-7]

Colombia	Colombia	Mexico	Costa Rica	Peru	Chile
PM: Particulate material (kg)	23.670,0	52,0	323,6	143,0	5.123,2
SO2: Sulfur dioxides (kg)	5.831,0	227,3	46,4	11,3	11.587,0
NOX: Nitrogen oxides (kg)	66.607,2	717,9	6.018,6	940,6	34.381,7
VOC: Volatile organic compounds (kg)	5.117,6	897,0	-	-	14.312,4

The emissions come from the heating sources at each production plant: furnaces and boilers and from the coffee roasting process. For the calculation, the Organization uses the emission factors established by the EPA (Environmental Protection Agency – Emission Factors AP-42).

ENERGY

Employee at the distribution center of the Coffee Business production plant in Medellín, Colombia.

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

STRATEGY [GRI 103-2]	PROGRESS 2018 [GRI 103-3]
Reducing the energy intensity of the operations.	• **Accumulated** reduction of 20,4% (kWh/t.p.) in the consumption of thermal energy from non-renewable sources and electric power from the grid for the 2010-2018 term in the industrial operations in Colombia.
Reducing the use of electrical energy in the operations.	• **The** electrical energy consumption indicator (kWh/t.p.) increased 0,9% with respect to 2017 but, for the 2010-2018 term, the accumulated reduction in Colombia was 12,3%.
Reducing the use of thermal energy from non-renewable sources in the operations.	• **5,9%** reduction in the consumption indicator (kWh/t.p.) for thermal energy from non-renewable sources (fossil fuels) in Colombia in relation to 2017. • **23,8%** accumulated reduction in the indicator (kWh/t.p.) for thermal energy from non-renewable sources for the 2010-2018 term.
Increasing the use of renewable energy sources.	• **98,4%** of the Organization's energy usage consists in cleaner energies (natural gas, electrical energy and biomass) in the operations in Colombia. • **23,6%** of the total energy usage of the food production operations in Colombia, Mexico, Costa Rica, the Dominican Republic, Peru and Chile corresponds to biomass. • **2.268.766 kWh** of clean energy generated in the Chocolates Business in Colombia through solar panels on the roofs of the Rionegro production plant, representing 9,5% of the electrical energy consumption of said facilities.

The Company **advances in the search** for a lower energy intensity and a lesser environmental impact of all its operations.

RISKS AND OPPORTUNITIES

[GRI 103-1]

The energy supply in the regions where Grupo Nutresa operates is affected by the volatility of the worldwide fossil fuel prices, which presents an increasingly uncertain scenario due to geopolitical changes such as the instability of the countries that are members of the Organization of the Petroleum Exporting Countries (OPEC), Russia, Iran and even the United States.

Moreover, the energy from hydrological and wind sources generates a parallel risk due to the variability of the climate phenomena that are affecting the hydrological cycle around the world. This significantly increases the intensity of the drought and rain events, which also have still unidentified occurrence patterns.

The volatility of the oil price will produce financial and operational impacts that will force the Organization to look for energy independence. Therefore, the reduction in energy consumption from non-renewable sources (fossil fuels) and the energy efficiency are two key variables for ensuring the operation, minimizing the financial impact and preventing reputational risks.

OUTLOOK

Considering the challenges, the Organization has defined the following goals for 2020:

- Reducing by 25% the energy consumption indicator (non-renewable sources and electrical energy from the grid) per ton produced.
- Achieving full energy supply from cleaner sources, in other words, electrical energy, natural gas and renewable sources.

Grupo Nutresa's Businesses have established plans for 2020 in order to reduce energy consumption by means of projects focused on technological overhaul, equipment update and energy audits that allow to reduce the dependence on thermal energy from non-renewable sources. Therefore, the Organization will increase its share of alternative energies, consequently decreasing the greenhouse gas emissions, which mitigates the effects of climate change.

Grupo Nutresa continues to make progress in the search for a lower energy intensity and a lesser environmental impact of all operations by means of the implementation of energy efficiency programs in the productive processes, the technological overhaul, the incorporation of new low energy demand technologies, the development of lesser-impact logistical processes, the construction and implementation of distribution centers with energy efficiency principles, the expansion of a transport fleet with more efficient vehicles powered by cleaner energies, driver training on energy efficiency practices, and the promotion of diverse alternatives of sustainable mobility among all employees.

Employees from the production and maintenance departments of the Biscuits Business production plant in Medellín, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS

[GRI 103-3]

An aspect worth highlighting is the standardization and improvement process in the recirculation of hot air in the Medellín production plant of the Coffee Business, which allowed to reduce the consumption of natural gas during the cycle. This process allowed to achieve savings amounting to 279.447 m^3 of natural gas, that is a 6% reduction in the process energy indicator.

- **It is also** worth highlighting the redesign and automation of the automatic CIP heating system for the two phases without mixing the currents, an initiative carried out by the Ice Cream Business in Manizales. This ensures the recovery of all the condensate and the maximum energy utilization from steam. Additionally, this initiative allowed to achieve savings of 348 m^3/year in the consumption of drinking water and prevented the consumption of 10.752 m^3 of natural gas because the system maintained the temperature of the condensate returned to the boiler at stable levels.

Another aspect that stands out is the process focused on reducing the glycol supply pressure without affecting the performance of the processes in the Cold Cuts Business production plant in Medellín. Thus, by modifying the system frequency, the consumption of 133.560 kWh was reduced in the pumping process. This idea was implemented without a money investment and it can be replicated in several production plants of the Business, which will significantly increase the benefits.

PROGRESS 2018

[GRI 103-3]

Optimization initiatives

In Colombia, Grupo Nutresa achieved a 20,2% accumulated reduction in the indicator for the consumption of energy from non-renewable thermal sources and electrical energy from the grid for the 2010-2018 term. The indicator decreased by 3,5% in relation to the previous year thanks to the process standardization initiatives, such as the cases of the roasting process in the Coffee Business, the glycol pumping system in the Cold Cuts Business and the improvement in the washing processes in the Ice Cream Business.

In the operations in Chile, Costa Rica, Mexico, Panama, Peru and the Dominican Republic, the energy consumption indicator was reduced by 11,1% in comparison with the previous year. This reduction was driven mainly by the improvements to the processes made in the production plants in Costa Rica, Chile and Mexico.

Total energy consumption [GRI 302-1] [GRI 302-3] [ODS 12.2]

*The data for Colombia does not include the consumption of the Retail Food, Armenia Ice Cream and Setas Colombianas production plants.

Solar panel roofs of the Chocolates Business facilities in Rionegro, Colombia.

Reduction of electric power consumption in the operations

[GRI 302-4] [ODS 12.2]

The specific electrical energy consumption indicator (kWh/t.p.) increased by 0,9% with respect to the previous year but, for the 2010-2018 term, the accumulated reduction was 12,3%. The behavior of this indicator is related to the implementation of new control processes, some of which are the environmental control systems with the start of the operations of the industrial wastewater treatment plants, which increase the energy consumption without an increase in production.

Reduction of the consumption of thermal energy from non-renewable sources in the operations

[ODS 12.2]

The indicator for the consumption of thermal energy from non-renewable sources (kWh/t.p.) decreased by 5,9% in relation to 2017 thanks to the standardization work in several processes and to the improvement in the quality of the supply of raw materials in the Businesses that use wheat. For the 2010-2018 term, the accumulated reduction in the thermal energy consumption indicator was 23,8%. The Coffee Business continues to work on standardizing the roasting process and the gas post-combustion process (environmental control) that was started in the Medellín production plant, and it began implementing it in the other three production plants in Colombia. This process allowed to achieve a natural gas consumption reduction of 6%, which is equivalent to 279.447 m^3/year. In the Ice Cream Business, the steam generation processes have achieved operational improvements that have prevented the use of 10.752 m^3 of natural gas.

Green energy supply

[ODS 13.1]

In its industrial operations in Colombia, Grupo Nutresa consumed 151 GWh of energy certified as “zero emissions”. Due to the fact that this energy was generated by hydroelectric power plants and wind farms, the Organization prevented the emission of 16.319,8 tons of CO_2eq. The energy supplied by EPM in Colombia has a CO_2-eq emission factor equal to zero, according to EPM’s I-REC certificates.

EPM obtained the certification of the small hydroelectric power stations of La Vuelta and La Herradura, the Jepirachi Wind Farm and the Porce III hydroelectric project under the I-REC standard. This standard has an international scope and allows to issue, market and redeem Renewable Energy Certificates –RECs– for intensive energy consumption customers in countries where there are no certification systems. For more information, visit https://bit.ly/2Su3oqe

In its industrial operations in Chile, Grupo Nutresa consumed 12,6 GWh of energy certified as “green energy”. Due to the fact that this energy was generated by hydroelectric power plants and wind farms, the Organization prevented the emission of 5.328 tons of CO_2eq. The energy supplied by Chilquinta in Chile has a CO_2-eq emission factor equal to zero, according to the corresponding certificates.

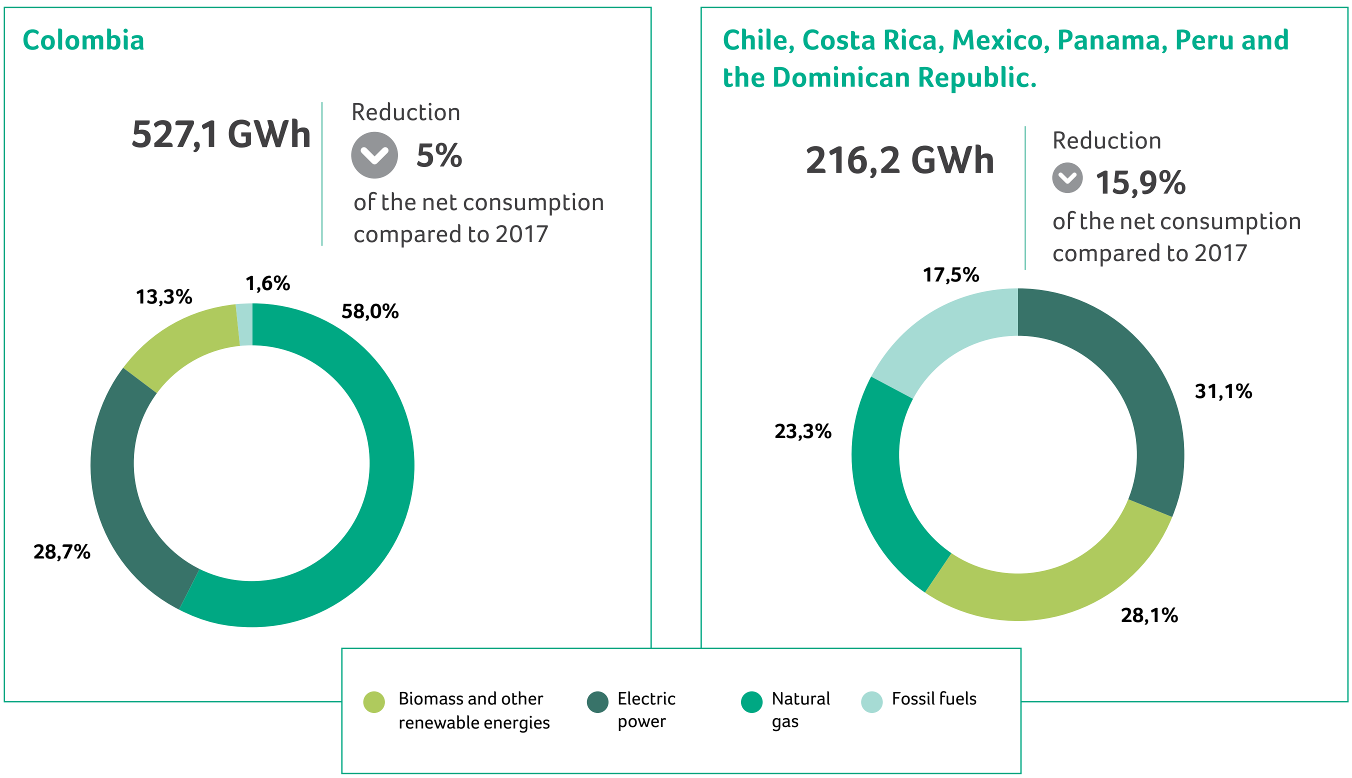
Increase the use of renewable energy sources
[ODS 13.1]

Based on its environmental philosophy, Grupo Nutresa prioritizes the use of renewable energies, which is why the use of biomass represents 12,9% of the total energy consumed in Colombia and 33,5% in the international operations.

In this context, the Chocolates Business in Costa Rica uses wood biomass, which represents 41% of the total energy demand of that production plant. Moreover, in its productive processes in Chile, the Tresmontes Lucchetti Business produces coffee, tea and wheat waste that is adapted through drying processes to be utilized as biomass for the generation of steam, which is necessary for said productive processes. This is part of the Organization's initiative to create small circular economy solutions in its facilities. With the addition of wood chips, this biomass represents 44,3% of the energy usage of the production plants in Chile. Therefore, Grupo Nutresa continues to search for alternatives focused on broadening the utilization of the biomass produced in its other Businesses.

Grupo Nutresa achieved an accumulated reduction of **20,4% (kWh/t.p.)** in the consumption of thermal energy from non-renewable sources and electric power from the grid **for the 2010-2018 term in Colombia.**

Total energy consumption of the industrial production plants



Employee from the roasting process department at the Coffee Business production plant in Medellín, Colombia.

Employees from the packaging department of the Biscuits Business production plant in Medellín, Colombia.

PACKAGING MATERIALS AND **POST-CONSUMPTION**

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 2018 [GRI 103-3]
Increasing the use of closed-cycle materials.	• **Consolidation** of the consumption of closed-cycle packaging materials at 77,7% of the total tons purchased.
Strengthening the initiatives focused on the eco-design of wrappers and packaging.	• **Reduction** of 659,1 tons in the consumption of packaging materials, achieved through the DTV methodology (Design-to-Value). Since its implementation, the total reduction stands at 2.140 tons.
Reducing the consumption of packaging materials per ton produced.	• **0,7%** accumulated reduction in the consumption of packaging materials per ton produced from 2010 to 2018.
Implementing cycle-closing initiatives for post-industrial flexible packaging materials.	• **Transformation** of one ton of post-industry plastic packaging materials into 250 m^2 of high-resistance, heavy-duty plastic floor in the Biscuits Business in Colombia. The plastic floor was used in one of the Business's production lines.
Designing and implementing cycle-closing initiatives for post-consumption materials.	• **Implementation** of an initiative that consisted in transforming seven tons of clean and unclean flexible materials in the Biscuits Business in Costa Rica into regenerated plastic particles that, when mixed with sand and cement, create an environmentally friendly structural concrete.

Employees at the distribution center picking area of the Cold Cuts Business in Montería, Colombia.

RISKS AND OPPORTUNITIES
[GRI 103-1]

For Grupo Nutresa, the adequate management of packaging materials throughout their life cycle is a significantly relevant matter, particularly their final disposal. That is why its companies have been implementing eco-design initiatives focused on optimizing the specifications of the packaging materials, preserving their functionality and generating a better environmental performance.

For the Company, the regulatory changes in the countries where it operates are significantly important because many of these changes include diverse provisions related to producers' responsibility in the management of packaging materials in the post-consumption phase. This represents a challenge for the Organization and it must be addressed from the design phase of the packaging materials to their final disposal with the aim of mitigating the environmental impact throughout their entire life cycle.

OUTLOOK

In addition to the initiatives implemented in the eco-design field, the Organization will reinforce its work on this front and on projects focused on closing the cycle of the packaging materials that still do not have this condition. The aim of these actions is to produce a favorable impact on the environment with packaging structures that allow to reduce, reuse and recycle the materials in complete harmony with the needs of both consumers and customers.

Additionally, the Company will continue to explore alternatives for closing the cycle of the materials in collaboration with the multiple agents of the value chain. One of these alternatives is the active participation through trade associations, particularly in Colombia, in the execution of a pilot program that consists in collecting used containers, wrappers and structures made of paper, cardboard, plastic, glass and metals. This initiative will work as preparation for the compliance with the post-consumption regulations in terms of waste from packaging materials and containers.

Goal for 2020: -12% packaging materials / tons produced based on the 2010 baseline.

In 2018, a 0,7% reduction was achieved with respect to 2010, representing a distancing from the fulfillment of the goal established for 2020. This distancing is mainly related to the changes in the consumption patters, which require a higher level of portability and convenience, and thus a greater generation of packaging materials per gram of product.

Therefore, Grupo Nutresa created an interdisciplinary work team that focuses on identifying, prioritizing and evaluating the technical and economic feasibility of the most sustainable alternatives for closing the cycle of post-consumption plastic packaging materials due to their high environmental impact.

Grupo Nutresa employees participating in a circular economy experience activity in Medellín, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS

[GRI 103-3]

It is worth highlighting the replacement of plastic ice cream containers with cardboard containers in the Retail Food Business in the Dominican Republic. This action represents a transition to a closed-cycle material, which means that the Company stopped consuming 41,32 tons of plastic materials per year.

Another aspect that stands out is the implementation of Earth Pact paperboard (made 100% with sugar cane bagasse) in foldable materials used by the Retail Food Business in Colombia, replacing the use of regular paperboard made of pulp from timber forests. Over the months of impact in 2018, the Company consumed 52,8 tons of sugar cane bagasse paperboard.

The Coffee Business continued consolidating the "Retoma, Disfruta y Recicla" (Retake, Enjoy and Recycle) program, which enabled the collection of 7% of the packaging materials produced by the Nutresa Express Pods. The collected materials were used as supplies for the manufacturing of 63 recycled plastic furniture items for the benefit of the Rural Education Center *Alto de los Jaramillo*.

PROGRESS 2018 [GRI 103-3]

Grupo Nutresa's commitment to Sustainable Development, particularly regarding the use of packaging materials, is reflected on its sustainable packaging policy and in the strategic goal for 2020 of reducing by 12% the consumption of packaging materials.

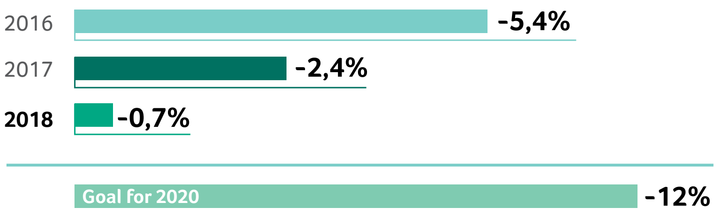
Grupo Nutresa's sustainable packaging policy

Employee working on the packaging process at the Cold Cuts Business production plant in Bogotá, Colombia.

With the objective of monitoring the management in the field of sustainable packaging materials, the Organization has established two supplementary indicators that measure the consumption of packaging materials per ton produced and the reduction in the consumption of packaging materials with respect to the 2010 baseline. Over the three past years, the evolution has been the following:

Consumption of packaging materials
[GRI 301-1] [ODS 8] [ODS 12.5]

Reduction in the consumption of packaging materials

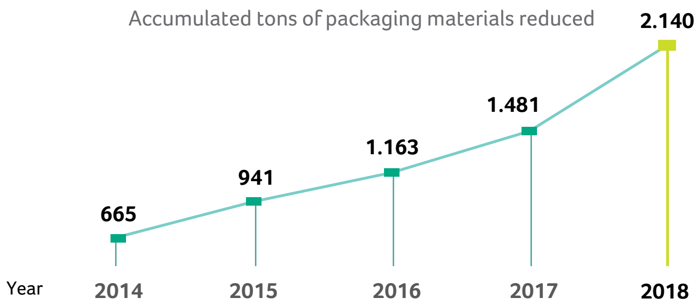


*Reduction with regard to the 2010 baseline per ton produced.

Eco-design of wrappers and packaging

Based on the implementation of the DTV –Design-to-Value– methodology, the Company has achieved a reduction of 2.140 tons of packaging materials in Colombia and abroad over the six years the methodology has been in place. This reduction has been accomplished by means of eco-design initiatives focused on optimizing the packaging materials from the perspective of the consumers and the valued attributes. The Organization has executed initiatives such as the reduction in the thickness of the materials, the adjustment in the mechanical designs, the elimination of unnecessary packaging components, the development of less complex structures, and the replacement with closed-cycle materials with a lesser environmental impact but, all of this, preserving the quality characteristics of the products.

Reduction of packaging materials in tons [ODS 12.2]



Box sealing process for Novaventa's orders, Colombia.

Different projects have been executed within the Organization throughout the year, allowing to increase the level of optimization regarding packaging materials. One of the optimization cases can be observed in the changes to the specifications of the cardboard boxes in several Grupo Nutresa Businesses, which have generated a favorable environmental impact by achieving savings totaling 383,5 tons of packaging materials as of the end of the year.

Grupo Nutresa's multiple Businesses and productive platforms have implemented initiatives focused on the reduction and optimization of all types of packaging materials, with a decrease in their consumption that amounts to 659,12 tons over the year.

Additionally, the Company implemented a reuse initiative in the Biscuits Business by redesigning a corrugated cardboard box in order to improve its characteristics and reuse the same box five or six times, thus guaranteeing the safety of the packaging elements while having control over the logistics chain. The environmental benefit achieved over the months this initiative was executed totaled 4,2 tons of cardboard boxes.

By unifying the types of corrugated packing materials, the Ice Cream Business optimized the individual packaging units per corrugated cardboard box in order to decrease the consumption of boxes, using the palletization in a more efficient way, and generating a reduction of 134 tons in the consumption of packaging materials.

In search for solutions for this priority, the Organization participated in the "Compras Innovadoras" (Innovative purchases) program, which is organized by the Medellín Center of Innovation and Businesses –Ruta N–, presenting the need to find economically feasible long-term alternatives for closing the cycle of the post-consumption flexible packaging materials as a challenge to the multiple agents of the Company's ecosystem.

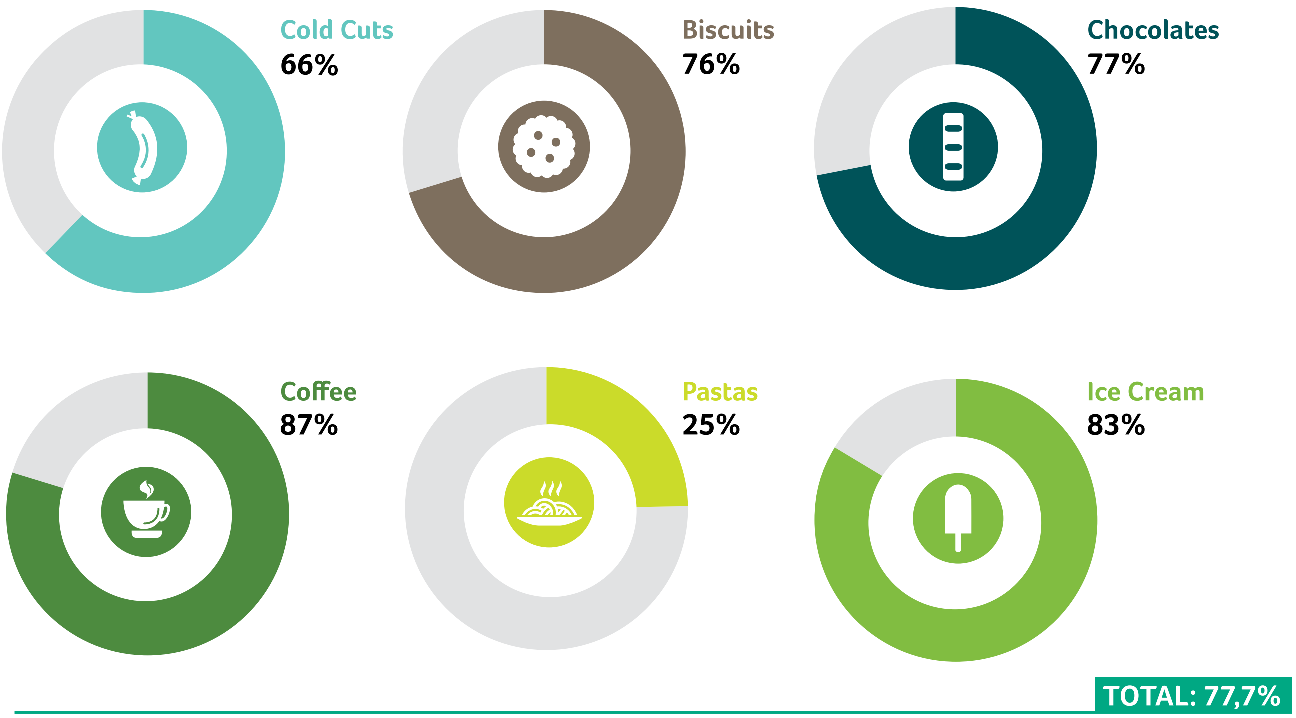
Employees from the packaging department of the Coffee Business production plant in Medellín, Colombia.

Increasing the use of closed-cycle materials

77,7% of the tons of packaging materials consumed in 2018 corresponds to closed-cycle materials (corrugated cardboard, paperboard, glass and tin).

*This percentage includes the Cold Cuts, Biscuits, Chocolates, Coffee, Pastas and Ice Cream Businesses in Colombia.

Share of closed-cycle materials [ODS 12.5]



For Grupo Nutresa, the adequate management of packaging materials throughout their life cycle is a significantly **relevant matter,** particularly their final disposal.

Recycled input materials used

[GRI 301-1] [ODS 12.5]

83% of the packaging cardboard and 40% of the glass for the containers and bottles used by Grupo Nutresa in Colombia are made with recycled materials.

As a strategy supplementary to the use of closed-cycle packaging materials, the Organization prioritizes the materials whose production processes incorporate recycled or biodegradable supplies. Such is the case of the corrugated cardboard boxes, for which the supplier uses 100% recycled cellulose fiber. Additionally, the Company is permanently working with suppliers that have the Forest Stewardship Council (FSC) seal, which certifies that the origins of their raw materials are sustainably managed forests. In the foldable materials category, Grupo Nutresa works with paper and paperboard manufacturers that use sugarcane fibers.

Designing and implementing initiatives focused on closing the cycle of materials

Grupo Nutresa maintains its approach that focuses on the development of cycle-closing initiatives with the purpose of implementing solutions in the post-industry and post-consumption stages. That is why the Organization involved one of the main suppliers in the flexible materials category in the execution of the final disposal of this type of materials, transforming them into plastic pellets and incorporating them in productive processes for the manufacturing of different plastic elements (ropes, packing straps, garbage bags, etc.). In total, 12,4 tons of flexible materials of the Ice Cream Business were transformed.

The Biscuits Business in Costa Rica implemented an initiative focused on post-consumption packaging materials. It transformed seven tons of clean and unclean flexible materials into regenerated plastic particles that, when mixed with sand and cement, create an environmentally friendly structural concrete.

As an anticipated measure, Grupo Nutresa participates in the Committee of Containers and Packaging led by the National Association of Colombian Businesspeople (Andi) in Colombia. The objective of the committee is to provide association-wide elements in the transformation of the public policies, and to prepare the companies for the implementation of the Resolution 1407 of July 26, 2018, whose objective is to regulate the environmental management of waste emerging from containers and packaging materials made of paper, cardboard, plastic, glass and metals. The goals in terms of recovery were established by the Government: 10% by 2021 and 30% by 2030.

Products and packaging materials recovered

[GRI 301-1] [ODS 12.5]

The cycle-closing process for plastic packaging materials is a significant challenge for Grupo Nutresa. That is why the Organization formed an internal work team with leaders from the multiple Businesses with the aim of exploring and evaluating value-added alternatives for the post-consumption plastic materials. The main purpose of the alternatives is to allow implementing profitable and sustainable circular economy models.

The Company also continues to work with the research and development teams in the formulation of eco-design models in the multiple product lines with the aim of optimizing the use of the supplies and mitigating their environmental impact.

Weight of the packaging materials (tons)

WASTE **MANAGEMENT**

Reducing waste generation and increasing waste recovery with the purpose of lowering 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.

Employee from the production department working on a waste separation process at the Biscuits Business production plant in Medellín, Colombia.

STRATEGY [GRI 103-2]	PROGRESS 2018 [GRI 103-3]
Reducing the waste generated in Grupo Nutresa's operations.	• **Accumulated** reduction of 8,0% in waste generation in Colombia for the 2010-2018 term, and a 29,3% reduction for Chile, Costa Rica, Dominican Republic, Mexico, Panama and Peru.
Lowering the generation of ordinary waste.	• **6,9%** reduction in the waste that is sent to the landfill regarding the operations in Colombia, and 25,9% reduction for the international platforms in comparison to the previous year.
Increasing the percentage of recovery of the waste generated.	• **Recovery** and reuse of 90,8% of the waste that is not traditionally reusable in the operations in Colombia. This represents a 0,6% improvement in relation to the previous year and a 12,2% improvement for the 2010-2018 term.

Grupo Nutresa will seek **new opportunities related to the recovery and reuse** of post-industrial materials in the areas of composting and transformation of new products.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Waste generation, recovery and reuse represent an opportunity to concentrate efforts and alliances with the purpose of migrating from a linear economy to a circular economy in the companies. Moreover, the need to guarantee that the packaging materials ensure both the quality and safety of the products represents a challenge for the migration to packaging materials that are environmentally friendlier with less volume and weight, a challenge that is managed through research and innovation processes.

The Company is also concerned about waste generation in the life cycle of its products, mainly regarding the packing materials, the packaging materials of supplies, the losses in the production process, and the wastewater treatment systems. That is why it is aware that there are significant challenges related to reducing waste generation and increasing waste recovery and reuse.

However, waste recovery and reuse demands a state of technological development and a level of industrial ecology alliances that promote the reincorporation of the materials in other production cycles. The progress degree in this technical development presents different levels in the strategic region, which is why the Organization will continue working on enhancing the alliances and developing the suppliers in order to formulate projects focused on closing the cycles.

Finally, the industrial water treatment plants are a source of difficult-disposal waste, thus harming the progress in the established goals. Therefore, Grupo Nutresa will continue working on research alliances and projects focused on improving waste recovery and reuse.

The inclusion, **strengthening and development of capabilities** among the waste management agents are part of Grupo Nutresa's long-term plans.

OUTLOOK

Grupo Nutresa has established goals related to waste management: the first one consists in minimizing the total waste generation with respect to the production by 20%; and the second one is focused on increasing the level of recovery and reuse in order to achieve 90% or higher, based on the 2010 indicators. In consideration of the challenge that represents the reduction of waste generation, the efforts will be focused on formulating innovation projects and promoting interdisciplinary participation in the development of the Company's activities.

In terms of short-term strategies, the Organization will seek new opportunities related to the recovery and reuse of post-industrial materials in the areas of composting and transformation of new products. Additionally, Grupo Nutresa will work synergistically with the packaging-materials and eco-design teams in order to reduce the types and volumes of the materials, and it will implement circular economy processes focused on the inter-company utilization of materials. In this regard, several Grupo Nutresa Businesses have started projects focused on the reuse, replacement or elimination of packaging and packing materials.

Finally, the inclusion, strengthening and development of capabilities among the waste management agents are part of Grupo Nutresa's long-term plans, where the recuperator role will allow to boost the circular-economy-focused solid-waste management. For this purpose, this role will be promoted and supported through multiple mechanisms, such as the establishment and reinforcement of alliances with an approach centered around research, innovation and participation of plans with a regional scope. In the zones with a lesser technological and cultural development in terms of waste recovery and reuse, the distribution of information related to the best practices in this field will be intensified.

Waste management training session with Comercial Nutresa employees in Bogotá, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS
[GRI 103-3]

It is worth highlighting the 11,5% increase in waste recovery by developing new suppliers with technologies that allow converting the primary packaging in alternative fuels for the production of cement in the Chocolates Business in Mexico. This initiative has allowed to reduce in equal percentage the amount of waste that is shipped to the landfill.

Another aspect that stands out is the saving of 284 tons of cardboard in Novaventa through the recovery of boxes used for several products from the Company's Businesses in the picking and contract manufacturing processes, and through the analysis of statistical classes in the volume of the different types of boxes used to pack the orders for the individual entrepreneurs.

It is also worth highlighting the creation of an application software developed for Comercial Nutresa that enables the online monitoring of the planning and effective execution of the technical maintenance to the vehicles. The application software also enables the visualization of the environmental impact prevented in relation to the extension of the materials' service life, the air quality and the climate change reduction. In addition, the application software allows to identify, through a life cycle approach, the main waste generation sources for a subsequent decision-making process.

PROGRESS 2018
[GRI 103-3]

Grupo Nutresa has set as goals to reduce waste generation and increase waste recovery with the purpose of mitigating the environmental impact in both the direct operations and the value chain, and to reduce the operating costs by extending the life cycle of the materials.

That is why, in 2018, waste management decreased 1,7% compared to the previous year and the recovery/reuse increased 0,6% in the same context. These are the results of the good practices the Company has been developing across the multiple processes of its Businesses.

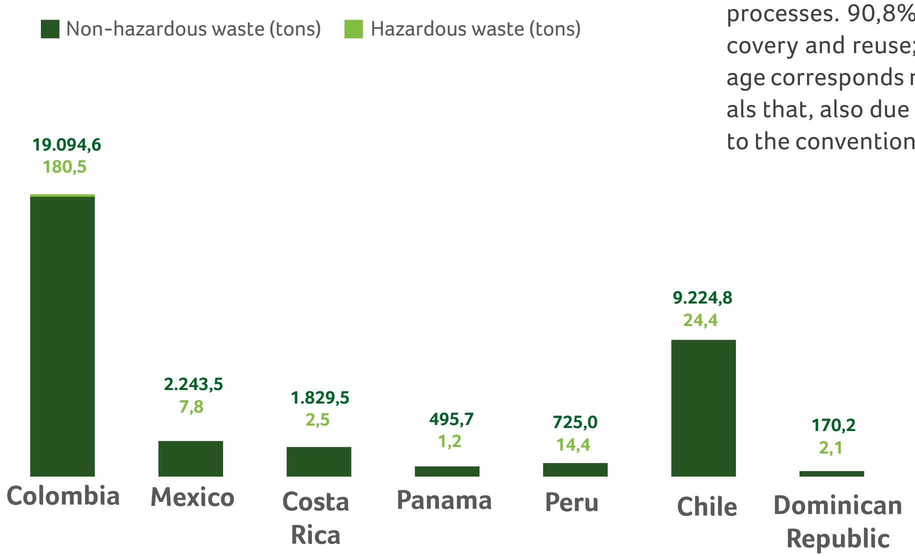
To achieve these results, the Businesses have waste management programs, as well as goals and indicators for both generation and recovery/reuse. These initiatives establish the mechanisms for the implementation of action plans focused on internal culture, alliances and projects focused on recovery/reuse or service-life extension of the materials.

Grupo Nutresa participated in several initiatives related to waste management in Colombia, such as:

- Creation of the model for the comprehensive management of producers' extended responsibility in the Andi's Committee of Containers and Packaging. Through this organizational body, the Company participated in the design of the pilot for the collective response plan to Resolution 1407 of 2018, which will allow to know the nation-wide conditions and design the best strategy so that the container and packaging producing organizations in Colombia can be able to fulfill the proposed goals.
- Assessment of the capabilities of managers and allies for increasing the level of recovery and reuse of traditionally non-recyclable waste. In this regard, pilot projects have been started for the recovery and reuse of napkins, dehumidifiers and other elements that have not been conventionally recovered and reused. This pilot projects allow to identify continuous improvement actions.
- Establishment of alliances with key managing agents for co-processing in the operations in Mexico and Costa Rica. In these countries, the Organization started the consolidation of co-processing services in cement industries for packaging materials.

The reduction of the total kilograms generated has improved due to the efficiency of the wastewater treatment plants, the variety of materials used and the constant innovation in terms of products and processes. 90,8% has been achieved regarding recovery and reuse; however, the remaining percentage corresponds mainly to low-recyclability materials that, also due to their volume, are not attractive to the conventional waste chains.

Total weight of the waste [GRI 306-2]



Employee working on a solid waste storage process at the Coffee Business production plant in Medellín, Colombia.

MAYRA GARCÍA DEVORA is the production manager at the Biscuits Business production plant in the United States, where cultural diversity is an essential pillar.

"Abimar Foods has given me the opportunity to learn and grow with the company".

Mayra García Devora,
Production Manager,
Abimar Foods.

Generating opportunities through diversity

Production Manager Mayra García Devora starts her day at 6:30 a. m. After her first meeting, she tours the production plant making sure here colleagues are working safely and that the order deadlines are duly met. In 2003, Mayra joined the company as a production operator in the Abimar Foods production plant in Abilene, Texas, with the goal of providing a better quality of life to her daughters. Nine years later, she was promoted as supervisor and, now, she occupies the Production Manager position.

Mayra has built bonds of trust and respect with her colleagues because she has been successful in adapting to the different cultures and nationalities that coexist in the company. She knows that fostering diversity allows her to boost the achievements of both her team and the company. Mayra enjoys her job, she feels appreciated and supported, confirming it by claiming that Abimar Foods is her home away from home.

The Abimar Foods production plant of the Biscuits Business in the United States is a place that fosters cultural diversity. Almost 600 employees work in the facilities, and many of them come from vulnerable populations.

Consolidated Financial **Statements**

Statutory Auditor's Report on the Consolidated Financial Statements
(Free translation from the original in Spanish)

TO THE SHAREHOLDERS' OF
GRUPO NUTRESA S. A

February 22, 2019

I have audited the accompanying consolidated financial statements of Grupo Nutresa S. A., at December 31, 2018, comprising the consolidated statement of financial position and the consolidated 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 Consolidated Financial Statements
The management is responsible for the appropriate preparation and fair presentation of these consolidated financial statements in conformity with the accounting and financial reporting standards accepted in Colombia and the internal control policies 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. It is also responsible for the selection and application of appropriate accounting policies and the definition of accounting estimates according to the circumstances.

Statutory Auditor's Responsibility
My responsibility is to express an opinion on the accompanying 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 statutory 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 statutory auditor considers the Company's internal control relevant for the preparation and 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 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 22, 2019

Opinion
In my opinion, the accompanying consolidated financial statements, faithfully taken from consolidation records, present fairly, in all significant aspects, the financial position of Grupo Nutresa S. A. at December 31, 2018, 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.

(Original in Spanish signed by:)

Bibiana Moreno Vásquez
Statutory Auditor
Professional Card No. 167200-T
Appointed by PwC Contadores y Auditores Ltda.

Certification of the Financial Statements

The undersigned Legal Representative and the General Counsel of Grupo Nutresa S. A.

CERTIFY:

22 of February of 2019

We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31st, 2018 and 2017, according to, the regulations, and the that same 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 norms and the financial information accepted in Colombia.
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:

22 of February of 2019

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2018 and 2017, 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 22nd day of the month of February of 2019.

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Carlos Ignacio Gallego Palacio
President

Consolidated Statement of Financial Position

At December 31st of 2018 and 2017 (values expressed in millions of Colombian Pesos)

	Notes		2018		2017
ASSETS					
Current assets					
Cash and cash equivalents	8	$	347.520	$	435.643
Trade and other receivables, net	9		1.020.579		957.568
Inventories	10		1.109.878		982.816
Biological assets	11		94.569		81.518
Other assets	12		241.726		221.475
Non-current assets, held for sale			6.777		6.557
Total current assets		$	**2.821.049**	$	**2.685.577**
Non-current assets					
Trade and other receivables, net	9		28.065		26.509
Investments in associates and joint ventures	13		192.795		180.451
Other financial non-current assets	14		3.322.694		4.133.963
Property, plant and equipment, net	15		3.376.364		3.395.671
Investment properties	16		77.062		72.306
Goodwill	17		2.085.908		2.118.226
Other intangible assets	18		1.167.536		1.181.350
Deferred tax assets	19.4		379.753		415.072
Other assets	12		72.471		100.352
Total non-current assets		$	**10.702.648**	$	**11.623.900**
TOTAL ASSETS		$	**13.523.697**	$	**14.309.477**
LIABILITIES					
Current liabilities					
Financial obligations	20		522.302		557.133
Trade and other payables	21		1.094.960		993.241
Income tax and taxes, payable	19.2		228.841		207.776
Employee benefits liabilities	22		165.833		172.730
Current provisions	23		4.118		3.420
Other current liabilities	24		26.676		20.661
Total current liabilities		$	**2.042.730**	$	**1.954.961**
Non-current liabilities					
Financial obligations	20		2.265.743		2.474.077
Trade and other payables	21		158		158
Employee benefits liabilities	22		175.036		226.574
Deferred tax liabilities	19.4		704.763		702.967
Other non-current liabilities	24		536		559
Total non-current liabilities		$	**3.146.236**	$	**3.404.335**
TOTAL LIABILITIES		$	**5.188.966**	$	**5.359.296**
EQUITY					
Share capital issued	26.1		2.301		2.301
Paid-in-capital	26.1		546.832		546.832
Reserves and retained earnings	26.2		3.552.827		3.396.462
Other comprehensive income, accumulated	27		3.683.175		4.541.854
Earnings for the period			505.308		420.207
Equity attributable to the controlling interest		$	**8.290.443**	$	**8.907.656**
Non-controlling interest	26.4		44.288		42.525
TOTAL EQUITY		$	**8.334.731**	$	**8.950.181**
TOTAL LIABILITIES AND EQUITY		$	**13.523.697**	$	**14.309.477**

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

CIGP.

Carlos Ignacio Gallego Palacio
President

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

Bibiana Moreno Vásquez
External Auditor – Professional Card No. 167200-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Consolidated Comprehensive Income Statement

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

	Notes		2018		2017
Continuing operations					
Operating income from client contract	**6.1**	**$**	**9.016.066**	**$**	**8.695.604**
Cost of goods sold	28		(4.969.218)		(4.855.635)
Gross profit		**$**	**4.046.848**	**$**	**3.839.969**
Administrative expenses	28		(406.057)		(399.846)
Sales expenses	28		(2.651.071)		(2.551.874)
Production expenses	28		(146.966)		(139.088)
Exchange differences of operating assets and liabilities	30		(4.260)		255
Other operating income, net	29		10.802		25.109
Operating profit		**$**	**849.296**	**$**	**774.525**
Financial income	31.1		15.457		13.941
Financial expenses	31.2		(247.304)		(307.548)
Dividends	14		58.851		54.386
Exchange differences of non-operating assets and liabilities	30		23.113		(21.401)
Participation in profit of associates and joint ventures	13		(400)		5.994
Other income, net			5.202		3.290
Income before tax and non-controlling interest		**$**	**704.215**	**$**	**523.187**
Current income tax	19.3		(164.423)		(144.956)
Deferred income tax	19.3		(24.901)		47.179
Profit from continuing operations		**$**	**514.891**	**$**	**425.410**
Discontinued operations, after income tax	32		(6.135)		(1.070)
Net profit for the period		**$**	**508.756**	**$**	**424.340**
Profit for the period attributable to:					
Controlling interest		$	505.308	$	420.207
Non-controlling interest	26.4		3.448		4.133
Net profit for the period		**$**	**508.756**	**$**	**424.340**
Earnings per share (*)					
Basic, attributable to controlling interest (in Colombian Pesos)	33		1.098,20		913,25
(*) 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 losses on defined benefit plans	22.2 - 27	$	(1.487)	$	(2.654)
Equity investments measured at fair value	14 - 27		(871.316)		252.402
Income tax from items that will not be reclassified	27		(1.863)		(81)
Total items that are not subsequently reclassified to profit and loss		**$**	**(874.666)**	**$**	**249.667**
Items that are or may be subsequently reclassified to profit and loss:					
Participation in other comprehensive income of associates and joint ventures	13 - 27		1.301		4.762
Exchange differences on translation of foreign operations	27		8.781		143.782
Cash flow hedges	27		7.960		-
Deferred income tax from items that may be reclassified	27		(3.009)		(1.550)
Total items that are or may be subsequently reclassified to profit and loss:		**$**	**15.033**	**$**	**146.994**
Other comprehensive income, net taxes		**$**	**(859.633)**	**$**	**396.661**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**$**	**(350.877)**	**$**	**821.001**
Total comprehensive income attributable to:					
Controlling interest		$	(353.371)	$	816.026
Non-controlling interest			2.494		4.975
Total comprehensive income		**$**	**(350.877)**	**$**	**821.001**

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

CIGP.

Carlos Ignacio Gallego Palacio
President

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

Bibiana Moreno Vásquez
External Auditor – Professional Card No. 167200-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Consolidated Change in Equity Statement

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

	Share capital issued	Paid-in-capital	Reserves and retained earnings	Earnings for the period	Other comprehensive income, accumulated	Total equity attributable to the controlling interest	Non-controlling interest	Total
Balance at December 31st of 2017	**2.301**	**546.832**	**3.396.462**	**420.207**	**4.541.854**	**8.907.656**	**42.525**	**8.950.181**
Remeasurement of debtors (Note 3.4.2)	-	-	(5.277)	-	-	(5.277)	-	(5.277)
Balance at January 1st of 2018	**2.301**	**546.832**	**3.391.185**	**420.207**	**4.541.854**	**8.902.379**	**42.525**	**8.944.904**
Profit for the period	-	-	-	505.308		505.308	3.448	508.756
Other comprehensive income for the period	-	-	-		(858.679)	(858.679)	(954)	(859.633)
Comprehensive income for the period	**-**	**-**	**-**	**505.308**	**(858.679)**	**(353.371)**	**2.494**	**(350.877)**
Transferred to previous results	-	-	420.207	(420.207)	-	-	-	-
Cash dividends (Note 26.3)	-	-	(260.614)	-	-	(260.614)	(2.025)	(262.639)
Acquisition of subsidiaries	-	-	-	-	-	-	1.315	1.315
Other equity movements	-	-	2.049	-	-	2.049	(21)	2.028
Balance at December 31st of 2018	**2.301**	**546.832**	**3.552.827**	**505.308**	**3.683.175**	**8.290.443**	**44.288**	**8.334.731**
Balance at December 31st of 2016	**2.301**	**546.832**	**3.655.280**	**395.734**	**3.746.572**	**8.346.719**	**38.241**	**8.384.960**
Profit for the period	-	-	-	420.207	-	420.207	4.133	424.340
Other comprehensive income for the period	-	-	-	-	395.819	395.819	842	396.661
Comprehensive income for the period	**-**	**-**	**-**	**420.207**	**395.819**	**816.026**	**4.975**	**821.001**
Transferred to previous results	-	-	395.734	(395.734)	-	-	-	-
Cash dividends (Note 26.3)	-	-	(245.706)	-	-	(245.706)	(692)	(246.398)
Tax on wealth (Note 19.7)	-	-	(8.712)	-	-	(8.712)	-	(8.712)
Realization of other comprehensive income	-	-	(3.096)	-	3.096	-	-	-
Reclassifications	-	-	(396.367)	-	396.367	-	-	-
Other equity movements	-	-	(671)	-	-	(671)	1	(670)
Balance at December 31st of 2017	**2.301**	**546.832**	**3.396.462**	**420.207**	**4.541.854**	**8.907.656**	**42.525**	**8.950.181**

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

CJGP.

Carlos Ignacio Gallego Palacio
President

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

Bibiana Moreno Vásquez
External Auditor – Professional Card No. 167200-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Consolidated Cash-flow Statement

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

		2018		2017
Cash flow from operating activities				
Collection from sales of goods and services	$	8.935.188	$	8.571.873
Payments to suppliers for goods and services		(6.342.582)		(5.942.715)
Payments to and on behalf of employees		(1.599.418)		(1.519.534)
Income taxes and tax on wealth, paid		(112.855)		(150.378)
Other cash (outflows) inflows		(37.311)		1.957
Net cash flow from operating activities	**$**	**843.022**	**$**	**961.203**
Cash flow from investment activities				
Cash and cash equivalents received from acquisitions		2.649		-
Purchases and sales of other equity instruments (Note 14)		(63.950)		-
Purchases of equity of associates and joint ventures (Note 13)		(12.094)		(20.717)
Purchases of property, plant and equipment (Note 15)		(234.780)		(244.024)
Amounts from the sale of productive assets		28.640		17.804
Purchase of intangibles and other productive assets		(18.181)		(13.771)
Investment in assets held for sale, net		54		99.605
Dividends received (Note 14)		50.538		61.928
Interest received		11.101		10.163
Payments to third parties, to obtain control of subsidiaries		(3.221)		-
Other cash inflows		30		2.041
Net cash flows used in investment activities	**$**	**(239.214)**	**$**	**(86.971)**
Cash flow from financing activities				
Amounts from loans, net		(223.643)		(119.218)
Dividends paid (Note 26.3)		(247.668)		(243.051)
Interest paid		(198.915)		(259.085)
Fees and other financial expenses		(34.377)		(34.156)
Other cash inflows (outflows)		9.165		(6.791)
Net cash flow used in financing activities	**$**	**(695.438)**	**$**	**(662.301)**
(Decrease) increase in cash and cash equivalent from activities	**$**	**(91.630)**	**$**	**211.931**
Cash flow from discontinued operations		(1.087)		(916)
Exchange rate impact of variation over the disposed		4.594		5.306
Net (decrease) increase in cash and cash equivalents		**(88.123)**		**216.321**
Cash and cash equivalents, at the beginning of the period		435.643		219.322
Cash and cash equivalents, at the end of the period	**$**	**347.520**	**$**	**435.643**

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

CIGP.

Carlos Ignacio Gallego Palacio
President

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

Bibiana Moreno Vásquez
External Auditor – Professional Card No. 167200-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

A Message from The Management at Grupo Nutresa

Management of 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, as well as, segment profitability, using the same measurement, that is used by management. Likewise, EBITDA allows a 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, such as the measurement of liquidity.

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

	2018	2017
Operating earnings	**849.296**	**774.525**
Depreciation and amortization (Note 28)	276.472	268.000
Unrealized exchange differences from operating assets and liabilities (Note 30)	654	1.654
EBITDA (See details by segment in Note 6.2)	**1.126.422**	**1.044.179**

Table 1

Management of Capital

The generation of value growth is a fundamental part of the strategic objectives, set by the Group. This translates into the active management of the capital structure, and the return on investment, which balances the sustained growth of current operations, the development of business plans for investments, and growth through business acquisitions, underway.

In every one of the investments, the goal is to seek a return that exceeds the cost of the capital (WACC). The administration periodically evaluates the return on the invested capital of its businesses, and projects this, to verify that they are in line with the value generation strategy.

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 2018 and 2017.
(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 the 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., an anonymous corporation of Colombian nationality, incorporated on April 12, 1920, with its headquarters in the City of Medellin, Colombia, and whose 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, Principle Domicile, Functional Currency, and Percentage of Shares held by Grupo Nutresa:

Entity	Main Activity	Functional Currency [1]	% Participation 2018	% Participation 2017
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%
Inverlogy S. A. S. (before Litoempaques S. A. S.) [2]	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.	Production, processing and sales of mushrooms	COP	99,50%	99,50%
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 S.A.S - Industria de Restaurantes Casuales S. A. S. [3]	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%
New Brands S.A.	Production of dairy and ice cream	COP	100,00%	100,00%

Schadel Ltda. Schalin Del Vecchio Ltda.	Production of foods and operation of food establishments providing to the consumer	COP	99,88%	99,88%
Tabelco S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%
Productos Naturela S. A. S.	Production and marketing of healthy and functional foods	COP	60.00%	-
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%
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%
Tresmontes Lucchetti Inversiones S. A.	Management of financial and investment services	USD	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%
Compañía 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%
Distribuidora POPS S.A.	Sales of ice cream	QTZ	100,00%	100,00%
México				
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 México 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 Panamá S.A.	Production of meats and its derivatives	PAB	100,00%	100,00%
Comercial Pozuelo Panamá 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%
El Corral Capital INC. [4]	Management of financial resources and franchises	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%
Other Countries				

Entity	Main Activity	Country	Functional Currency	% Participation 2018	% Participation 2017
TMLUC Argentina S.A.	Production and sales of food products	Argentina	ARS	100,00%	100,00%
Corporación Distribuidora 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 Perú S.A.	Production of foods and beverages	Peru	PEN	100,00%	100,00%

TMLUC Perú S.A.	Production and sales of foods	Peru	PEN	-	100,00%
Helados Bon S.A.	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%
Perlita Investments LTD.	Management of financial and investment services	BVI	USD	100,00%	100,00%

Table 2

(1) See Note 27.4, the descriptions of abbreviations, for each currency, and the primary impact on Grupo Nutresa's Financial Statements.

(2) As of March 2018, Litoempaques S. A. S., changed its corporate name to Servicios Logypack S.A.S., and in November of 2018, the latter changed its corporate name to Inverlogy S. A. S.

(3) As of June 2017, IRCC Ltda., changed its corporate type to "Sociedad por Acciones Simplificada (S. A. S.)".

(4) As of September of 2017, El Corral Investment INC., changed its corporate name to El Corral Capital INC, and its main domicile from BVI to Panama.

Changes in the scope of consolidation

The following are the changes in consolidation parameters, during the period:

2018: In September 2018, a 60% stake, was obtained, via the acquisition of shares (capitalization), in the amount of $3.221, of Productos Naturela S. A. S., a company dedicated to the production and commercialization of healthy and functional foods. This acquisition is aligned with the purpose of expansion towards innovative products, that benefit the health and nutrition of its consumers. In November 2018, the company TMLUC Perú S. A. was liquidated. In December, the company Tremontes Lucchetti Inversiones S. A. was incorporated in Chile, and the merger between Inmobiliaria Tresmontes Lucchetti S. A. and Tresmontes S. A., was presented, leaving the latter in force.

2017: In April, the liquidation from the split of Alimentos Cárnicos Zona Franca Santa Fe S. A. S., was realized. The assets, held by that company, were received by Alimentos Cárnicos S. A. S. and Meals Mercadeo de Alimentos de Colombia S. A. S. In the Third Quarter, the liquidation of the company, Baton Rouge Holdings Ltd., was realized, and in December, the liquidation, of Panero S. A. S., was realized.

NOTE 2.
Basis of preparation

The Consolidated Financial Statements of Grupo Nutresa, for the period from January 1st to December 31st, 2018, have been prepared in accordance with the Accounting and Financial Information Standards, accepted in Colombia, based on the International Financial Reporting Standards (IFRS), together with its interpretations, conceptual framework, the foundation for conclusions, and the application guidelines authorized and issued, by the International Accounting Standards Board (IASB), until 2016, and other legal provisions, defined by the Financial Superintendence of Colombia.

2.1. 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 accounting 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".

2.2. FUNCTIONAL AND PRESENTATION CURRENCY

The Consolidated Financial Statements are presented in Colombian Pesos, which is both the functional and presentation currency of Grupo Nutresa. These figures are expressed in millions of Colombian Pesos, except for basic earnings per share and the representative market exchange rates, which are expressed in Colombian Pesos, as well as, other currencies (E.g. USD, Euros, Pounds Sterling, et al.), and which are expressed as monetary units.

2.3. 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 financial information, as well as, its subsidiaries, at December 31, 2018, as well as its corresponding comparative financial information. A subsidiary is an entity controlled by one of the companies that make up 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 subsidiaries, as well as, the unrealized profits or losses, were eliminated in the consolidation process.

The Financial Statements of the subsidiaries are included in the Consolidated Financial Statements, from the date of acquisition, until the date that Grupo Nutresa loses its control. Any residual interest that is retained is measured at fair value. The gains or losses arising from this measurement are recognized in the other comprehensive income.

The Annual Separate Financial Statements are the basis for the distribution of dividends and other appropriations by the Shareholders. The Consolidated Financial Statements at year, 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:

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% interest. The changing conditions of the Venezuelan market, including regulation of the foreign exchange market and limited access to the purchase of foreign exchange, through official systems, combined with other governmental controls, such as price controls and profitability, importation, and labor laws, among others, limits the ability to maintain a normal level of production, reduces the ability of the Administration to make and execute operational decisions, restricts the possibility of access to the liquidity, resulting from these operations, and the realization of these benefits to its investors, in other Countries, through dividend payments. The Management, of Grupo Nutresa, considers that this situation will be maintained, in the foreseeable future, and therefore, a loss of control is established on said investment, according to the postulates established in IFRS 10, reasons that served to support, that as of October 1, 2016, these investments were classified as financial instruments measured at fair value with changes in other comprehensive income.

This accounting classification does not compromise the productive and commercial operation of Grupo Nutresa, in Venezuela, its team of collaborators, nor its relationships, with customers and suppliers.

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 realizing 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, and 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 its 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 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 participation of profit and loss, of an associate or joint venture, is presented in the Comprehensive Income Statement, for the period, net of taxes, and non-controlling interest, of the subsidiaries of the associate or joint venture. The participation 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 analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment, in the profit and loss.

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 POLICIESS

Grupo Nutresa, and its subsidiaries, apply the accounting policies and procedures of the Parent Company. An overview of the significant accounting policies, that Grupo Nutresa applies in the preparation of its Consolidated Financial Statements, is as follows:

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 acquired, 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 Consolidated Statement of Financial Position.

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 profit and loss or "other comprehensive income", accordingly. In the 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 acquired, 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 Group 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 in the Income Statement, as part of operating income or expenses; exchange differences, in other assets and liabilities, are recognized as financial 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 the disposal of the net investment, at which time they are recognized in profit and loss.

Foreign subsidiaries

For the presentation of Grupo Nutresa's Consolidated Financial Statements, the financial situation, and results of the subsidiaries, whose functional currency is different from the presentation currency of the Group, and whose economy is not classified as hyperinflationary, are translated, 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 subsidiaries, 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 subsidiaries, is recognized in the results of the period.

Main currencies and exchange rates

Below, is the evolution of the closing exchange rates to Colombian Pesos, of the foreign currencies, that correspond to the functional currency of the subsidiaries, of Grupo Nutresa, and that have a significant impact on the Consolidated Financial Statements:

		December 2018	December 2017
Panamanian Balboa	PAB	3.249,75	2.984,00
Costa Rican Colon	CRC	5,31	5,21
Nicaraguan Cordoba	NIO	100,52	96,91
Peruvian Sol	PEN	964,32	919,57
U,S, Dollar	USD	3.249,75	2.984,00
Mexican Peso	MXN	165,33	151,76
Guatemalan Quetzal	GTQ	420,03	406,28
Dominican Peso	DOP	64,64	61,78
Chilean Peso	CLP	4,68	4,85
Argentine Peso	ARS	85,95	158,94

Table 3

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 are restated, to be recognized at its fair value, at the date of each annual accounting period.

3.3.4 FINANCIAL INSTRUMENTS

Policies applicable as of January 1, 2018

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 (minus) 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 of the same grants, on specific dates, cash flows that are solely for payments of principal and interest, on the value of outstanding capital. The carrying amount of these assets is adjusted by any estimate of expected and recognized credit loss. Income from interest of these financial assets is included in "interest and similar income", using the effective interest rate method.

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, the Group evaluates whether the cash flows of the financial instruments represent only capital and interest payments. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic loan agreement. That is, the interest includes only the consideration for the value of money over time, credit risk, other basic credit risks, and a profit margin consistent with a basic loan agreement. When the contractual terms introduce a risk, or volatility exposure, and are inconsistent with a basic loan agreement, the related financial asset is classified and measured at fair value, through profit or loss.

Accounts receivable, from sales are measured by the value of income, minus the value of the expected impairment losses, according to the model defined by the Group. These accounts receivable are recognized, when all the risks and benefits are transferred to the third party.

(ii) Financial assets measured at fair value with changes in other comprehensive income

The financial assets, held for the collection of contractual cash flows and for sales of the assets, where the cash flows of the assets represent only payments of principal and interest, and which are not designated at fair value, through profit or loss, are measured at fair value with changes in other comprehensive income.

For investments in equity instruments, that are not held for trading purposes, Grupo Nutresa chooses to irrevocably present gains or losses, from fair value measurement, in other comprehensive income. In the disposal of investments, at fair value, through other comprehensive income, the accumulated value of gains or losses is transferred directly to retained earnings and is not reclassified to profit or loss. Dividends received in cash, from these investments, are recognized in profit or loss for the period.

The fair values of share price investments are based on the valid quoted prices. If the market for a financial instrument is not active (or the instrument is not quoted on a stock exchange), the Group establishes its fair value using valuation techniques. These techniques include the use of the values observed in recent transactions, realized under the terms of free competition, the reference to other instruments that are substantially similar, analyses of discounted cash flows, and option models, making maximum use of market information, and giving the lesser degree of confidence possible, in internal information specific to the entity.

(iii) Financial assets measured at fair value

The financial assets, different from those measured at amortized cost or at fair value, with changes in other comprehensive income, are subsequently measured at fair value, with changes recognized in profit and loss. A loss or gain on a debt instrument, that is subsequently measured at fair value, through profit or loss and is not part of a hedging relationship, is recognized in the Income Statement, for the period in which it arises, unless it arises from instruments of debt that were designated at fair value, or that are not held for trading.

(iv) Impairment of financial assets at amortized cost

The Group evaluates, in a prospective manner, the expected credit losses associated with the debt instruments, recorded at amortized cost and at fair value, through changes in other comprehensive income, as well as with the exposure derived from loan commitments and financial guarantee contracts. The Group recognizes a provision for losses, at each presentation date. The measurement of the expected credit losses reflects:

- An unbiased and weighted probability quantity, that is determined by evaluating a range of possible outcomes;
- The value of money in time; and
- Reasonable and supported information, available without incurring undue costs or efforts, on the filing date, with regard to past events, current conditions, and future economic condition forecasts.

(v) 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 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.

(vi) Modification

In some circumstances, the renegotiation, or modification of the contractual cash flows, of a financial asset, may lead to the derecognition of an existing financial asset. When the modification of a financial asset results in the derecognition of an existing financial asset, and the subsequent recognition of a modified financial asset, it is considered a new financial asset. Accordingly, the date of the modification will be treated as the date of initial recognition, of that financial asset.

(vii) 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.

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.

Financial liabilities are written-off in accounts when they are canceled, that is, when the obligation specified in the contract is met, canceled, or expires.

(viii) 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.

(ix) 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.

Grupo Nutresa designates and documents certain derivatives as hedging instruments, to cover:

- Changes in the fair value of recognized assets and liabilities or in firm commitments (fair value hedges)
- Exposure to variations in cash flows of highly probable forecast transactions (cash flow hedges); and
- Hedges of net investments in foreign operations.

The Group expects that the hedges are highly effective in offsetting the changes in fair value or variations of cash flows. The Group continuously evaluates the coverage, at least quarterly, to determine that they have actually been highly effective throughout the periods for which they were designated.

Policies applicable until December 31, 2017

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 (minus) 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.

Accounts receivable from customers are the amounts owed for products sold, or services rendered, in the ordinary course of business, and that are initially recognized at their fair value, are realized with credit conditions of less than one year and without interest, and therefore, the existence of implicit financing is not considered.

(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 in 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 is not reclassified to profit and loss, in that period. Cash dividends received from these investments are recognized in the profit and loss of that period.

The fair values of quoted investments are based on the valid quoted prices. If the market for a financial instrument is not active (or the instrument is not quoted on a stock exchange), the Company establishes its fair value using valuation techniques. These techniques include the use of the values observed in recent transactions, realized under the terms of free competition, the reference to other instruments that are substantially similar, analyses of discounted cash flows, and option models, making maximum use of market information and giving the lesser degree of confidence possible, in internal information specific to the entity.

(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.

(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 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.

(vii) Financial derivative instruments and hedges

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, the companies realize operations 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.

Grupo Nutresa designates and documents certain derivatives as hedging instruments to cover:

- Changes in the fair value of recognized assets and liabilities or in firm commitments (fair value hedges)
- Exposure to variations in cash flows of highly probable forecast transactions (cash flow hedges); and
- Hedges of net investments in foreign operations
- Coberturas de una inversión neta en el extranjero.

The Group expects that the hedges are highly effective in offsetting the changes in fair value or variations of cash flows. The Group evaluates permanently the coverage, at least quarterly, to determine that they have actually been highly effective throughout the periods for which they were designated.

3.3.5 INVENTORIES

Assets, held for sale in the ordinary course of business, or in the process of production for such a 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 lesser of, acquisition or manufacturing cost, or the net realizable value. Cost is determined using *the Average Cost Method*. The net realizable value is the estimated selling price of inventory. In the ordinary course of operations, less the applicable variable sales expenses. When the net realizable value is below the book value, the value of the impairment is recognized, as an adjustment in the Income Statement, decreasing the value of the inventory.

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, it is 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 normal operation of the segment's Group.

Property, plant and equipment 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, the cost, from loans, 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 are 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 4

(*) 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, 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, for the period.

At each accounting close, Grupo Nutresa evaluates its assets, to identify indicators, both external and internal, of reductions of its recoverable values. If there is evidence of impairment, property, plant and equipment is 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 for the period, 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.

Plantations in development: are live Plants that: are used in the elaboration or supply of agricultural products, are expected to produce for more than one period, and have a remote probability of being sold as agricultural products, except for incidental sales of thinning and pruning.

3.3.8 INVESTMENT PROPERTIES

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 a 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 year-end, 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 accounted for 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, is 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 for the period. 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 against the results for the period.

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, and is recognized 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, for the period.

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 (CGUs), for the purposes of impairment testing, and has 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, or the fair value, 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. For the application of fair value, disposal costs will be discounted.

The impairment losses of continuing operations are recognized in the Comprehensive Income Statement, for the period, 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, for the period.

3.3.11 TAXES

This 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 subsidiaries 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 impacted 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. 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.

(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, and the 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 liabilities, related to investments in 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 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. 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 future.

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 is likely to allow for their recovery.

Assets and liabilities from deferred 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 income tax rates and norms, that were approved at the date of filing, or whose approval will be nearing completion, by that date.

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.

b. 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-terms benefits

These 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, for 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 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, for the period, 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 liabilities, as required by law.

The cost of this benefit is determined by *the projected unit credit method.* The liability is measured annually, for 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 implicit obligation to a settlement, and requires an outflow of resources, that 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, for the period, net of all reimbursement. The increase in the provision, due to the passage of time, is recognized as financial expense.

b. Contingent liabilitiess

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 said contingent is certain, the asset and the associated income, are recognized for that period.

3.3.15 REVENUES

Policies applicable as of January 1, 2018

Contract assets

A contract asset is the Group's right to receive a payment in exchange for goods or services that the Group has transferred to a customer, when that right is contingent upon something other than the passage of time (for example, billing or delivery of other elements, part of the contract). The Group perceives the contract assets, as current assets, since they are expected to be realized within the normal operating cycle.

The costs of contracts eligible for capitalization, as incremental costs, when obtaining a contract, are recognized as a contract asset. Contract subscription costs are capitalized when incurred, if the Group expects to recover said costs. The costs of signing contracts constitute non-current assets, to the extent that it is expected to receive the economic benefits of said assets, in a period greater than twelve months. The contracts are amortized systematically and consistently, with the transfer to the customer of the services, once the corresponding income has been recognized. The contract subscription costs capitalized are impaired, if the client withdraws, or if the book value of the asset exceeds the projection of the discounted cash flows that are related to the contract.

Contract liabilities

Contract liabilities constitute the Group's obligation to transfer goods or services to a customer, for which the Group has received a payment, from the end customer, or if the amount is past due.

Grupo Nutresa recognizes income from contracts with customers, based on the provisions established in IFRS 15:

- **Identification of contracts with customers:** a contract is defined as an agreement between two or more parties, which creates rights, and obligations, required, and establishes criteria that must be met for each contract.
- **Identification of performance obligations in the contract:** a performance obligation is a promise in a contract with a customer, for the transfer of a good or service.
- **Determination of the price of the transaction:** the transaction price is the amount of the consideration to which the Group expects to be entitled, in exchange for the transfer of the goods or services promised to a client, excluding amounts received, on behalf of third parties.
- **Distribute the transaction price between the performance obligations of the contract:** in a contract that has more than one performance obligation, Grupo Nutresa distributes the price of the transaction between the performance obligations in amounts that represent the amount of consideration that the Group expects to have the right to change to meet each performance obligation.
- Recognition of income, when (or as) Grupo Nutresa fulfills a performance obligation.

Grupo Nutresa meets its performance obligations at a specific point in time.

The income is measured based on the consideration specified in the contract, with the customer, and excludes the amounts received on behalf of third parties. The Group recognizes income when it transfers control over an asset. The income is presented net of value added tax (VAT), reimbursements, discounts, and after eliminating sales, within the Group.

The Group evaluates its income plans, based on specific criteria, in order to determine whether it acts as principal or agent.

Income is recognized, to the extent that the economic benefits are likely to flow to the Group, and if it is possible to reliably measure revenues and costs, if any.

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 control over the products has been transferred.

b. Services rendered

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. Customer loyalty

The Group awards points to its customers for purchases, under the loyalty plan program, which can be redeemed in the future, for prizes such as household products, travel, snacks, home decoration, and discounts, among others. The points are measured, at their fair value, which corresponds to the value of the point perceived by the client, considering the different redemption strategies. The fair value of the point is calculated at the end of each accounting period. The obligation to provide these points is recorded in liabilities, as a deferred income, and corresponds to the portion of benefits pending redemption, valued at their fair value.

Policies applicable until December 31, 2017

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 rendered

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 corresponding 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.

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 Group 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. The other segments are grouped in categories called "other segments".

3.3.20 BASIC 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 31st of 2018 and 2017, 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 is prosecuted depending on the particular circumstances in which they are produced. The magnitude or nature of the item, or a combination of both, could be the determining factor.

3.4 CHANGES IN ACCOUNTING POLICIES
3.4.1 INCOME FROM ORDINARY ACTIVITIES FROM CONTRACTS WITH CLIENTS
The Group has adopted IFRS 15, which leads to changes in accounting policies and adjustments, in the amounts recognized in the Financial Statements. The main changes are as follows:

(i) Accounting of customer loyalty program

The Group awards points to its customers for purchases, under the loyalty plan program, which can be exchanged in the future, for prizes such as household products, travel, snacks, home decoration, discounts, among others. The points are measured at fair value, which corresponds to the value of the point, perceived by the client, taking into account the different redemption strategies. The fair value of the point is calculated at the end of each accounting period. The obligation, to provide these points, is recorded in liabilities, as deferred income, and corresponds to the portion of benefits pending redemption, valued at fair value.

In previous periods, the points were measured at fair value and were recorded as expenses, for the period. Under IFRS 15, the points are measured at fair value and are accounted for as lower-income, and do not generate an impact on the liabilities of the contract.

(ii) Presentation of contract liabilities

The Group has changed the presentation of the liabilities, related to the loyalty program, registering it as contract liabilities. Previously it was recognized, directly, as an expense.

The Group performed an analysis of the existence of incremental costs, or costs to comply with a contract, concluding that these are not incurred.

The Group does not currently incur significant costs, to comply with a contract.

3.4.2 FINANCIAL INSTRUMENTS
The Group has adopted IFRS 9, issued by the IASB in July 2014, considering the transition date as January 1, 2018, which resulted in changes in the accounting policies and adjustments to the amounts, previously recognized in the Financial Statements, primarily in the determination of the expected loss.

As permitted by the transitional provisions of IFRS 9, the Group decided not to restate the comparative figures. Any adjustments to the book values of financial assets and liabilities, at the transition date, were recognized in the accumulated earnings, at the opening of the current period. The Group also chose to continue to apply the hedge designation requirements of IAS 39, in the adoption of IFRS 9.

Consequently, for the disclosures of Notes, the amendments generated from the disclosures of IFRS 7, have only been applied to the current period. The period of comparative information discloses the revelations realized in the previous year.

The adoption of IFRS 9 has resulted in changes in our accounting policies for the recognition and measurement of the impairment of financial assets, and generated an impact on equity, at January 1, 2018, in the amount of $5.277, composed of a re-measurement impact of impairment provisions in the amount of ($7.514) (See Note 9), an impact on deferred taxes in the amount of $2.190, and a difference in exchange of $47.

3.5 NEW ACCOUNTING PRONOUNCEMENTS ON INTERNATIONAL FINANCIAL REPORTING STANDARDS: NEW STANDARDS, MODIFICATIONS AND INTERPRETATIONS INCORPORATED INTO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA, WHOSE APPLICATION MUST BE JANUARY 1, 2019
Decree 2483 of December 28, 2018 compiled and updated the technical framework of the Accounting and Financial Information Standards, accepted in Colombia, which had been incorporated by Decrees 2420 of 2015, 2496 of 2015, 2131 of 2016, and 2170 of 2017, including a new standard issued by the International Accounting Standards Board (IASB), to be applied as of January 1, 2019, although its application could be effectuated, in advance.

IFRS 16 Leases

The International Accounting Standards Board (IASB) issued IFRS 16, with an effective date of application of January 1, 2019.

IFRS 16 replaces existing guidance for the accounting of leases, including IAS 17 Leases, IFRIC 4 Determining if a contract contains a lease, SIC 15 incentives in operating leases, and SIC 27 evaluation of the substance of transactions, involving the legal form of a lease.

IFRS 16 introduces a single accounting record model of lease agreements, in the Statement of Financial Position, for lessees. A lessee recognizes an asset for right-of-use, representing the right-of-use the asset taken as a lease and a liability for the right-of-use for lease, representing its obligation to make the lease payments. There are optional exemptions for short-term leases, or leases of very low-value assets. The accounting treatment of lease agreements, for lessors, remains similar to current accounting standards, in which the lessor classifies leases as financial or operating leases.

The Group is currently evaluating the impacts on its Financial Statements, of the implementation of International Financial Reporting Standard IFRS 16 Leases. The Group identifies that it has contracts that comply with this standard, and in 2019, recognition for those assets classified as property, plant and equipment and which are currently fully operational, will be realized.

For the purpose of applying this standard, the nature of the expenses, corresponding to operating lease contracts, as lessee will change with IFRS 16, from lease expenses to amortization charges, of the rights-of-use of the assets, in addition to leasing expenses financial liabilities arising from the lease liabilities, for the rights-of-use, of the aforementioned assets.

The Company believes that the impact of the adoption of this new standard generates an acknowledgment of rights-of-use, which can increase total assets between 7% and 10%, based on total assets, at the end of December 2018, as well as total liabilities which may increase between 18,3% and 24,5%, due to the valuation of the future canons, brought to present value.

Once the analyzes, that are being realized, are finalized, the final figures of the impacts on the adoption of this new standard will be defined and recorded, during 2019.

IFRIC 23 Uncertainty regarding the Treatment of Income Taxes

IFRIC 23 was issued in May 2017. This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12, when there is uncertainty regarding the treatment of income tax. In this circumstance, an entity recognizes and measures its asset or liability, for deferred or current taxes, by applying the requirements of IAS 12, on the basis of taxable profit (tax loss), tax bases, unused fiscal losses, unused tax credits, and tax rates determined by applying this interpretation.

The Group will evaluate the potential impacts of this interpretation, in its Financial Statements, without having identified situations that may require changes in the Financial Statements.

NOTE 4.
Judgments, estimates, and significant accounting assumptions

The preparation of Grupo Nutresa's Consolidated Financial Statements requires that management must make judgments, accounting estimates, and assumptions that impact the amount of income 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 these 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:

- Choose, appropriately, the models, and assumptions, for the measurement of the expected credit loss.
- Establish groups of similar financial assets, in order to measure the expected credit loss.
- Determination of the compliance time of performance obligations.
- Assessment of the existence of impairment indicators, for assets, goodwill, and asset valuation, to determine the existence of impairment losses (financial and non-financial assets).
- Assumptions used in the actuarial calculation of post-employment and long-term obligations with employees.
- Useful life and residual values of property, plant and equipment and intangibles.
- Suppositions used to calculate the fair value of financial instruments.
- Determination of the existence of financial or operating leases, based on the transfer of risks and benefits of the leased assets.
- Recoverability of deferred tax assets.
- Determination of control, significant influence, or joint control over an investment.

NOTE 5.
Income statement for the fourth quarter

The following is the Income Statement and an analysis of its line items for the period between October 1 and December 31st, 2018.

	Notes	October-December 2018	October-December 2017
Continuing operations			
Operating revenue	**b**	**$ 2.406.768**	**$ 2.304.195**
Cost of goods sold	c	(1.328.192)	(1.286.481)
Gross profit		**$ 1.078.576**	**$ 1.017.714**
Administrative expenses	c	(106.615)	(106.797)
Sales expenses	c	(718.109)	(706.711)

Production expenses	c		(41.393)		(37.668)
Exchange differences on operating assets and liabilities			(3.782)		(1.075)
Other operating income, net	d		6.793		3.560
Operating profit		$	**215.470**	$	**169.023**
Financial income			4.398		3.661
Financial expenses	e		(55.864)		(67.764)
Portfolio dividends			292		65
Exchange differences on non-operating assets and liabilities			8.023		(5.867)
Share of profit of associates and joint ventures			(335)		5.853
Other income, net			(836)		(23)
Income before tax and non-controlling interest		$	**171.148**	$	**104.948**
Current income tax	f		(30.048)		(25.079)
Deferred income tax	f		(15.606)		17.240
Profit after taxes from continuous operations		$	**125.494**	$	**97.109**
Discontinued operations, after income tax			(4.869)		105
Net profit for the period		$	**120.625**	$	**97.214**
Profit for the period attributable to:					
Controlling interest		$	**119.439**	$	95.949
Non-controlling interest			1.186		1.265
Net profit for the period		$	**120.625**	$	**97.214**
Ebitda	a	$	**285.580**	$	**243.961**

Table 5

a. Ebitda

	Fourth Quarter	
	2018	**2017**
Operating earnings	**215.470**	**169.023**
Depreciation and amortization	68.008	74.722
Unrealized exchange differences from operating assets and liabilities	2.102	216
Ebitda	**285.580**	**243.961**

Table 6

- Ebitda, by operation segments

	Fourth Quarter							
	Operating earnings		**Depreciation and amortization**		**Unrealized exchange differences from operating assets and liabilities**		**Ebitda**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Cold Cuts	62.186	41.729	10.191	9.822	407	93	72.784	51.644
Biscuits	52.037	46.127	11.135	10.057	341	122	63.513	56.306
Chocolate	46.704	43.468	9.293	9.737	(94)	130	55.903	53.335
TMLUC	17.568	16.029	10.096	10.931	641	54	28.305	27.014
Coffee	11.895	13.538	6.043	5.676	(26)	(78)	17.912	19.136
Retail Food	16.344	4.304	9.421	17.400	22	19	25.787	21.723
Ice Cream	6.151	2.961	7.795	7.804	147	(50)	14.093	10.715
Pasta	5.560	3.511	1.876	1.889	55	(72)	7.491	5.328
Others	(2.975)	(2.644)	2.158	1.406	609	(2)	(208)	(1.240)
Total segments	**215.470**	**169.023**	**68.008**	**74.722**	**2.102**	**216**	**285.580**	**243.961**

Table 7

b. Income from ordinary activities

- Income from ordinary activities, by segments

	Fourth Quarter					
	External clients		Inter-segments		Total	
	2018	2017	2018	2017	2018	2017
Cold Cuts	511.381	508.883	10.229	8.277	521.610	517.160
Biscuits	496.348	474.290	2.493	2.948	498.841	477.238
Chocolate	428.851	400.914	6.723	6.029	435.574	406.943
TMLUC	243.882	241.321	386	758	244.268	242.079
Coffee	249.598	242.018	9.265	9.028	258.863	251.046
Retail Food	198.481	187.094	23	-	198.504	187.094
Ice Cream	113.942	106.865	718	1.082	114.660	107.947
Pasta	78.855	72.971	53	105	78.908	73.076
Others	85.430	69.839	-	-	85.430	69.839
Total segments	**2.406.768**	**2.304.195**	**29.890**	**28.227**	**2.436.658**	**2.332.422**
Adjustments and eliminations					(29.890)	(28.227)
Consolidated					**2.406.768**	**2.304.195**

Table 8

- Income from ordinary activities, by geographical locations

	Fourth Quarter	
	2018	2017
Colombia	1.523.510	1.449.366
Central America	239.808	227.151
United States	165.977	170.722
Chile	192.290	187.653
Mexico	78.808	73.796
Peru	70.282	66.780
Dominican Republic and the Caribbean	46.266	41.877
Ecuador	39.203	34.897
Others	50.624	51.953
Total	**2.406.768**	**2.304.195**

Table 9

- Income from ordinary activities, by type of product

	Fourth Quarter	
	2018	2017
Foods	1.337.656	1.303.582
Beverages	504.886	493.912
Candy and Snacks	418.446	380.998
Others	145.780	125.703
Total	**2.406.768**	**2.304.195**

Table 10

c. Expenditure by nature

	Fourth Quarter	
	2018	2017
Inventory consumption and other costs	949.558	922.575
Employee benefits	387.103	391.154
Other services [(1)]	219.991	202.052
Other expenses [(2)]	141.104	119.494
Transport services	92.136	88.852
Depreciation and amortization	68.008	74.722
Manufacturing services	57.825	53.939
Leases	56.310	53.701
Seasonal services	55.714	62.138
Energy and gas	39.275	37.213
Advertising material	33.996	38.461
Maintenance	33.365	31.385
Fees	25.422	29.758
Taxes other than income tax	21.410	20.302
Insurance	9.640	8.765
Impairment of assets	3.452	3.146
Total	**2.194.309**	**2.137.657**

Table 11

(1) Other services include: marketing, cleaning and surveillance, shelving and displays, food, public services, commercial plan of action, software, and storage.

(2) The other expenses include spare parts, travel expenses, containers and packaging, fuels and lubricants, contributions and affiliations, commissions, taxis and buses, supplies and buildings, stationery and office supplies, cleaning and laboratory supplies, legal expenses and licenses and prizes.

d. Other operating income (expenses), net

	Fourth Quarter	
	2018	2017
Disposal and removal of property, plant and equipment and intangibles	6.412	2.152
Indemnities and recuperations	3.435	2.684
Other income and expenses	1.196	1.512
Government grants	964	897
Fines, penalties, litigation, and legal processes, net	(177)	(2.677)
Donations	(5.037)	(1.008)
Total	**6.793**	**3.560**

Table 12

e. Financial expenses

	Fourth Quarter	
	2018	2017
Loans interest	37.632	43.356
Bonds interest	5.823	8.598
Interest from financial leases	151	32
Total interest expenses	**43.606**	**51.986**
Employee benefits	3.195	7.543
Other financial expenses	9.063	8.235
Total financial expenses	**55.864**	**67.764**

Table 13

f. Income tax expenses

	Fourth Quarter	
	2018	**2017**
Income tax	28.141	24.452
Income tax surcharges	1.907	627
Total	**30.048**	**25.079**
Deferred taxes	15.606	(17.240)
Total tax expenses	**45.654**	**7.839**

Table 14

NOTE 6.
Operating segments

lGrupo 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, as follows:

- **Cold Cuts:** Production and sale of processed meats (sausage, pepperoni, ham, bologna and burgers), matured meat (Serrano ham, Spanish chorizo, and salami), ready to eat meals, canned foods, and mushrooms.
- **Biscuits**: the production and commercialization of sweet flavored cookies lines, with crème and wafers, salty crackers, and snacks, and healthy and functional foods.
- **Chocolate**: Production and sale of chocolate bars, chocolate (bars and milk modifiers), chocolate candies, snacks, cereal 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, pizza, 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 operating revenues 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 segments.

The Management Reports, and the ones generated by accountancy of the Group, 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 subsidiaries of Grupo Nutresa; no segment allocation is assigned.

There are no individual customers whose transactions represent more than 10% of Grupo Nutresa's income.

6.1 OPERATING INCOME FROM CONTRACTS WITH CLIENTS:

Revenues are recognized once control has been transferred to the customer. Some goods are sold with discounts, that are recognized at the moment when the income is invoiced, and others with the fulfillment of goals by the client. Revenue is recognized, net of these discounts. The Group's experience is used, to estimate and provide discounts, using the expected value method, and revenues are only recognized to the extent that it is very likely that a significant reversal will not occur. A reimbursement liability (included in commercial accounts and other accounts payable) is recognized for the expected volume discounts, payable to customers in relationship to the sales realized, to the end of the reporting period. No element of financing is considered present, since sales are realized with a credit term, that in some cases, can reach up to 90 days, which is consistent with the practice of the market. Grupo Nutresa does not recognize any guarantee, on the products it sells. During 2018 and 2017, the Group did not incur incremental costs, to obtain contracts with its customers, nor other costs associated with the execution of the contract.

a. Income from ordinary activities, by segments

	External clients		Inter-segments		Total	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Cold Cuts	1.849.752	1.824.182	36.699	25.668	1.886.451	1.849.850
Biscuits	1.823.381	1.768.435	10.689	11.505	1.834.070	1.779.940
Chocolate	1.552.792	1.463.734	30.186	22.180	1.582.978	1.485.914
TMLUC	994.596	978.246	1.472	2.223	996.068	980.469
Coffee	985.657	1.001.950	10.427	10.068	996.084	1.012.018
Retail Food	737.717	696.955	911	-	738.628	696.955
Ice Cream	444.361	423.460	1.596	2.712	445.957	426.172
Pastas	301.991	293.596	364	421	302.355	294.017
Others	325.819	245.046	-	-	325.819	245.046
Total segments	**9.016.066**	**8.695.604**	**92.344**	**74.777**	**9.108.410**	**8.770.381**
Adjustments and eliminations					(92.344)	(74.777)
Consolidated					**9.016.066**	**8.695.604**

Table 15

b. 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:

	2018	**2017**
Colombia	5.737.388	5.495.394
Central America	863.619	827.060
United States	662.545	708.453
Chile	727.186	706.723
Mexico	320.752	310.562
Peru	205.686	198.208
Dominican Republic and the Caribbean	166.827	156.773
Ecuador	134.613	124.890
Others	197.450	167.541
Total	**9.016.066**	**8.695.604**

Table 16

Sales information is realized with consideration of the geographical location of the end-user customer.

c. Information by type of product

Given that some segments are also categorized by geographical location, sales to external customers are presented by product category, as follows:

	2018	**2017**
Foods	4.869.364	4.724.057
Beverages	2.048.641	2.053.646
Candy and Snacks	1.557.762	1.470.386
Others	540.299	447.515
Total	**9.016.066**	**8.695.604**

Table 17

d. Calendar of recognition of revenue from ordinary activities:

Grupo Nutresa transfers the goods it sells, at a specific moment in time. It does not have performance obligations, that are satisfied over time. The contracts that the Group has with its customers are short-term.

6.2 Ebitda

	Operating Profit		Depreciation and Amortization (Note 28)		Unrealized Exchange Differences from Operating Assets and Liabilities (Note 30)		Ebitda	
	2018	2017	2018	2017	2018	2017	2018	2017
Cold Cuts	189.335	172.199	38.464	37.260	131	24	227.930	209.483
Biscuits	199.239	185.035	44.207	35.241	194	97	243.640	220.373
Chocolate	215.079	169.132	35.396	36.969	(970)	377	249.505	206.478
TMLUC	90.732	87.989	37.757	38.489	624	377	129.113	126.855
Coffee	74.854	97.817	24.063	23.105	(423)	(154)	98.494	120.768
Retail Foods	33.798	32.760	51.530	53.441	(35)	(1)	85.293	86.200
Ice Cream	24.210	11.445	29.911	30.822	41	70	54.162	42.337
Pasta	25.165	21.282	7.455	7.657	1	122	32.621	29.061
Others	(3.116)	(3.134)	7.689	5.016	1.091	742	5.664	2.624
Total segments	**849.296**	**774.525**	**276.472**	**268.000**	**654**	**1.654**	**1.126.422**	**1.044.179**

Table 18

NOTE 7.
Investments in subsidiaries

The following details financial information of the major subsidiaries that represent 94% of the gross equity of Grupo Nutresa. This information was taken from the Individual Financial Statements of the subsidiaries 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.

	2018					2017				
	Assets	Liabilities	Equity	Profit for the Period	Total Comprehensive Income for The Period	Assets	Liabilities	Equity	Profit for the Period	Total Comprehensive Income for The Period
Subsidiaries directly or indirectly 100% owned by Grupo Nutresa										
Grupo Nutresa S. A.	8.483.352	85.763	8.397.589	510.161	(862.609)	9.106.859	96.209	9.010.650	430.279	386.085
Nutresa Chile S. A.	1.540.281	56.624	1.483.657	26.802	795	1.593.797	62.256	1.531.541	(1936)	(141)
Compañía de Galletas Noel S. A. S.	2.090.131	784.557	1.305.574	119.499	(27.909)	2.104.680	844.884	1.259.796	122.749	16.967
Compañía Nacional de Chocolates S. A. S.	1.675.073	489.813	1.185.260	145.819	197	1.680.375	544.653	1.135.722	103.404	31.026
American Franchising Corp. (AFC)	1.081.109	-	1.081.109	43	5	993.409	-	993.409	(23)	-
Tresmontes S. A.	1.473.950	432.093	1.041.857	23.997	63.106	1.267.098	518.850	748.248	15.306	1.373
Alimentos Cárnicos S. A. S.	2.011.820	1.042.911	968.909	97.519	(23.984)	1.984.270	1.088.887	895.383	67.357	71.034
Compañía de Galletas Pozuelo DCR S. A.	768.408	117.145	651.263	44.812	(60.480)	746.902	92.584	654.318	34.395	417
Industria Colombiana de Café S. A. S.	1.327.054	754.442	572.612	15.155	(5.241)	1.336.268	773.567	562.701	21.382	25.612
Lucchetti Chile S. A.	601.426	56.780	544.646	6.509	2.558	716.414	69.960	646.454	614	122
Compañía Nacional de Chocolates del Perú S. A.	436.638	75.955	360.683	19.778	(3.982)	454.011	65.519	388.492	12.546	10
Abimar Foods Inc.	321.976	56.783	265.193	11.407	1.028	298.767	66.681	232.086	18.790	2.783
Industria de Alimentos Zenú S. A. S.	328.561	126.304	202.257	20.323	(35)	339.259	133.827	205.432	16.227	340
Meals Mercadeo de Alimentos de Colombia S. A. S.	658.445	473.466	184.979	(31.403)	1.093	673.403	458.108	215.295	(14.190)	(260)

Tresmontes Lucchetti Inversiones S. A.	170.632	-	170.632	-	-	-	-	-	-	-
Tresmontes Lucchetti S. A.	497.189	343.652	153.537	(16.445)	1.295	578.069	383.260	194.809	20.976	1.624
Tresmontes Lucchetti México S. A. De C. V.	217.776	68.268	149.508	7.797	628	195.144	65.668	129.476	7.933	(113)
Novaventa S. A. S.	265.189	118.577	146.612	39.201	143	227.444	83.048	144.396	28.177	28
Inmobiliaria y Rentas Tresmontes Lucchetti	127.394	338	127.056	3.881	31	129.792	548	129.244	3.739	124
Tresmontes Lucchetti Servicios S. A.	124.065	6.620	117.445	11.277	149	113.364	3341	110.023	7009	408
Other companies(*)	3.025.206	2.047.637	977.569	76.323	(110.120)	3.228.988	1.989.480	1.239.508	41.547	(824)
Subsidiaries with non-controlling interest										
Novaceites S. A.	66.157	5.247	60.910	3.272	42	75.708	15.938	59.770	3.647	238
Setas Colombianas S. A.	71.060	16.415	54.645	6.745	-	65.751	14.711	51.040	3.897	-
Helados Bon S. A.	55.691	18.506	37.185	11.796	(665)	51.734	16.532	35.202	11.280	(349)
La Recetta Soluciones Gastronómicas Integradas S. A. S.	61.660	60.248	1.412	(222)	-	54.783	52.969	1.814	151	(9)
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	54.072	24.615	29.457	606	-	46.469	17.617	28.852	734	-

Table 19

(*) Other subsidiaries include equity of $977.569 (2017: $1.239.508) for the following companies: Alimentos Cárnicos de Panamá S. A., 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 Panamá 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., Comercial Pozuelo El Salvador S. A. de C.V., Cordialsa Usa, Inc., TMLUC Argentina S.A., Comercializadora Tresmontes Lucchetti S.A. de C.V., TMLUC Perú S. A., Tresmontes Lucchetti Servicios S. A., Fideicomiso Grupo Nutresa, 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., Aldage Inc., Litoempaques S. A. S., Servicios Nutresa Costa Rica S. A., Tresmontes Lucchetti Agroindustrial S. A., PJ COL S. A. S., LYC S. A. S., Schadel Ltda., New Brands S. A., IRCC S. A. S., Tabelco S. A. S., LYC Bay Enterprise INC., Sun Bay Enterprise INC., Gabon Capital LTD., Baton Rouge Holdings LTD., Perlita Investments LTD., El Corral Capital INC (Previously, El Corral Investments INC.), Productos Alimenticios Doria S. A. S., Productos Naturela S.A.S.

NOTE 8.
Cash and cash equivalents

Cash and cash equivalents at December 31st includes the following:

	2018	2017
Cash and banks	263.588	307.520
Short-term investments	83.932	128.123
Total	**347.520**	**435.643**

Table 20

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 2,6% (2017: 3,6%).

At the close of December, $24.206 (2017: $39.438) was allocated as deposits, to support derivative contracts, as collateral or adjustments for margin call. On all other values, there are no restrictions for availability.

At December 31st, 2018, the Group had $3.371.974 (2017: $3.200.000) available in committed unused credit lines.

NOTE 9.
Trade and other accounts receivables, net

Trade and other accounts receivables, are as follows:

	2018	2017
Customers	985.105	916.102
Accounts receivable from employees	39.619	41.087
Accounts receivable from related parties	15.395	18.010
Dividends receivable (Note 14)	14.498	6.185
Loans to third-parties	770	1.664
Other accounts receivable	12.051	10.268
Impairment	(18.794)	(9.239)
Total trade and accounts receivable	**1.048.644**	**984.077**
Current portion	**1.020.579**	**957.568**
Non-current portion	**28.065**	**26.509**

Table 21

At December 31st, accounts receivable from customers have the following stratifications:

	2018	2017
Not overdue	668.763	657.786
Up to 90 days	284.339	234.759
Between 91 and 180 days	16.341	10.830
Between 181 and 365 days	11.670	9.767
More than 365 days	3.992	2.960
Total	**985.105**	**916.102**

Table 22

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.

According to the Company's assessment of historical information and portfolio analyses, as of December 31, 2018, there is no objective evidence that overdue balances receivable, present material risks of impairment, that imply adjustments to the impairment recorded in the Financial Statements on those dates.

The reconciliation of recognized impairment on accounts receivable, is as follows:

	2018	2017
Book value at December 31st 2017/2016	**9.239**	**9.092**
Remeasurement of impairment provision	7.514	-
Book value at January 1st	**16.753**	**9.092**
Impairment losses recognized during the period	15.778	13.477
Use during the period	(13.590)	(13.318)
Reversal of impairment losses for the period	(366)	(11)
Exchange differences	299	(1)
Other changes	(80)	-
Book value at December 31st	**18.794**	**9.239**

Table 23

The book amount of accounts receivable from customers, is denominated in the following currencies:

	2018	2017
Colombian Pesos	429.424	414.274
US Dollars	205.255	214.023
Other currencies	350.426	287.805
Total	**985.105**	**916.102**

Table 24

NOTE 10.
Inventories

The balance of inventories, at December 31st, includes the following:

	2018	2017
Raw materials	309.495	283.142
Works-in-progress	64.576	65.170
Finished products	398.119	374.351
Packing materials	108.516	100.794
Consumable materials and spare parts	89.767	84.850
Inventories in transit	141.686	77.161
Adjustments to the net realizable values	(2.281)	(2.652)
Total	**1.109.878**	**982.816**

Table 25

The cost of the inventories, recognized as cost of the merchandise sold, during the period with respect to the continuous operations of the Consolidated Income Statement, corresponds to $4.727.162 (2017: $4.445.093).

Write-off inventories are recognized as expenses, in the amount of $63.952, during the period 2018 (2017: $61.825); 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 2018, in the amount of $75 (2017: $22).

As of December 31st of 2018 and 2017, 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

The following is a breakdown of biological assets:

	2018	2017
Biological assets - Cattle	50.033	45.131
Biological assets - Pig	41.226	32.592
Crops	3.310	3.795
Total	**94.569**	**81.518**

Table 26

The following are the amounts and principal locations of the biological assets:

	Quantities		
	2018	2017	Location
Biological assets – Cattle (1)	32.166 Units	30.282 Units	Antioquia, Cordoba, Cesar, Santander, Sucre and Caldas - Colombia
Biological assets – Pig (1)	97.325 Units	86.408 Units	Antioquia and Caldas - Colombia
	10.288 Units	11.826 Units	Provincia de Oeste - Panama
Crops			
Mushroom crops (2)	41.080 m^2	40.290 m^2	Yarumal – Colombia

Table 27

(1) Pork livestock farming, in Colombia, is realized through owned-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. At December 31st, 2018, the price per average kilo of the pig livestock used in the valuation was $5.248 (2017: $5.700); for cattle a price per average kilo of $4.098 (2017: $3.879) was used.

The value of pigs that are produced in Panama, increased in December 2018, is $4.399 (2017: $4.973), are measured upon initial recognition under the cost model, taking into account that there is no active market, in said country.

(2) Mushroom crops are used by Setas Colombianas S.A., in its production processes, located in Yarumal, Colombia. It is measured under the cost model, taking into account that there is no active market for these crops, and that the productive cycle is short-term, close to 90 days.

Profit for the period, due to changes in fair value, minus the costs to sell of biological assets at December 31st, 2018 were $3.882 (2017: $4.743), and is included in the profit and loss, 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:

	2018	2017
Current taxes (Note 19.2)	192.759	184.192
Prepaid expenses (1)	32.713	29.436
Financial derivative instruments (Note 20.6)	16.254	7.847
Total other current assets	**241.726**	**221.475**
Non-current taxes (Note 19.2)	11.768	47.343
Prepaid expenses (1)	6.664	6.638
Other financial instruments measured at fair value (2)	54.039	46.371
Total other non-current assets	**72.471**	**100.352**
Total other assets	**314.197**	**321.827**

Table 28

(1) The expenses paid in advance, correspond mainly to insurance in the amount of $13.039 (2017: $15.621), leases in the amount of $922 (2017: $1.158) and contractors in the amount of $452 (2017: $333).

(2) Other financial instruments, measured at fair value, correspond to the rights held by the private equity "Cacao para el futuro" - Compartment A, in cocoa plantations.

NOTE 13.
Investments in associates and joint ventures

Investments in associates and joint ventures, are as follows:

			Book Value		2018		2017	
	Country	% Participation	2018	2017	Share of Profit and Loss for the Period	Share of Other Comprehensive Income	Share of Profit and Loss for the Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S.A.	Colombia	40%	139.918	139.867	509	(458)	6.745	495
Dan Kaffe Sdn. Bhd	Malaysia	44%	30.068	26.987	1.339	1.742	174	4.080
Estrella Andina S.A.S.	Colombia	30%	10.688	9.574	(1.886)	-	(943)	(8)
Joint ventures								
Oriental Coffee Alliance Sdn. Bhd	Malasia	50%	12.121	3.372	(362)	17	52	195
Other investments			-	651	-	-	(34)	-
Total associates and joint ventures			**192.795**	**180.451**	**(400)**	**1.301**	**5.994**	**4.762**

Table 29

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 domiciled in Johor Bahru, Malaysia, 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 domiciled in Bogota, Colombia, engaged in the marketing of ready-made meals in coffee shops.

Oriental Coffee Alliance Sdn. Bhd. is a company domiciled in Kuala Lumpur, Malaysia, 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 to 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.

The movements of the book value of the investments in associates and joint ventures, are as follows:

	2018	2017
Opening balance at January 1st	**180.451**	**164.510**
Reclassification of investments (1)	(651)	-
Increase of contributions (2) (3)	12.094	5.185
Participation in profit and loss, for the period	(400)	5.994
Participation in other comprehensive income	1.301	4.762
Balance at December 31st	**192.795**	**180.451**

Table 30

(1) In March 2018, a change was realized, in the classification of other investments, to joint operations.

(2) In September 2018, a capitalization was realized, in Estrella Andina S.A.S., in which Grupo Nutresa invested $3,000, without generating changes in the percentage of participation. Also, in May 2017, an increase in capital was realized, in which, the Company invested $4,500, without generating changes in the percentage of participation. Additionally, other investments in the amount of $685, were realized.

(3) In October 2018, an increase was made in the capital of Oriental Coffee Alliance Sdn., where Grupo Nutresa invested $9.094, without generating changes in the percentage of participation, and which were paid in full.

In January 2017, a payment was realized in the amount of $16.217, corresponding to the balance payable, from the capitalization realized in 2016, to Bimbo de Colombia S.A.

During the period covered by these Financial Statements, no dividends were received from these investments.

The following is a summary of financial information of associates and joint ventures:

	2018					2017				
	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.	643.271	293.475	349.796	2.725	459	635.443	285.776	349.667	16.278	395
Dan Kaffe Sdn. Bhd	87.321	18.078	69.243	2.154	5.682	82.498	20.233	62.265	378	1.859
Estrella Andina S.A.S.	43.913	8.115	35.798	(5.588)	-	35.391	3.307	32.084	(2.802)	-
Joint Ventures										
Oriental Coffee Alliance Sdn. Bhd	22.543	300	22.243	(407)	-	3.797	386	3.411	107	42

Table 31

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 14.
Other non-current financial assets

Grupo Nutresa classifies portfolio investments that are not held for trading, as equity investments 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	2018	2017
Grupo de Inversiones Suramericana S. A.	61.386.550	13,09% (2017-12,66%)	1.971.736	2.393.328
Grupo Argos S. A.	79.804.628	12,36%	1.348.698	1.666.321
Other companies (*)			2.260	74.314
Total			**3.322.694**	**4.133.963**

Table 32

	2018		2017	
	Dividend Income	Loss on Fair Value Measurement	Dividend Income	Profit on Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	31.026	(485.543)	28.981	124.714
Grupo Argos S. A.	26.176	(317.622)	24.740	127.688
Other companies	1.649	(68.151)	665	-
	58.851	**(871.316)**	**54.386**	**252.402**

Table 33

The value of the dividend per share, declared for 2018, by Grupo de Inversiones Suramericana S. A. was $518 (pesos), yearly per share. These will be paid quarterly, in the amount of $129,50. For its part, Grupo Argos S. A. declared, in the month of April, dividends, in the amount of $328 (pesos), yearly, per share, to be paid quarterly, in the amount of $82.

For 2017, the annual value, per share, was $310 Pesos, ($77.5 Pesos per quarter), for Grupo Argos S. A., and $488 Pesos, (received in 805,638 preference shares) for Grupo de Inversiones Suramericana S. A.

Income from dividends, recognized for the first half of 2018, for portfolio investments, corresponds mainly to the total annual dividend, declared by the issuers, and no similar income for the remainder of the year is expected. In addition, in October 2018, dividend shares were received, from part of Grupo de Inversiones Suramericana S. A., in the amount of $263, equivalent to the investment realized in financial equity instruments in the amount of $63.950.

The dividends received generated an impact in cashflows of $50.538 (2017: 61.928).

At December 31, 2018, accounts receivable, from dividends of financial instruments, are $14.498 (2017: $6.185).

At December 31, 2018, there were pledges of 22.103.000 (2017: 30.775.000) 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.

(*) Investments in financial instruments, held by Grupo Nutresa, in Venezuela, were updated at the official rate of the Central Bank of Venezuela Bs$49,731 (2017: Bs$3,345), generating a decrease in the investment of these financial assets, in the amount of $66,007, which were recognized in other comprehensive income, as of March 31, 2018. In addition to the volatility, and uncertainty, linked to the evolution of Bolívar, the remaining value of the investment was provisioned at $720.

NOTE 15.
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	Plantations in development (*)	Total
Cost	**790.239**	**911.066**	**2.442.413**	**23.645**	**39.833**	**61.512**	**142.000**	**138.515**	**9.129**	**4.558.352**
Depreciation and/ or impairment	**(310)**	**(175.877)**	**(860.467)**	**(15.620)**	**(24.804)**	**(36.081)**	**(49.522)**	**-**	**-**	**(1.162.681)**
Balance at January 1, 2018	**789.929**	**735.189**	**1.581.946**	**8.025**	**15.029**	**25.431**	**92.478**	**138.515**	**9.129**	**3.395.671**
Acquisitions	-	17	16.563	1.640	5.266	1.743	20.715	186.022	-	231.966
Disposals	(5.134)	(2.203)	(7.456)	(173)	(13)	(29)	-	361	-	(14.647)
Depreciation	-	(34.086)	(194.102)	(2.892)	(5.215)	(5.875)	(22.750)	-	-	(264.920)
Impairment	-	-	(474)	-	-	-	-	-	-	(474)

Transfers	(2.543)	11.152	172.042	2.275	700	(189)	2.282	(190.991)	-	(5.272)
Acquisition of subsidiaries	-	-	255	-	52	21	-	-	-	328
Currency translation impact	3.895	7.804	17.784	207	(50)	51	306	901	-	30.898
Capitalization and consumption	-	-	-	-	-	-	-	-	2.814	2.814
Cost	**786.484**	**929.129**	**2.630.897**	**26.697**	**43.347**	**61.115**	**145.627**	**134.808**	**11.943**	**4.770.047**
Depreciation and/ or impairment	**(337)**	**(211.256)**	**(1.044.339)**	**(17.615)**	**(27.578)**	**(39.962)**	**(52.596)**	**-**	**-**	**(1.393.683)**
Balance at December 31st, 2018	**786.147**	**717.873**	**1.586.558**	**9.082**	**15.769**	**21.153**	**93.031**	**134.808**	**11.943**	**3.376.364**

Cost	**781.644**	**891.388**	**2.260.229**	**23.464**	**33.963**	**51.888**	**116.709**	**143.713**	**7.433**	**4.310.431**
Depreciation and/ or impairment	**(311)**	**(140.005)**	**(680.856)**	**(14.040)**	**(18.765)**	**(30.941)**	**(34.567)**	**-**	**-**	**(919.485)**
Balance at January 1, 2017	**781.333**	**751.383**	**1.579.373**	**9.424**	**15.198**	**20.947**	**82.142**	**143.713**	**7.433**	**3.390.946**
Acquisitions	1.551	4.626	14.107	4.013	4.008	2.150	29.696	183.873	-	244.024
Disposals	-	-	(3.375)	(4.149)	39	(155)	(13)	4	-	(7.649)
Depreciation	-	(33.902)	(181.536)	(2.882)	(5.464)	(6.344)	(21.404)	-	-	(251.532)
Impairment	-	-	(158)	-	(2)	-	-	-	-	(160)
Transfers	(251)	5.609	161.980	1.509	759	8.185	2.024	(190.629)	-	(10.814)
Currency translation impact	7.296	7.473	11.555	110	491	648	33	1.554	-	29.160
Capitalization and consumption	-	-	-	-	-	-	-	-	1.696	1.696
Cost	**790.239**	**911.066**	**2.442.413**	**23.645**	**39.833**	**61.512**	**142.000**	**138.515**	**9.129**	**4.558.352**
Depreciation and/ or impairment	**(310)**	**(175.877)**	**(860.467)**	**(15.620)**	**(24.804)**	**(36.081)**	**(49.522)**	**-**	**-**	**(1.162.681)**
Balance at December 31st, 2017	**789.929**	**735.189**	**1.581.946**	**8.025**	**15.029**	**25.431**	**92.478**	**138.515**	**9.129**	**3.395.671**

Table 34

(*) Our own cocoa plantations are experimental and aim to promote the development of cocoa crops, through agroforestry systems (cocoa - timber), with the Country's farmers.

Currently, there is a sowed area about of 170 hectares, of a project that will reach approximately 200 cultivated hectares by 2022. The plant achieves its maximum production at approximately 7 years, with two crops per year, and an expected useful life of 25 years. The Group's Management established that the project has not reached its optimum level of operation and fine-tuning, with which, in December 2017, the Company applied the amendment to IAS 41 Agriculture and IAS 16 Property, plant and equipment, which gives the production plants the treatment of property, plant and equipment. As part of this change in accounting policies, the value of Property, Plant and Equipment, corresponding to the historical costs of the plantations, at the time of reclassification, was transferred.

At December 31st, 2018, there was collateral of property, plant and equipment, of $150.413 (2017: $178.910), to cover financial obligations or credit quotas.

The main acquisitions, during 2018, correspond to the purchase of dispensing machines, store openings for the consumer food business, adjustments of wastewater treatment plants, in the biscuits, coffee, and ice cream businesses, and the replacement of assets in all businesses. In 2017, correspond to the opening of stores for the Food to Consumer business, whose disbursements are associated with the premises improvements realized at the points of sale, the purchase of dispensing machines, the opening of new pasta production lines, and the replacement of assets in business.

Grupo Nutresa, at the end of each year, evaluates the useful lives of its properties, plant and equipment. During the year, it was determined that there are no significant changes in the estimate of useful lives.

NOTE 16.
Investment properties

The movement of investment properties during 2018 and 2017, is as follows:

	Land	Buildings	Total
Cost	**68.983**	**4.041**	**73.024**
Depreciation and impairment	**-**	**(718)**	**(718)**
Balance at January 1, 2018	**68.983**	**3.323**	**72.306**
Depreciation	-	(320)	(320)
Transfers	3.300	1.776	5.076
Cost	**72.283**	**6.591**	**78.874**
Depreciation and impairment	**-**	**(1.812)**	**(1.812)**
Balance at December 31, 2018	**72.283**	**4.779**	**77.062**
Cost	**68.336**	**4.040**	**72.376**
Depreciation and impairment	**-**	**(534)**	**(534)**
Balance at January 1, 2017	**68.336**	**3.506**	**71.842**
Depreciation		(184)	(184)
Transfers	647		647
Impact of differences of currency translation		1	1
Cost	**68.983**	**4.041**	**73.024**
Depreciation and impairment	**-**	**(718)**	**(718)**
Balance at December 31, 2017	**68.983**	**3.323**	**72.306**

Table 35

At December 31st of 2018 and 2017, there were no materials commitments for acquisition or construction of the investment properties.

Income included in the Income Statement, derived from income from investment properties, amounted to $2.576 (2017: $1.162).

The fair value, of the most significant investment properties, amounted to $87.520 (Note 35).

NOTE 17.
Goodwill

The movement of book values of goodwill, assigned to each one of the segments of the Group, is as follows:

Reportable Segment	CGU	Balance at December 31st, 2017	Additions	Exchange Differences	Balance at December 31st, 2018
Retail Foods	Grupo Alimentos al Consumidor	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 México	182.302	-	3.768	186.070
Biscuits	Abimar Foods Inc.	96.546	-	-	96.546
	Galletas Pozuelo	33.272	-	642	33.914
	Productos Naturela S. A. S. (*)	-	1.248	-	1.248
TMLUC	Grupo TMLUC	1.044.052	-	(37.976)	1.006.076
Total		**2.118.226**	**1.248**	**(33.566)**	**2.085.908**

Reportable Segment	CGU	Balance at December 31st, 2016	Additions	Exchange Differences	Balance at December 31st, 2017
Retail Foods	Grupo Alimentos al Consumidor	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 México	180.071	-	2.231	182.302
Biscuits	Abimar Foods Inc.	96.546	-	-	96.546
	Galletas Pozuelo	34.099	-	(827)	33.272
TMLUC	Grupo TMLUC	961.684	-	82.368	1.044.052
Total		**2.034.454**	**-**	**83.772**	**2.118.226**

Table 36

(*) In 2018, the additions, correspond to the acquisition of 60% of shares, of Productos Naturela S.A S. (See Note 1).

Evaluation of the impairment of the value of goodwill

Goodwill is not subject to amortization. The Group annually reviews the existence of impairment, by comparing the book value of the net assets, assigned to the Cash Generating Unit (CGU), to its recoverable value. During the current and prior period, no impairment losses were recognized from goodwill. For each CGU or group of CGUs subject to evaluation, the recoverable value is greater than its book value.

The recoverable amount for CGUs, associated to all segments, was estimated based on fair value less disposal cost (FVLCS), applying the discounted cash flow methodology, minus the disposal cost. To apply this methodology, we use the weighted average cost of capital (WACC), as the discounted rate, which weights the cost of the shareholders with the cost of the debt. The estimation of the variables, for both for the cost of capital and the debt, is based on market information available at the valuation date. All flows have been discounted, according to the specific rate, for the relevant region, and incorporating the determining variables of each CGU, in the WACC estimate. The average discount rate used, is in a range established, between 7,8% and 11% (2017: between 7,3% and 11,1%).

Cash flows have been projected for a period of 10 years, which includes 5 years of explicit plans and 5 additional years, where a stabilization period is projected, with a decreasing convergence equivalent to the expected nominal economic performance and long-term growth in perpetuity, giving more consistency to the normal evolution of business and its projections. These flows have been established based upon the Group's experience and using the best estimates by the Administration and adjusting them, based on historical results. These projections include those projects that are currently authorized.

The operating income included in the future flows corresponds to the revenues of the businesses that make up the CGU or Group of CGUs, and the projected comportment takes into account, the expected evolution of the market and the growth strategies approved by the Management, for the years in the period of projection, and determined at the moment of defining the evolution of the gross margin, which includes a study of cost factors based on the projected efficiencies.

Grupo Nutresa uses a specific growth rate that is lower than the average long-term growth rate for the industry and is within a range between 0% and 1.5%, depending on the economic development of the country in which the CGU is located, and is indexed to the corresponding inflation.

Grupo Nutresa considers that there are no foreseeable situations that could impact the key assumptions used in the impairment assessment, in such a way that the book value of a CGU exceeds its recoverable value.

NOTE 18.
Other intangible assets

	Brands	Software and licenses	Concessions and franchises(*)	others	Total
Cost	**1.170.638**	**40.847**	**54.951**	**13.931**	**1.280.367**
Amortization and impairment	**(62.294)**	**(25.969)**	**(9.997)**	**(757)**	**(99.017)**
Balance at January 1, 2018	**1.108.344**	**14.878**	**44.954**	**13.174**	**1.181.350**
Acquisitions	-	3.284	107	10.489	13.880
Amortization	(3.851)	(4.360)	(9.610)	(1.305)	(19.126)
Transfers	-	708	(7)	(693)	8
Impact of currency translation	(8.688)	(94)	139	67	(8.576)
Cost	**1.162.138**	**43.469**	**53.641**	**23.811**	**1.283.059**
Amortization and impairment	**(66.333)**	**(29.053)**	**(18.058)**	**(2.079)**	**(115.523)**
Balance at December 31, 2018	**1.095.805**	**14.416**	**35.583**	**21.732**	**1.167.536**
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 January 1, 2017	**1.087.692**	**15.029**	**54.122**	**6.828**	**1.163.671**
Acquisitions	-	3.448	422	5.399	9.269
Amortization	(3.974)	(3.972)	(9.561)	(456)	(17.963)
Transfers	227	150	(20)	1.359	1.716
Impact of currency translation	24.399	223	(9)	44	24.657
Cost	**1.170.638**	**40.847**	**54.951**	**13.931**	**1.280.367**
Amortization and impairment	**(62.294)**	**(25.969)**	**(9.997)**	**(757)**	**(99.017)**
Balance at December 31, 2017	**1.108.344**	**14.878**	**44.954**	**13.174**	**1.181.350**

Table 37

(*) The increase presented in the amortizations for the concessions and franchises, corresponds to the evaluation at the end of each year, of the remaining useful lives.

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 31, 2018:

2018

Reportable Segment	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Foods	-	267.177	267.177
Cold Cuts	982	-	982
Chocolate	-	18.190	18.190
Biscuits	-	182.296	182.296
Ice Cream	280.875	-	280.875
TMLUC	-	346.285	346.285
Total	**281.857**	**813.948**	**1.095.805**

2017

Reportable Segment	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Foods	-	267.865	267.865
Cold Cuts	901	-	901
Chocolate	-	17.341	17.341
Biscuits	-	178.846	178.846
Ice Cream	284.035	-	284.035
TMLUC	-	359.356	359.356
Total	**284.936**	**823.408**	**1.108.344**

Table 38

The brands with finite useful lives have useful life residuals of 90 years.

Brands with a net book value of $813.948 (2017: $823.408) 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.

Impairment of the value of brands 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 fair value; 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 17), are taken into account. During 2018 and 2017, 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 2018 and 2017, there exists no indications of impairment of intangible assets with a finite useful life.

NOTE 19.
Income taxes and taxes payable

19.1 APPLICABLE NORMS

The effective and applicable tax norms, state that nominal rates of income tax, for Grupo Nutresa, are as follows:

Income tax %	2017	2018	2019	2020
Colombia (*)	40,0	37,0	33,0	32,0
Chile	25,5	27,0	27,0	27,0
Costa Rica	30,0	30,0	30,0	30,0
Ecuador	22,0	25,0	25,0	25,0
El Salvador	30,0	30,0	30,0	30,0
United States	34,0	21,0	21,0	21,0
Guatemala	25,0	25,0	25,0	25,0
Mexico	30,0	30,0	30,0	30,0
Nicaragua	30,0	30,0	30,0	30,0

Panama	25,0	25,0	25,0	25,0
Peru	29,5	29,5	29,5	29,5
Dominican Republic	27,0	27,0	27,0	27,0

Table 39

(*) The Grupo Nutresa Companies, that have signed tax stability contracts, at January 2017, generate taxes to the stabilized rate of 33%, and not 37%, (33% tax, plus a surcharge of 4%), as established by the Law 1819 of 2016.

a. Colombia:

Until taxable year 2018, tax revenues were taxed at the rate of 33% as income tax, in addition, was applicable, with a surcharge of 4%.

The financing Law 1943 of December 28, 2018, eliminates the tax surcharge, as of January 1, 2019, and modifies the tax rate.

Additionally, Law 1943 of 2018, gradually reduces the percentage of presumptive tax, until its elimination, in the following manner:

	Before the Reform	With the Reform	Nominal Variation
2019	Income tax: 33% Presumptive tax: 3.5% of liquid equity	Income tax: 33% Presumptive tax: 1.5% of liquid equity	Income tax: 0% Presumptive tax: Reduction of 2%
2020	Income tax: 33% Presumptive tax: 3.5% of liquid equity	Income tax: 32% Presumptive tax: 1.5% of liquid equity	Income tax: Reduction of 1% Presumptive tax: Reduction of 2%
2021	Income tax: 33% Presumptive tax: 3.5% of liquid equity	Income tax: 31% Presumptive tax: 0% of liquid equity	Income tax: Reduction of 2% Presumptive tax: Reduction of 3.5%
2022 Forward	Income tax: 33% Presumptive tax: 3.5% of liquid equity	Income tax: 30% Presumptive tax: 0% of liquid equity	Income tax: Reduction of 3% Presumptive tax: Reduction of 3.5%

Table 40

The restrictions on deductions, correspond mainly to the non-deductibility of the unrealized exchange differences, limitation on the deduction for attentions to the employees, the requirement of payment and the accrual of the industry and commerce tax for its deduction, the ceilings on the rates of annual depreciation, and establishment of terms of time for the recognition of the customer loyalty plan. On the other hand, donations made to entities, belonging to the special tax regime, will not be deductible but will allow for the discount, in the tax equivalent to 25%, of the value donated.

The tax deductions, applied in the Income Statement, may not exceed 25% of the income tax charged to the taxpayer, in the respective taxable year, with the possibility of applying the excess in the taxable period, following the one in which the donation was made, if the discount is to companies, belonging to the special tax regime.

The terms of finality of the tax returns changed from 2 to 3 years. However, for companies' subject to the transfer pricing regime, the finality will be 6 years, and the statements that originate or offset fiscal losses, will be final, in 12 years.

Fiscal losses, which did not expire for compensation with net revenue, in the tax returns of future periods, will be, as of the effective date of Law 1819 of 2016, and with a limit for compensation of 12 years.

Through Article 137 of Law 1819 of 2016, in Colombia, the obligation was established, to maintain a system of control or conciliation of differences that arise between the new regulatory technical frameworks and the Colombian Tax Statute. For this, the Decree 1998 of November 30, 2017 and Resolution 73 of December 29 of 2017 that regulate the fiscal conciliation referred to in Law 1819 of 2016 and that should be implemented in the year 2018 to inform the taxable year 2017, as an integral part of the Income Statement of the same taxable year, were issued.

Additionally, in consideration of Article 108 of Law 1819 of 2016 and Action 13 of the BEPS OECD/G20 project, Resolution 71 of December 29, 2017 is issued, which establishes the procedure for the presentation of the Country by Country Report, that is part of the standardized approach in three levels of the documentation on transfer prices and that will contain information relative to the global allocation of income and taxes, paid by the multinational group, and the indicators related to the economic activity, at a global level, corresponding to the 2016 taxable year, as a term of presentation in February of the year 2018.

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%, 25,5% and 27% for the years 2016, 2017, and 2018 and following, respectively, 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. 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%.

d. 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 25%.

e. United States

The U.S. tax reform, effective as of January 1, 2018, established a new corporate rate of 21% to replace the 34% that was being applied; in addition to the special tax on profits maintained abroad of 15%, if they are kept in cash, and 8% if they are invested in assets. Likewise, international tax planning measures are created, that seek to combat the erosion of the tax base and establish the exemption for dividends from foreign subsidiaries. At the end of 2017, the company recognized the deferred tax at the corporate rate of 21%, as it is the rate applicable in the taxable year 2018 and those following.

Tax rules applicable from the year 2019

Law 1943 of 2018, as of 2019, will reduce the income tax rate, and it is by which the companies of Grupo Nutresa, with legally stable subscribed contracts, specifically for the income tax rate of the principle of applicability, will comply to the Law, removing itself from that stipulated in the contract.

The Financing Law introduced new parameters, regarding deductions and tax discounts, among which is highlighted, the deduction of 100% of taxes, rates, and contributions, that have been paid within the period, different from the income tax and the discount of the 50% of the industry and commerce tax, notices and boards, paid during the year. The latter greatly benefits the companies of Grupo Nutresa, due to its presence, in a large part of the national territory, where this tax must be paid. It also establishes that the VAT, paid in the acquisition, construction, training, and importation of productive real fixed assets, can be included as a deduction, in the income tax of the year in which the payment is realized, or in any of the following taxable periods.

The general rate of withholding payments abroad, increases from 15% to 20%.

Tax withholdings, for payments of administrative services, or management, treated in Article 124 of the Tax Statute, increases from 15 to 33%.

Law 1943 of 2018, constitutes the Colombian Holding Companies (CHC) regime, which is a special tax regime for national companies, that has as one of their main activities, the holding of securities, investment or holding of shares, or holdings in companies, or Colombian entities and/or from abroad.

Among the benefits that the CHC regime, are:

- Dividends distributed by non-resident entities to CHC, will be exempt from the payment of income tax, as will the income, derived from the sale, or transmission, of their participation in non-resident entities.
- When the holding company distributes the dividends, these will be considered taxed, and taxes paid abroad cannot be discounted.

For the taxable periods of 2019 and 2020, taxpayers who, in their private liquidation of income tax and complementary taxes, increase their net income tax, by at least a minimum percentage of thirty percent (30%), in relation to the net income tax of the immediately preceding year, the finality of the declaration will be within six (6) months, following the date of its presentation. If the increase in the net income tax is at least twenty percent (20%), with respect to the net income tax of the immediately preceding year, the finality of the statements shall be within twelve (12) months following presentation.

The foregoing provides that, within the time established for each of the cases, no notice has been given to correct, nor special requirements or special location, or provisional settlement, and that the filings are duly filed and paid, in a timely manner.

19.2 TAX ASSETS AND LIABILITIES

Tax assets are presented in the Statement of Financial Position, under "other current assets" and "other non-current assets". The balance, includes:

	2018	2017
Income tax and complementaries [(1)]	148.889	146.579
Income tax for equity - "CREE"[(2)]	-	9.452
Tax on wealth (interest)	6.033	-
Sales tax	35.389	25.360
Other taxes	2.448	2.801
Total current tax assets	**192.759**	**184.192**
Claims in process [(3)]	11.768	47.343
Total non-current tax assets	**11.768**	**47.343**
Total tax assets	**204.527**	**231.535**

Table 41

(1) Income tax assets and complementaries, include auto-withholdings of $9.894 (2017: $10.487), credit balances of $104.332 (2017: $93.599), tax advances of $26.404 (2017: $37.201), tax rebates for $1.252 (2017: $1.602), and income tax withheld $7.007 (2017: $3.690).

(2) Corresponds to balances in favor of income tax for equity - CREE, until 2017.

(3) Grupo Nutresa has six (6) subsidiaries that signed legal stability contracts in 2009, with the Colombian government. One of the stabilized taxes was the equity tax, which, due to the tax authority's disposition, had to be declared and paid. However, there is a legal right to request a refund for the payment of the un-owed, in the amount of $49.486. Protected by Article 594-2 of the Tax Statute, which indicates that the tax obligations presented by those not obliged to declare, do not produce legal effects, in Judgment 05001-23-31-000-2012-00612-01 [21012], and 18636 of August 30, 2016. The claims for the payment of the not owed are advanced, remain pending to be resolved the value of $9.866 (2017: 46.435), value classified as non-current assets, as it is expected to be resolved in a term superior to twelve months following the date of this report. On March 31, 2017, after the rejection of the first 2 installments of the equity tax, a decision was made to go to judicial proceedings, before the Administrative Litigation, in an effort to seek a resolution rights claimed. For the property tax installments from the third to the eighth, having obtained the admission of some refund requests, admission for all the applications corresponding to said quotas, is expected to obtain. During 2018, Grupo Nutresa has recognized claims in the amount of $36.569.

The current taxes payable balances include:

	2018	2017
Income tax and complementaries	72.970	63.412
Sales tax payable	103.845	95.321
Withholding taxes, payable	28.782	31.081
Other taxes	23.244	17.962
Total	**228.841**	**207.776**

Table 42

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 fiscal benefits, 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 correspondent to payment of additional taxes. When the final tax outcome of these situations is different, from the amounts that were initially recorded, the differences are charged to tax on current and deferred assets and liabilities, in the period in which this is determined.

19.3 INCOME TAX EXPENSES

Current income tax expenses are as follows:

	2018	2017
Income tax	159.438	140.020
Income tax surcharges	4.985	4.936
Total	**164.423**	**144.956**
Deferred taxes (*) (Note 19.4)	24.901	(47.179)
Total income tax expenses	**189.324**	**97.777**

Table 43

(*) The variation is mainly due to the recalculation effect, due to rate changes, which went from 33% to 30%, a change introduced by Law 1943 of 2018. In turn, the composition of deferred income taxes, arises mainly from the recognition of labor obligations and property, plant and equipment.

19.4 DEFERRED INCOME TAX

The breakdown of the deferred tax assets and liabilities, are as follows:

	2018	2017
Deferred tax assets		
Goodwill tax, TMLUC	133.723	161.838
Employee benefits	37.313	56.491
Accounts payable	9.153	8.407
Tax losses	134.380	130.085

Tax credits	7.306	8.571
Debtors	23.155	14.375
Other assets	34.723	35.305
Total deferred tax assets (1)	**379.753**	**415.072**
Deferred tax liabilities		
Property, plant and equipment	331.247	356.742
Intangibles (2)	316.726	294.047
Investments	7.220	8.496
Inventories	2.721	1.480
Other liabilities	46.849	42.202
Total income tax liabilities	**704.763**	**702.967**
Net deferred tax liabilities	**325.010**	**287.895**

Table 44

(1) 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.

(2) The deferred tax liability, for intangibles, corresponds mainly to the difference in the amortized accounting and tax depreciation of the brands, and to the deferred tax, recognized in the Consolidated Financial Statement, in relationship to the goodwill from business combinations realized before 2013.

The movement of deferred tax, during the period, was as follows:

	2018	2017
Opening balance, net liabilities	**287.895**	**348.706**
Deferred tax expenses (income), recognized in income for the period	24.901	(47.179)
Income tax relating to components, of other comprehensive income, net (Note 27)	4.872	1.631
Impact of variation in rates of foreign exchange	9.532	(15.916)
Other impacts	(2.190)	653
Final balance, net liabilities	**325.010**	**287.895**

Table 45

The income tax, relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of $1.874 (2017: $4), the participation in associates and joint ventures, accounted for by using the Equity Method, in the amount of $1.434 (2017: $(1.550)), and the financial assets, measured at fair value, in the amount of ($11) (2017: $(85)) and cash-flow hedges of $1.576 (2017: $0).

The income tax related to items, charged directly to equity, corresponds to the First-time adoption of IFRS 9, Financial Instruments, impairment provision.

19.5 EFFECTIVE TAX RATES

The theoretical tax rate is calculated using the weighted average of the tax rates, established in the tax regulations of each of the countries where the Grupo Nutresa subsidiaries operate.

The recognition of deferred tax with a rate inferior to the current income tax rate, according to the future rate of income established in current Colombian regulations, impacts the effective rate for temporary differences, in the determination of the tax.

In 2018, the effective tax rate was below the theoretical rate, primarily due to the following:

1. The permanent differences, such as dividend income of the untaxable portafolio and the application of the norms, established in Colombia, such as the special deduction in real productive assets, whose impact in the effective tax rate is (4.28%) (2017: 5.24%).
2. Changes in tax rates, approved in Law 1943 of 2018, which were diminished as of 2022, by 3 percentage points. This implies the necessity for the temporary differences, that are reversed, in some future and that were recognized at 33%, remain adjusted to the new future rate of 30%, causing an impact of (5.05%), in the effective rate.

The decreases, of the effective rate, herewith described, are offset by the accelerated amortization of the intangibles. The income tax, paid by Colombian companies, abroad, dictates that the following items, may not be discounted from taxes: tax discounts, non-deductible costs, such as 50% of the tax of financial movements, cost and expenses of previous reporting, and the difference of the rate of donations, which previously was considered a deduction, but which decreased the tax rate to 33%, plus surcharge, and a discount of only 25%.

In 2018, there is no impact from the jurisdiction of the Controled Foreign Companies (CFC), when the analysis of the Concepto General Unificado of the DIAN, of April 2018, which provides clarity of the interpretation and the application of this norm, it was determined that for the year 2018, there exists no fiscal obligation, from this jurisdiction.

In 2017, the effective tax rate is below the theoretical rate, explained mainly by:

1. Permanent differences, such as income from non-taxed portfolio dividends and the application of standards stabilized in Colombia, such as the special deduction in real productive fixed assets, whose impact on the effective rate is (5.24%).
2. Change in the income tax approved in the tax reform of the United States, in December 2017, which was reduced by 13 percentage points. This necessarily requires that the temporary differences are reversed in the future and recognized at 34%, were adjusted to the new 21% rate, having an impact of (2.46%) on the effective rate.
3. The decreases in the effective rate, described above, are offset by the application of the ECE regulations, which involves paying taxes on the unearned income of companies controlled abroad, representing an increase to the effective rate of 1.73%.

The following is the reconciliation of the applicable tax rate and the effective tax rate:

	2018		2017	
	Valor	**%**	**Valor**	**%**
Accounting profit, before income taxes	**704.215**		**523.187**	
Applicable tax rate expenses	223.236	31.70%	163.758	31.30%
Untaxed portfolio dividends	(19.380)	-2,75%	(19.755)	-3,78%
Special deductions for real productive fixed assets	(10.809)	-1,53%	(7.674)	-1,47%
Amortizations	24.537	3,48%	(7.690)	-1,47%
Current tax from entities controlled abroad	3.006	0,43%	9.044	1,73%
Change in deferred taxes (USA-Colombia)	(35.597)	-5,05%	(33.863)	-6,47%
Other tax impact	4.331	0,62%	(6.043)	-1,16%
Total tax expenses	**189.324**	**26,88%**	**97.777**	**18,69%**

Table 46

19.6 PRESUMPTIVE INCOME TAX EXCESS AND LOSSES

At December 31, 2018, the tax losses of the Group amounted to $498.225 (2017: $480.467). 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 Group, outstanding amount of $24.353 (2017: $26.160). According to current tax regulations in Colombia, 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	Tax Loss	Excess presumptive income tax
2020	-	2.840
2021	-	7.253
2022	-	5.709
2023	-	377
2029	-	4.070
No expiration date	498.225	4.104
	498.225	**24.353**

Table 47

19.7 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 was realized on January 1st of the years 2015, 2016, and 2017, and may be charged to equity reserves, without impacting net income, in accordance with Article 10 of the same law. For the taxable year 2018, said tax is not applicable. At December 31st, 2017, $8.712, at a marginal rate from 0.05% to 0.40%, was recognized in reserves, at disposal to the highest social organ.

19.8 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. Industria de Alimentos Zenú S.A.S. and Alimentos Cárnicos S.A.S., Colombian subsidiaries of Grupo Nutresa, are in the process of discussions with the Directorate of National Tax and Customs (DIAN), for the unrecognized deduction for amortization of goodwill, generated in the acquisition of shares, of income of the taxable year 2011. The process in the Administrative Chamber has already been exhausted, therefore, the respective lawsuits were brought before the contentious administrative courts of Antioquia, and del Valle, respectively. The requests for monies in favor of the tax returns for the taxable year 2011, of these two companies, on the occasion of this discussion, were considered undue, by the DIAN, which generated a process for Industria de Alimentos Zenú S.A.S., in discussion in the administrative chamber, as well as for, Alimentos Cárnicos S.A.S., in judicial proceedings.

- Grupo Nutresa S.A. files a lawsuit for the lack of knowledge of deductions and compensation for tax losses, in tax returns for the taxable years 2008 and 2009. Due to lack of knowledge, the Administration rejected the rebates, in favor of those taxable years, which made the necessary lawsuit against the resolutions that decided the rejection.

The Administration of the Group considers that the resolution of previous situations will conclude in favor of the subsidiaries, with a base in the positions of the Legal Council.

NOTE 20.
Financial obligations

20.1 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:

	2018	2017
Loans	2.503.609	2.636.499
Bonds	272.255	381.453
Leases	12.181	13.258
Total	**2.788.045**	**3.031.210**
Current	522.302	557.133
Non-current	2.265.743	2.474.077

Table 48

The financial obligations, mainly loans, taken out by Colombian companies, in dollars, incorporates adjustments, that increase the amortized cost, in the amount of $10.198, increasing the value of the financial obligation (2017: $4.638), as a result of the measurement at fair value of hedging exchange rates, as described in Note 20.6, henceforth.

20.2 BONDS

Grupo Nutresa generated issuance of two bonds:

- In July 2008, Compañía Nacional de Chocolates de Perú, 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, every six months, and amortized at maturity. In June 2018, the payment of Corporate Bonds issued, was realized. In 2018, interest expenses were incurred, from interest, in the amount of $4.578 (2017: $9.373).
- • 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 tranches at 5, 7, 10, and 12 years, with interest payable quarterly, in arrears, and amortized to maturity of each coupon. In 2018, interest expenses were incurred in the amount of $23.633 (2017: $27.120). The emission has a balance at December 2018, including accrued interest in the amount of $272.255 (2017: $272.466), and has the following characteristics:

Maturity	Interest rate	2018	2017
2019	CPI + 5,33%	136.783	136.870
2021	CPI + 5,75%	135.472	135.596
Total		**272.255**	**272.466**

Table 49

20.3 MATURITY

Period	2018	2017
1 year (including payable interest)	522.302	557.133
2 to 5 years	2.251.476	2.174.804
More than 5 years	14.267	299.273
Total	**2.788.045**	**3.031.210**

Table 50

20.4 BALANCE BY CURRENCY

Currency	2018		2017	
	Original Currency	COP	Original Currency	COP
COP	2.579.945	2.579.945	2.650.164	2.650.164
CLP	43.542.011.182	203.665	55.494.273.054	269.370
USD	1.364.871	4.435	901.126	2.689
PEN	-	-	118.520.000	108.987
Total		**2.788.045**		**3.031.210**

Table 51

Currency balances are presented, after currency hedging.

To evaluate the sensitivity of financial obligation balances, in relationship to variations in exchange rates, all of the obligations, as of December 31, 2018, that are in currencies other than the Colombian peso and that do not have cash flow hedges, are taken. A 10% increase in exchange rates, in reference to the dollar (COP/USD), would generate an increase of $249 (2017: $10.899), in the final balance.

20.5 INTEREST RATES

Changes in interest rates may impact the interest expense, for financial liabilities that are tied to a variable interest rate. For the Group, 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:

Rate	2018	2017
Variable interest rate debt	2.622.443	2.703.291
Fixed interest rate debt	165.602	327.919
Total	**2.788.045**	**3.031.210**
Average rate	**6,33%**	**7.24%**

Table 52

Rate	2018	2017
IBR indexed debt	979.505	997.913
DTF indexed debt	943.347	931.646
CPI indexed debt	495.809	513.684
TAB (Chile) indexed debt	203.710	260.048
LIBOR indexed debt	72	-
Total debt at variable interest rate	**2.622.443**	**2.703.291**
Debt at a fixed interest rate	165.602	327.919
Total debt	**2.788.045**	**3.031.210**
Average rate	**6,33%**	**7,24%**

Table 53

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 annual interest expense, of the Group, would increase by $27.657 (2017: $30.084).

Following is information on the main reference rates, at the close of the period:

Close Rate	2018	2017
CPI	3,18%	4,09%
IBR (3 Months)	4,14%	4,51%
DTF EA (3 Months)	4,54%	5,21%
DTF TA (3 Months)	4,42%	5,05%
TAB (3 Months)	3,24%	3,04%
LIBOR (3 Months)	2,81%	1,69%

Table 54

20.6 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, 2018, hedged debt amounted to USD$50.341.542 (2017: USD$62.909.845).

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, and 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 is a breakdown of the assets and liabilities from financial derivative instruments:

	2018		2017	
	Asset	Liability	Asset	Liability
Hedges				
Fair value of exchange rates on financial obligations	-	10.198	-	(4.638)
Fair value of exchange rates on suppliers	-	430	-	-
Fair value of types of exchange rates on cash flows	13.209	(3.940)	-	-
Total hedge derivatives	**13.209**	**6.688**	**-**	**(4.638)**
Non-designated derivatives				
Forwards and options on currencies	-	-	3.103	(3.080)
Forwards and options on interest rates	-	(780)	-	(1.150)
Forwards and options on commodities	3.045	(858)	4.744	(663)
Total non-designated derivatives	**3.045**	**(1.638)**	**7.847**	**(4.893)**
Total derivate financial instruments	**16.254**	**5.050**	**7.847**	**(9.531)**
Net value of financial derivatives		**21.304**		**(1.684)**

Table 55

The valuation of non-designated derivative financial instruments, generated a loss in the Income Statement, in the amount of $798 (2017: $1.194), registered as part of the exchange difference of financial assets and liabilities.

The valuation of derivatives, to cover cash flow positions, generated an adjustment in OCI, in the amount of $7.960 (2017: $0) (See Note 27).

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, established in IFRS 13.

NOTE 21.
Trade and other accounts payable

The balances of trade and other accounts payable, are as follows:

	2018	2017
Suppliers	625.349	535.404
Cost and expenses payable	354.654	353.354
Dividends payable (Note 26.3)	73.598	68.409
Payroll deductions and contributions	41.517	36.232
Total	**1.095.118**	**993.399**
Current	1.094.960	993.241
Non-current	158	158

Table 56

Trade and other payables, normally have to be paid on an average in the following 38 days (2017: 37 days.

NOTE 22.
Employee benefits

The balance of liabilities, due to employee benefits, is as follows:

	2018	2017
Short-term benefits	**102.443**	**96.134**
Post-Employment benefits	**123.850**	**167.643**
Defined benefit plans (Note 22.2)	87.386	133.350
Defined contribution plans	36.464	34.293
Other long-term benefits (Note 22.3)	**114.576**	**135.527**
Total liabilities for employee benefits	**340.869**	**399.304**
Current portion	165.833	172.730
Non-current portion	175.036	226.574

Table 57

22.1 APPLICABLE REGULATIONS

Colombia:

Defined Contributions:

Severance: assistance equivalent to one month's salary for each year of service and proportionally per fraction of the year. The severance of all workers who entered into employment contracts after the effective date of Law 50 of 1990, and the former workers, who benefited this system, are deposited in a severance fund, and are accounted for as a defined contribution plan.

Contributions to pension funds: the pension system, grants the worker, the possibility of receiving a life annuity, at the end of the work cycle, so that fixed resources can be count on and which allow for economic stability in old age. The contribution to the pension fund is 16% of the employee's base contribution rate. This is divided into 12%, contributed by the employer, and 4% by the worker. Currently, Colombia has two modalities under which you can contribute for retirement: Individual Savings Solidarity System (RAIS) and Average Premium System (APS). The first is managed by private funds and the second by Colpensiones, a public entity.

Defined benefits:

Pensions: Grupo Nutresa have for the year 2018, with 232 beneficiaries (2017: 246) from the defined pension plan benefits, according to legal regulations (Former Model of Regime for defined pension payouts). The plan consists that it is legally established that the employee at retirement will receive a monthly amount from the pension, pension adjustments according to the legal norms, survivor' benefits, funeral assistance, and additional allowances, in June and December. These values depend on factors such as: employee's age, years of service, and salary. There are no current employees, who can access this benefit.

Retroactive 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 541 workers belonging to the labor force, before the Law 50 of 1990 (2017: 618works).

Ecuador:

Employer retirement: In accordance with provisions of the Labor Code, employees, who for twenty-five years or more and have provided their services on a continuous or interrupted basis, shall be entitled retirement by their employers, without prejudice to the corresponding retirement benefits, as members of the Ecuadorian Institute of Social Security - IESS. The calculation consists of the sum equivalent to 5% of the average annual remuneration received, for the last five years. This item is multiplied by the years of service, and the result is divided by the age coefficient, established in the Labor Code.

Termination bonus: is the written notice with which a worker informs the employer that his/her will is to terminate the employment contract. Payment of the benefit is mandatory, even in cases where the employment relationship ends by agreement between the parties, in accordance with Numeral 2 of Article 169 of the Labor Code. The employer will give the worker twenty-five percent of the equivalent to the last monthly remuneration, for each one of the years of service rendered.

Chile:

Compensation: corresponds to the obligation established in contracts or collective labor agreements for compensation for years of service of workers. Employees will be entitled to one month of remuneration for each year worked.

22.2 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The reconciliation of the movements, of the defined benefit plans, is as follows:

	Pensions		Retroactive severance		Other defined benefit plans		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Present value of obligations at January 1st	**24.917**	**51.780**	**16.005**	**18.651**	**92.428**	**66.254**	**133.350**	**136.685**
(+) Cost of services	180	119	481	611	5.015	6.550	5.676	7.280
(+) Interest expenses	1.416	1.497	949	1.774	5.748	6.465	8.113	9.736
(+/-) Actuarial losses and/or gains	(143)	1.381	3.203	1.174	(1.573)	99	1.487	2.654
(+/-) Other movements	(4.889)	(27.263)	-	6	(399)	27.459	(5.288)	202
(-) Payments	(2.454)	(2.596)	(6.131)	(6.211)	(47.235)	(17.090)	(55.820)	(25.897)
(+/-) Difference in exchange rate	111	(1)	-	-	(243)	2.691	(132)	2.690
Present value of obligations at December 31st	**19.138**	**24.917**	**14.507**	**16.005**	**53.741**	**92.428**	**87.386**	**133.350**

Table 58

Actuarial gains and losses are recognized in the Income Statement.

The undiscounted estimated for payments for defined benefits, over the next five years, are as follows, for the Group:

Year of expiration	Without discount
2019	11.791
2020	7.601
2021	7.730
2022	7.932
2023	8.819
Following years	185.431
Total	**229.304**

Table 59

The estimated time for termination of benefits is 42 years.

In accordance with the tax regulations applicable in Colombia, the pension liability is calculated using variables established by the regulator. The difference between the calculations of the pension liabilities, in accordance with the accounting and financial information standards accepted in Colombia, and the tax regulations is detailed below:

	IFRS Liability	Fiscal Liability
Calculated actuary pension liability	17.952	16.368
Discount rate	6,25%	4,8%
Salary adjustment rate	3,20%	5,09%

Table 60

Post-employment benefits in defined contribution plans

With regard to defined contribution plans, the Group fulfills its legal obligation, making contributions of a predetermined nature to a public or private entity. In these plans, the Group has no legal or implicit obligation to make additional contributions, in the event that the fund does not have sufficient assets to cover the benefits related to the services that the employees have rendered, in the current period and in the previous ones.

The Group recorded expenses, from employer contributions to defined contribution plans for pensions during the period, in the amount of $78.904 (2017: $75.086); and expenses for contributions to severance from Law 50, during the period, in the amount of $42.954 (2017: $ 40.757).

22.3 OTHER LONG-TERM BENEFITS

The long-term benefits include mainly seniority premiums and variable remuneration systems.

The seniority premiums are paid to the employee for every five years of service. The liability is recognized, gradually, as the employee provides the services that will make it a creditor. Its measurement is realized annually, through the use of actuarial techniques. Current gains and losses, arising from experience and changes, in actuarial assumptions, are charged or credited to the result of the period in which they arise.

The Company does not have specific assets intended to support long-term benefits. The long-term benefit liability 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 costs, past service costs, interest costs, actuarial gains and losses, as well as any liquidation or reduction of the plan, are recognized immediately in results.

The following is the reconciliation of movements of other long-term employee benefits:

	Seniority Premium		Other Long-term Benefits (*)		Total	
	2018	2017	2018	2017	2018	2017
Present value of obligations at January 1st	**75.403**	**63.075**	**60.124**	**60.565**	**135.527**	**123.640**
(+) Cost of services	6.874	5.337	41.430	31.976	48.304	37.313
(+) Interest expense	5.503	5.505	2.371	2.889	7.874	8.394
(+/-) Actuarial gains or losses	(4.595)	10.879	(10.433)	2.882	(15.028)	13.761
(+/-) Others	-	-	(5)	(28)	(5)	(28)
(-) Payments	(8.940)	(9.417)	(53.672)	(38.761)	(62.612)	(48.178)
(+/-) Exchange rate differences	60	24	456	601	516	625
Present value of obligation at December 31st	**74.305**	**75.403**	**40.271**	**60.124**	**114.576**	**135.527**

Table 61

(*) During 2018, a fund was established to administer this benefit, in the amount of $41.000.

22.4 EXPENSES FOR EMPLOYEE BENEFITS

The amounts recognized, as expenses for employee benefits, were:

	2018	2017
Short-term benefits	**1.354.279**	**1.327.321**
Post-employment benefits	**127.534**	**123.123**
Defined contribution plans	121.858	115.843
Defined benefit plans	5.676	7.280
Other long-term employee benefits	**34.792**	**35.634**
Termination benefits	**17.744**	**12.752**
Total	**1.534.349**	**1.498.830**

Table 62

22.5 ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used in the actuarial measurement of the defined and long-term plans are:

	2018	2017
Discount rates	2,5%-11%	2,5%-11%
Salary increase rates	2,3%-6,3%	1,5%-5%
Employee turn-over rates	1%-23%	1%-12%

Table 63

The discount rate is estimated with the assumptions of the performance of the sovereign debt bonds of the commitment country, denominated in percentages, according to the terms of the obligation. The rates of the real yield curve are obtained from the information published daily, by the market; this hypothesis is based on the fact that the Colombian market does not have sufficient liquidity and depth, in high quality corporate bonds.

The table used is the mortality rate, by sex. This table is issued by the Financial Superintendence, through Resolution 1555 of 2010 for Colombia. Ecuador uses the TM IESS 2002 and the Dominican Republic uses the GAM-83 table.

The salary increase rates were determined based on historical performance, the projections of the inflation, and consumer price indexes, in each of the countries that the Group operates.

The turnover rate of employees is estimated, based on market studies and historical data of each of the companies. For example, the table 2003 SOA Pension Plan Turnover Study is used in Colombia and Panama.

22.6 SENSITIVITY ANALYSIS

A quantitative analysis of sensitivity to a change in a significant key assumption, as of December 31st, 2018, would generate the following impact on the obligation for defined benefits, as well as, long-term:

	Pensions	Retroactive Severance	Seniority Premiums	Retirement Bonus
Discount rate + 1%	(125)	(667)	(5.122)	(6.228)
Discount rate -1%	129	721	5.806	4.331
Salary increase rate + 1%	94	2.039	6.000	4.160
Salary increase rate -1%	(97)	(1.930)	(5.130)	(5.046)

Table 64

The methods and assumptions used to prepare sensitivity analyzes of the present value of the obligations did not change compared to the method of the Projected Credit Unit (PUC), used the previous year.

NOTE 23. Current provisions

At December 31st, current provisions are as follows:

	2018	2017
Legal contingencies	1.895	1.203
Bonuses and incentives	2.223	2.217
Total	**4.118**	**3.420**

Table 65

Legal contingencies: Provisions for legal proceedings are recognized to cover probable estimated losses against Grupo Nutresa for labor, civil, administrative, and regulatory disputes, which are calculated on the basis of the best estimate of the disbursement required, to cancel the obligation at the reporting date of preparation of the Financial Statements. 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 2018 and 2017.

Bonuses and incentives: corresponds to the recognition plans for the management and innovation of employees and the sales force. Until December 31st, 2017, the liabilities corresponding to these prizes and incentives were included in accounts payable.

Onerous contracts: At the time of the acquisition of Grupo El Corral, a provision is recognized, for lease contracts on property, which is not currently involved in any commercial activity and therefore generates no income is generated, was canceled in December 2017, due to early delivery of mutual agreement with the tenant.

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 2018 and 2017.

NOTE 24. Other liabilities

	2018	2017
Derivative financial instruments (Note 20.6)	5.578	4.893
Pre-payments and advances received	13.784	9.329
Liabilities from customer loyalty programs (*)	5.495	4.900
Return of goods	1.300	1.500
Other	1.055	598
Total other liabilities	**27.212**	**21.220**
Current	26.676	20.661
Non-current	536	559

Table 66

(*) Corresponds to liabilities, from contracts with clients. During 2018, there were no significant variations with respect to 2017.

NOTE 25. Leases

25.1 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.

25.1.1 FINANCIAL LEASES

The amount of property, plant and equipment in financial leases totaled $23.395 at December 31, 2017 (2017: $24.650). The financial liabilities for these leases amounted to $12.181 (2017: $13.258).

Future minimum payments for leases, under these contracts, and the present value of the minimum payments are as follows:

	2018
Up to 1 year	5.846
2 to 5 years	5.005
More than 5 years	6.219
Total of payments	**17.070**
Minus finance charges	(4.889)
Present value	**12.181**

Table 67

The Group maintains 32 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+2,36 (2017: DTF+2,23), and average length is between 1 and 11 years (2017: 1 y 13 years).

25.1.2 OPERATING LEASES

The group has entered into operating leases on land, building, transportation equipment, computer equipment and production equipment machinery, which have average terms of 7 years.

To December 31, 2018 operating lease expenses were $223.598 (2017: $216.297), 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:

	2018
Up to 1 year	195.401
2 to 5 years	775.031
More than 5 years	1.095.907
Total	**2.066.339**

Table 68

25.2 GRUPO NUTRESA AS LESSOR

Grupo Nutresa has properties under operating leases, (primarily buildings) with a book value of $10.438 (2017: 9.055), upon which income of $2.576 (2017: $1.162), 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:

	2018
Up to 1 year	3.004
2 to 5 years	12.017
More than 5 years	14.270
Total	**29.291**

Table 69

NOTE 26.
Equity

26.1 SUBSCRIBED AND PAID SHARES

As of December 31st, of 2018 and 2017, 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 $546.832, 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, 2018, and its value was $23.500, per share (2017: $27.820).

At December 31, 2018, the common shares are held by 11.288 Shareholders (2017: 11.900 Shareholders). The Corporate Structure, of the Grupo Nutresa, at December 31, 2018 and 2017, is as follows:

Group of Investors	2018		2017	
	Number of shares	% Participation	Number of shares	% Participation
Grupo de Inversiones Suramericana S.A.	162.358.829	35,3%	161.398.558	35,1%
Grupo Argos S.A.	45.243.781	9,8%	45.243.781	9,8%
Colombian Funds	80.729.691	17,6%	77.887.378	16,9%
International Funds	37.788.090	8,2%	38.182.333	8,3%
Other investors	134.003.067	29,1%	137.411.408	29,9%
Total outstanding shares	**460.123.458**	**100,0%**	**460.123.458**	**100%**

Table 70

26.2 RESERVES AND RETAINED EARNINGS

Of the accounts that make up the equity reserves at December 31st of 2018 and 2017, are as follows:

	2018	2017
Legal reserves	80.332	79.256
Non-distributable occasional reserves	1.558.597	1.558.597
Other reserves	1.924.690	1.766.641
Total Reserves	**3.563.619**	**3.404.494**
Retained earnings	(10.792)	(8.032)
Total	**3.552.827**	**3.396.462**

Table 71

- ***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.
- ***Retained earnings:*** in 2018, corresponds mainly to the impact of First-time adoption of IFRS 9 Financial instruments, in the amount of $(5,217), and for the liquidation impact of TMLUC Peru in the amount of $(2,488). In 2017, corresponds mainly to the realization of OCI, for employee benefit plans, in the amount of $2.552, and financial instruments for the liquidation of the Livestock Fund of Antioquia, in the amount of $544, plus the deferred tax recognized in 2016, on goodwill in the Consolidated Income Statement, in the amount of $4.272, which was not part of the profits from the distribution of dividends.

26.3 DISTRIBUTION OF DIVIDENDS

The ordinary Shareholders of Grupo Nutresa S.A., at the meeting, held on March 20, 2018, declared ordinary share dividends of $47,2 (*) per-share and per-month, equivalent to $566,4 (*) annually per share (2017: $534 (*) annually per share), over 460.123.458 outstanding shares, during the months from April 2018 to March 2019, inclusive, for a total of $260.614 (2017: $245.706). In addition, dividends were issued to non-controlling interest owners of Setas Colombianas S. A. and Helados Bon S. A. in the amount of $2.025 (2017: $692).

This dividend was declared by taking untaxed earnings, before 2017, in the amount of $64.218, and from profit in 2017, in the amount of $196.396.

During 2018, dividends were paid in the amount of $247.668 (2017: $243.051), which include dividends paid to non-controlling interest owners, in the amount of $2.025 (2017: $692).

At December 31, 2018, accounts payable pending, are in the amount of $73.598 (2017: $68.409).

(*) In Colombian Pesos.

26.4 NON-CONTROLLING INTEREST

Participation of non-controlling interest at December 31st of 2018 and 2017 is as follows:

Subsidiary	Country of Origin	% Non-controlling interest		2018		2017	
		2018	2017	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%	30.328	1.636	29.801	1.823
La Recetta Soluciones Gastronómicas Integradas S. A. S.	Colombia	30,00%	30,00%	466	(67)	543	45
Setas Colombianas S. A.	Colombia	0,50%	0,50%	272	34	255	20
Helados Bon S. A.	Dominican Republic	18,82%	18,82%	7.031	1.766	7.130	2.123
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	Colombia	16,59%	16,59%	4.870	83	4.787	122
Schadel Ltda. Schalin del Vecchio Ltda.	Colombia	0,12%	0,12%	11	1	9	-
Productos Naturela S. A. S	Colombia	40,00%	-	1.310	(5)	-	-
Total				**44.288**	**3.448**	**42.525**	**4.133**

Table 72

During 2018, Setas Colombianas S. A. distributed dividends in the amount of $3.136 (2017: $2.593), of which $16 was paid to non-controlling interests (2017: $14). Helados Bon S. A. distributed dividends in the amount of $10.674 (2017: $3.605), of which $2.009, were paid to the non-controlling interest (2017: $678), and Shadel Ltda Shalin del Vecchio Ltda. distributed dividends in the amount of $148 (2017: $0).

NOTE 27.
Other comprehensive income

Below is a breakdown of each of the components of accumulated other comprehensive results, in the Consolidated Financial Statements:

	Actuarial Results (27.1)	Financial Instruments (27.2)	Associates and Joint Ventures (27.3)	Reserves for Translations (27.4)	Cash flow hedges	Total Accumulated Other Comprehensive Income	Non-controlling Interest	Total OCI Attributed to Controlling Interest
Balance at January 1, 2018	**(19.964)**	**3.897.904**	**6.679**	**663.598**	**-**	**4.548.217**	**(6.363)**	**4.541.854**
Losses/gains from new measurements	(1.487)	(871.316)	1.301	-	7.960	(863.542)	-	(863.542)
Impact from translation for the period	-	-	-	8.781	-	8.781	-	8.781
Associated deferred tax	(1.874)	11	(1.434)		(1.575)	(4.872)	-	(4.872)
Participation of non-controlling in OCI for the period	-	-	-	-	-	-	954	954
Balance at December 31, 2018	**(23.325)**	**3.026.599**	**6.546**	**672.379**	**6.385**	**3.688.584**	**(5.409)**	**3.683.175**

	Actuarial Results (27.1)	Financial Instruments (27.2)	Associates and Joint Ventures (27.3)	Reserves for Translations (27.4)	Cash flow hedges	Total Accumulated Other Comprehensive Income	Non-controlling Interest	Total OCI Attributed to Controlling Interest
Balance at January 1, 2017	**(19.866)**	**3.632.476**	**3.467**	**136.016**		**3.752.093**	**(5.521)**	**3.746.572**
Losses/gains from new measurements	(2.654)	252.402	4.762	-	-	254.510	-	254.510
Impact from translation for the period	-	-	-	143.782	-	143.782	-	143.782
Associated income tax	4	(85)	(1.550)	-	-	(1.631)	-	(1.631)
Realization of other comprehensive income	2.552	544	-	-	-	3.096	-	3.096
Equity reclassifications	-	12.567	-	383.800	-	396.367	-	396.367
Participation of non-controlling in OCI for the period	-	-	-	-	-	-	(842)	(842)
Balance at December 31, 2017	**(19.964)**	**3.897.904**	**6.679**	**663.598**		**4.548.217**	**(6.363)**	**4.541.854**

Table 73

27.1 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.

See Note 22.1, for detailed information about the post-employment defined benefit plans, that result in these actuarial gains and losses.

27.2 FINANCIAL INSTRUMENTS - EQUITY INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The component of other comprehensive income from equity investments measured at fair value through other comprehensive income 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.

See Note 14 for detailed information on these investments.

27.3 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.

See note 13, for detailed information on investments in associates and joint ventures.

27.4 RESERVES FOR TRANSLATION OF FOREIGN OPERATIONSO

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 30,41% to 37,31% of total consolidated assets in December 2018 and 2017, 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 subsidiaries in other comprehensive income is as follows:

		2018	2017
Chile	CLP	(65.821)	142.974
Costa Rica	CRC	8.552	(16.715)
United States	USD	22.155	607
Mexico	MXN	20.231	7.250
Peru	PEN	10.787	9.877
Panama	PAB	7.514	79
Others		5.363	(290)
Impact of exchange translation for the period		**8.781**	**143.782**
Equity reclassifications		-	383.800
Reserves for exchange translation at the opening balance		663.598	136.016
Reserves for exchange translation at the closing balance		**672.379**	**663.598**

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.

See Note 3.3.2 for information on the main exchange rates used in the translation of the Financial Statements of foreign companies.

NOTE 28.
Expenditure by nature

Below is a detailed breakdown of cost and expenditures, by nature, for the period:

	2018	2017
Inventory consumption and other costs	3.548.118	3.487.573
Employee benefits (Note 22.4)	1.534.349	1.498.830
Other services [(1)]	745.846	694.323
Other expenses [(2)]	508.523	458.008
Transport services	336.391	311.528
Depreciation and amortization [(3)]	276.472	268.000
Leases	223.598	216.297
Seasonal services	209.861	211.346
Manufacturing services	196.627	193.452
Energy and gas	148.255	140.653
Advertising material	120.552	135.380
Maintenance	116.494	110.851
Taxes other than income tax	79.343	74.415
Fees	77.020	98.802
Insurance	35.604	33.318
Impairment of assets	16.259	13.667
Total	**8.173.312**	**7.946.443**

Table 75

(1) Other services include: marketing, cleaning and surveillance, shelving and displays, food, public services, commercial plan of action, software, and storage.

(2) Other expenses include: spare parts, travel expenses, containers and packaging, fuels and lubricants, contributions and affiliations, commissions, taxis and buses, building supplies, stationery and office supplies, cleaning and laboratory supplies, legal expenses and licenses and prizes.

(3) Expenses for depreciation and amortization, impacted profit and loss, for the period, is as follows:

	2018	2017
Cost of sales	158.632	155.052
Sales expenses	101.424	95.354
Administration expenses	13.824	15.037
Production expenses	2.592	2.557
Total	**276.472**	**268.000**

Table 76

NOTE 29.
Other operating income (expenses), net

The following is a breakdown of other operating income (expenses), net:

	2018	2017
Disposal and removal of property, plant and equipment and intangibles [(1)]	14.477	11.439
Indemnities and recuperations [(2)]	12.853	18.500
Government grants [(3)]	964	5.314
Other income and expenses	867	1.254
Fines, penalties, litigation, and legal processes	(2.360)	(3.570)
Donations	(15.999)	(7.828)
Total	**10.802**	**25.109**

Table 77

(1) Corresponds mainly to income generated from the sale of real estate, in the amount of $9.931, machinery and equipment, in the amount of $2.704, withdrawals of machine and equipment in the amount of $1.256, and removal of transportation equipment, in the amount of $271.

(2) For 2018, there are other recoveries of unchargable debts and indemnities. In 2017, income from the recognition of compensation, for the loss that occurred in a production plant in Bogotá, is included.

(3) Corresponds to the First Quarter of 2017, in the amount of USD 1,500,000 (COP $4.417), recorded in Abimar Foods Inc., and 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. The grant agreement was finalized in 2017.

NOTE 30.
Exchange rate variation impact

The differences in exchange rates of assets and liabilities, recognized in profit and loss, are as follows:

	2018	2017
Realized	(3.606)	1.909
Unrealized	(654)	(1.654)
Operating exchange differences	**(4.260)**	**255**
Non-operating exchange differences	**23.113**	**(21.401)**
Total income (expenses) from exchange differences	**18.853**	**(21.146)**

Table 78

The difference in operating exchange mainly includes the loss for exchange differences in customer accounts receivable, in the amount of $7.350 (2017: $-1.550), and profits for difference in accounts payable to suppliers, in the amount of $(14.076) (2017: $2.216), and raw materials, in the amount of $2.466 (2017: $-411).

Note 20.6 discloses information related to hedging transactions that have an impact on profits/losses, due to exchange differences.

NOTE 31.
Financial income and expenses

31.1 FINANCIAL INCOME

The balance at December 31st, included:

	2018	2017
Interest	11.030	10.082
Valuation of other financial instruments (*)	3.367	1.759
Others	1.060	2.100
Total	**15.457**	**13.941**

Table 79

(*) Income from the assessment of other financial instruments corresponds to the valuation of the rights held by the private equity "Cacao para el Futuro". See Note 35 for information on the methodology and variables used in the valuation.

31.2 FINANCIAL EXPENSES

The financial expenses recognized in the Income Statement, are as follows:

	2018	2017
Loans interest	169.955	203.010
Bonds interest	28.211	36.493
Interest from financial leases	250	318
Total interest expenses	**198.416**	**239.821**
Employee benefits	14.471	33.570
Other financial expenses	34.417	34.157
Total financial expenses	**247.304**	**307.548**

Table 80

The decrease, in interest expensed, reflects the decrease in reference rates during the year, thus decreasing the average cost of the debt and allowing the attainment of loans, with lower associated rates. See Note 20.5.

NOTE 32.
Discontinued Operations

2018: The business Alimentos al Consumidor, once the evaluation of the same, is realized, determined that the focus of the operation in the owned-brands, and it the operations with the Krispy Kreme and Taco Bell franchises, were terminated, in the subsidiaries IRCC Ltda. S.A.S - Industria de Restaurantes Casuales S.A.S., and Tabelco S.A.S., respectively, as of December 1st . At the end of the fiscal year, the settlement of Tabelco S.A.S., has not been defined.

2017: The management of Abimar Foods Inc., made the decision to close the Marietta Plant after analyzing the operation's progress and future perspectives. The closing was realized within the first four months of the year, involving expenses, mainly due to the dismissal of personnel.

The following, is a breakdown of the principal income and expenses, incurred in this project:

	2018	2017
Income	1.540	10
Costs	(1.343)	69
Expenses	(7.077)	(1.147)
Operational losses	**(6.880)**	**(1.068)**
Costs	5	-
Financial expenses	(65)	(2)
Loss before taxes	**(6.940)**	**(1.070)**
Deferred tax	805	-
Net loss	**(6.135)**	**(1.070)**

Table 81

NOTE 33.
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:

	2018	2017
Net income attributable to holders of ordinary instruments of the Parent	**505.308**	**420.207**
Outstanding shares	**460.123.458**	**460.123.458**
Earnings per share attributable to controlling interest	**1.098,20**	**913,25**

Table 82

There are no equity instruments with potential dilutive impact on earnings per share.

In accordance with the current corporate regulations in Colombia, applicable to the Parent Company of Grupo Nutresa, the distribution and payment of dividends to the Shareholders of the Parent Company is not realized in Consolidated Financial Statements, but on the Separate Financial Statements of Grupo Nutresa S. A. The following represents the net income and earnings per share of Grupo Nutresa S. A., presented in its Financial Statements for the annual period ended December 31, 2018 and 2017.

	2018	2017
Net profit	510.161	430.279
Earnings per share	1.108,75	935,14

Table 83

NOTE 34.
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.

34.1 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 27.4. The Company and its subsidiaries held the following assets and liabilities in foreign currencies accounted for the equivalent in Colombian pesos to December 31st.

Currency	2018		2017	
	USD	COP	USD	COP
Current assets	351.848.572	1.143.420	420.158.276	1.253.752
Non-current assets	913.812.276	2.969.661	1.038.607.414	3.099.205
Total assets	**1.265.660.848**	**4.113.081**	**1.458.765.690**	**4.352.957**
Current liabilities	(146.225.218)	(475.195)	(282.710.818)	(843.609)
Non-current liabilities	(103.367.486)	(335.918)	(143.257.916)	(427.482)
Total liabilities	**(249.592.704)**	**(811.113)**	**(425.968.734)**	**(1.271.091)**
Net assets	**1.016.068.144**	**3.301.968**	**1.032.796.956**	**3.081.866**

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 20.4).

To evaluate the sensitivity of balances of financial obligations related to exchange rates, all of the obligations, to December 31, 2018, 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 (COP/USD), generates an increase of $249 over the book value.

34.2 INTEREST 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 Group 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 20.5.

To provide an idea of the sensitivity of financial expenditure to interest rates, an assumption of a variation of + 100bp, has been made in the reference market interest rates, while maintaining the rest of the variables constant; in this scenario, the financial expense of the Group, and in turn, net income, would change by $27.657, by the end of 2018, other components of net equity would not have been impacted.

34.3 RISK OF SUPPLY PRICES

The Company is exposed to the price risk of the goods and services that it acquires for the development of its operations, for which it negotiates purchase contracts, to ensure a continued supply and in some cases, at fixed prices. It also uses derivative financial instruments on commodities to cover this risk.

Among the main raw materials, which are at risk of fluctuation in prices, is coffee, which accounts for 10,5% of the total production cost, wheat which is 7%, beef and pork which are 10,6%, and cocoa which is 4,9%.

The Company has equity instruments (shares), in the amount of $3.320.434 (2017: $4.059.649), that are exposed to the risk of fluctuations in prices, and which are classified in the Statement of Financial Position, as financial assets at fair value, through the other comprehensive income.

34.4 COUNTERPARTY CREDIT RISK

Liquid assets are invested mainly in savings accounts, collective portfolios, and short-term fixed-income instruments, which comply with the Company's risk policy, both by amount and by issuer. Additionally, the Company evaluates the counterparty credit risk to the financial entities with which it has a relationship. As of December 31, 2018, the Group holds $347.520 (2017: $435.643) in cash and investments classified as cash equivalents, in entities of the financial sector with AAA risk rating. None of these investments present a delay in the payment of cash flows, nor have they been subject to impairment.

With regard to the credit risk in sales to third parties, the Company carries out procedures for the evaluation of customers, which include the allocation of credit quotas and the credit assessment of the third party, among others. Note 9 discloses information on impairment losses and portfolio maturity.

34.5 LIQUIDITY RISK

The Group 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.

The Administration supervises the Company's liquidity projections, based on the expected cash flows. The Group's liquidity management contemplates, among others: i) the projections of the cash flows and assessment of the level of liquid assets necessary to comply with these projections; ii) the monitoring of the composition of working capital in the statement of financial position; and iii) the maintenance of debt financing plans.

The following table presents the summary of free cash flow:

	2018	2017
Ebitda	**1.126.422**	**1.044.179**
+ (–) items that do not generate cash movement	(11.391)	(14.656)
Investment in working capital	(159.164)	82.070
CAPEX (*)	(227.541)	(239.992)
Discontinued operations	(1.087)	(916)
Cash tax coverage	(112.855)	(150.378)
Operating cash flows	**614.384**	**720.307**

Table 85

(*) Investments in CAPEX are presented as net and include: purchases of property, plant and equipment, amounts from the sale of productive assets, and the acquisition of intangibles and other productive assets.

NOTE 35.
Fair value measurement

The following table shows the fair value hierarchy measurement of assets and liabilities of the Group:

2018

Type of asset	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Assets whose fair value is revealed in the Notes of the Financial Statements				
Investment properties (Note 15)	-	87.520	-	87.520
Assets/Liabilities measured at fair value				
*** Recurrent**	3.320.434	162.203	-	3.482.637
Investments in quoted shares (Note 14)	3.320.434	-	-	3.320.434
Other financial instruments (Note 12)	-	54.039	-	54.039
Financial derivatives, net (Note 20.6)	-	21.304	-	21.304
Biological assets (Note 11)	-	86.860	-	86.860
***Non-recurrent**	-	-	2.260	2.260
Investments in non-quoted shares (Note 14)	-	-	2.260	2.260
Total	**3.320.434**	**162.203**	**2.260**	**3.572.417**

2017

Type of asset	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Assets/Liabilities measured at fair value				
*** Recurrent**	4.059.649	117.436	-	4.177.085
Investments in quoted shares (Note 14)	4.059.649	-	-	4.059.649
Other financial instruments (Note 12)	-	46.371	-	46.371
Financial derivatives, net (Note 20.6)	-	(1.684)	-	(1.684)
Biological assets (Note 11)	-	72.749	-	72.749
***Non-recurrent**	-	-	74.314	74.314
Investments in non-quoted shares (Note 14)	-	-	74.314	74.314
Total	**4.059.649**	**117.436**	**74.314**	**4.251.399**

Table 86

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 realized monthly and generated losses of $871.316 (2017: income $252.402), recognized in the other comprehensive income.

The following is the value per share, used in the valuation of investments listed on the Colombian Stock Exchange:

Price per share (in Colombian Pesos)	2018	2017
Grupo de Inversiones Suramericana S.A.	32.120	40.300
Grupo Argos S.A.	16.900	20.880

Table 87

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 instruments. 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/ton (2017: $6,5/ton), an average productivity of 1.800 – 1.900 tons per hectare, cost of the debt of 9,84% (2017: 9,98%), and an expected redemption term of 25 years.

The Fund uses an expected forecast model of project flows at 35 years, which corresponds to the expected useful life of a cocoa crop. This Projection Model takes into account all the variables that will affect the expected flows of cocoa crops. Among those are:

- Productivity and market prices of cocoa, plantains, other temporary and timber crops
- Costs of establishment, maintenance, collection and commercialization of cocoa, banana and timber
- Costs associated with technical assistance, land use, commissions, and other expenses admissible to the Fund, in accordance with this regulation
- Working capital necessary for the operation.

The result of the valuation generated financial income of $3.368 (2017: $1.759).

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.

The primary variables, using the valuation methodology, are the following:

- Spot exchange rate
- Future exchange rate agreed upon
- Expiration date
- Risk-free rate in COP and USD
- Volatilities of the exchange rate

The valuation of non-designated derivative financial instruments generated a loss in the Income Statement of $798 (2017: loss of $1.194), recorded as part of the exchange difference of non-financial assets and liabilities.

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. At December 31, 2018, the price per average kilo of the pig livestock used in the valuation was $5.248 (2017: $5.700); for cattle a price per average kilo of $4.098 (2017: $3.879) was used.

The gain for the period, due to changes in fair value, less the cost of sale of biological assets in 2017, was $3.882 (2017: $4.743), and is included in the Income Statement, as operating income.

Investments in unquoted shares. These investments correspond primarily to the investments that Grupo Nutresa has in Venezuela, in Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A. See Note 3.1.1.

NOTE 36.
Disclosure of related parties

The following table shows related parties' transactions, at the year-end:

2018

Company	Receivables Balance (*) (Note 9)	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.	4.498	9.933	7.853	45.453				
Dan Kaffe (Malaysia) Sdn. Bhd	1.014	52	988	18				
Oriental Coffee Alliance (OCA)	-	16	111	2				
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	15.132	12.341	70.499	38.374	31.026	90.337	-	-
Other related parties								
Grupo Bancolombia	609	1.275.363	62.380	3.019	-	-	226	71.878
Grupo Argos	6.674	-	-	696	26.176	25.260	-	-
Alpina Productos Alimenticios	1.548	17.732	23.654	1.785	-	-	-	-
Fundación Nutresa	-	290	7.566	-	-	-	-	-
Corporación Vidarium	418	-	4.088	-	-	-	-	-
Members, Board of Directors	**-**	**13**	**909**	**-**	**-**	**-**	**-**	**-**

2017

Company	Receivables Balance (*) (Note 9)	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.	3.758	6.057	6.307	44.739	-	-	-	-
Dan Kaffe (Malaysia) Sdn. Bhd	820	48	46	869	-	-	-	-
Oriental Coffee Alliance (OCA)	-	10	144	-	-	-	-	-
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	8.617	13.225	69.536	26.557	28.981	84.949	-	-
Other related parties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grupo Bancolombia	752	972.145	60.416	2.888	-	-	79	76.023
Grupo Argos	6.252	1	-	1.005	24.739	23.753	-	-
Alpina Productos Alimenticios	106	14.548	18.859	825	-	-	-	-
Fundación Nutresa	1.992	-	2.881	-	-	-	-	-
Corporación Vidarium	1.898	-	1.292	-	-	-	-	-
Members, Board of Directors	**-**	**136**	**880**	**-**	**-**	**-**	**-**	**-**

Table 88

(*) Includes accounts receivable from related parties of $15.395 (2017: $18.010) and accounts receivable for dividends from financial instruments, in the amount of $14.498 (2017: $6.185).

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 $99.600 (2017: $103.929) for 119 (2017: 154) key personnel were realized.

NOTE 37.
Events after the reporting period

These Consolidated Financial Statements were authorized for issuance, by the Board of Grupo Nutresa, on February 22, 2019. There are no significant events after the closing of the Financial Statements, and up until the date of its approval, that might significantly impact Grupo Nutresa's Financial Position, reflected in these Consolidated Financial Statements at closing, December 31, 2018.

Separate
Financial Statements

Statutory auditor's report on the separate financial statements
(Free translation from the original in Spanish)

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

February 22, 2019

I have audited the accompanying separate financial statements of Grupo Nutresa S. A., which include the separate statement of financial position as at December 31, 2018, and the separate statements of comprehensive income, changes in the shareholders' equity and cash flows for the year then ended, and the summary of the main accounting policies and other explanatory notes.

Management's responsibility for the separate financial statements

The Management is responsible for the due preparation and fair presentation of the separate financial statements in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia and for the internal control and risk management policies as management determines necessary to enable the preparation of financial statements that are free from material misstatements, due to fraud or error. The management is also responsible for the selection and application of proper accounting policies, and for making reasonable accounting estimates that are reasonable in the circumstances.

Statutory auditor's responsibility

My responsibility is to express an opinion on such financial statements based on my audit. I conducted my audit in accordance with the Auditing Standards on Financial Reporting accepted in Colombia. Those standards require that I comply with ethical requirements and plan and perform my audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit includes 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 misstatements in the financial statements due to fraud or error. In the assessment of those risks, the statutory auditor considers the internal control relevant to the entity for the preparation and presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the accompanying separate financial statements, faithfully taken from the accounting books, present fairly, in all material respects, the financial position of Grupo Nutresa S. A. at December 31, 2018, and the results of its operations and cash flows for the year then ended, in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia.

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

February 22, 2019

Report regarding other legal and regulatory requirements

The management is responsible for compliance with certain regulatory requirements in Colombia, related to the management of accounting documentation, the preparation of management reports, the timely and proper payment of contributions to the Integral Social Security System and the implementation of a Self-Control and Risk Management System for Money Laundering and Financing of Terrorism. My responsibility as statutory auditor in these matters is to perform review procedures to issue an opinion on their due compliance.

In light of the above, in my opinion:

a) The Company's accounting records have been kept during 2018 in conformity with legal regulations and accounting technique, and transactions therein recorded conform to the bylaws and decisions made by the Meeting of the Shareholders and Board of Directors.

b) The correspondence, accounting vouchers and books of minutes and share register are properly kept and safeguarded.

c) Due concordance exists between the accompanying financial statements and the management report prepared by the Management. The administrators have stated in said management report that they did not hinder the free circulation of invoices issued by the vendors or suppliers.

d) The information contained in the returns for self-computation of contributions to the Integral Social Security System, particularly regarding the affiliates and their base income for contribution, has been taken from the accounting records and supporting documents. At December 31, 2018, the Company is not in arrears regarding payment of contributions to the Integral Social Security System.

e) The Company has implemented the Anti-Money Laundering and Terrorism Financing risk self-control and management system, in accordance with that established in External Circular 062 of 2007, issued by the Superintendency of Finance.

Other matters

In compliance with the statutory auditor's responsibilities stated in items 1 and 3 of Article 209 of the Colombian Code of Commerce, in connection to the assessment of whether the acts of the Company's management conform to the bylaws, orders and instructions of the Shareholders' Meeting, and whether appropriate measures of internal control, conservation and custody of the Company's assets or those of third parties in its possession are in place, I have issued a separate report dated February 22, 2019.

(Original in Spanish signed by:)

Bibiana Moreno Vásquez
Statutory Auditor
Professional Card No. 167200-T
Appointed by PwC Contadores y Auditores Ltda.

Certification of the Financial Statements

The undersigned Legal Representative and the General Counsel of Grupo Nutresa S. A.

CERTIFY:

22 of February of 2019

We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31, 2018 and 2017, 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 Financial Information Norms, applicable in Colombia.
5. The economic transactions, that impact the Companies, have been correctly classified, described, and disclosed.
6. The Financial Statements and Notes, do not contain misstatements, errors, differences or material inaccuracies, which could impact the financial position, equity, and operations of the Companies. Similarly, appropriate procedures, reporting systems, and control of the financial information, have been established, to insure accurate reporting to third–party users, of such.

Carlos Ignacio Gallego Palacio
President

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

Certification of the Financial Statements
Law 964 of 2005

Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellín

The undersigned Legal Representative of Grupo Nutresa S.A.

CERTIFIES:

22 of February of 2019

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2018 and 2017, 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 22nd day of the month of February of 2019

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CIGP.

Carlos Ignacio Gallego Palacio
President

Separate Financial Position Statement

At December 31st, 2018 and 2017 (values expressed in millions of Colombian Pesos)

	Notes		2018		2017
ASSETS					
Current assets					
Cash and cash equivalents		$	1.086	$	465
Trade and other accounts receivables	5		14.608		14.481
Other assets	6		1.131		402
Total current assets		$	**16.825**	$	**15.348**
Non-current assets					
Trade and other accounts receivables	5		567		2.965
Investments in subsidiaries	7		4.991.464		4.872.188
Investments in associated	8		150.606		149.441
Other financial non-current assets	9		3.322.470		4.061.685
Deferred tax assets	10.4		1.412		5.227
Other assets	6		9		6
Total non-current assets		$	**8.466.528**	$	**9.091.512**
TOTAL ASSETS		$	**8.483.353**	$	**9.106.860**
LIABILITIES					
Current liabilities					
Trade and other account payables	11		74.322		69.855
Income tax and other taxes, payable	10.2		495		416
Employee benefits liabilities	12		745		1.205
Total current liabilities		$	**75.562**	$	**71.476**
Non-current liabilities					
Trade and other accounts payables	11		158		158
Employee benefits liabilities	12		1.503		15.126
Deferred tax liabilities	10.4		8.239		9.449
Other liabilities			301		-
Total non-current liabilities		$	**10.201**	$	**24.733**
TOTAL LIABILITIES		$	**85.763**	$	**96.209**
EQUITY					
Share capital issued	13.1		2.301		2.301
Paid-in-capital	13.1		546.832		546.832
Reserves	13.2		3.915.685		3.746.020
Retained earnings	13.2		3		3
Other comprehensive income, accumulated	14		3.422.608		4.285.216
Earnings for the period			510.161		430.279
TOTAL EQUITY		$	**8.397.590**	$	**9.010.651**
TOTAL LIABILITIES AND EQUITY		$	**8.483.353**	$	**9.106.860**

The Notes are an integral part of the Separate Financial Statements.

CIGP.

Carlos Ignacio Gallego Palacio
President

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

Bibiana Moreno Vásquez
External Auditor – Professional Card No. 167200-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Separate Comprehensive Income Statement

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

	Notes		2018		2017
Operating Income		$	**515.387**		**434.312**
Portfolio dividends	9		57.649	$	54.204
Share of profit, for the period of subsidiaries	7		459.115		374.306
Share of profit, for the period of associates	8		(1.377)		5.802
Gross profit		$	**515.387**	$	**434.312**
Administrative expenses			(3.771)		(4.077)
Exchange differences on operating assets and liabilities			(3)		(1)
Other operating income, net			2.094		3.901
Operating profit		$	**513.707**		**434.135**
Financial income			4		4
Financial expenses			(1.152)		(1.419)
Income before tax		$	**512.559**	$	**432.720**
Current income tax			(181)		(84)
Deferred income tax			(2.217)		(2.357)
Net profit for the period		$	**510.161**	$	**430.279**
Earnings per share (*)					
Basic, attributable to controlling interest (in Colombian Pesos)			1.108,75		935,14
(*) 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 or loss:					
Actuarial (losses)/gains of defined benefit plans	12.1		1.102		709
Equity investments measured at fair value	9		(803.165)		252.401
Income tax from items that will not be reclassified			(523)		(234)
Total items that are not subsequently reclassified to profit or loss		$	**(802.586)**	$	**252.876**
Items that may be subsequently reclassified to profit and loss:					
Share of other comprehensive income of subsidiaries	7		(59.701)		132.884
Share of other comprehensive income of associates	8		(458)		487
Income tax from items that will be reclassified			137		(160)
Total items that are or may be subsequently reclassified to profit and loss:		$	**(60.022)**	$	**133.211**
Other comprehensive income, net taxes		$	**(862.608)**	$	**386.087**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$	**(352.447)**	$	**816.366**

The Notes are an integral part of the Separate Financial Statements.

Carlos Ignacio Gallego Palacio
President

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(See attached certification)

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(See attached opinion)

Separate 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
Balance at December 31st, 2017	**2.301**	**546.832**	**3.746.020**	**3**	**430.279**	**4.285.216**	**9.010.651**
Profit for the period	-	-	-	-	510.161	-	510.161
Other comprehensive income for the period	-	-	-	-	-	(862.608)	(862.608)
Comprehensive income for the period	**-**	**-**	**-**	**-**	**510.161**	**(862.608)**	**(352.447)**
Transfer to income, in prior years	-	-	-	430.279	(430.279)	-	-
Cash dividends (Note 9)	-	-	(64.218)	(196.396)	-	-	(260.614)
Appropriation of reserves	-	-	233.883	(233.883)	-	-	-
Balance at December 31st, 2018	**2.301**	**546.832**	**3.915.685**	**3**	**510.161**	**3.422.608**	**8.397.590**
Balance at December 31st, 2016	**2.301**	**546.832**	**3.592.671**	**-**	**399.098**	**3.899.132**	**8.440.034**
Profit for the period	-	-	-	-	430.279		430.279
Other comprehensive income for the period	-	-	-	-		386.087	386.087
Comprehensive income for the period	**-**	**-**	**-**	**-**	**430.279**	**386.087**	**816.366**
Transfer to accumulated results	-	-	-	399.098	(399.098)	-	-
Cash dividends (Note 9)	-	-	(2.761)	(242.945)	-	-	(245.706)
Appropriation of reserves	-	-	156.153	(156.153)	-	-	-
Tax on wealth (Note 8)	-	-	(43)	-	-	-	(43)
Realization of other comprehensive income	-	-	-	3		(3)	-
Balance at December 31st, 2017	**2.301**	**546.832**	**3.746.020**	**3**	**430.279**	**4.285.216**	**9.010.651**

The Notes are an integral part of the Separate Financial Statements

Carlos Ignacio Gallego Palacio
President

Jaime León Montoya Vásquez
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(See attached opinion)

Separate Cash-flow Statement

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

		2018	2017
Cash flow from operating activities			
Dividends received (Note 7 – 9)	$	332.996	265.755
Dividends paid (Note 13.3)		(256.194)	(240.744)
Collection from goods and services		2.073	2.575
Payments to suppliers for goods and services		(2.042)	(1.788)
Payments to and on behalf of employees		(21.257)	(6.548)
Income taxes on reimbursed (paid) gains		(317)	391
Other cash inflows		15.627	1.500
Net cash flow from operating activities	**$**	**70.886**	**21.141**
Cash flows from investing activities			
Purchases of equity of associates and joint ventures (Note 8)		(3.000)	(20.717)
Payments to third parties, to obtain control of subsidiaries (Note 7)		(3.221)	-
Purchases and sales of other equity instruments (Note 9)		(63.950)	-
Other cash inflows		35	126
Net cash flows used in investment activities	**$**	**(70.136)**	**(20.591)**
Cash flow from financing activities			
Interest paid		(46)	-
Other cash outflows		(82)	(126)
Net cash flow used in financing activities	**$**	**(128)**	**(126)**
Increase in cash and cash equivalents from activities	**$**	**622**	**424**
Net foreign exchange differences		(1)	(1)
Net increase in cash and cash equivalents		**621**	**423**
Cash and cash equivalents, at the beginning of the period		465	42
Cash and cash equivalents at the end of the period	**$**	**1.086**	**465**

The Notes are an integral part of the Separate Financial Statements.

Carlos Ignacio Gallego Palacio
President

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

Bibiana Moreno Vásquez
External Auditor – Professional Card No. 167200-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Notes for the Separate Financial Statements

For the period between January 1st and December 31st of 2018 and 2017

(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), is 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

The Separate Financial Statements of Grupo Nutresa, for the period from January 1st to December 31st, 2018, have been prepared in accordance with the Accounting and Financial Information Standards, accepted in Colombia, based on the International Financial Reporting Standards (IFRS), together with its interpretations, conceptual framework, the foundation for conclusions, and the application guidelines authorized and issued, by the International Accounting Standards Board (IASB), until 2016, and other legal provisions, defined by the Financial Superintendence of Colombia.

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 accounting 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".

2.2. FUNCTIONAL AND PRESENTATION CURRENCY

The Separate Financial Statements are presented in Colombian Pesos, which is both the functional and presentation currency of Grupo Nutresa. These figures are expressed in millions of Colombian Pesos, except for basic earnings per share and the representative market exchange rates, which are expressed in Colombian Pesos, as well as, other currencies (E.g. USD, Euros, Pounds Sterling, et al.), and which are expressed as monetary units.

2.3. 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

Grupo Nutresa applies the following significant accounting policies in preparing its Financial Statements:

3.1. INVESTMENTS IN SUBSIDIARIES

A subsidiary is an entity controlled by one of the companies that make up 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 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 Condensed Financial Statements of Grupo Nutresa, 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 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, 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 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 and the associate or joint venture, 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, 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 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 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, for the 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 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 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 income 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 are restated to recognize its fair value at the date of each accounting year.

3.5. FINANCIAL INSTRUMENTS

Policies applicable as of January 1, 2018

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 (minus) 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 of the same grants, on specific dates, cash flows that are solely for payments of principal and interest, on the value of outstanding capital. The carrying amount of these assets is adjusted by any estimate of expected and recognized credit loss. Income from interest of these financial assets is included in "interest and similar income", using the effective interest rate method.

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, the Group evaluates whether the cash flows of the financial instruments represent only capital and interest payments. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic loan agreement. That is, the interest includes only the consideration for the value of money over time, credit risk, other basic credit risks, and a profit margin consistent with a basic loan agreement. When the contractual terms introduce a risk, or volatility exposure, and are inconsistent with a basic loan agreement, the related financial asset is classified and measured at fair value, through profit or loss.

Accounts receivable, from sales are measured by the value of income, minus the value of the expected impairment losses, according to the model defined by the Group. These accounts receivable are recognized, when all the risks and benefits are transferred to the third party.

(ii) *Financial assets measured at fair value with changes in other comprehensive income*

The financial assets, held for the collection of contractual cash flows and for sales of the assets, where the cash flows of the assets represent only payments of principal and interest, and which are not designated at fair value, through profit or loss, are measured at fair value with changes in other comprehensive income.

For investments in equity instruments, that are not held for trading purposes, Grupo Nutresa chooses to irrevocably present gains or losses, from fair value measurement, in other comprehensive income. In the disposal of investments, at fair value, through other comprehensive income, the accumulated value of gains or losses is transferred directly to retained earnings and is not reclassified to profit or loss. Dividends received in cash, from these investments, are recognized in profit or loss for the period.

The fair values of share price investments are based on the valid quoted prices. If the market for a financial instrument is not active (or the instrument is not quoted on a stock exchange), the Group establishes its fair value using valuation techniques. These techniques include the use of the values observed in recent transactions, realized under the terms of free competition, the reference to other instruments that are substantially similar, analyses of discounted cash flows, and option models, making maximum use of market information, and giving the lesser degree of confidence possible, in internal information specific to the entity.

(iii) *Financial assets measured at fair value*

The financial assets, different from those measured at amortized cost or at fair value, with changes in other comprehensive income, are subsequently measured at fair value, with changes recognized in profit and loss. A loss or gain on a debt instrument, that is subsequently measured at fair value, through profit or loss and is not part of a hedging relationship, is recognized in the Income Statement, for the period in which it arises, unless it arises from instruments of debt that were designated at fair value, or that are not held for trading.

(iv) *Impairment of financial assets at amortized cost*

The Group evaluates, in a prospective manner, the expected credit losses associated with the debt instruments, recorded at amortized cost and at fair value, through changes in other comprehensive income, as well as with the exposure derived from loan commitments and financial guarantee contracts. The Group recognizes a provision for losses, at each presentation date. The measurement of the expected credit losses reflects:

- An unbiased and weighted probability quantity, that is determined by evaluating a range of possible outcomes;
- The value of money in time; and
- Reasonable and supported information, available without incurring undue costs or efforts, on the filing date, with regard to past events, current conditions, and future economic condition forecasts.

(v) *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 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.

(vi) *Modification*

In some circumstances, the renegotiation, or modification of the contractual cash flows, of a financial asset, may lead to the derecognition of an existing financial asset. When the modification of a financial asset results in the derecognition of an existing financial asset, and the subsequent recognition of a modified financial asset, it is considered a new financial asset. Accordingly, the date of the modification will be treated as the date of initial recognition, of that financial asset.

(vii) *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.

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.

Financial liabilities are written-off in accounts when they are canceled, that is, when the obligation specified in the contract is met, canceled, or expires.

(viii) *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 Separate, 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.

Policies applicable until December 31, 2017

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 (minus) 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 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 S.A. 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 is not reclassified to profit and loss, in that period. Cash dividends, received from these investments, are recognized 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 profit and loss, for the period.

(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.

(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, 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 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 the countries where Grupo Nutresa operate.

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 incomes and accounting profit and loss, impacted by the rate of income tax in the current year, in accordance with the effective tax rules in each country. 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. Current assets and liabilities, from income tax are compensated for, if related to the same Fiscal Authority, and whose intention is to settle for a net value or realize the asset, and settle the liability, simultaneously.

(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.

The deferred tax liabilities, related to investments in 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 said differences will not reverse in the near future, and the deferred tax assets related to investments in 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. 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 future.

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 is likely to allow for their recovery.

Assets and liabilities from deferred 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 income tax rates and norms, that were approved at the date of filing, or whose approval will be nearing completion, by that date.

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.

b. Tax on wealth

The tax burden of the "wealth tax" was originated, from possession of the same to the March 1st of the years 2015, 2016, and 2017, by taxpayers. Therefore, those taxpayers with liquid equity, 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.

3.7. 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 (12), at the end of the annual period, of which the services rendered, 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 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.

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.

3.8. PROVISIONS, CONTINGENT LIABILITIES AND ASSETSS

a. Provisions

Provisions are recognized when, as a result of a past event, the Company has a present legal or implicit 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 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, are not recognized in the Statement of Financial Position, and are however, disclosed as contingent assets when it is a probable occurrence. When the said contingent is certain, the asset and the associated income, are recognized 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. Dividend income

This 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.

b. The Equity Method

Under this method, the investment is initially recorded at cost, and is adjusted for changes in Grupo Nutresa's shares of the net assets in subsidiaries and associates, after the acquisition date, and minus any impairment loss on the investment.

c. Interest

For all financial instruments measured at amortized cost, interest income, or expense, is recognized with the effective interest rate. 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.

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 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.

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 September 30, 2018 and 2017, 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 is 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. CHANGES IN ACCOUNTING POLICIES

Financial Instruments

The Company has adopted IFRS 9, issued by the IASB in July 2014, considering the transition date as January 1, 2018, which resulted in changes in the accounting policies and adjustments to the amounts, previously recognized in the Financial Statements, primarily in the determination of the expected loss.

As permitted by the transitional provisions of IFRS 9, the Company decided not to restate the comparative figures. Any adjustments to the book values of financial assets and liabilities, at the transition date, were recognized in the accumulated earnings, at the opening of the current period.

Consequently, for the disclosures of Notes, the amendments generated from the disclosures of IFRS 7, have only been applied to the current period. The period of comparative information discloses the revelations realized in the previous year.

The adoption of IFRS 9 has resulted in changes in our accounting policies for the recognition and measurement of the impairment of financial assets. As of January 1, 2018, there is no impact from adoption of IFRS 9.

3.14. NEW ACCOUNTING PRONOUNCEMENTS ON INTERNATIONAL FINANCIAL REPORTING STANDARDS: NEW STANDARDS, MODIFICATIONS AND INTERPRETATIONS INCORPORATED INTO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA, WHOSE APPLICATION MUST BE JANUARY 1, 2019

Decree 2483 of December 28, 2018 compiled and updated the technical framework of the Accounting and Financial Information Standards, accepted in Colombia, which had been incorporated by Decrees 2420 of 2015, 2496 of 2015, 2131 of 2016, and 2170 of 2017, including a new standard issued by the International Accounting Standards Board (IASB), to be applied as of January 1, 2019, although its application could be effectuated, in advance.

IFRS 16 Leases

The International Accounting Standards Board (IASB) issued IFRS 16, with an effective date of application of January 1, 2019.

IFRS 16 replaces existing guidance for the accounting of leases, including IAS 17 Leases, IFRIC 4 Determining if a contract contains a lease, SIC 15 incentives in operating leases, and SIC 27 evaluation of the substance of transactions, involving the legal form of a lease.

IFRS 16 introduces a single accounting record model of lease agreements, in the Statement of Financial Position, for lessees. A lessee recognizes an asset for right-of-use, representing the right-of-use the asset taken as a lease and a liability for the right-of-use for lease, representing its obligation to make the lease payments. There are optional exemptions for short-term leases, or leases of very low-value assets. The accounting treatment of lease agreements, for lessors, remains similar to current accounting standards, in which the lessor classifies leases as financial or operating leases.

For the purpose of applying this standard, the nature of the expenses, corresponding to operating lease contracts, as lessee will change with IFRS 16, from lease expenses to amortization charges, of the rights-of-use of the assets, in addition to leasing expenses financial liabilities arising from the lease liabilities, for the rights-of-use, of the aforementioned assets.

IFRIC 23 Uncertainty regarding the Treatment of Income Taxes

IFRIC 23 was issued in May 2017. This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12, when there is uncertainty regarding the treatment of income tax. In this circumstance, an entity recognizes and measures its asset or liability, for deferred or current taxes, by applying the requirements of IAS 12, on the basis of taxable profit (tax loss), tax bases, unused fiscal losses, unused tax credits, and tax rates determined by applying this interpretation.

The Company will evaluate the potential impacts of this interpretation, in its Financial Statements, without having identified situations that may require changes in the Financial Statements.

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:

- Assessment of the existence of impairment indicators for assets.
- Choose, appropriately, the models, and assumptions, for the measurement of the expected credit loss.
- Assumptions used in the actuarial calculation of post-employment and long-term obligations with employees.
- Assumptions used to calculate the fair value of financial instruments.
- Recoverability of deferred tax assets.
- Determination of control, significant influence, or joint control of an investment.

Judgments and estimates made by the Administration of Nutresa Group, in the preparation of the Separated Financial Statements, at December 31, 2018, do not differ significantly from those realized at the year-end close, of the previous period, that is, December 31, 2017.

NOTE 5.
Trade and other accounts receivables

The balance of trade receivables and other accounts receivable comprised the following items:

	2018	2017
Accounts receivable from employees	18	19
Dividends receivable from third parties (Note 9)	14.498	6.185
Other accounts receivable, related parties	600	11.197
Other accounts receivable from third parties	59	45
Total debtors and accounts receivable	**15.175**	**17.446**
Current portion	**14.608**	**14.481**
Non-current portion	**567**	**2.965**

Table 1

NOTE 6.
Other assets

Other assets are comprised of the following:

	2018	2017
Other current assets		
Taxes	566	344
Prepaid expenses (1)	565	42
Assets held for sale	-	16
Total other current assets	**1.131**	**402**
Other non-current assets		
Prepaid expenses (1)	9	6
Total other assets	**1.140**	**408**

Table 2

(1) The prepaid expenses relate mainly to services and insurance.

NOTE 7.
Investments in subsidiaries

The following represents the book values of the subsidiaries, of Grupo Nutresa, to the date of the period, over which is reported:

		Book Value	
	% participation	2018	2017
Compañía de Galletas Noel S. A. S.	100%	1.302.208	1.256.658
Compañía Nacional de Chocolates S. A. S.	100%	1.157.439	1.110.536
Tropical Coffee Company S. A. S.	100%	20.089	18.355
Industria Colombiana de Café S. A. S.	100%	568.716	559.465
Industria de Alimentos Zenú S. A. S.	100%	203.266	206.566
Inverlogy S. A. S. (antes Litoempaques S. A. S.) (3)	100%	26.566	22.047
Meals Mercadeo de Alimentos de Colombia S. A. S.	100%	184.911	215.285
Molino Santa Marta S. A. S.	100%	73.157	84.737
Novaventa S. A. S.	93%	135.662	133.599
Pastas Comarrico S. A. S.	100%	29.280	26.715
Productos Alimenticios Doria S. A. S.	100%	101.848	136.209
Alimentos Cárnicos S. A. S.	100%	969.119	895.360
Setas Colombianas S. A.	94%	51.102	47.689
Compañía Nacional de Chocolates Perú S. A.	0,0%	10	11
La Recetta Soluciones Gastronómicas Integradas S. A. S.	70%	962	1.265
Gestión Cargo Zona Franca S. A. S.	100%	73.850	62.019
Comercial Nutresa S. A. S.	100%	28.252	23.695
Industrias Aliadas S. A. S.	83%	60.229	69.093
Opperar Colombia S. A. S.	100%	1.342	1.074
Servicios Nutresa S. A. S.	100%	-	1.558
Fideicomiso Grupo Nutresa	100%	243	252
Productos Naturela S. A. S. (1)	60%	3.213	-
Sub total		**4.991.464**	**4.872.188**
Servicios Nutresa S. A. S. (2)	100%	(301)	-
Total		**4.991.163**	**4.872.188**

Table 3

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:

	2018			2017		
	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.	45.815	119.271	(27.906)	43.197	122.716	(15.062)
Compañía Nacional de Chocolates S. A. S.	96.458	143.183	178	20.422	102.428	(27.203)
Tropical Coffee Company S. A. S.	-	1.853	(119)	-	1.781	29
Industria Colombiana de Café S. A. S.	-	14.494	(5.243)	102.346	21.028	(24.345)
Industria de Alimentos Zenú S. A. S.	23.463	20.199	(36)	19.220	16.473	393
Inverlogy S. A. S. (antes Litoempaques S. A. S.)(3)	-	4.476	43	-	217	52
Meals Mercadeo de Alimentos de Colombia S. A. S.	-	(31.463)	1.088	-	(14.231)	1.000
Molino Santa Marta S. A. S.	20.130	8.555	(5)	-	5.268	217
Novaventa S. A. S.	30.334	36.274	(3.877)	-	26.126	216
Pastas Comarrico S. A. S.	-	2.565	-	-	2.050	46
Productos Alimenticios Doria S. A. S.	50.309	15.063	885	-	9.434	676
Alimentos Cárnicos S. A. S.	-	97.753	(23.994)	-	67.495	(69.484)
Setas Colombianas S. A.	2.948	6.365	(4)	2.438	3.739	89
Compañía Nacional de Chocolates Perú S. A.	2	1	-	-	-	-
La Recetta Soluciones Gastronómicas Integradas S. A. S.	-	(177)	(126)	-	102	4
Gestión Cargo Zona Franca S. A. S.	-	11.831	-	-	8.479	128

Comercial Nutresa S. A. S.	-	5.263	(706)	-	(4.378)	222
Industrias Aliadas S. A. S.	14.201	5.332	5	15.614	6.208	183
Opperar Colombia S. A. S.	-	268	-	-	227	-
Servicios Nutresa S. A. S. [2]	-	(1.974)	116	-	(857)	(59)
Fideicomiso Grupo Nutresa	-	(9)	-	-	1	14
Productos Naturela S. A. S.	-	(8)	-	-	-	-
Total	**283.660**	**459.115**	**(59.701)**	**203.237**	**374.306**	**(132.884)**

Table 4

1. In September 2018, a 60% stake, was obtained, via the acquisition of shares (capitalization), in the amount of $3.221, of Productos Naturela S. A. S., a company dedicated to the production and commercialization of healthy and functional foods. This acquisition is aligned with the purpose of expansion towards innovative products, that benefit the health and nutrition of its consumers.
2. Corresponds to the investment with negative equity which is provisioned, and is presented in the Statement of Financial Position in other provisions.
3. As of March 2018, Litoempaques S.A.S., changed its corporate name to Servicios Logypack S.A.S., and in November of 2018, the latter changed its corporate name to Inverlogy S. A. S.

There are no variations in the participation of Shareholders between December 2017 and December 2018. The dividends received in subsidiaries, are recognizes as the lessor value of the investment, as part of the application of the equity method. At December 31, 2018, there no dividends receivable (2017: $0).

Dividends received, from subsidiaries, generate an impact on cash flow in the amount of $283.660 (2017:$204.009, includes $ 772 that were pending collection in 2016 and were collected in 2017).

NOTE 8.
Investments in associates

The following is a breakdown of the investments over which Grupo Nutresa has significant influence, and which are classified as associates:

			Book Value		2018		2017	
	Country	% participation	2018	2017	Share of Income for the Period	Share of Other Comprehensive Income o integral	Share of Income for the Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S. A.	Colombia	40%	139.918	139.867	509	(458)	6.745	495
Estrella Andina S. A. S.	Colombia	30%	10.688	9.574	(1.886)	-	(943)	(8)
Total associates			**150.606**	**149.441**	**(1.377)**	**(458)**	**5.802**	**487**

Table 5

Bimbo de Colombia S. A.

Bimbo de Colombia S.A. is a company domiciled in Tenjo, Colombia, and is 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, having as its majority Shareholder, Grupo Alsea, with an interest of 70%.

The movements of investments in associates, are as follows:

	2018	2017
Opening balance	**149.441**	**138.652**
Increased of contributions (*)	3.000	4.500
Participation in profit and loss	(1.377)	5.802
Participation comprehensive income	(458)	487
Ending balance	**150.606**	**149.441**

Table 6

Increase in contributions in associates and joint ventures

(*) In September 2018, a capitalization was realized, in Estrella Andina S.A.S., in which Grupo Nutresa invested $3,000, without generating changes in the percentage of participation. Also, in May 2017, an increase in capital was realized, in which, the Company invested $4,500, without generating changes in the percentage of participation.

In January 2017, a payment was realized in the amount of $16.217, corresponding to the balance payable, from the capitalization realized in 2016, to Bimbo de Colombia S. A.

During the period covered by these Financial Statements, no dividends were received, from these investments.

Below, is the summarized financial information regarding the associated entities:

	2018					2017				
	Assets	Liabilities	Equity	Profit for the Period	Comprehensive Income for the Period	Assets	Liabilities	Equity	Profit for the Period	Comprehensive Income for the Period
Bimbo de Colombia S.A.	643.271	293.475	349.796	2.725	459	635.443	285.776	349.667	16.278	395
Estrella Andina S.A.S.	43.913	8.116	35.797	(5.588)	-	35.391	3.307	32.084	(2.802)	-

Table 7

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 9.
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 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	2018	2017
Grupo de Inversiones Suramericana S. A.	61.386.550	13,09% (2017-12,66%)	1.971.736	2.393.328
Grupo Argos S. A.	79.804.628	12,36%	1.348.698	1.666.321
Other companies			2.036	2.036
			3.322.470	**4.061.685**

Table 8

	2018		2017	
	Dividend income	Losses of Fair Value Measurement	Dividend income	Profit of Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	31.026	(485.543)	28.981	124.714
Grupo Argos S. A.	26.176	(317.622)	24.740	127.687
Other companies	447	-	483	-
	57.649	**(803.165)**	**54.204**	**252.401**

Table 9

The value of the dividend per share, declared for 2018, by Grupo de Inversiones Suramericana S. A. was $518 (pesos), yearly per share. These will be paid quarterly, in the amount of $129,50. For its part, Grupo Argos S. A. declared, in the month of April, dividends, in the amount of $328 (pesos), yearly, per share, to be paid quarterly, in the amount of $82.

For 2017, the annual value, per share, was $310 Pesos, ($77.5 Pesos per quarter), for Grupo Argos S. A., and $488 Pesos, (received in 805,638 preference shares) for Grupo de Inversiones Suramericana S. A.

Income from dividends, recognized for the first half of 2018, for portfolio investments, corresponds mainly to the total annual dividend, declared by the issuers, and no similar income for the remainder of the year is expected. In addition, in October 2018, dividend shares were received, from part of Grupo de Inversiones Suramericana S. A., in the amount of $263, equivalent to the investment realized in financial equity instruments in the amount of $63.950.

The dividends received generated an impact in cashflows of $49.336 (2017: 61.746).

At December 31, 2018, accounts receivable, from dividends of financial instruments, are $14.498 (2017: $6.185).

9.1. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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 realized monthly and generated losses of $871.316 (2017: income $252.402), recognized in the other comprehensive income.

The following is the value per share, used in the valuation of investments listed on the Colombian Stock Exchange:

Price per share (in Colombian Pesos)	2018	2017
Grupo de Inversiones Suramericana S.A.	32.120	40.300
Grupo Argos S.A.	16.900	20.880

Table 10

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.

9.2. LIENS

At December 31, 2018, there were pledges of 22.103.000 (2017: 30.775.000) 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.

NOTE 10.
Income taxes and taxes payable

10.1. APPLICABLE NORMS

The effective and applicable tax norms, state that nominal rates of income tax, for the Company are 33% and a surcharge of 4%.

The tax deductions, applied in the Income Statement, may not exceed 25% of the income tax charged to the taxpayer, in the respective taxable year, with the possibility of applying the excess in the taxable period, following the one in which the donation was made, if the discount is to companies, belonging to the special tax regime.

The terms of finality of the tax returns is 3 years. However, for companies' subject to the transfer pricing regime, the finality will be 6 years, and the statements that originate or offset fiscal losses, will be final, in 12 years.

Fiscal losses, which did not expire for compensation with net revenue, in the tax returns of future periods, will be, as of the effective date of Law 1819 of 2016, and with a limit for compensation of 12 years.

Through Article 137 of Law 1819 of 2016, the obligation was established, to maintain a system of control or conciliation of differences that arise between the new regulatory technical frameworks and the Colombian Tax Statute. For this, the Decree 1998 of November 30, 2017 and Resolution 73 of December 29 of 2017 that regulate the fiscal conciliation referred to in Law 1819 of 2016 and that should be implemented in the year 2018 to inform the taxable year 2017, as an integral part of the Income Statement of the same taxable year, were issued.

Additionally, in consideration of Article 108 of Law 1819 of 2016 and Action 13 of the BEPS OECD/G20 project, Resolution 71 of December 29, 2017 is issued, which establishes the procedure for the presentation of the Country by Country Report, that is part of the standardized approach in three levels of the documentation on transfer prices and that will contain information relative to the global allocation of income and taxes, paid by the multinational group, and the indicators related to the economic activity, at a global level, corresponding to the 2016 taxable year, as a term of presentation in February of the year 2018.

10.2. TAX ASSETS AND LIABILITIES

Tax assets are presented in the Statement of Financial Position, under "other current assets" and "other non-current assets". The balance, includes:

	2018	2017
Income tax and complementaries (1)	360	224
Other taxes	206	120
Total current tax assets	**566**	**344**

Table 11

(1) Income tax assets and complementaries, corresponds to credit balances of $360 (2017: $224).

The current taxes payable balances include:

	2018	2017
Sales tax payable	61	294
Withholding taxes, payable	112	43
Other taxes	322	79
Total	**495**	**416**

Table 12

The Company applies the laws with professional judgment, to determine and recognize the provision for current tax and deferred income, on its Separate Financial Statements. The final tax determination depends on the new regulatory requirements, the existence of sufficient taxable profit for the use of fiscal benefits, 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 Company recognizes liabilities, for anticipated tax audits, observed based on estimates, if correspondent to payment of additional taxes. When the final tax outcome of these situations is different, from the amounts that were initially recorded, the differences are charged to tax on current and deferred assets and liabilities, in the period in which this is determined.

10.3. INCOME TAX EXPENSES

Current income tax expenses and deferred tax are as follows:

	2018	2017
Income tax	181	84
Total	**181**	**84**
Deferred taxes (*)	2.217	2.357
Total income tax expenses	**2.398**	**2.441**

Table 13

(*) The composition of the deferred income tax arises primarily from the recognition of labor and investment obligations.

10.4. DEFERRED INCOME TAX

	2018	2017
Deferred tax assets		
Employee benefits	437	4.994
Tax losses	17	19
Tax credits	194	162
Debtors	718	-
Other assets	46	52
Total deferred tax assets	**1.412**	**5.227**
Deferred tax liabilities		
Investments	7.212	8.491
Other liabilities	1.027	958
Total income tax liabilities	**8.239**	**9.449**
Net deferred tax liabilities	**6.827**	**4.222**

Table 14

Temporary differences, related to investments in subsidiaries, associates, and interest in joint ventures, for which deferred tax liabilities have not been recognized, are $5.615.529 (2017: $6.014.880), whose deferred tax liability would be $1.684.658 (2017: $1.984.910).

The movement of deferred tax, during the period, was as follows:

	2018	2017
Opening balance, net liabilities	**4.222**	**1.471**
Deferred income tax expenses recognized in profit and loss	2.217	2.357
Income tax relating to components of other comprehensive income	388	394
Ending balance, deferred tax net liabilities	**6.827**	**4.222**

Table 15

The income tax, relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of $523 (2017 $234), the participation in associates and joint ventures, accounted for by using the Equity Method, in the amount of $137 (2017 $160).

10.5. EFFECTIVE TAX RATES

In 2018, the effective rate is significantly below the theoretical rate, due mainly to untaxed income. Income received by Grupo Nutresa, corresponds primarily to dividends of non-taxed portfolios and the recognition of the profits obtained by the subsidiary companies, and are recognized, in the Company's Separate Financial Statements, through the equity method.

In addition, there are restricted tax deductions, such as the tax on the financial movement, that is only 50% deductible, and tax expenses, provisions, costs, and expenses of previous years, fines, and penalties, among others, for which tax deductions are not allowed.

In 2017, the effective rate is significantly below the theoretical rate, mainly due to tax revenues that are un-taxed and, therefore, constitute a permanent difference.

In addition, there are restricted tax deductions, such as the tax on the financial movement, that is only 50% deductible, and tax expenses, provisions, costs, and expenses of previous years, fines, and penalties, among others, for which tax deductions are not allowed.

Below is reconciliation, of both the applicable tax rate and the effective tax rates:

	2018		2017	
	Value	%	Value	%
Accounting profit	**512.559**		**432.720**	
Tax expenses at applicable tax rates	169.145	33.00%	147.125	34.00%
Non-taxed portfolio dividends	(19.024)	(3.71%)	(18.429)	(4.26%)
Untaxed income from the Equity Method	(151.054)	(29.47%)	(129.226)	(29.86%)
Other tax effects	3.331	0.65%	2.971	0.68%
Total tax expenses, net (Note 10.3)	**2.398**	**0.47%**	**2.441**	**0.56%**

Table 16

10.6. 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 was realized on January 1st of the years 2015, 2016, and 2017, and may be charged to equity reserves, without impacting net income, in accordance with Article 10 of the same law. For the taxable year 2018, said tax is not applicable. At December 31st, 2017, $43, was recognized in reserves, at disposal to the highest social organ.

10.7. INFORMATION ON CURRENT LEGAL PROCEEDINGS

The Company files a lawsuit for the lack of knowledge of deductions and compensation for tax losses, in tax returns for the taxable years 2008 and 2009. Due to lack of knowledge, the Administration rejected the rebates, in favor of those taxable years, which made the necessary lawsuit against the resolutions that decided the rejection.

10.8. TAX RULES APPLICABLE FROM THE YEAR 2019

Until taxable year 2018, tax revenues were taxed at the rate of 33% as income tax, in addition, was applicable, with a surcharge of 4%.

The financing Law 1943 of December 28, 2018, eliminates the tax surcharge, as of January 1, 2019, and modifies the tax rate. Additionally, Law 1943 of 2018, gradually reduces the percentage of presumptive tax, until its elimination, in the following manner:

	Before the Reform	With the Reform	Nominal Variation
2019	Income tax: 33% Presumptive tax: 3,5% of liquid equity	Income tax: 33% Presumptive tax: 1,5% of liquid equity	Income tax: 0% Presumptive tax: Reduction of 2%
2020	Income tax: 33% Presumptive tax: 3,5% of liquid equity	Income tax: 32% Presumptive tax: 1,5% of liquid equity	Income tax: Reduction of 1% Presumptive tax: Reduction of 2%
2021	Income tax: 33% Presumptive tax: 3,5% of liquid equity	Income tax: 31% Presumptive tax: 0% of liquid equity	Income tax: Reduction of 2% Presumptive tax: Reduction of 3.5%
2022 Forward	Income tax: 33% Presumptive tax: 3,5% of liquid equity	Income tax: 30% Presumptive tax: 0% of liquid equity	Income tax: Reduction of 3% Presumptive tax: Reduction of 3.5%

Table 17

The Financing Law introduced new parameters, regarding deductions and tax discounts, among which is highlighted, the deduction of 100% of taxes, rates, and contributions, that have been paid within the period, different from the income tax and the discount of the 50% of the industry and commerce tax, notices and boards, paid during the year. It also establishes that the VAT, paid in the acquisition, construction, training, and importation of productive real fixed assets, can be included as a deduction, in the income tax of the year in which the payment is realized, or in any of the following taxable periods.

The general rate of withholding payments abroad, increases from 15% to 20%.

Tax withholdings, for payments of administrative services, or management, treated in Article 124 of the Tax Statute, increases from 15 to 33%.

Law 1943 of 2018, constitutes the Colombian Holding Companies (CHC) regime, which is a special tax regime for national companies, that has as one of their main activities, the holding of securities, investment or holding of shares, or holdings in companies, or Colombian entities and/or from abroad.

Among the benefits that the CHC regime, are:

- Dividends distributed by non-resident entities to CHC, will be exempt from the payment of income tax, as will the income, derived from the sale, or transmission, of their participation in non-resident entities.
- When the holding company distributes the dividends, these will be considered taxed, and taxes paid abroad cannot be discounted.

For the taxable periods of 2019 and 2020, taxpayers who, in their private liquidation of income tax and complementary taxes, increase their net income tax, by at least a minimum percentage of thirty percent (30%), in relation to the net income tax of the immediately preceding year, the finality of the declaration will be within six (6) months, following the date of its presentation.

If the increase in the net income tax is at least twenty percent (20%), with respect to the net income tax of the immediately preceding year, the finality of the statements shall be within twelve (12) months following presentation.

The foregoing provides that, within the time established for each of the cases, no notice has been given to correct, nor special requirements or special location, or provisional settlement, and that the filings are duly filed and paid, in a timely manner.

NOTE 11.
Trade and other account payables

The balances of trade and other accounts payable, are as follows:

	2018	2017
Cost and expenses payable	549	668
Dividends payable (See note 13.3)	73.415	68.995
Payroll deductions and contributions	500	232
Loans and accounts payable to related parties (Note 17)	16	118
Total	**74.480**	**70.013**
Current	**74.322**	**69.855**
Non-current	**158**	**158**

Table 18

NOTE 12.
Employee benefits

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, 2018 and December 2017, is as follows:

	2018	2017
Short-term benefits	774	649
Post-Employment benefits - Defined benefits plans (12.1)	-	13.492
Other long-term benefits (12.2)	1.474	2.190
Total liabilities for employee benefits	**2.248**	**16.331**
Current portion	**745**	**1.205**
Non-current portion	**1.503**	**15.126**

Table 19

12.1. POST-EMPLOYMENT BENEFITS - DEFINED BENEFITS PLANS

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.

A reconciliation of the movements, of the defined benefit plans, is as follows:

	2018	2017
Present value of obligations at January 1st	**13.492**	**12.916**
(+) Cost of services	536	546
(+) Interest expenses	919	957
(+/-) Actuarial losses and/or gains	(1.102)	(709)
(-) Payments	(5.949)	(218)
(+/-) Others	(7.896)	-
Present value of obligations at December 31st (*)	**-**	**13.492**

Table 20

Actuarial gains and losses are recognized in the Income Statement, under other comprehensive income.

The Company estimates that payments for defined benefit plans will begin after 5 years. The estimated time for the termination of the benefit is 20 years.

(*) During 2018, a fund was established to administer this benefit.

12.2. LONG-TERM BENEFITS

The long-term benefits include mainly seniority premiums and variable remuneration systems.

Seniority premiums 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 annually, through the use of actuarial techniques. 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:

	2018	2017
Present value of obligations at January 1st	**2.190**	**2.082**
(+) Cost of services	889	708
(+) Interest expenses	122	144
(+/-) Actuarial losses and/or gains	(334)	174
(-) Payments	(1.393)	(833)
(+/-) Others	-	(85)
Present value of obligations at December 31st	**1.474**	**2.190**

Table 21

12.3. EXPENSES FOR EMPLOYEE BENEFITS

Amounts recognized as expenses for employee benefits, are as follows:

	2018	2017
Short-term benefits	6.002	5.581
Post-Employment benefits	678	546
Other long-term benefits	572	691
Sub Total	**7.252**	**6.818**
Reimbursement for contracts of mandate (*)	(6.565)	(5.971)
Total	**687**	**847**

Table 22

(*) By virtue of the mandated agreement, Grupo Nutresa S.A. transfers to the subsidiary companies, the cost for employee benefits, corresponding to the corporate services provided to each of them.

12.4. ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used in the actuarial measurement of the defined and long-term plans are:

	2018	2017
Discount rates	7,45%	7,21%
Salary increase rates	4,20%	4,30%
Employee turn-over rates	1,00%	1,0%

Table 23

According to the guidelines prescribed by the current regulation, for discount purposes, the rate of high quality corporate bonds, whose maturity is in accordance with the established benefits, is used. However, the Colombian market does not have sufficient liquidity and depth in these types of bonds. Grupo Nutresa establishes its hypothesis of the discount rate, based on the assumptions of the performance of the sovereign debt bonds, of the committed country, denominated in percentages, according to the terms of the obligation. The rates of the real yield curve are obtained from the information published daily, by the market.

The table used is mortality rate, by sex. This table is issued by the Financial Superintendence, through Resolution 1555 of 2010 for Colombia.

The salary increase rates were determined based on historical performance, the projections of the inflation, and consumer price indexes.

The turnover rate of employees is estimated, based on historical data of the Company.

12.5. SENSITIVITY ANALYSIS

A quantitative analysis of sensitivity to a change in a significant key assumption, as of December 31, 2018, would generate the following impact on the obligation for other long-term benefits, as well as, senior premium:

	Others defined benefits	Seniority Premium
Discount rate +1%	(90)	(49)
Discount rate -1%	91	53
Rate of salary increases +1%	37	54
Rate of salary increases -1%	(37)	(51)

Table 24

The methods and assumptions used to prepare sensitivity analyzes of the present value of the obligations were the same method, as for the actuarial calculation, at December 31, 2018: Projected Credit Unit. Sensitivity has no limitations, nor changes in the methods and assumptions used to prepare the analysis of the current period.

NOTE 13.
Equity

13.1. ISSUED SHARE CAPITAL

As of December 31st of 2018 and 2017, 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, 2018, and its market value was $23.500 per share ($27.820 as of December 31, 2017).

The corporate structure of the company, as of December 31, is as follows:

	2018		2017	
Investor Group	**Number of shares**	**% participation**	**Number of shares**	**% participation**
Grupo de Inversiones Suramericana S. A.	162.358.829	35,3%	161.398.558	35,1%
Grupo Argos S. A.	45.243.781	9,8%	45.243.781	9,8%
Colombian Funds	80.729.691	17,6%	77.887.378	16,9%
International Funds	37.788.090	8,2%	38.182.333	8,3%
Other Investors	134.003.067	29,1%	137.411.408	29,9%
Total outstanding shares	**460.123.458**	**100%**	**460.123.458**	**100%**

Table 25

According to the register of shareholders, at December 31, 2018, there are 11.288 shareholders (2017: 11.900).

13.2. RESERVES AND RETAINED EARNINGS

Of the accounts that make up the equity, reserves at December 31st of 2018 and 2017 are as follows:

	2018	2017
Legal reserves	3.787	2.711
Occasional non-distributed reserves	1.558.597	1.558.597
Other reserves	2.353.301	2.184.712
Total Reserves	**3.915.685**	**3.746.020**
Retained earnings	3	3
Total	**3.915.688**	**3.746.023**

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 at a 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.

Retained earnings: corresponds mainly to the realization of financial instruments of liquidation of the Livestock Fund of Antioquia, in the amount of $3.

13.3. DISTRIBUTION OF DIVIDENDS

The Ordinary Shareholders Meeting, held on March 20, 2018, decreed ordinary share dividends of $47,2 (*) per-share and per-month, equivalent to $566,40 (*) annually per share (2017: $534 (*) per share) over 460.123.458 outstanding shares, during the months between April 2018 and March 2019, inclusive, for a total of $260.614 (2017: $245.706 between April 2017 and March 2018).

This dividend was declared by taking untaxed earnings, before 2017, in the amount of $64.218, and from profit in 2017, in the amount of $196.396. Also in 2017, this dividend for $245.706 was decreed, by taking from the profits of the year 2016 $242.945 and of the non-taxed occasional reserves $2.761.

At December 31, 2018, dividends have been paid in the amount of $256.194 (2017: $240.744), and $73.415, are payable for this concept (2017: $68.995).

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 $233.883 (2017: $156.153).

(*) In Colombian Pesos.

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:

	Actuarial Losses (14.1)	Financial Instruments (14.2)	Investments in Associates (14.3)	Subsidiaries (14.4)	Total Other Comprehensive Income, Accumulated
Balance at January 1, 2018	**(4.295)**	**3.885.288**	**(31)**	**404.254**	**4.285.216**
Losses/Gains for new measurements	1.102	(803.165)	(458)	(59.701)	(862.222)
Associated income tax	(523)	-	137	-	(386)
Balance at December 31, 2018	**(3.716)**	**3.082.123**	**(352)**	**344.553**	**3.422.608**

	Actuarial Losses (14.1)	Financial Instruments (14.2)	Investments in Associates (14.3)	Subsidiaries (14.4)	Total Other Comprehensive Income, Accumulated
Balance at January 1, 2017	**(4.770)**	**3.632.890**	**(358)**	**271.370**	**3.899.132**
Losses/Gains for new measurements	709	252.401	487	132.884	386.481
Associated income tax	(234)	-	(160)	-	(394)
Realization of other comprehensive income	-	(3)	-	-	(3)
Balance at December 31, 2017	**(4.295)**	**3.885.288**	**(31)**	**404.254**	**4.285.216**

Table 27

During the period, no reclassification of gains/losses previously recognized in other comprehensive income to profit and loss, was realized.

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 is transferred to retained earnings and not reclassified to the Income Statement.

See Note 12, for detailed information about defined benefits plans.

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.

See Note 9 for detailed information on these investments.

14.3. INVESTMENTS IN ASSOCIATES - INTEREST IN OTHER COMPREHENSIVE INCOME, ACCUMULATED ACUMULADOS

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.

See Note 8 for detailed information on investments in associates.

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.

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:

	2018	2017
Taxes other than income tax	1.686	1.400
Fees	1.071	1.295
Employee benefits (Note 12.3)	687	847
Other expenses	200	34
Other services	67	101
Insurance	51	45
Travel expenses	9	45
Commission fees	-	286
Leases	-	24
Total	**3.771**	**4.077**

Table 28

Grupo Nutresa S.A. operates under the modality of commercial offer of services of mandate without representation, offering shared services to the other companies of the Group, for integral management. Under this contract, the expenses, associated with the services provided to each of them, are transferred to the subsidiary companies.

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:

	2018	2017
Net income attributable to holders of ordinary equity of the Parent	510.161	430.279
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest	**1.108,75**	**935,14**

Table 29

There are no equity instruments with potential dilutive impact on earnings per share.

In accordance with current corporate regulations in Colombia, the distribution and payment of dividends to the Shareholders of the Parent Company is not realized on Separate Financial Statements, but on the Separate Financial Statements of Grupo Nutresa S.A.

NOTE 17.
Disclosure of related parties

The following table represents the values of transactions between related parties at year-end:

2018

Company	Purchases of Goods and Services	Sales of Goods and Services	Receivables Balance	Payables Balance	Dividend Income	Dividends Paid	Interest expenses
Subsidiaries							
Alimentos Cárnicos S.A.S.	-	534	-	-	-	-	-
Compañía de Galletas Noel S.A.S.	-	525	-	-	45.815	-	-
Compañía de Galletas Pozuelo DCR, S.A.	-	-	-	-	-	-	-
Compañía Nacional de Chocolates S.A.S.	-	486	510	-	96.458	-	-
Compañía Nacional de Chocolates del Perú S.A.	-	-	-	-	2	-	-
Industria Colombiana de Café S.A.S.	-	285	-	-	-	-	-
Industria de Alimentos Zenú S.A.S.	-	-	-	-	23.463	-	-
Industrias Aliadas .S.A.S.	-	-	-	-	14.201	-	-
IRCC S.A.S. Industria de Restaurantes Casuales S. A. S.	-	48	90	16	-	-	-
Meals Mercadeo de Alimentos de Colombia S.A.S.	-	119	-	-	20.130	-	-
Productos Alimenticios Doria S.A.S.	-	76	-	-	50.309	-	-
Novaventa S.A.S.	-	-	-	-	30.334	-	-
Servicios Nutresa S.A.S.	12	-	-	-	-	-	46
Setas Colombianas S.A.	-	-	-	-	2.948	-	-
Productos Naturela S.A.S.	3.221	-	-	-	-	-	-
Entities with joint control or significant influence over the entity							
Grupo de Inversiones Suramericana S.A.	65	-	7.954	62	31.026	90.337	-
Other related parties							
Grupo Bancolombia S.A.	177	-	2	28	-	-	-
Grupo Argos S.A.	-	-	6.544	-	26.176	25.260	-
Members, Board of Directors	909	-	-	13	-	-	

2017							
Company	**Purchases of Goods and Services**	**Sales of Goods and Services**	**Receivables Balance**	**Payables Balance**	**Dividend Income**	**Dividends Paid**	**Interest expenses**
Subsidiaries							
Alimentos Cárnicos S.A.S.	2.777	666	-	-	-	-	-
Compañía de Galletas Noel S.A.S.	-	655	467	-	43.197	-	-
Compañía de Galletas Pozuelo DCR, S.A.	-	-	-	12	-	-	-
Compañía Nacional de Chocolates S.A.S.	-	592	2.905	-	20.422	-	-
Industria Colombiana de Café S.A.S.	-	402	286	-	102.346	-	-
Industria de Alimentos Zenú S.A.S.	-	-	-	-	19.220	-	-
Industrias Aliadas .S.A.S.	-	-	-	-	15.614	-	-
IRCC S.A.S. Industria de Restaurantes Casuales S. A. S.	8	-	-	106	-	-	-
Meals Mercadeo de Alimentos de Colombia S.A.S.	2.777	168	120	-	-	-	-
Productos Alimenticios Doria S. A. S.	-	92	66	-	-	-	-
Servicios Nutresa S. A. S.	12	-	7.353	-	-	-	-
Setas Colombianas S. A.	-	-	-	-	2.438	-	-
Entities with joint control or significant influence over the entity							
Grupo de Inversiones Suramericana S. A	53	-	-	50	28.981	84.949	-
Other related parties							
Grupo Bancolombia S. A.	503	-	-	31	-	-	-
Grupo Argos S. A.	-	-	6.185	-	24.740	23.753	-
Members, Board of Directors	880	-	-	136	-	-	-

Table 30

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 $5.702 (2017: $5.386) for 2 key personnel (2017: 2 employees) were made.

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 22, 2019. 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.

Statutory auditor's report

Statutory auditor's report on the management's compliance with the bylaws, orders and instructions of the Shareholders' Meeting, and on the existence of proper measures for internal control, safekeeping and custody of the Company's assets or those of third parties in its possession
(Free translation from the original in Spanish)

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

February 22, 2019

Description of the main matter

In the development of my duties as statutory auditor of Grupo Nutresa S. A., and in compliance with the provisions of items 1 and 3 of Article 209 of the Code of Commerce, I am required to report to the Shareholders' Meeting on whether during the year ended December 31, 2018, adequate measures for internal control, conservation and custody of the Company's assets or those of third parties in its possession were in place, and to report on proper compliance from the Company's management with certain regulatory requirements set forth in various legal and statutory regulations.

The criteria used for the assessment of the matters mentioned in the above paragraph include: a) the Company's bylaws, the minutes of the Shareholders' Meeting and the legal and regulatory provisions regarding my duties as Statutory Auditor, and b) the components of the internal control system that the management and those responsible for the Company's governance consider necessary for the appropriate and timely preparation of its financial information.

Management's responsibility

The Company's management is responsible for establishing and maintaining an adequate internal control system that enables the company to safeguard its assets or those of third parties in its possession, and to comply properly with the bylaws and decisions of the Shareholders' Meeting.

In order to comply with the above responsibilities, the management must apply judgments in order to assess the expected benefits and costs related to the control procedures that aim to provide the management with reasonable, but not absolute, assurance in regard to the safeguarding of assets against loss due to unauthorized use or disposal, as well as that the Company's transactions are appropriately performed and recorded to allow the preparation of financial statements that are free of material misstatement due to fraud or error, in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia.

Statutory auditor's responsibility

My responsibility as statutory auditor is to perform an assurance work to express an opinion, based on the procedures executed and the evidence obtained, on whether the acts of the Company's management conform to the bylaws, and the orders and instructions of the Shareholders' Meeting, and on whether appropriate internal control measures are established by the Company's management to safeguard its assets or those of third parties in its possession.

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

February 22, 2019

I performed my duties in accordance with the standards for information assurance accepted in Colombia. Those standards require that I comply with the ethical and independence requirements established in Decree 2420 of 2015, which are based on principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, and that I plan and perform procedures which I consider necessary in order to obtain assurance on compliance by the Company's management with the bylaws, and the orders or instructions of the Shareholders' Meeting, and on whether adequate measures of internal control, conservation and custody of the Company's assets and those of third parties in its possession were in place at December 31, 2018, and for the year then ended, in all material respects of assessment, and in conformity with the criteria described in the main matter section.

The accounting firm I am member of, and which appointed me as the statutory auditor of the Company, applies the International Quality Control Standard 1 and, as a result, maintains a comprehensive quality control system that includes documented policies and procedures on compliance with the applicable ethical requirements, professional standards and legal and regulatory requirements.

Performed assurance procedures

The above mentioned audit standards require that I plan and execute assurance procedures to obtain reasonable assurance that the internal controls implemented by the Company are properly designed and operate effectively. The assurance procedures selected depend on the statutory auditor's judgement, including assessment of the risk of material misstatement in the financial statements due to fraud or error, and that the Company fails to achieve an adequate level of efficiency and efficacy in its operations. The procedures performed included selective tests on the design and effective operation of controls that I considered necessary in the circumstances to provide a reasonable assurance that the control objectives determined by the Company's management are adequate.

The assurance procedures performed were as follows:

- Review of the Company's bylaws, of the minutes of the meetings of the Shareholders and other supervision bodies, in order to verify proper compliance by the Company's management with those bylaws and with the decisions made by the Shareholders' Meeting.
- Inquiries with the management on changes or projects for amendment of the Company's bylaws during the covered period, along with a validation of their implementation.
- Understanding and assessment of the internal control components on the Company's financial reporting, such as: control environment, risk assessment, information and communication, monitoring of controls and control activities.

pwc

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

February 22, 2019

- Understanding of how the entity has responded to risks arising from the information systems.
- Understanding and assessment of the design of relevant control activities and their validation to establish that such activities were implemented by the Company and operate effectively.

I consider that the audit evidence that I obtained is sufficient and appropriate to provide a basis for the concept I express below.

Inherent limitations

Due to the limitations inherent to the internal control structure, including the possibility of collusion or management override of controls, material misstatement, whether due to fraud or error, may be not prevented or detected on a timely basis. Likewise, it is possible that the results of my procedures will differ or change their condition throughout the period under assessment, since my report is based on selective tests executed during the period. Additionally, projections of any internal control assessment to future periods are subject to the risk that controls become inadequate due to changes in the conditions, or that the degree of compliance with policies and procedures may be impaired.

Concept

Based on the evidence obtained from the work performed as described above, and subject to the inherent limitations expressed, it is my concept that, during the year 2018, the acts of the Company's management conformed to the bylaws and to the orders and instructions of the Shareholders' Meeting, and adequate measures of internal control, and of conservation and custody of the Company's assets and those of third parties in its possession are in place.

This report is issued for and addressed to the Shareholders of Grupo Nutresa S. A., in compliance with the requirements set forth in items 1 and 3 of Article 209 of the Colombian Code of Commerce, and shall not be used for any other purpose or distributed to other third parties.

Bibiana Moreno Vásquez
Statutory Auditor
Professional Card No. 167200-T
Appointed by PwC Contadores y Auditores Ltda.

IN MEMORIAM

Carlos Enrique Piedrahíta Arocha

1954 - 2018

IT IS AN INSPIRATION FOR US

to collaborate, empower, create and build A Future Together with our stakeholders.

Grupo nutresa

www.gruponutresa.com