

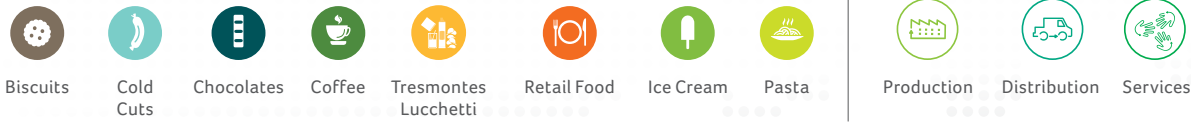


Integrated report 2020



PRESENCE IN OUR STRATEGIC REGION

[GRI 102-4] [GRI 102-7]



Distribution and sales

United States

2020: 11,8%

2019: 9,2%

Production facilities: 2



Mexico

2020: 2,8%

2019: 3,4%

Production facilities: 2



Central America

2020: 10,2%

2019: 9,8%

Production facilities: 5



Ecuador

2020: 1,4%

2019: 1,4%



Peru

2020: 2,2%

2019: 2,3%

Production facilities: 1



45

Production Facilities

14

Countries where Grupo Nutresa has a distribution network and Production facilities

Dominican Republic and the Caribbean

2020: 1,7%

2019: 1,9%

Production facilities: 1



Colombia

2020: 60,1%

2019: 62,3%

Production facilities: 28



Venezuela

Production facilities: 1



Chile

2020: 7,2%

2019: 7,5%

Production facilities: 4



Other

2020: 2,6%

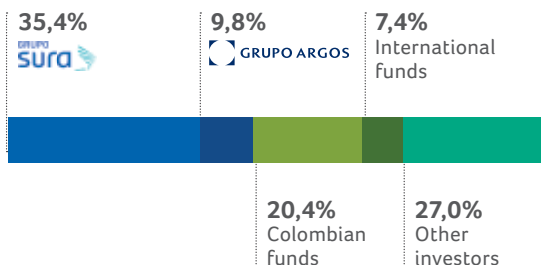
2019: 2,2%

Shareholding structure

As of December 31, 2020.

Source: Deceval.

11.537
Shareholders



Malaysia*

Production facilities: 1



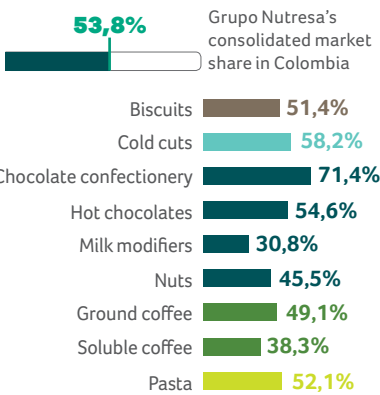
* This operation is not consolidated as its ownership is less than 50%.



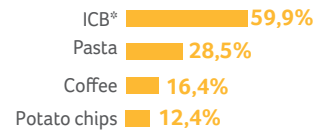
Market share

Source: Nielsen.

In Colombia **



In Chile



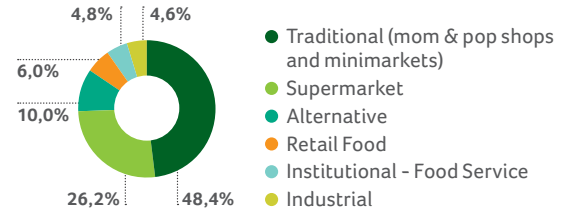
In Mexico



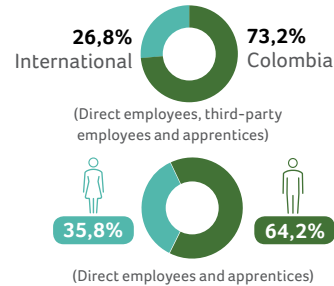
*Iced Cold Beverages

#1 In the hamburgers and steakhouse categories in Colombia. In ice cream shops in Costa Rica and the Dominican Republic.

Grupo Nutresa's sales by channel



Direct employees, third-party employees and apprentices: 45.861



Customers 1.565.345

Points of sale: 1.322.689

Novaventa's Entrepreneurs 242.656

** Market estimation model that integrates several of Nielsen's sources of information (RMS, HomeScan, industry coverage matrix and crowdsourcing). Includes Discounters and Direct Sales, among other, and excludes institutional and wholesaler channels.

Differentiators of our business model



Our People

Grupo Nutresa promotes participative environments, the development of skills focused on both being and doing, the acknowledgment of achievements, the construction of a culture of leadership, and a balanced lifestyle for our people.



Our Brands

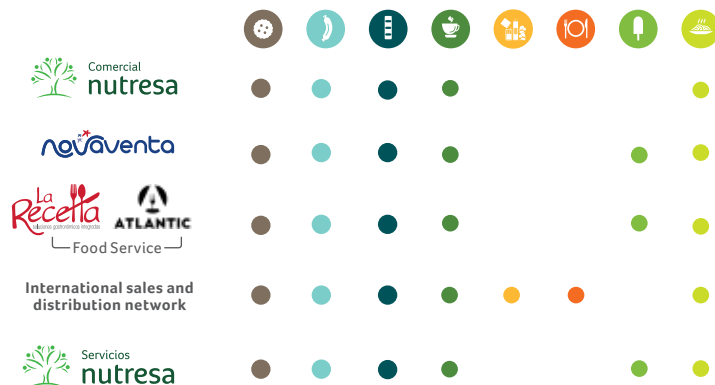
Grupo Nutresa's brands are leaders in the markets where the Company participates as they are widely recognized and cherished; they nourish, generate well-being and have become a part of people's daily lifestyle, with the best price-value ratio.



Our Capabilities

Grupo Nutresa's broad distribution network and market entry capabilities, with a product offer that is organized by channels and segments and with specialized service teams, allow the Organization to have an excellent product availability in terms of frequency, as well as a close relationship with all customers.

Business Structure [GRI 102-24]



Digital Transformation

Digital transformation represents a strategy focused on enhancing the necessary capabilities for contributing to its sustainable growth and continued innovation.



2030 OBJECTIVE
DOUBLING OUR REVENUES
 With returns higher than the cost of capital
 FROM 2020 TO 2030

Grupo Nutresa's strategy is focused on doubling by 2030 the sales achieved in 2020, obtaining higher returns than the cost of capital used.

To achieve this goal, the Company offers food products and experiences from highly recognized and cherished brands to the consumers. Grupo Nutresa's products nourish, generate well-being and pleasure, have the best price-value ratio, are widely available in the strategic region, and are managed by talented, innovative, productive, committed and responsible people within a framework of sustainable development.

Main risks of our business model



Volatility in commodity prices and exchange rates.



Changes in regulation related with nutrition and health



Negative impact of a highly competitive business environment.

RESULTS ACHIEVED IN 2020

CONSOLIDATION OF OUR COMMITMENTS FOR 2020

Fulfillment of the MEGA



Acting with integrity

Employees who participated in awareness-raising and training activities focused on preventing money laundering and terrorism financing

+19.300

Employees from the strategic region trained in risk, crisis and business continuity management:

+3.600

Employees who received training in the Code of Corporate Governance

+4.500

148 Risk, crisis and business continuity management workshops, talks and simulations

Products with front labeling (GDA)

2020: **90,1%**

2019: 88,7%

Products processed in certified facilities

2020: **93,6%**

2019: 88,2%

Volume of sales that meets Nutresa's nutritional profile

2020: **71,9%**

2019: 69,3%

Product items that fulfill the Nutresa nutritional profile*

2020: **3.144**

2019: 3.216

*The reduction in the number of SKUs is a consequence of the process of streamlining more than 200 product references carried out in 2020.

Promoting a healthy lifestyle



Building a better society

Capability-development projects

2020: **1.029**

2019: 945

Employees with disabilities

2020: **174**

2019: 210

20

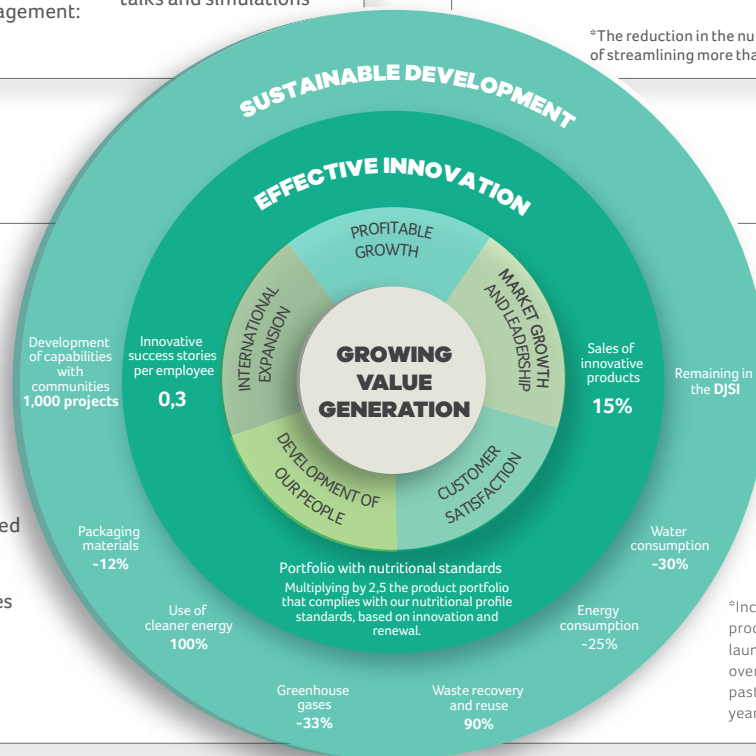
Discussion sessions focused on Human Rights

Investment in communities

2020: **105.155**

2019: 90.818

COP million



Fostering profitable growth and effective innovation



Variation in productivity

2020: **2,1%**

2019: 4,9%

Innovative success stories per employee

2020: **0,23**

2019: 0,21

Sales of innovative products*

2020: **19,6%**

2019: 22,4%

Brands with sales over USD 50 million

2020: **19**

2019: 18

*Includes products launched over the past three years.



Managing the value chain responsibly

Accident frequency rate

2020: **0,79**

2019: 1,66

Organizational climate

2020: **83,0%**

2019: 83,0%

Customer satisfaction index in Colombia

2020: **89,7%**

2019: 87,7%

Investment in quality of life, training and aids for employees

2020: **116.259**

2019: 106.225

COP million

Reducing the environmental impact of the operations and products



Energy consumption reduction*

2020: **-23,5%**

2019: -22,7%

Reduction in the consumption of packaging materials*

2020: **-2,8%**

2019: -2,1%

Greenhouse gas emission reduction*

2020: **-46,4%**

2019: -46,2%

Investment in environmental management actions in Colombia

2020: **20.925**

2019: 18.163

COP million

Water consumption reduction*¹

2020: **-33,3%**

2019: -31,4%

⁰ In relation to 2010. Per ton produced in Colombia. Products with labeling

¹ Not including the over-consumption from the sanitization and other measures taken to prevent COVID-19 from spreading in the Organization's facilities.

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Sustainability Award

Gold Class 2021

S&P Global



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PROFITABLE GROWTH

[GRI 102-7]

- ↑ Increased
- ↓ Decreased

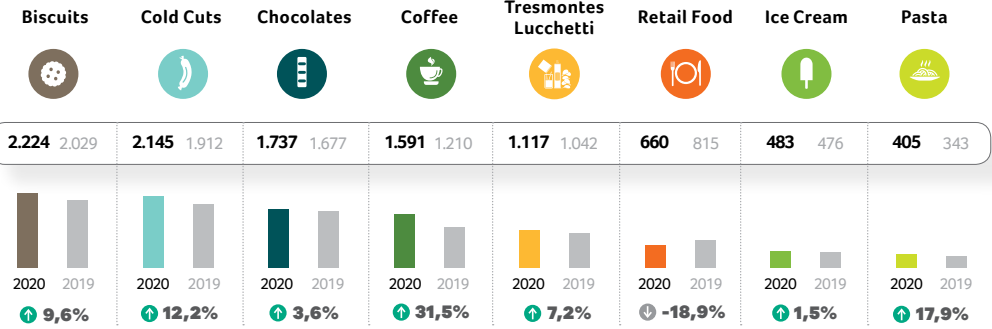
Total sales

COP thousand million

11.128

2019: 9.959

Growth
↑ **11,7%**



EBITDA

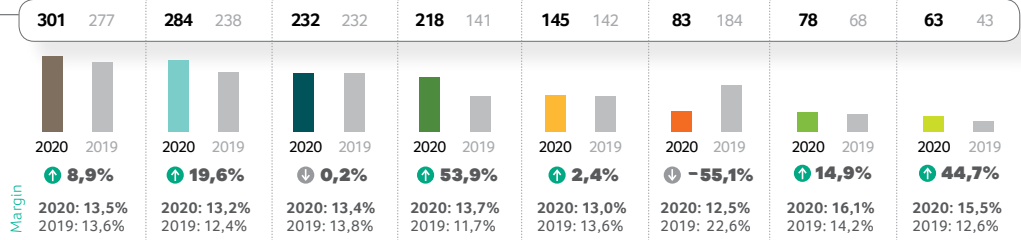
COP thousand million

1.444

2019: 1.347

Growth
↑ **7,2%**

Margin 2020
13,0%
Margin 2019
13,5%



Sales in Colombia

COP thousand million

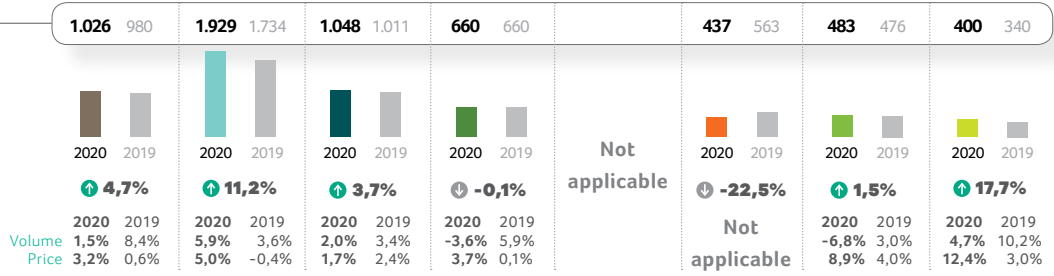
6.691

2019: 6.204

Growth
↑ **7,9%**

Percentage of total sales
60,1%

Volume 2020
4,4%
Price 2020
6,2%
Volume 2019
6,9%
Price 2019
1,2%



International sales

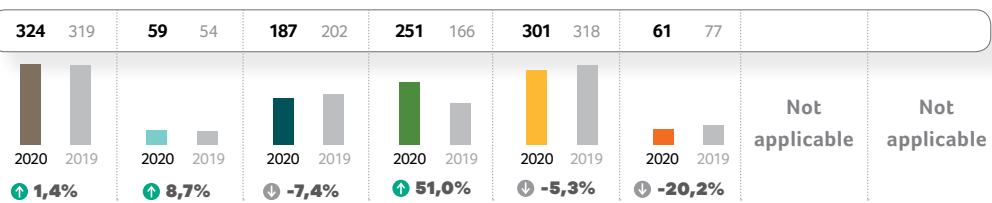
USD million

1.200

2019: 1.142

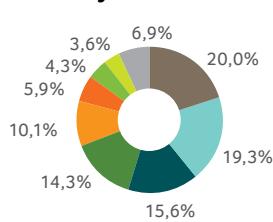
Growth
↑ **5,0%**

Percentage of total sales
39,9%

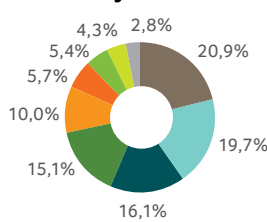


Variation in the prices and volumes without data from the Retail Food Business

Sales by Business Unit



EBITDA by Business Unit



Innovation sales

(% on total sales)



19,6%

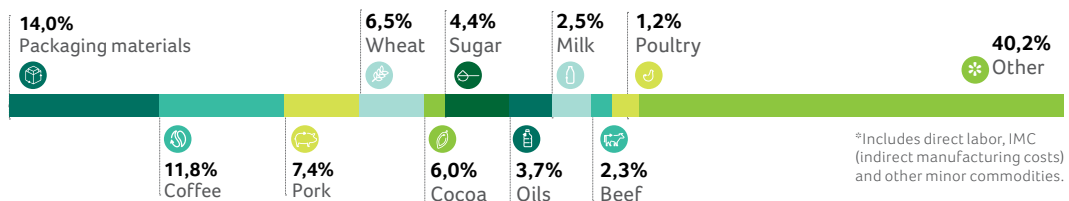
2019: 23,0%
2018: 21,5%

Growth of exports from Colombia in USD

12,5%

Diversification of commodities

Production cost %



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

FIND MORE INFORMATION AT http://informe2020.gruponutresa.com/pdf/informe_2020.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 Integrated Report, which

can be found at this website: http://informe2020.gruponutresa.com/pdf/assurance_statement.pdf

KPMG Advisory Services S. A. S. | March 2021

More information





Protecting Life

Together



Grupo
nutresa



Corporate contacts [\[GRI 102-53\]](#)

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Contents

04

About this Integrated Report

10

Engagement model

12

Materiality analysis

14

Contribution to the Sustainable Development Goals

16

Business Group Report, legal provisions and performance assessment of the disclosure and control systems

Management report

18

Management report

19

Our response

Corporate model

38

Board of Directors

40

Management Team

42

Conclusion of the strategic goals for 2020

43

Strategic goals of our first century

48

Our strategy for 2030

50

Digital transformation

52

Comprehensive risk management and main business risks

54

Business model

Acting with integrity

64

Corporate governance

70

Risk and compliance

Business performance

60

Biscuits Business

62

Cold Cuts Business

64

Chocolates Business

66

Coffee Business

68

Tresmontes Lucchetti

70

Retail Food Business

72

Ice Cream Business

74

Pasta Nutresa

76

Cross-Organizational Units

Fostering profitable growth and effective innovation

104

Crecimiento rentable y marcas confiables

116

Innovación efectiva

Promoting a healthy lifestyle

140

Nutrition, healthy lifestyle and responsible marketing

150

Reliable food

160

Food security

Managing the value chain responsibly

176

Development of our people

190

Quality of life

200

Responsible sourcing

218

Responsible sales

Building a better society

230

Human Rights

244

Quality of education

Reducing the environmental impact of the operations and products

254

Water resource management

264

Energy

272

Climate change and air quality

284

Waste, packaging materials and post-consumption management

Financial statements

298

Consolidated financial statements

387

Separate financial statements

About this integrated report

Grupo Nutresa has prepared its *Integrated Report 2020* [GRI 102-1] [GRI 102-50] with the purpose of illustrating for its stakeholders how it manages the risks and opportunities related to the topics that have a materially deeper impact on its capacity to create value for the society. The Report comprises the main sustainability achievements accomplished between January 1 and December 31, 2020.

The entire report contains details of the corporate strategy, future outlook and main progress and success stories related to the topics 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 provides information on the progress related to the fulfillment of the ten principles of the Global Compact, thus representing the twelfth 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 comprises 21 relevant topics from the social, environmental and economic dimensions from all the countries where Grupo Nutresa has significant operations, except for Venezuela, for which only the financial data and the number of employees were included [GRI 103-1]. This document also incorporates indicators intended to report how the Organization contributes to the fulfillment of the Sustainable Development Goals (SDGs). [GRI 102-12]

For this edition of the report, the data of the indicators [GRI 405-1] that have been improved since 2018 were restated, and the organizational climate goal was modified (from 83,3 to 80,0) due to the change in the methodology resulting from the transition of previously working with the Cincel advisory firm, to work with the Mercer advisory firm over the 2018-2020 period [GRI 102-48]. This report does not include information from the Retail Food

Business related to the topic of 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 subsidiaries follow the accounting practices and policies adopted by the Parent Company, and in the case of the subordinate companies located outside Colombia, they 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, Tax & Legal S. A. S. [GRI 102-56], an independent auditing firm that abides by the guidelines of the ISAE 3000 and ISAE 3410 international standards, whose report has concluded that the information is presented in accordance with the Comprehensive option of the GRI standards.

Reading guide

General contents, example [GRI 102-10]

Material topics, example [GRI 301-1] [G4-FP1]

Sustainable Development Goals (SDGs), example [SDG 16]

For an easier understanding by the readers, a specific format is presented with the purpose of enabling a clear identification of the basic GRI contents in relation to each material topic and the SDGs to which they are connected. This report is available in its entirety on this website, both in English and Spanish:
<http://informe2020.gruponutresa.com>





Support to the restoration of natural species in the Sonsón *Paramo*, located in Antioquia, Colombia.



EL CORRAL
LA SOCIEDAD UNIVERSAL

PROPERTY

PROPERTY

con una
San Rita
TE DOY LA
BIENVENIDA



**“I am an
empowered
woman who’s
always moving
forward.**

**I am not afraid of taking
chances. I like to work on
getting what I want from life.”**

Yulieth Paola Montero, El Corral employee and one of the Best Buddies Foundation’s “Amigos del Alma” (Kindred friends).



Yulieth: a kindred friend that spreads love

Yulieth Paola Montero is the hostess who welcomes customers at El Corral Nao in Cartagena. She is part of an alliance between the Best Buddies Foundation and several Grupo Nutresa companies. Thanks to her job, she is able to ensure the well-being of her children as a head-of-household mother.

Visit our website and discover all the stories that enabled us to take care of people's life in 2020.

[Click here.](#)

"I enjoy welcoming people into the restaurant. Sometimes they are in a bad mood but you can help them to be calm by greeting them with a smile on your face. Talking to them about good things gives me joy. For example, I refer to the ladies as "Miss" even if they are senior ladies, and they happily answer 'It's been a while since someone said that to me.' That's nice, a complete joy," tells Yulieth Paola Montero, one of El Corral's employees in Cartagena.

She has been working at the restaurant for three years. Her shift starts at eight in the morning and ends at four in the afternoon. Then, she goes back home, excited about returning to her two children: a ten-year-old boy and a one-year-old girl. **"I'm a head-of-household mother and this job allows me to give my children everything they need: food, education and a home. That's just wonderful," says Yulieth.**

She is part of Best Buddies, a Foundation that manages employment opportunities for people with special capabilities. Grupo Nutresa is an ally of this organization and has hired many of the Foundation's "Amigos del Alma" (Kindred Friends), as the members of this organization are familiarly called.

During the first months of the COVID-19 pandemic, Yulieth had to stay at home due to the lockdown measu-

“The process with the Best Buddies Foundation has helped me to focus more on my family, so I always give my best to make sure that my two children have a good life. And here at El Corral I have learned to be a more independent person, and to be more open with my work colleagues and a more caring person in general.”

Yulieth Paola Montero, El Corral employee and one of the Best Buddies Foundation’s “Amigos del Alma” (Kindred friends).

My dream is to have my own place and maintain the economic stability that enables me to raise my two children.

Yulieth Paola Montero, El Corral employee and one of the Best Buddies Foundation’s “Amigos del Alma” (Kindred friends).



res. “The company never left me on my own. Even though we were not working, I still got paid so that I could take care of myself and, most importantly, my children. During the lockdown, I basically became my son’s teacher, helping him to do his homework and with everything else he needed. I also had the chance to spend more time with my daughter and take even better care of her,” she states.

“From Yulieth I have learned that perseverance is a fundamental part of life and that nothing is impossible. Goals are achieved by being constant and dedicated,” says Carlos Manco, employment coach at the Best Buddies Foundation. Carlos is Yulieth’s mentor and guide, he supports and guides her in the diverse situations she has to address, and he is a facilitator between her and the work group. “Carlos has taught me to be patient and calm, and to listen to both myself and other people attentively,” expresses Yulieth. In 2020, Carlos continued supporting Yulieth by means of digital tools such as videocalls and WhatsApp messages.

Working at El Corral has enabled Yulieth to explore her love for cooking and languages; she loves welcoming foreign tourists at the restaurant so that she can learn some sentences in their languages. It has also motivated her to materialize her dream of owning a house and it has driven her to be completely autonomous or, as she says: “Since I started working here, I am way more independent.”

“In 2020, digital means became fundamental tools, helping us to not lose our connection with our “Amigos del Alma.” We provided support through WhatsApp and telephone calls, and by means of videocalls and text messages to remind them constantly about the biosafety protocols, encouraging them to take good care of themselves and their families. During the period Yulieth was not working at the restaurant, we talked about her homework to make sure she did not forget everything she has learned.”

Carlos Manco, employment coach at the Best Buddies Foundation.

Engagement Model

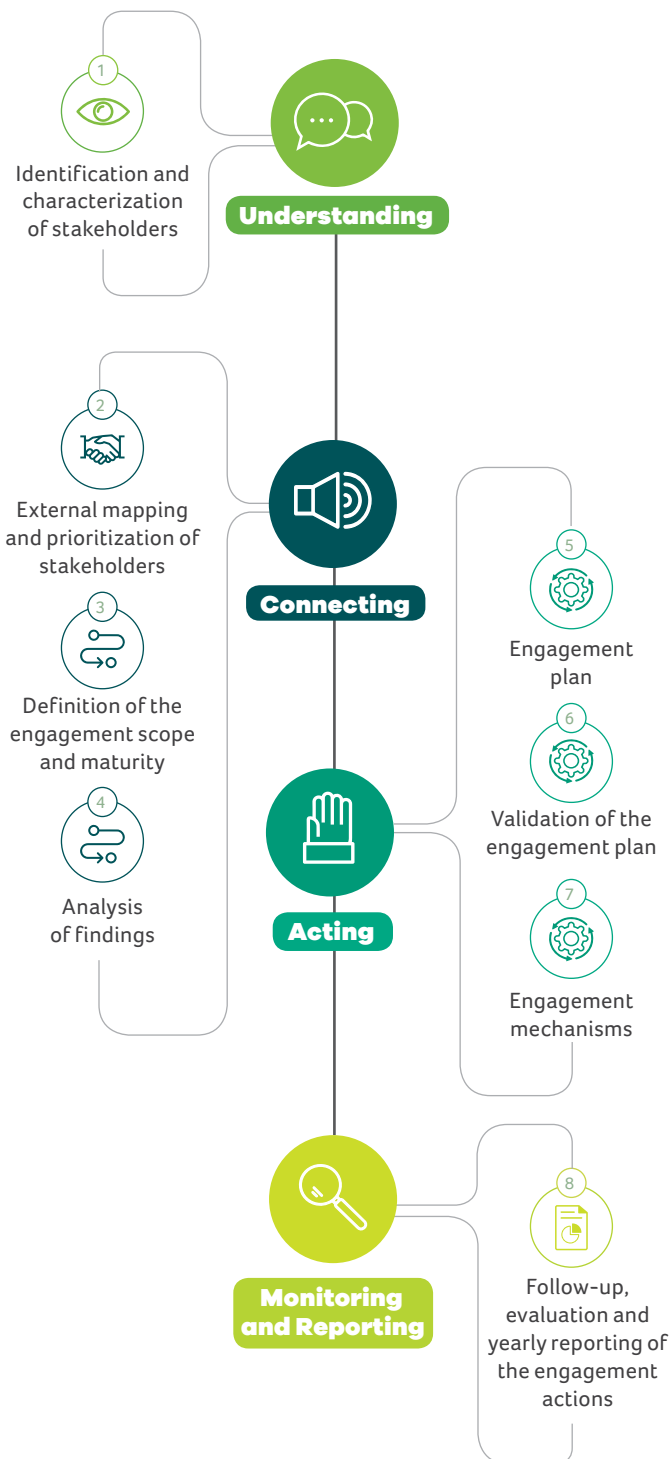
[GRI 102-21] [GRI 102-40] [GRI 102-42] [GRI 102-43]

Based on the fundamental premise of being always a people-centered Organization, Grupo Nutresa permanently strives to contribute to the development of its stakeholders by building trust-based relationships through timely and bidirectional communication, engagement and collaboration, making sure to operate with integrity and transparency and to listen actively to others at all times.

The Company's engagement model is aligned with the guidelines of the AA1000 international standard, which requires Grupo Nutresa to apply the essential principles of inclusiveness, materiality, impact and response capacity in all the relations with its stakeholders. Since 2018, the Organization has been working on developing the capabilities of its employees with the purpose of strengthening the effective management skills in all its engagement processes. This is a constant and progressive work that will enrich the materiality analysis and strengthen the sustainability management efforts, as well as the resilience of the organizational strategy.

Stages and phases of Grupo Nutresa's Engagement Model

In 2020, the Company maintained its training processes and started taking the necessary steps for the internal and external mapping for the Chocolates, Coffee, Pastas, Ice Cream and Biscuits Businesses and the overarching units La Recetta and Comercial Nutresa. For this purpose, Grupo Nutresa created digital tools that facilitate the implementation by the users and the management of information in a centralized manner. Today, the Organization has eleven Business Engagement Committees that are in charge of managing findings that can be used as input for the materiality analysis.



Engagement purposes



Suppliers

To strengthen and develop our suppliers and contractors as partners in the sourcing chain with the aim of enhancing mutual growth and ensuring an adequate and timely supply to our Organization.



Consumers and shoppers

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



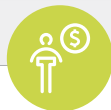
Employees

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



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.



Customers

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



Shareholders

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



Government

To contribute to the development of public policy proposals that favor the progress of society as a whole.



Materiality analysis

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

Coffee Business employees in Medellín, Colombia.

Materiality is part of Grupo Nutresa’s sustainability management system and represents a decisive tool for refining the corporate strategies. Therefore, since 2011, the Organization has been conducting its materiality analysis to identify and confirm the subjects and trends that might have a major impact on the Company’s ability to generate value in the short, medium and long term.

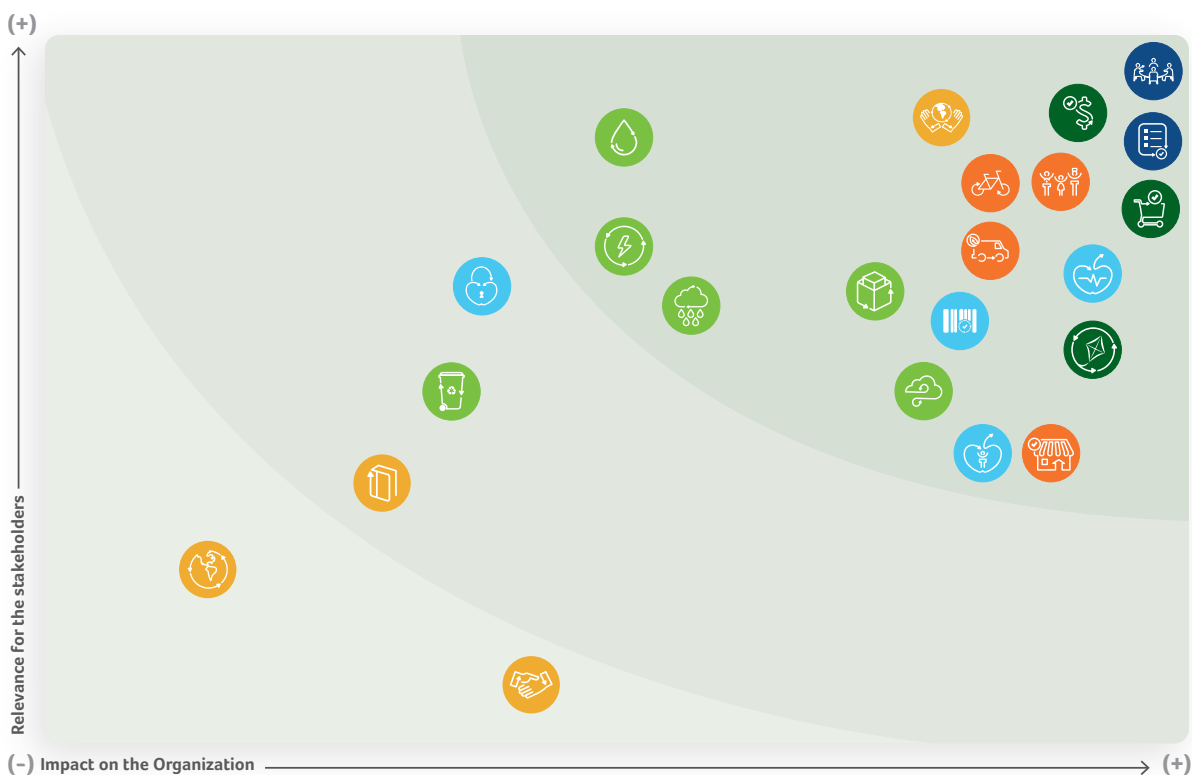
For the determination of materiality, Grupo Nutresa considers the opinions and priorities of its most relevant stakeholders, as well as the global risks and the emerging issues from the food, restaurants and omni-channel company sectors. Additionally, the Organization performs benchmarking exercises with international peers from the industry and considers assessment criteria established by different sustainability monitors and rankings. The connection with the multiple stakeholders, in fact, is what has enabled the Company to remain at the forefront, even with the changes both the consumers and the business environment itself have undergone.

The materiality matrix was updated in 2013 and 2015, and its scope was expanded in 2017 and 2018. Since 2019, the Grupo Nutresa has been building its own engagement model with the purpose of maintaining the relevance of the analysis. During the last assessment, 23 relevant topics were identified, 18 of which were classified as high-impact or material topics. For such 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 communications, surveys and interviews conducted with the stakeholders in eight countries, namely Chile, Colombia, Costa Rica, United States, Mexico, Panama, Peru and the Dominican Republic.

Important milestones

- 2008** Presentation of the first sustainability report, aligned with the criteria of the Global Reporting Initiative (GRI).
- 2011** Grupo Nutresa’s first materiality analysis in Colombia.
- 2013** Second update of the materiality matrix.
- 2015** Revision and expansion of the materiality scope, including Chile, Colombia, Costa Rica, United States and Mexico.
- 2017** Materiality analysis coverage expansion to cover Panama, Peru and the Dominican Republic.
- 2018** Development of purposeful and joint-construction communications with suppliers within the framework of Grupo Nutresa’s annual Exemplary Supplier acknowledgment event.
- 2018** Formulation of the model for leading practices and engagement with the stakeholders.
- 2019** Implementation of the engagement model in the Coffee, Ice Cream and Cold Cuts Businesses, with the neighboring communities as the intervention focal point.
- 2019** Creation of three strategic engagement committees for the Businesses.
- 2020** Advancement of the engagement model with eleven engagement committees for the identification of interest sub-groups and definition of key agents for each one of them.



Acting with integrity

- Corporate governance
- Risk and compliance

Fostering profitable growth and effective innovation

- Profitable growth in the markets
- Reliable brands with an excellent price-value ratio
- Effective innovation

Promoting a healthy lifestyle

- Nutrition and healthy lifestyle
- Responsible marketing
- Reliable food
- Food security

Building a better society

- Human Rights
- Development of collaborative proposals for public policies
- Quality of education
- Externalities

Managing the value chain responsibly

- Development of our people
- Quality of life
- Responsible sourcing
- Responsible sales

Reducing the environmental impact of the operations and products

- Water resource management
- Energy
- Climate change
- Air quality
- Waste management
- Packaging and post-consumption

Grupo Nutresa and its commitment to the Sustainable Development Goals

Grupo Nutresa has adopted sustainable development as part of its strategic framework. That is why the Organization has established long-term goals and programs that make its operation a consistent and deliberate exercise focused on generating value for all its stakeholders. Even before the Sustainable Development Goals (SDGs) of the United Nations were officially introduced in 2015, the Company had already made progress in the articulation of its strategy with them, as well as in its contribution to connecting the objectives of the SDGs with the business sector.

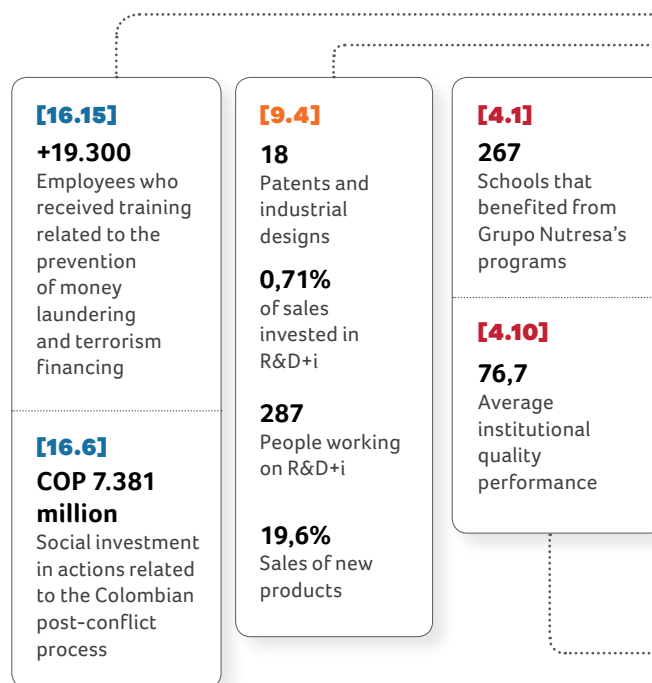
Since then, Grupo Nutresa has advanced in the alignment of its sustainability strategy with the agenda for 2030. Thus, the Organization's programs, work methodologies and metrics are centered on making progress in the accomplishment of the SDGs.

The goals that have been prioritized by the Company are those to which it can make a more effective contribution: SDG 1: No poverty; SDG 2: Zero Hunger; SDG 4: Quality education; SDG 8: Decent work and economic growth; SDG 9: Industry, innovation and infrastructure; SDG 12: Responsible consumption and production; SDG 13: Climate action; SDG 16: Peace, justice and strong institutions; and SDG 17: Partnerships for the goals.

The following are the indicators the Organization has selected to report its progress in relation to the attainment of the goals established in the agenda for 2030:

To understand the Organization's contribution to the global agenda, the SDG number and the related goal are included as follows:

[1.1]



[8.3] **1.476**
Small farmers who received training in socio-entrepreneurial matters

Employment generation

29.261 **16.600**
Direct employees and apprentices Indirect employees

[8.5] **39,2**
Average hours of training per employee*

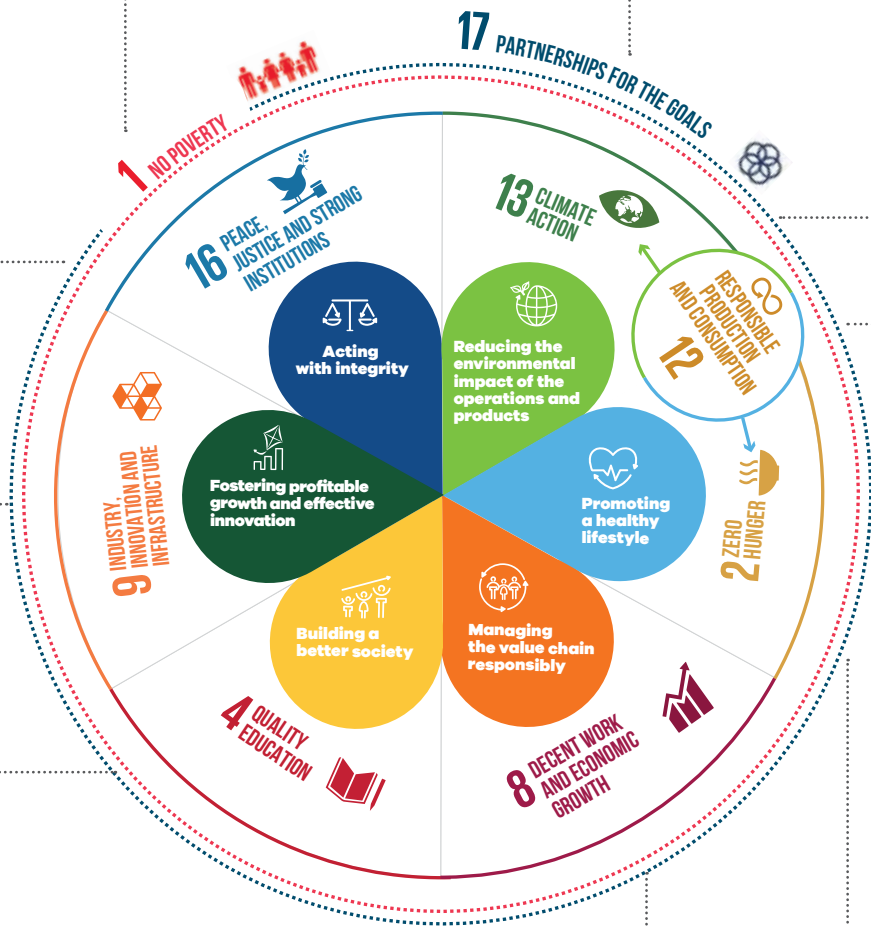
COP 116.259 million
Invested in quality of life, training and work aids for employees

*Average calculated with the number of people who received training.

<p>[1.1] COP 631 million</p> <p>Average annual income of small producers from sales to Grupo Nutresa and supported by Fundación Nutresa</p>	<p>[1.6] COP 105.155 million</p> <p>Social investment in the communities</p>	<p>11.652 Volunteers</p> <p>32.283 Hours invested in volunteer work</p>
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[17.16] Grupo Nutresa works collaboratively with both governmental and private entities, non-governmental organizations (NGOs), among other, with the aim of strengthening its programs and boosting the fulfillment of the SDGs.

<p>[13.1] -46,4%</p> <p>Reduction of greenhouse gas emissions (GHG) *</p>	<p>98,6%</p> <p>Use of cleaner energy*</p> <p><small>* In relation to 2010. Per ton produced in Colombia</small></p>
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<p>[12.2] -33,3%</p> <p>Water consumption reduction *</p>	<p>[12.3] 1.024 tons</p> <p>of products delivered to food banks in the strategic region</p>
<p>COP 26.293 million</p> <p>invested in environmental management actions in the strategic region</p>	<p>[12.5] 77,2%</p> <p>Closed-cycle packaging materials used</p>
<p>-23,5%</p> <p>Energy consumption reduction *</p>	<p>-2,8%</p> <p>Reduction in the consumption of packaging materials*</p>
<p><small>* In relation to 2010. Per ton produced in Colombia</small></p>	<p>90,0%</p> <p>Waste recovery *</p>

<p>[8.7] 13</p> <p>Matrices of Human Rights risks in Grupo Nutresa</p>	<p>Safe work environment</p> <p>0,70</p> <p>Lost-time injury frequency rate (LTIFR)</p>	<p>0,17</p> <p>Absenteeism rate due to occupational illnesses (OIFR2)</p>
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<p>[2.1] 2.186.658</p> <p>People benefited through food banks in Colombia</p>	<p>COP 1.025.756 million</p> <p>In sales of products enriched with macro and micro-nutrients lacking in the strategic region</p>
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Special report of the Business Group

As of the end of 2020, the Nutresa Business Group was formed by 69 companies, grouped as follows for administrative purposes: eight food Businesses and their production platforms in Colombia and abroad; an international distribution network; four 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 4.060 million, and the amount of COP 233.632 million as dividends. In 2020, Grupo Nutresa S. A. did not endorse any financial obligations of its subordinates. For their part, the subordinates did not carry out operations for third parties by influence or in the interest of the parent company.

Moreover, in 2020, 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 verifying the aforementioned compliance.

In 2020, the Organization did not receive any notices of lawsuits and there were no judicial rulings that could materially affect the Company's financial condition. No fines or significant penalties were imposed on Grupo Nutresa's companies or their executive managers.

The 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 the Article 47 of Act 222 of 1995 and other concordant regulations. All these 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 the Article 46 of Act 964 of 2005.

**Our purpose is to build a better
world where development
benefits everyone.**



Coffee tree in Huila, Colombia.

PERFORMANCE ASSESSMENT OF THE INFORMATION DISCLOSURE AND FINANCIAL INFORMATION CONTROL SYSTEMS

Grupo Nutresa's internal control system allows the verifiability, reasonableness and reliability of the information required to plan, direct, control, measure and record the performance of its Businesses, and to ensure an adequate and timely disclosure of financial information to its stakeholders. This system includes, among other elements, policies and procedures; integrated information systems; comprehensive risk management processes; accountability frameworks; budget and cost control tools, plans and programs; and dashboards for the continuous monitoring of the processes carried out by the Administration. Additionally, the internal audit department watches over the fulfillment of the Company's goals and objectives and the protection, utilization and conservation of its assets. For its part, the tax auditor verifies and certifies the compliance with legal, statutory and administrative standards, the internal control performance and the reasonable-

ness of the Company's financial statements and the disclosures contained therein, among other matters.

The results of the internal and tax audit activities are communicated to the relevant bodies in a timely manner, which implement the corresponding actions required, confirm that the performance of the Company's financial information disclosure and control systems is adequate and verify that, over the fiscal term, there were no significant deficiencies in the design and operation of these systems that could have kept the Company from adequately arranging, recording, processing and presenting the financial information, cases of fraud with an effect on the reasonableness of the information or significant changes in the financial information assessment methodology.

A lush, green forest with a small waterfall in the background. The scene is filled with dense vegetation, including ferns and moss-covered rocks. The waterfall is located in the lower right corner, cascading over a rocky ledge. The overall atmosphere is serene and natural.

This project of planting native trees is like a son to me, it is a thing of beauty.

The water springs are being protected, and we need to keep planting trees so that they become bigger streams for us human beings, because we can't live without water."

Luis Alberto Hincapié, caretaker of the Sonsón *paramo*.





The guardian of the *paramo*

His relationship with the Sonsón paramo is like the one of a couple of old friends: they chat, keep each other company and take mutual care.

His name is Luis Alberto Hincapié and the Sonsón paramo is his land and his legacy. For more than fifty years, he has lived there, protecting and listening to it. A factory that transforms fog into water and where, as he says, “the ones above make the push to the ones below so that they get the water.”

He blazed the trail to the top and put the cross up there. The mountain told him where to mark the path, kept him safe from its cliffs and taught him to see its hillsides within him. It also led him to a new vocation; Luis Alberto does it all: takes care of chickens, repairs the aqueduct, plants potatoes **and, what’s more, plants native trees to ensure the cycle of water in the paramo and, by telling his stories, keeps company with the visitors who come to the mountain intrigued by the frailejones.** Thanks to the latter two activities, today he is known as the guardian of the *paramo*.

The ecosystem responds to his care. During the rainy months, the thistles, the moss and the *frailejones* collect the water that, drop by drop, they drip during the dry months. That is how they feed the streams of the San Francisco and La Palmita rural

areas just outside of Sonsón, which supply the homes of Luis Alberto and his neighbors, and nurture life on the mountain. “I am grateful to the *paramo* for the way it serves human beings with what it cultivates itself,” he says.

Luis Alberto is one of almost five hundred conservation partners supported by Grupo Nutresa in Colombia through its alliance with *Masbosques*, within the framework of the *BancO₂* strategy. This initiative is focused on improving the living conditions of people who protect and restore ecosystems. Every month, Luis Alberto receives an economic compensation that he allocates to essential household products. “I use the money I earn by doing this for sustaining my home,” he points out. It is an incentive that will help him to fulfill his goal of protecting the *paramo*.

Visit our website and discover all the stories that enabled us to take care of people’s life in 2020.

[Click here.](#)

“Grupo Nutresa is helping the neighbors of the paramo who commit to plant more trees and take good care of it. I use the money I earn by doing this for sustaining my home, for improving my living conditions. It is an important work, what they are doing by helping the paramo neighbors.”

Luis Alberto Hincapié, caretaker of the Sonsón *paramo*.



Luis Alberto remembers that when he was young, the vegetation of the paramo was used for transforming it into coal. Today, he plays a leading role in its reforestation and conservation.

“The *frailejones* that we find here in Sonsón only grow here, they can’t be found anywhere else in Colombia or the world. They are really beautiful, all yellow and fuzzy,” he says.





For Grupo Nutresa, it was a year in which the care for people's life and health, as well as the protection of nature were priority benchmarks for all the Company's decisions and actions.

2020 will be recorded in history as a year of major challenges and deep learnings for humanity.

For Grupo Nutresa, it was a year in which the care for people's life and health, as well as the protection of nature were priority benchmarks for all the Company's decisions and actions. The Organization tackled the challenges associated with the COVID-19 pandemic based on its corporate values and supported on the resilience of an agile and competitive business model led by qualified and committed teams.

Acting with a deep sense of humanity and a high level of responsibility, Grupo Nutresa defined three priorities during the early days of the pandemic:

- Taking care of people's life and health.
- Ensuring the supply of safe and reliable food.
- Leading its own initiatives and cooperating with public institutions, NGOs and other companies with the aim of contributing towards the protection of the most vulnerable.

These priorities enabled the Organization to operate continuously throughout the period and to have the capacity to cooperate with its stakeholders.

Without a doubt, 2020 was a year that challenged the capabilities of organizations, and demonstrated that sustainable practices not only create value for the companies and its stakeholders, but are also necessary to drive business-continuity, transformation, and transcendence in challenging times.

For Grupo Nutresa, sustainability is a framework based on the constant search for progress for individuals through the comprehensive development of their capabilities, food security, and inclusion. In addition, the Organization strives to work towards the preservation of our planet through circular solutions, eco-efficiency and responsible sourcing. We strongly believe that the conservation of the natural capital and the progress of the social capital is everyone's responsibility, and the Company undertakes it with full conviction and determination.

As a result of its commitment, the Organization was acknowledged as the world's most sustainable food company according to the Dow Jones Sustainability Indexes, and it was included in the Gold Category of the 2021 Sustainability Yearbook published by Standard & Poor's –S&P Global–. These achievements highlight Grupo Nutresa's leadership in relevant topics such as materiality, risk and crisis management, information security and cybersecurity, tax strategy, health and nutrition, packaging materials, environmental reporting, risks associated with water, human capital development, talent attraction and retention, and social reporting. The Company has been included in this index for ten consecutive years, which highlights our management actions, leadership and conscious work on the implementation of sustainability practices.

In a complex scenario such as the one experienced in 2020, our actions were aligned with our higher purpose: to build a better world where development benefits everyone.



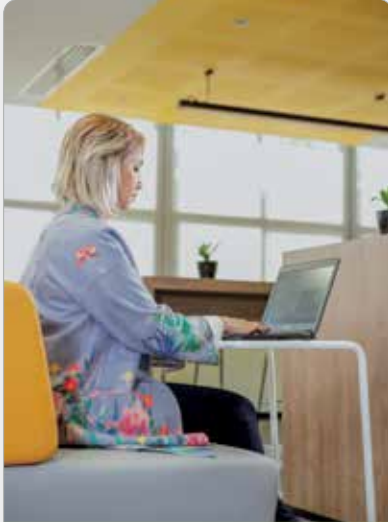
In a complex scenario such as the one experienced in 2020, Grupo Nutresa's actions were aligned with our higher purpose: to build a better world where development benefits everyone.

OUR RESPONSE

In the early stages of unprecedented circumstances, on March 5, 2020, the Organization created a Management Committee in charge of identifying the most critical aspects of the pandemic, learning, and making quick and effective decisions for both the Company and its stakeholders. This allowed us to allocate resources where they were needed the most, to establish protocols and processes for protecting both the employees and communities, and ensuring the continuity of the operation across our strategic region. The following is a summary of Grupo Nutresa's actions on these three fronts:

1

Taking care of people's life and their health



The well-being of our employees and their families was ensured through home-office methodologies.



We equipped our personnel with all the necessary protection elements, such as face masks and sanitizers; we also implemented symptom-control measures and promoted a culture based on self-care and extended responsibility.



More than **25%** of our direct employees worked from home with the Company's support and guidance.



We took extraordinary hygiene, disinfection and prevention measures at our facilities, including production facilities, and logistical and distribution centers.

We offered safe transportation and commute alternatives to the employees of all our production facilities.

The Organization promoted education and communication actions focused on managing the risks emerging from these circumstances.



We created a matrix of vulnerabilities, while also carrying out personalized medical assessments to identify the risk level of our employees.

2

Ensuring the supply of safe and reliable food

Being aware of our responsibility of ensuring the supply of food, Grupo Nutresa worked nonstop on guaranteeing the continuity in the value chain and delivering our products in a timely manner through the multiple channels available.



The Company developed alternative ways for taking and delivering orders with the aim of serving the consumers at their households directly. The restaurant business quickly migrated to digital platforms and direct-ordering methodologies, which allowed Grupo Nutresa to continue serving its customers with the following initiatives:

100% of our restaurants operated through delivery or take-out.

The Organization solidified and built stronger alliances with last-milers.

5,4 million deliveries over the year.

We developed eight online platforms with the purpose of taking direct orders from customers, and launched a contact center in Colombia to support this service.

In the foodservice and direct sales businesses, we developed three digital initiatives focused on reaching consumers directly, while swiftly adjusting the Company's portfolio in order to prioritize the high demand of both staple food products and personal and home care items.



The Organization followed the recommendations of local authorities in all the countries where we operate and reinforced cleaning and disinfection protocols at production facilities, restaurants and distribution centers.

We also supported small suppliers and created alliances and alternative operation methodologies in order to ensure the continuity of our business.

3

Contributing to the solution



By reinforcing the Organization's connection with society, we strived to lead initiatives and cooperated on multiple fronts, participated in public-private alliances for the protection of vulnerable populations, made donations of food, and hospital equipment, and worked with multiple associations to support local and national initiatives. Among many other, Grupo Nutresa's contributions included the following actions:

Social investment to increase the capacity of the intensive care units (ICUs) in Colombian hospitals, and purchase of equipment for diagnosing and controlling COVID-19 in Chile and Panama.

Contribution of more than **300 tons** of food for senior citizens in Chile and Mexico.

Delivery of more than **249.000** food aid packages that benefited 183.232 families in 22 Colombian cities.

Delivery of **25.000 food kits** to vulnerable populations in Central America.

Provided support to the work of local governments.

Today, we continue focusing our efforts and actions on these priorities in a conscious, responsible, and safe manner for everyone.

We continued developing and enhancing the team's capabilities and prioritized adaptability, agility, inspiring leadership, commitment, and organizational climate.

GRUPO NUTRESA'S BUSINESS MODEL

The following three pillars are the foundation of Grupo Nutresa's business model, as well as major differentiating factors in the market: a motivated team that is committed to the Company's objectives and progress; a portfolio of well-known and reliable brands with products that offer nutrition, well-being and pleasure; and a set of the necessary capabilities for delivering our portfolio offering. These strategic pillars are supported on a flexible Organization that strives to transform and adapt itself to the constant changes posed by the environment, while also serving the needs of customers, shoppers and consumers.

Our people

People are the foundation of everything Grupo Nutresa does, which is why the Company will continue strengthening the care for their life, and the enhancement of their capabilities and comprehensive development.

In 2020, the Organization prioritized the care for its employees health and life by implementing protection strategies and addressing psycho-social and ergonomic risks, as well as new risks associated with the preventive isolation conditions. Throughout the year, Grupo Nutresa continued fostering and developing the team's capabilities and prioritized adaptability, agility, inspiring leadership, commitment, and organizational climate. The Company promoted environments to connect teams at their homes and doubled its efforts to solidify a culture centered on a sense of collectivity, service, and human transformation and adaptability in order to manage periods of change and uncertainty. Additionally, we made significant progress in the promotion of work-life balance initiatives, fostering quality time with families, and healthy and safe work environments for all our employees.

All these efforts were recognized once again by Merco's 2020 Talent ranking, which acknowledged Grupo Nutresa as the second best company in terms of talent attraction and retention in Colombia and the leader within the food industry in the country. Some of the most outstanding programs and measures that have enabled the Organization to maintain these leading positions over the past five years are: personal and professional growth programs, family-oriented support, equality and inclusion, promotion of healthy lifestyles, and the strengthening of core leadership styles. Our objective is to attract and develop the best human talent within a culture focused on diversity and inclusion, and based on collaboration, integrity, and respect.



The work-from-home methodology was one of the measures we implemented to take care of the life of the employees whose jobs could be adapted according to the circumstances.

Brands with a superior purpose

The Company's portfolio is composed by innovative, safe and reliable brands that are centered on understanding the needs of people, families and communities, and generating value for them. The Organization has a broad product portfolio that enables us to offer nutritious, healthy and convenient alternatives for all consumers both at home and out of home.

Over the year, Grupo Nutresa accelerated the penetration of its brands into people's homes, adjusted the offer of its portfolio to address changing consumer's needs, adapted its distribution capabilities to reach them at their homes, and launched innovations in relevant categories such as cold cuts, prepared meats, alternative proteins, healthy snacks and specialized nutrition. The Company's brands continue to hold a strong position in the markets they serve, with twenty-six of them leading market share positions with a #1 or #2 position in the rankings.

Market entry capabilities

Our resourcefulness, agility and adaptability were key aspects in ensuring the availability of the Organization's products in the market. Over the year, mom & pop shops, supermarkets and convenience stores experienced an unprecedented increase in demand due to higher food consumption at home. This phenomenon drove the Company to look for new alternatives that would allow us to continue operating under such extraordinary conditions while fulfilling our mission of continuously providing reliable and affordable food.



In 2020, the employees at our restaurants, particularly those who are part of “Amigos del Alma”, a program developed jointly with the Best Buddies Foundation, received a special and close support thanks to the commitment of their tutors and leaders.



Grupo Nutresa’s innovation-driven sales represented 19,6% of our total sales, which is a result that exceeds, for the fifth consecutive year, the goal set at 15% for 2020.

In our proprietary channels –restaurants, direct sales and foodservice– we used alternative ways to reach households directly, quickly adjusting our portfolio to meet market needs and strengthening our communication with customers and consumers through digital media.

As of 2020, Grupo Nutresa has a distribution network that serves more than 1,6 million customers directly, reaches more than 4 million consumers in Colombia through Novaventa’s network –which includes more than 242.000 entrepreneurs– and has 822 restaurants.

INNOVATION

For Grupo Nutresa, innovation is a strategic capability for competitiveness, organizational transformation and profitable growth.

Within the Organization, the Imagix Model allows us to manage innovation comprehensively and effectively. Our model is continuously evolving, articulating resources and processes for the development of capabilities both inside and outside the Organization, and these capabilities contribute to the construction of the Company’s future.

Last year was a period in which many of the innovative capabilities that Grupo Nutresa had been strengthening over the years materialized into proposals that were swiftly presented to the market. Over the year, we launched new products centered on health, nutrition, well-being and convenience, while developing flexible processes and business models that enabled us to make progress in an increasingly changing environment.

Grupo Nutresa’s innovation-driven sales represented 19,6% of our total sales, which is a result that exceeds, for the fifth consecutive year, the goal set at 15% for the year 2020.



Digital transformation was a key factor in 2020. Throughout the year, we were able to deploy technological platforms that facilitated the relations with our stakeholders.

DIGITAL TRANSFORMATION

Human transformation, flexibility, resourcefulness and adaptability are key aspects for incorporating and utilizing digital tools in any organization.

Furthermore, digital transformation contributes to Grupo Nutresa's objectives, while benefiting suppliers, customers, shoppers and consumers. This transformation involves all organizational processes and relies on the development of new capabilities, such as: exploring, implementing and adapting new technologies; capability building for diverse ecosystems; researching; and evolving go-to-market strategies.

In 2020, our digital transformation process required the application of adaptive thinking, as well as the strengthening of technology-related skills in order to have flexible and effective solutions. As a response to the circumstances, and with the objective of strengthening Grupo Nutresa's value proposition and getting adapted to the new market needs, the Organization accelerated the application of digital initiatives. This allowed us to create new communication platforms to reach our customers, shoppers, consumers and communities while providing the Organization with new capabilities and business models that will enable it to overcome the future challenges posed by an increasingly evolving business environment.

NUTRITION, HEALTH AND WELL-BEING

Nourishment and nutrition are increasingly relevant topics in the global agenda. Due to the events that have occurred over the past year, the level of awareness about these aspects has been growing with important reflections regarding food security, the nutritional quality of food products and their contribution to people's health.



We launched 27 supplements and 541 nutritionally enriched product items into the market.

For Grupo Nutresa, all these topics are significantly important, which is why the Company has made them a priority. Through multiple food banks in the strategic region, the Organization enhanced the technical skills and capabilities of populations and communities while supporting their work with the contribution of more than 1.000 tons of products. In addition, the Company continues supporting vulnerable populations by helping them to produce their own food and teaching them about healthy eating habits through our *Germinar* Program.

As a strategy focused on mitigating the risk of food insecurity emerging from preventive isolation measures established in 2020, our volunteers made important contributions that were channeled towards the construction of new healthy food production systems in the Colombian states of Antioquia and Valle del Cauca.

Moreover, we achieved progress in the development of our product portfolio. In 2020, Grupo Nutresa continued reformulating products in terms of ingredients such as sodium, sugar and fats. Additionally, we launched 27 supplements and 541 nutritionally enriched product items into the market. Further, we accomplished the objective we set to increase 2,5 times the number of products that meet the improvement requirements according to the food matrices formulated by the Organization.

For Grupo Nutresa, contributing to the improvement of the population's quality of life through nutrition, health and well-being is a permanent responsibility of all its teams. This objective is also an inspiration for both new product propositions and the development of advanced scientific knowledge, which is managed by *Vidarium*, the Organization's nutrition, health and well-being research center.

SOCIAL CAPITAL

Human development continues to be one of Grupo Nutresa's core strategies. The strengthening of capabilities such as adaptability and leadership was a key factor in order to tackle the different challenges during the year and to achieve results. Empathy is deeply embedded in our leadership capabilities and we strive to focus on supporting each work team. We implemented leading practices that enabled the rapid adoption of new forms of work and enhanced the development of digital skills.

Moreover, the Company continued strengthening its diversity and inclusion practices, and bridged gaps in terms of gender equality through the promotion of equal opportunities, the development of women leadership, the awareness about shared responsibilities within the families, while providing support with tools for overcoming the challenges of working from home.

Consequently, and in line with our human right practices, we organized twenty-one discussion conferences for our employees, to monitor the effectiveness of the management system and confirm its positive effect in terms of health, well-being and good labor practices.

The care for people's health, the strengthening of our leadership skills and the development of capabilities remain at the center of Grupo Nutresa's talent strategy, ensuring an adequate transition to new methods for accomplishing results and increasing the organizational resilience in order to maintain our leading position in the industry.



The programs we have developed to promote food security enabled communities such as those from Santa Marta's Sierra Nevada to mitigate to a large extent the impact of the COVID-19 pandemic in 2020.

In 2020, through Fundación Nutresa, its partners and the collaboration of the stakeholders, Grupo Nutresa fulfilled and exceeded its corporate goal of completing 1.000 projects centered on enhancing capabilities in the communities. These actions represented valuable learning experiences and knowledge opportunities for the Company. Through the strategic alliances with our clients and suppliers, we have boosted the implementation of inclusion-based businesses, food sourcing systems and healthy lifestyle promotion programs in vulnerable populations. Additionally, the Nutresa Volunteer Network supported multiple projects throughout the strategic region that convened the participation of 11.652 employees.

Furthermore, and in line with its responsible sourcing objective, we used the diverse learnings we have acquired through our social initiatives to enhance the capabilities related to production and associative work of 1.476 suppliers in order to increase their harvests, growing their income and consolidating relations based on trust and teamwork. The Company worked collaboratively with more than 7.961 customers from the value chain, sharing business tools focused on innovation, entrepreneurship and sustainability .

In terms of education, Grupo Nutresa supported 5.645 teachers and academic directors to improve their teaching skills, and contributed to the "Obras por impuestos" initiative in Colombia, investing COP 19.954 million in school supplies.



NATURAL CAPITAL

Over the past decade, a highly important transformation in terms of lifestyles and consumption preferences. As a result, there has been a significant increase in the use of natural resources and the frequency of extreme climate events has also increased. Therefore, it becomes essential to take the necessary measures to reduce the environmental impact of human activities, preserve the biodiversity and promote both people's health and the balance of the ecosystems. As an organization, Grupo Nutresa will continue implementing solutions that allow using natural resources in the most responsible and sustainable manner.

As the decade comes to an end, we are aware that we can contribute to the preservation of the natural capital based on our eco-efficiency capabilities. Particularly in 2020, we underwent a transformation with the aim of overcoming challenges on three important aspects for Grupo Nutresa: packaging materials, the sourcing process and responsible sales. In the case of packaging materials, the use of plastics increased as a result of the special biosecurity measures for the protection of our people; as for the sourcing process, there were difficulties in the procurement of several commodities as a consequence of the preventive lockdown; and in the context of responsible sales, our ability to respond in terms of distribution, logistics and deliveries was challenged and underwent swift changes on multiple fronts.

We fulfilled our 2020 corporate goal of reducing GHG emissions per ton produced by achieving 46,4% in this indicator.

In 2020, we concluded our work towards the goals we established as part of the Mega 2020. In terms of the protection of the natural capital, the following were the results based on the 2010 baseline: greenhouse gas emissions per ton produced, -46,4%; energy consumption per ton produced, -23,5%; waste generation per ton produced, -28,2%; and usage of packaging materials per ton produced, -2,8%. As for water consumption, eliminating the effect of the strategy for taking care of people's health by promoting increased sanitation, hand washing and disinfection at all the production, distribution and commercial facilities, we achieved a reduction of 33,3% per ton produced. These results represent significant progress in Grupo Nutresa's efforts to be an increasingly eco-efficient company and motivates us to fulfill the objectives we set for 2030.

To preserve the natural capital, the Company continued identifying the risks associated with the sourcing of commodities and expanded this process to the dairy chain. Moreover, we advanced in the implementation of the circular economy strategy by means of the collective plan 30/30 Vision in Colombia, as well as other similar initiatives across the strategic region. Additionally, the Organization promoted a culture of responsible consumption internally and boosted cycle-closing initiatives through its brands. In relation to climate change, we keep working on an efficient and clean energy management in all our operations, including the transition to logistics with a reduced environmental impact.



The protection of our employees was the core of our actions. At our production facilities, we ensured the compliance with all the necessary biosecurity measures.

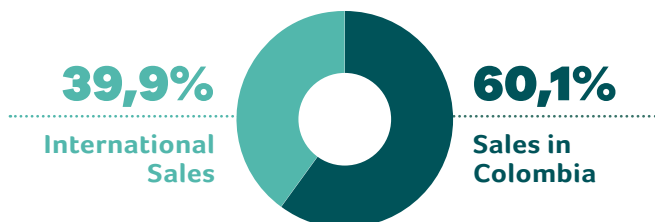
GENERATING VALUE

The Company’s financial results are the result of a business model based on sustainability, consistent investment in the brands and a diversified value proposition in terms of products, experiences, channels and markets. Over the year, we achieved growth in seven of our eight main markets, reinforced the penetration into multiple categories of products for daily consumption at home and strengthened the market share of several products. Seven of Grupo Nutresa’s Businesses grew in terms of sales, with the Coffee, Cold Cuts and Pastas Businesses achieving two-digit increases. Transformation, flexibility and adaptability were key aspects in accomplishing the results we present in this Integrated Report.

Our sales dynamic was positive both locally and internationally as we generated a consolidated operating income of COP 11,1 trillion, with a growth rate of 11,7% compared to 2019. In Colombia,

Highlights

Grupo Nutresa’s sales



Total sales

▲ 11,7%
COP 11,1 trillion

Sales in Colombia

▲ 7,9%
COP 6,7 trillion

the consolidated operating income totaled COP 6,7 trillion, with a growth rate of 7,9%, and represented 60,1% of Grupo Nutresa's total revenue. The international sales, which amounted to COP 4,4 trillion, were 18,1% higher than the equivalent 2019 sales and represented 39,9% of the total revenue. In dollars, these revenues are equivalent to 1.199,7 million, growing 5,0% in relation to the past year.

The gross profit, which totaled COP 4,7 trillion, grew 6,1% with regard to the profit achieved in 2019. This increase is lower than the rise in the revenues for the period, mainly due to the higher costs of the commodities in some countries of our strategic region over the year.

The operating profit reached COP 1,0 trillion, representing a 6,6% improvement compared to 2019. This is the result of consistent work focused on the efficiency and productivity in the administrative, sales and production expenses during a period that required additional efforts to continue with the operation. In terms of profitability, the EBITDA totaled COP 1,4 trillion, representing a 7,2% increase compared to 2019, with a margin on sales of 13,0%.



**Consolidated
net profit**

▲ 14,3%

**COP 575.441
million**

The net post-operative expenses amounted to COP 204.255 million, 9,0% lower than last year's expenses. This is explained by a 7,8% rise in the financial income due to Grupo Nutresa's good cash position over the year and a 6,4% reduction in financial expenses from lower interest rates.

The consolidated net profit of the period was COP 575.441 million, representing a double-digit growth of 14,3% and a 5,2% margin over sales.

In the Statement of Financial Position, the Company reports assets for COP 15,5 trillion, with a decrease of 0,8% in relation to 2019. This reduction is explained by the lower market value of the Organization's investments over the term due to the volatility and uncertainty in the global markets associated with the pandemic.

In terms of total liabilities, Grupo Nutresa recorded a 4,3% increase with a total value of COP 7,3 trillion mainly due to the financial loans taken as a preventive measure for ensuring the Company's liquidity.

The equity amounted to COP 8,3 trillion, presenting a decrease of 4,9% compared to 2019.

International Sales

▲ 5,0%

**USD 1.199,7
million**

EBITDA

▲ 7,2%

**COP 1,4
trillion**

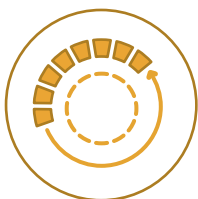
Consolidated market share

53,8%
in Colombia

Dimensions of our strategy



Inspiring growth,
development and
innovation



Cooperating with
people, our partners
and society



Preserving the
planet

In terms of cash flow, the Organization reports positive results with a free cash flow of COP 774.022 million, which represents a growth of 29%, a free cash flow on sales indicator of 7.0% and an indicator of FCF/Net sales of 1.3x. For its part, the return on the invested capital was 9,6%, which reflects an increase of 0,4%.

In 2020, Grupo Nutresa made decisions focused on ensuring a healthy financial situation with adequate liquidity levels in order to take care of the business continuity at all levels of the Organization. We are aware that many suppliers and small companies depend on our financial stability and, consequently, we make the necessary efforts in order to continue creating value over time. This is only possible with the implementation of sustainability capabilities complemented with proactivity, resourcefulness and agility.

GRUPO NUTRESA S. A. INDIVIDUAL RESULTS

In compliance with the Colombian regulations, Grupo Nutresa S. A. reports its individual results: the net operating income totaled COP 585.968 million, from which COP 516.703 million correspond to the profit from the equity method of our investments in food companies and COP 69.265 million correspond to dividends from the investment portfolio. Furthermore, the net profit totaled COP 583.241 million.

GRUPO NUTRESA'S FIRST 100 YEARS AND OBJECTIVES FOR 2030

For Grupo Nutresa, celebrating our 100th anniversary is an exceptional achievement that has been accomplished with the valuable participation of our network of partners and stakeholders. Through multiple strategic initiatives, we attained most of our objectives set for 2020 and made considerable progress towards the fulfillment of the remaining goals. This path has taught us important lessons that enable us to face the future with confidence in our strong capabilities and resilience.

Grupo Nutresa created the map of value for 2030 as the result of collaborative work that included the monitoring, forward planning and vision of the capabilities we require for the next decade and society's expectations. These expectations include the protection and prosperity of people and the communities, the preservation of the ecosystems, the transparency of the institutions and partnerships focused on accomplishing positive outcomes. Within the framework of the three sustainable development dimensions – social, environmental and economic–, the new strategy fosters the growing generation of value by cooperating with our allies and society. Moreover, the strategy also inspires development and innovation while promoting the preservation of our planet.

For further information about the conclusion of the Mega 2020 process and the map of new objectives for 2030, please review the details on pages 42 and 48 of this integrated report and the supplementary information that is available on Grupo Nutresa's website: www.gruponutresa.com.



The Organization is convinced that only together as a collective society we will be able to find solutions and opportunities for building a better future for everyone.

OUTLOOK

Our priority for 2021 will be to ensure our long-term sustainability. We will remain focused on taking care of the life and health of our employees, suppliers, customers, consumers and communities while putting our best efforts and resources at their disposal to fulfill such essential objective. Grupo Nutresa will also continue leading and supporting initiatives centered on benefiting the most vulnerable populations, with the conviction that only together as a collective society we will be able to find solutions and opportunities for building a better future for everyone.

Conclusively, the lessons we learned and the new capabilities we developed in 2020 made us more resourceful, agile and flexible, enabling us to offer timely and relevant solutions to the market and preserve the financial stability of the business.

The Organization will face this new year filled with hope and determination, motivated by new long-term objectives we will strive to accomplish with commitment. Moreover, we are aware that there will be major challenges on the road ahead but we are convinced that we have the best team to overcome them in a conscious, comprehensive and effective manner.

ACKNOWLEDGMENTS

We believe that business activities create value for society as a whole and, consequently, we always aspire to be a driver of progress, growth and sustainable development. This is possible thanks to a team that is highly motivated to fulfill the Organization's purpose.

Throughout such a challenging year, Grupo Nutresa's employees exhibited the highest level of commitment and loyalty. Their disposition and adaptability to change were key factors to be able to undergo the necessary transformations and accomplish important objectives. To every single one of you and your families, we would like to send a sincere message of deep gratitude and acknowledgment.

We would also like to thank our suppliers and clients, who demonstrated remarkable resilience in a complex environment for everyone, as well our consumers who allowed the Company to enter their homes through our products and the experiences we offer.

Finally, we would like to thank our shareholders, who support the Organization's business strategy with conviction and trust. Our commitment to you, and to all the stakeholders, is to continue leading a conscious and competitive organization that generates value over time and actively contributes to the construction of a better world where development benefits everyone.

Mauricio Reina Echeverri

Chair of the Board of Directors

Gonzalo Alberto Pérez Rojas

Jorge Mario Velásquez Jaramillo

Juana Francisca Llano Cadavid

Valeria Arango Vélez

Antonio Mario Celia Martínez-Aparicio

Jaime Alberto Palacio Botero

Ricardo Jaramillo Mejía

Carlos Ignacio Gallego Palacio

Grupo Nutresa CEO





**These have been times
for reflecting and
knowing that we can
be calm if we decide so.**

**Exercise,
particularly yoga,
has allowed us to
work on our mental
and spiritual
aspects, and this
is really necessary
during the times
we're living."**

Beatriz Elena Holguín, Servicios Nutresa employee



Love-strengthening yoga

For the Bustamante Holguín family, hope, the care for life and spirituality are nurtured as a couple. Being together represents wellness.

Beatriz Elena Holguín, Servicios Nutresa employee, clearly understands the ultimate learning gained in 2020: “We can live with less baggage; sometimes we hoard material things and eventually we realize that we don’t need that many things to be happy. The most important silver lining of this pandemic is that it taught me to strengthen the love towards the people I have always kept close to my heart.”

Every day she “goes” to work at the office she designed at her home. In the room next door, as if they were looking at each other through the wall, Juan Carlos Bustamante, her husband “Juancho” sits at his own working station. “The first days of the preventive lockdown were pretty tough, especially while we became adapted to the new way of working, but over time things started falling into place and eventually stabilized. Right now we have already achieved tranquility,” he says.

Part of their balance as a couple has to do with the fact that, during the preventive lockdown, they have embraced new disciplines, taken care of each other and sought moments to feel both physical and emotional wellness as a couple. In the hallway of their apartment, between the spaces of their home working stations and after ending their work days, “Biata and Juancho” lay their yoga mats and start what looks like a dance. **Facing the screen, they coordinate their movements, pauses, balance and breathing. In silence, they delve into the love they have cultivated for twenty-five years.**

Visit our website and discover all the stories that enabled us to take care of people’s life in 2020. [Click here.](#)



Their yoga class is one of the activities available on the wellness platforms that Grupo Nutresa have put at the disposal of its employees and their families in 2020 with the purpose of enabling a balance in their work, family and personal life. These online activities include exercising, pastimes, healthy eating habits, home chores, options for enjoying free time and strengthen the bonds among work colleagues. They are part of Grupo Nutresa's initiative that focuses on promoting good physical, mental and emotional health.

“When Grupo Nutresa launched this wellness platform, we had the chance to rescue our yoga classes and the routines of functional exercises. This is how we replaced our visits to the gym that, due to our different working schedules, we used to do them separately. Fortunately, today we have the time and these tools to keep taking care of our health and lives.”

Juan Carlos Bustamante,
Beatriz Elena Holguín's husband,
Servicios Nutresa employee



During the preventive lockdown, Beatriz and Juan Carlos also participated in costume jewelry and cooking classes on Grupo Nutresa's wellness platforms.



Board of Directors

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



Mauricio Reina Echeverri



Jaime Alberto Palacio Botero



Valeria Arango Vélez



Antonio Mario Celia Martínez-Aparicio



Juana Francisca Llano Cadavid



Ricardo Jaramillo Mejía



Gonzalo Alberto Pérez Rojas



Jorge Mario Velásquez Jaramillo

Average Board Member tenure: 9,7

- 1 Mauricio Reina Echeverri
- 2 Jaime Alberto Palacio Botero
- 3 Valeria Arango Vélez
- 4 Antonio Mario Celia Martínez-Aparicio
- 5 Juana Francisca Llano Cadavid
- 6 Ricardo Jaramillo Mejía
- 7 Gonzalo Alberto Pérez Rojas
- 8 Jorge Mario Velásquez Jaramillo

1 2 3 4 7

Finance, Audit and Risks Committee

1 4 7 8

Appointment and Remuneration Committee

1 2 6 8

Corporate Governance and Board Matters Committee

1 4 5 7 8

Strategic Planning and Sustainability Committee

● Independent Members

● Non-Independent Members

1

Mauricio Reina Echeverri

2007*

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

Oleoducto Central S. A. (Ocensa).

2

Jaime Alberto Palacio Botero

2005*

CEO, Coldeplast S. A. S. and Microplast S. A. S.**❖ PRIOR EXPERIENCE**

Associate Executive Director, Microplast S. A.
Member of the Board of Directors of Inversiones Forestales La Cabaña S. A. S.

❖ 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

Colombian Association of Plastic Industries, Acoplásticos.

4

Antonio Mario**Celia Martínez-Aparicio**

2005*

Visiting lecturer (currently active) at the 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 Education Foundation (ExE), La Cueva Foundation, Fedesarrollo Board of Governors, "Ideas para la Paz" (Ideas for Peace) Foundation, Barranquilla Modern Art Museum, Honorary Member of the Private Council for Competitiveness.

3

Valeria Arango Vélez

2020*

Physician specialized in integrative medicine**❖ ACADEMIC BACKGROUND**

Medical degree, Universidad CES.
Specialized studies in Integrative Medicine, University of Arizona.

Studies in Integrative Medicine, Harvard Medical School, Massachusetts General Hospital, Memorial Sloan Kettering Cancer Center, New York.

5

Juana Francisca Llano Cadavid

2020*

CEO, Suramericana S. A.**❖ PRIOR EXPERIENCE**

Vice-President, Suramericana S. A.
Corporate Business Manager, Suramericana de Seguros S. A.
Equity Solutions Manager, Suramericana de Seguros S. A.

❖ ACADEMIC BACKGROUND

Law Degree, Universidad Pontificia Bolivariana. Specialized studies in Civil Liability Law, Universidad Pontificia Bolivariana. Specialized studies in Financial and Business Law, Universidad Pontificia Bolivariana. Advanced Management Program, Massachusetts Institute of Technology (MIT).

❖ OTHER BOARDS

Seguros Generales Suramericana S. A., Seguros de Vida Suramericana S. A.

6

Ricardo Jaramillo Mejía

2020*

Vice-President of Business Development and Finance, Grupo de Inversiones Suramericana S. A.**❖ PRIOR EXPERIENCE**

Investment Banking Executive Director, Bancolombia.

❖ ACADEMIC BACKGROUND

Degree in Civil Engineering, Escuela de Ingeniería de Antioquia.
Master's Degree in Business Administration focused on finance, Boston University.
Executive Education Courses, University of Chicago, Harvard University.

❖ OTHER BOARDS

Suramericana S. A., Sura Asset Management S. A., Arus S. A. S., Renting Colombia S. A., Medellín Philharmonic Orchestra, EIA University.

8

Jorge Mario Velásquez Jaramillo

2019*

CEO, Grupo Argos S. A.**❖ PRIOR EXPERIENCE**

CEO, Cementos Argos S. A.
Vice-President for the Caribbean Region, Argos.
Vice-President of Logistics, Argos.
CEO, Cementos Paz del Río.
General Manager, Cementos del Nare.

❖ ACADEMIC BACKGROUND

Degree in Civil Engineering, Escuela de Ingeniería de Antioquia. Specialized studies focused on the cement industry, England. Participated in CEO's Management Program offered by the Kellogg School of Management and in Stanford University's Supply Chain Strategies program. High Government Program, School of Government, Universidad de los Andes.

❖ OTHER BOARDS

Grupo Sura S.A., Cementos Argos S.A., Odinsa S.A., Celsia S.A. E.S.P., EIA University's Board of Governors, ANDI, Proantioquia.

7 Gonzalo Alberto Pérez Rojas

2007*

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

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

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

Management Team

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

The Management Team ensures the Organization has the necessary capabilities to guarantee sustainable and profitable growth.



Carlos Ignacio Gallego Palacio Chief Executive Officer

Prior Experience

- President of the Chocolates Business.
- Vice-President of the South Strategic Region.
- President, Servicios Nutresa.
- General Director, Fundación Nutresa.
- Industrial Vice-President, Compañía

Nacional de Chocolates S. A. S.

Academic Background

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

José Domingo Penagos Vásquez Vice-President of Corporate Finance

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 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.



María Adelaida Arango Hoyos Vice-President of Sustainable Development General Director, Fundación Nutresa.

Prior Experience

- Cross-Organizational Marketing Project Director, Grupo Nutresa.
- Marketing Director of the Cold Cuts Business.

Academic Background

- Degree in Business Administration, Universidad Eafit.
- Master's Degree in Marketing, Distribution and Consumption, Universidad de Barcelona.



• BUSINESS UNITS TEAM



Juan Mauricio Montoya Correa President, Servicios Nutresa.

Prior Experience

- Financial Service and Information Technology Manager, Servicios Nutresa.
- Administrative and Financial Manager of the Pastas Business.
- Systems Development Director, Compañía Nacional de Chocolates.

Academic Background

- Degree in Systems Engineering, Universidad Eafit.
- Specialized studies in Finance, Universidad Eafit.

• BUSINESS UNITS TEAM



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. S.
- Procurement Manager, Compañía de Galletas Noel S. A. S.

Academic Background

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



Diego Medina Leal
President, Cold Cuts Business
Vice-President of Logistics

Prior Experience

- Vice-President of Finance, Inverlimenticias 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.



Juan Fernando Castañeda Prada
President, Chocolates Business
Vice-President of Marketing and Sales - Redes Comerciales Secas.

Prior Experience

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

Academic Background

- Degree in Production Engineering, Universidad Eafit.



Miguel Moreno Múnera
President, Coffee Business

Prior Experience

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

Academic Background

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



Justo García Gamboa
President, Tresmontes Lucchetti
Vice-President of the Chile and Mexico Strategic Region

Prior Experience

- Chief Executive Officer, Tresmontes Lucchetti S. A.
- Commercial Department Leader, Tresmontes Lucchetti S. A.

Academic Background

- Degree in Commercial Engineering, Universidad Adolfo Ibáñez.
- Degree in Administration, Universidad Federico Santa María.



Juan Chusán Andrade
President, Retail Food Business

Prior Experience

- General International Business Manager, Gastronomía y Negocios (GyN).
- New Business Director and CEO, Brasil YUM Brands.
- Consultant, McKinsey & Co.

Academic Background

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



Mario Alberto Niño Torres
President, Ice Cream Business
Vice-President of Innovation and Nutrition

Prior Experience

- Chief Executive Officer, Meals de Colombia S. A. S.
- Chief Financial Officer, Meals de Colombia S. A. S.
- Marketing Manager, Meals de Colombia S. A. S.

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, Pastas Business

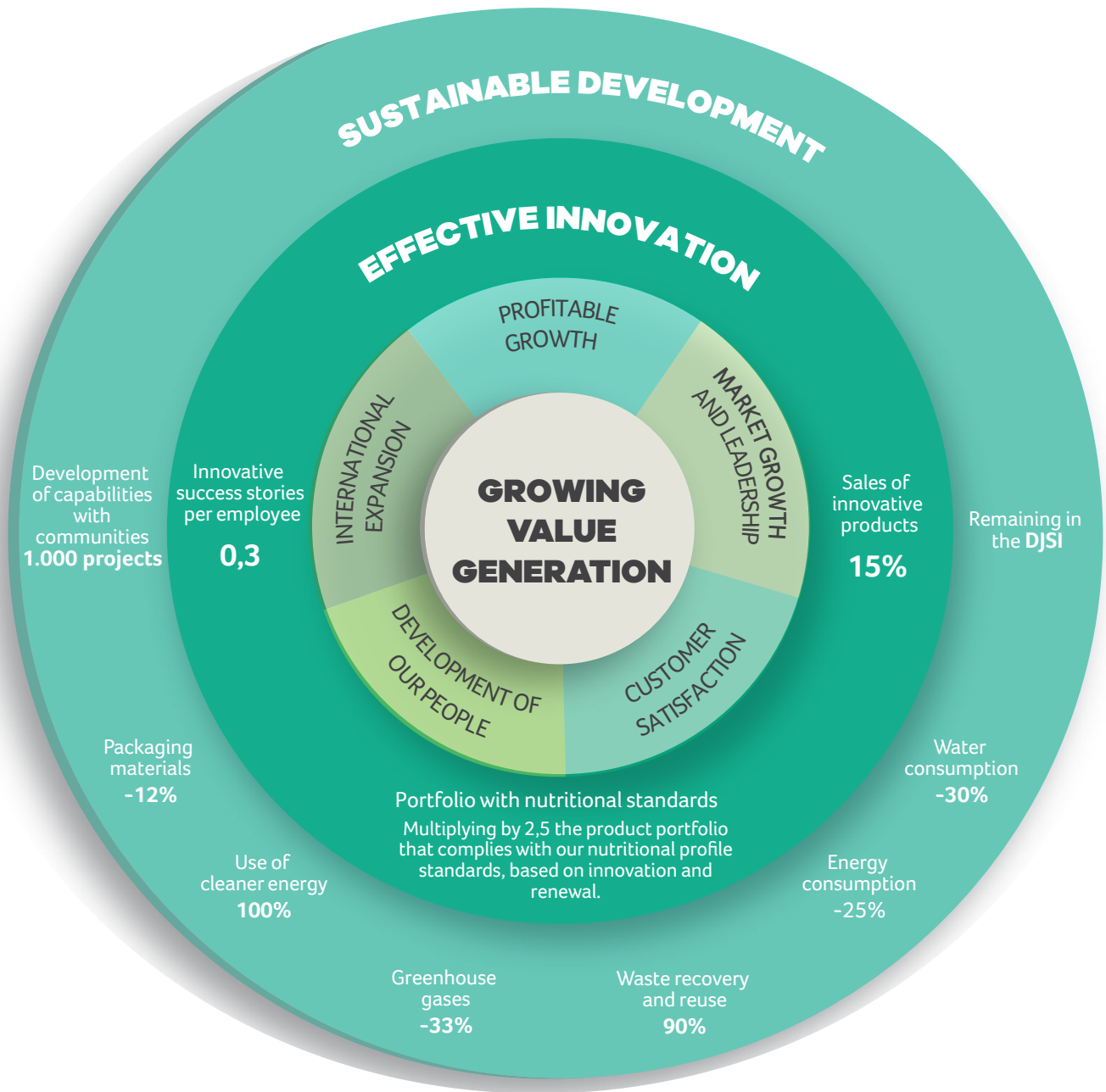
Prior Experience

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

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.

Fulfillment of the Strategic Goals for 2020



Strategic goals of our first century

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

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

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

MEGA 2020

Doubling
 our
sales
 2013

Mission

Grupo Nutresa's mission is the increasing generation of value, achieving a greater return on investments than the cost of the capital used.

- In its food businesses, Grupo Nutresa always strives to **improve the quality of life of the consumers and the progress of our people**.
- Grupo Nutresa seeks **profitable growth with leading brands, a superior service and excellent distribution networks**.
- Grupo Nutresa manages its activities based **on its commitment to sustainable development**, with the best human talent, outstanding innovation and an exemplary corporate behavior.



Economic Dimension

Fulfillment of the MEGA

▶ Doubling our 2013 sales by 2020 (COP trillion)

Goal: 11,8

2020: 11,1

- » Venture into the restaurant sector with the acquisition of *Grupo El Corral*, thus strengthening the strategy of actively participating in this business line.
- » Majority share in the natural product market, increasing the capacity of healthy and functional food products in terms of production and commercialization.
- » Consolidated market share in Colombia greater than 54,0% between 2010 and 2020.

▶ Sales of innovative products

Goal: 15%

2020: 19,6%

- » Investment in R&D+i greater than 0,5% between 2010 and 2020, going from COP 22.457 million in 2010 to COP 69.790 million in 2020.
- » Average sales of innovative products equivalent to 20% of the Company's total sales for the 2010-2020 decade.
- » Promotion of innovation through employee training and sustained increase of innovation promoters from 100 in 2010 to 456 in 2020.

▶ Sales abroad (USD million)

Goal: 2.000

2020: 1.200*

- » International expansion to Mexico and Chile with the acquisition of *Tresmontes Lucchetti* and to the United States with *Cameron's Coffee*, increasing the overall business capacity in the strategic region.
- » Venture into Asian markets with *Oriental Coffee Alliance* (OCA) in Kuala Lumpur (Malaysia) and African markets with *Nutresa South Africa* (PTY) Ltd. in Johannesburg (South Africa).
- » Expansion of the portfolios in the strategic region, which allowed increasing the sales abroad from USD 645 million in 2010 to USD 1.200 million in 2020.

* Effect of the depreciations in the region and Venezuela.



▶ Innovative success stories per employee

Goal: 2020: 0,3

2020: 0,23

- » Strengthening of an innovative culture with people passionate about innovation and based on the *Imagix* program.
- » With the Innovative Success Stories Program, the number of innovative success stories increased almost four-fold and the indicator rose from 0,07 to 0,23 success stores per employee.

▶ Multiplying by 2,5 the number of product portfolio SKUs that comply with the Nutresa nutritional profile

Goal: 3.140 SKUs

2020: 3.144 SKUs

- » The goal set in 2013 of doubling the number of product portfolio SKUs that comply with the Nutresa nutritional profile was accomplished in 2015. A new goal was set: multiplying by 2,5 our 2013 portfolio SKUs; it was achieved in 2019, and 2020 was closed with 3.144 SKUs out of an objective set at 3.140.
- » Creation of an internal nutrition panel formed by experts from the fields of product development, nutrition, marketing and the scientific community.
- » Nutrition policy focused on offering the consumers product and menu alternatives that fulfill their aspirations in terms of nutrition, health and well-being.
- » Consolidation of 482 product reformulations over the past five years: 219 sodium reformulations, 124 sugar reformulations and 57 saturated fat reformulations.
- » Strengthening of the nutrition and well-being segment with the incorporation of healthy and sustainable products such as *Doria with Nutrivit*, *Kibo* and *Tosh*.
- » Diversification with vegetable-based proteins such as *Pietrán's Veggie*, *Doria's quinoa* products and *Kibo*.

▶ Customer satisfaction level

Goal: Maintaining the level of excellence

2020: 89,7

- » Strengthening and development of the School for Customers, which has provided training to more than 1.000 shopkeepers and supplied differentiating elements, enabling them to adapt to the new conditions of the business setting and continue being sustainable and competitive in the market.
- » Expansion of the scope of the program with the Mobile School initiative, with customers from the traditional channel in Colombia. The purpose consisted in reaching distant populations and having an impact on a larger number of people.

▶ EBITDA margin

Goal: between 12% and 14%

2020: 13,0%

- » Consolidated EBITDA of COP 1.444.000 million, with a 13,0% margin on sales.
- » Execution of productivity and efficient resource management projects that allowed maintaining an average EBITDA of 12,6 over the decade.



Social Dimension

Fulfillment of the MEGA

Accident frequency rate

Meta fijada: 1,40

2020: 0,79

- » Employment reinstatement and relocation programs for enhancing the productivity and quality of life of employees suffering from pathologies that limit their job performance.
- » Creation of a technical committee focused on measuring, monitoring and reporting the performance in the occupational safety and health indicators.
- » Ten companies certified under the ISO 45001 standard and four companies under the OHSAS 18001 standard.



Organizational climate

Goal: 80,0 %

2020: 83,0%

- » Investment in quality of life, training and aids for employees totaling COP 116.698 million.
- » Sustained top ratings in terms of the capacity to attract and build the loyalty of talent in Colombia.
- » Top company in the food sector in terms of talent attraction and loyalty-building in Colombia according to Merco's 2019 Talent ranking.



Capability-development projects in communities

Goal: 1.000 projects

2020: 1.029 projects

- » Work carried out with more than 242.000 of Novaventa's Entrepreneurs with the aim of enhancing their business capabilities.
- » Process focused on strengthening the production, socio-entrepreneurial and associative work capabilities of 1.476 suppliers.
- » Inclusion-centered projects carried out with more than 20.000 cocoa, sesame, cashew and coffee farming families, farmers and technicians through capability-development programs in the territories.



Environmental Dimension

Fulfillment of the MEGA

Water consumption (m³/t.p.)

Goal: -30%

2020: -33,3%

- » Adherence to the United Nations CEO Water Mandate with the aim of mobilizing the stewardship of water resources and allowing the monitoring of water usage by the stakeholders.
- » Policies, action plans and follow-up programs for eco-efficiency and the sustainable use of water resources.
- » Strategy focused on working with the value chain and ensuring the responsible use and stewardship of water. The goal was fulfilled by achieving a 31,4% reduction in 2019, and 2020 was closed with a 33,3% reduction rate.



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

Goal: -12%

2020: -2,8%

- » Implementation of the Design-to-Value methodology, which allowed reducing the use of packaging materials by 2.816 tons through eco-design initiatives.
- » Creation of a packaging materials task force in 2018 formed by representatives from all of Grupo Nutresa's business units with the purpose of identifying, prioritizing and assessing the feasibility of the most sustainable cycle-closing alternatives.

Sludge-less waste recovery and reuse

Goal: 90,0%

2020: 90,0%

- » Creation of the "Retoma" (Retake) and "Ver de Vuelta" (Take them back) programs, which allow giving the post-consumption packaging materials value by transforming them into school furniture that was donated to education institutions across the country with the aim of supporting children's education process.

Use of cleaner energy

Goal: 100%

2020: 98,6%

- » Process focused on transitioning to cleaner energies and replacing all equipment units in Colombia to achieve a primary operation based on natural gas and electricity.
- » Replacement of all the coal used with natural gas in 2012. This action allowed achieving a reduction of 6.700 tons of CO₂ per year.
- » In 2020, the only equipment units in Colombia that use non-renewable fuels other than natural gas are the ones used in case of emergency.
- » In 2020, the energy used by Grupo Nutresa comes from renewable sources, including more than 2,4 GWh from solar power, 100,7 GWh from biomass such as coffee and tea grounds and 204,5 MWh of renewable electric power.

Greenhouse gases (CO₂ eq./t.p.)

Goal: -33%

2020: -46,4%

- » Formulation of a climate change policy with the purpose of identifying, assessing and including in the corresponding strategy the effects of global warming.
- » Adjustment in 2020 of the organizational strategy in order to incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- » Development and publication of the Clean Transport Handbook with the aim of motivating other companies to preserve the environment and offering technical tools to the transporters for the adequate use of resources in relation to fossil fuels and vehicle driving.
- » Four carbon neutral brands that offset more than 35.000 tons of CO₂ eq. per year.

Energy consumption (kWh/t.p.)

Goal: -25%

2020: -23,5%

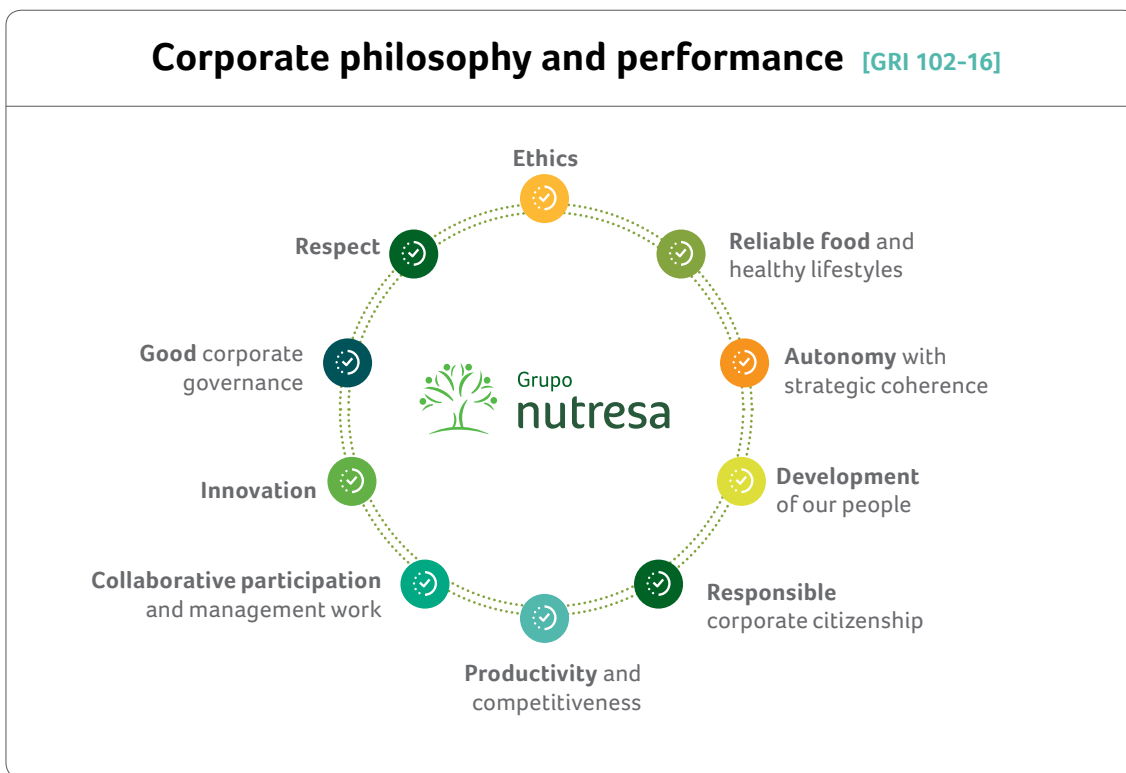
- » Execution of technological overhauling projects, equipment update, energy audits and optimization processes. The following are some examples that stand out: automation of control systems, heat exchangers, speed shifters, installation of saving devices and improvements to the lighting systems; all of which allowed a reduction of 23,5% in the usage of thermal energy and electric power.
- » Venture into the off-grid systems in the Pastas and Chocolates Businesses, enabling the Organization to self-supply with reliable and sustainable energy.

Sludge-less waste production

Goal: -20%

2020: -28,2%

- » Implementation of integrated solid waste management programs at all of Grupo Nutresa's production plants, distribution centers, office facilities and restaurants.
- » Formulation of the policy for managing the loss and waste of food.
- » Implementation of processes for measuring, reducing and reporting the progress achieved in the initiatives.



Differentiators of our business model



OUR PEOPLE

83,0%

Organizational climate at a level of excellence

Grupo Nutresa promotes participative environments, the development of skills focused on both being and doing, the acknowledgment of achievements, the construction of a brand of leadership and a balanced lifestyle for our people.



OUR BRANDS

19 brands

with sales over USD 50 million

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



OUR CAPABILITIES

1.565.345
clients

Grupo Nutresa's broad distribution network and market entry capabilities, with a product offer that is organized by channels and segments and with specialized service teams, allow us to have an excellent product availability in terms of frequency, as well as close relationships with our customers.

Our strategy for 2030

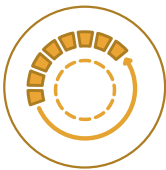
For Grupo Nutresa, celebrating its 100th anniversary is an exceptional achievement that has been accomplished with the valuable participation of its employees, its network of allies and its stakeholders. Thanks to its collaborative work alliances, the Organization fulfilled many of its strategic goals. Another value added of this journey was the knowledge gained through the learning process, as it paves the way for one more century.

In the light of the expectations about the new decade, Grupo Nutresa created its map of value for

2030 within the framework of the three sustainable development dimensions. The strategy enhances the cooperation with people, our allies and society; encourages the inspiration for development, growth and innovation; and promotes the preservation of our planet.

To fulfill the proposed goals, the Organization will keep strengthening the stakeholder support networks, being aware of the importance of generating shared value, building trust-based relations and reaching common agreements that enable us to maintain our higher purpose of ensuring that sustainable development benefits everyone.

Dimensions of our strategy



Inspiring growth, development and innovation



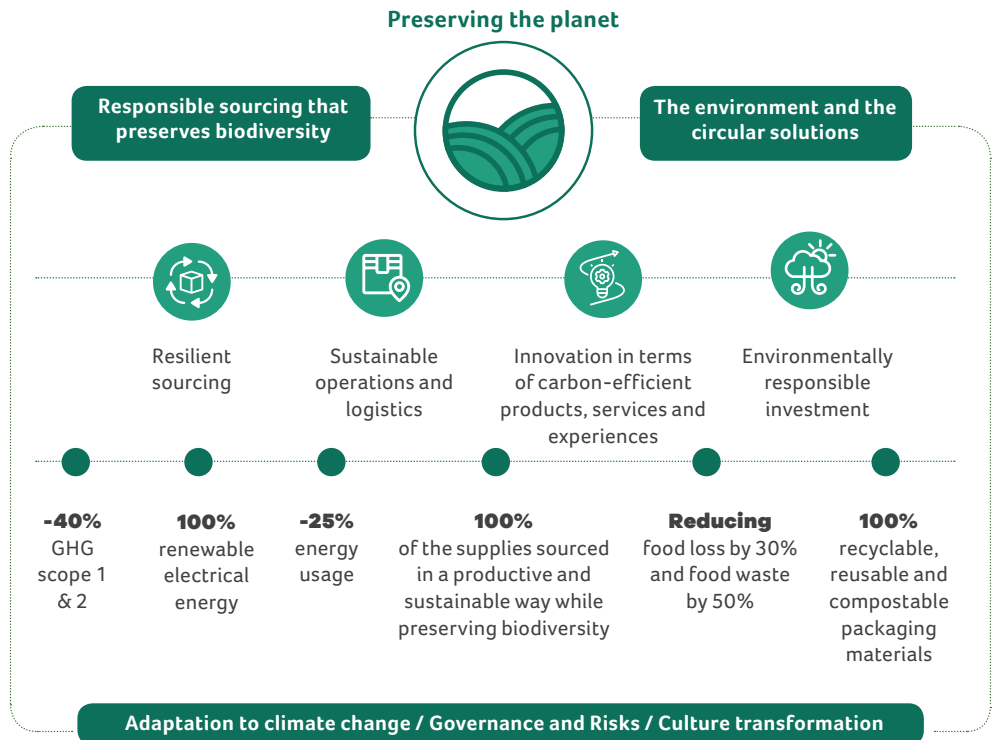
Cooperating with people, our allies and society



Preserving the planet

Commitment for 2030 in terms of the mitigation of climate change

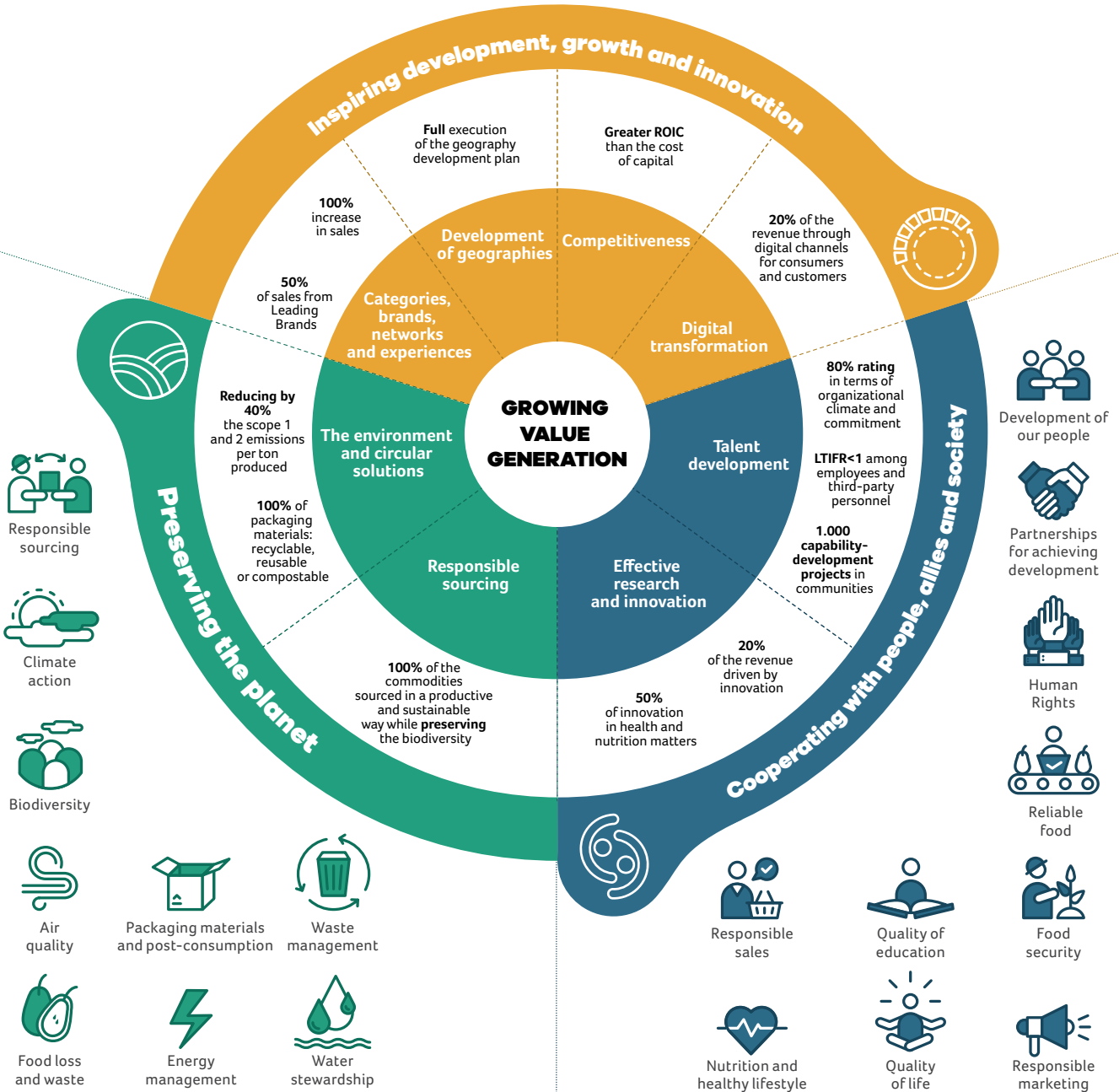
Grupo Nutresa **recognizes the reality of climate change**, which is why we are committed to leading diverse actions across our entire value chain. The purpose of these actions is to allow reducing the emissions of greenhouse gases, increasing the productivity of natural resources, implementing climate change adaptation measures and enabling the regeneration of the ecosystems with the aim of preserving biodiversity and inspiring change towards a better world.



Find out more about our strategy for 2030



Material topics



Material topics



SDGs

Material topics



SDGs

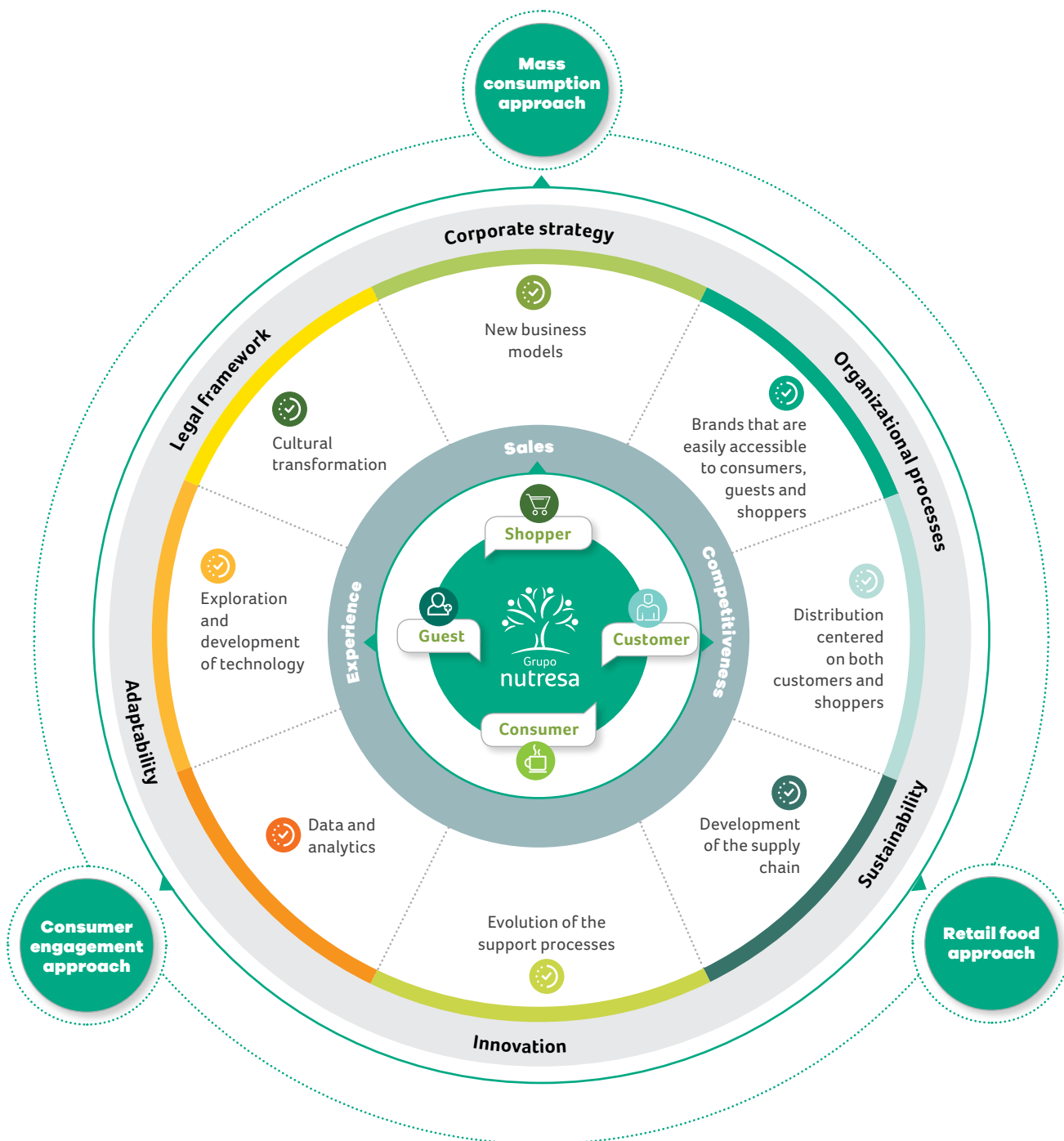
Digital transformation

For Grupo Nutresa, digital transformation represents a strategy focused on enhancing the necessary capabilities for contributing to its sustainable growth and continued innovation. It is also a corporate capacity that enables the fulfillment of the Organization’s goals for 2030.

The development of relevant and attractive digital services for the stakeholders, particularly customers,

consumers and shoppers, boosts the sales growth, the improvement of the Company’s competitiveness and its creation of unique and memorable experiences.

This transformation is applicable to all the organizational processes as it is based on the following pillars: exploration of new technologies, development of capabilities, market entry evolution, talents and culture-related capabilities.



Digital transformation progress achieved in 2020



Exploration of new technologies

- » Identification of the fourth industrial revolution technologies in line with the business models: 3D printing, artificial intelligence (machine learning, robotic process automation –RPA–, chatbots, predictive analytics), blockchain and the internet of things (IoT). Grupo Nutresa developed cases of use for understanding these technologies and incorporating them into all its Businesses. In a learning hubs model, the employees learn by solving actual problems from their processes.
- » During the New Technologies Convention, the Organization worked on raising the awareness of its teams and enhancing their knowledge. The Company also organized 81 events, 12 of which were headlined by external speakers, with a total of 4.136 local attendees and more than 100 external attendees.



Development of capabilities

- » Strategic approach of the work focal points and the management drivers: incremental sales, increase in competitiveness and improvement to the experience of customers, shoppers, shoppers and guests.
- » Deployment of a digital strategy and experience team in charge of leading the development of the digital transformation, fostering and boosting the digital services and the negotiation, as well as coordinating multiple digital market-entry channels, particularly customers and consumers.



Market entry evolution

- » Identification and definition of the commercial/digital ecosystem with the aim of addressing the needs of the stakeholders. The Organization made progress in the identification and development of the necessary capabilities for approaching this ecosystem, including the establishment of alliances and the exploration by means of pilot trials.



Talent and culture capabilities

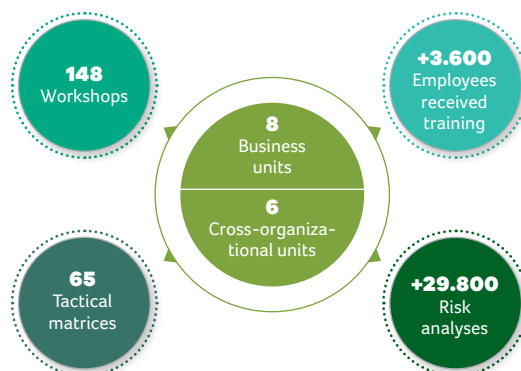
- » Design and implementation of specific sales and marketing strategies for the digital environment with the objective of improving the brands' positioning and equity.
- » Development of internal capabilities, training provided to the commercial teams and strengthening of the relations with both customers and suppliers from the digital sales channels and media.
- » The leaders work on incorporating adaptability elements, a higher level of sensitivity to controlled experimentation and the development of the necessary leadership features for this new scenario. Grupo Nutresa has mapped and executed digital reskilling and upskilling processes, as well as new technology processes, throughout the entire Organization.

Comprehensive risk management and main business risks

Risk assessment

The Company made progress in the adoption and consolidation of the methodology focused on managing risks, trends and opportunities, which was used as input for the formulation of Grupo Nutresa's strategic plan for 2030.

In addition, the incorporation of the system has facilitated its implementation at all levels in the Organization with a higher level of autonomy by the Businesses in the execution of exercises for assessing and monitoring strategic, operational, financial, climate and nature-related risks. In 2020, such exercises included the analysis of both the negative and positive impact of COVID-19 on the 23 corporate risks and their related risks.



Main risks *

Mitigating actions

Volatility in commodity prices and exchange rates.

- » Management of the risks associated with the process variables performed by a specialized team and committees formed by both internal and external members.
- » Coverage policies with defined risk levels and limits, adjusted to the dynamics of the market.
- » Highly trained human talent team dedicated to monitoring and negotiating commodities and exchange rates.
- » An automated hedging process that allows having real-time information and keeping the

scenarios updated for the decision-making process.

- » Permanent exploration in search for new opportunities and models for 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.

- » Leading brands that are highly recognized and appreciated.
- » Memorable and differentiated experiences for consumers, shoppers and clients, with an excellent price-value ratio.
- » Broad distribution network with value propositions differentiated by customer segment.
- » High levels of client satisfaction and loyalty.
- » Development and enhancement of organizational capabilities focused on the market needs.

- » Constant monitoring of trends for identifying opportunities and using the related information as input for the strategy of the Businesses.
- » Brands and Networks Management Model based on the deep and integrated understanding of the market: consumers, shoppers and customers.
- » High-value innovation and portfolio differentiation.
- » Profitable market development based on consumer segmentation.

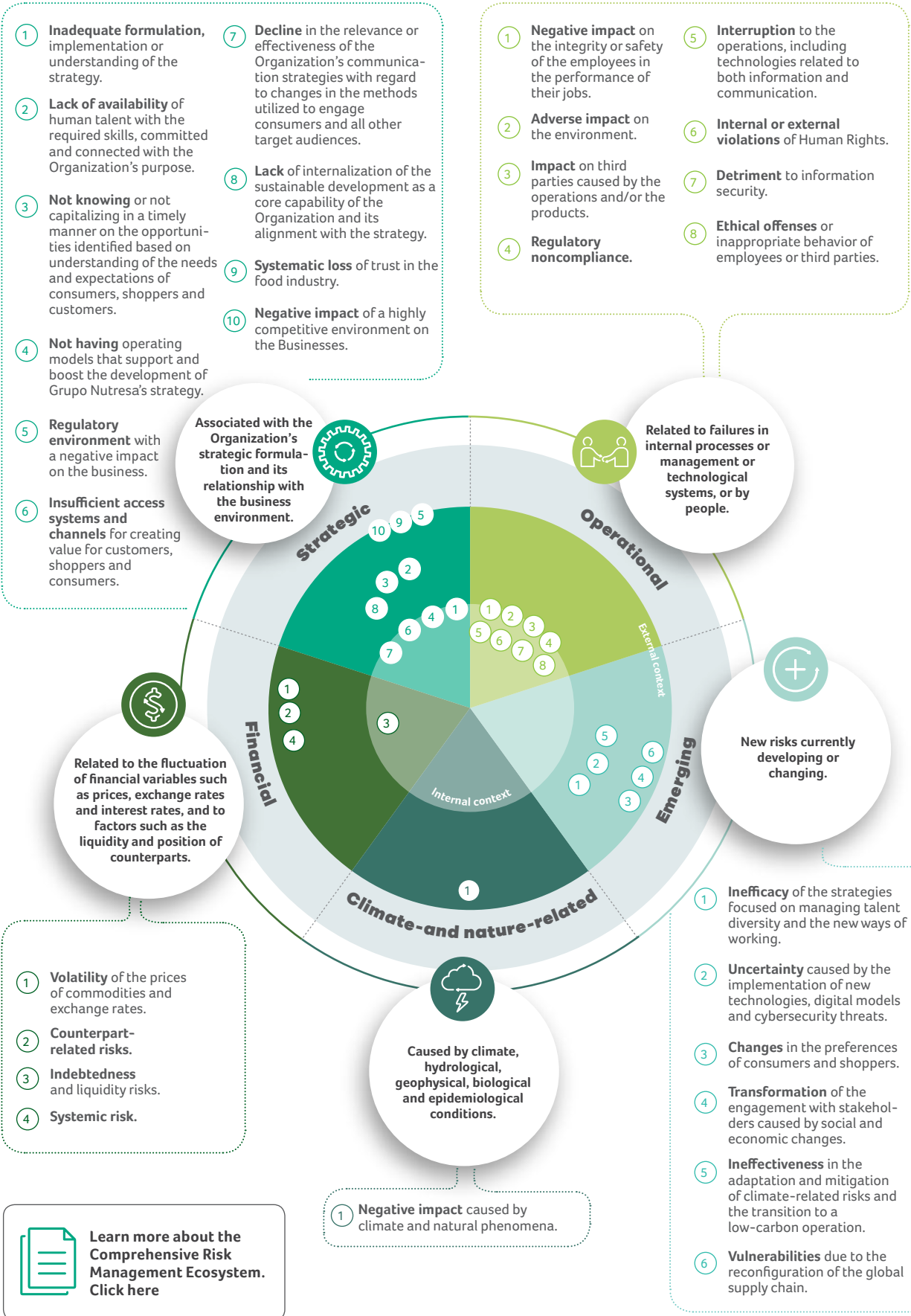
Regulatory environment with a negative impact on the business.

- » Continuous monitoring of the Company's business environment with the aim of adopting a proactive stance regarding possible shifts in regulations and ensuring regulatory compliance.
- » Involvement in the discussion about public policies and their formulation.
- » Adoption of Grupo Nutresa's healthy lifestyle policy.
- » Understanding of the needs of the communities and their health and nutrition issues with the aim of contributing with alternative solution proposals.

- » Development of health and nutrition research that allows improving the quality of life of the population through innovative food propositions.
- » Support and participation in programs that promote healthy lifestyles.
- » Production and management of knowledge about food, eating habits and nutrition at Vidarium: nutrition, health and well-being research center.

*In the short term, the risk of an adverse impact on the integrity or safety of the employees during the performance of their jobs has gained an important relevance due to the crisis caused by the COVID-19 pandemic. Multiple actions were taken to manage this risk, always with the care for people's health and life as the main priority. See detailed information on this matter at page 19.

Corporate risks



- 1 Inadequate formulation, implementation or understanding of the strategy.
- 2 Lack of availability of human talent with the required skills, committed and connected with the Organization's purpose.
- 3 Not knowing or not capitalizing in a timely manner on the opportunities identified based on understanding of the needs and expectations of consumers, shoppers and customers.
- 4 Not having operating models that support and boost the development of Grupo Nutresa's strategy.

- 7 Decline in the relevance or effectiveness of the Organization's communication strategies with regard to changes in the methods utilized to engage consumers and all other target audiences.
- 8 Lack of internalization of the sustainable development as a core capability of the Organization and its alignment with the strategy.
- 9 Systematic loss of trust in the food industry.
- 10 Negative impact of a highly competitive environment on the Businesses.

- 1 Negative impact on the integrity or safety of the employees in the performance of their jobs.
- 2 Adverse impact on the environment.
- 3 Impact on third parties caused by the operations and/or the products.
- 4 Regulatory noncompliance.

- 5 Interruption to the operations, including technologies related to both information and communication.
- 6 Internal or external violations of Human Rights.
- 7 Detriment to information security.
- 8 Ethical offenses or inappropriate behavior of employees or third parties.

- 1 Volatility of the prices of commodities and exchange rates.
- 2 Counterpart-related risks.
- 3 Indebtedness and liquidity risks.
- 4 Systemic risk.

- 1 Inefficacy of the strategies focused on managing talent diversity and the new ways of working.
- 2 Uncertainty caused by the implementation of new technologies, digital models and cybersecurity threats.
- 3 Changes in the preferences of consumers and shoppers.
- 4 Transformation of the engagement with stakeholders caused by social and economic changes.
- 5 Ineffectiveness in the adaptation and mitigation of climate-related risks and the transition to a low-carbon operation.
- 6 Vulnerabilities due to the reconfiguration of the global supply chain.

1 Negative impact caused by climate and natural phenomena.

Business model

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

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



64
Supplier development projects



197
Farms and plantations



COP 26.989 million
Social investment in suppliers



40,2%
Purchases of local commodities



Logistics related to commodities



Gestión Cargo



Operation



Biscuits



Cold Cuts



Chocolates



Coffee



Retail Food



Tresmontes Lucchetti



Pasta



Ice Cream



45
Production plants



45.861
Employees



19
Brands with sales over USD 50 million



29
ISO 14001-certified processing centers



1.011.364
Hours of training



12.636
Performance assessments



Distribution and commercialization



Comercial Nutresa



Novaventa



La Recetta



Atlantic Food Service



Operar Colombia



9.453
Vendedores



124
Distribution centers



COP 35.813 million
Social investment in customers



Retail Food



325
Restaurants



497
Ice cream shops

STRATEGIC SUSTAINABILITY PRIORITIES



Promoting a healthy lifestyle

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



Managing the value chain responsibly

Comprehensive development of our 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 our products in the market.



Building a better society

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



Reducing the environmental impact of the operations and products

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



Acting with integrity

Leadership 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 Grupo Nutresa's operation.



Fostering profitable growth and effective innovation

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

RESULTS



3,144 Product items fulfill the Nutresa nutritional profile.



23,3% Sales of products with reduced critical components



0,8% Sales of products with increased nutritional components



362.631 Customers Benefited from capability-development programs



45,5 (kg/Hdl) Productivity



83,0% Organizational climate



1.476 Small Farmers trained in socio-entrepreneurial matters



1.029 Capability-development projects (2013-2016)



-23,5% Energy consumption reduction*



-33,3% Water consumption reduction*



-46,4% Greenhouse gas emission reduction*
*Reductions based on the 2010 baseline in Colombia.



Ten consecutive years included in the Dow Jones Sustainability World Index



Eight consecutive years receiving the Investor Relations "IR" acknowledgment



COP 11.128.000 million in total sales



COP 1.444.000 million EBITDA



53,8% Market share

OUTPUT



Food production*

1.194.347 Tons produced*

905,36 GWh of energy used*

2,6 millions of m³ of water used*

133.240 tons of CO₂ eq GHG emissions*

* Data from United States, Mexico, Costa Rica, Dominican Republic, Panama, Colombia, Peru and Chile. The data for Colombia does not include the operations of Cameron's Coffee and Naturela.

- o Meat products
- o Vegetable protein
- o Vegetable products
- o Milk modifiers
- o Hot chocolate products
- o Chocolate confectionery products
- o Nuts
- o Coated cookies
- o Cereal bars
- o Sweet and savory biscuits
- o Baked snacks
- o Regular and water-based ice cream products
- o Fruit-based beverages
- o Jelly products
- o Infusions (herbal
- o tea products)
- o Sports drinks
- o Coffee
- o Instant mix products
- o Classic and stuffed pasta products
- o Flavored pasta products and specialties
- o Pasta with sauce or instant pasta products
- o Juices and nectars
- o Soups, cream-style soups and broths
- o Potato chips
- o Prepared products of vegetable origin
- o Soft capsules and gums
- o Fish and shellfish



Distribution and commercialization

184,4 GWh Energy consumption in distribution operations**

47.285 tons of CO₂ eq. GHG emissions from distribution operations**

**The data for Colombia does not include the operations of Cameron's Coffee and Naturela.

- o Storage
- o Distribution
- o Sales



Retail Food Business

16.315.618 Main courses sold***

8.684 tCO₂e GHG emissions***

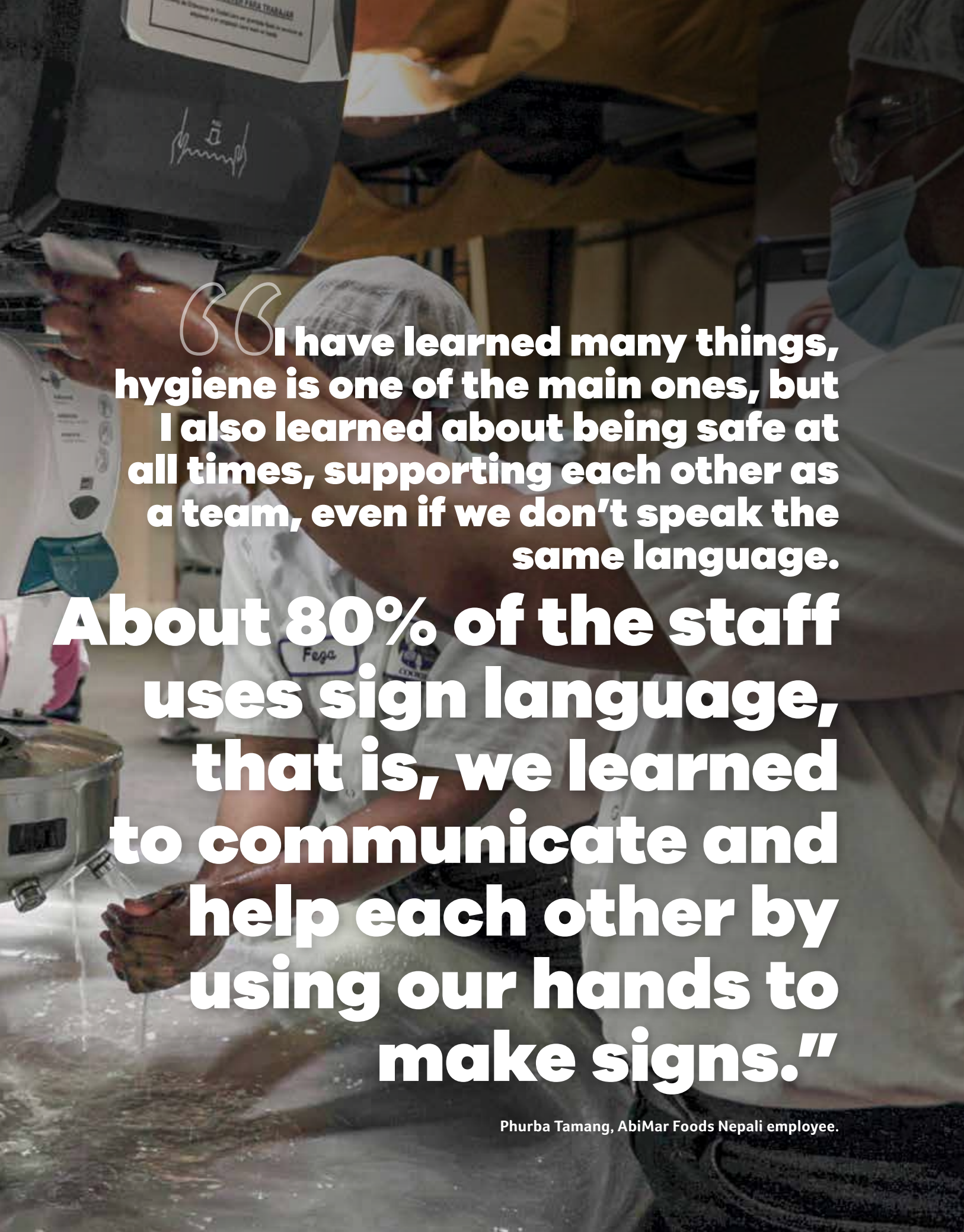
49,12 GWh Energy consumption***

123,0 miles de m³ Water consumption***

*** Data for Colombia.

- o Burger bars
- o Pizzerias
- o Steakhouses
- o Ice cream shops
- o Experience shops





“I have learned many things, hygiene is one of the main ones, but I also learned about being safe at all times, supporting each other as a team, even if we don't speak the same language.

About 80% of the staff uses sign language, that is, we learned to communicate and help each other by using our hands to make signs.”

Phurba Tamang, AbiMar Foods Nepali employee.



A pact for life

In AbiMar Foods, the COVID-19 pandemic drove the creation of a language of care that speaks to everyone equally.

AbiMar Foods's biscuit production plant in Abeline, Texas, United States, is the space where many immigrants and refugees have felt once again a sense of community, reconnected with life and with the sense of service. Some of them do not speak English and, even though the Company provides tools to become familiarized with the language, during the beginning of the COVID-19 pandemic, it was urgent to share information in their native languages to guarantee their care and protect their health.

The communication challenge was addressed with a pact for life devised by all of them. This was materialized through a program focused on supporting them by using their own languages: Swahili, Kinyarwanda, Kirundi, Luganda, Arabic, French, Spanish and English. "They all signed the pact. The intention was to establish the biosecurity protocols, making sure they had all the necessary information to take care of themselves, their colleagues at work and their families at home. Additionally, through the pact, we communicated the measures taken by the city; for instance, when the overall lockdown was ordered," explains Steve Brown, Operations and Production General Manager.

The care they receive from AbiMar Foods also reaches their families: "I learn something here and I teach my children what they have to do, and I believe that if we do so, we won't get ill," says Bibiche Ntambwe, Congolese employee. The company also relied on the support from interpreters who visited its employees or got in contact with them on the phone to explain the protection measures and encourage them to stay at home.

But not only the employees have learned new things, AbiMar Foods and the Abilene community have also done so. "Refugees are incredibly resilient, many of them have gone through really difficult times. They had often had to live in countries that have suffered pandemics or fast-spreading diseases such as Ebola. They have faced crises and experienced uncertainty in many situations. Not having enough or not having access to something makes you more resilient and that is what we have learned from them during these difficult

Visit our website and discover all the stories that enabled us to take care of people's life in 2020.

[Click here.](#)

times,” says Susana Lubana, member of the International Rescue Committee, AbiMar Foods’s allied organization in the execution of its program for providing assistance during the pandemic.

While undergoing this process, the employees have also valued the importance of taking care of each other. “This situation has made me more active and observant. I try to be safe and make everyone else safe too,” says Cost Ngabirano, Ugandan employee. The dynamics of this community of colleagues have strengthened thanks to the understanding, the trust and the for each other. When you speak to them in their own language, they feel a little bit more at home.

To address the COVID-19 pandemic, AbiMar Foods created a special committee in charge of developing strategies focused on controlling the disease. One of its first actions was to ensure tests for its 600 employees and implement a large-scale disinfection protocol. These measures, and the ones promoted by the Pact, have allowed reducing the number of positive cases and avoiding contagion peaks, thus taking care of life together.



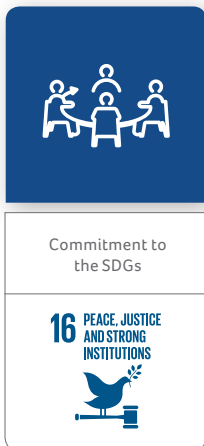
“We can teach about the bus routes but the sense of community is something that cannot be taught, it has to emerge from the community itself and it has to be based on the interaction among the community members. That’s what I’ve seen occurring in AbiMar Foods.”

Susana Lubana, member of the International Rescue Committee, AbiMar Foods’s allied organization in the execution of its program for providing assistance during the pandemic.



“The most important learning for us was that everyone’s life matters. It’s not only about the job, it’s the families, the children, the parents and everyone involved.”

Graig Walts, AbiMar Foods’s Operations Manager.



Corporate governance

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



Employees from the Cold Cuts Business, Colombia.



Strategy [GRI 103-2]

Ensuring the validity of the Organization's corporate governance measures.

Communicating and promoting the corporate governance measures, and raising awareness among all employees.

Watching over the compliance with the governance practices incorporated by the Company.

Strengthening the reporting mechanisms for matters related to ethics and conduct.

Progress achieved in 2020 [GRI 103-3]

» **Implementation** of the Code of Corporate Governance in the recently acquired companies a, completing a 100% coverage of the subordinate companies and joint ventures.

» **Continuity** of the training and disclosure strategy "I act with integrity."

» **16.787** employees received training related to Human Rights, information security, Code of Corporate Governance and prevention of asset laundering and terrorism financing.

» **A** discussion conference cycle about integrity was started with the participation of external guests and it was focused on employees from the multiple geographies where the Company operates.

» **127** incidents reported with regard to the Code of Corporate Governance and 199 reports received and addressed through the Ethics Hotline.

» **100** potential employee conflicts of interest were reviewed by the Committee of Ethics, Transparency and Conflicts of Interest.
[GRI 102-17] [SDG 16.5] [SDG 16.6]

» **Communication** and promotion of the web-based tool for reporting conflicts of interest and gifts and hospitalities.

Grupo Nutresa ensures its actions and those of its governance bodies are carried out within an institutional and ethics-based framework, focusing on transparency and integrity.

Risks and opportunities

[GRI 103-1]

The social, political and economic context of the countries where Grupo Nutresa operates generates a setting with multiple risks for the Organization. An inadequate corporate behavior can have a negative impact on the Company's reputation and stakeholder engagement, and it can cause market losses and legal penalties. A good corporate governance and integrity are core pillars of the corporate philosophy through which Grupo Nutresa ensures its actions and those of its governance bodies are carried out within an institutional and ethics-based framework, focusing on transparency and integrity.

Therefore, one of the Organization's priorities is to maintain the corporate governance measures and guidelines aligned with the highest global standards, as it is to monitor and promote the compliance with such measures by all employees, suppliers, customers and other stakeholders with the aim of collectively mitigating the risks associated with corruption, money laundering and terrorism financing.

The implementation of training and communication programs intended for all the stakeholders strengthens the reporting mechanisms and the correct addressing of the reported cases, as well as the formulation and implementation of an internal audit plan with the purpose of reinforcing the processes and acting accordingly in anticipation. Transparency and the generation of trust are also opportunities managed by providing of clear, unabridged and timely information through the multiple channels and mechanisms available.

Future outlook and goals for 2030

Maintaining the level of excellence in the updating, communication, promotion and management of the good corporate governance is and will continue to be a priority for Grupo Nutresa as it is a crucial pillar of sustainability.

The Company is permanently seeking higher levels of corporate transparency, an ethical behavior and integrity by means of strategies such as keeping its internal policies and guidelines updated according to the latest worldwide trends in the field, and watching over their fulfillment at all levels within the Organization.

To achieve the organizational goals, Grupo Nutresa will continue promoting the ethical behavior of its employees and related third parties through the strengthening of the organizational values and the clarity in terms of observable behaviors, and it will continue working on the implementation and enhancement of the processes focused on ensuring the compliance with the corporate policies and guidelines in all day-to-day activities carried out by the Company.

For 2030, the Organization will make progress on the update of its Code of Corporate Governance and corporate policies according to the evolution of international transparency and ethics standards, enabling it to maintain its position at the forefront in the industry.

Success stories and acknowledgments [GRI 103-3]



Progress on the Dow Jones Sustainability Index rating

Based on the 2019 scores, the Company improved its rating by 18 points in the Corporate Governance chapter of the Dow Jones Sustainability Index, which evaluates aspects such as the structure of the Board of Directors, its efficacy, and the management of risks associated with corruption and bribery. This progress is the result of the increase in the participation of women in the governance bodies, and the implementation, communication and promotion of better variable remuneration standards for key executive staff.



Communication, promotion and implementation of the Code of Corporate Governance in the Retail Food, Coffee and Biscuits Businesses

Over the year, the Company completed the implementation of the Code of Corporate Governance in the recently acquired companies Cameron's Coffee, Naturela S. A. S. and Atlantic S. A. S.



Investor Relations "IR" Acknowledgment

For the eighth consecutive year, Grupo Nutresa was granted the Investor Relations (IR) acknowledgment from the Colombian Stock Exchange due to its practices in terms of information disclosure and relations with investors.

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

Material topic details

[GRI 103-3]

Board of Directors

The Board of Directors is formed by eight members based on the provisions of the Company Bylaws. The Board members have the necessary experience and knowledge for fulfilling the responsibilities of their position and meet the set of requirements and skills that are established on the Code of Corporate Governance.

Grupo Nutresa uses more rigorous criteria than the ones established by the law to determine the independence of the Board members. Accordingly, four of the eight Board members are independent, including its Chairperson. Additionally, the Appointment and Remuneration Committee conducted an analysis of the profiles for the Board of Directors with the purpose of ensuring the independence of the candidates nominated for the 2020-2021 period.

On another note, the Company ensured an optimal communication with its shareholders and all other stakeholders through diverse channels such as the report on the implementation of the best practices and the Annual Corporate Governance Report, which presents the most relevant facts and news related to the Organization's corporate governance.

Over the year, the Board held meetings on a monthly basis and all the support committees met twice over the year, except for the Finance, Audit and Risks Committee, which held five meetings, thus fulfilling the responsibilities and meeting frequency established on the Code of Corporate Governance. Finally, 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 identified improvement opportunities.

“Actúo Íntegramente” (I act with integrity)

The Organization implemented the Code of Corporate Governance in the recently acquired companies Cameron's Coffee, Naturela S. A. S. and Atlantic S. A. S., and continued working on the consolidation and implementation of the communication and training strategy named “Actúo Íntegramente” (I act with integrity), which is meant for all employees and third parties. It is worth highlighting the following achievements:



16.787 employees received training related to Human Rights, information security, prevention of asset laundering and terrorism financing, and the Code of Corporate Governance.

Additionally, the Company communicated and promoted the use of the web-based tool created for reporting possible conflicts of interest and gifts and hospitalities, and timely addressing possible conflicts of interest experienced by the employees, thus simplifying their traceability and resolution by Grupo Nutresa's Committee of Ethics, Transparency and Conflicts of Interest. The Committee reviewed a total of one hundred reported cases.

Ethics Hotline

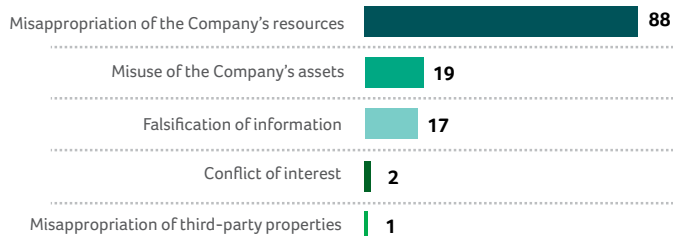
Employee from the Biscuits Business, Costa Rica.

Ethics Hotline

For Grupo Nutresa, ethics and transparency are fundamental corporate performance pillars and, at the same time, they are highly relevant principles for the fulfillment of its mission.

Fraud, corruption, asset laundering and financing of terrorism are some of the most significant risks related to this matter, and they are managed through policies, codes and awareness-raising and training initiatives that facilitate the engagement with the corresponding stakeholders. [\[GRI 102-17\]](#) [\[SDG 16.5\]](#) [\[SDG 16.6\]](#)

The Organization received reports about 127 incidents related to breaches of the Code of Corporate Governance [\[GRI 205-3\]](#) [\[SDG 16.5\]](#), which amounted to an approximate total of COP 81 million, broken down as follows:



These incidents involved 146 employees, 79% of whom were working under direct employment contracts and 21% under service provision contracts. The contractual relations with the people involved were terminated and the corresponding legal actions were commenced.


The Company holds insurance policies that cover this type of incidents with the purpose of mitigating the associated impact.

In addition, the Organization also addressed 199 reports received through the Ethics Hotline, which were channeled by the responsible departments of each one of the Businesses. From such reports, employees were involved in 89% of the reported cases, third parties were involved in 11% of the cases, and 25% of the reported cases were confirmed through full investigations. [\[GRI 205-3\]](#)



Risk and compliance

Supporting the decision-making process and guiding the implementation of prevention, risk mitigation and crisis management actions which, along with the compliance activities, are focused on 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.



Employee from the Ice Cream Business, Colombia.

Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Integrating risk management into the corporate strategy.

- » **Adoption** and consolidation of the methodology for risks, trends and opportunities as input for the formulation of the 2030 strategic plan.
- » **Enhancement** of the analytical and quantification capacity through the measurement of the risk-related financial capacity.
- » **Analysis** of relevant reputational matters and establishment of measures enabling the Reputation Management Committee to manage them.

Strengthening the Organization's risk management culture.

- » **More** than 3.600 employees received training in risk, crisis and continuity management.
- » **More** than 380 hours of training in the development of autonomy capabilities for compliance officers.
- » **21.648** employees and third party-personnel received training related to the risk of money laundering and terrorism financing. [GRI 205-2]

Increasing the organizational resilience.

- » **Consolidation** of business continuity as an organizational capability. The Organization achieved 84% of the strategic maturity level goal.
- » **Test** of the crisis management and continuity model, with a successful operation when facing the risk associated with the COVID-19 pandemic.
- » **Execution** of the continuity model in the sourcing chain and expansion of the management system to Peru, Malaysia and the U.S.
- » **Information** security maturity analysis and prioritization of implementations.

Monitoring and ensuring the legal and regulatory compliance.

- » **Implementation** of technology platform for managing hiring processes and controlling all associated risks in Colombia.
- » **Strengthening** of the system for managing the risk of money laundering and terrorist financing through the update of the corresponding policy and the new version of its manuals integrated to all other management systems.
- » **An** approximate total of 1.600 employees participated in the discussion session titled "Cómo vivir y expresar el valor de la integridad" (How to live and express the value of integrity). [SDG 16.5] [SDG 16.6]

Risks and opportunities [GRI 103-1]

The dynamics and changes of the organizational environment constantly give rise to challenges related to the risk and compliance management model. The main challenges include: the capacity to generate value from their integration with the corporate strategy, ensuring the relevance and visibility of the model at all levels, including the anticipation required for adequately interpreting and managing trends and risk signals, as well as the unabridged adoption of methodologies and responsibilities by the process leaders.

These factors also entail opportunities, from the assertive adoption of new technologies for enhancing the system and managing the risk-related data, to the consolidation of an adequate monitoring and reporting mechanism, the understanding of emerging risks and their impact, and the proactive response by the employees regarding risks management.

With regard to the reputational risks associated with the operations, the Organization must ensure the capabilities and resilience of the talent required for their effective mitigation, as well as the relevance of its operation and engagement protocols in line with the evolution of the business environment and the corporate philosophy, reflected on the guidelines of the Reputation Management Committee.

On the regulatory compliance front, it is essential to align the multiple governance and management bodies with the corporate principles and philosophy within the framework of the business ethics program, the regulatory surveillance and the consolidation of the self-control and compliance systems.

Future outlook and goals for 2030

The risk, trend and opportunity management model was created as an important input for the formulation of the strategic plan for 2030, which is why it is crucial to maintain its alignment and consistency with the goals established in it. The model must incorporate dynamic assessment and treatment perspectives, supplementary to the traditional vision, which enrich the elements of the context, assessment criteria and synergies in the management work in order to ensure the efficacy, relevance and productivity.

The Organization must capitalize the overarching capabilities related to digital transformation with the aim of developing real-time risk management models, and enhance the risk analytics for the decision-making process. To achieve this, the Company will have to consolidate the criteria and definitions of both tolerance and appetite, enabling the adoption of the necessary tools for ensuring the timely monitoring of the corresponding risk levels.

Additionally, Grupo Nutresa must consolidate the compliance model, which entails the integration of the existing compliance management functions based on a comprehensive management model aligned with the standards required for ensuring the execution of the operations in line with the corporate philosophy and competitiveness, and particularly synchronizing the expansion speed of the compliance model related to money laundering and terrorism financing with the Organization's growth.

Finally, the Company will strive to consolidate the organizational resilience as an overarching capability due to its relevance for all the value chain actors.

Success stories and acknowledgments [GRI 103-3]



Reputation management acknowledgment

Grupo Nutresa was acknowledged for the sixth consecutive year as the second company with the best reputation in Colombia and the top one in the food sector by the corporate monitor “Merco Empresas y Líderes Colombia” in its 2020 edition. The review comprised a total sample of 72.591 companies evaluated throughout the country.

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA



Top score in the field of risk and crisis management in the Dow Jones Sustainability Index (DJSI)

Grupo Nutresa obtained the top worldwide score in terms of risk and crisis management in the Dow Jones Sustainability Index in the food sector. For this Index, the corporate practices of 106 companies from the industry were evaluated.



Public-private alliance for managing the risks of money laundering and terrorism financing

Creation of the first analytical model for the detection and analysis of red flags related to money laundering and terrorism financing within the framework of the public-private alliance for *big data* and *data analytics* called Caoba.



Tresmontes
Lucchetti
employees, Chile.

Material topic details [GRI 103-3]

Risk and crisis management

The Organization made progress in the consolidation of the risk, trend and opportunity management model, which contributed at both the corporate level and the business level, to the construction of the 2030-vision strategic plans and to the effective management of the Company's current and emerging risks.

The consolidation of the model comprised the update of the Risk Manual, which includes modifications to the analysis of control measures, the incorporation of methodological guides for the evaluation of opportunities, the update of the risk catalog, criteria for managing risks in projects and the assessment of risks associated with the sourcing chain and climate change. In terms of the latter, Grupo Nutresa conducted the diagnosis and implementation of the recommendations issued by the Task Force on Climate-related Financial Disclosure (TCFD) and developed the methodology for the assessment of the climate change risks and the cost of the materialization of such risks within the financial results. According to the evaluation, which is described in further detail in the climate change chapter, Grupo Nutresa analyzed climate variables based on their occurrence probability and economic impact on the Organization.

Grupo Nutresa has a model that allows it to identify the externalities and assess the main environmental, social and economic impacts on the value chain based on the True Value methodology.

Description of risks and opportunities

[GRI 103-1]

An important milestone for the achievement of a higher level of autonomy and embracement based on the integrated management systems was the creation of the Comprehensive Risk Management Work Group, which includes the participation of the people in charge of leading these systems across all Businesses and regions with the aim of sharing good practices, building knowledge and establishing synergies. One of the achievements of the Work Group is the joint creation of the methodology for the characterization, analysis and prioritization of opportunities that will be part of the main challenges for all of the Organization's Businesses in 2021.

As one of the components of the model, the Company monitored the strategic risks of each one of its Businesses, including the deployment from and to the tactical and operational levels. This review considered the context of the COVID-19 pandemic and incorporated the risk assessments regarding both the negative aspects that aggravated some of them, and those that produced a positive impact or opportunities.

The risk assessment exercises at all levels are managed by means of the GIR application software, the Company's standardized risk management tool that grew over the year in terms of risk analysis by 16,8% in comparison to the previous year, with more than 29.800 entries analyzed **[GRI 205-1]**. These assessments also comprise the analysis of the financial, human, environmental and reputational re-

sources, and consider strategic, operational, financial, integrity and compliance risks, as well as those associated with climate, natural and epidemiological phenomena. **[GRI 205-1] [GRI 205-2] [GRI 412-1]**.

Grupo Nutresa has a model that allows it to identify the externalities and assess the main environmental, social and economic impacts on the value chain based on the True Value methodology. By means of this management tool, it is possible to steer the Organization's efforts with the aim of preventing risks and generating sustainable solutions that allow creating a higher value in the long term for both society and the environment.

Moreover, changes were also made to the processes focused on training and development of capabilities related to risk, crisis and continuity management with more diverse and larger audiences. In this context, 148 sessions were organized and held, including talks, workshops, simulations and virtual courses. Additionally, more than 3.600 key employees and suppliers received training. These numbers represent more than 5.551 hours of training and an 83,6% growth in terms of benefited employees with respect to 2019.

Based on risk analytics, Grupo Nutresa made progress in the review of the levels of capacity, tolerance and appetite by means of the modeling of loss scenarios for financial and operational risks, thus allowing to enrich the Organization's risk analytics and monitoring capacity.

As to the business continuity system, the COVID-19 pandemic that struck in 2020 put the pre-



Employee from the
Coffee Business,
Colombia.

viously designed and implemented plans and protocols for managing both crises and the continuity of the operations to the test, successfully demonstrating the importance of this system and the relevance of continuing to strengthen it within the organizational resilience framework, as a corporate capability, included in the plans for 2030. In this regard, the system achieved the goal set for 2020 regarding its maturity level: it reached a strategic level with an 84% progress, which adds to the learned-lesson exercises carried out by all of the Company's Businesses to assimilate the learnings emerging from the crisis caused by the pandemic.

In addition, the Organization made progress in the consolidation of the business continuity management, expanding the plans to the sourcing chain with a focus on critical suppliers, along with the outreach into countries like Peru, Malaysia and the U.S.

Finally, Grupo Nutresa formed an interdisciplinary team for the creation of the Nutresa Monitor, which consolidated and maintained updated the Business leaders with relevant information about

the changes in the Company's environment caused by the pandemic with regard to matters such as levels of contagion, impact on the industry, actions by the brands, response of consumers, risks and business continuity. This practice allowed the Businesses to have a broad and detailed analysis of the context in the multiple regions where Grupo Nutresa operates in order to facilitate the decision-making process and implementations based on the main risks and opportunities.

Compliance management

Compliance management is a priority for Grupo Nutresa because, in addition to guaranteeing the Organization's internal processes, it entails the participation in work groups established 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 2019:



Employee from the Chocolates Business, Colombia.

Prevention of the risks associated with money laundering and terrorism financing

The consolidation of the system was developed through its incorporation into the management systems of the Businesses; the strengthening of the capabilities of the compliance officers, with more than 380 hours of training invested; and the update of the policy, the manual and the procedures related to the management of money laundering and terrorism financing risk. Moreover, the Organization created the first analytical model for the detection and analysis of red flags as one of the activities of the Caoba academic-business alliance, which contributed to the preventive management of this risk and laid the foundations for new developments that will be completed on this same analytical front in the medium term.

Business Ethics Program

In 20202, Grupo Nutresa continued working on the communication and promotion of the business ethics program known as “Actúo Íntegramente” (I act with integrity), and it started holding a series of discussion conferences about both ethics and integrity, which are led by the Company’s CEO. The first of them, which was titled “Cómo vivir y expresar el valor de la integridad” (How to live and express the value

of integrity), included the participation of more than 1.600 employees from all of the Organization’s Businesses and regions where it operates. [\[SDG 16.5\]](#) [\[SDG 16.6\]](#)

Regulatory Compliance

The Organization carried out environmentally-focused regulatory monitoring activities that consisted in updating the environmental legal matrices for the identification of gaps and the assessment of regulatory risks and their potential impact on the natural capital.

The creation of the legal labor risk matrix was undertaken to allow standardizing the guidelines for the management of third parties and prioritizing the corresponding actions.

The Company also implemented the regulatory changes related to taxes, especially the changes contained in the Economic Growth Law and in the multiple provisions adopted by the national and local governments in the context of the sanitary emergency caused by the COVID-19.

No significant sanctions or fines due to the breaching of regulations or laws were imposed on Grupo Nutresa or its subsidiary companies. [\[GRI 307-1\]](#) [\[GRI 419-1\]](#)

“With this minimarket, we feel we have become more integrated with the dynamics of the sector. In the personal context, we were living a life that took us away from our loved ones.

This pandemic brought us closer and kept us quiet so that we could listen to other people.”

Jeison Steven Gómez,
manager of the “Asturias” minimarket.



esturrias





Las Asturias Coffeehouse-Bar, a social gathering spot, a family

A bar, a minimarket or a restaurant, the Asturias project can reshape in many ways. What is essential is that family is taken care of in any of its variations, specially the one formed by the Asturias employees.

Visit our website and discover all the stories that enabled us to take care of people's life in 2020.

[Click here.](#)

The Asturias Coffeehouse-Bar is located in the municipality of Itagüí, Antioquia. It is a gathering spot and a place for conversation for the neighbors, as well as the means of livelihood for fiver workers. "We all know the life of all our colleagues, how many children they have, their circumstances, their difficulties and their needs. We all have a really close relationship," says Jeison Steven Gómez, manager of the business.

During the early months of the pandemic, the business had to close, but its priority of taking care of its employees and their families remain strong and drove the business to transform its vocation into a new one: a minimarket. It was like that that they replaced TVs with shelving and the tables with grocery and household products.

“It isn’t easy to get outside the comfort zone, but we had to adapt and do so with a positive attitude. Now, with this minimarket, we feel we have become more integrated with the dynamics of the sector. In the personal context, I think we were living a life that took us away from our loved ones. This pandemic helped us to realize the true meaning of family and brought us closer and kept us quiet so that we could listen to other people.”

Jeison Steven Gómez, manager of the “Asturias” minimarket.



“We reintroduced ourselves to the community with this transformation by putting up posters all around the neighborhood. We included a cell phone number for the delivery service and to maintain a close relationship with our customers,” states Jeison. Families, students and kids started visiting the business with its new daytime dynamics, and along came the opportunity to keep expanding the project. The staff started growing, the bar was eventually reopened and then they ventured into opening a restaurant.

The twelve people that currently form this initiative demonstrate that growing and looking for ways to benefit everyone, whether it is by means of a bar or a minimarket, taking care of the health as well as the income of each employee, brings wellness to the community.

Grupo Nutresa’s support via business advisory boosted the transformation and growth of this business. In 2020, the Organization’s sales force provided support to 102 projects with the aim of offering the Nutresa product portfolio and migrating towards new market spaces as a solution for the situations caused by the COVID-19 pandemic.

Today, a traditional bar, the new minimarket and a restaurant thrive at the Asturias corner. For this family, the pandemic represented an opportunity for entrepreneurship.



BISCUITS BUSINESS



Alberto Hoyos Lopera

PRESIDENT

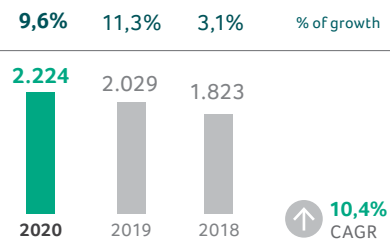
56 years old /

Part of Grupo Nutresa since 1993

- The sales totaled COP 2.224.000 million, representing a 9,6% growth rate, doubling by 2,0 times the sales recorded in 2013. The Business's sales abroad represented 53,9% of the total sales.
- The exports from Colombia amounted to USD 51,6 million, exhibiting a growth rate of 8,8%.
- The Business's productivity was increased by 2,3% in relation to 2019 thanks to the prioritization of the portfolio, the streamlining of innovation and the adequate management of the epidemiological fences and preventive isolation measures.
- *Kibo Foods* was strengthened and amounted USD 448.000 in sales in its first year of operation in the U.S., 89% of which were made through *Amazon*.
- The strategic goals for 2020 in the environmental dimension were fulfilled in terms of water consumption (-38%), waste production (-26%) and waste recovery and reuse (92%); all these indicators are measured as per ton produced.

SALES COP thousand million

Total sales

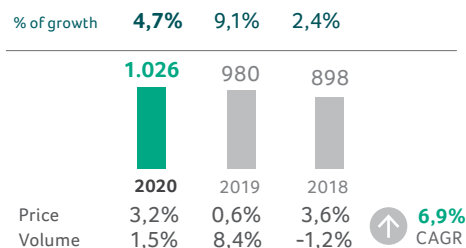


The Biscuits Business represents

20,0%

of Grupo Nutresa's total sales.

Sales in Colombia



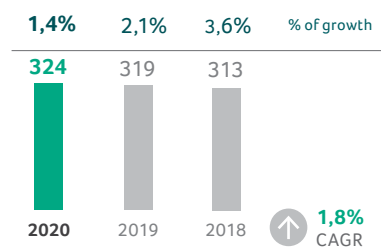
The sales in Colombia represent

46,1%

of the Business's sales.

Sales abroad

USD million

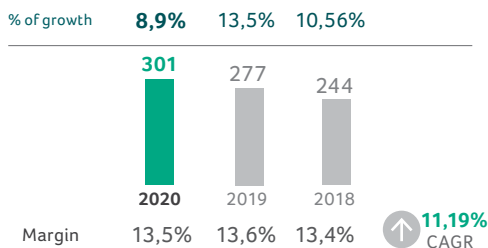


The sales abroad represent

53,9%

of the Business's sales.

EBITDA COP thousand million



The Biscuits Business represents

20,9%

of Grupo Nutresa's EBITDA.

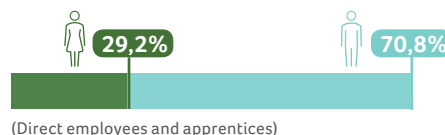
Adaptation to change. The Business consolidated the Organization's cultural attributes: adaptability, global thinking and entrepreneurship capacity, with 472 employees working from home, and operating without interruptions in all seven production platforms.

EMPLOYEES

6.156

TOTAL

(Direct employees, third-party employees and apprentices)



52,3% in Colombia



47,7% Abroad

Captions
[GRI102-2]

- 📍 Presence of our main brands
- 📊 % of the Business's sales
- 🏭 Number of production plants
- 📈 Brands with sales over USD 50 million

United States

📊 19,1%
🏭 1



Central America

📊 26,3%
🏭 1



Ecuador

📊 3,1%

Other countries

📊 2,8%

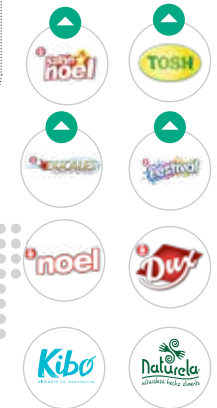
Caribbean Region

📊 2,6%

Colombia

📊 46,1%

🏭 4



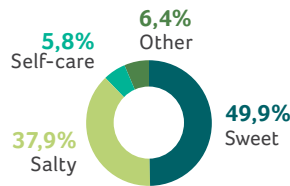
Direct presence in
10
countries

BUSINESS OUTLOOK

- Strengthening the leadership of the Business's brands in Colombia and Central America, improving the sales mix towards the nutrition and well-being portfolio.
- Developing the healthy snacks segment in the region through brands such as *Tosh* and *Kibo*.
- Consolidating the growth of the Business in the U.S. through the expansion of channels, a better coverage and new value propositions from the brands *Li'l Dutch Maid*, *Chiky*, *Kibo* y *Tosh*.
- Focusing the actions on improving the comprehensive productivity of the Business in order to promote the fulfillment of the profitable growth and sustainability goals set for 2030.
- Ensuring the early fulfillment of the goal that consists in using 100% of recyclable, reusable or compostable packaging materials for all the products of the Business.

MAIN CATEGORIES

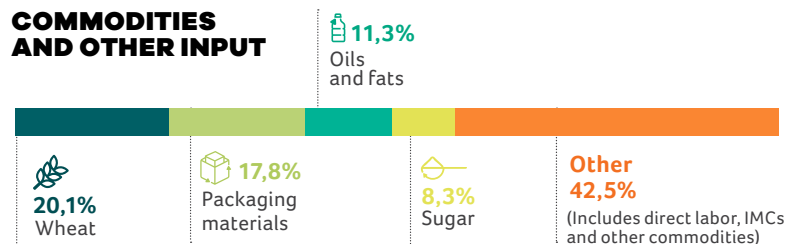
(% of total sales)



MARKET SHARE IN COLOMBIA



COMMODITIES AND OTHER INPUT





COLD CUTS BUSINESS



Diego Medina Leal

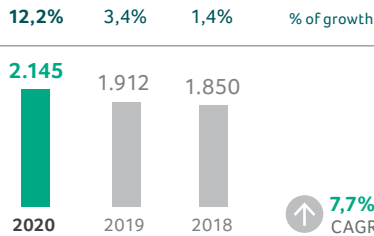
PRESIDENT

60 years old / Part of Grupo Nutresa since 1997

- The Business achieved a 5,9% growth rate in terms of volume and 11,2% in terms of value in Colombia, and the totals for the Business were 6,5% and 12,2, respectively. These results were achieved through the strategies focused on our brands' communication both at the points of sale and on social media.
- The value proposition of the *Berard* and *Blue Ribbon* brands was strengthened in Panama and the development of the exports of fresh meat products will be continued. The sales abroad grew by 8,7%.
- Youngsters and kids from cycling schools benefited from the Business's contribution through the "Ruedas por Colombia" (Rolling for Colombia) Program, which enabled them to continue their training via digital means. Additionally, the Business supported its hot dog vendor clients with food packages during the pandemic.
- Sustainable practices were promoted in the operation, such as the reincorporation of more than 5.000 crates manufactured with post-industrial plastic materials; and six ranches received the good livestock farming practices certification.
- New categories were developed for *Zenú*: frozen thin and wedge potatoes, and canned tuna fillets. The Business expanded its *Pietrán* vegetable protein product offer with the "Veggie Desmechado" (pulled veggie) product, in addition to *Ranchera's* BBQ cuts and marinated meats. The products that were launched in 2020 represented new sales that totaled more than COP 44.000 million.

SALES COP thousand million

Total sales

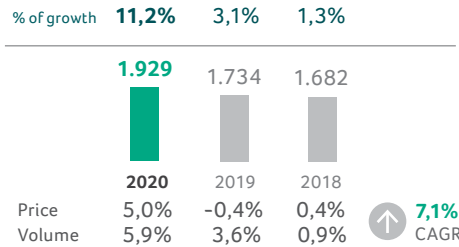


The Cold Cuts Business represents



of Grupo Nutresa's total sales.

Sales in Colombia



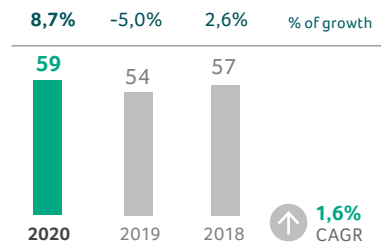
The sales in Colombia represent



of the Business's sales.

Sales abroad

USD million



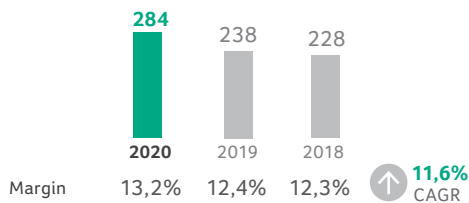
The sales abroad represent



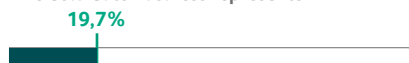
of the Business's sales.

EBITDA COP thousand million

% of growth 19,6% 4,2% 8,8%



The Cold Cuts Business represents



of Grupo Nutresa's EBITDA.

Adaptation to change. The Business incorporated dynamic routing models focused on the omnichannel methodology and made the operations more flexible by developing processes based on the demand.

EMPLOYEES

9.187 TOTAL
(Direct employees, third-party employees and apprentices)



87,8%
in Colombia



12,2%
Abroad

Captions
[GRI102-2]

📍 Presence of our main brands

📊 % of the Business's sales

🏭 Number of production plants

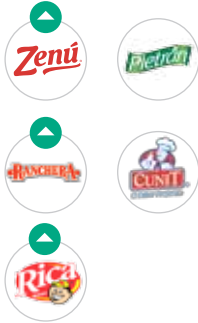
📈 Brands with sales over USD 50 million

📍 **Central America**
% 6,8%
📦 1



📍 **Other countries**
% 3,2%
📦 1

📍 **Colombia**
% 89,9%
📦 8



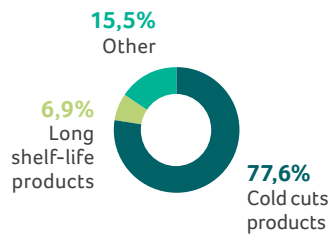
Direct presence in **4** countries

BUSINESS OUTLOOK

- Continue working on the internationalization of brands and categories, strengthening the presence in Central America and the U.S.
- Expanding the portfolio of new categories complementary to the meat proteins focused on health and nutrition concepts.
- Enhancing the leading supply chain practices in the extended chain, tackling the new challenges entailed by the market.
- Reducing the environmental impact in the operations, implementing the use of alternative energies, diminishing the use of water in the processes and incorporating leading practices in terms of pig and livestock farming.
- Continue working on the development and implementation of employee care and wellness programs, and reinforcing the Business's leadership and culture.

MAIN CATEGORIES

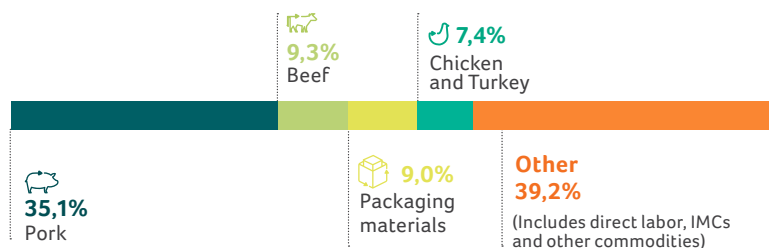
(% of total sales)



MARKET SHARE IN COLOMBIA



COMMODITIES AND OTHER INPUT





CHOCOLATES BUSINESS



Juan Fernando Castañeda Prada

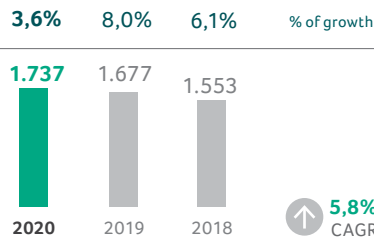
PRESIDENT

53 years old / Part of Grupo Nutresa since 2011

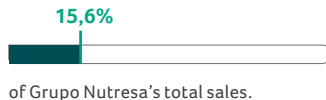
- The Business achieved sales totaling COP 1.737.000 million thanks to an efficient management of innovation, the networks, the brands and the experiences.
- The EBITDA of the Business amounted to COP 232.000 million, which allowed offsetting the greater costs from the commodities, the impact of the exchange rates in the geographies and the costs associated with the measures taken to address the COVID-19 crisis through efforts in terms of productivity and cost control.
- The behavior of the demand of the categories and geographies was monitored, the supply chains with increased demand were reinforced and the production plans were adjusted.
- The innovation-driven sales indicator reached 19,0%, exceeding the goal set in this regard.
- The Business accomplished the following reductions in the consumption of energy and water, as well as in the emission of greenhouse gases –GHG– (per ton produced in all cases): 34,8% in **energy usage**; the goal was 25%. 42,4% in **water usage**; the goal was 30%. 61,7% in **GHG emissions**; the goal was 33%.

SALES COP thousand million

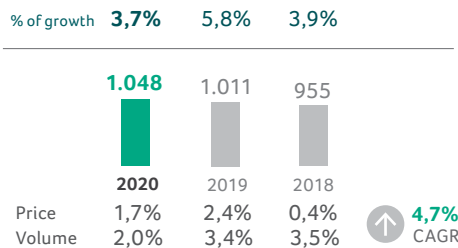
Total sales



The Chocolates Business represents



Sales in Colombia

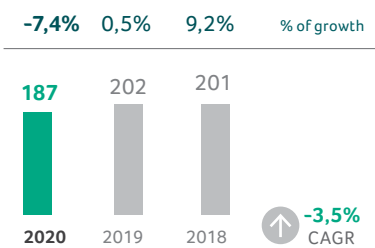


The sales in Colombia represent

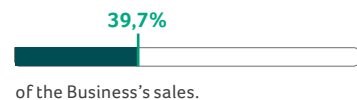


Sales abroad

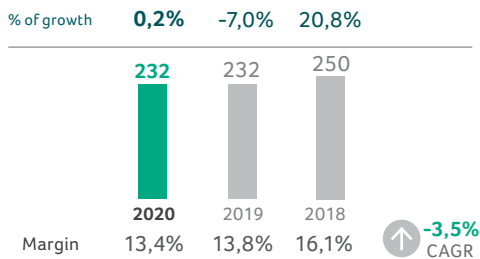
USD million



The sales abroad represent



EBITDA COP thousand million



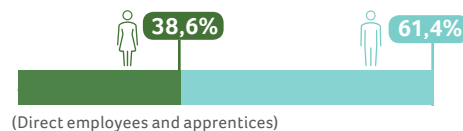
The Chocolates Business represents



Adaptation to change. The market strategies were strengthened based on the shopper and consumer patterns, adopting the knowledge about trends such as the permanent connection, healthier lifestyles and the use of digital sales channels.

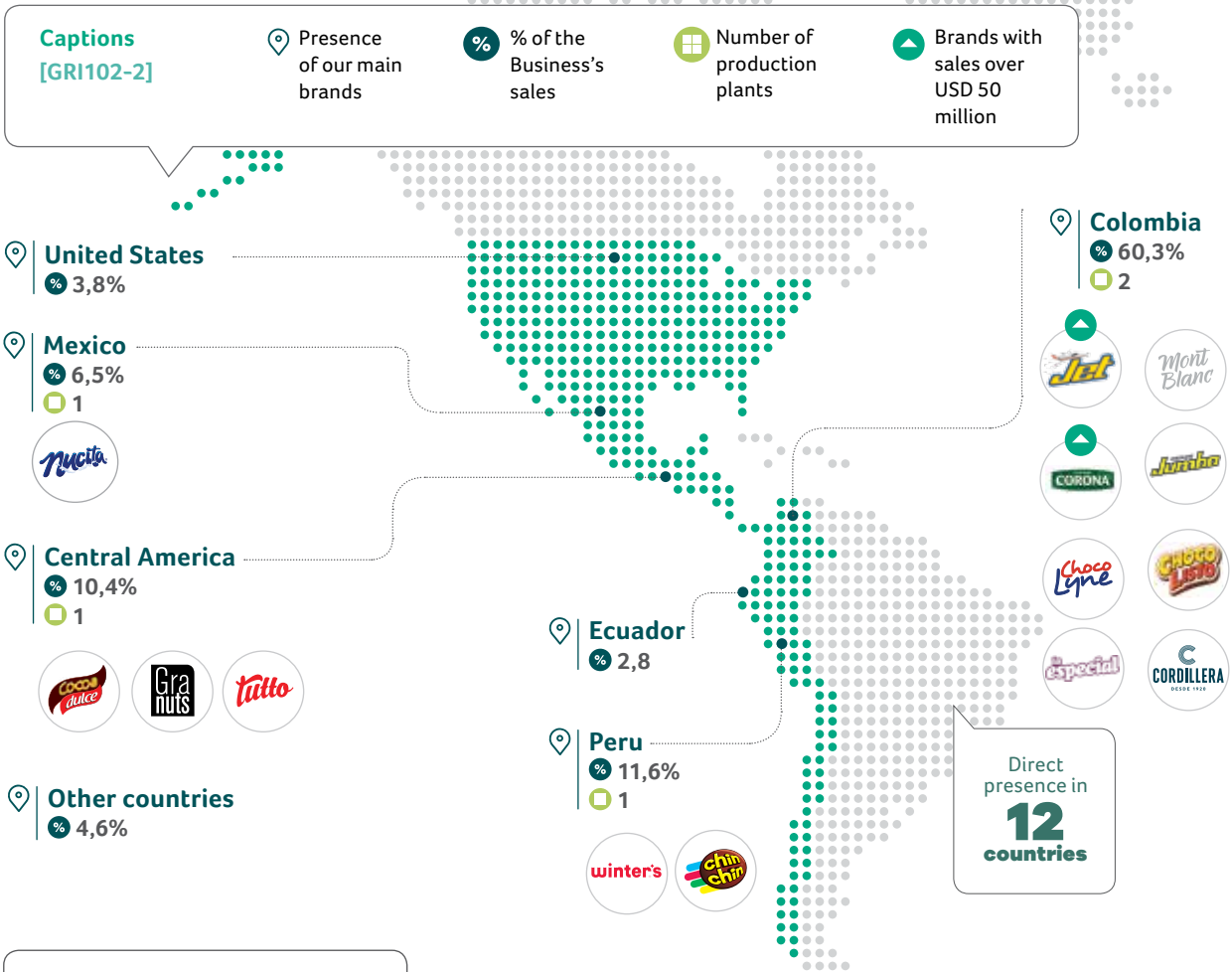
EMPLOYEES

4.317 TOTAL
(Direct employees, third-party employees and apprentices)



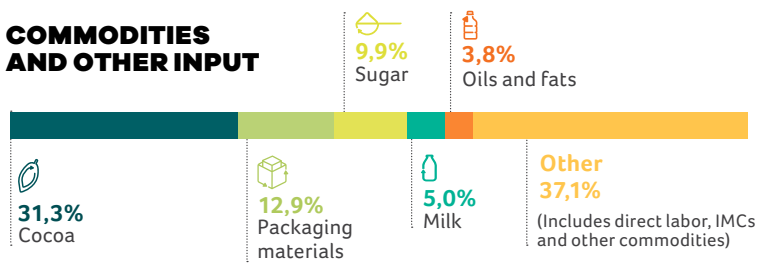
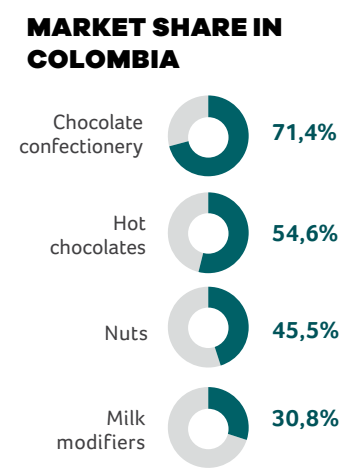
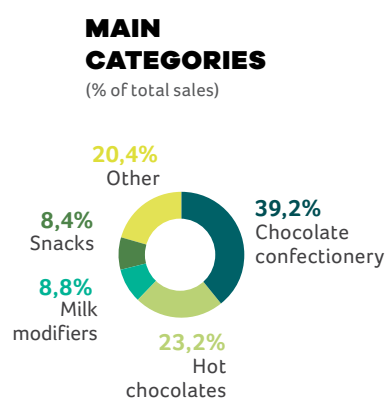
53,6% in Colombia

46,4% Abroad



BUSINESS OUTLOOK

- Fine-tuning the projects for the multiple combinations of categories and geographies where the Business participates, seeking to generate profitable growth aligned with Grupo Nutresa's expectations.
- Consolidating the leadership in the mature geographies, making progress in terms of brand and sales fundamentals in the developing geographies and assessing new projects in prospective geographies.
- Mobilizing the Business towards a superior performance through the development of the human talent with the aim of tackling the future challenges in subjects such as adaptability, innovation and digital transformation.





COFFEE BUSINESS



Miguel Moreno Múnera

PRESIDENT

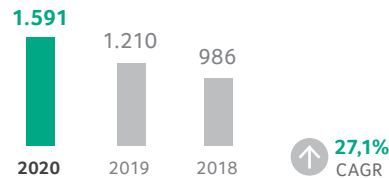
43 years old / Part of Grupo Nutresa since 2003

- The Business concluded 2020 with an EBITDA margin of 13,7%, growing 53,9% in relation to 2019. Additionally, the return on capital was greater than the one expected for Grupo Nutresa.
- The Business doubled its sales as to the goal set in 2013.
- The energy usage was reduced 27,5% per ton produced since 2010.
- The “Retoma” (Retake) Program for Nutresa Express Pods was strengthened. With the recovery and reuse of these flexible materials, the school environment of an educational institution was improved through the provision of school furniture. More than 1.400 children benefited from this action.
- The Business reinforced its commodity procurement model, which is essential for ensuring an adequate stance and response to the COVID-19 pandemic.

SALES COP thousand million

Total sales

31,5% 22,8% -1,6% % of growth



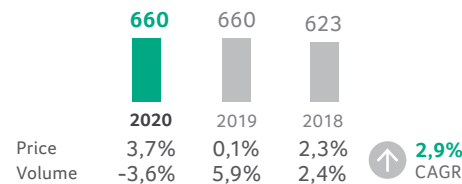
The Coffee Business represents

14,3%

of Grupo Nutresa's total sales.

Sales in Colombia

% of growth -0,1% 6,0% 4,8%



The sales in Colombia represent

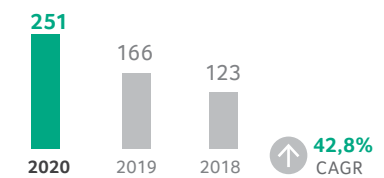
41,5%

of the Business's sales.

Sales abroad

USD million

51,0% 35,1% -10,9% % of growth



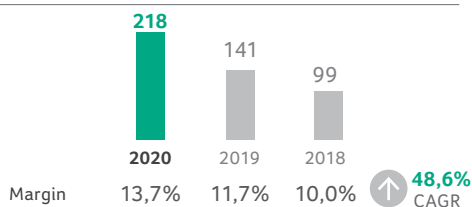
The sales abroad represent

58,5%

of the Business's sales.

EBITDA COP thousand million

% of growth 53,9% 43,5% -18,4%



The Coffee Business represents

15,1%

of Grupo Nutresa's EBITDA.

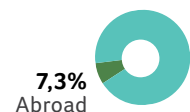
Adaptation to change. The Business strengthened its digital transformation process with the evolution of its market entry methodology, the implementation of traceability measures for commodities and supplies, and the incorporation of new technologies such as RPA and the Organization's first predictive analytics pilot project.

EMPLOYEES

2.062 TOTAL
(Direct employees, third-party employees and apprentices)



92,7% in Colombia



Captions
[GRI102-2]

- Presence of our main brands
- % of the Business's sales
- Number of production plants
- Brands with sales over USD 50 million

United States

45,6%

1



Colombia

41,5%

4



Other countries

10,2%

BUSINESS OUTLOOK

- Boosting the growth strategy based on two of the pillars of Grupo Nutresa's purpose: brands and B2B businesses, focusing on United States, Colombia, Latin America and Asia.
- Continue increasing the value of coffee as a beverage and generating value by transforming agricultural assets and offering consumers differentiated healthy product proposals based on innovation, productivity and sustainability, with a return greater than the cost of capital.
- Keep boosting the best global and diverse talent, offering development opportunities based on the best labor and safety practices and strengthening attributes such as authentic relations, agility and flexibility.
- Maintaining sustainability as a fundamental pillar of the Business's performance by following leading practices with a global and responsible sourcing process, reducing the impact on the environment and offering development opportunities to all the stakeholders.



Malaysia*

1

* This operation is not consolidated in the Business total as its market share is less than 50%.



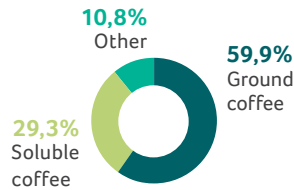
Japan

2,7%

Direct presence in
12
countries

MAIN CATEGORIES

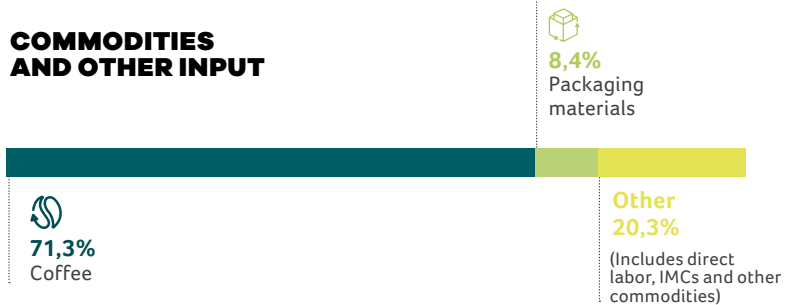
(% of total sales)



MARKET SHARE IN COLOMBIA



COMMODITIES AND OTHER INPUT





TRESMONTES LUCCHETTI NUTRESA



**Justo
García Gamboa**

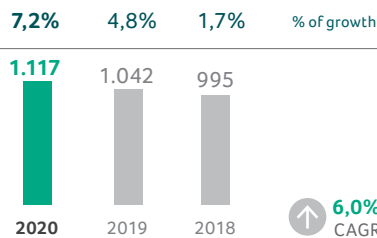
PRESIDENT

59 years old / Part of
Grupo Nutresa since 2013

- All categories were boosted thanks to the increased consumption of instant cold beverages (ICBs), pasta, sauces, dehydrated products, coffee, pastry and oils at the households.
- Kryzpo's stackable potato chips market was expanded into Panama, Costa Rica, Honduras, Guatemala, El Salvador, Ecuador and Colombia.
- The strategic sourcing process was reinforced to ensure an efficient management of both productivity and competitiveness.
- The Business contributed more than 300 tons of food to support senior citizens in Chile and Mexico.
- The coffee product portfolio was strengthened in Chile by entering the pod and freeze-dried segments.
- Tresmontes Lucchetti completed the transition to certifiable renewable sources for the electric power supply of its entire operation.

SALES COP thousand million

Total sales

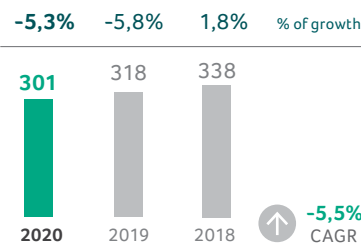


Tresmontes Lucchetti represents

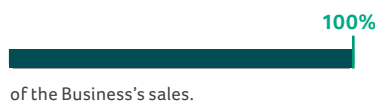


Sales abroad

USD million



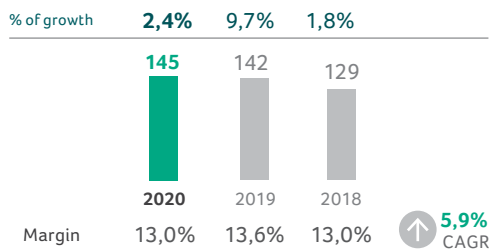
The sales abroad represent



Adaptation to change.

The Business established production, sourcing and commercial strategies with the aim of addressing the risks in its supply chain and the changing demand. Additionally, progress was made in the comprehensive value propositions for *bricks and clicks* and for last-mile companies for the development of e-commerce.

EBITDA COP thousand million

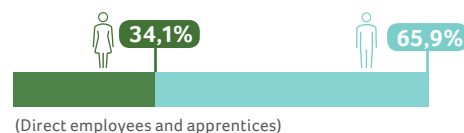


Tresmontes Lucchetti represents



EMPLOYEES

4.390 TOTAL
(Direct employees, third-party employees and apprentices)



100%
Abroad



0,0%
in Colombia

Captions
[GRI102-2]

- 📍 Presence of our main brands
- 📊 % of the Business's sales
- 🏭 Number of production plants
- 📈 Brands with sales over USD 50 million

📍 **United States**
📊 3,5%

📍 **Mexico**
📊 15,7%
🏭 2

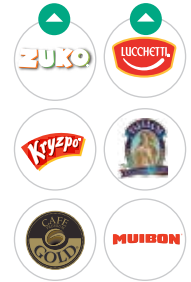


📍 **Central America**
📊 5,0%

📍 **Other countries**
📊 4,3%

Direct presence in
7
countries

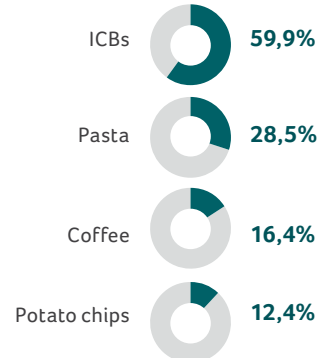
📍 **Chile**
📊 71,5%
🏭 4



BUSINESS OUTLOOK

- Generating profitable and sustained growth by consolidating a new innovation model that enables the Business to create an incremental layer of income with effective innovations.
- Developing the Chile geography by increasing its competitiveness, expanding the core and omnichannel categories, boosting the channels with diversified value propositions, and getting adapted to the trends of the e-commerce channel.
- Implementing a productivity plan for Mexico in 2021 and maintaining an efficient operation.
- Implementing the digital transformation by developing capabilities related to consumer service and collaborative tools, and adapting communication strategies.
- Expanding the presence of Kryzpo's stackable potato chips, including the market in Mexico; and exploring the internationalization of Tresmontes Lucchetti's diverse categories.

MARKET SHARE IN CHILE



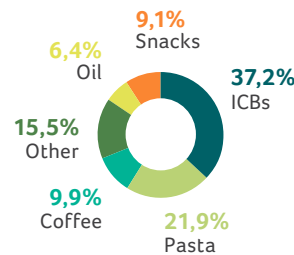
MARKET SHARE IN MEXICO



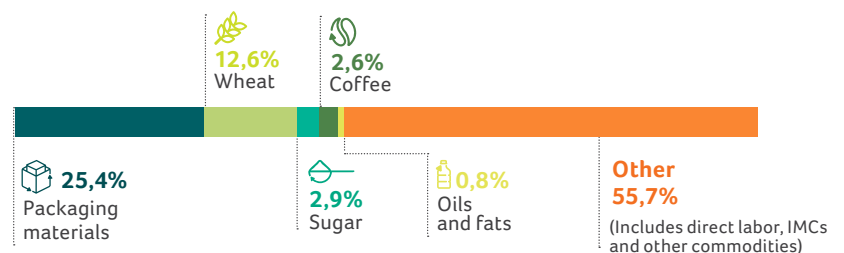
*ICBs: instant cold beverages

MAIN CATEGORIES

(% of total sales)



COMMODITIES AND OTHER INPUT





RETAIL FOOD BUSINESS NUTRESA



Juan Chusán Andrade

PRESIDENT

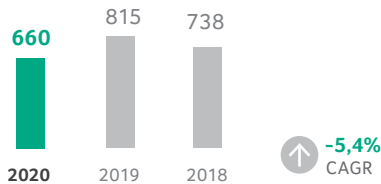
56 years old / Part of Grupo Nutresa since 2013

- The sales of the Business amounted to COP 660.000 million, with a 12,5% profitability rate.
- The Business has the top brand in Colombia in the hamburger segment, with a 41% market share, and the top-two brand in the pizza category, with a 29% market share. In both categories, the growth rate achieved was higher than the industry average.
- The ice cream product positioning was strengthened in the Caribbean markets: Jamaica, Barbados, Trinidad and Tobago, Saint Kitts, Antigua and Guyana. Additionally, the Business started developing the U.S. market by focusing on nostalgia-based attributes in both New York and New Jersey.
- 45% of the total sales were made through new sales channels such as the call center, e-commerce, drive-thru, take out and gift certificates. Additionally, the Business consolidated its market entry with its own delivery team and its positioning by working with last-mile companies.
- The care for our people was prioritized by implementing biosecurity protocols and providing economic aids for our teams, thus allowing the Business to maintain low levels of contagion, as well as committed teams.

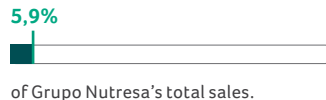
SALES COP thousand million

Total sales

-18,9% 10,4% 5,8% % of growth

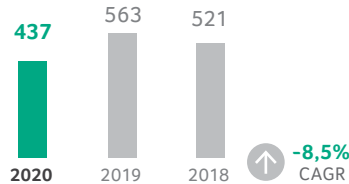


The Retail Food Business represents



Sales in Colombia

% of growth -22,5% 8,0% 7,6%



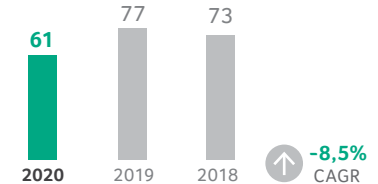
The sales in Colombia represent



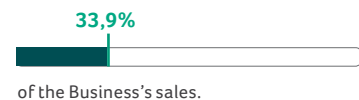
Sales abroad

USD million

-20,2% 4,8% 1,8% % of growth

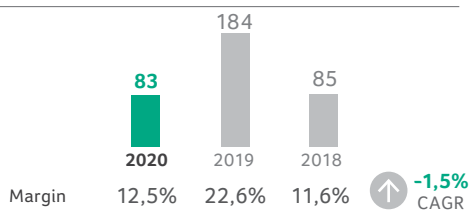


The sales abroad represent



EBITDA COP thousand million

% of growth -55,1% 115,7% -1,1%



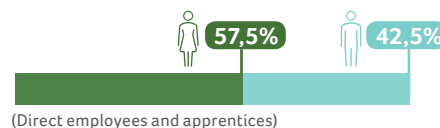
The Retail Food Business represents



Adaptation to change. The Business established biosecurity protocols to build trust among the consumers focusing on an adequate management of packaging materials, the operational processes and adaptations in the facilities. In addition, constant audits were carried out to verify such protocols were duly fulfilled.

EMPLOYEES

7.081 TOTAL
(Direct employees, third-party employees and apprentices)



23,0% Abroad
77,0% in Colombia



Captions [GRI102-2]

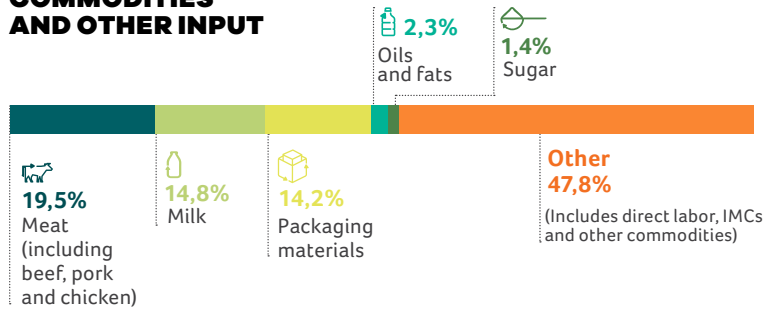
- 📍 Presence of our main brands
- 📊 % of the Business's sales
- 🏠 Number of points of sale
- 🏭 Number of production plants
- 📈 Brands with sales over USD 50 million



BUSINESS OUTLOOK

- Developing flexible capabilities and operational models that allow the Business to continue being market leaders.
- Strengthening the consumer experience in an omnichannel system by developing new markets and product categories that generate asset profitability and enhance both physical and digital capabilities.
- Capitalizing opportunities from the international expansion of some of the Business's brands, and boosting the digital brands.
- Consolidating alliances with last-mile companies that support the economic model based on the alternative channels.
- Improving the consumer experience through advanced analytics with the purpose of creating high-impact strategies.
- Continue enhancing the capabilities of the employees as a differentiating attribute in the industry with the aim of offering the best service and experience.

COMMODITIES AND OTHER INPUT





ICE CREAM BUSINESS



Mario Alberto Niño Torres

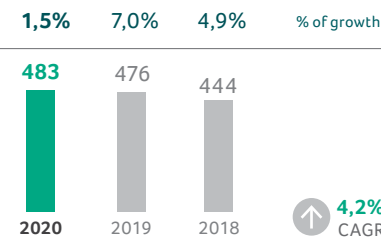
PRESIDENT

54 years old / Part of Grupo Nutresa since 2006

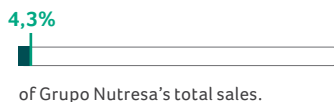
- The Business consolidated the change of the image of the Crem Helado brand and reinforced its market share, which exceeded 80%.
- A platform was developed with the aim of enabling customers to place their orders directly with the Business, and the portfolios of products for consuming at home were strengthened.
- The innovation-driven sales rate amounted to 21,4% and progress was made in the digital transformation process in terms of market service, operational processes and the use of new technologies, among other aspects.
- The nutritional profile of 21 products was improved by adjusting their fat and sugar contents.
- The Business carried out projects related to environmental improvement, the fire sprinkler system and the refrigeration network at its production plant in Bogotá, and built a waste water treatment plant at its facilities in Armenia (both in Colombia), thus ensuring the sustainability of the operation and a lesser impact on the environment.

SALES COP thousand million

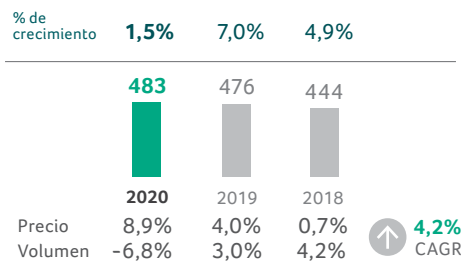
Total sales



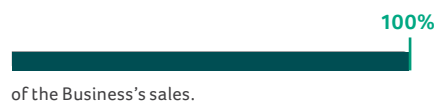
The Ice Cream Business represents



Sales in Colombia



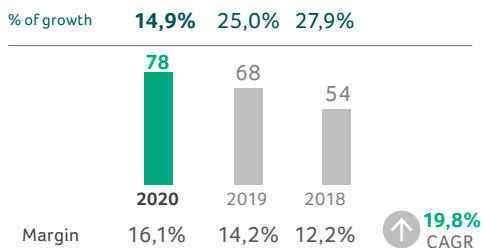
The sales in Colombia represent



Adaptation to change.

The Business developed sales models through vending machines and in gated communities, as well as its delivery platform in Bogotá (Colombia) with the purpose of bringing the products closer to all consumers.

EBITDA COP thousand million



The Ice Cream Business represents



EMPLOYEES

2.250 TOTAL
(Direct employees, third-party employees and apprentices)



100% in Colombia



0% Abroad

Captions
[GRI102-2]

- Presence of our main brands
- % of the Business's sales
- Number of production plants
- Brands with sales over USD 50 million

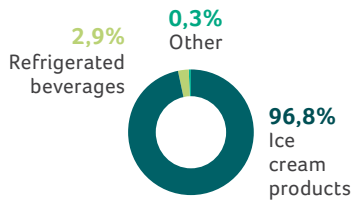
Colombia

- 100%
- 3

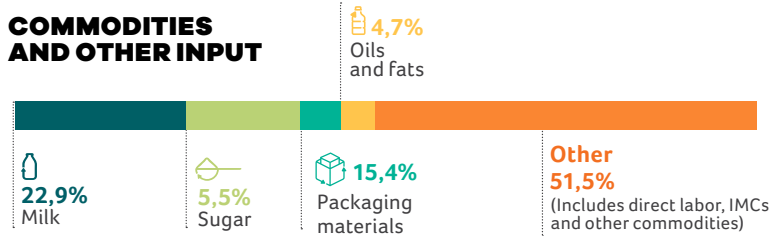
Direct presence in **1** country

MAIN CATEGORIES

(% of total sales)



COMMODITIES AND OTHER INPUT



BUSINESS OUTLOOK

- Increasing the Business's capacity for transformation by means of products with better nutritional profile and value.
- Making progress in terms of product, process and business model innovation while contributing additional layers to growth and competitiveness.
- Enhancing the adaptive capabilities among the employees as it provides higher levels of flexibility to deal with an increasingly demanding and variable business setting.
- Consolidating the sustainable practices in order to reach the highest levels of competitiveness in the industry.
- Delving into the work on the Business's energy optimization process to ensure the sustainability of the refrigeration network.



PASTA BUSINESS



Fabián Andrés Restrepo Zambrano

PRESIDENT

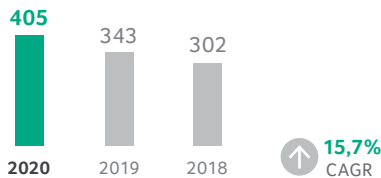
46 years old / Part of Grupo Nutresa since 1996

- A 17,9% sales growth rate was achieved by means of new strategies based on the at-home eating habits.
- The Business continued working on the development of international markets.
- The profitability of the Business was secured thanks to the effective management of prices, the optimization of the portfolio, the 15,5% increase in the productivity, the efficiency at the production plants and the adequate management of fixed costs by increasing the volumes.
- The zero-water-disposal operation was consolidated by achieving the recirculation of 100% of the wastewater and eliminating the disposal to water bodies. Additionally, the rainwater collection pilot program was launched.
- The consumer experience was improved by means of the portfolio of products through virtual meals and advisory sessions.

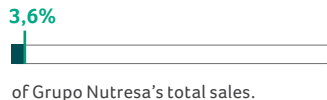
SALES COP thousand million

Total sales

17,9% 13,6% 2,9% % of growth

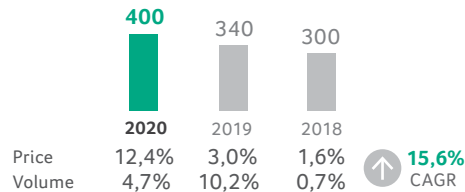


The Pastas Business represents

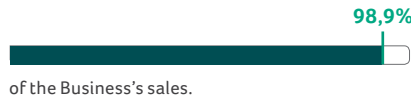


Sales in Colombia

% of growth 17,7% 13,5% 2,4%



The sales in Colombia represent

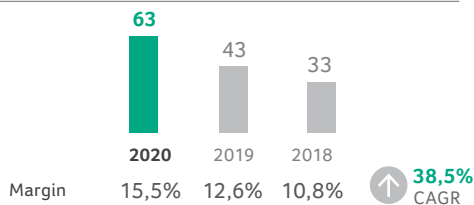


Adaptation to change.

Small work teams were created in order to overcome the internal and market-related challenges based on agile and innovation-centered methodologies and by making the most of the digital transformation.

EBITDA COP thousand million

% of growth 44,7% 32,7% 12,3%



The Pastas Business represents



EMPLOYEES

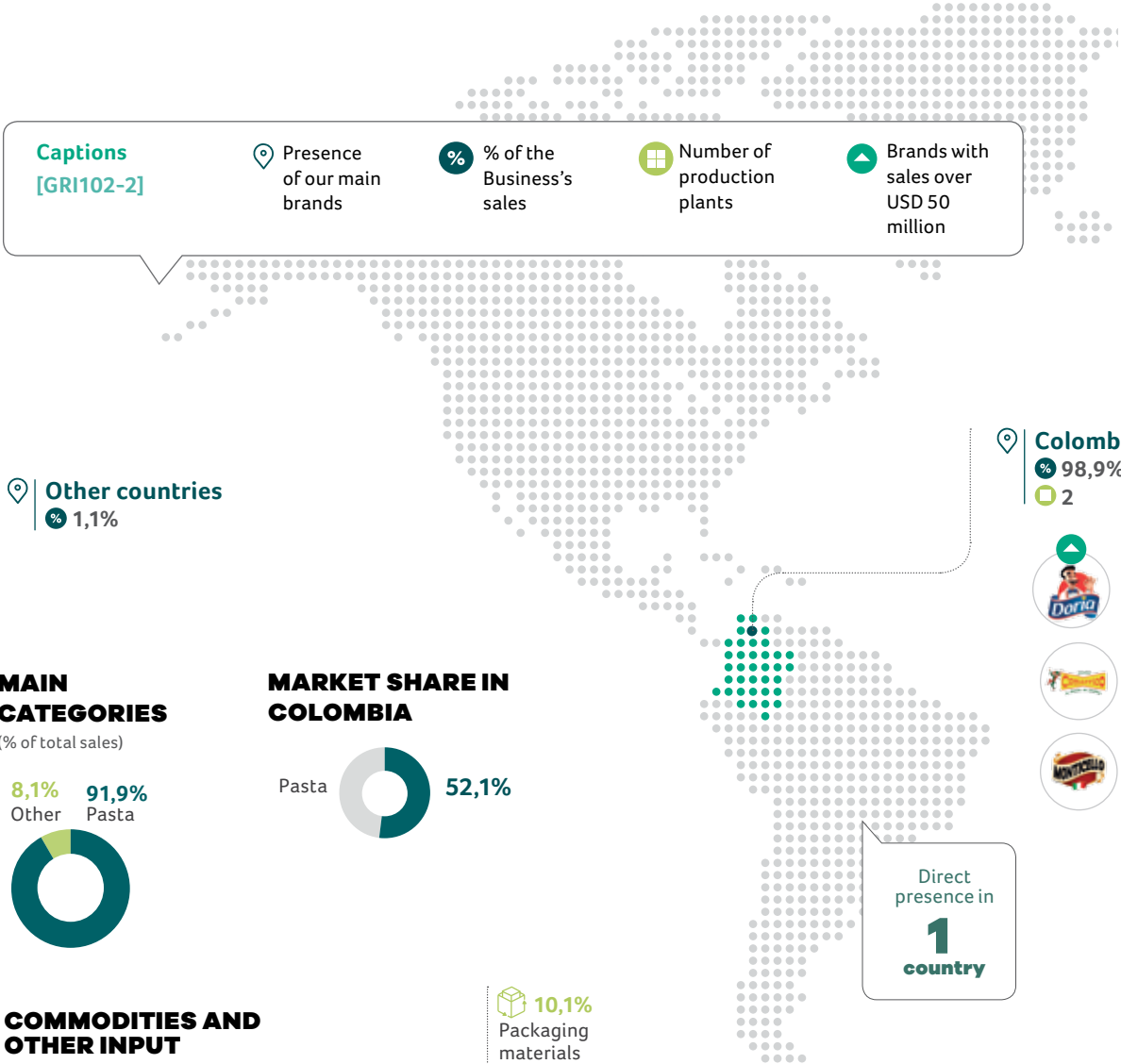
713 TOTAL (Direct employees, third-party employees and apprentices)



100% in Colombia

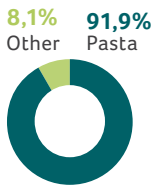


0% Abroad



MAIN CATEGORIES

(% of total sales)



MARKET SHARE IN COLOMBIA



COMMODITIES AND OTHER INPUT



BUSINESS OUTLOOK

- Continue working on the comprehensive development of the employees, enhancing the Nutresa Talents of the Being, promoting a culture based on innovation, sustainability, digital transformation, adaptability, flexibility, diversity and equality.
- Deploying circular economy projects, cycle-closing initiatives and sustainable packaging solutions.
- Generating new inorganic layers with the implementation of new projects and business models.
- Focusing strategies based on healthy products on the market to address the new trends and boost the seal-free portfolio.
- Consolidating the internationalization with the development of new geographies and the strengthening of the existing ones.
- Increasing the productivity and the eco-efficiency based on the knowledge on new technologies and the adoption of new ones.



REDES COMERCIALES SECAS



Juan Fernando Castañeda Prada

PRESIDENT

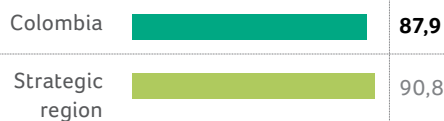
53 years old / Part of Grupo Nutresa since 2011

- The Business took advantage of its commercial and logistical capacity to generate superior growth in its pool of customers and clients: closeness-based segment (10%), province customers (14%) and digital channels (123%).
- Outstanding results were accomplished in terms of customer satisfaction and loyalty, with ratings at 89,7 and 79,1, accordingly.
- The greenhouse gas emissions were reduced with the creation of Novaventa's digital magazines, preventing the production of 1.973 tons of CO₂. Ten electric vehicles were incorporated in the distribution process, which allow reducing approximately 104 tons of CO₂ per month.
- The Business vitalized its digital and analytics capacity and put it to the service of its customers, clients and employees to create value in the order reception process, payment methods, portfolio visibility, e-category management and the digital focus of business initiatives for shoppers.

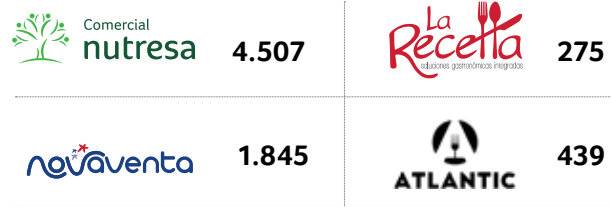
Customer satisfaction level in 2020



Customer loyalty level in 2020



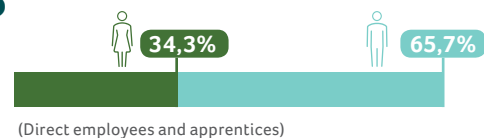
EMPLOYEES



7.066

TOTAL

(Direct employees, third-party employees and apprentices)



BUSINESS OUTLOOK

- Expanding the portfolio management to new categories, services and markets; creating business capacities and models; and generating memorable experiences for customers, clients, shoppers and employees, thus promoting the evolution and development of customers, clients and strategic segments.
- Boosting both technology and information; fostering engagement; enhancing the distribution capacity and commercialization in order to continue being the best partners of our customers and clients.



SERVICIOS NUTRESA



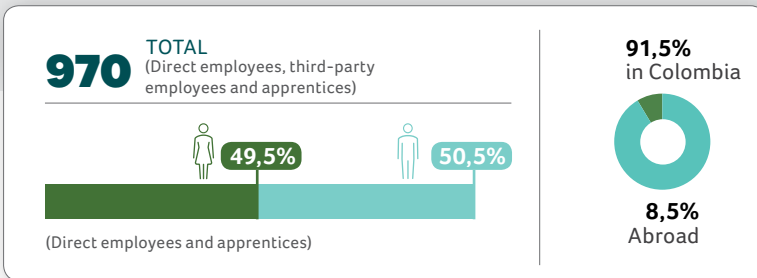
Juan Mauricio Montoya Correa

PRESIDENT

52 years old / Part of Grupo Nutresa since 1991

- Servicios Nutresa supported the process focused on integrating Grupo Nutresa's operations in Panama.
- Circular economy capabilities were developed by implementing the Refill project, which has allowed reducing the usage of packaging materials by 18% for the main brands of six of the Businesses through the network of Novaventa's 242.656 entrepreneurs.
- The Colombian Government's "Obras por Impuestos" strategy was supported with investments totaling COP 19.954 million in school furniture with the aim of improving the school environments of multiple education institutions.
- The digital transformation process was strengthened by exploring new technologies, 21 digital assistants, 25 analytics models and electronic collection tools, which increased the productivity of several of the Organization's processes.
- It is worth highlighting the progress made in terms of diversity and inclusion, a corporate model that was acknowledged with Equipares's Gold Seal in the Employment Equity category.

EMPLOYEES

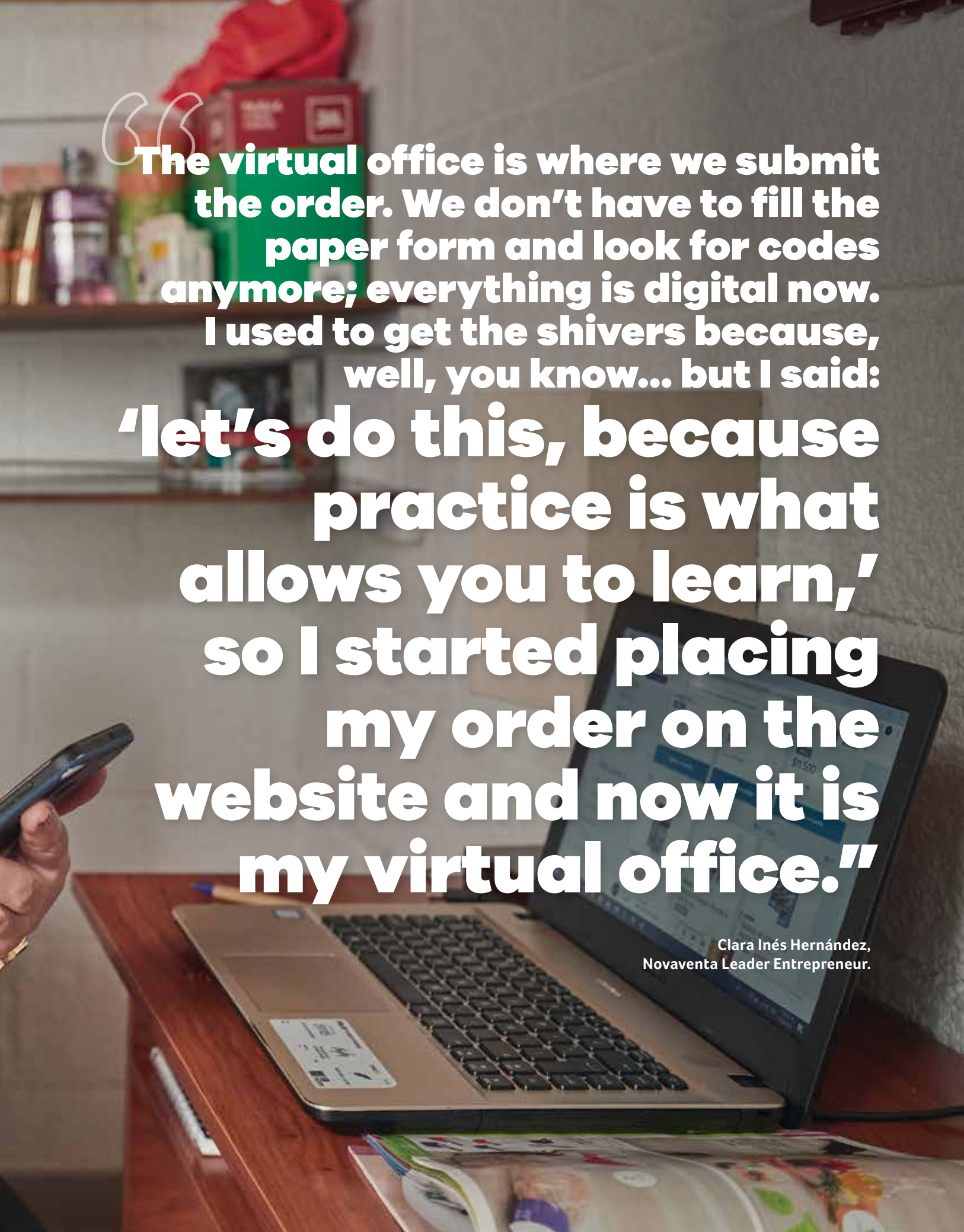


Servicios Nutresa achieved **COP 74.800 million** in savings through the strategic sourcing and the efficiency in the negotiations, fulfilling the forecast by 120%.

BUSINESS OUTLOOK

- Enabling the evolution of the portfolio and the service provision model in order to boost the competitiveness of the clients in all the geographies where they operate.
- Democratizing the adoption of digital technologies and the use of agile and collaborative work models through the development of capabilities.
- Strengthening both risk management and cybersecurity to ensure the continuity of the Businesses.
- Boosting the strategies that focus on acting with integrity, adoption and fulfillment of Human Rights practices, diversity, inclusion and volunteer work.
- Leading the responsible and productive sourcing capacity for Grupo Nutresa.
- Consolidating a team of employees for whom the new ways of working, the adaptive leadership, a balanced life and the work with a purpose would be the drivers that enable reaching a superior performance.
- Fostering projects focused on circular economy, energy management and sustainable mobility for Grupo Nutresa.





The virtual office is where we submit the order. We don't have to fill the paper form and look for codes anymore; everything is digital now. I used to get the shivers because, well, you know... but I said: 'let's do this, because practice is what allows you to learn,' so I started placing my order on the website and now it is my virtual office.'

Clara Inés Hernández,
Novaventa Leader Entrepreneur.

Digital leaders and entrepreneurs



Luisa Esther Rodríguez and Clara Inés Hernández are two Novaventa Entrepreneurs who found in the digital transformation new opportunities for engaging their customers and strengthening their projects as leaders in their communities.

“I often ask Novaventa Entrepreneurs: Where do you want to be tomorrow? Make plans, make projections and dream,” says Luisa Esther Rodríguez, Novaventa leader entrepreneur. Her words are little treasures of knowledge that she shares with the members of her work team with the purpose of increasing their well-being.

She knows about changes and solutions: in 2013, she left Venezuela, her neonatal nursing profession and her business of medical supplies for babies. She arrived in Colombia, got settled in Bogotá and started receiving training. Luisa learned about digital marketing as if she anticipated that 2020 will be a year in which she would need all those new skills.

Luisa sells Novaventa products through Facebook groups and pages, and through WhatsApp stories and groups. She posts photos of new products, offers, promotions and experiences. “If you

Luisa Esther Rodríguez became part of Novaventa with the idea of purchasing products to improve the eating habits of her daughters. Today, two years later, she is a leader entrepreneur and this job has enabled her to become integrated to a new culture, building a community and having a better income.

know how to use a smartphone, you can handle the world,” says Luisa.

Her work rewards her: a home with three daughters who she tends to with more dedication now, a stable life in a new country and the capacity to inspire other women to broaden their dreams.

For her part, Clara Inés Hernández, Novaventa leader entrepreneur, 71 years old, also talks about her process. With many friends and loads of energy that she focuses on thinking up new ways for taking care of that weave of relations, Clara Inés says: “What’s there to do at home? Well, you call your friend or neighbor to ask them how they are, how did they sleep; that is a way to be with people.”

Visit our website and discover all the stories that enabled us to take care of people's life in 2020.

[Click here.](#)

The tent where Clara Inés used to sell her products in the municipality of Soacha, in the Colombian state of Cundinamarca, and where she met up with people to talk and where she offered fruit juices and advise, was replaced with WhatsApp messages, digital catalogs and phone calls. Clara Inés recognizes that initially she found these connection tools difficult and they made her nervous, but she has relied on her willingness to learn in order to remain active and connected to people.

She has also started to experiment with other ways for showing affection. “I know it’s something odd to say but I have actually liked the pandemic because my children have been paying more attention to me, I love that. Before, everyone was working and doing their own things but now the family has bonded much more,” she tells.

Novaventa’s Entrepreneurs is one of Grupo Nutresa’s programs that enables women to enhance their leadership and entrepreneurial capabilities by selling products via catalogs. In 2020, many of them found in the digital transformation new market opportunities. Today, 242.656 entrepreneurs have their own online stores, where they serve almost 44.000 customers.

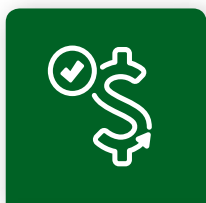


“When my third daughter, Nicol, was born, I devoted myself to see the nice things of life and to enjoy the opportunity to take a pause in my career, a professional pause, and to devote myself to her and her sisters. My older daughters started saying ‘it’s really nice to have you here with us.’ Novaventa and this way of working has allowed me to be more connected to my family.”

Luisa Esther Rodríguez, Novaventa leader entrepreneur.



In 2020, Novaventa Entrepreneurs had the need to transition their work dynamics towards the virtual world; in this digitalization process, the support from their families was fundamental.



Commitment to the SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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 meet their needs and motivations.

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

Promoting a market-focused organization based on overarching knowledge, and the development and strengthening of organizational capabilities that reinforce the models and practices in the region.



Retail Food Business restaurants in Colombia.

Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Strengthening the differentiated value propositions of brands and networks.

- » **Incorporation** of the higher purpose concept into the brands, connecting Grupo Nutresa's commitment with the Sustainable Development Goals (SDGs).
- » **Strengthening** of the positioning of the brands and their value propositions based on the update of consumer segmentation.
- » **Solidification** of the commercial networks in the United States with the new capabilities provided by the acquisition of Cameron's Coffee.

Managing the portfolio of brands, products and experiences according to the market needs.

- » **Prioritization** of the categories, brands and products that have high demand among consumers in the context of the COVID-19 pandemic.
- » **In-depth** development of the understanding of the behavior of "healthy shoppers" and "digital shoppers", and identification and harnessing of new opportunities.

Strengthening the commercial networks and generating customer loyalty.

- » **Performance** level above 80% in terms of customer satisfaction and loyalty across all networks, placing the Company in the top tier.
- » **Expansion** of the value proposition of networks for new customer segments, such as health food markets and stores, digital stores, among other.
- » **Reinforcement** of the customer attention model through the traditional and modern channels in Panama, by unifying the Alicapsa and Pozuelo commercial teams.

Strengthening the internationalization model.

- » **Increase** of USD 57,3 million in the sales outside Colombia, for a total of USD 681.295 million, which are equivalent to 39,9% of the total sales. This represents a 5,0% growth in USD and 18,1% growth in COP.
- » **78** markets and 19 brands with sales over USD 50 million as a result of the strengthening of the export capacity from multiple geographies and production platforms.
- » **Expansion** of the geographical footprint of brands such as Cordillera, Tosh, Dux, Festival, Ducales, Tutto, Colcafé, Zenú, Kryzpo, Muibon and Doria.

The Company delivers value propositions with memorable and differentiated experiences to consumers, shoppers and customers with the purpose of meeting their needs and motivations.

Risks and opportunities [GRI 103-1]

The main market risks and opportunities are associated with the uncertainty caused by the COVID-19 pandemic across geographies, industries and markets. Additionally, there are ongoing changes in the countries of the strategic region, changes in lifestyles and culture, reforms to labeling and ingredient regulations, and modifications of non-tariff barriers to trade.

Risks to the market were identified in relation to the effects of the pandemic, the difficult economic revival, and the pauperization of living conditions. Additionally, other risks include increasing costs of *commodities*, the volatility of the dollar and other regional currencies, legislation and tax reforms in various countries, as well as the impact on brand reputation due to the rising demands from increasingly informed and involved consumers.

The opportunities include the recovery of consumption outside homes, tourism, and other activities. Other opportunities are the greater awareness of and preference for sustainable value propositions and the increase in demand for products and services that contribute to healthy lifestyles; the development of solidarity and cultural economies that encourage job recovery, and the preference for multicultural experiences that offer diversity of ingredients, preparations and flavors.

Future outlook and goals for 2030

Continue evolving towards a market-focused corporate culture that inspires the human talent. To encourage behaviors that promote collective knowledge, facilitate change, empowerment, innovation, agile and efficient operations, and decision-making processes with a sustainable vision across all geographies.

To increase participation in the wellness and nutrition markets using effective innovation, digital media, and information and communication technologies to deliver new solutions that contribute towards healthy eating habits and improve the quality of life of the people.

Additionally, to unlock the growth potential of geographies through the transfer of management skills, contributing to the expansion of the footprint of leading brands and strengthen marketing networks.

To accelerate the digital transformation process: generating greater value through the use of information, infrastructure, engagement and *know-how* in current marketing, distribution and logistic processes. This will allow the Organization to act efficiently and remain the best partners for our clients.

Also, to deepen and strengthen the value propositions in *business to business* (B2B) and *food service*, direct sales and digital commerce, among other channels. These propositions will be articulated through multiple channels to achieve higher outcomes in satisfaction and loyalty performance.

Finally, to seize the opportunities generated by cultural changes identified in sustainable development trends. This will enable the Company to continue providing memorable experiences for consumers, shoppers, customers and guests, making value propositions more relevant with new business models, categories, products and services suitable for different markets and geographies. To advance the “brands with a purpose” strategy to provide consumers with sustainability features that offer them new ways to respond to the current global challenges of the world.

Success stories and acknowledgments [GRI 103-3]



Noel is recognized in the Brand Footprint 2020 ranking by Kandar in Colombia

Noel is the third most chosen fast-moving consumer goods brand by Colombian households.



Café Sello Rojo received an EFFIE Bronze Award 2020 in the Non-Alcoholic Beverages category

This recognition was awarded for the campaign “Despierta tu vida con Café Sello Rojo” (Awaken your life with Café Sello Rojo), which features real-life stories to highlight the strength and perseverance that characterizes Colombian people.



ES... MUUUCHA GALLETA!

Pozuelo is featured in Kantar Brand Footprint ranking (CAM)

The brand ranks third in the top 25 most chosen mass consumption products in Costa Rica.

Livean is recognized as Merco Chile's Product of the Year

Livean stands out among the most valued innovations by consumers, specifically thanks to Livean's product without artificial color additives.

Tutto received the Breakthrough Innovation LATAM-Nielsen Award in the superstar category

This recognition, awarded by the market-auditing company Nielsen, highlights product launches that have had a superior performance in the market and demonstrate ongoing success for more than three years, as evidenced by the best positions in top performance metrics for a successful launch in Central America.



Cordillera and Tosh were recognized and featured as success stories on the global platform One Planet

This platform records the most successful sustainability and marketing cases in the world. This achievement was the result of the collaborative work carried out with Universidad de los Andes and the United Nations to align the brand sustainability communication with the Sustainable Development Goals (SDGs).

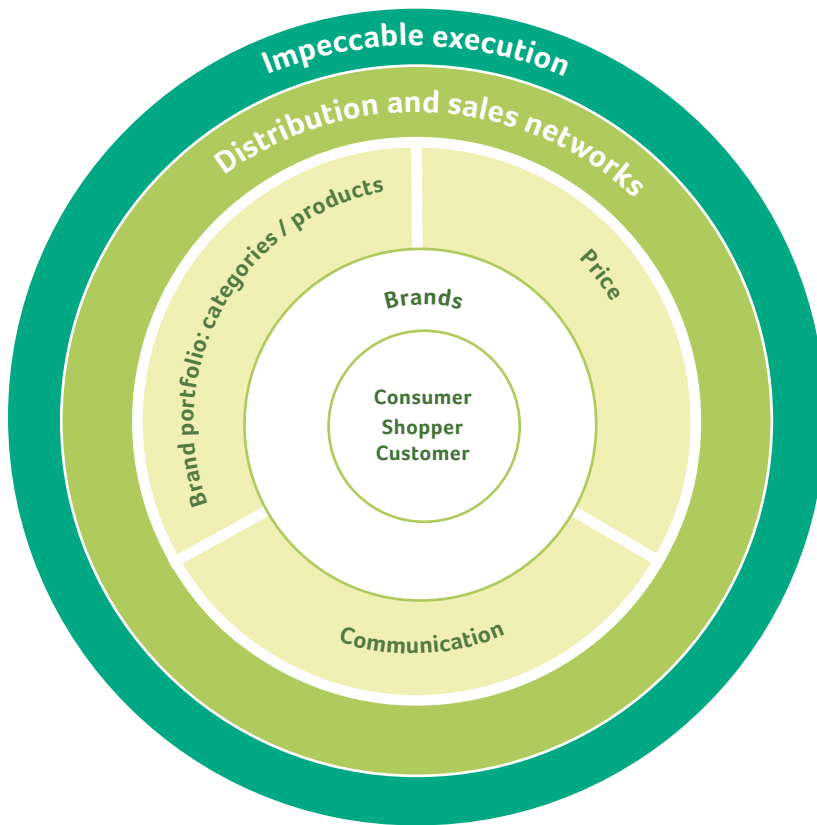
Material topic details [GRI 103-3]

Grupo Nutresa has committed to double its current sales by 2030 based on food products and experiences of highly recognized and beloved brands. These products nourish consumers, generate well-being and pleasure, have the best price-value ratio, are widely available in our strategic region, and are managed by talented, innovative, productive, committed and responsible people within a sustainable development framework, with a return higher to the cost of capital.

The Organization develops markets based on promoting and transferring capabilities from its Brand and Network Management Model to its staff and organizational culture. It supports the management and creation of new value propositions through its brands and commercial networks to generate memorable and unique experiences for consumers, shoppers and customers. These experiences respond to their lifestyles and promote healthy eating habits, nutrition, well-being and enjoyment in a sustainable way.

Grupo Nutresa has committed to double its current sales by 2030 based on food products and experiences of highly recognized and beloved brands.

Grupo Nutresa’s Brand and Network Management Model

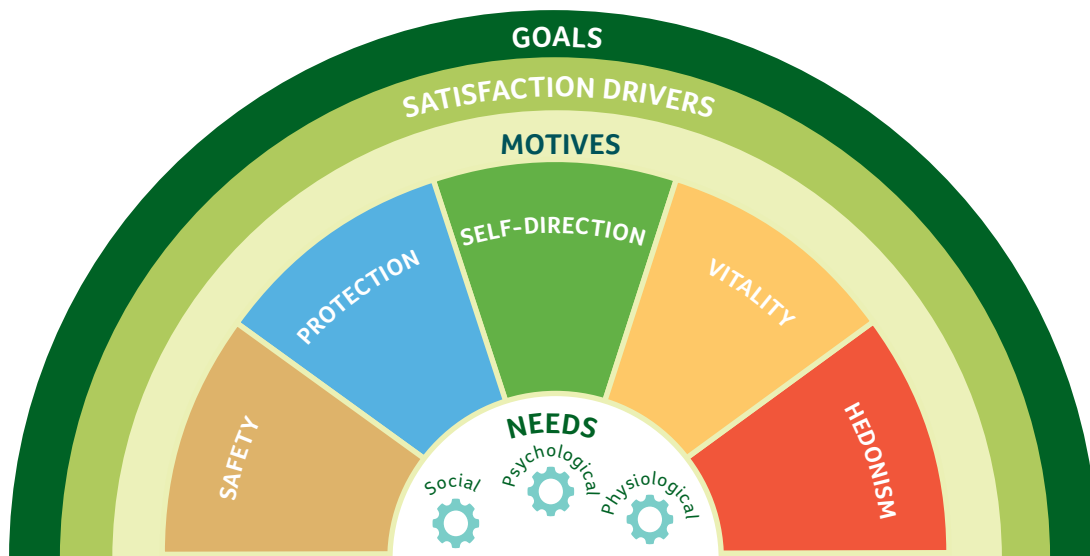


The development and transfer of capabilities of Grupo Nutresa’s Brand and Network Management Model has been a key factor in the generation of shared value for consumers, shoppers and customers. Knowledge and synergies between Businesses and networks strengthen brand experiences and create market opportunities in other geographies.



Based on its segmentation model, Grupo Nutresa provides value propositions according to the expectations and realities of consumers.

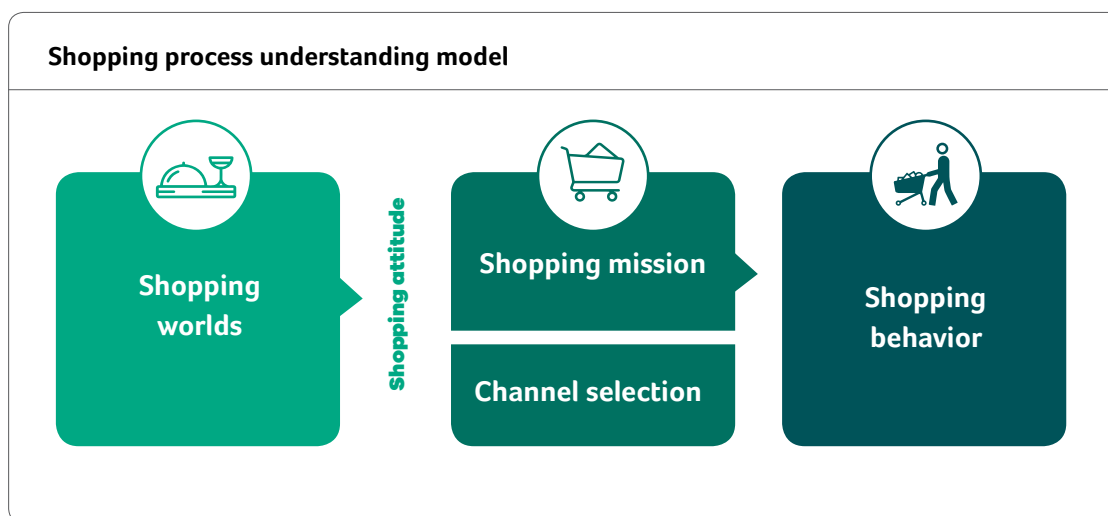
Grupo Nutresa's Segmentation Model



The in-depth knowledge of consumer behavior, supported by the segmentation implemented by Grupo Nutresa, has been leveraging brand positioning and innovation strategies, increasingly bringing value propositions closer to the expectations and realities of the security, protection, self-direction, vitality and hedonism segments. The model was applied this year in Chile and in 2021 it will be applied in Central America.

In 2020, the “Brands with a purpose” strategy was designed to explore sustainability features, connecting current consumer aspirations with the higher values and purposes of the brands.

The Organization maintains the continued development of shopper claims, the shopper culture process and the implementation of analysis tools based on advanced analytics.



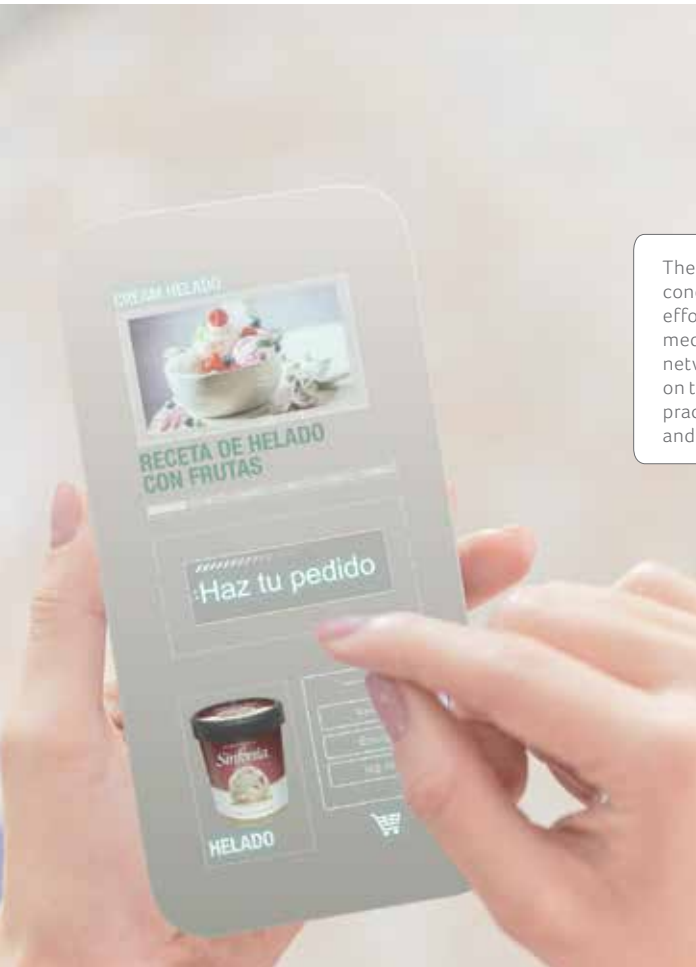
The Organization continued working on the development of *shopper claims*, the *shopper* culture process and the implementation of analysis tools based on advanced analytics. The Organization also delved into the study of healthy shoppers and digital shoppers to strengthen the adoption of innovative solutions.

At the customer level, it is worth highlighting the overarching nature of business management capabilities in the multiple segments, the strengthening of the customer experience that connects brands with shoppers and consumers, the constant updating and leadership in distribution models, and the advancement of digital and engagement capabilities in virtual channels.

In regards to the advances in brand matters, brand positioning was defined and strengthened. Integral consumer value offers were also developed in collaboration with other Grupo Nutresa companies.

Brand positioning models were tailored in line with the SDGs of the leading brands in the segments.

Progress was also made in expanding concepts of brands such as Tosh, Cordillera, Dux, Granuts, Colcafé, Kryzpo, Doria and Zenú to other product categories, according to the segment and the consumption occasion. In terms of consolidation of the delivery of experiences with a wide presence in different categories and geographies, Zenú stands out with a portfolio including cold meats, vegetables, salads, *snacks*, frozen breaded meats, cooked meats, ready-made dishes and frozen fries. Monticello, an overarching *premium* brand with an offer of indulgent value, has achieved a presence in nine different categories: pasta, sauces, *risotto*, matured meats, semolina flour to make pasta, olive oil, balsamic vinegar, pickles, and frozen ravioli. In addition, the first digital brand of the Retail Food Business called



The Company concentrated its efforts on digital media and social networks, focusing on the benefits of practicality, health and well-being.



VI Bowls was started, operating through the dark kitchens of El Corral Gourmet.

Efforts were concentrated in digital media and social networks, reinforcing the benefits of practicality, health and well-being associated with food. This was communicated via *insights* that highlighted the importance of helping to prevent the spread of the virus and to cope with the effects of the pandemic.

At the level of *pricing*, analysis cycles were performed for each business. This facilitates decision-making based on access to buyers and ensures the profitability of brands and categories. Analytical tools were also developed for various geographies.

In distribution networks, actions focused on digital transformation to respond to the effects of the COVID-19 pandemic. New value propositions for customers were created and adjusted in the go-to-market model by using digital tools. In Novaventa, a new virtual sales channel, called “Tienda Virtual” (Virtual store), was developed for the Novaventa entrepreneurs. Also, the vending machine channel integrated machines with a protocol for disinfection and protection against COVID-19, these are called Essential machines. These devices were located in high-traffic locations such as airports, gyms and mass transportation stations.

The updates in the Go-to-Market Model across multiple regions and networks are better at responding to the identified needs. La Recetta and Atlantic Food Service adjusted their business models to reach other customers, including sales directly to end consumers. Likewise, the integration of Atlantic Food Service and Cameron's Coffee within the Grupo Nutresa business group ecosystem was consolidated.

The flawless execution in the management of points of sale has been a differentiating element of the Grupo Nutresa networks: it generates trust among consumers and ensures their safety in face of the pandemic, and it guarantees the supply of categories and brands with the implementation of biosecurity and communication protocols to reinforce self-care of consumers and their families. Finally, the consolidation of the digital capacity of brands and networks has facilitated a continued connection with customers, shoppers and consumers.



Celebration of the International Coffee Day in Colombia by means of digital activation activities.

Expansion in the strategic region and markets

Consolidation and development of geographies based on Grupo Nutresa's Internationalization Model for the management of opportunities in categories, brands and experiences and the strengthening of distribution networks, with models designed to meet the needs of each market.

Expansion of the geographical footprint of brands such as Tosh, Ducales, Dux, Festival, Chiky, Cordillera, Colcafé, Tutto, Tru Blu, Granuts, Zenú, Kryzpo and Doria, and application of the Brand Management Model for this market (priorities in positioning, communication, *go-to-market* and *shopper*). Abimar Foods continues strengthening its export operation to Mexico and Panama.

The Organization increased its participation in nutrition and wellness markets in the strategic region with the launch of the line of infusions (herbal tea products) in Central America and the delivery of Tosh brand experiences: "Vida en armonía" (Life in harmony) –Tosh Live Broadcasts and Tosh Fest Digital offering contents related to food, meditation, yoga, physical activity and recycling, among other– with coverage in Colombia, Central America and Puerto Rico.

The successful integration of Cameron's Coffee into the organizational model is also worth highlighting, considering its significant advances in branding and the expansion of its distribution. Similarly, it is important to mention the growth in terms of B2B in the U.S. market, supported by a value proposition with a high impact on innovation and sustainability.

On another note, it is worth highlighting the internationalization of the Chocolates de Costa Rica platform with market launches in Trinidad and Tobago and Puerto Rico, and the venturing into Brazil with the Granuts portfolio selling at Sam's Club. Stable growth in Asia, with innovative products targeting the coffee beverage segment, especially for markets in Japan, Korea and China.

The Organization strives to manage commodities efficiently in order to draw upon favorable advantages and ensure varieties at a fixed price.

Commodity volatility management

Commodity volatility was affected by exchange rate factors, supply effects caused by the pandemic crisis and weather events. The most affected commodities were pork, chicken, beef and cocoa. In this sense, risks have been adequately managed through flexible hedging and trading strategies to ensure competitiveness in commodity price volatility, demonstrating flexibility and adaptability to scenarios associated with COVID-19.



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

(COP million)	2017	2018	2019	2020
Revenue from net sales	8.695.604	9.016.066	9.958.851	11.127.541
Revenue from financial investments	68.327	74.308	83.810	93.293
Revenue from sales of property, plant, and equipment	17.804	28.640	11.576	31.353
Direct economic value generated	8.781.735	9.119.014	10.054.237	11.252.187
Operating expenses	5.942.715	6.342.582	6.868.916	7.921.426
Salaries	867.952	940.571	1.004.756	1.122.190
Social benefits	482.283	452.376	500.013	575.903
Dividends paid to shareholders	245.706	260.614	281.596	298.712
Interest payments to credit providers	259.085	198.915	179.349	175.515
Payments to the government	221.880	282.857	331.243	324.382
Community investments	62.367	70.972	90.818	105.155
Benefits	102.767	104.389	106.225	116.698
Direct economic value distributed (partial, added to human talent management)	8.184.755	8.653.276	9.362.916	10.639.982
Economic value retained	596.980	465.738	691.321	612.205

Closing of the strategy for 2020

1 In 2020, Grupo Nutresa achieved COP 11,1 trillion in sales, representing an increase of 11,7%. This result meets the expectations of profitable growth in strategic markets through the management and consolidation of value proposals of brands, commercial networks, effective innovation and the acquisition of new businesses aligned with the mission of the organization.



2 As of the end of the year, 19 brands achieved sales over USD 50 million, namely:



3 Grupo Nutresa participates in more than XX product categories and has been increasingly expanding its portfolio of food products with innovations in terms of vegetable proteins, healthy ingredients, fresh and frozen meats, coffee blends, express pod drinks, cooking appliances (automatic chocolate pot), functional infusions, and Mediterranean ingredients, among other products of great importance for contemporary lifestyles in the markets of the region.



4 In the face of the ongoing challenges at the closing of the 2020 strategy, some aspects of the Organization have been essential: the overarching capabilities of commercial management in the multiple segments, the strengthening of the customer experience that connects brands with shoppers and consumers, the constant updating and the leadership in distribution models, the implementation of digital capacity and the virtual engagement with the customers.



5 The coverage of the leading brands was expanded in the United States, Costa Rica, Panama, Mexico, Ecuador, Peru and Puerto Rico. The expansion includes portfolios according to the characteristics of each market and has had outstanding performance thanks to channel diversification, productive linkages, optimization and strengthening of businesses abroad, diversification of customers, incursion into new segments and consolidation of key accounts.

6 Between 2010 and 2020, the market entry capabilities were expanded through the acquisition of Tresmontes Lucchetti in Chile and the incorporation of the Oriental Coffee Alliance (OCA), in partnership with the Mitsubishi Corporation, in Kuala Lumpur to commercialize product portfolios in Asia. The creation of the Retail Food Business was completed thanks to the acquisition of beloved and leading brands such as El Corral and El Corral Gourmet, as well as the acquisition of Cameron's Coffee, Atlantic Food Service and Naturela.

7 During the same period, the Novaventa commercial network multiplied its revenue 5,9 times and registered an approximate compound growth of 20%, with a growth in sales in the alternative channel, both in catalog sales and vending machines, significantly contributing to the fulfillment of Grupo Nutresa's commercial goals.

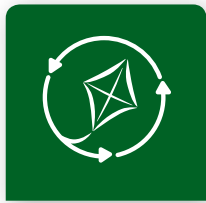
8 Finally, the Kibo digital platform and the go-to-market model were developed and consolidated in the United States to serve B2B customers with local partners. It is also important to highlight the consolidation of Cordillera as a B2B brand with the development of regional alliances with culinary schools and opinion leaders in Colombia, Peru, Mexico and Central America.

Customer management process led by Comercial Nutresa in Colombia.



Employee from the Chocolates Business, Colombia.





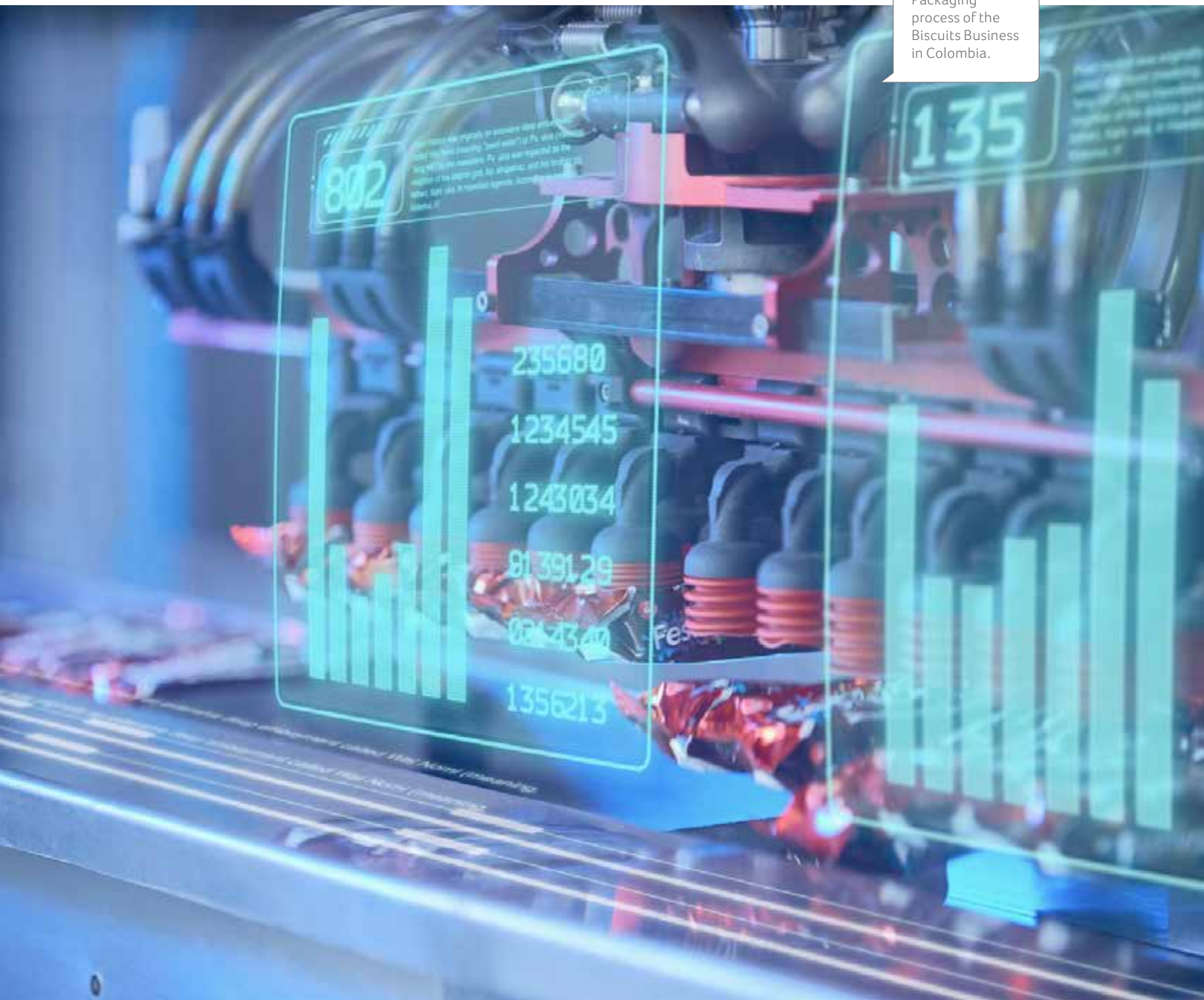
Commitment to the SDGs



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

Packaging process of the Biscuits Business in Colombia.



Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Implementing the innovation-focused strategy, and structuring the governability model.

- » **Continuation** of the work focused on implementing the Imagix model and bridging gaps across all geographies.
- » **Redesign** of the innovation process for Tresmontes Lucchetti.
- » **36** Tresmontes Lucchetti employees in Chile and Mexico received training related to innovation-focused capabilities and leadership.
- » **217** employees from 11 Businesses received training related to the agile culture.
- » **Utilization** of capabilities from the Innovation Ecosystem (prototyping, co-financing and expert talent).

Strengthening the innovation programs: “Éxitos Innovadores” (Innovative Success Stories), “Prácticas Ejemplares” (Exemplary Practices), “Soluciones Innovadoras” (Innovative Solutions) and Out of the Box.

- » **88** innovation promoters received training in Colombia, Costa Rica, Mexico, Chile and the Dominican Republic.
- » **73** projects short-listed in the fourth edition of Out of the Box.

Building Grupo Nutresa’s innovation project portfolio.

- » **Management** of the innovation portfolio based on the goals established in terms of balance and impact of the initiatives.

Consolidating the knowledge management culture.

- » **Strengthening** the knowledge transfer among the Businesses through programs such as “Prácticas Ejemplares” (Exemplary Practices), “COmparte tu COnocimiento” –also known as Co-Co– (Share your Knowledge), and the Fair of New Technologies.
- » **Implementation** of the *reskilling/upskilling* strategy to bridge knowledge gaps in new technologies based on the application of knowledge maps.

Discovering and making progress in the identification of new digital technologies and their contribution to innovation and productivity.

- » **More** than 50 cases of adoption of new Industry 4.0 technologies in different Businesses and geographies.
- » **Continuation** of the “Hub de Aprendizaje” (Learning Hub) strategy for the development of capabilities focused on the digital transformation.
- » **Execution** of the first Virtual Fair of New Technologies with the exhibition of 34 application use cases and the participation of the internal and external ecosystem.

The strengthening of intrapreneurship will be fundamental for the transformation and growth of the Company, and to continue being relevant in the multiple geographies of the strategic region.

Risks and opportunities [GRI 103-1]

Recent events in the world have shown the speed and scale of social, health, economic, regulatory and organizational changes, and how they reflect on people's behavior and consumption habits. Although these may represent a risk to the stability and fulfillment of Grupo Nutresa's objectives, they also pose great opportunities for transformation.

The continuous development of cultural and methodological capabilities to face these events and turn them into business opportunities or prevent high negative impacts is fundamental. Additionally, delving into methodologies such as *design thinking*, *lean startup* and agile culture allows identifying quickly the changes and the market needs to adapt accordingly and propose solutions that generate value. At the same time, the intrapreneurship and articulation with the ecosystem are strengthened while the acceleration pace and scaling of these new businesses are boosted. Additionally, new capabilities, knowledge, resources and technology are brought into the Company.

Finally, the construction of digital capabilities still is a fundamental endeavor that allows the Organization to swiftly create solutions for the demands of a digital and permanently-connected world. Consumers, customers and all stakeholders that make up Grupo Nutresa's value chain are entering digitality and transforming their processes and ways of doing business. The incorporation of technologies such as artificial intelligence, *blockchain*, robotic process automation (RPA), among other, will continue influencing the Organization's management models.

Future outlook and goals for 2030

Grupo Nutresa expects innovation-driven sales to reach 20% of total sales by 2030. In alignment with this defined strategic plan, innovation will maintain an important overarching role in the generation of capabilities, methodologies, culture and support in projects with different scopes. Innovation will remain present in the development of the Organization's brands, categories, geographies, channels, experiences and processes, and will contribute to the generation of value for the stakeholders.

The strengthening of intrapreneurship will be fundamental for the transformation and growth of the Company, and to continue being relevant in the different geographies of the strategic region. In addition, incremental innovation will remain an important focal point of the strategy to ensure the dynamism of brands from the consumers' perspective. The management of these diverse portfolios will be essential in guaranteeing a positive impact and efficiency in the use of resources at the service of these projects.

The development and strengthening of the ecosystem will be paramount for the incorporation of new capabilities, technologies, knowledge and talent to the projects with the highest level of disruption. By means of alliances, collaborations and even investments through Nutresa Ventures, the Organization expects to accelerate the incubation and scaling of projects for launching them into the market. Conclusively, Grupo Nutresa will consider innovation in a more global manner over this new decade, thus seeking a deeper positive impact.

Success stories and acknowledgments [GRI 103-3]

Virtual store

Novaventa developed a model that allowed giving continuity to the catalog sales model, enhancing the digital capabilities of the Novaventa entrepreneurs, 96% of whom are base-level entrepreneurs. With this initiative, the Organization boosted their income generation and enhanced their self-care awareness during the pandemic.



Acknowledgment granted to the R&D+i unit of the Biscuits Business in Colombia

The accolade was awarded by the Ministry of Science, Technology and Innovation, which articulates groups, research institutes, science centers, technological development, and business R&D+i units. This recognition highlights the companies that, with their innovations, contribute to the scientific development of the country. Thus, the Biscuits Business consolidates itself as a proactive actor of the National System of Science, Technology and Innovation in Colombia.




Acknowledgment as the second most innovative company in the country according to the National Business Association of Colombia (ANDI)

Within the framework of the Fifth Colombian Business Congress (CEC), ANDI and the *Dinero* magazine presented Grupo Nutresa with the Award for Business Innovation. This classification is the main tool available in Colombia to measure business innovation. In its fourth edition, 242 companies from 12 Colombian states were evaluated. The Organization was also ranked first in the "Consolidated Innovative Ecosystem" category.

Material topic details [GRI 103-3] [SDG 9.4]

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



Culture

éxitos
INNOVADORES

INNOVATIVE success stories

6216

innovative success stories in Grupo Nutresa

Promotores

Promoters

450

innovation promoters

- 343 PRO
- 92 EXPERT
- 42 MASTER

616

people received innovation-focused training

Out of the box







211

Out of the Box participants

73

Projects

Processes

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

Resources

0,69%

of the sales invested in innovation.

287

people dedicated to R&D+i.

Out of the box

Venture capital fund for the development of **two** Out of the Box projects.

Ecosystem

10

+

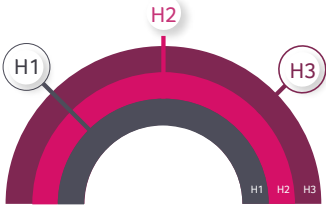
36

system call for entries in which we participated

open innovation projects

Continued articulation between the Businesses and the multiple actors from the ecosystem, such as: universities, entrepreneurial undertakings, research centers, suppliers, among other.

Portfolio



+80 Innovation initiatives as response to the COVID-19 pandemic

Management of the portfolio according to the innovation type and scope, and based on the goals established in terms of balance and impact of the initiatives.

Re-prioritization of the portfolios based on the strategies intended to enter the market and respond to the effects of the COVID-19 pandemic.

H1	86,26%	1.707.176
H2	9,45%	187.017
H3	1,21%	24.031



Employees from the Coffee Business, Colombia.

STRATEGY

Implementation of the innovation strategy

The consolidation of the innovation strategy in both Colombia and the strategic region is moving forward, with the promotion of its adoption and implementation and by delving into the use of the tools provided by each axis and increasing the impact and working on the redesign of the innovation process with several Businesses.

More than **311 employees** and leaders received training in innovation methodologies under the Innovation Shots and Innovation Promoters programs.

Construction of more balanced portfolios in terms of scope and type of innovation.



4 concepts were delivered at the end of the training activities related to innovation-focused capabilities and leadership in Chile and Mexico.

Dynamization of the Innovation Promoters Program in the Businesses in Colombia, Costa Rica, the Dominican Republic, Chile and Mexico, achieving higher levels of participation and contribution to the projects.

CULTURE



Servicios Nutresa
employee in
Colombia.

Innovation indicators

Continuation of the indicator board pilot initiative in the Chocolates Business in Colombia, which is focused on measuring the impact and the management work based on the strategic goals. Tests were carried out and adjustment opportunities were identified for its adaptation and subsequent widespread development in 2021.

Innovation-driven leadership

Development of the second season of an original series with 24 episodes. This series highlights the great innovations developed within Grupo Nutresa. It is also a platform for teaching about the application of the model by other companies and stakeholders.

Expansion of the scope of multiple communication media (focused on social networks) to continue working on the dissemination of strategies, activities and concepts around innovation, thus obtaining increasingly more followers and achieving a higher level of *engagement* (emotional connection).



Training for expert capabilities

More than 27 employees received training in multiple methodologies.

Innovation culture programs



Imagix promotores

This program seeks to provide training for a group of employees in topics related to topics such as innovation culture and discipline so that they support the innovation strategy and activities through projects, events, mentoring and training. It produced the following results in the fields of innovation-driven capabilities and leadership, *design thinking* and basic concepts and methodologies: 88 employees reached the promoter level, 27 the expert level, and 61 the pro level. In total, the program has produced 450 promoters in Colombia and some the Businesses abroad.

Imagix soluciones INNOVADORAS

Open cross-organization participation program focused on overcoming Grupo Nutresa's strategic or tactical impact challenges. The program introduced 2 challenges, which resulted in 20 solutions submitted, 3 of which were selected as winners, with a total of 40 participant employees and 10 of them getting prizes. A pilot for the evolution of the program was also initiated, seeking a broader participation and more challenges being introduced. The program has been confirmed for being deployed again in 2021.

Imagix éxitos INNOVADORES

This program promotes the participation in the formulation and implementation of ideas for the continued improvement of the processes. A total of 6.216 innovative successes were achieved and the participation of more than 7.030 employees throughout the strategic region.

Imagix Prácticas EJEMPLARES

Acknowledgment of management experiences and projects with outstanding results, which are also replicable in other Businesses. The following two Exemplary Practices were awarded acknowledgments:

- » Dynamic distribution models for ensuring an efficient market entry, submitted by the Cold Cuts Business.
- » Successful innovation for the advanced development of key accounts in B2B businesses, submitted by the Coffee Business.



Out of the box

DALE LA VUELTA

Capital fund for radical innovation projects with a high level of uncertainty, intended to create future growth opportunities.



Packaging process at the Chocolates Business production facilities in Rionegro, Colombia.

Innovation portfolio

Portfolio management



Business-based goals were established to find the ideal balance of the innovation portfolio regarding horizons and types of innovation.



Definition of pathways for Tresmontes Lucchetti's future growth, introducing several challenges to be solved and 13 concepts that become input for the 2020 and 2021 innovation pipeline.



Re-prioritization of the innovation portfolios based on the best way to enter the market and respond to changes occurring as a result of the COVID-19 pandemic.

Most relevant projects

1

Process

Nutresa Express is one of Comercial Nutresa's initiatives and it is focused on developing the capacity of the Company's new delivery models: express deliveries, alternative models, nodes such as distribution centers and alternative delivery frequencies. The main focal points was express or urgent deliveries, which consists in going from 48 hours for a completing a delivery to six hours or less.

Exploration and incorporation of new 4.0-industry technologies with the aim of increasing the productivity and competitiveness of all Grupo Nutresa Businesses: the application of RPA in exports processes, electronic invoicing, information submitted to the DIAN, banking, creation of materials, recent developments related to employees, service orders, employee hiring process, among other, are some of the processes that were automated in 2020. In addition to these *bots*, *chatbot-type* virtual assistants have been developed for providing support in consumer and customer support channels.

2

Business model

Incubation and launch of the Retail Food Business's first digital brand called Vi Bowls, in the Bowls category, which operates at El Corral Gourmet restaurants. This brand lives in the digital ecosystem through last-mile channels such as Rappi, its own *e-commerce* and other digital media.

3

Digital transformation

At La Recetta, a new line of business was developed that made it possible to obtain new B2C (business to consumer) customers and increase marginal sales and service channels. Additionally, through a digital transformation strategy deployed by the Business, new functionalities were created in the service platform in order to make the contact points more flexible and offer an improvement in the service experience for B2B customers.

Helados BON developed two *e-commerce* platforms to offer *online* sales channels to its consumers through a website and a Whatsapp *chatbot*. Additionally, a *delivery* platform was launched for the rural areas where the *delivery service* had not been implemented and there was no last-mile company coverage to draw on their services.



Exploration of new technologies at Servicios Nutresa in Colombia.

Ecosystem

Grupo Nutresa works in an articulated manner with diverse actors from local, nationwide or international contexts such as universities, entrepreneurial undertakings, research centers, governmental bodies and suppliers, among other. This collaboration network contributes to innovation and the development of projects with expert capabilities and resources that allow gaining speed, quality and competitiveness in the developments that are launched into the market.

Open Innovation

Development of 36 initiatives guided by external agents and focused on providing agile access to valuable knowledge, methods, tools and resources for the implementation of new products and processes. The Nutresa Ventures Fund made investments in a venture and established connections with companies through technologies and proposals that will be significantly important for future innovations.

Resources

The Organization allocates significant economic and technological resources and human capital to driving innovation based on its innovation strategy and portfolio.



COP 69.790 million invested in R&D+i, which are equivalent to 0,69% of the Company's sales invested in innovation.



The Out of the Box program continues to allocate part of the venture capital to the incubation of a disruptive project.

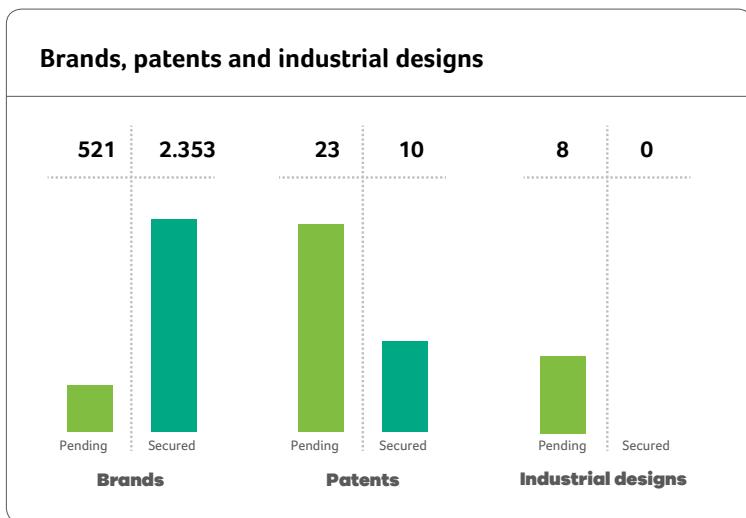


287 people dedicated to R&D+i throughout the Organization.

PROCESSES

Intellectual property [SDG 9.4]

For Grupo Nutresa, intellectual property maintains the competitive advantages and is increasingly relevant within the Imagix Innovation Model. It protects and preserves the knowledge created within the Company, identifies fundamental technological trends in planning and forward-planning exercises, and reduces risks of infringement of third-party titles.



Technological monitoring

The Organization has processes and tools in place to support the development and strengthening of its capabilities and to monitor the technological and competitive environment with the identification, interpretation, analysis and joint contextualization of local and global signals and trends, through workshops and participation in projects and strategic initiatives.

The Businesses' technological monitoring process and the framework of projects with multidisciplinary teams contributed to the strengthening and construction of overarching skills related to the identification and evaluation of new ingredients and technologies for their incorporation into portfolios, as well as capabilities related to nutrition, food and health with technical support through advisory and specialized concepts.

Between 2014 and 2020, the implementation of the process and the technological monitoring tools in the Businesses has allowed boosting 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 incorporation and transfer of new technological capabilities. They also steer the identification of potential agents, networks, synergies and/or alliances that would strengthen the innovation ecosystem of the Businesses, as well as the creation of roadmaps that direct the gap-bridging process regarding technological aspects.

Closing of the strategy for 2020

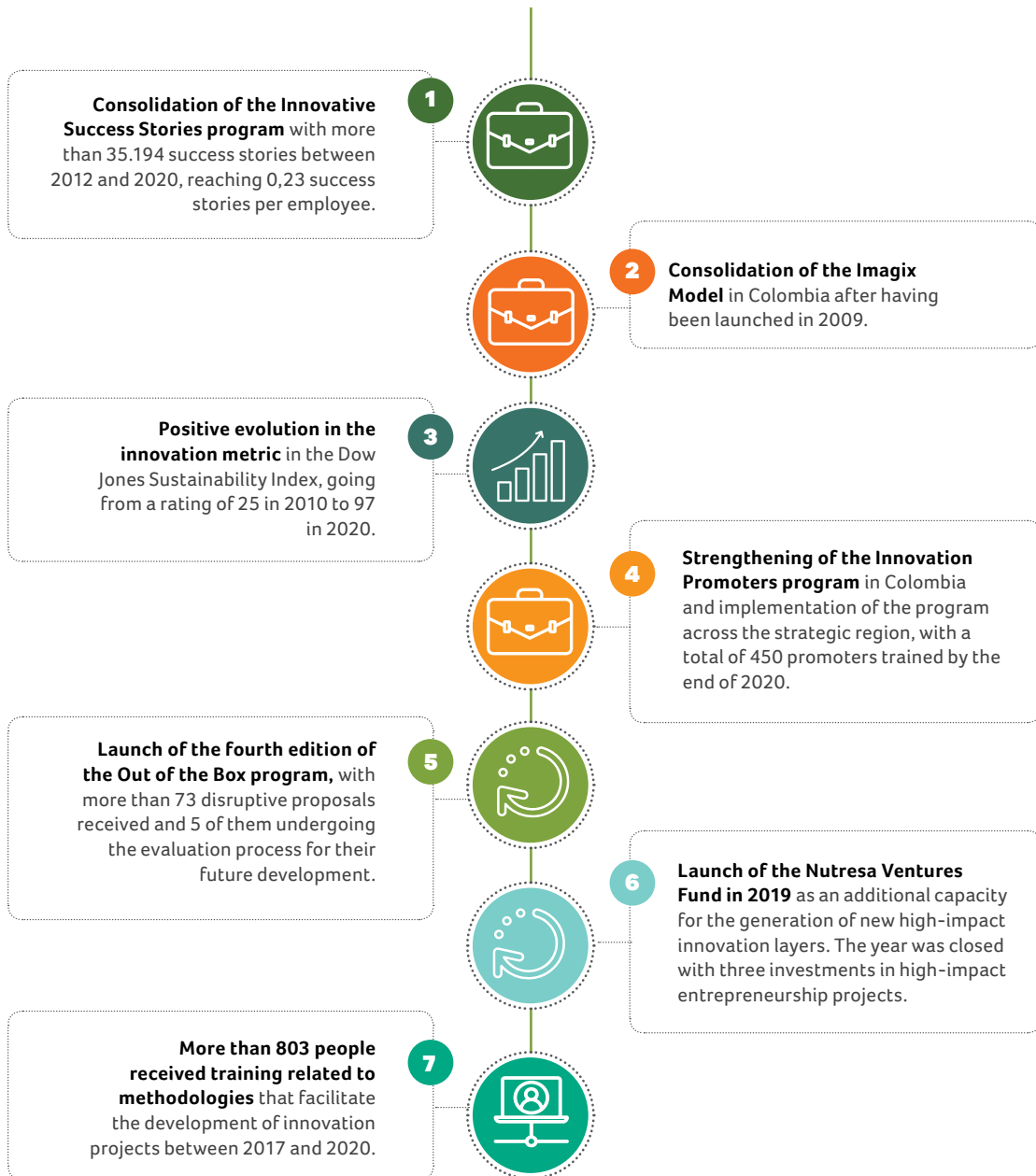


Innovative success stories per employee

Goal: 2020: 0,3

2020: 0,23

The 2010-2020 period stood out as a decade of significant evolution in terms of innovation. The Imagix Model not only grew and consolidated itself in all the Business, but also underwent a notable evolution period from 2017 onward. The following are some the most important milestones attained over the decade:



Product innovations



Biscuits Business



Tosh's vegetable chips

Tosh presented the Colombian market with its new vegetable chips products, a different and delicious alternative that combines sweet potato, beetroot and arracacha, ingredients that are rich in antioxidants, iron and vitamin C, and low on saturated fat and sodium. Additionally, the new vegetable chips have no artificial colors or flavors.



Ancient grain multi-cereals in Central America

To continue enabling the growth of the ready-to-eat cereal category in Central America, Tosh recently launched its ancient grain multi-cereal product with chia seeds, quinoa and amaranth seeds. All the power of three superfoods in each Tosh cereal spoonful.



Tosh's cream cookies with 50% less sugar

The Tosh brand developed a new formulation for its cream cookies and reduced their sugar content by 50% in its flavored cream sandwich products, totaling only three grams of sugar per two-cookie serving.



Pozuelo's cream cookies with an incredible flavor

To make the most of the quarantine time in a different way and fill the family movie-watching plans with flavor, Pozuelo launched into the market its new PopCorn cream cookies, a delicious product that combines the traditional popcorn flavor with the best caramel.



Cold Cuts Business



Ranchera fresh meat products

Ranchera launched into the Colombian market a portfolio of fresh meat products as a solution for entering a new daily eating habit category. The portfolio includes marinated meat products and juicy and tender barbecue cuts that are perfect for barbecues, lunches, skewers and meat bites platters.



Limited edition of Zenú's navy beans with bacon

Zenú offers a different option for Colombians' lunch and dinner. The new navy beans with bacon product is an excellent practical and quick food alternative with the traditional homemade flavor and without added preservatives. This limited edition of 20.000 units is available at retailers and minimarkets.



Pietrán's pulled veggie protein

With the purpose of providing the best nutrition to its Colombian consumers, Pietrán strengthens its meat analog product portfolio with the new Veggie Desmechado (pulled veggie protein) product, a versatile and delicious healthy diet alternative for vegetarians, vegans and, why not, meat consumers too. The product is a 100% wheat-based, preservative-free vegetable protein and it is available through the modern channel and at healthy food stores.



Zenú's sweet corn and chickpeas

Zenú surprised its Colombian consumers with the launch of two new products from its long shelf life product line: Zenú sweet corn, with a more intense yellow color, flavor and sweetness, but without added sugar or preservatives; and Zenú chickpeas, a versatile product that can be consumed as a main course, as a side dish or as an ingredient to make a wide range of practical and quick preparations. These products are ready to eat and have no added preservatives.



Zenú ventures into new categories: Tuna loins and frozen potatoes

With two new products in its portfolio, Zenú seeks to position itself as a multi-category brand in the Colombian households. Such products are the new, preservative-free Zenú tuna loins in water, sunflower seed oil or olive oil, which are an excellent source of protein and Omega 3. For their part, the new Zenú frozen wedge and thin potatoes from the Colombian fields are delicious and crispy, and have no preservatives. With these new products, which are available through Novaventa, Zenú ventures into new categories that have a great growth potential.



Chocolates Business



Tutto and its premium portfolio

Tutto continues seducing Central American chocolate lovers with the launch of its *premium* tablets, a different experience in terms of flavor and textures with a unique combination of ingredients: Strawberry Obsession, with white chocolate and lyophilized strawberries; Macadamia Temptation, with milk chocolate and caramelized macadamia nuts; and Wild Blackberry, semi-dark chocolate at 53% with wild blackberries.



Jumbo hazelnut cracker

The new Jumbo Cracker Avellana (hazelnut) is a delicious combination of candied peanuts, dulce de leche cookies and hazelnut filling within an irresistible milk chocolate bar. This new product is available in Colombia.



Pop oatmeal

Tosh expands its oatmeal product portfolio with the new Pop oatmeal cereal and the also new Oatmeal pancake mix, which are ideal for breakfast. The brands other two oatmeal products are the oatmeal, peanuts and raisins bars, and the oatmeal, honey and sesame seeds crackers, delicious and healthy snacks. Made with natural ingredients, these products are an excellent source of fiber for Colombian consumers.



Zero-Sugar Cocoa

With the aim of expanding its portfolio in Central America and aligning it with the market trends (with consumers who are looking for healthier products that make a positive contribution to their diets), the new Zero-Sugar Cocoa product was launched, with only 80 calories per serving as it is sweetened with Stevia.



La Especial's Habas Mix

La Especial surprised the Colombian nuts market with its broad bean mix product, a salted mixture of four delicious ingredients: crunchy broad beans, corn rings, Kraks peanuts and salted peanuts. La Especial's Habas Mix is naturally delicious.



Bénet's nutritional bar

Bénet brings to Colombia a new and easy way for ensuring an adequate nourishment anywhere. Bénet's new chocolate brownie bar fills our days with energy and nourishment, with 10 g of protein that contribute to preserving our muscle mass and keeping our bones in perfect shape. Due to the fact it is an excellent source of complex-B vitamins, it contributes to increasing our energy levels. Bénet is science, nutrition and life.



Coffee Business



Colcafé Blends: Chai Latte

Colcafé launches the new Chai Latte product from its Blends line through Novaventa's direct sales network in Colombia and through the traditional channel in Costa Rica. The objective of this launch is to dynamize the category of beverages with flavors that evoke natural ingredients with ancestral benefits, as well as a delicious aroma where coffee is not the main ingredient.

Colcafé Blends: Chai Latte is the perfect combination of tea, spices –cardamom, ginger and cinnamon– and hints of honey, coffee and milk. It is an instant preparation product, easy to make with water or milk and presented in individual packets so you can take it anywhere.



Tosh chamomile portfolio

These products enable you to enjoy all the properties of chamomile, anise and mint. The sedative and digestive properties of chamomile are combined with the delicious and fresh flavor of anise and mint, creating a beverage that is ideal for taking a pause from the day-to-day life.

For its part, the chamomile, ginger, lime and honey beverage is a delightful blend of flavors that also provide relief from flu symptoms and relaxation.

Diversa water products

Available through Novaventa, the new Diversa water products are a perfect option for quenching our thirst while taking care of our beauty, as they are sugar-free, contain no calories and have all natural flavors. Each different product reference contains a functional ingredient: orange-mandarin with beta-carotene, which has antioxidant properties that contribute to the elasticity of our skin; strawberry with collagen, a protein found in the skin, bones and joints; and apple-pear with aloe vera, which contains water-, mineral- and enzyme-rich tissues.



Moment of calm and light moment

Innovation is the growth driver of Tosh's infusions (herbal tea products) category. Its strategy promotes three worlds: tradition, pleasure and wellness. The wellness line offers more than just a delicious and natural product as it provides benefits for different moments of the day. That is why the brand launches in Costa Rica and Guatemala its Moment of Calm, for relaxing and sleeping better, as well as its Light Moment, for a better digestion after eating.



Organic Velvet Moon

Cameron's Coffee launched into the American market its first coffee product with origin traceability: Organic Velvet Moon. By scanning a QR code, consumers can become connected with the history of the three different origins of this coffee blend: Nicaragua, Honduras and Sumatra. It is an organic Arabica coffee blend of the best beans from these three geographies, with medium-dark roasting. It is ideal for consumers who like to look into the sourcing chain of the products they buy.



Tresmontes Lucchetti



Café Gold Espresso pods

The new Italian-origin Gold Espresso Coffee Pods were introduced to the Chilean market in a presentation of 10 units per box, and there are three varieties available: Clásico (classic), 100% Arabica beans with a creamy body and intense roasting, with a fruity flavor and aroma, and chocolate-like aftertaste; Lungo, 100% Arabica beans from Ethiopia and South and Central America, a balanced intensity, full body and flavor, and subtle notes of candy and chocolate; and Ristretto, intense blend of Arabica and Robusta beans, with pronounced creaminess, and persistent flavor and aroma with notes of cocoa and nuts.



Kryzpo's choripán-flavored chips

With an original and unmatched flavor, Kryzpo Choripán is the most recent innovation created by the Retail Food Business to surprise Chileans in September, the month of national holidays. This new product is available in multiple stores across the country, in 90-g and 130-g presentations.



Lyophilized Gold coffee

Lyophilized Gold is a coffee product made with 100% Brazilian Arabica beans. The lyophilization process allows preserving the organoleptic characteristics of coffee, giving as a result a product with better quality, aroma and flavor.



Cool!nuts formats in Mexico

Cool!nuts expanded its reach in Mexico with its new 150-g presentations for its Salted, Japanese and Mix products, and a 100-g presentation for its Enchilados (spicy) product line. This supplement to the portfolio contributed to the growth in the shareable-products segment and allowed gaining visibility and greater exposure at the points of sale.



New Zuko flavors

Now Zuko has four new flavors that came to stay: grapefruit-strawberry, soursop, mango and apple. The current Zuko portfolio amounts to eleven flavors in a packet presentation of 1,5 liters.



Retail Food Business



Vi Bowls

Vi Bowls is a fresh brand with a diverse portfolio in terms of products, flavors, ingredients and colors. Its purpose is to take those who love good nutrition through a truly creative experience. With this product, it is possible to create your *bowl* according to your taste, mixing a wide variety of vegetable and animal proteins, greens, basic ingredients, *toppings* and sauces.



El Corral's Chili con Carne

Hamburguesas El Corral brought back its Chili con Carne campaign to keep expanding its variety in terms of flavors, ingredients and preparations, and to recreate a time when it was an iconic product of the Original Recipe.



At-home experience kits

Drawing on the new consumption patterns, El Corral, El Corral Gourmet and Leños & Carbón took the experience from the restaurants to the homes of their consumers by means of frozen product kits, which allow them to prepare their favorite products at their homes with the aim of being part of the moments for sharing as a family.



Yogofit, a delicious and healthy combination

The new Yogofit is a *parfait* prepared with natural yogurt, fresh fruit, honey and Tosh's new multi-cereal. Delicious and healthy combination offered by the Pops brand, reaching Central American consumers that love healthy indulgence.

Burger Bar by El Corral

Launch of two campaigns at the Burger Bar by El Corral: The Burger Brisket (hamburguesable) in thin slices, which became the top selling hamburger during a month at the Burger Bar; and the Todoterreno with a Certified Angus Beef patty, which achieved record sales for a single hamburger within the Burger Bar's portfolio.





Ice Cream Business



Artisan blackberry jam ice cream

Crem Helado's Artisan blackberry jam ice cream was created with blackberries from the Colombian fields as its core ingredient. It is a delicious vanilla ice cream with blackberry bits filled with condensed milk and coated with blackberry sorbet.



Half-liter Fantasia ice cream bucket

With the half-liter Fantasia ice cream bucket, everyone in Colombia will be part of a children's world at home. This new, delicious and fun vanilla-flavored ice cream is now the tastiest way of delighting the little ones.



Artisanal Coffee Dessert Ice Cream

This is a new homage to the flavors of the earth and to the pride Colombians take in coffee, the flavor we carry in our heart. The product is the Artisanal Coffee Dessert Ice Cream, a creamy and coffee-flavored ice cream with condensed milk filling.



Bocatto Full Salsa

Delicious arequipe-filled Bocatto with chocolate and vanilla ice cream along with tasty chocolate and arequipe (dulce de leche) syrope *brigadeiros* as a complementary *topping*, and as the final touch, an incredible white chocolate tip.



Colcafé's caramel cappuccino

Colcafé's new caramel cappuccino is a delicious combination of coffee-, caramel- and vanilla-flavored ice creams with dulce de leche syrope.



Pastas Business



Doria's Mega-Boxes

With the aim of offering new experiences to the consumers, this is an innovative concept called “Mega Caja Doria” (Doria’s Mega-Box), which was created especially for children. The concept consists in a box containing all the ingredients necessary for preparing a Doria recipe, as well as a gift and a certificate endorsing Colombian children as true Bambino Chefs.



Monticello's balsamic vinegar

Originating in the Italian provinces of Modena and Reggio Emilia, Monticello's balsamic vinegar is the brand's latest innovation that gives it presence in a new category, thus increasing its share in the Colombian market. Prepared with the best ingredients and the entire Italian tradition, it is the ideal ingredient for recipes like salad vinaigrettes, or for being the basis of sauces and desserts, among other.



Monticello's Authors

Monticello's essence is to bring out the flavors, enjoy every bite and turn an everyday meal into a memorable moment. This combination of the senses materializes in “Autores Monticello” (Monticello's Authors), a box with all the ingredients needed to enjoy a cooking experience with Sergio Martín, one of the most prominent Italian cuisine cooks in Colombia. This delightful cooking experience is characterized by the brand's simplicity and elegance.



Monticello's fresh ravioli

Serving the new context of the Colombian consumers who are constantly looking for new eating experiences, Monticello launched its fresh-frozen pasta product line, following the most pure pasta-making tradition and with the flavor and texture that only a *premium* pasta product can offer. The ravioli product line includes three varieties: ricotta and spinach, beef, and four cheeses.



Cooking with El Bambino

The preventive isolation situation in Colombia inspired Doria to present its “Cooking with El Bambino” digital activity. It enables consumers to schedule (on the brand's Facebook page) a private video-call cooking lesson hosted by one of Doria's chefs. More than one thousand lessons have been offered to consumers across the entire country, who have learned to prepare unique meals with the help of expert chefs.





**We have a very
important mission:
we are
protectors
of mother
nature.**

Paola Pacheco, member of the Kankawarwa
community, Santa Marta's Sierra Nevada.



Kankawarwa, a sun that nurtures the sierra nevada

In this indigenous community of Santa Marta's Sierra Nevada, conversation, support and learning help in strengthening people's nutrition and care for each other.

“We want our families to stay together and to be nurtured and protected and, at the same time, we want to be caretakers of the *sierra nevada*, the trees, all birds and all living animals,” says Chema, the leader of the Kankawarwa community, *Arhuaco* people of Santa Marta's *Sierra Nevada*.

The heart of such protection is nutrition, which over the past few years has been the driving factor that has enabled this community to coordinate itself to follow practices that guarantee its food sovereignty. They have cultivated a productive garden that is maintained collectively by the community, and its peppers, chives, tomatoes, cucumbers and lettuces are some of the ingredients of the school restaurant. They are also the excuse to talk to the young children about how to preserve a healthy relationship with the land, its timing and its health.

The community also farms pigs and fish, and they have learned to cultivate cocoa with the purpose of generating additional income. **“You start to see the change in people: they tidy up their homes, they have the means to get a new machete for pruning the cocoa trees and to meet other needs. That**

makes you proud and makes you feel big because it's like the recognition of the work you have done,” says Ángel Rincones, agricultural technician from the Kankawarwa community.

The land gives them what they ask for in a synchrony of care and respect, and they, thanking and honoring the sense of cooperation, teach other eight neighboring communities to sow, produce and preserve. They are like the Sun, with the light they have achieved over these years of work on their food laboratory, they radiate the life of the *sierra nevada*.

Grupo Nutresa, through Fundación Nutresa, the Chocolates and Cold Cuts Businesses, has supported this community for the past 12 years under the *Germinar* program and its cocoa productive linkage. Thanks to the latter, there are 204 hectares of cocoa trees established, benefiting 102 families from Santa Marta's *Sierra Nevada*. For its part, the *Germinar* program supports 1.010 families in both rural and urban areas from five Colombian states, thus confirming Grupo Nutresa's commitment to contributing to the goal of the SDG 2: Zero Hunger.

Visit our website and discover all the stories that enabled us to take care of people's life in 2020.

[Click here.](#)



“When Grupo Nutresa first came here to support the community, we started falling in love with each other, talking about a relationship, about marriage, and now we already have four children: the garden, the pigs, the fish and the cocoa trees. Now the work is to keep taking care of them, nurturing them so that they grow strong.”

Chema, leader of the Kankawarwa community, Santa Marta’s Sierra Nevada.



Germinar is one of Grupo Nutresa’s programs and it promotes the cultivation of productive gardens to encourage autonomy and food sovereignty. In 2020, the program was developed in the Colombian states of Antioquia, Córdoba, Meta, Bolívar and Magdalena.



The idea of having the shop is to sell organic products, sown and harvested by the community itself, at a lower cost, with the purpose of benefiting the economy of our people.”

Paola Pacheco, member of the Kankawarwa community, Santa Marta’s Sierra Nevada.



Commitment to
the SDGs

2
ZERO
HUNGER



12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION



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 consists in encouraging responsible consumption through clear labeling and unabridged advertising that enable consumers to make informed decisions.

"San Luis Gonzaga"
school in Santa
Fe de Antioquia,
Colombia.



Portfolio of natural, functional, artisanal and innovative products suitable for a healthy lifestyle and conscious eating habits.



Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Adjusting the nutritional profile of the products.

- » **3.144** products were adjusted to the Nutresa nutritional profile, thus fulfilling 100% of the goal set for 2020 of multiplying by 2,5 the portfolio with this characteristics.

Implementing the front-panel nutritional label in all the products.

- » **90,1%** of products with front-panel labeling.

Promoting healthy lifestyles.

- » **Deployment** of programs focused on maintaining good physical and mental health in the light of the impact caused by the COVID-19 pandemic; such programs are intended for the internal community and the consumers.
- » **Implementation** in Chile and Mexico of actions via virtual means such as social networks, radio and community TV networks.
- » **6.968** school kits were delivered with the aim of promoting key hygiene practices as a health-protection action.

Reducing the nutrients of interest in public health.

- » **482** product reformulations were consolidated: 219 sodium reformulations, 124 sugar reformulations and 57 saturated fat reformulations.

Managing the advertising responsibly.

- » **98,9%** of the advertising materials were adjusted to the self-regulation criteria for kids between the ages of six and twelve agreed upon with the Colombian National Business Association's Chamber of Food in Colombia and such measures were applied across all the geographies where the Organization operates.

The great challenge for the Organization lies on innovating with nutritious and healthy products that contribute to people's well-being and to the planet's sustainability.

Risks and opportunities [GRI 103-1]

In 2020, all health-related matters were a higher priority for consumers due to the emergency caused by the COVID-19, which generated considerations about the consumption patterns and created a trend focused on seeking food products that strengthen the immune system. However, the global concern for obesity remains a relevant subject in the global agenda.

According to the report titled *The State of Food Security and Nutrition in the World 2020: Transforming food systems for affordable healthy diets*, conducted by the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the World Health Organization (WHO), the World Food Programme (WFP) and the United Nations International Children's Emergency Fund (UNICEF), the burden of malnutrition in all its forms remains a major challenge. The document states: "Certain progress has been achieved in relation to the delay of growth among children, the low birth weight and the exclusive breastfeeding, but at a pace that is still too slow. No improvements have been achieved in terms of child obesity, and this affliction is rising among adults throughout the world."

These issues continue to exert pressure with regard to the task of continuing to adjust the regulatory frameworks for the food sector and trigger alerts among social groups dealing with health matters. While being aware of obesity's multi-causality and of its capacity to contribute to the improvement of the health conditions of the population, Grupo Nutresa continues reformulating its products, providing clear nutritional information and promoting healthy lifestyles. Likewise, the Company will continue implementing initiatives focused on promoting healthy eating habits, physical activity and the practice of key hygiene practices by means of strategies that strengthen both the school and community environments.

Future outlook and goals for 2030

The great challenge for the Organization lies on innovating with nutritious and healthy products that contribute to people's well-being and to the planet's sustainability. Therefore, Grupo Nutresa has established that, by 2030, 50% of the innovations must fulfill such purpose, meeting the consumer's concerns regarding health and planet Earth, as well as their aspirations for products that preserve the indulgence that is culturally expected from food.

The strategy formulated since the Nutrition Policy was established back in 2012, currently the Healthy Lifestyle Policy, will remain in force. Its inspiration on consumer's needs and on the guidelines set forth by the World Health Organization is the reason for the Policy to remain valid: providing quality of life to consumers by means of product alternatives that meet their nutrition, health and well-being aspirations, and promoting healthy lifestyles and balanced diets, as well as enabling an informed decision-making process. On the social context, the management work will be focused on the support to the education sector and the value chain that is experiencing poverty, the integration of healthy lifestyles in the three prioritized fronts, and the creation of alliances with both public and private organizations across the strategic region.

Success stories and acknowledgments [GRI 103-3]



Use of color additives in instant cold beverages

Tresmontes Lucchetti launched into the market an innovation where 100% of the artificial color additives were replaced with natural color additives (such as turmeric, chlorophyll, black tea and anthocyanins) in the Zuko and Livean brands in Chile, thus overcoming the main consumption obstacle of these beverages and offering products consistent with the consumers' expectations.



Consolidation of Bénet's powdered products

The Company continues positioning these nutritional shake-type beverages as a source of nutrients that favor a good functioning of the body by providing energy and benefits for the immune system, the skin and the hair. The brand also has powdered food products for children that promote good nutrition and contribute to an adequate growth and development as a source of protein, fiber, docosahexaenoic acid (DHA), vitamins and minerals.

Healthy nutrition with Doria

The Pastas Business, through its Doria brand, created a new experience called "Lo que amas te nutre" (What nourishes you the most) for Colombian households. The experience consists in inviting consumers to cook nutritious recipes with the help from cooks and promoting messages related to healthy habits and sustainability via digital channels.

The Company generates scientific knowledge related to nourishment and nutrition through Vidarium: nutrition, health and well-being research center.

Material topic details [GRI 103-3]

The Organization met the goal of multiplying by 2,5 the portfolio of products that comply with Grupo Nutresa's healthy profile standards. To achieve this goal, the Company developed capabilities both in the technical and marketing departments, thus enabling it to continue working on the evolution of its products. While Grupo Nutresa works on overcoming the new challenge, the reformulation program will be maintained to continue decreasing the contents of sugar, fat and sodium in the products.

Product portfolio

It is increasingly important for consumers to take care of themselves. The relevance of healthy eating habits is growing and lifestyles are changing by conviction in search of wellness. This trend causes the healthy product market to go from a specialized niche to mass consumption, which brings optimism based on the repercussions on people's health conditions because, according to global data, 49% of the world's population is overweight, and in Latin America the rate rises to 56%. It is urgent to take action towards a lifestyle where adequate eating habits and physical activity are crucial pillars.

The evolution of the regulatory frameworks for the food sector is leaning towards the promotion of these lifestyle changes and, therefore, such frameworks cover matters as diverse as contents of nutrients of interest, labeling, marketing and advertising, product offering areas and tax-related measures. A state of awareness and a responsible management focused on minimizing the impact on the markets served by Grupo Nutresa are two major priorities for the Company, as well as important opportunities, as these requirements generate a

proactive behavior, leadership and better solutions for the needs of the consumers.

For the production of healthy food, the Organization has both traditional and recently developed technologies, which have proven to be efficient and allow ensuring sustainability. The following are some examples of such technologies: 3D printing, the new biotechnological developments and the entire framework of the 4.0 technologies that have an impact on the sector's logistics chain with transparency and productivity.

Regarding the information for consumers, it is important to note that the front panel labeling, which is part of Grupo Nutresa's strategy, is being replaced by the mandatory labeling that, as public policy instruments, are being implemented in the countries of the strategic region with the aim of informing consumers about the nutrient contents that, when consumed in excess, could adversely affect their health.

The Organization's long-term vision includes the identification of new ways of providing food while promoting good health and nutrition. To achieve this, the Company has, among other resources, the strategy focused on producing scientific knowledge on food and nutrition implemented through Vidarium (Nutrition, Health and Wellbeing Research Center), as well as the emerging technology assessment carried out by Nutresa Ventures. These initiatives are decisively supported so that they become increasingly stronger and deliver the expected results.

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



Biscuits Business

Pastry

- * Launch of products from the Merendina brand with vitamins A and B1, iron, 0% trans fat and low fat and sodium contents.

Baked snacks

- Launch of naturally gluten-free Naturela products, which are a good source of protein and fiber, 100% natural, wholemeal and vegan, and have no preservatives, added sugar, soy, artificial color additives and flavors, dairy components.
- Launch of gluten-free and cholesterol-free Tosh products with low fat and sodium contents and without saturated fat and artificial color additives and flavors.

Vegetable protein

- Launch of products from the Kibo and Carve brands, which are an excellent source of protein, fiber and iron.

Biscuits and crackers

- Launch of products from the Tru Blu brand without high-fructose corn syrup, artificial color additives, artificial flavors and preservatives.
- Launch of cholesterol-free saltine crackers with 0% trans fat.



Cold Cuts Business

Meat byproducts

- Replacement of 438 tons of salt (NaCl) with potassium salt (KCl) as a measure to reduce the sodium contribution to our consumers' diets.
- Eight product items (equivalent to 2,35% of the portfolio) were adjusted according to the Nutresa nutritional profile.



Chocolates Business

Beverage category

- Launch of the 150-gram zero-sugar sweet cocoa product item. This launch enables us to participate in the segment of sugar-free milk modifiers, thus broadening our market.

Cereals

- Launch of the breakfast cereal Avena Pop product, with oatmeal as its main ingredient. It is a good source of fiber and it has no artificial flavors and preservatives.

Cereal bars

- Launch of the cereal bars from the Tosh brand, which underwent a reformulation process with changes such as the replacement of sweetening agents and artificial flavors with natural ingredients.
- Replacement of the added sugar (sucrose) with a natural sweetening agent (Stevia) and the artificial strawberry flavor with a natural flavor for the strawberry and lyne cereal bar.
- Replacement of the added sugar (sucrose) with a honey and Stevia mix for the peanuts and raisins bar.
- Replacement of the substitute chocolate with actual bittersweet 47% cocoa chocolate with the purpose of incorporating the benefits of cocoa.
- Elimination of the palm oil content from Livean's pineapple, red berries and peanuts-raisins bars for the Chilean market. Inulin (prebiotic fiber) was incorporated as part of the binding agent with the aim of improving both texture and nutritional value.

Chocolate candy

- Launch of the 20-gram presentation of the Tutto chocolate candy bar without added sugar.

Nuts and trail mix products

- Reduction in the amount of sugar and sodium from Granuts's oriental type peanuts.
- Reduction in the amount of sugar from Granuts's blueberry trail mix.
- Launch of an extra-content line for the Japanese and chili-lime peanut product items, which also had their sodium and sugar contents reduced.



Tresmontes Lucchetti

All categories

- Launch of new flavors (mango, apple and multi-fruit) from the Yupi brand, products that meet the Nutresa nutritional profile.
- Launch of new flavors (orange and lime) from the Livean brand, sugar-free products with natural color additives and sweetened with Stevia.
- Elimination of 100% of the artificial color additives from the nectar, gelatin and flan products from the Livean brand by replacing them with natural color additives.
- Reformulation of the cereal bars from the Livean brand, which allowed removing the "high content" warning from the package solutions of all Livean products (peanuts-raisins, red berries and pineapple flavors).
- Reformulation of the Gold Tentaciones product. The new formula has a lower content of sugar for the 5 varieties: vanilla latte, cappuccino, caramel latte, mocha and vanilla light.



Coffee Business

Instant cold beverages:

- Launch of infusions (herbal tea products) from the Tosh brand, with natural flavors: peach; chamomile, anise and mint; and lime.
- Launch of the ready-to-drink beverages from the Diversa brand with natural flavors, collagen, aloe vera and beta-carotene.



Ice Cream Business

Ice cream products

- Progress was made in the elimination of preservatives as 87% of the portfolio is already preservative-free. Additionally, 77% of the portfolio meets the Nutresa nutritional profile.

Sorbets and ice pops

- Progress was made in the elimination of preservatives as 100% of the portfolio is already preservative-free. Additionally, 82% of the portfolio meets the Nutresa nutritional profile.



Pastas Business

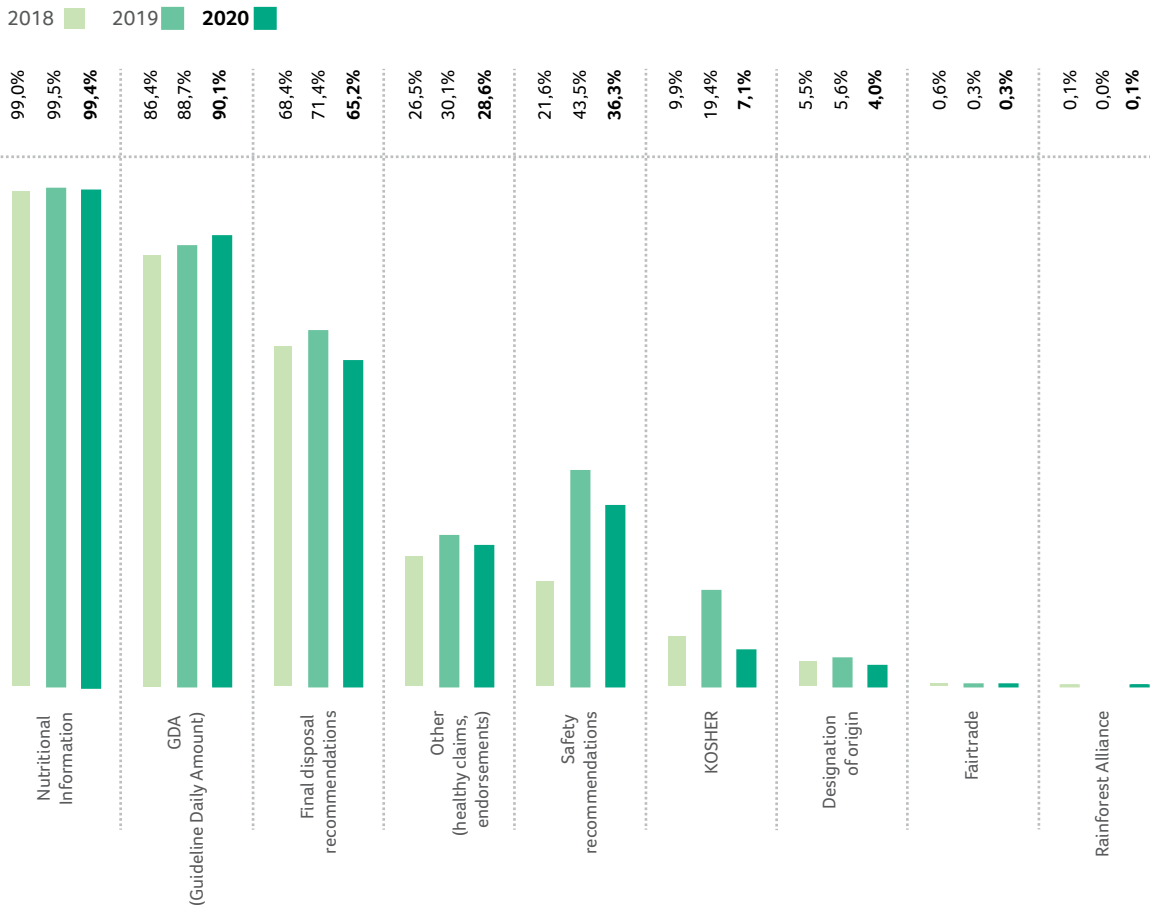
Pasta with sauce or instant pasta products

- Reformulation of the powder cheese sauce, replacing the artificial flavors and color additives with natural ones.

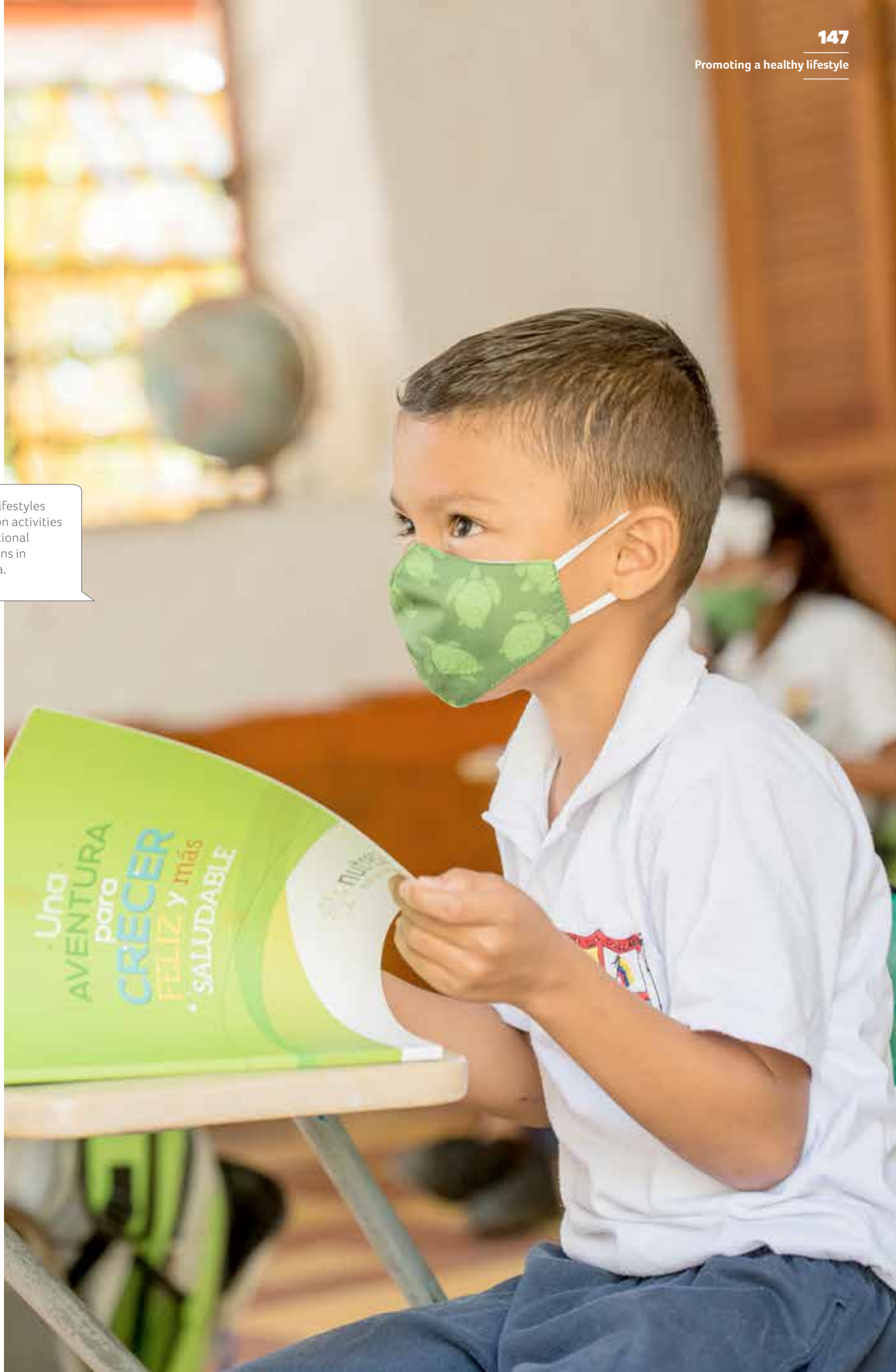
Employee from the Biscuits Business in Costa Rica.



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



Healthy lifestyles promotion activities in educational institutions in Colombia.



Results from the promotion of healthy lifestyles in the communities

The Company has established public-private alliances with entities such as the Colombian Ministry of National Education, UNICEF and Universidad de Chile's Institute of Nutrition and Food Technology, among other, in order to develop programs intended for school populations. Thus, the Organization has produced knowledge that is being transferred to society through the documentation of the practices carried out. Moreover, Grupo Nutresa participates in the "Alimentando Sueños" (Feeding dreams) in Colombia with the purpose of addressing and eradicating child malnutrition by 2030.

The Organization promotes initiatives focused on raising the awareness of the school communities regarding the importance of a balanced diet, the increase in physical activity and the implementation of key hygiene practices on a daily basis. The purpose of these actions is to contribute to the development of capabilities among the communities, consumers and all other stakeholders. The following were the main progress achievements:

With the aim of adapting it to the new conditions arising from the COVID-19 pandemic, the "Nutresa Quiere a los Niños" (Nutresa cares for children) Program underwent methodological and content-related adjustments in order to increase the relevance of its actions. The Program gave as a result a seven-episode web series with art-related and pedagogical contents for the promotion and adoption of healthy lifestyles by the children of Colombian schools. In addition, this initiative is expected to be implemented in 2021 with gamification strategies focused on facilitating the learning of key hygiene practices, balanced diets and physical activity.

On another note, Grupo Nutresa continued delivering school kits that include elements that support children's educational process and the didactic booklet called "Una aventura para crecer feliz y más saludable" (An adventure for growing happy and healthy), which contains information about healthy eating habits and key hygiene practices. The school kits were also supplemented with biosecurity elements such as face masks and hand sanitizer.

Noncompliance with voluntary code regulations regarding labeling and marketing [GRI 417-2] [GRI 417-3]

	2018		2019		2020	
	Labeling	Communication	Labeling	Communication	Labeling	Communication
Number of fines	0	0	0	0	0	0
Number of warnings	1	0	1	0	0	0
Number of voluntary code violations	0	0	0	0	0	0
Total	1	0	1	0	0	0

Closing of the strategy for 2020

Multiplying by 2,5 the number of product portfolio SKUs that comply with the Nutresa nutritional profile
Goal: 3.140 SKUs
2020: 3.144 SKUs

1 As of the conclusion of its 2020 strategy, Grupo Nutresa presents significant portfolio management results, not only with regard to the products whose composition has been adjusted to the Nutresa nutritional profile (3.144 in total), but also regarding the reformulations focused on critical nutrients: 219 sodium content reformulations, 124 sugar content reformulations and 57 saturated fat content reformulations. Additionally, nitrites have been eliminated from 90 of the Cold Cuts Business's portfolio and progress has been made in the replacement of artificial color additives with natural color additives. Grupo Nutresa's nutritional products have also undergone an important evolution with brands such as Bénet, which has a comprehensive portfolio, and Kibo, which offers products that are a good natural source of nutrients; and with the nutritional fortification of traditional portfolio products such as the milk modifiers (for example: Chocolisto) and Doria's classic pasta.



2 During the execution of our strategy for 2020, Grupo Nutresa developed capabilities that allowed addressing the portfolio reformulation challenges and incorporating solid research competences that will contribute to sustainability at all levels in the Organization. The Company addressed the solutions for the challenges based on scientific discipline, achieved positive results and had a positive impact in terms of sustainability, productivity and efficiency, while being in harmony with the needs and expectations of both the market and the entire business environment.



3 In addition to the portfolio of products that have been adjusted to the nutritional profile and reformulated, as of the closing of the 2010-2020 strategy, Grupo Nutresa's portfolio includes nutritional products such as those of the Bénet and Kibo brands, as well as Doria's Nutrivit and Sello Rojo Vive, among other, as a sample of the product alternatives that meet the nutrition and health expectations of consumers.



4 The execution of the research projects was centered on bridging the gaps regarding the reformulations of the nutrients of interest in terms of public health, and adjusting the products to the Nutresa nutritional profile by using and complementing the installed capacities in research and development laboratories, pilot production plants and application centers.



5 This strategy has been strengthened with the consolidation of Vidarium, which currently has full-cycle research lines focused on producing knowledge and contributing to the preservation of our health through Food product proposals.





Commitment
to the SDGs

2 ZERO
HUNGER



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Reliable food

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

Employee from
the Coffee
Business,
Colombia.



Strategy

[GRI 103-2]

Consolidating the implementation, certification, maintenance and articulation of the management systems.

Progress achieved in 2020

[GRI 103-3]

- » **Certifications maintained**
 - **ISO 9001:2015 quality:** 30 operation centers, including several marketers.
 - **Good manufacturing practices (GMF):** 11 operation centers.
 - **Hazard analysis and critical control points (HACCP):** 26 operation centers.
 - **Business Alliance for Secure Commerce (BASC):** 10 operation centers.
- » **Product certifications**
 - **Kosher:** 11 operation centers.
 - **Halal:** 7 operation centers.
 - **Fairtrade:** 4 operation centers; 2 new operation centers certified (Compañía Nacional de Chocolates in Peru and Cameron's Coffee).
 - **Organic produce:** 5 operation centers, including Cameron's Coffee's certifications.
 - **Carbon neutral:** 6 operation centers; 4 brands.
- » **Agricultural sector** certifications
 - **Good agricultural practice, Forest Compensation and Rainforest:** 5 operation centers.
- » **New** certifications obtained
 - **HACCP certification** secured for the Biscuits Business's Molinos operation centers in Santa Marta and Buga.
 - **HACCP certification** secured for several production lines of the Ice Cream Business.

Guaranteeing food protection.

- » **Implementation** of initiatives for preventing the risks associated with food fraud and the tampering of raw materials, finished products and packaging materials created based on the guidelines of the Global Food Safety Initiative (GFSI) and the Food Safety Modernization Act (FSMA). The initiatives were validated by third parties in Tresmontes Lucchetti and the Biscuits, Coffee and Chocolates Businesses through GFSJ standard certification audits (British Retail Consortium –BRC–, International Food Standard –IFS–, Safe Quality Food –SQF– and Food Safety System Certification –FSSC 22000–).

Strengthening the business relations with suppliers and co-manufacturers, with the corresponding enforcement of applicable requirements.

- » **368** suppliers participated in two virtual training activities related to matters of quality, safety, legal requirements and sustainability.
- » **Creation** of a model for managing local and foreign co-manufacturers.

Strategy
 [GRI 103-2]

Progress achieved in 2020
 [GRI 103-3]

Creating capabilities for the exports to the U.S. through the implementation of the Food Safety Modernization Act (FSMA).

- » **Development** of capabilities related to the fulfillment of the United States' Food Safety Modernization Act (FSMA) in the Coffee, Biscuits, Pastas, Chocolates, Cold Cuts Businesses and Tresmontes Lucchetti.

Developing customer and consumer experiences as part of the complaints and claims service provided to them.

- » **Implementation** of changes in the complaints and claims service model to ensure the migration to a model centered on the creation of experiences for both customers and consumers.

Strengthening the safety-focused culture.

- » **Certification** on the standards of the Global Food Safety Initiative (GFSI) and Food Safety Modernization Act (FSMA): 19 operation centers, increasing the total by four, including all of Cameron's Coffee's operation centers.

Enhancing the capabilities of the Organization's own laboratories.

- » **Implementation** of initiatives focused on ensuring levels of excellence that support the reliability of the results.

Applying 4.0 technologies for the optimization of the quality and safety processes.

- » **Incorporation** of technological monitoring processes, feasibility studies and implementation of 4.0 technologies in order to facilitate the decision-making process and contribute to the productivity of the management systems, the quality and the safety of Grupo Nutresa's products.

The Organization has legal surveillance mechanisms in place for visualizing the challenges that entail changes or introduction of regulations in the countries where we manufacture products or those that are the destination of its exports. This enables Grupo Nutresa to take adequate actions in an anticipated and standardized manner with the objective of controlling the risk.



Employee from the Chocolates Business, Colombia.

Risks and opportunities [GRI 103-1]

For Grupo Nutresa, one of the main food-related risks is the noncompliance with the regulations related to the quality, safety and labeling of its food products. To prevent it from materializing, the Organization has legal surveillance mechanisms and synergy work groups in place, and participates in trade associations that allow visualizing the challenges that entail changes or introduction of regulations in the countries where the Company manufactures products or those that are the destination of its exports. This enables Grupo Nutresa to take adequate actions in an anticipated and standardized manner with the objective of controlling the risk.

In addition, the Company works on monitoring trends, updating its risk matrices every year and minimizing the risks associated with the noncompliance with the product specifications, the adverse effects on consumers' health, intentional contamination, tampering and fraud. This work is carried out based on management systems that comply with international standards and regulations, culture strategies with the participation of employees, and through permanent verification processes based on self-inspections, food safety standards (ESAN) and both internal and external audits.

The Organization conducted the corresponding risk analysis for the impact of the COVID-19 pandemic on the operations. Multiple implementations of control and treatment measures arose from this analysis, including, among other, the adaptation of production plants, the update of cleaning and disinfection programs and procedures, and the incorporation of equipment and person-focused measures with the aim of ensuring biosecure operations. All these actions were based on and aligned with the definitions of Grupo Nutresa's and each Business's Crisis and Continuity Committees.

Finally, for managing the opportunities in the integrated management systems, the Company developed a methodology that allows identifying trends and opportunities, their organizational impact and the prioritization for the corresponding execution. This initiative will enable Grupo Nutresa to anticipate and develop strategies aligned with the overarching definitions, the Businesses' forward planning and the market trends.

Future outlook and goal for 2030

The Organization will continue working on the implementation, certification and maintenance of the safety management systems, such as the standards of the Global Food Safety Initiative (GFSI), the Hazard Analysis and Critical Control Points (HACCP), among other, that enable it to reach new markets, manage emerging risks, fulfill new legal requirements and provide response to the needs of customers, consumers, shoppers and other stakeholders. In alignment with this, the Cold Cuts, Ice Cream, Pastas and Retail Food Businesses will implement GFSI and HACCP safety systems and secure product-related certifications in their operation centers. Additionally, the Company will seek the consolidation of the legal surveillance associated with products in the markets of the countries where it operates.

Grupo Nutresa will implement a safety-focused culture model in the operation centers in order to raise the awareness throughout the Organization and build knowledge and engagement networks that consolidate safety management as an organizational capability that supports the development of new markets, products and business models focused on taking care of consumers' health and on meeting their needs.

Moreover, the Organization will continue improving its integrated management systems with the continued improvement tools and the implementation of 4.0 technologies that will be used as a new vehicle for ensuring, changing, improving and optimizing the processes related to the product safety, quality and management systems. Grupo Nutresa's vision for 2030 is to have high rates of technological incorporation, skill development, leadership adaptation and changes in the processes that facilitate and draw on such technologies.

Success stories and acknowledgments [GRI 103-3]



HACCP certification granted to the Cold Cuts Business's Aguachica Processing Plant

The Invima authorized the Cold Cuts Business to conduct exports from this operation center located in the Colombian state of Cesar.



Authorized Economic Operators certification for exporters granted by the National Customs and Tax Direction Office (DIAN) to the Coffee, Chocolates and Biscuits Businesses

For Grupo Nutresa, this certification represents an acknowledgment for its high safety standards in its supply chain and increases the levels of trust among the Company, the government and the customs authorities.



Acknowledgment granted to the Ice Cream Business by the Icontec

The acknowledgment was awarded based on the Business's corporate work on the standardization at a nationwide scale for thirty years.

Material topic details [GRI 103-3]

Grupo Nutresa conducted the corresponding risk analysis for the impact of the COVID-19 pandemic on the operations. Multiple implementations of control and treatment measures arose from this analysis, including, among other, the adaptation of production plants, the update of cleaning and disinfection programs and procedures, and the incorporation of equipment and person-focused measures with the aim of ensuring biosecure operations. All these actions were based on and aligned with the definitions of Grupo Nutresa's and each Business's Crisis and Continuity Committees.

Management systems

The Organization maintains, improves and permanently updates the integrated management systems of the Businesses, focusing on customer and consumer satisfaction, stakeholders' needs, risk management, profitable growth, productivity, sustainability and legal compliance. For this reason, the Company holds 219 currently valid certifications for its operations centers located in Colombia and abroad.

In 2020, 93,6% of the production was manufactured in facilities that hold certifications and abide by standards on food management, and that 39,0% of the products were manufactured in operation centers holding GFSI certifications (BRC, SQR, IFS, FSSC 22000). [GRI G4- FP5]

By articulating the integrated management systems and the improvement-focused tools in order to enhance efficiency, boost competitiveness and support sustainability, Grupo Nutresa created the Constellation *Unity*, a work team formed by employees from multiple Businesses who work with innovation methodologies such as *design thinking* and agile culture concepts. The work of this work team resulted in the design of concepts that are ready to be prototyped and validated in 2021.

The Organization did not receive any warnings due to noncompliances with voluntary codes related to food security and labeling matters, which is a fact that confirms the adequate management of the control measures the Company has in place.

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

	2017	2018	2019	2020
Number of fines	0	0	0	0
Number of warnings	7	1	1	0
Number of noncompliances with the voluntary codes of products and services	0	0	0	0
Total	7	1	1	0

Grupo Nutresa strengthens and promotes new capabilities among the suppliers considered to be strategic allies in the supply chain.

Supplier follow-up and development

With the aim of strengthening and promoting new capabilities among the suppliers considered to be strategic allies in the supply chain, the following workshops and knowledge-creation activities focused on quality, safety, legal requirements and sustainability were organized and carried out:

- **“Mega Up Sostenible” (Sustainable Mega Up):** 232 invitees to the program for the escalation of SMEs with a high growth potential.
- **Open Space:** 284 suppliers participated in this activity, which was created with the purpose of sharing leading practices.
- **Formulation of a model for the management and development of co-manufacturing agreements** with the exploration and identification of Grupo Nutresa’s conditions for co-manufacturers, procedure standardization, organization of internships, leveraging of the capabilities of certain Businesses regarding the administration of this type of suppliers and the incorporation of the highest quality and safety standards. The objective of these actions is to control the risks associated with this process, work jointly, closely and permanently with these strategic allies, and achieve a mutual-benefit development. In 2021, the Organization will work on implementing this model.

In addition, the Cold Cuts Business expanded the scope of the suppliers program to its operation centers in Panama, where it implemented all the management procedures and mechanisms that standardize and guarantee the quality of the raw materials and supplies.

Creating capabilities for the exports to the U.S. through the implementation of the Food Safety Modernization Act (FSMA)

The Coffee, Biscuits, Pastas, Chocolates, Cold Cuts Businesses and Tresmontes Lucchetti have developed capabilities to manage and ensure the compliance with the FSMA, which enables the Organization to support export processes to the U.S. and boost its international growth. These capabilities have been confirmed through 9 inspections conducted by the FDA, 12 compliance certificates issued by third parties and the training and qualification of more than 42 employees in matters related to the FSMA, who assist and validate the fulfillment of the requirements.

The Cold Cuts Business completed the implementation process of this standard in its operation center in La Ceja, in the Colombian state of Antioquia. Additionally, the first export to the U.S. was made successfully and the validation of the compliance with all U.S. legal requirements was performed, thus confirming the support to the brand’s international expansion.



Novaventa
employees,
Colombia.

Food safety culture

The Company contributed to the development of capabilities among 13.164 employees who participate and support the quality assurance systems. They received training related to legal requirements, risk management, good manufacturing and maintenance practices, prerequisite programs, HACCP or critical control points, allergens, global GFSI standards such as the FSSC 22000 and the BRC, threats and vulnerabilities, handling of products within a food chain of refrigeration and traceability.

The opportunity to have a safety-focused culture has been prioritized by Grupo Nutresa by developing it throughout the Chocolates and Coffee Businesses. That is why the Organization structured a program that incorporates and measures behavioral habits among the employees with the aim of consolidating and maintaining a safety-focused culture that becomes commonplace, having a positive impact on the diminishing of claims, complaints, preventive reports at the production plants and the improvement in the microbiological monitoring results. The program was devised based on a maturity level diagnosis, formulation of strategies, campaigns, measurements and actions. This initiative will be implemented in other Grupo Nutresa Businesses.



Employee from the Biscuits Business in Costa Rica.

Enhancing the capabilities of the Organization's own laboratories

The Organization makes progress in the implementation of initiatives that help increasing the levels of reliability of its in-house laboratories in order to underpin the growth of the Businesses. This development has three work lines focused on employees, equipment and the compliance with standards and legal requirements.

In alignment with this, the teams of the laboratories from the Cold Cuts, Biscuits, Pastas, Coffee, Ice Cream and Chocolates Businesses participated in (inter-laboratory) proficiency tests and food analysis methods, producing outstanding results. This type of tests and results establish confidence in the measurements performed in the in-house laboratory and the ability to replicate internationally recognized methods.

These Grupo Nutresa companies have also ensured the compliance with legal standards in their in-house laboratories, with the implementation of improvements related to their infrastructure, equipment and development of profiles and skills requirements for its employees.

Incorporation of 4.0 technologies for the optimization of the quality and safety processes

Grupo Nutresa maintains its technological monitoring processes and the implementation of 4.0 technologies in matters related to quality and safety to facilitate the decision-making process and contribute to the productivity of the management systems and to the quality and safety of its products. The following are some of the initiatives that produced the higher level of impact:

- The Ice Cream Business started implementing automation processes in the packaging lines, including sensors and robotization for product quality control.
- The Coffee Business has worked on the systematization of product information (customer/product/destination) with the aim of minimizing quality issues related to labeling, complemented with the possibility to visualize the captured information online.
- The Cold Cuts Business conducted feasibility studies for the implementation of technologies for the automatic capture of variables in the processes, improvements to the bovine traceability process and beef carcass quality determination scanners.
- The Pastas Business has worked on matters such as data analytics and the internet of things (IoT) for controlling process variables (weight and humidity), computer vision to ensure compliance with product specifications and 3D-printing pest control elements, among other actions.
- The Chocolates Business implemented nineteen process lines in the automatic variable capture systems, and feasibility studies to incorporate equipment that perform an online analysis of physico-chemical variables in the production process.



Commitment
to the SDGs

2 ZERO
HUNGER



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Food security

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

Implementation of the Germinar program with ceviche vendors in Cartagena, Colombia.





Promotion of food security in the Kankawarwa community, Colombia.

Strategy

[GRI 103-2]

Implementing food security actions in rural and urban communities in Colombia.

Reducing food loss and waste in Grupo Nutresa's companies.

Progress achieved in 2020

[GRI 103-3]

- » **137** healthy nourishment systems, including 25 new ones, to provide food to 1.010 Colombian families with the production of 17.508 fruit and vegetable servings.
 - » **More than 290.000** food packages delivered to 183.232 families across the strategic region during the mandatory lockdowns implemented in each country due to the COVID-19 pandemic. The investment totaled COP 15.719 million.
 - » **COP 652 million** collected through donations from volunteers and allies for the expansion of the Germinar program in the Colombian states of Antioquia and Valle del Cauca.
 - » **Continuation** of the Germinar program in Cartagena, Villavicencio, Antioquia and Córdoba in Colombia with the production of 17.508 fruit and vegetable servings for the benefit of 1.010 families.
-
- » **1.024** tons of products have been delivered to food banks in Chile, Colombia, Costa Rica, Panama and Mexico.
 - » **Redefinition** of the model for consolidating and measuring food loss and waste.
 - » **More than 1.600 employees** attended five online workshops about max-utilization cooking.

Risks and opportunities [GRI 103-1]

The economic and social impact on the communities throughout the strategic region puts the sourcing operation, human capital availability and inclusion-driven sales at risk. The problems associated with food security and the concern about the lack of food will broaden the search for new income creation alternatives, possibly increasing the informal economy rates in the regions and the health-related risks associated with malnutrition. These circumstances can produce a negative impact on the sustainability of the healthcare system and on people's capacity to develop their potential to generate progress in the countries and prevent the economy from weakening.

Therefore, it is necessary to continue implementing actions focused on addressing the main variables associated with the production of healthy food products for the families that have suffered the impact of the socioeconomic effects of poverty, which have also been exacerbated by the COVID-19 pandemic.

On another note, the loss and waste of food remains a widespread problem around the world. According to data gathered by the Food and Agriculture Organization of the United Nations (FAO), just in Latin America, 127 million tons of food are thrown to the garbage, while more than 42 million people starve in the region.

Grupo Nutresa's challenges regarding this situation are related to transformations in its operation, the implementation of new processes, the adaptation and changes to the infrastructure, the participation of qualified labor and the promotion and awareness-raising about the habits each one of the employees who is part of this process should adopt.

All the aforementioned initiatives represent opportunities through which Grupo Nutresa advances in its purpose of contributing to the quality of life of stakeholders living in poverty and to the reduction of the environmental impact in the region where it operates.

Future outlook and goal for 2030

Food loss and waste becomes a new material topic for the Organization as part of its plans for 2030. Therefore, the implementation of new strategies, the improvements in the processes, and the training and adaptation of teams for the fulfillment of the established objectives will be relevant and priorities for the Company.

Grupo Nutresa will continue making progress on the processes focused on awareness-raising, training, measurement and execution of initiatives for the reduction in food loss and waste across its entire chain. The goal set for 2030 is to reduce food waste by 50% and food loss by 30%. To accomplish this objective, it is necessary to fulfill year-on-year goals through the consolidation of teams with sustainability-focused capabilities and the development of new products, technologies and strategies that generate a positive impact on the environmental, social and economic scopes.

Moreover, the Organization will broaden the construction of food systems with sustainable practices and initiatives for the promotion of healthy lifestyles, and it will include an overarching strategy for mitigating food loss and waste and utilizing food to the maximum possible extent in the agricultural sector, which is the chain link that, for example in Colombia, accounts for 40% of the total food loss and waste.

This is how the Company will fulfill the actions proposed over past years, focusing on achieving both the organizational and global goals for 2030, such as Sustainable Development Goals (SDGs) 2 – Zero Hunger– and 12 –Responsible Production and Consumption–.

Success stories and acknowledgments [GRI 103-3]



Expansion of the Germinar program with the Kibo brand in the Colombian state of Antioquia

The sustainability attributes of the Kibo brand are centered on providing food products with sustainably sourced ingredients of vegetable origin, contributing to the democratization of nutrition based on food security and the development of capabilities in the communities. Thus, the program expanded its food security endeavor by building 25 new systems for coffee-growing families, developing the balanced and sustainable nutrition capabilities of 50 families, and ensuring the implementation of leading food management practices.



Leadership role in the Global Compact's Multi-Sector Work Group focused on SDG2 –Zero Hunger–

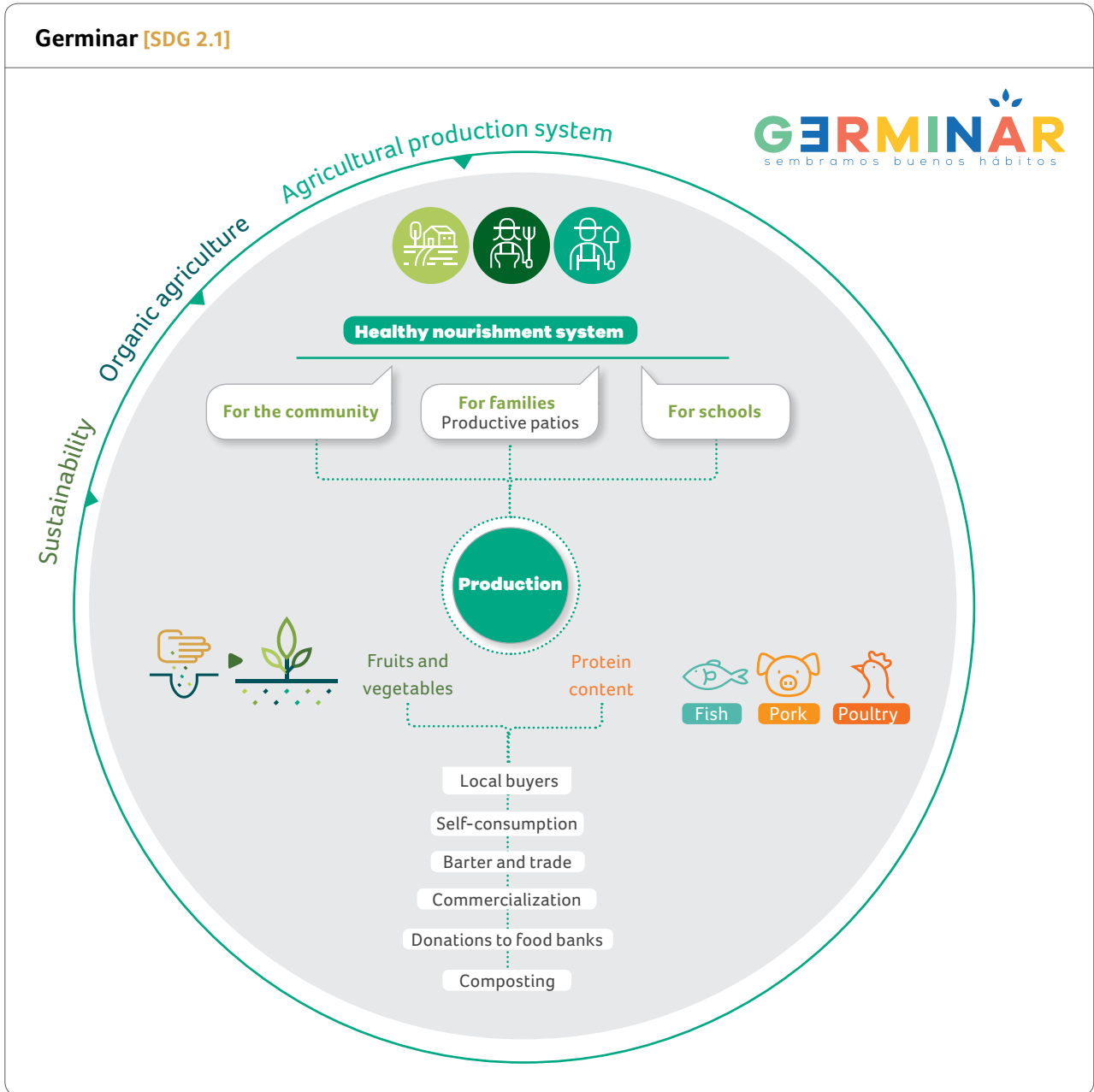
With the support of the FAO and the participation of the main pacesetters from the public, private, academic and civil sectors, Grupo Nutresa made progress in the consolidation of initiatives that make a positive contribution to this SDG.



“Germinar”
program activities
in Ciudad Bolívar,
Antioquia,
Colombia.

Material topic details [GRI 103-3]

For Grupo Nutresa, 2020 became the perfect stage for putting the capabilities of its professionals at the service of the communities. The Organization’s teams deployed innovative strategies for the production, recovery and mitigation of food loss and waste, ensuring the development of key capabilities for the prosperity of the territories where the Company operates. That was how, through the food security program known as Germinar, Grupo Nutresa consolidated alliances with universities, food banks, foundations and other agents from the ecosystem, which expanded the corporate purpose the Organization deploys in the strategic region through Fundación Nutresa.



This program is part of the Organization’s Healthy Lifestyles strategy, which includes the participation of both rural and urban communities. The following were the consolidated results attained over the term:

- 

137 healthy nourishment systems.
- 

1.010 Families implemented the program.
- 

5.623 kg of food were produced through the productive gardens.
- 

17.508 Food servings.
- 

5 Colombian states benefited from the program: Antioquia, Bolívar, Córdoba, Meta and Valle del Cauca.

Another example of the strategies that were deployed is the construction of twenty-five new healthy nourishment systems in the rural area La Arboleda, in the municipality of Ciudad Bolívar, in the Colombian state of Antioquia. This action supported the implementation of a training initiative designed jointly by the CES University's School of Nutrition and Dietetics and Grupo Nutresa's brand Kibo.

This initiative benefited fifty families from the area by taking them through the process of getting certified as food handlers, which will allow them to secure new sources of income, thus enabling them to achieve further progress and development. Additionally, to ensure a successful implementation of the online training activities, seven internet connection spots were installed in the area with the aim of guaranteeing the access to the online meetings for the communities. The following were some of the topics addressed in the activities:



Hygienic food handling

This course provides tools for the application of hygiene practices during all stages of the food chain while ensuring the quality and safety of the food that is prepared. Thanks to this course, the community will have the ability to recognize the necessary theoretical and legislative foundations for the correct implementation of good manufacturing practices in the production of healthy and safe food, the identification of risks, the types and mechanisms of contamination and prevention, and the application of preservation methods to the food products.



Healthy eating habits at home

This course is focused on strengthening the conceptual foundations of healthy eating habits and nutrition at home, as well as the nutritional benefits of each food group.



Discovering my productive garden

The purpose of this course is to boost the knowledge on the nutritional composition of vegetables and their importance for taking care of people's health.



From the garden to the kitchen

This course offers cooking conceptual tools and techniques for learning to improve the nutritional and sensory quality of the products from productive gardens, extending the shelf-life of the products through the preparation of homemade or productive jarred food with a high nutritional value, and developing cooking skills focused on reducing the volume of food lost and wasted at home. It also strengthens the techniques associated with the science of cooking in order to connect people with the transformation of their products and the effect on the nutritional composition of food.



Sustainable management of productive gardens

This course provides tools for the analysis, management and integrated sustainable production of the vegetable gardens.



Conscious eating habits

This course is focused on strengthening the conscious eating capabilities at home and in the day-to-day contexts, and it promotes new knowledge and tools for promoting safety in the food handling process.

Grupo Nutresa contributed to food security by delivering more than 295.253 food packages in Colombia, Chile, Costa Rica, Nicaragua, Guatemala, El Salvador and Mexico for the benefit of more than 183.232 vulnerable people and senior citizens.

Food aid packages for addressing the emergency caused by the COVID-19 pandemic

For Grupo Nutresa, sustainability is the main corporate performance framework and the pillar that supports the actions that allow giving continuity to the operation and managing risks in a responsible and proactive manner.

The circumstances of volatility and uncertainty emerging from the COVID-19 pandemic have driven the Organization to formulate strategies that enable it to address the risks such situation entails. One of said strategies consisted in collaborating with the solution: this means to use as starting point the purpose of building a better world where development benefits everyone. Consequently, the commitment was centered on preserving jobs and cooperating with public and private partners to contribute to the protection of the most vulnerable populations based on the Organization's capabilities, agility and action capabilities.

In the strategic region, Grupo Nutresa contributed to food security by delivering more than 295.253 food packages in Colombia, Chile, Costa Rica, Nicaragua, Guatemala, El Salvador and Mexico for the benefit of 183.232 families.

In addition, thanks to the network of more than 2.050 volunteers from all of Grupo Nutresa's Businesses, 5.696 food packages were delivered to supplement the food aids delivered by the Organization.

As a strategy for maintaining close relationships with the communities in Chile and Mexico, the Company developed a supportive plan focused on 8.608 senior citizens. Based on this action, Grupo Nutresa delivered more than 300 tons of food products to the senior citizens' homes with the support of local allies in order to fight the growing food insecurity. Likewise, the Organization supported potluck actions and

soup kitchens of the communities in the aforementioned countries.

In Colombia, working together with a group of allies such as local governments, the Colombian Food Bank Association (ABACO) and the Sura, Bancolombia and Argos Foundations, the Company addressed the socioeconomic emergency caused by the mandatory isolation measures through the delivery of 249.337 food packages. Grupo Nutresa also contributed by offering the 3D printers of its companies for manufacturing face shields as protection gear for hospital personnel. Additionally, the Company made an economic donation for increasing the capacity of the intensive care units and delivered food to the medical staff at hospitals by means of the El Corral food truck.

In Central America, 25.914 food packages were delivered through food banks and other social entities, prioritizing senior citizens and head-of-household mothers. On another note, the Biscuits Business participated in the "Proactive Testing" in Costa Rica, which was convened by Alianza Empresarial para el Desarrollo (Business Alliance for Development, abbreviated AED in Spanish), with the purpose of increasing the capacity, scope and geographic coverage of the proactive COVID-19 tests done in the region.

Additionally, the Company contributed resources to the work carried out by the local government in Panama to increase the capacity of the ICUs in multiple hospitals. This initiative was deployed jointly with Banistmo, Argos, Celsia and Sura with the purpose of broadening the early identification of the patients with the highest probability of facing health complications so that they can be timely treated and preventing them from needing to seek hospital assistance.



Delivery of food packages as a contribution to food security during the preventive isolation due to the COVID-19 pandemic.





Food aid packages for neighboring communities and the value chain

With the contributions made by volunteers and allies, COP 652 million were allocated to the execution of the Germinar Program, thus expanding the projected construction of new healthy nourishment systems in Colombia. Additionally, 1.800 families will be part of the first stage of the program in the Colombian states of Antioquia and Valle del Cauca thanks to the participation of allies such as Proantioquia, the Cartago Food Bank, the Food Bank Association (ABACO), Agricapital and the Saciar, Sura, Salvaterra and Bancolombia Foundations.

The food banks are at the professionalization level when:

Initiative
0-39,9%

Reactive and poorly controlled processes

In training
40%-69,9%

Reactive processes and management through projects

Consolidated
70-79,9%

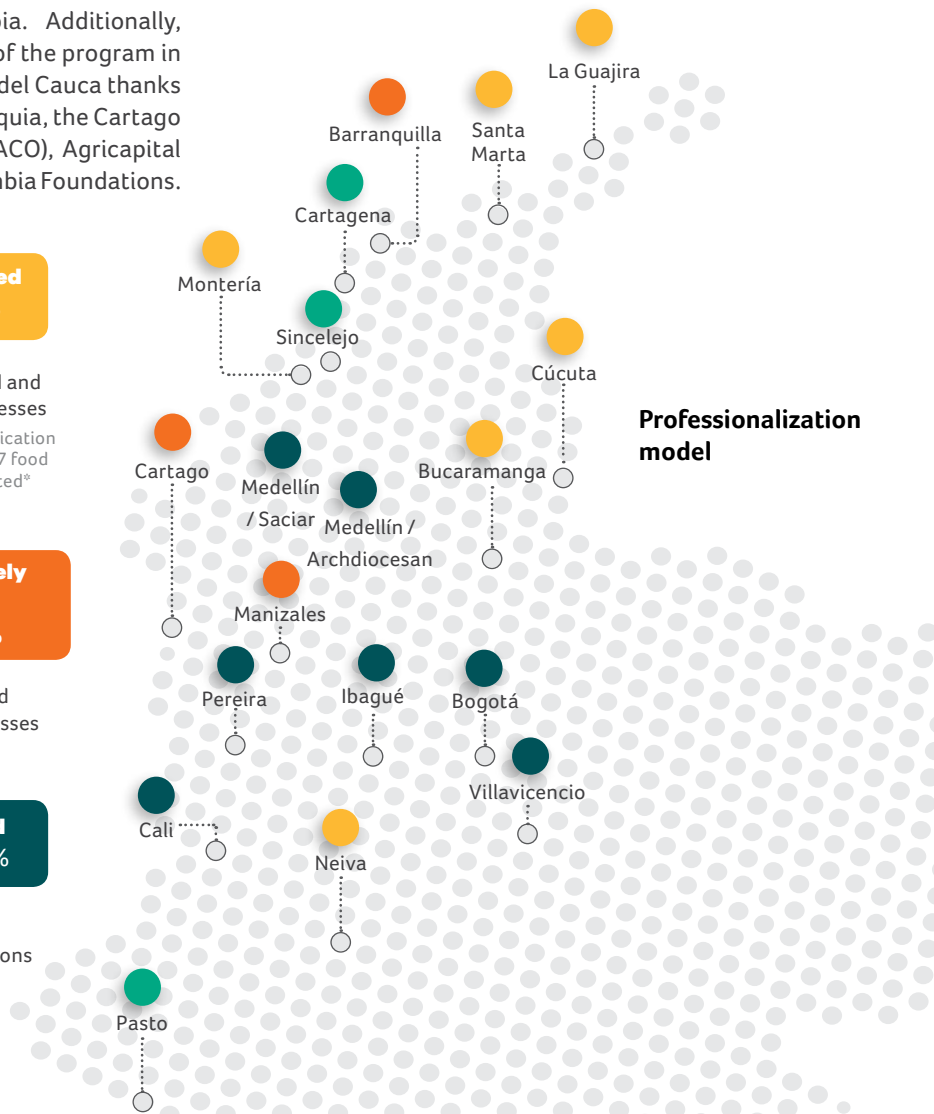
Characterized and executed processes
Results of the certification guide n.º 4-2016 17 Food banks consolidated*

Quantitatively managed
80-89,9%

Measured and controlled processes

Optimized
90%-100%

Continued improvement actions



Professionalization model

Delivery of products to the “José Gabriel Calderón” Diocesan Food Bank in Cartago, Colombia.



Strategy for the reduction of food loss and waste [SDG 2.1] [SDG 12.3]

Aware of the importance of assessing the impact of food waste, the Company works on cooperating with the employees with the purpose of reducing food loss both within the Organization and globally.

That is why Grupo Nutresa organized and held five online workshops about max-utilization cooking with the objective of raising awareness about this issue and providing tools to mitigate the waste at multiple instances. This initiative benefited more than 1.600 employees in Colombia, Chile and Peru.

The Organization also redefined the model for consolidating and measuring food loss and waste. Some of the activities carried out by the Company were the following: classification of the food by product category with the purpose of identifying the ones that are lost/wasted the most; follow-up on the commitments and goals in a more agile manner; creation of a consolidation system for the monthly data that would allow all the operations to monitor the fulfillment of their activities; process focused on facilitating external audits; and development of an intranet for sharing the achievements related to the goals of each one of the Businesses.

Food loss and waste by type

Type of food (tons)	Loss	Waste
Edible	13.817,6	3.912,7
FLW benefitted	13.218,6	3.912,7
Traditionally inedible	116.511,5	0

Note: The term “edible food” refers to the food included in the formulation of the products manufactured and commercialized by Grupo Nutresa. The term “traditionally non-edible Food” refers to the food that is not usually included in the final products, for instance: wheat husks, coffee grounds and bones.

The Organization makes progress on the measures for reducing food loss and waste in both the productive processes and distribution networks.

The Businesses also established the baseline they will use to monitor the progress in the reduction of food loss and waste.

Business	Loss % in Grupo Nutresa	Baseline kg/t.p.	Waste % in Grupo Nutresa	kg/COP million baseline
Cold Cuts Business	12,3	9,0	52,4	0,69
Biscuits Business	58,7	20,7	7,7	0,37
Chocolates Business	2,6	3,3	Not applicable.	
Tresmontes Lucchetti	18,2	19,8	28,8	0,73
Coffee Business	0,8	1,9	Not applicable.	
Ice Cream Business	1,7	5,1	9,8	0,57
Pastas Business	4,8	3,3	Not applicable.	
Retail Food	0,9	9,1	1,3	0,1

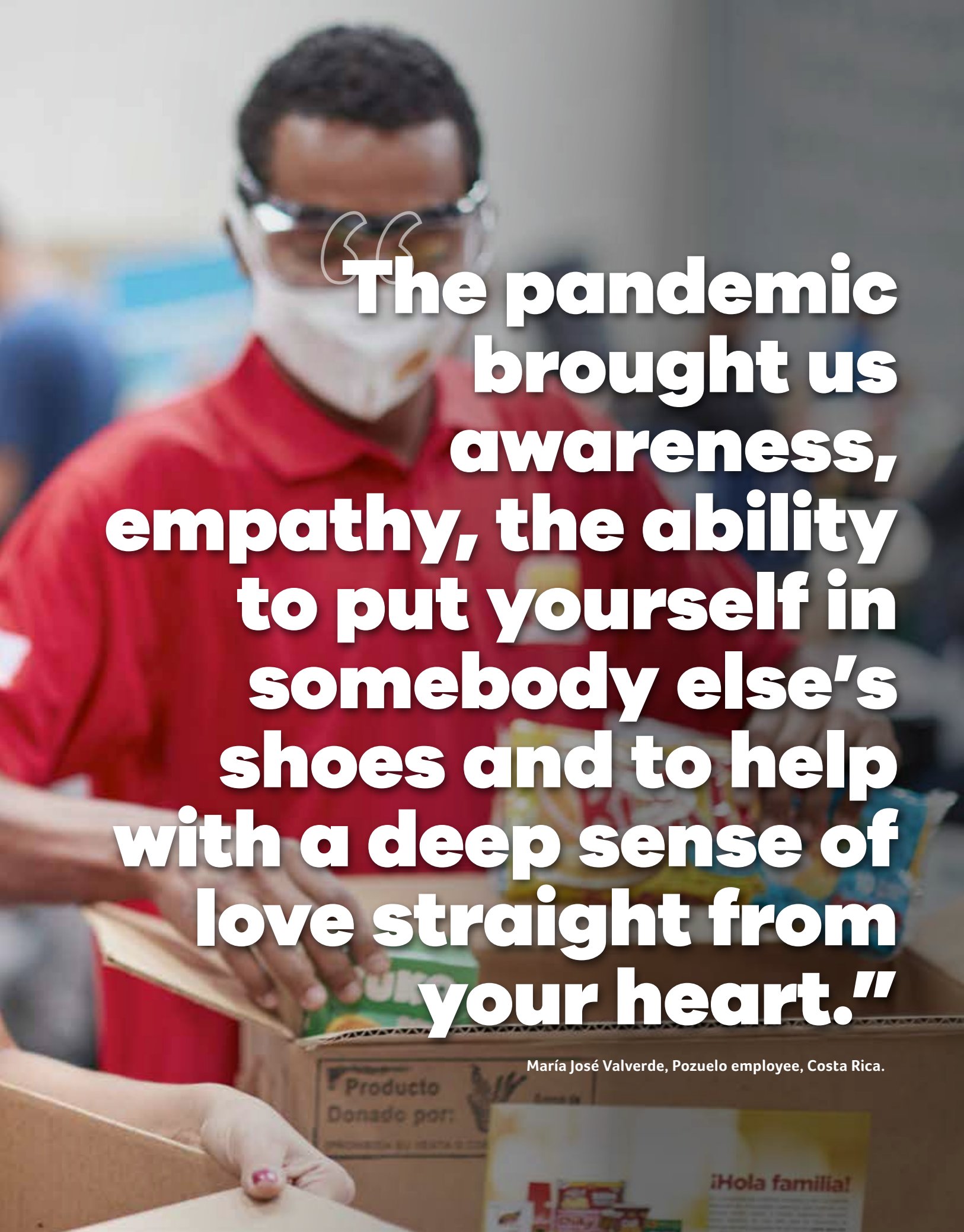
The accounting exercise allowed finding out that the products that are lost or wasted the most are biscuits and the mixture of sweet and salty crackers, mushrooms, in-process meat products, cold cuts products and deli meats, pasta products, chocolate, *snacks* and instant beverages. From such products, 86,4% are used as animal feed, 9,3% undergo aerobic processes, and 4,3% end up at landfills and other final disposition destinations. Additionally, being committed to the scope of the goal set for 2030 of reducing food waste by 50% and food loss by 30%, the Grupo Nutresa implemented improvements strategies in the product manufacturing and distribution processes. The following are some examples of such strategies:

- In the processes of Leños & Carbón's chain, the Retail Food Business made progress in the reduction the reduction in the waste of food per con-

sumer plate, going from four to three garnish pieces served in the restaurants located in food courts. Thus, the amount of garnish pieces was standardized for the entire chain and the waste of food that is left on the plates has been reduced.

- Tresmontes Lucchetti installed four recuperators of packaged instant cold beverage product that allowed reducing the quantity of powdered product used by 6 tons per year, which are equivalent to more than COP 400 million;
- The Cold Cuts Business solved the obstruction issues presented by the packaging machine in the wiener production line. This action allowed the Business to eliminate 97% of the blockages that occur at such specific point, thus reducing food loss by 34 tons.



A man wearing a red polo shirt, safety glasses, and a white face mask is packing a cardboard box. He is holding a green box of 'TUNO' (tuna) and placing it into the box. The box has a label that says 'Producto Donado por:'. In the foreground, another person's hand is visible, holding a piece of cardboard. The background is slightly blurred, showing other people and boxes, suggesting a warehouse or distribution center setting.

“The pandemic brought us awareness, empathy, the ability to put yourself in somebody else’s shoes and to help with a deep sense of love straight from your heart.”

María José Valverde, Pozuelo employee, Costa Rica.

¡Hola familia!

Volunteering means sharing wellness



The work of Pozuelo's volunteers in Costa Rica is a gesture of generosity and service that helps to mitigate the country's social needs.

“Here, I have learned about caring for others. The collaborative culture we have here has changed my life forever,” says Rebeca Tenorio, Pozuelo employee, Costa Rica. She and her work colleagues enjoy sharing: they are generous with their time, salary, knowledge and skills. They feel that their jobs are a privilege and show their gratitude by volunteering.

In 2020, with the purpose of supporting vulnerable families and mitigating the crisis caused by the COVID-19 pandemic, they supported the mission of their country's food bank. The volunteers put together food kits with biscuits, juice products and essential goods. “The most striking aspect about it is that I knew I wasn't going to meet any of the people who were going to receive the food kits, but I still was sure that they were going to make the most of them, which is why I said to myself: ‘I have to do my best to put together as many food kits as I can because the more I put together, the larger the number of people who will get one,’” reckons Guillermo Enrique Sáenz, employee.

Visit our website and discover all the stories that enabled us to take care of people's life in 2020.

[Click here.](#)

The volunteers put together and donated 25.000 food kits. These aids and the ones donated by other Costa Rican companies enabled the food bank to support seventy NGOs throughout the country. This represents 21.000 more people than the total they serve each year in average. “It's a small act of love for changing the world. We do a small job and then we gather efforts that multiply and become blessings. That is what this volunteering work represents,” says Guillermo. Rebeca also expresses her satisfaction: **“It's only one hour assembling cardboard boxes or helping in other activities, but you feel really nice inside. It's something beautiful.”**

“The most important lesson we learned in 2020 is that we can adapt and that, by working together, united, supporting each other, we can overcome anything and even improve in the process.”

Ricardo Masis, Pozuelo employee, Costa Rica.

In Colombia, Grupo Nutresa delivered more than 249.000 food aid packages for the benefit of 183.232 families in 22 cities.

“If you do one thing and someone else does a different thing, and another person does one more thing, all those efforts combine and produce a major impact. That is what Pozuelo’s invitation is all about. So, my volunteer work is perhaps a small effort I do, but as a whole we produce a major positive impact on many people.”

Guillermo Enrique Sáenz, Pozuelo employee, Costa Rica.

Inspired by activities such as this one, Rebeca and Guillermo have incorporated a service-driven attitude into their life. She gives emotional support to all her work colleagues; he is committed to his small acts of love: in the morning, he washes the utensils so that other employees can use them right away and, on the weekends, he picks up the garbage he finds while taking walks with his dogs. “I like to help with anything I can because that’s what it’s all about, cooperating with others,” states Guillermo.

For the five past years, Pozuelo has worked in partnership with the Costa Rican Food Bank on its mission of fighting hunger throughout the country. In addition to donating products, the Company’s employees do volunteer work such as organizing food products and improving, with their talent, multiple processes of the food bank, such as legal, safety and administrative aspects.

During the COVID-19 pandemic in 2020, Grupo Nutresa donated 1.024 tons of food in the region. These aids reached the hands of people at risk such as children, senior citizens and front-line healthcare personnel working through the COVID-19 pandemic.



“One of the most beautiful things resulting from the pandemic is seeing people’s solidarity. People who may have never thought about giving support, not even to their neighbors, have found stories that inspired them to help. It is during times of crisis when the spirit of solidarity emerges from both people and companies, proving they had had it in them all along.”

Francia Linares, Executive Director of the Costa Rican Food Bank.



Commitment
to the SDGs

8 DECENT WORK AND
ECONOMIC GROWTH



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.

Employees from the Coffee Business, Colombia.



Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Strengthening channels, networks and new technologies for the identification and engagement of talent globally.

- » **Inclusion** of new technologies for the identification of new talent, such as robotic process automation (RPA) and artificial intelligence, which accelerate the assessment and engagement phases, and guarantee a better experience.

Development of capabilities: *reskilling* and *upskilling*.

- » **16.807** employees received training in new capabilities such as analytics, new technologies, *cloud computing*, innovation methodologies, experience design, agile culture, handling ambiguity, circular economy, adaptive leadership, female leadership and intra-entrepreneurship.

Planning and development of high potential talent.

- » **224** employees identified and developed as High Potential Talent (abbreviated TAPS in Spanish).

Managing the employees' performance and commitment.

- » **12.636** conversations on development and monitoring of objectives to maximize the employees' contribution and development.

Development of digital capacities to address the impact of the pandemic.

- » **More** than 2.000 employees received training related to closing knowledge gaps and strengthening digital skills through virtual training programs.

Strengthening the volunteer service as a human capital development scenario.

- » **11.652** volunteers enhanced their capabilities at the service of society and donated COP 1.267 million for the mitigation of the effects of the pandemic.
- » **22.279** actions carried out to contribute to the development of the capabilities of both collaborators and communities.

Risks and opportunities [GRI 103-1]

For Grupo Nutresa, having the most suitable human talent and the capabilities required to address the challenges facing the Organization is one of the main goals focused on reducing the human talent management risks. This requires undertaking a determined process of talent re-configuration and the adoption of new capabilities, including digital, adaptability and leadership skills.

The current circumstances of volatility and uncertainty, as a result of the COVID-19 pandemic, has driven the Organization to make decisions regarding the human talent aimed at addressing such risks. A management committee was formed to assess, among other issues, the evolution of the situation in relation to human capital, and to interact with the local response teams of Grupo Nutresa's Businesses and implement actions jointly with them.

Moreover, the lack of commitment of employees to the Company's higher purpose also represents a relevant risk; therefore, Grupo Nutresa supports the connection of each personal purpose with that of the Organization, and contributes to the balance and sense of life of the employees. This challenge is also an opportunity to continue working in an environment that appreciates productivity, quality of life, development, inclusion and progress for all.

Behavioral changes and increased awareness towards sustainability have led to corporate volunteering being configured as an opportunity for the development of talent related to capabilities, including teamwork, innovation, sense of collectivity, sustainable development and the employees' sense of belonging towards the Organization. Through volunteer work, the Company has managed to put the capabilities of its employees at the service of the affected communities and build solidarity networks to mitigate some of the risks generated by the pandemic.

Future outlook and goals for 2030

Based on Grupo Nutresa's outlook for 2030, human talent development will remain crucial to reconfigure the roles of the future and attain the capabilities required to achieve the strategies outlined by the Organization. That is why the development of capabilities will be prioritized in the digital transformation of the Businesses, as well as the Organization's productivity and sustainability through the most suitable talent and the adoption of new technologies and a digital *mindset*. The adaptability capabilities to face new forms of work, adaptive and transformative leadership, and the challenges entailed by the digital transformation will also be strengthened.

The Company will continue streamlining strategies that enable mobilizing adaptive leadership towards permanent evolution, responding to global challenges and delivering value to related groups.

For 2030, Grupo Nutresa set the goal of reaching an 80% rating in both organizational climate and commitment, so it will continue working on connecting people's purposes with those of the Organization through practices that raise the leaders' awareness level, the development of highly effective work teams and the strengthening of the self-care culture.

In the medium term, volunteering will be one of the ideal scenarios to achieve the aforementioned corporate commitment as it provides collaborators with opportunities to develop capabilities that will be made available to the territories and will support communities or base-level organizations in the transformation of their realities.

Finally, the Organization will move forward in attracting global talent with the consolidation of practices related to Human Rights, diversity and inclusion, with the strengthening of new business models, and with disruptive innovation and sustainability within the corporate performance framework.

Success stories and acknowledgments [GRI 103-3]



Grupo Nutresa was ranked as the top 2 company with the best reputation in Colombia

This recognition was delivered by Merco Empresas y Líderes Colombia, which evaluates the reputation of companies throughout the country every year. This survey collects the opinion of company executives, communication directors, financial analysts, economic information journalists, government, non-governmental organizations, unions, citizens, among other.



Tresmontes Lucchetti stands out in Chile for its commitment to taking care of people's lives

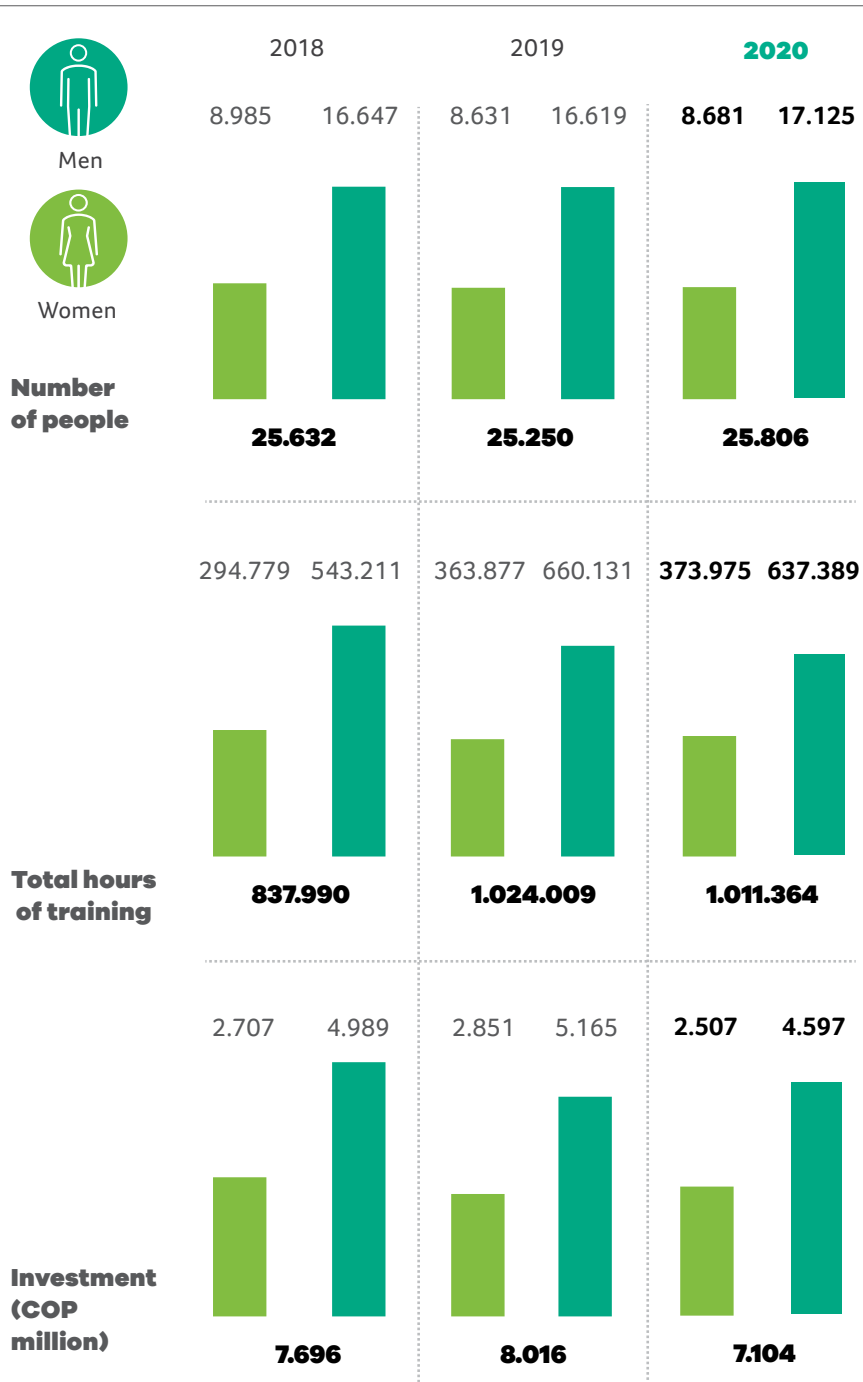
The Business was acknowledged by Merco as one of the companies with the highest level of commitment and responsibility during the pandemic in Chile and by Marcas Ciudadanas in the light of the COVID-19 crisis. This global corporate reputation benchmark monitor also placed Tresmontes Lucchetti among the 200 Citizen Brands in Chile, leading in the *millennials* segment.

Material topic details [GRI 103-3]

Development of key capabilities [GRI 404-1] [SDG 8.5]

The Company focused on maintaining the development of capabilities with 46 training programs centered on strategic capabilities such as digital, innovation, leadership and sustainability skills, among other. This initiative benefited more than 16.000 employees.

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



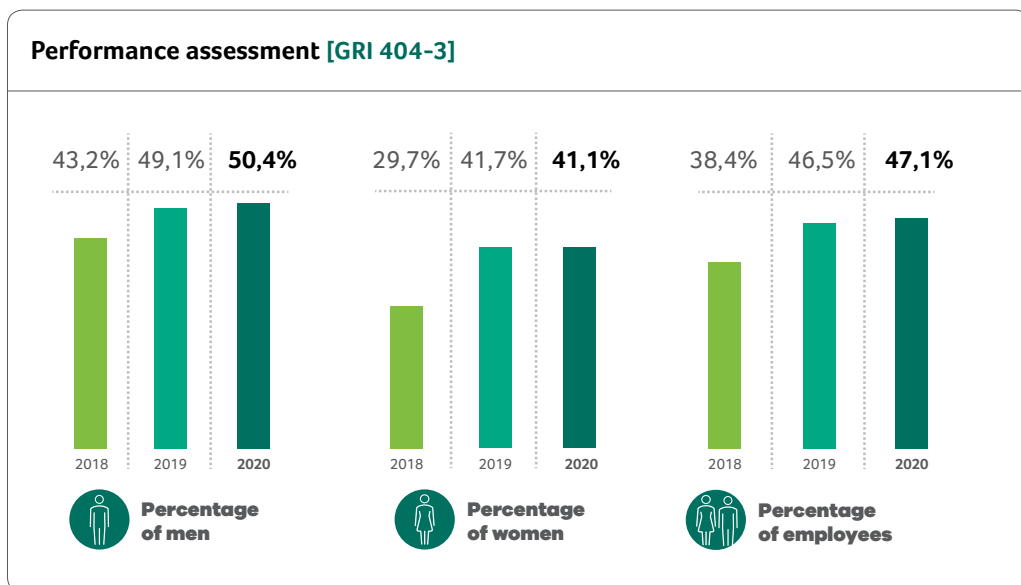


Given the situation of the COVID-19 pandemic, the levels of contagion in the countries of the strategic region and the methods for reaching the market, Grupo Nutresa formulated a series of strategies for protecting people and guaranteeing food supply. Therefore, the Organization focused efforts on understanding the qualifications that should be strengthened in the employees who are part of sourcing, production, commercial and administrative teams, and commercial processes were implemented remotely in the form of tele-marketing. The digital transformation process was also reinforced, digital channels were developed to serve consumers, and the capabilities of employees for remote work were enhanced.

Development and performance management [GRI 404-3]

Grupo Nutresa is convinced of the importance of people's contribution to the achievement of its objectives, therefore the Organization continues strengthening the capabilities of leaders and work teams with the aim of ensuring the necessary fulfillment in terms of indicators and productivity. Thus, 12.636 performance conversations were carried out to encourage productivity and boost the achievement of personal purposes in an articulated manner with Grupo Nutresa's higher purpose.

The Organization is also making progress in the consolidation of high-potential talent by implementing plans to bridge gaps for 224 employees and by consolidating a matrix for assessing potential that allows having a source of the best talent available for the future in both the local and international contexts.





Servicios Nutresa
employee in
Colombia.

Creating jobs and fostering commitment and a positive organizational climate



One of the most important strategies in terms of human talent is the permanent management of both organizational climate and commitment, which is reflected on a highly favorable perception of the work environment, leadership, personal and professional development, and on the support to the Organization. In 2019, the Company's organizational climate rating amounted to 83,0 in Colombia. However, a measurement of key aspects was conducted in 2020 through the "Pulso" assessment methodology as the presence of the employees at the facilities (which is a requirement of the regular organizational climate measurement exercise) was not possible due to the COVID-19 pandemic. Such assessment resulted in an 83,0 organizational climate rating once again.

Additionally, despite the circumstances caused by the COVID-19 pandemic, Grupo Nutresa set out to maintain its employability levels, even achieving a 0,13% growth in this regard, compared to 2019. Likewise, the employee turnover indicators in the Businesses were healthy as they are below the industry's turnover rates. However, due to the pandemic, it was necessary to close several points of sale and restaurants.

Employees in the strategic region [GRI 102-8] [SDG 8.3]

Employees (2020) / apprentices and/or internship students (2020)
 Employees (2019) / apprentices and/or internship students (2019)

Colombia 70,21%

 6.053/503	 13.557/375	Total 19.610/878
6.089/509	13.496/355	19.585/864

Costa Rica 8,18%

 1.202/0	 1.186/0	Total 2.388/0
1.187/0	1.120/0	2.307/0



Chile 5,66%

 507/7	 1.135/4	Total 1.642/11
529/5	1.157/1	1.686/6


Mexico 3,50%

 652/0	 370/0	Total 1.022/0
647/3	379/0	1.026/3

United States 2,79%

 320/2	 491/1	Total 811/3
330/2	493/3	823/5

Peru 2,65%

 292/4	 474/2	Total 766/6
295/4	485/5	780/9

Panama 2,35%

 245/0	 440/0	Total 685/0
218/0	394/0	612/0

Venezuela 1,34%

 118/7	 261/4	Total 379/11
121/8	294/6	415/14

Guatemala 1,24%

 254/0	 107/0	Total 361/0
261/0	107/0	368/0

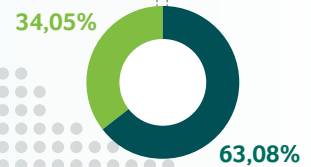
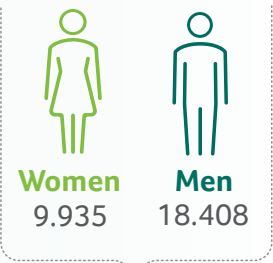
Dominican Republic 0,98%

 71/2	 210/4	Total 281/6
65/2	201/4	266/6

Nicaragua 0,67%

 108/0	 87/0	Total 195/0
116/0	82/0	198/0

Total
29.261
29.180



Total direct employees (2020)
28.343

Programs focused on employability and employee retirement [GRI 404-2] [SDG 8.5]



Biscuits Business
New technologies
Offering 4.0 technology knowledge and tools to facilitate the management of the processes and update the employees' capabilities related to these technologies.



Cold Cuts Business
"Adultez Plena" (Plentiful Adulthood) Program
Getting the employees who are nearing retirement prepared for such transition two years in advance, seeking to contribute tools that would allow them to deal with their new stage of life away from work with a healthy openness to new possibilities and learnings while they continue to move forward with their life project.



Chocolates Business
"Maestros de vida" (Masters of life)
Enhancing the participants' skills and attitudes, enabling them to broaden their vision of life through self-knowledge. Thus, new experiences are created with the purpose of developing strategies for facing this new stage and successfully giving a new meaning to the comprehensive construction of a new life project.



Tresmontes Lucchetti
TMLUC Academy
Offering IT courses (Excel level 1 and 2, Power Point and Word) to all the employees from the Chile region. The courses have been advertised throughout the year and have included the participation of both operating and administrative staff.



Coffee Business
Mindfulness Program
Training the mind to live in the present moment with full acceptance. The program improves people's abilities and skills with the aim of enhancing their internal capabilities and regulating their emotions, thus increasing their productivity and their capacity to build effective and affective relationships.



Retail Food Business
Route of the retiree
Providing tools that allow internalizing emotional aspects and dealing with legal pension-related matters, a new life project, and economic and family-related aspects that are part of the new stage of life in retirement.



Ice Cream Business
Transcending
Supporting the employees up to eleven years prior to their retirement with the purpose of ensuring both they and their families are prepared for such a significant change in their lives.



Pastas Business
Pasta 4.0
Broadening the knowledge on multiple 4.0 technologies among the employees of the Pastas Business with the aim of enhancing and developing the digital transformation capabilities.



Pre-retirees
Providing support to the employees between 10 and 11 years prior to their retirement. This program is divided into age stages, each of which is mainly centered on a specific topic according to the respective most pressing need.



Novaventa Retirees
Getting the employees who are nearing their retirement prepared to deal with the changes this transition entails while minimizing the corresponding uncertainty and enabling them to discover new possibilities for their future.





Senior Expedition
Program focused on getting the employees who are nearing their retirement prepared and providing support to them.

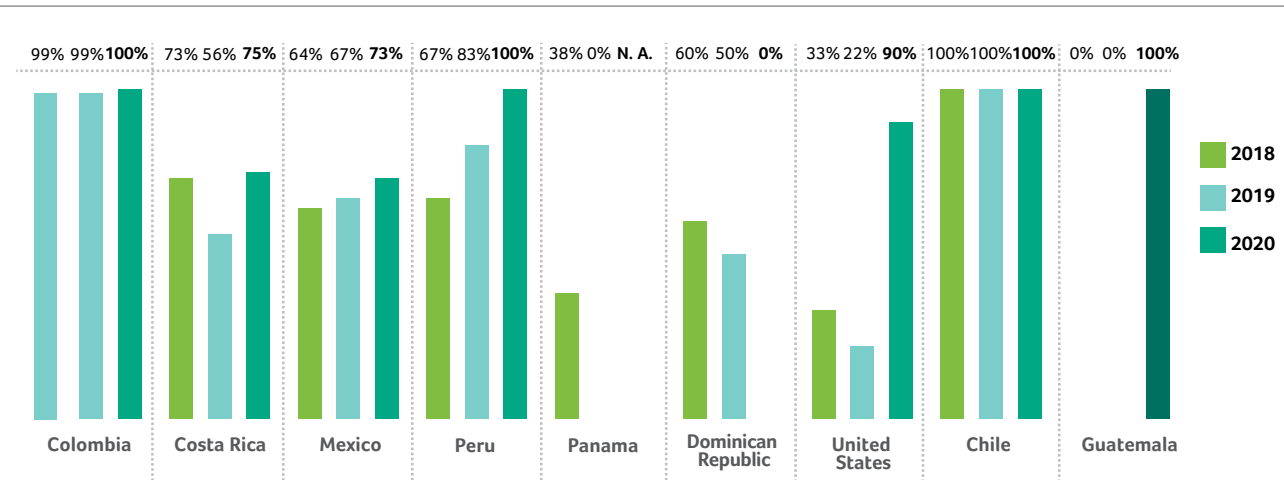
New employee hires and employee turnover [GRI 401-1]

	Production operations			Distribution and commercialization			Retail Food Business		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
New employees	3.441	5.229	5.429	901	392	299	3.382	3.360	1.743
Employee turnover ratio	19,3%	18,80%	16,5%	12,6%	10,6%	10,38%	53,30%	49,5%	30,06%

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

	Colombia	Costa Rica	Ecuador	Mexico	Panama	Peru	Dominican Republic	United States	Chile	Guatemala
 MEN	1,88	1,54	1,11	2,31	1,23	2,09	1,49	2,01	1,86	1,12
 WOMEN	1,39	1,26	1,07	1,68	1,29	1,95	1,36	1,73	1,44	1,06

Executives from the local community [GRI 202-2]



Volunteer service as a development scenario

Corporate volunteer work is a human capital mobilization platform that favors the development of the employees' talent by implementing high social value actions. Through 22.279 volunteering actions, 11.652 employees promoted development actions in the communities by putting their capabilities at the service of society, benefiting over 161.502 people in 12 countries.

Since 2013, the Aula (Classroom) Program has provided social management tools and has become a training platform for volunteers. This program addresses subjects as conflict resolution, community and alliance management, and development-focused communication. In 2020, this initiative evolved into its virtual version and achieved a greater scope regarding the training of both volunteers and beneficiaries. The Aula Program benefited 173 volunteers from seven Businesses and 15 communities.

Additionally, 14 volunteers from five Businesses in Colombia supported entrepreneurship initiatives based on assistance provided to SMEs in solving strategic challenges that will enhance their management work.

The Company worked on reshaping social actions to support the most unprotected territories. That is why the volunteer strategy efforts were focused on contributing to food security and the continuity of children and young people in schools by means of the provision of school kits. Moreover, the capabilities of both the Organization and its employees allowed contributing to the improvement of the living conditions of surrounding communities with more than 32.000 hours of volunteer work.





Based on its volunteering work, the Company boosted its humanitarian aid initiatives during the pandemic.





Celebration of the International Volunteer Day

The celebration of the International Volunteer Day in Nutresa known as “El Poder de Mil” (Power of a Thousand) was carried out under the initiative called “Muévete por la Educación” (Move for the Education), a virtual experience that promoted physical activity in favor of a social cause. A total of 2.675 people participated, including employees and family members from Colombia, the Dominican Republic, Panama, Peru, Nicaragua, United States, Guatemala, Costa Rica and El Salvador. On top of that, 3.500 school kits with biosecurity elements were provided in order to contribute to overcoming the challenge of staying in school during the pandemic. Additionally, 26 volunteers from different Businesses supported entrepreneurship initiatives and organizations from the social sector with the aim of overcoming strategic challenges, thus enhancing their management work.

Closing of the strategy for 2020

Organizational climate
 Goal: 80,0%
 2020: 83.0%

1 The Company reached levels of excellence in organizational climate and commitment, thus fulfilling the goal it established, exceeding it by 83,0% for 2020.



2 This result was achieved based on the Businesses' constant work on promoting 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 the employees. In this regard, the employees highlight about the Company its deep sense of humanity, leadership and organizational support, especially during a year in which the pandemic has generated widespread uncertainty that affects their personal, work and family life.



3 In this first MEGA, 27 companies from Colombia, Chile, Mexico, Ecuador, Peru and United States were able to measure the pulse of the organizational climate in order to get to know the employees' perception regarding multiple aspects of the work environment such as leadership, organizational clarity, resource availability and teamwork. This allowed maintaining the excellence-level standard set by the Organization and keep using leadership development as a tool for strengthening the organizational culture.



4 The most outstanding variables over these first ten years were: agility and innovation, trustworthiness and strategic approach.

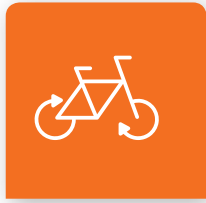


Grupo Nutresa maintained its level of excellence in the measurement of the organizational climate and commitment

2014		84,0%
2015		84,4%
2016		83,4%
2017		83,3%
2018		83,0%
2019		83,0%
2020		83,0%



Acknowledgments achieved over time
 Acknowledgment granted in 2015 by Cincel to the companies Servicios Nutresa, Colcafé, Cordialsa Ecuador, Compañía Nacional de Chocolates Costa Rica and Molinos Santa Marta for their excellent management of organizational climate matters and their commitment to the employees.



Commitment to
the SDGs

8 DECENT WORK AND
ECONOMIC GROWTH



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, thus positively influencing their productivity and commitment to the Organization.



Employee from the
Chocolates Business
with his family in
Colombia.

Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Managing workplace health and safety based on world-class standards.

- » **Four** projects developed by focusing on self-care and the prevention of accidents, occupational illnesses.
- » **Implementation** of initiatives related to process automation, psychosocial risk identification and management, and proactive *data* and analytics management.
- » **Evolution** in the accident frequency rate of direct employees from 1,66 in 2019 to 0,79 in 2020.

Managing occupational illnesses in Grupo Nutresa's companies.

- » **Creation** of an interdisciplinary team responsible for steering the formulation of measures and practices related to the care for people.
- » **Adoption** of the legal guidelines established by the governments with regard to preventing COVID-19 from spreading among the employees.
- » **Definition** and implementation of protocols and biosecurity measures to ensure the continuity of the operations and reduce the risk of contagion.

Strengthening the management model for workplace health and safety for suppliers and contractors.

- » **217** suppliers and contractors received support in the development of their capabilities for the adoption of biosecurity measures, commute and transport protocols, preventive isolation of vulnerable people and implementation of remote work methodologies.
- » **Reduction** in the accident frequency rate of third-party personnel, which went from 3,47 in 2019 to 1,55 in 2020.

Promoting the balance in the employees' work, personal and family life.

- » **Design** and development of strategies focused on promoting good physical, mental and emotional health among the employees and their families.
- » **759** employees received support from a group of professionals through a telephone support network to deal with financial, psychological, nutritional and legal issues.
- » **Promotion** of online leisure activities with the purpose of encouraging interaction among colleagues, quality family time and well-spent free time.
- » **Confirmation** of basic ergonomics conditions at home for the employees working under the work-from-home methodology.

Measuring and managing psychosocial risks.

- » **Development** of a psychosocial risk intervention model with the aim of ensuring a comprehensive multi-dimension approach.

The strategy will remain focused on the promotion of a self-care culture inspired by the importance of the care for people's life.

Risks and opportunities [GRI 103-1]

The nature of the operations of Grupo Nutresa's Businesses entails challenges related to the prevention of risks such as the emergence of symptoms associated with illnesses that affect the physical and mental health of the employees, the lack of balance in their family, personal and work life, and the absence of purpose. Therefore, the Organization works on a permanent basis on having a significantly positive impact on people's quality of life and, thus, on its productivity.

In 2020, the worldwide spread of COVID-19 represented for Grupo Nutresa the opportunity to strengthen the care for people's life and health besides the development of capabilities such as the adaptability and the capacity to deal with uncertainty, which allowed the Company to successfully overcome the effects of the pandemic. Additionally, the programs focused on the employees' quality of life were centered on the identification and mitigation of the psychosocial risk and COVID-19 symptoms, laying emphasis on the support provided to the employees during the work day at home. This challenge also represented an opportunity to renew the support methodology through allies and online activities, without neglecting the closeness and sensibility towards people, with the aim of strengthening healthy lifestyle habits that would mitigate the effects of the pandemic.

Future outlook and goals for 2030

The goal for 2030 is to achieve the goal of zero occupational illnesses, zero fatalities and a significant improvement in the safety-related indicators, attaining a lost-time injury frequency rate (LTIFR) lower than 1, and low psychosocial risk levels that represent a reduction in the adverse impact on people's mental health and quality of life.

The strategy will remain focused on the promotion of a self-care culture inspired by the importance of the care for people's life. The work on enhancing capabilities by raising awareness about the responsibility in the search for balance will allow the Organization to have healthy work environments that give people the possibility to achieve positive comprehensive development.

This work relies on the analysis of *data* and analytics in order to proactively identify symptoms related to changes in the health conditions of employees. Additionally, the development of capabilities of both suppliers and contractors to adequately manage the well-being, health and safety of their employees will be another pillar of the aforementioned actions.

Aware of the pandemic impact on the perception of work in the medium and long term, Grupo Nutresa is working on identifying new types of work flexibility measures, remote work systems, talent recruitment procedures and methods for enhancing the adaptive and digital leadership capabilities. The Organization is also formulating a proposal for returning to the facilities with different interaction methods, always ensuring the fulfillment of all the necessary biosecurity protocols.

Finally, another focal point for the work the Company will carry out is the formulation of value propositions and memorable experiences that would contribute to the employees' well-being, satisfaction and commitment, as well as the creation of purposeful work environments that enable them to enjoy meaningful jobs while achieving comprehensive growth.

Success stories and acknowledgments [GRI 103-3]**Tresmontes Lucchetti was awarded the Living Healthy Seal in the healthy workplace category**

The accolade was awarded by the Chilean Government, which ranked the Company at a level of excellence, the top rating in the context of this certification, thanks to the development of initiatives that go beyond the legal requirements and for implementing policies, plans and programs that promote people's health and well-being.



Employee from the Biscuits Business in Costa Rica.

Material topic details [GRI 103-3]

Management of a safe work environment [GRI 403-1]

For Grupo Nutresa, sustainability is the main corporate performance framework and the pillar that supports the actions that allow giving continuity to the operation and managing risks in a responsible and proactive manner.

The current circumstances of volatility and uncertainty caused by COVID-19 have driven the Company to create a management committee in charge of assessing the evolution of the situation and interacting with the Businesses’ response teams in order to make timely and effective decisions.

In addition, the following priorities were established with regard to the operation of the Businesses:

- **People first.**The Organization is striving to manage the situation with a deep sense of humanity, always thinking about the common good and with the clarity that people and their health and life are the main priority. Therefore, cautionary measures were established for employees and allies in alignment with the recommendations of

the World Health Organization and the authorities from each one of the countries where Grupo Nutresa operates.

- **Continuity of the operations.**Aware of its great responsibility in ensuring the supply of food to society, the Company formed highly qualified teams that are in charge of ensuring a responsible management across the entire value chain.
- **Contributing to the solution.**In line with Grupo Nutresa’s purpose of building a better world where development benefits everyone, the Organization made its best efforts to preserve the jobs of its employees and cooperate with public and private allies with the aim of contributing to the protection of the most vulnerable populations.
- **Managing resources responsibly.**Grupo Nutresa has managed the resources adequately and prioritized its liquidity and business continuity.

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

Number of members	2018	2019	2020
Occupational Safety and Health Committee	497	596	483
Zero Accidents Program Management	23.657	27.392	17.201
Support groups in case of emergencies	1.940	2.576	2.416
Health Management Program	23.657	27.235	27.629
Cohabitation Committee	184	265	197

• 60% of Grupo Nutresa’s companies organize meetings with the leaders on a monthly basis, 11% every two months, 26% weekly or every two weeks, and 3% on a yearly basis.

Occupational illness risk mitigation [GRI 403-2] [GRI 403-3] [GRI 403-7]

Measures focused on mitigating the impact of COVID-19



Mapping and analysis of COVID-19 areas in Colombia to use the results as input for making decisions about whether to provide in-person or telemarketing services. For this purpose, the Organization has used a georeferencing tool that enabled it to identify the location of the customers and the homes of each one of the employees. This information allowed determining in which cities and specific areas it was appropriate to provide in-person service according to the risk level, and where it was more convenient to provide service remotely. It also enabled the Company to know how many of its employees were available to carry out the operation.

Incorporation of protocols for the identification of symptoms, as well as the need for track and trace measures, epidemiological fences and preventive isolation measures.

Comprehensive monitoring and support to the employees who tested positive for COVID-19 and their corresponding epidemiological isolation groups.

Performance of COVID-19 contagion drill exercises to assess the ability to respond of the Businesses' health management teams.

Execution of prevention measures: delivery of protection gear; creation of transport routes for employees fulfilling the corresponding biosecurity protocols for them to avoid public transport; and adaptation of specific areas in the facilities such as restrooms, dressing rooms, cafeterias and production sections in order to ensure physical distancing.

Preventive isolation for vulnerable employees.

Development of a web application for reporting and following up on symptoms and close contact events on a daily basis.

Implementation of the work-from-home methodology for the employees who, due to the nature of their jobs, are able to perform their duties remotely.

Identification and negotiation with qualified laboratories to ensure the necessary COVID-19 diagnostic tests for employees.



Implementation of strategies intended to protect the human talent, including the creation of a matrix of vulnerabilities and the personalized medical assessment of employees to identify the risk level of vulnerable people.



Activities related to disseminating, communicating, promoting and raising awareness among employees and their families about self-care measures on a frequently basis.

Design and implementation of comprehensive support strategies for the employees and their families with the purpose of strengthening their mental, physical and emotional health during the pandemic.

The Organization contributes to its employees' nutritional health and quality of life through nutritional education programs that include the concepts of eating habits and healthy practices, regular occupationally-based medical exams and laboratory tests. These programs were carried out through different online platforms and allowed improving the nourishment and health conditions of the employees while they have been working from home.

The training received by the employees was centered on the biosecurity protocols with the aim of ensuring the continuity of the processes and preventing contagion among people.

Employees
from the Coffee
Business,
Colombia.



Workplace safety and health performance [GRI 403-9] [GRI 403-10] [SDG 8.8]

	2018		2019		2020	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Accident frequency rate Number of accidents in relation to total employees	1,53	3,81	1,66	3,47	0,79	1,55
Serious accident frequency rate Number of accidents with serious or severe consequences per 200.000 hours worked	0,01	0,00	0,00	0,00	0,00	0,02
LTIFR Number of accidents that caused lost time per 200.000 hours worked	1,42	3,23	1,45	2,67	0,70	1,38
OIFR Number of occupational illness cases per 200.000 hours worked	0,11	0,03	0,34	0,01	0,17	-
Work-related fatalities	0	1	0	1	0	0
Fatalities caused by COVID-19	0	0	0	0	0	0
Work-related illnesses classified as occupational illness - COVID-19	N/A	N/A	N/A	N/A	73	7
Days of absence due to occupational illnesses - COVID-19	N/A	N/A	N/A	N/A	896	187

Worker training on occupational health and safety [GRI 103-5] [SDG 8.8]



Cold Cuts Business

High-risk jobs
Developing capabilities among employees who perform high-risk jobs, particularly for safe work-at-height.



Chocolates Business

“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.



Occupational health and safety peer committee (COPASST)
Hazard matrix based on the Risk Hunters dynamics with actual photographs of our facilities (including administrative, production and logistical). Re-dissemination of the safety standards, emphasizing posture hygiene particularly in three types of jobs.



Tresmontes Lucchetti

“Brigada de Emergencia” (Emergency brigade)
Training the members in six modules related to their needs in case of an emergency.



Coffee Business

“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.



“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.



Ice Cream Business

“Nuevas Alas” (New wings)
Facilitating the reinstatement of the employees who must follow medical recommendations in order to achieve favorable work conditions based on their health condition and/or functionality.



Biscuits Business

“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.



“Apropiación del Cuidado” (Internalization of care) Program
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 the employees and their team leaders.



“Caja de experiencias” (Box of experiences)
Striving to promote awareness about self-care and the care for others.



Employee from the
Cold Cuts Business
in Colombia.

Promotion of healthy lifestyles for people

[GRI 403-5] [GRI 403-6]

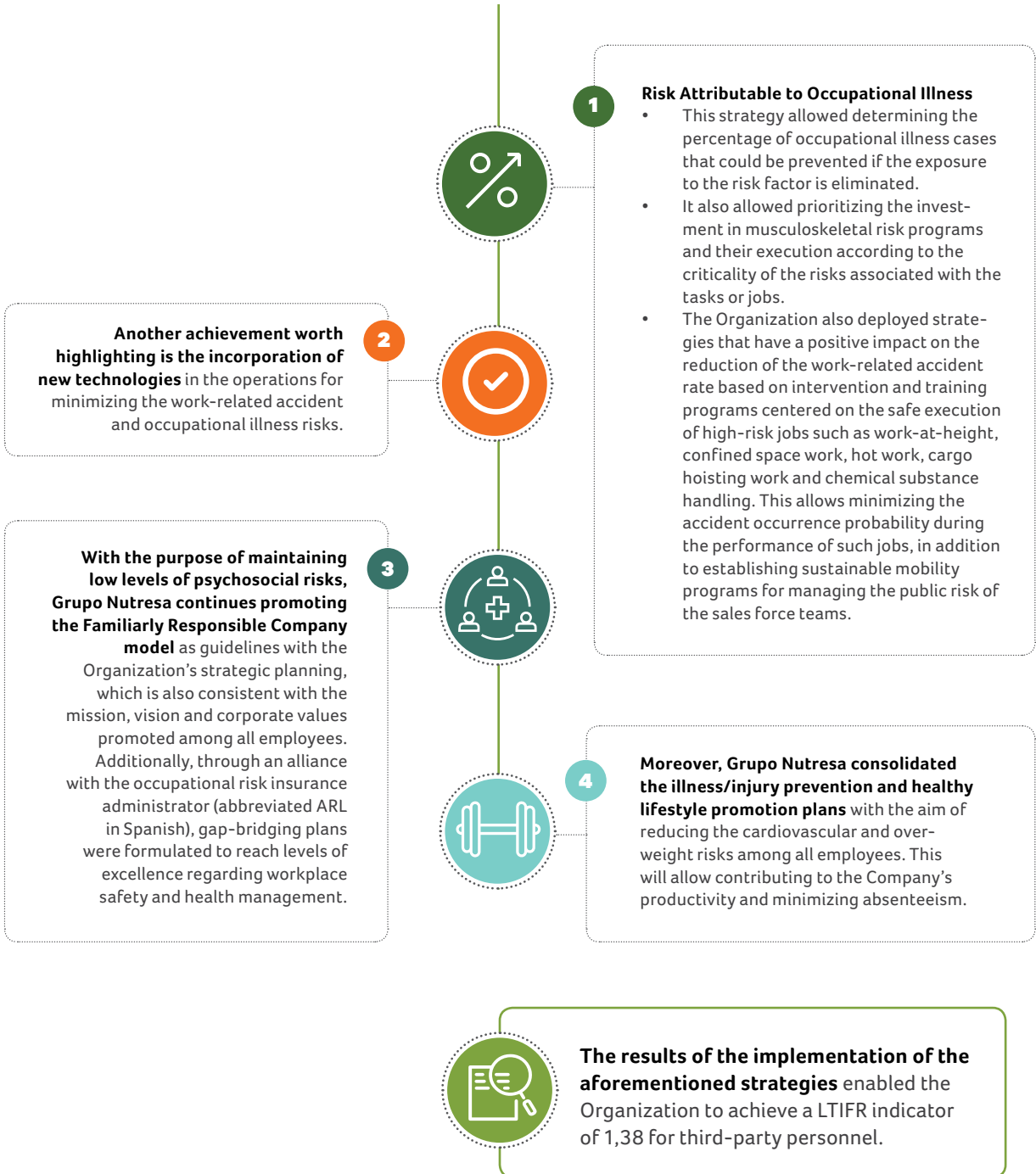
The Organization made progress in the implementation of several programs in the multiple geographies where it operates. It is worth highlighting Tresmontes Lucchetti's "Elige vivir sano" (Choose living healthily) System, which was acknowledged by the Chilean Government with the "Vivir sano" (Living healthy) Seal in the healthy workplace category with the excellence rating, the highest rating assigned in the context of this certification. This accolade was awarded due to the Company's internal management model that establishes the articulation of the multiple governmental institutions for the promotion of healthy lifestyle habits. The programs that were carried out include those that foster and promote healthy eating habits, constant physical activity, spending quality time with the family and outdoor activities, as well as behaviors and actions that contribute to preventing, reducing or reversing the risk factors and habits associated with non-communicable diseases.

Closing of the strategy for 2020



Accident frequency rate
Goal: 1,40
2020: 0,79

The strategies that were implemented over these ten years were focused on reducing the occupational illness and work-related accident rates, such as:





Commitment
to the SDGs



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.

Seedbed nursery in Colombia.



Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Improving and broadening the coverage of the strategic sourcing model.

- » **More** than COP 94.817 million in savings in the purchase of supplies and services through 380 initiatives in all the geographies.
- » **Development** of flexible coverage and negotiation strategies to guarantee competitiveness in the volatility of *commodity* prices and sourcing.

Bridging sustainable-sourcing gaps.

- » **Identification** of environmental and social risks for the supply and service categories in Peru.
- » **Creation** of a handbook of good practices for sustainable milk production in collaboration with the World Wildlife Fund (WWF).
- » **Implementation** of the handbook of good practices for primary bovine beef production by 29 suppliers in the Cold Cuts Business in Colombia.

Promoting the implementation of inclusive businesses and the development of organizational capabilities among farmers.

- » **Deployment** of digital strategies by 691 suppliers to bridge gaps related to crops and plantations. In addition, the Organization implemented initiatives jointly with rural producers with the aim of raising awareness about self-care and reducing COVID-19 risks.
- » **Development** of capabilities of Tresmontes Lucchetti's suppliers of durum wheat in Chile.

Implementing a comprehensive international trade logistics model.

- » **Incorporation** of 100% of the main imported *commodities* and preparation of the facilities in Rionegro, Antioquia, including indirect supplies.
- » **Consolidation** of the export management processes through Gestión Cargo for four of the Organization's Businesses.
- » **Attainment** of the importer 2020 certification from the Organization of American States (OAS).

Implementing digital capabilities in negotiation and sourcing processes.

- » **Implementation** of negotiation, supplier life cycle management, purchase automation and contract management modules through the digital purchase project called "Clic" (Click).

Risks and opportunities [GRI 103-1]

The changes COVID-19 has introduced into the dynamics of the Organization brought about the need to establish alternative mechanisms to ensure that people were protected and work plans were fulfilled. The Organization has also defined and incorporated new risks, standards, work styles and engagement with suppliers. Such is the case of SMEs, to which the Company made the corresponding payments in advance in some periods during the pandemic with the purpose of improving their cash flow, thus contributing to both its own and its suppliers' operation.

In accordance with the guidelines in the Responsible sourcing model, the Organization started an identification process of present and emerging risks in the sourcing chain of some of its operations and opportunities to treat and manage them. In addition, the Company has worked on packaging and circular economy strategies, which are addressed in the section about packaging and post-consumption.

Finally, technology and productivity gaps, child labor risks, impact on human rights and the capability to lead and manage the challenges identified in communities of supplying farmers are areas that should be strengthened by developing technical and corporate social capabilities, following up on audits and offering opportunities for more access to digital tools. Not managing these risks correctly may affect the business continuity, the sourcing of supplies for Grupo Nutresa and the levels of unemployment, poverty and inequality in the territories.

Future outlook and goals for 2030

The new 2030 goals in the “preserving the planet” dimension will pave the way for the Organization to increase its capabilities in order to develop circular solutions and strengthen its responsible sourcing of supplies. Likewise, digital transformation will remain a challenge in terms of systematizing performance, creating indicators and integrating information from different locations in a standardized way for the measurement model, risk analysis and supplier audits. Through the “Clic” project, the Organization will continue studying the sourcing model in order to leverage its productivity and its engagement with suppliers.

In order to continue the identification of and support to inclusive suppliers, the supplier development areas and Fundación Nutresa will remain committed to searching for new mechanisms to identify suppliers with characteristics of inclusive businesses, whether in their structure or production chain, and contribute to classifying and filling social-entrepreneurial gaps by means of the development of capabilities.

Similarly, the Company will continue supporting projects aimed at developing socio-entrepreneurial capabilities in farmers associations, which is in line with the corporate strategies and goals that address the sourcing needs of Grupo Nutresa throughout the strategic region.

Success stories and acknowledgments [GRI 103-3]



Alliance for the development of the cocoa-growing sector in Colombia

Fundación Nutresa and the Chocolates Business, in an alliance with the United States Agency for International Development (USAID), started the implementation of the “Riqueza Natural” (Natural wealth) program, which benefited 115 cocoa growers in the Colombian state of Cesar by developing their capabilities with the aim of increasing and improving their productivity and cocoa quality, and preserving the tropical dry forest.

Integrated livestock farming management

Since 2019, the Company uses the guidebook titled *Strategic recommendations for environmental sustainability in the primary production of beef*. To conduct a diagnosis of the productive activity of twenty-nine suppliers in the integrated livestock farming model of the Cold Cuts Business. Such diagnosis has been useful to address opportunities related to good practices of environmental sustainability; for instance, silvopasture systems, the use of different forage species, erosion control and management of vegetation cover on soils, among other, which contribute to mitigating greenhouse gas emissions (GHG).

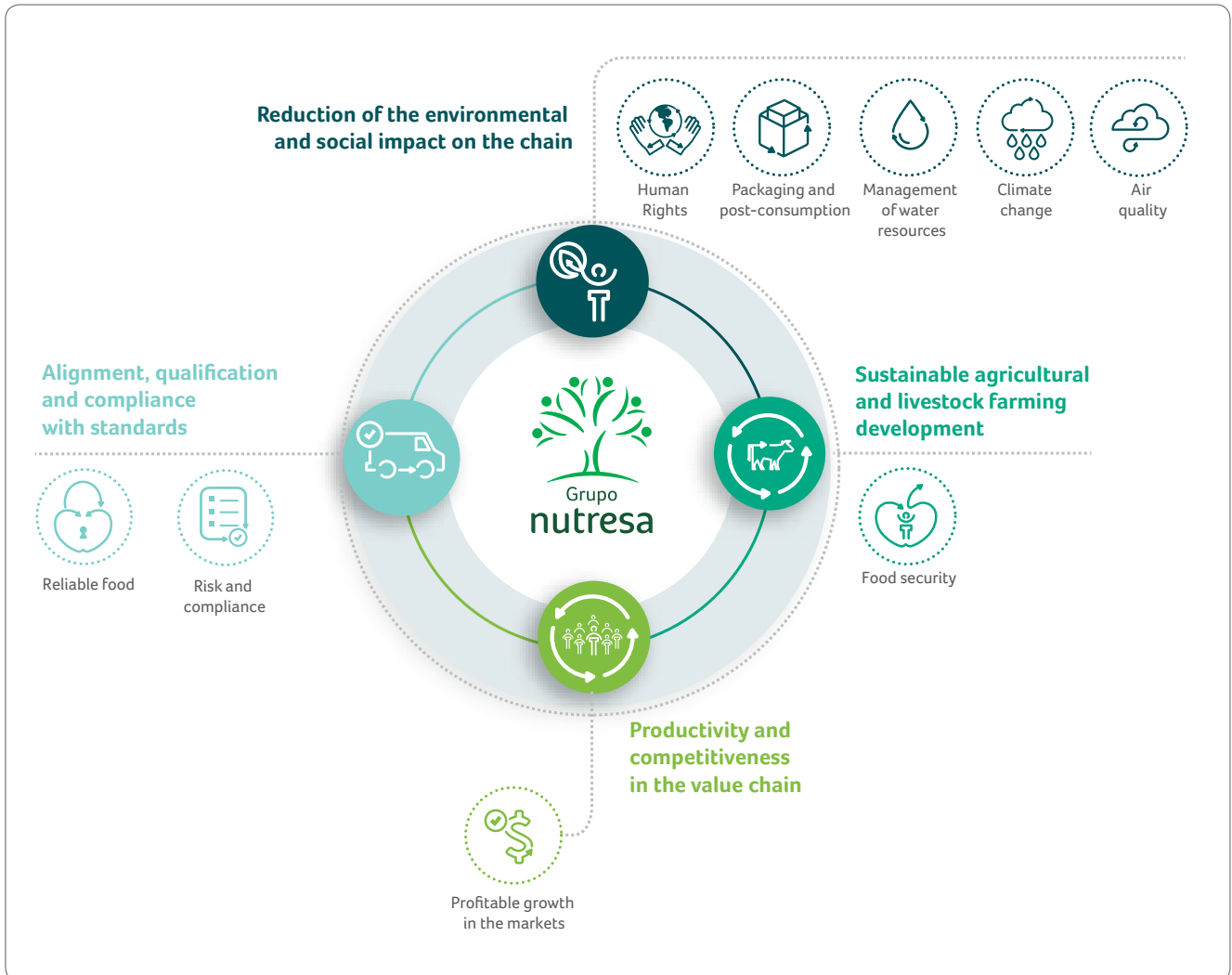
Participation in the “Fábricas de Productividad” (Productivity Factories) program organized by the Colombian Ministry of Commerce, Industry and Tourism

This initiative aims to generate capabilities and increase corporate productivity. As a result of the program, ten of the suppliers in the categories raw materials, packaging, indirect purchases and services improved their productivity by 42% on average regarding opportunities for improvement identified in quality management, work productivity, commercial management and digital transformation.

Material topic details [GRI 103-3]

Responsible Sourcing Model

In line with its goals for 2030, Grupo Nutresa develops the capabilities of its suppliers following its Responsible Sourcing Model. It seeks to ensure the Organization’s continuity, capitalize opportunities and manage the risks that are not directly controlled by the Company by incorporating economic, social and environmental variables and through four management approaches.





Support provided to fruit farmers in Colombia.

Alignment, qualification and standard compliance

Qualification and enhancement of capabilities

The Company develops capabilities in their allies in order to ensure their qualification and compliance with quality, safety and sustainability standards throughout the sourcing chain.

Grupo Nutresa provided training for 1.763 direct and indirect suppliers of goods and services in the regions where the organization operates, with a total attendance of 16.977. The topics included environmental sustainability, developing cultivation-related technical capabilities, risk management regarding money laundering and terrorism financing, occupational security and safety, biosecurity protocols and Human Rights. The session on the latter was attended by 41 participants from 24 supplier companies. Likewise, 232 suppliers were invited to participate in the “Mega Up Sostenible” program promoted by iN-Npalsa Colombia, in which Colombian small and medium-sized enterprises that show great growth potential are nominated and up to 15 of them are selected.

The Organization invited 761 suppliers to the Safety and Health in the Workplace Week, promoted by Grupo Pares and organized in association with Comfama, Emvarias, Grupo Éxito and EPM. This event addressed topics such as tools to manage work teams, musculoskeletal care and wellness while working at home during the pandemic, which contribute to people’s adaptation to new thought models and to prepare them to coexist in the current normalcy.

Additionally, the Company finished the project focused on standardizing the comprehensive contractor management. This project includes the policies and standards that contractors who provide services to Grupo Nutresa should fulfill. Likewise, it establishes controls and follow-up and performance measurement mechanisms, which are detailed in the Handbook for Contractors.

Open Space Technology: collaborative learning about sustainability

In the third edition of this open learning space, thanks to the internet, the Organization had 193 supplier companies from five countries. Ten topics related to environmental sustainability and circular economy were discussed.

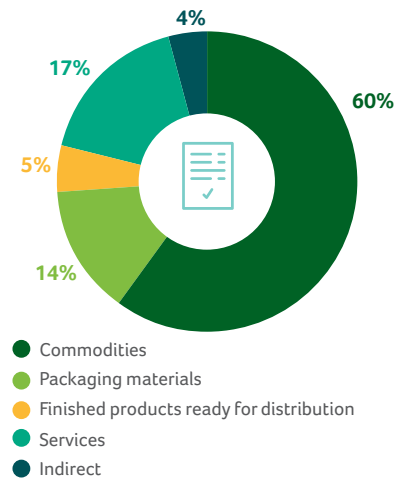
Supplier performance management

As part of the Company’s digital transformation strategies, it systematized and integrated the risk and performance analysis of the suppliers in all its Businesses. This tool will enable the integration of the qualitative and quantitative performance of suppliers of direct and direct materials in terms of quality and sustainability. In addition, Business teams will be able to use it to identify opportunities for improvement and acknowledgment programs.

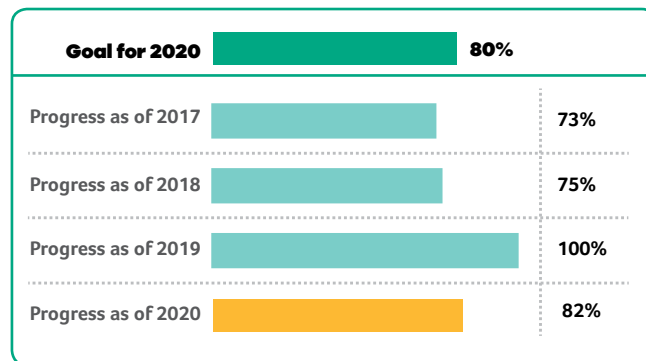
Supplier assessment and auditing

The Organization conducted 362 supplier audits, 27 of which were sustainability audits. Additionally, it performed 335 audits regarding integrated management systems, 87% of which identified a favorable condition. Likewise, the Company also carried out 24 audits of key suppliers (for the commercial security system) in the logistic chain at the companies that have implemented the requirements to receive the Authorized Economic Operators (AEOs) and Business Anti-Smuggling Coalition (BASC) certifications.

Total suppliers audited by category



The Organization ensures the evaluation for the Pareto in the expenditure of critical suppliers based on the ten principles of the United Nations Global Compact or by means of other evaluation mechanisms, which include self-evaluations, on-site audits or audits performed by a third party. The Company's goal is to audit critical suppliers to cover at least 80% of the expenditure of such suppliers with a duration of three years or less.



New suppliers that were screened using environmental and social criteria. [GRI 308-1] [GRI 414-1]

Based on the following criteria:	Environmental			Social		
	2018	2019	2020	2018	2019	2020
Grupo Nutresa	49,4%	17,0%	1,5%	5,4%	6,0%	0,0%

Sustainability-related risks assessed

- **Environmental:** alterations in the water resources, the soil and the atmosphere; dependence on non-renewable resources; inadequate waste management; noncompliance with environmental regulations; loss of biodiversity; inadequate use and management of hazardous substances; and climate variability at significant and intolerable levels.
- **Social:** inadequate work environment, product contamination, child labor, violation of the freedom of association right and of the collective bargaining right at significant and intolerable levels.

Suppliers deemed critical in terms of sustainability (see critical categories in terms of sustainability)



Click here to find further information

Critical supplier assessment






Supplier category	No. of suppliers	% of the total number of suppliers	% of the total expenditure in 2020
Critical in terms of sustainability	92	0,6%	31%
Critical in terms of integrated systems	139	0,9%	8%
Total number of critical suppliers	231	1,5%	38%
Tactical	15.555	99%	62%
Total number of suppliers	15.786	100%	100%
Suppliers screened regarding sustainability	No. of suppliers	% of the total number of critical suppliers	% of the expenditure in 2020
On a yearly basis	38	41%	44%
3-year plan	65	71%	78%
Screened under any mechanism	75	82%	94%
Total number of suppliers screened/assessed			
Screened under any mechanism	231	100%	38%

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	
	2019	2020	2019	2020
Number of suppliers whose impact has been assessed or whose assessment is up to date.	435	278	288	293
Number of suppliers with actual significant negative impact.	37	3	10	10
Suppliers with actual and potential negative environmental impact with which improvements have been agreed upon after the assessment.	33	2	10	9
Percentage of suppliers with negative impact with which improvements have been agreed upon after the assessment.	89%	67%	100%	90%
Suppliers with actual and potential significant negative environmental impact with which the commercial relation has been terminated as a result of the assessment.	1	-	-	-
Percentage of suppliers with actual and potential significant negative impact with which the commercial relation has been terminated as a result of the assessment.	3%	0%	0%	0%

Sourcing policy compliance verification mechanisms [GRI G4-FP1]

Out of the 80% of the amount of purchases from direct suppliers of goods, Grupo Nutresa bought 58% from suppliers that, using some mechanism, have been evaluated or adhered to the Organization's purchase guidelines.

Code of conduct		53,40%
Self-assessment		41,48%
Third-party verification		28,34%
Audit		20,38%
Contract clauses		4,60%



The "Clic de Compras Digitales" (Digital Purchase Click) project contributes to the Company's digital transformation and facilitates the interaction with its suppliers.

Digital purchases

Through the "Clic" Project, the Organization implemented three of the four modules in SAP Ariba (a leading software in cloud-based procurement) and managed more than 7,000 purchase orders and more than 122 negotiation initiatives. These tools facilitate the interaction with suppliers in a global business network; the implementation of best practices in an environment of online collaboration, traceability and information; and the optimization of negotiation and purchase processes.



Support activities carried out with wheat suppliers in Chile.

Environmental and social impact reduction in the sourcing chain

Management of sustainability-related risks regarding commodities

The Organization conducted a study of the milk sourcing chain within the framework of its strategy for the sustainable sourcing of *commodities*. Carried out in collaboration with the World Wildlife Fund (WWF), said study resulted in strategic recommendations to face the challenges of this kind of production and the creation of a new Handbook of Good Milk Production Practices, which will be distributed in 2021. The handbook contains standards for the conservation of the soil, water, biodiversity and other natural resources.

Identification of sustainability risks

Through external consultants, Grupo Nutresa started a process to identify and assess sustainability risks in the purchase categories related to goods and services in Peru in order to determine the categories and goods that presented the highest risk or impact on the environmental and social sustainability of the sourcing chains in these countries.

Supplier acknowledgment program

For the sixth consecutive year, Nutresa Exemplary Supplier recognized the work of the value chain and highlighted the companies that have contributed to the achievement of the Organization's strategic sustainability goals. In 2020, Mexico was added to this program.



The program included 214 participants, and 22 accolades in seven categories of goods and services and four special categories were awarded to 17 supplier companies in the six countries.



[Click here to find further information](#)

Packaging Material Eco-Design Manual

The Company uses this tool to unify efforts and define joint action plans that can optimize the use of resources and implement circular economy solutions for packaging. It was distributed to 57 suppliers in six categories in Chile, Colombia and Costa Rica. To know more about this initiative, see the chapter about waste, packaging and post-consumption management.



Coffee bean harvest in Colombia.

Sustainable agricultural and livestock development

Promotion of coffee

The commercialization of differentiated, *Fairtrade* certified and Organic products, as well as programs such as the Farallones coffee processing central plant, continue to generate value in the sourcing chain, especially for the communities who benefit from this type of initiatives. Thanks to alliances and negotiations with international customers, the Coffee Business has transferred resources amounting to more than COP 77.986 million 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, biosecurity protocols to deal with the contingency caused by COVID-19, and other projects covered by this certification.

The following was the behavior of the premiums transferred over the past years:

	Fair Trade coffee					
	2015	2016	2017	2018	2019	2020
Communities benefited	34	32	46	31	19	32
Premiums paid plus surcharge (COP million)	7.338	8.170	10.181	11.209	19.206	16.226

Support activities carried out with cocoa farmers in Colombia.

Wheat

The Company continued the program for the sustainable development of durum wheat in Chile in alliance with the National Agricultural and Livestock Research Institute (abbreviated INIA in Spanish), an initiative that has been implemented since 1988. The activities in this program include researching and developing new durum wheat varieties, building demonstration farms in different wheat production areas, and dissemination. In 2020, Grupo Nutresa provided support to eight producers so that they developed technical farming capabilities and organized virtual talks about good practices related to the production of durum wheat and the commitment to Human Rights.

Finally, 100% of Grupo Nutresa's suppliers work under contract farming agreements and adhere to the Code of Conduct for Suppliers for the 2020-2021 purchase period.

Cocoa

The Company introduced a strategy for the dissemination of technical knowledge using online channels and 46 interactions: training sessions, talks, conferences and videoclips, among other. There were 6.266 participants in Colombia and 17 countries around the world, reaching 66.863 views of the material in total. This initiative is part of the commitment of the Organization to providing technical and commercial support to cocoa producers, promoting sustainable production systems, maintaining an active relationship with producers and improving their income situation through cocoa bean commercialization.

In addition, Grupo Nutresa offered a certifiable course to 30 leading farmers in topics that are important for the comprehensive management of cocoa plantations so that they can manage their production units using innovative and competitive alternatives in a sustainable manner. Grupo Nutresa also shared practices in the cocoa-growing sector through the dissemination of written, visual and audio contents using digital platforms. As a result of these activities, 2.113.442 text messages were sent to 14.779 agents in the value chain.



The Chocolates Business of the Company provided support to 127 productive alliances that foster the sustainable rural development of the coca production sector in Colombia, which benefited 17.586 families with 27.833 hectares of cocoa in 23 Colombian states. The Company's plant nurseries propagated and distributed 3.560.674 vegetable material units earmarked for new crops, renovation and rehabilitation of cocoa plantations. As to commercialization, the Organization purchased 32.459 tons of dry cocoa beans, 39,7% of which from associations and cooperative organizations of farmers in Colombia.

Finally, Grupo Nutresa signed an agreement with Développement International Desjardins Inc (DID) to strengthen the economic and social empowerment of women and young people in rural areas in Colombia.

The Company has a team that is in charge on ensuring the zootechnical, animal health and animal well-being conditions.

Animal welfare

In 2017, Grupo Nutresa published its commitment to animal well-being, which establishes guidelines and goals to ensure optimal conditions in the Company's own processes as well as those of its allies and suppliers for the promotion of productivity with sustainability criteria.

In 2019, the Company implemented in its farms a methodology for intradermal needleless vaccination called IDAL for soon-to-be-weaned piglets. This methodology improves the well-being of the animals because it reduces the pain of conventional injections and enables a fast and efficient absorption of the product, thus increasing the protection margin and reducing the risk of abscess formation in the area of application. In 2020, said methodology was used in 8% of the pigs while its efficiency was being compared to other similar products in the sector.

Additionally, the Company started a new production model for the sourcing process using a pilot *feedlot* (bovines in a housing of confined), which aims at significantly increasing the production, fostering new sources of formal employment and, at the same time, incorporating the best environmental practices related to animal welfare.

Likewise, the Company has a human team to guarantee zootechnical, animal well-being and animal health conditions, Grupo Nutresa's livestock farms and those of partner companies, considering aspects such as:

- **Nutrition:** diet formulated by expert professionals who follow up on and control the quantity and quality of water and foods products.
- **Animal health:** implementation of good manufacturing practices and biosecurity programs that include health and vaccination plans.
- **Absence of physical and thermal discomfort:** facilities and equipment that provide comfort in the pens and pastures as well as during transportation. For the latter, the Company uses specialized trucks with ventilation, dividers and customized spaces depending on

the type of animal. Such trucks reduce stress during the transport process and ensure more comfort for the animals.

- **Absence of fear, pain and stress:** pigs undergo immunological castration.
- **Slaughter:** once the animals arrive at the processing plant, they are taken to pens to rest and drink fresh water. Before being slaughtered, the animals are stunned so that they do not suffer any pain.

The audits of the operations are conducted by a third party, the Colombian Institute for Agriculture and Livestock (abbreviated ICA in Spanish), observing the standard of good livestock farming practices in pig production, whose compliance is re-certified every three years.

Animals raised and processed, and type of housing [G4-FP9] [G4-FP11]

	2019	2020
Breeding pigs	9.364	11.424
Pigs in crates	8.198	9.262
Fattening pigs (slaughtered)	217.206	246.078
Fattening pigs (livestock)	92.424	81.000
Pigs in pens	65.539	83.162
Cattle (slaughtered)	24.971	22.111
Cattle (livestock)	N/A	26.148
Cattle in pastures	27.573	25.771



Activities focused on strengthening honey producer associations in Colombia.

Development of capabilities among community organizations

Due to mandatory lockdowns that were imposed in all the countries in the strategic region, Grupo Nutresa, through Fundación Nutresa, conducted a diagnosis that identified existing gaps and opportunities regarding the access to new technologies in communities located in rural and urban areas. As a result, the Company implemented training strategies using digital media that supported the continuation of processes that had been started in person with more than 600 low-income suppliers. The Company held 253 training sessions regarding eight main components: social-organizational, economic-corporate, quality in the production chain, environmental-natural resources, social, healthy lifestyles and occupational health.

As a result, the Organization maintained training processes and its commercial relationship with 28 farmers associations, who received an income for their goods. In addition, Grupo Nutresa boosted the local economy of the “Marañoneros de Córdoba” Association (Asomarañón). Together with the Organization and the Colombian National Learning Service (SENA), they equipped a new plant for processing the pseudofruit of cashew into jam,

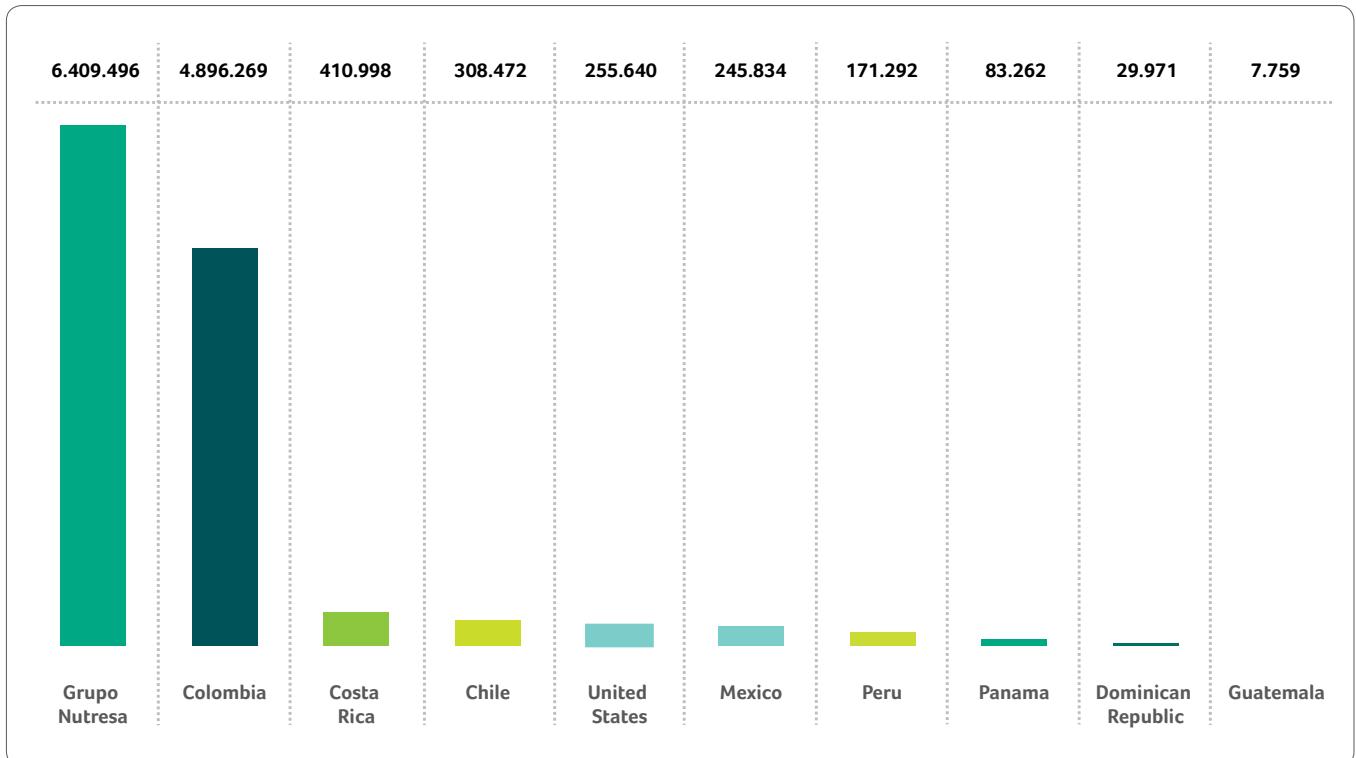
planning a future commercialization of this product through Grupo Nutresa’s brand Evok.

Therefore, the Organization continues taking actions and implementing strategies that contribute to reduce poverty by strengthening the income sources of farmers associations that produce cashew, milk, honey, cocoa and coffee in the Colombian states of Antioquia, Bolívar, Boyacá, Córdoba, Cundinamarca, Magdalena, Cesar, Santander, Sucre and Tolima, as well as durum wheat in Chile, delivering more than 6.755 tons of supplies to the Organization, which have been valued at COP 20.071 million. Finally, with these initiatives, the Company strengthens rural enterprises and improves the living conditions of farmers and their families.

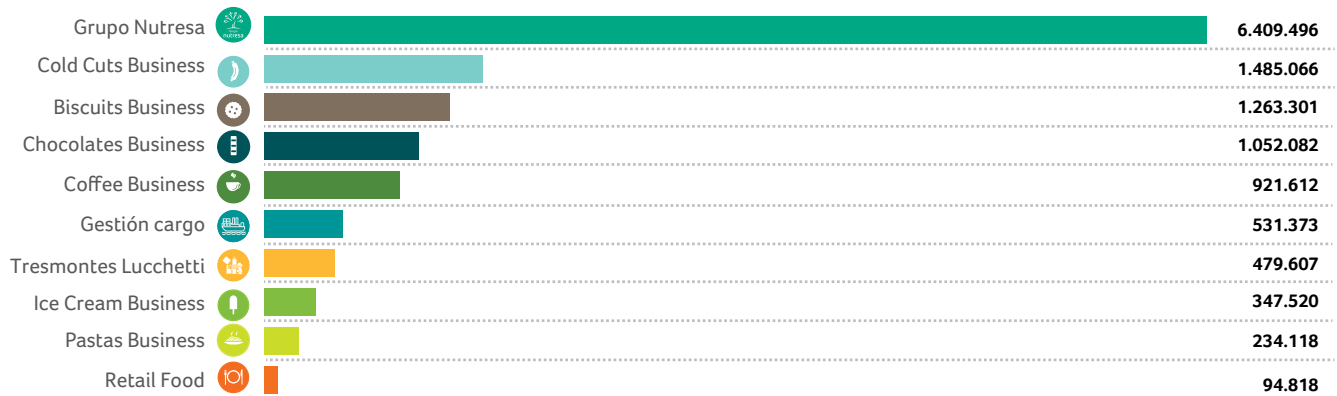
Productivity and competitiveness in the value chain

By means of the strategic sourcing methodology, Grupo Nutresa structure and execute initiatives that improve its negotiation competitiveness, as well as its sourcing of goods and services. The Organization’s total purchases rose to COP 6,4 trillion, and it had commercial relations with 15.786 suppliers. Likewise, the Company saved COP 94.817 million in 380 negotiation initiatives. A total of 39 individuals in the Chocolates Business and La Recetta were trained in the strategic sourcing methodology.

Grupo Nutresa’s local purchases (COP million) [GRI 204-1]

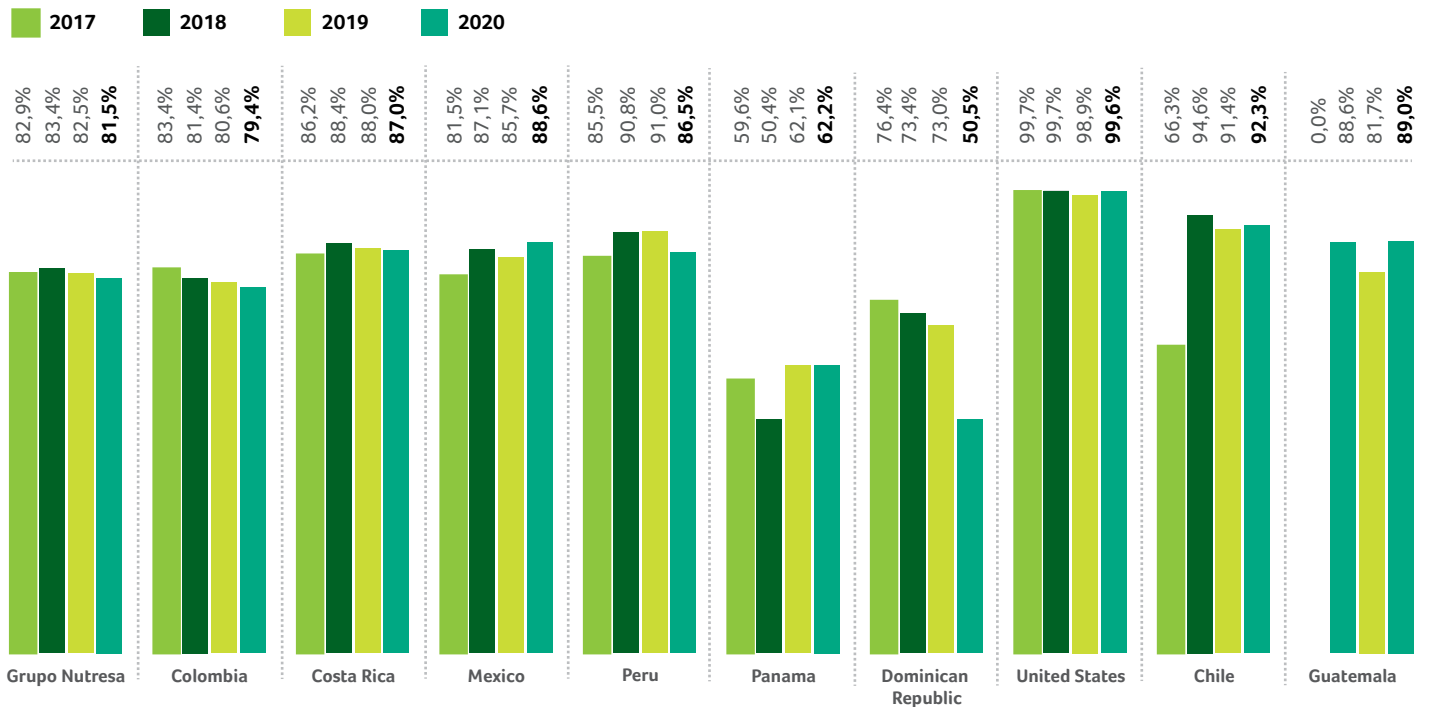


Grupo Nutresa's total purchases in 2020 by Business (COP million)



Annual purchases by Business. The marketing companies, the fixed assets, and the Organization's own finished and marketable products are not included.

Grupo Nutresa's local purchases [GRI 204-1]

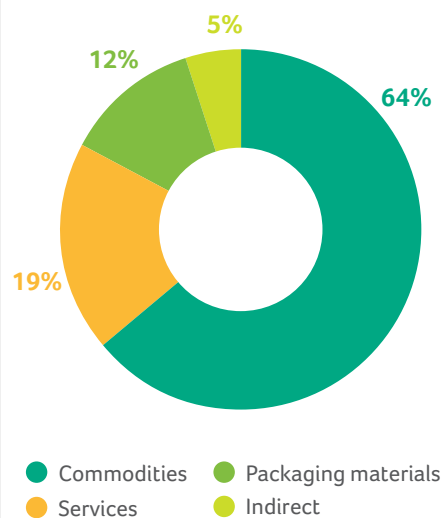


* Includes commodities, raw materials, packaging materials, indirect purchases and services. The marketing companies, the Organization's own finished and marketable products, and the fixed assets are not included. Note: local suppliers are those located in each country where the Organization runs significant operations (transformation operations).



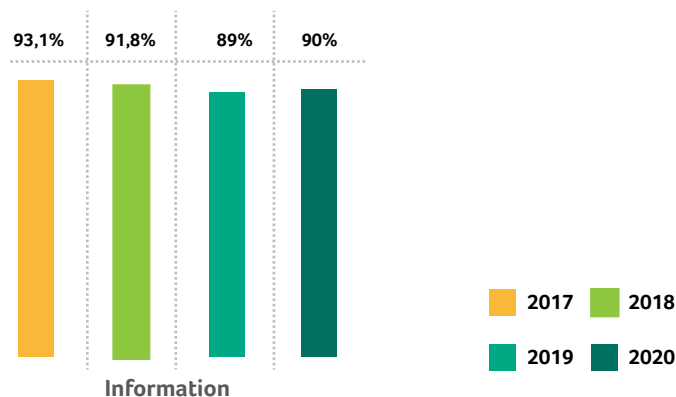
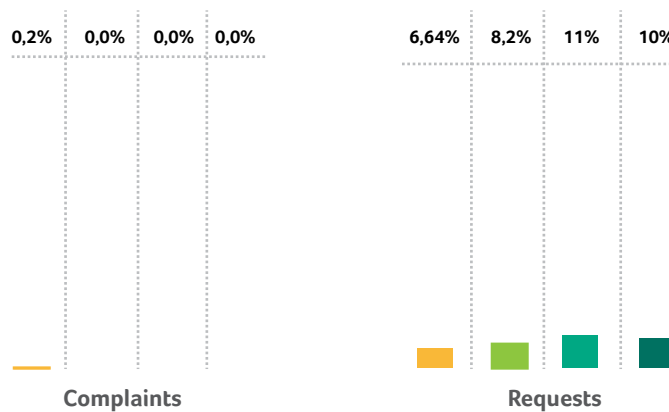
Capability strengthening project carried out with dairy associations in Colombia.

Grupo Nutresa's total purchases in 2020 by type of supplies



Support and service provided to suppliers

Grupo Nutresa addressed 26.032 cases through its supplier service lines. From this total cases, 4.760 were related to web portal services, and 4% were escalated.





Commitment
to the SDGs

8 DECENT WORK AND
ECONOMIC GROWTH



Responsible sales

Providing customers with differentiated value propositions that contribute to their growth, profitability and sustainability in order to harness value through their satisfaction and loyalty.

Capability development activities carried out with ceviche vendors in Cartagena, Colombia.



Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Providing customers with differentiated value propositions based on a deep knowledge of the market.

- » **Formulation** of value propositions for segments with development potential, and update of the existing ones.
- » **Fulfillment** of the MEGA 2020 in fields of customer satisfaction and loyalty, reaching levels of excellence based on international standards.
- » **Customer** satisfaction: 89,7 in Colombia and 89,5 abroad.
- » **Customer** loyalty: 87,9 in Colombia and 90,8 abroad.

Implementing capability development plans and programs for customers, enabling them to face the new challenges of the commercial environment.

- » **More** than 12.800 customers received training in skills and capabilities related to digital tool development, new business models, customer service, business strategies, point of sale management, and employee health and safety.

Creating differentiated and memorable experiences.

- » **Strengthening** of the value proposition for customers in addition to the in-person service models, online service and telephone assistance provided with warmth, agility, efficiency and flexibility.

Consolidating inclusive and sustainable business models that contribute to the development of customers.

- » **10.813** base-level customers from the Cold Cuts and Ice Cream Businesses and Novaventa received support in terms of the development of capabilities.

Developing customer and consumer experiences as part of the complaints and claims service provided to them.

- » **Implementation** of changes in the complaints and claims service model to ensure the migration to a model centered on the creation of experiences for both customers and consumers.

Strengthening the commercial and distribution processes to reduce the environmental impact.

- » **Expansion** of Comercial Nutresa's transport fleet with 15 electric vehicles and tricycles, and 3 gas-powered vehicles.
- » **1.362** employees received training related to driving techniques with the aim of ensuring a lower fuel consumption and lesser CO₂ emissions.
- » **Purchase** of more than 5.000 eco-efficient commercial assets that consume less energy and refrigerants in Comercial Nutresa and the Ice Cream Business.
- » **More** than 173 Initiatives developed by Comercial Nutresa regarding the use of recyclable and less-pollutant materials in the production of advertising and exhibition elements.

Description of risks and opportunities [GRI 103-1]

The Company permanently works on the adaptation to the changes and to significant risks associated with customers, shoppers and consumers. For this purpose, Grupo Nutresa constantly monitors the trends consolidated by its internal Market Intelligence Unit and by means of the information obtained during the permanent interaction with the market by the networks and Businesses.

The new reality and the evolution of consumer behavior has caused the need to reconfigure the current customer segments and create new segments, challenging the Organization to offer differentiated value propositions adjusted to the new needs and perspectives of the customers. The desire of consumers to know the origin, functionality and traceability of products creates the need for the Company to work collaboratively with its customers to be able to meet their requirements.

In addition, the significant growth of digital purchasing driven by the pandemic will transition from a trend to being an important part of the business model. This makes it necessary to capitalize on the opportunities provided by these platforms in order to ensure close relationships with customers, consumers and shoppers, and maintain the Organization's highest level of competitiveness.

Finally, according to the new reality of the market, it is important to keep strengthening the co-creation environments with customers with the aim of ensuring the generation of value and the Organization's relevance.

Future outlook and goals for 2030

The road to 2030 brings about scenarios of ambiguity and uncertainty as a fixed feature. This drives the Organization to challenge itself to anticipate and make the necessary changes in an quick, agile and effective manner, ensuring a sustainable future for its customers and Businesses. Additionally, this business ecosystem will be influenced by the new aware and digital realities and consumer trends as a priority.

Grupo Nutresa will continue consolidating the value propositions for customers, consumers and shoppers by creating memorable experiences and engagement models that enable achieving the customer satisfaction and loyalty goals while maintaining the levels of excellence.

In the upcoming decade, the exploration of new geographies and the implementation of new alternative distribution models, as well as new market entry methods with attractive value propositions, are relevant in ensuring the Company's sustainability and continuity. These actions, supported on the development of new digital capabilities, is essential for contributing to the formulation of new business models, driving the evolution of the digital ecosystem, reinforcing the decision-making processes and the business management, and strengthening and developing capabilities related to *big data* and predictive analytics.

Finally, materializing such challenges and drawing on the opportunities the market provides, Grupo Nutresa will contribute directly to the evolution of the stakeholders and the construction of a future where development benefits everyone.

Success stories and acknowledgments [GRI 103-3]



For the third consecutive time, Grupo Nutresa occupies the first place in the 2020 edition of the 2WAY Goodwill award

With this accolade, Grupo Nutresa settles in as the company with the best reputation in Colombia based on six reputational pillars: solidity and track record; value offer; talent and well-being; social responsibility and sustainability; innovation and leadership; and ethics and transparency.

The ranking is determined based on the yearly survey conducted by 2WAY Goodwill Consulting.

Comercial Nutresa was ranked No. 1 in Colombia in terms of the consumption sector collaboration index rating

This index measures the corporate capabilities for developing collaboration in three categories: logistical, overarching collaboration and commercial processes. The acknowledgment also highlights Comercial Nutresa's employee engagement and support model for customer development. It was awarded by Logyca, the leading logistics firm in Latin America.

Acknowledgment awarded to the Cold Cuts Business for its dynamic distribution models

This accolade underpins the contribution to the development and expansion of the supply chain in Colombia within the large company category. It was granted by the firm Zona Logística.



Commercial support provided by Comercial Nutresa to shopkeepers in Colombia.

Material topic details [GRI 103-3]

Providing customers with differentiated value propositions

Since 2014, Grupo Nutresa measures the customer satisfaction levels in the massive networks in Colombia with the support of the firm Ipsos Napoleón Franco. In 2020, the Company scored the highest rating over the past four years, thus fulfilling its MEGA 2020 and maintaining excellence-level ratings in relation to the international standards. For Colombia, the customer satisfaction indicator stood at 89,7. For the international customers, the Organization maintains an excellence-level position with a customer satisfaction rating of 89,5.

Customer training for the generation of capabilities

The work on enhancing capabilities is significantly important for both Grupo Nutresa and its customers, as it is focused on bridging gaps to enable sustainability and business development.

Therefore, the Organization developed virtual schools focused on enhancing skills and capabilities related to digital tools, new business models, customer service, business strategies, point of sale management, and employee health and safety. The train-

ing provided through such virtual schools has had a positive impact on more than 4.000 customers from the massive networks in Colombia. By means of strategies aimed at supporting customers in this new reality, the Businesses performed awareness-raising activities with the participation of more than 6.050 customers. Such activities included virtual discussion conferences and *webinars*.

The Cold Cuts Business in Panama and the Ice Cream Business in Colombia provided training for 1.070 customers to address topics such as product transformation and business development with the support of specialized chefs.

La Recetta organized twenty customer-focused events for the development of capabilities related to gastronomy and technical and commercial aspects. As part of this initiative, the Company organized and held three training sessions at the production units of prisons in Colombia.

In Comercial Nutresa, 59 commercial agents received training in matters related of sustainability, risks, code of corporate governance and business continuity, taking into account their contribution and impact on the sustainability of the traditional channel in Colombia.



Novaventa entrepreneur in Colombia.

Development of differentiated and memorable experiences

The Organization designed multiple experiences with key international clients of the Coffee and Biscuits Businesses, as well as in Cordialsa's international networks in Ecuador, Cordialsa U.S.A. and Tresmontes Lucchetti in Mexico.

The massive networks in Colombia, Novaventa and the Retail Food Business strengthened the ability to design and assess the experience for the differentiated attributes of the value proposition, such as loyalty programs, direct purchase of the Novaventa entrepreneurs model, the Cold Cuts Business's catalog sales, online sales and delivery service.

In addition, co-creation activities were undertaken with the participation of more than 500 customers with the aim of strengthening the knowledge and proposing improvements for the processes that would benefit both the customers and the Businesses.

Comercial Nutresa consolidated the role of sellers as business developers. Grupo Nutresa engaged 232 clients from the wholesaler and minimarket segments with the purpose of expanding the strategy scope and reaching a larger number of clients.

On another note, Comercial Nutresa continues consolidating the technical and specialized advisory services. Additionally, the Company assisted 468 customers from the coffee and bakery shops segment with regard to the transformation products,

enabling them to expand their finished-product portfolio and to have a better value proposition for their shoppers.

La Recetta participated in five mass campaigns deployed via social networks as support to the gastronomy industry with the aim of mitigating the impact of the economic effect on their customers.

Finally, Novaventa, Comercial Nutresa, La Recetta and the Ice Cream Business engaged more than 577.500 customers through their loyalty programs with the purpose of strengthening the business relationship and promoting a two-way growth.

Sales channels and networks

In response to the COVID-19 pandemic and seeking the way to continue serving and supporting all of its customers and clients, Grupo Nutresa explored and implemented in an agile and efficient manner new market entry models with the activation of channels such as telephone support, receiving orders via social networks and emails, among other. The objective of these actions was to increase the level of connectivity with them. Furthermore, Grupo Nutresa generated synergies with multiple digital platforms, implementing apps, *chatbots* and websites that enabled customers, shoppers and consumers to have a comprehensive, friendly and agile experience with the Organization's brands.



Novaventa employee in Colombia.

Reinforcement of commercial and distribution processes to reduce the environmental impact

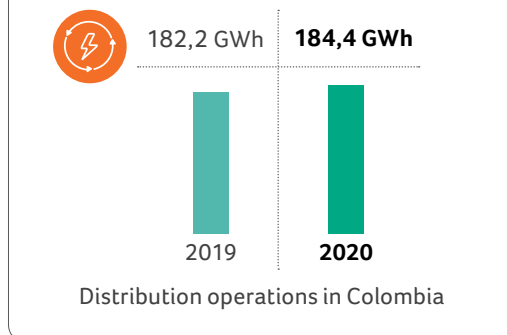
Comercial Nutresa expanded its clean transport fleet for the distribution operations with the acquisition of eleven electric vehicles, three gas-powered vehicles, two electric tricycles and two electric bicycles. This allows adopting environmentally friendly practices with low pollutant gas emissions that also improve the ergonomic conditions for the delivery personnel.

The Ice Cream Business and Comercial Nutresa have delivered more than 5.000 assets such as freezers and snack conservation refrigerators with improved eco-efficiency features regarding energy and refrigerant consumption according to the international standards, which do not produce an adverse impact on the ozone layer and, therefore, do not damage the environment.

Moreover, and contributing to the Organization's circular economy strategies, Comercial Nutresa used 62.695 kg of recyclable materials for manufacturing exhibition and product visibility elements.

The Company has also intensified the implementation of the *cross docking* model in the mass distribution platforms with the aim of contributing to a lesser fuel consumption and optimized routes that help in reducing the emission of greenhouse gases and, thus, taking better care of our planet.

External energy consumption [GRI 302-2]



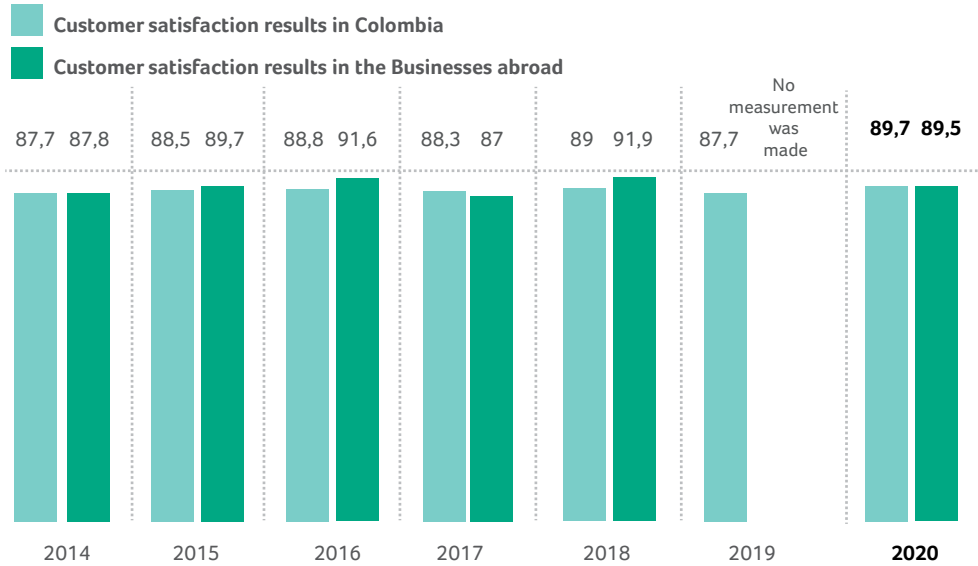
Commercialization models with social impact

The Ice Cream Business facilitated the delivery of 20.800 food packages to independent retailers from the alternative channel as support to customers during the mandatory lock-down period introduced in Colombia in response to the pandemic.

Novaventa organized training activities focused on financial education, entrepreneurship and selling points for 1.703 Novaventa entrepreneurs with the support of the SENA (Colombian National Learning Service) and Asobancaria (Colombian Bank and Financial Institution Association). Such training activities included 200 individual advisory sessions for leading Novaventa entrepreneurs.

Through its Saltín Noel brand and with the support of Fundación Nutresa, the Biscuits Business supported 56 Cartagena ceviche vendors and their families with multiple actions, such as the donation of food packages, digital courses and the delivery of biosecurity kits with the purpose of assisting them during the COVID-19 contingency.

Evolution of customer satisfaction over time

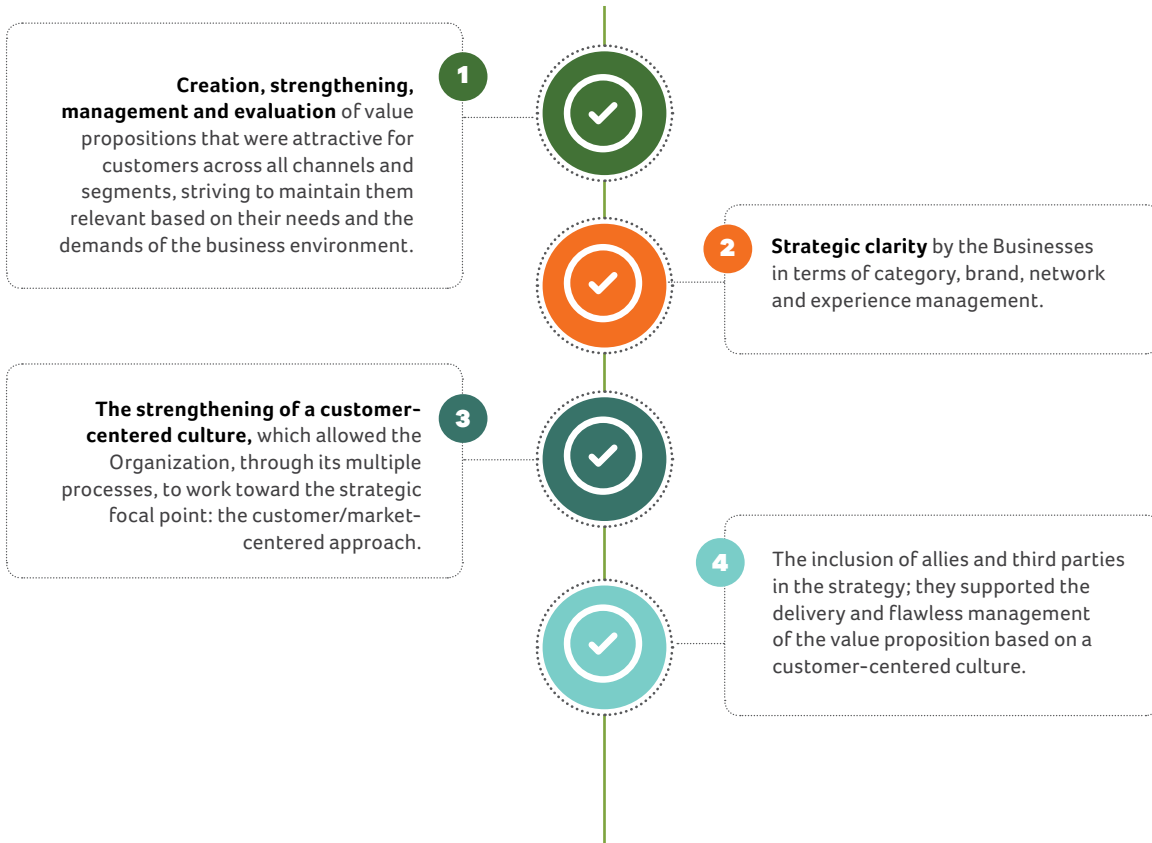


Closing of the strategy for 2020

Customer satisfaction level
Goal: Maintaining the level of excellence
2020: 89,7

Grupo Nutresa fulfilled the MEGA 2020 in terms of customer satisfaction, with a rating of 89,7 in Colombia and 89,5 in the international operations, both of which represent levels of excellence for this indicator.

The following are the initiatives that allowed the Organization to achieve such results:





Fundación Nutresa supports us. During the first year, we were able to consolidate tools and processes that have become fundamental pillars.

This has brought benefits for the teachers and has had a significantly positive impact on the students."

Antonio Rodríguez,
teacher at the Corvide educational institution.





21st Century Leaders: learning to dream

Educating comprehensively and to achieve dreams is the objective of the 21st Century Leaders program supported by Grupo Nutresa. Juan Manuel Román, student, and Antonio Rodríguez, teacher, enjoy and make the most of this comprehensive education process.

“I like football, studying, sharing quality time with my family, video games and working on the computer. I am tidy, friendly, kind and, when I’m older, I want to be an architect. I see myself attending one of the top universities, constructing buildings, creating plans and designing malls, housing developments and houses,” says Juan Manuel Román, 7th grade student from the Corvide educational institution in Medellín.

His parents and teachers have been his sources of support and inspiration. “Family is the core foundation of what a kid grows to be. Love, dedication, understanding and patience are essential parenting values while kids are growing up,” states Elizabeth Hernández, Juan Manuel’s mother. And, confirming that the education provided at home and the one given at school complement each other, Antonio Rodríguez, teacher at Corvi-

de, adds: “As an educational institution, **we work on ensuring that our students achieve comprehensive growth, consolidate their life project, fulfill their goals and be the human beings society needs**, based on strong values, integrity and ethics. In other words, good people who are committed to the environment, their social setting and their families.”

In 2020, both the teaching and learning conditions underwent a transformation; Juan and Antonio gave their best to make the most of these new dynamics. “I enjoy using digital media because I have always liked technology, drawing on Paint, making presentations, working on Word and all that,” says Juan. For his part, Antonio comments: “We gave our souls, minds and bodies because working via digital media meant less free time; it was morning, afternoon, night and weekends answering questions from both students and their parents. From this process I would like to highlight that our young students embraced a culture of autonomy and responsibility.”

The training process in which Juan and Antonio participate is supported by Grupo Nutresa. Through the 21st Century Leaders program,

Visit our website and discover all the stories that enabled us to take care of people’s life in 2020.

[Click here.](#)



“I have been working as a teacher in Medellín for fourteen years. I believe this is a city that makes major contributions to education, and one of its advantages is that it has established many alliances, such as the one set up by Fundación Nutresa and several public education institutions.”

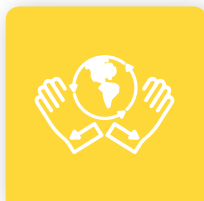
Antonio Rodríguez, teacher at the Corvide educational institution.

which was created in 2004, Fundación Nutresa has supported 1.200 Colombian public institutions, strengthening the capabilities and talent of their teachers, providing help in the management processes related to the pedagogical plans and the administrative tasks, and improving the layout of their facilities. “This support has enabled us to project our mission into the future and has driven us to work on the students’ personal growth and on their capabilities as citizens. It has also allowed us to have an institutional horizon, organizing all the internal processes and having cleaner and tidier classrooms and outdoor spaces suitable for our students’ learning process,” explains Antonio.

Students and teachers share the positive results of these processes, as well as the joy and encouragement of newly acquired knowledge. “Every day I wake up thrilled about my job as a teacher. It is a passion because I love it; it takes over me; I find it inspiring to be around other teachers and our students, interacting with them, being creative and going beyond. This is the role I play, my favorite think to do: teaching and building a stronger country.”



The 21st Century Leaders program works on reducing inequality, strengthening the administrative and pedagogical processes of both rural and urban public education institutions.



Commitment to
the SDGs



Human Rights

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

Employee from the Retail Food Business who participates in the "Amigos del Alma" (Kindred Friends) program, which is organized by the Best Buddies Foundation.



Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Ensuring the effectiveness of the Human Rights management system.

- » **Review** and update of the Human Rights Policy.
- » **Promotion** of the complaints mechanisms and definition of a unified management system at a global level for the Ethics Hotline.
- » **20** discussion sessions focused on Human Rights were organized.
- » **Reception** and management of 77 reports of Human Rights violations.

Provision of training related to Human Rights, diversity and inclusion practices to leaders and employees.

- » **14.188** employees received training related to Human Rights.
- » **3.313** employees participated in the second discussion panel about Women Leadership.
- » **71** members of the Cohabitation Committee from 12 Grupo Nutresa companies received training related to mediation processes.

Consolidating diversity-related and inclusion practices.

- » **Strengthening** public-private alliances focused on diversity and inclusion.
- » **Reinforcement** of the strategy focused on getting women prepared for leadership positions.
- » **Participation** in five external discussion panels with the purpose of sharing leading practices in terms of diversity and inclusion.
- » **174** people with disabilities and 10 people directly affected by the armed conflict were hired by the Organization. [GRI 102-8] [GRI 405-1] [SDG 8.5]

Developing Human Rights management capabilities among suppliers and contractors.

- » **41** sustainability audits were performed with an average compliance result of 88,9%.
- » **Implementation** of Grupo Nutresa's statement of compliance with policies for suppliers.
- » **41** people from 24 allied companies received training related to Human Rights via digital means.

Building trust-based relations with representatives of collective covenants and collective bargaining agreements.

- » **Development** of work agendas with union and collective bargaining agreement leaders.
- » **11 collective covenants** and 8 collective bargaining agreements were signed over the year.

Grupo Nutresa will remain at the forefront in terms of diversity-related and inclusion practices, ensuring the incorporation of global talent and the strengthening of policies that promote gender equality.

Risks and opportunities [GRI 103-1]

Grupo Nutresa promotes among its stakeholders the commitment to building a working environment that values and recognizes human beings as active and essential agents of competitiveness. The Organization's challenges are related to guaranteeing fairness and inclusion as mechanisms for having diversity-based teams. Thus, the Company has raised the awareness of its employees, especially the leaders, about the contribution of the role of women, and trained the recruitment process leaders in the effective identification and elimination of unintended biases. Additionally, Grupo Nutresa consolidated alliances focused on the attraction of the best and diverse human talent.

By having a close relationship with the multiple actors of the value chain, the commitment to the respect for Human Rights permeates all of Grupo Nutresa's Businesses. The Organization has identified three material risks in this field, and it has taken on the challenge of working jointly to raise awareness and bridge any type of gap associated with child labor, unsuitable work environment and detriment to the right to freedom of association.

The Company is not unfamiliar with the situation currently facing the world during the ongoing pandemic, which is why it is convinced of how important it is to continue addressing the circumstances with the deepest sense of humanity, while thinking about the common good and protecting jobs. Grupo Nutresa will continue working on its multiple plans to enable the employees to continue providing their services, with the adaptability demanded by a public health situation such as the one occurring at the moment. Moreover, the Organization is addressing the challenge of paying special attention and care to the employees who are working from home and who could be susceptible to psychosocial illnesses or even in reported cases of domestic violence.

Future outlook and goal for 2030

Grupo Nutresa will remain at the forefront in terms of diversity-related and inclusion practices, ensuring the incorporation of global talent and the strengthening of policies that promote gender equality. The Organization will work on ensuring a greater employment participation of women as a social driver, particularly in executive positions. The Company will also devote considerable efforts to include a greater number of people from the multiple minority groups in its work force: people with special capabilities, young people, senior citizens, migrants, among other.

Grupo Nutresa will enhance its work with allies from the value chain to make sure that suppliers, contractors and customers also incorporate the leading Human Rights practices. The Organization will continue developing the capabilities of its leaders through training and empowerment, so that they become the main promoters of a culture that values diversity in all its forms.

The Company will also promote participation and debate mechanisms among employees, worker organizations and third parties in order to identify improvement opportunities regarding Human Rights. Additionally, the complaint and reporting channels and mechanisms will be reinforced in order to encourage people to use them and make their effectiveness evident.

Finally, Grupo Nutresa will tackle the challenge of promoting and strengthening a fluent communication with the stakeholders and the development of capabilities in the communities on which it has an impact, laying particular emphasis on the groups most affected by the pandemic.

Success stories and acknowledgments [GRI 103-3]



The Ice Cream Business diversified the masculinized position of service ambassadors

The Company hired 30 women for the service ambassador position, which includes the responsibility of delivering the products to customers and collect the money from the sales. This action consolidates women in logistical positions, which have traditionally held by men, and raises awareness among employees and customers regarding the necessary capabilities for performing this role.



Servicios Nutresa was ranked fifth in the Ranking Par list of best companies in Colombia

The company received this accolade within the category of companies with 201 to 1.000 employees of the *ranking* organized by the firm Aequales, which measures the progress in terms of gender equality made by the participating companies from Latin America.



Servicios Nutresa was awarded the Gold Seal in Employment Equity by Equipares

The Ministry of Labor and the United Nations Development Programme (UNDP Colombia) acknowledged Servicios Nutresa for its work and commitment to gender equality by having systems in place intended to eliminate existing gaps between men and women in the employment sphere.

Material topic details

[GRI 103-3]

Grupo Nutresa exerts a positive impact on the creation of value for both itself and its stakeholders through the respect and promotion of Human Rights, and by fostering a culture focused on diversity and inclusion. That is why the Organization has a Human Rights management system that monitors the possible risks that could emerge, implements corrective measures if required and enables access to an adequate remediation. This system has been promoted by the senior management based on a permanent commitment that translates into multiple training activities for leaders and employees, as well as discussion conferences for guaranteeing a solid understanding and an adequate management of all related matters within the supply chain. Additionally, the Company has implemented diverse tools, such as:

- The Human Rights Policy.
- The Human Rights Management System.
- The Matrix of Human Rights risks.
- The Matrix of third-party risks.
- The Diversity and Inclusion Policy and the Diversity and Inclusion Management System.

The Human Rights work plan for 2020 was centered on five focal action points: due diligence, training and leadership, supply chain, diversity and inclusion, and pandemic impact management. The following are some of the progress achievements in such five dimensions:

Due diligence

Within the framework of the engagement model, Grupo Nutresa fostered environments for active conversation and listening with the stakeholders to maintain a trust-based and respectful climate. Nineteen collective agreements were signed with the union and collective bargaining organizations. Additionally, the Company updated its Human Rights Policy with the aim of addressing the current challenges, and implemented a unified international system for the Ethics Hotline as part of the evolution of the complaints mechanisms, thus enhancing transparency and building trust. All Businesses fostered debate-friendly environments through 20 discussion conferences about Human Rights. **[GRI 408-1] [GRI 409-1] [GRI 407-1] [SDG 8.7]**

Confirmed cases of Human Rights violations

[GRI 406-1]

	2020
Human Rights violation cases reported	77
Cases analyzed by the Organization.	77
Cases closed.	66
Cases confirmed.	14

The cases confirmed as Human Rights violations were classified either as work harassment for which monitoring plans were implemented, or as sexual harassment cases, where the corresponding individuals involved were dismissed from their job positions.

Confirmed cases of discrimination [GRI 406-1]

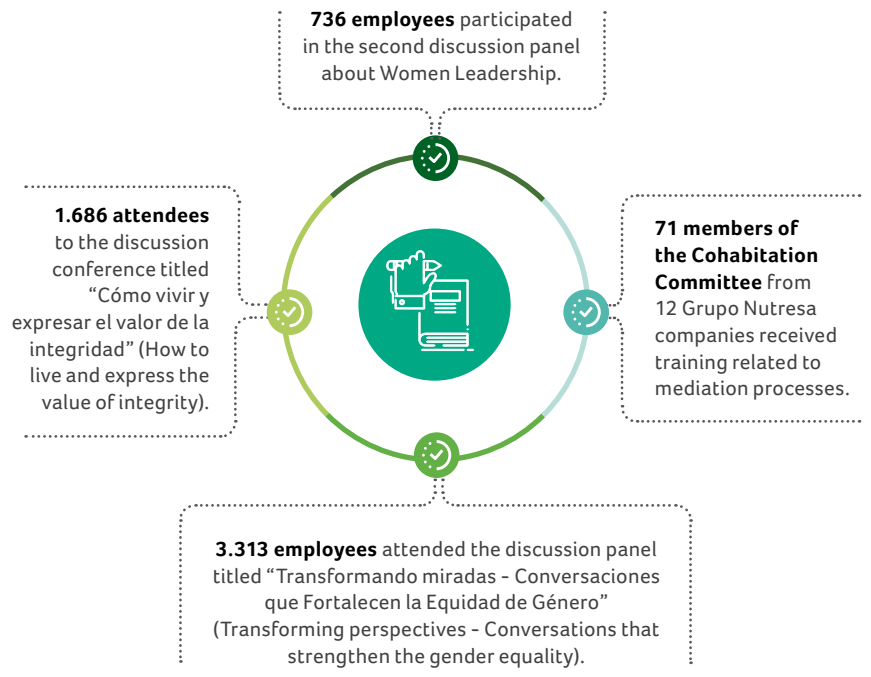
	2018	2019	2020
Discrimination cases reported	36	7	9
Cases analyzed and managed	36	7	9
Cases closed.	30	6	9
Incidents of discrimination confirmed.	0	0	0



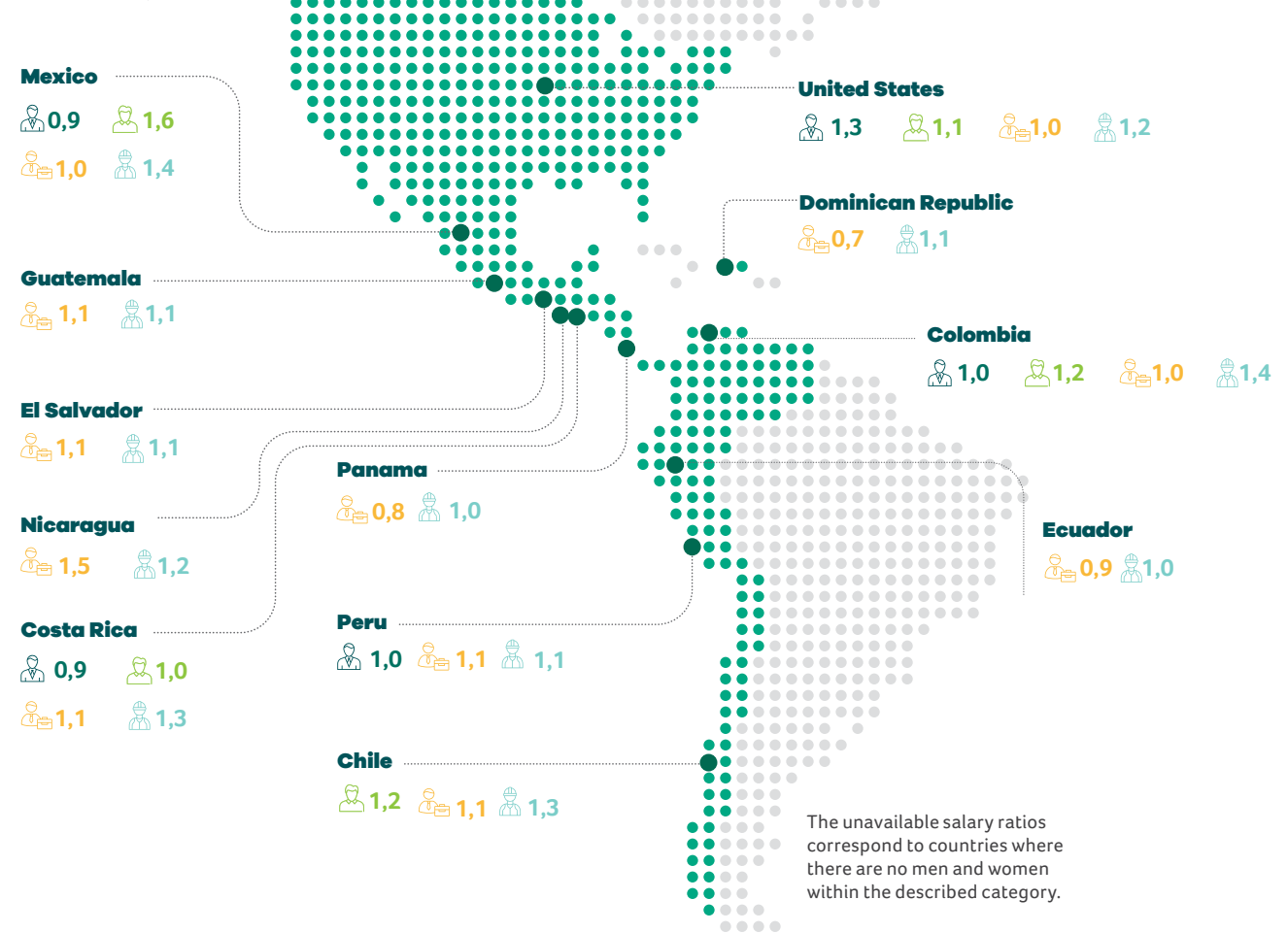
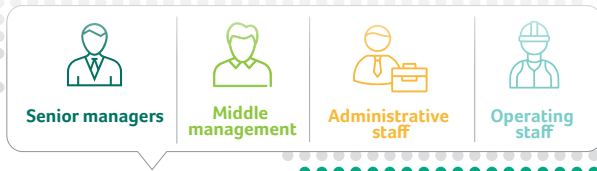
Employees from the Chocolates Business, Colombia.

Training and leadership

In alignment with Grupo Nutresa’s organizational philosophy, the Company continues promoting a leadership style that is inclusive, diverse and based on social awareness. Therefore, the training activities have the purpose of developing a deeper understanding that enables all employees to contribute to a work environment based on the respect and acknowledgment of their coworkers. The following are the numbers of people who participated in the Organization training activities [GRI 412-2]:

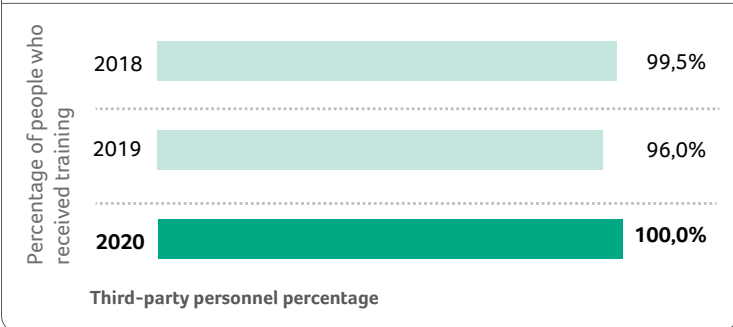


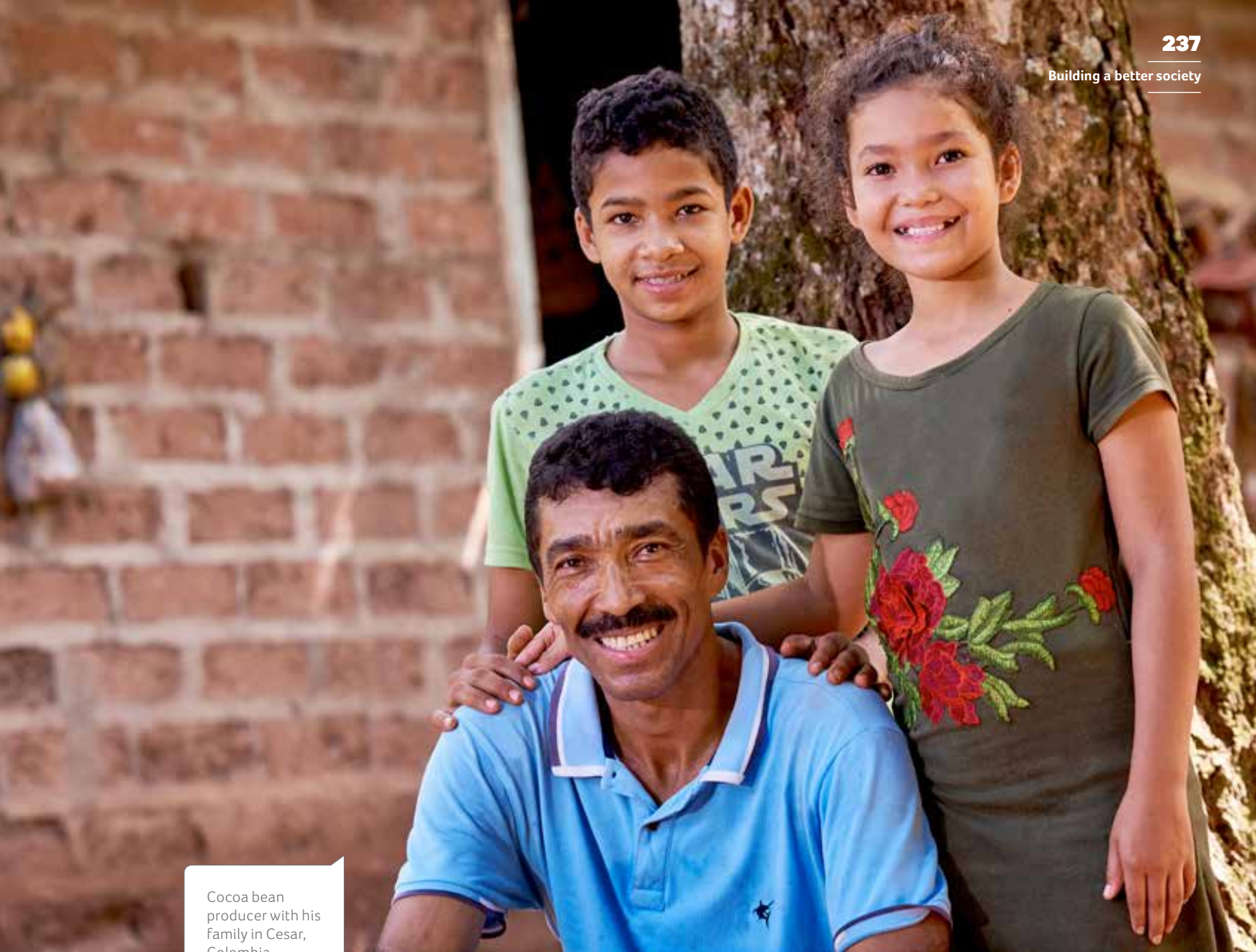
Equal pay [GRI 405-2] [SDG 8.5]



The unavailable salary ratios correspond to countries where there are no men and women within the described category.

Security personnel who received Human Rights training [GRI 410-1]





Cocoa bean producer with his family in Cesar, Colombia.

Supply chain

The endeavor of sharing the organizational philosophy with the Company's allies and performing the corresponding monitoring work is crucial for guaranteeing that Human Rights are respected and promoted throughout the supply chain. In this regard, the following are some of the most outstanding actions:



41 employees from 24 partner companies received training related to Human Rights via digital means.



The Organization conducted 41 audits that produced an average compliance result of 88,9%. These audits allowed identifying improvement opportunities with the allies, and performing collaborative work on the gap-bridging plan.

Update of the Human Rights risk list, where three of the nine existing risks were rated as priority matters: child labor, unsuitable work environment and violation of the right to freedom of collective association.



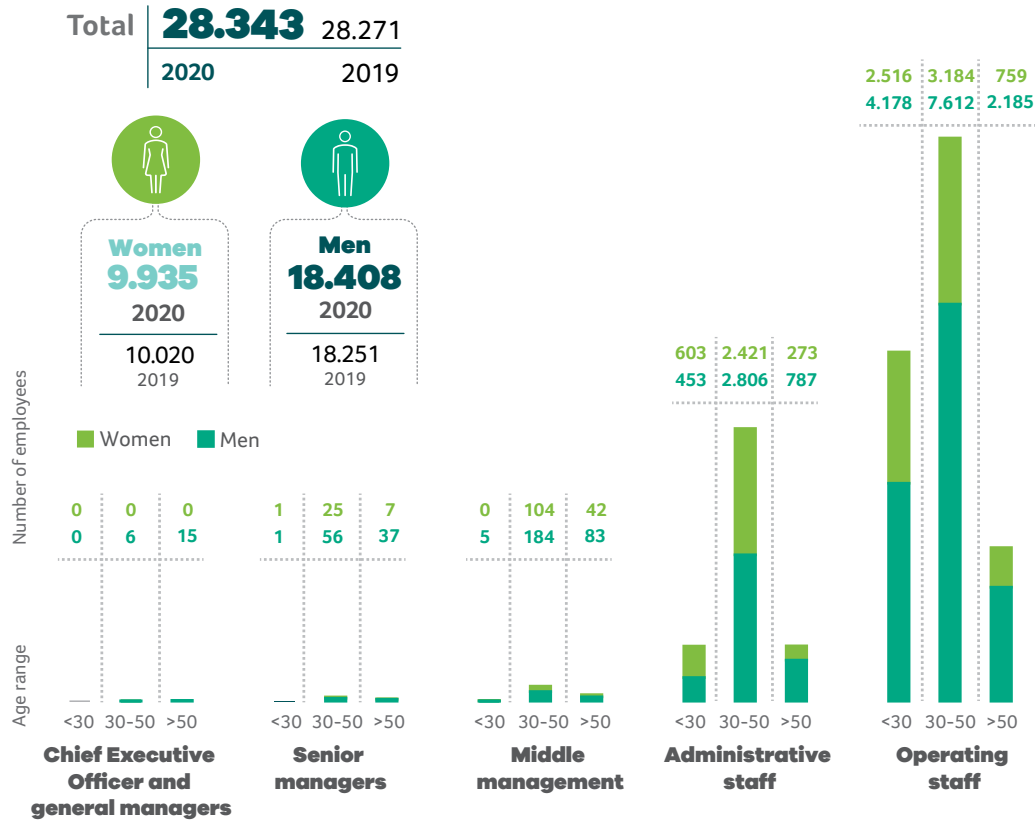
Employee from the
Ice Cream Business,
Colombia.

Diversity and inclusion

Grupo Nutresa considers it essential to develop a work culture that appreciates diversity and foster more inclusive, creative and flexible work teams that generate value and competitiveness. Therefore, the Organization strengthened its recruitment programs, guaranteeing that they promote diverse work environments free of discrimination and harassment. Regarding these matters, the following achievements stand out:

- Creation of jobs for people affected by the Colombian armed conflict through multi-sector public-private alliances focused on promoting employability and work inclusion.
- 58 employees with special capabilities were hired through alliances that foster the employability of people with intellectual disabilities. These actions have the purpose of creating opportunities, transforming perceptions in the community and promoting dignified jobs.
- Within the framework of the engagement model, Grupo Nutresa participated in two Guild Committees on Diversity, Inclusion and Human Rights organized by the National Business Association of Colombia (ANDI) and in five external discussion panels focused on sharing leading practices related to diversity and inclusion.
- Reinforcement of the strategy focused on getting women prepared for leadership positions.
- Adoption of practices that create a gender balance in the recruitment and promotion processes, such as inclusive language and balanced images in the publications about open positions.

Employee diversity [GRI 102-8] [GRI 405-1] [SDG 8.3]



Employees with disabilities	2018	2019	2020	
			Men	Women
Direct employees	150	215	91	40
Apprentices and/or internship students	41	64	21	20
Other hiring methods	8	9	2	0
Total	199	288	114	60

In the context of the COVID-19 pandemic, the Organization deployed actions centered on taking care of people's life without affecting the continuity of the operations.

Managing the impact of the pandemic

Grupo Nutresa is committed to the protection of people's health, and to the well-being of our societies. In the context of the COVID-19 pandemic, the Organization deployed actions centered on taking care of people's life without affecting the continuity of the operations through a responsible and proactive risk management exercise. Additionally, the Company created a committee responsible for assessing and monitoring the evolution of the situation with the aim of providing responses in a timely manner with all the necessary protection measures. The following are the main initiatives in this regard:

Protecting the health and life of the employees

Grupo Nutresa conducted medical analyses of its employees to determine their level of vulnerability in relation to COVID-19. The population classified as vulnerable was sent home under a paid leave of absence. These people continued working remotely when it was possible in terms of their job descriptions, and the Company performed frequent follow-up to check in on their health condition.

On another note, the Organization commissioned the creation of a mobile app that could be used to report symptoms and close contact, thus ensuring the traceability of potential cases. Additionally, the Company established protocols for the identification of symptoms, track and trace measures, epidemiological fences and preventive isolation measures. People who tested positive were provided with comprehensive assistance.

Moreover, multiple protection measures were implemented, including the creation of employee transport routes, adaptation of the facilities and delivery of personal protection elements for the employees whose jobs require them to perform tasks in person.

With the purpose of integrating the employees' families and favoring their protection, Grupo Nutresa implemented strategies for the disseminating, communicating, promoting and raising awareness about self-care measures on a frequently basis.

Addressing the circumstances with the deepest sense of humanity, while thinking about the common good and protecting jobs

The Organization preserved the jobs of all the employees who, due to the nature of their role, could not fulfill their duties. Some of them were sent home and participated in online training activities, other were assigned functions that could be performed and some other were put on paid leave.

Cooperation with public and private allies centered on contributing to the care of the most vulnerable populations

Grupo Nutresa is committed to cooperating with its allies, employees and communities in benefit of the people affected the most by the COVID-19 contention measures. The Company delivered more than 270.000 food aid packages in Colombia, Chile, Mexico and Central America. In Colombia, the Organization made arrangements to ensure the delivery of resources to enhance the capacity of the intensive care units of multiple hospitals. In addition, Grupo Nutresa put its 3D printers at the disposal of society for manufacturing face shields for the protection of the hospitals' medical staff. Additionally, the Company made an economic donation for increasing the capacity of the intensive care units and delivered food to the medical staff at hospitals by means of the El Corral food truck.

Through the Cold Cuts and Biscuits Businesses in Panama, Grupo Nutresa contributed USD 50.000 to the virus contention efforts in Panama. This initiative was developed jointly with Banistmo, Argos, Celsia and Sura with the purpose of enhancing the early identification of the patients with the highest probability of facing health complications so that they could be timely treated, preventing the need for hospital assistance. Finally, in Chile, Tresmontes Lucchetti donated PCR equipment for diagnosing COVID-19 with reagents for 1.000 samples.





Commitment
to the SDGs

4 QUALITY
EDUCATION



Quality of education

Developing pedagogical, leadership and management capabilities among teachers and academic directors by implementing relevant, effective and sustainable initiatives that have a positive impact on the improvement of the learning process and boost the competitiveness and healthy lifestyles in the communities.

Blanquizal educational institution, Antioquia, Colombia.



Through the improvement of the quality of education, Grupo Nutresa produces a positive impact on its productivity and contributes to the mitigation of the risks inherent in poverty and social and economic inequality.

Strategy [GRI 103-2]

Strengthening the development of leadership and school management capabilities.

Generating employability opportunities.

Facilitating learning-focused resources.

Progress achieved in 2020 [GRI 103-3]

- » **267** public schools were included in the routes of training and support for school improvement.
- » **5.645** teachers and academic directors participated in digital events focused on learning and reflection with a satisfaction level of 95%.
- » **74%** average rating in school climate in the schools associated with the program.
- » **COP 816 million** invested in the implementation of training and teacher certification processes.

- » **1.412** young students from technical and technological programs benefited from early employment opportunities.
- » **61** entities from the social, government-organized academic and productive sectors were articulated by the Organization in diverse activities.
- » **Implementation** of a development route that produced 16 traineeships and 36 open innovation challenges.

- » **Acquisition** of 81.049 school furniture kits that benefit 80.353 students from the pre-school, basic and middle education levels, and 2.961 teachers in Colombia.
- » **6.968** kits were delivered to students with the aim of promoting the access to the education system, encouraging students to remain in it and supporting the learning process in highly marginalized populations.
- » **More than COP 19.954 million** were invested in equipment and school kits to support the learning process as part of the "Obras por impuestos" (Works instead of taxes) project.

For the Company, the early and high-quality employment of young people to the professional world will remain a prioritized purpose with the aim of contributing to the economic and social strengthening of the territories.

Description of risks and opportunities [GRI 103-1]

For Grupo Nutresa, the strengthening of capabilities in the communities the Organization interacts with is an opportunity to empower the human capital. The Company recognizes that, by increasing the quality of education, it produces a positive impact on its own and society's productivity, in addition to contributing to the mitigation of the risks inherent in poverty and social and economic inequality. By being able to rely on adequately qualified people in terms of what they are, know and do, along with a solid basis of innovation processes, the Organization will have the ability to tackle the challenges of a changing world.

The temporary closure of education institutions and the increased dropout rates caused by the COVID-19 pandemic pose an imminent risk for education and the protection of children's and youth's well-being. Therefore, it is important to be part of the reopening process and contribute to the strengthening of distance education. Furthermore, providing strategic support by means of mechanisms such as "Obras por impuestos" and working on bridging socioeconomic gaps in the areas substantially affected by poverty and violence are actions considered crucial by Grupo Nutresa with the aim of contributing to both development and equality.

Future outlook and goals for 2030

As a goal for 2030, Grupo Nutresa will continue working on its commitment to strengthening the leadership and managerial capabilities of education institutions, as well as the competences of academic directors and teachers occupying directive positions, laying a particular emphasis on highly marginalized populations, with the purpose of contributing to bridging education-related gaps. The Organization will seek to solidify the capabilities of the school leaders for them to efficiently manage their schools, support the teaching and learning processes, and align and engage with the school community, which will enable the schools to formulate structured and contextualized training proposals and create significant learning experiences.

In addition, the Company will reinforce its public-private alliances and the new operating and financing models to enable the participation in public policy formulation and the sustainability of the school transformation processes, such as the results-based payment and works-instead-of-taxes mechanisms. Moreover, Grupo Nutresa will adapt the contents and methodologies to the new reality to reduce the contagion-prone activities and support schools with regard to their remote education and reopening models, allowing them to address the challenges posed by the COVID-19 pandemic.

Finally, the early and high-quality employment of young people to the professional world will remain a prioritized purpose with the aim of contributing to the economic and social strengthening of the territories, a necessity that has been heightened by the impact of the COVID-19 pandemic throughout the world.

Success stories and acknowledgments [GRI 103-3]



Fundación Nutresa contributes to the Public Policy on School Leadership in Colombia

The Ministry of National Education, jointly with Fundación Nutresa and other organizations, along with the support from higher education institutions, provided assistance to the School of Leadership for Academic Directors. This is an inspiring proposal intended to transform the leadership practices of academic directors with the aim of improving education institution management. The School of Leadership will benefit approximately ten thousand academic directors including principals, coordinators and rural supervisors through five components: training, well-being, learning networks, research and resource bank.

Adaptation focused on maintaining the support to schools during times of COVID-19

Participative formulation of solutions adapted to the challenges and needs of schools emerging from the pandemic. The migration to 100% digital environments constituted an important adjustment and response opportunity which is also relevant with regard to the needs of the environment. A total of 54 training sessions were held, strengthening the school capabilities and teaching competences in relation to aspects such as leadership, communication, well-being and change management.





“San Luis Gonzaga”
school in Santa
Fe de Antioquia,
Colombia.

Material topic details [GRI 103-3]

Through the education programs managed by Fundación Nutresa, Grupo Nutresa contributes to the fulfillment of the Sustainable Development Goals (SDGs), particularly goal 4, Quality education, by working on improving the country’s competitiveness and reducing inequality by means of the implementation of relevant, effective and innovative initiatives that enhance the quality of education and have a positive impact on the improvement of the learning processes among children and young people. These projects support the development of leadership and managerial capabilities among teachers and academic directors, improve the furnishing conditions of classrooms, furniture and school materials, and facilitate employability.

Improving the quality of education

The Organization intends to contribute to a relevant and effective education at Colombian schools, support the executive teams and teachers in the formulation and participative creation of transformation routes for their school practices, and enhancing education environments that have a positive impact on the students’ learning processes. Therefore, the Company maintained its support to the education institutions via digital means provided to more than 1,500 teachers and school directors with the purpose of reinforcing their management and leadership capabilities.

School Leadership Program

Grupo Nutresa secured the involvement of teachers and academic directors from 267 Colombian public schools and boosted its strategy by using digital means and adapting contents and methodologies with the aim of supporting the school communities in the process of adjusting to the challenges caused by the COVID-19 pandemic. In a collaborative manner, the Organization designed and executed learning experiences about adaptive leadership, organizational communication, care and well-being.

A total of 54 training sessions were held, strengthening the school capabilities and teaching competences in relation to aspects such as leadership, communication, well-being and change management. In addition to a group of representatives from multiple education secretariats and strategic private-sector allies, a total of 5,645 teachers from the schools that are part of the program participated in the training sessions.

With the objective of staying at the forefront of the field and escalating the management work carried out on the education quality front, the Company implemented, through Fundación Nutresa, a process jointly with the Instituto Colombiano de Estudios Superiores (Colombian Institute of Superior Studies, abbreviated Icesi in Spanish) based on the results and conclusions of both local and international experiences related to the improvement of school management and the strengthening of the leadership capabilities of academic directors.

Furthermore, this program, which was developed by Fundación Nutresa, was included in the portfolio of the School of School Leadership of the Colombian Ministry of National Education, a methodological approach to the strengthening of the institutional culture that also combines strategies related to active learning processes, exchange of experiences and peer feedback, which heightens its relevance and effectiveness.



Implementation of school leadership programs in the "Corazón del Valle" educational institution in Tuluá, Colombia.

Generating employability opportunities

The Company actively participates in the University Business State Committee (abbreviated CUEE 2.0 in Spanish), an initiative that has the ulterior purpose of the region's socioeconomic growth based on science, technology and innovation. Along with other agents from the ecosystem, Grupo Nutresa supports the talent work group that has operated as the launching pad for the implementation of the employability model focused on the early employment of students from technical and technological programs, who are integrated since the first semesters into a development route. Said development route includes three stages: traineeships for students from the program's first semesters, open innovation challenges around the middle of the program, and the completion of their development with the internship. Then, the students are part of a talent incubator that establishes a connection between the organizations and the entrepreneurship projects from the Talent Community of the CUEE 2.0.

The initiative included 1.412 interns, 1.280 students, 101 teachers and 31 administrative directors in its innovation challenges focused on furthering the process and reaching the internship stage early as students. This is the Organization's contribution to increasing the number of young people and adults with the necessary capabilities, particularly both technical and professional competences, for accessing employment, decent work and entrepreneurship.

Programs intended to facilitate learning-focused resources

Grupo Nutresa implemented the strategy known as "Obras por impuestos" (works instead of taxes), which is promoted by the Colombian Government. Through this strategy, taxpayers can contribute to the bridging of socioeconomic gaps in the municipalities that have been affected the most by poverty and violence by means of the execution of projects with a positive economic and social impact, thus fostering development in such territories. The investment totaled more than COP 19.95 billion and improved the school settings with 81.048 school furniture kits that benefited more than 80.000 students and 2.961 teachers.

With the Nutresa Quiere a los Niños" (Nutresa cares for children) Program, the Organization contributed to the improvement of the conditions related to education system access and continuity of more than 10.500 children at the basic primary education level. The contribution consisted in delivering school kits that include basic elements for the development of their academic activities from home, biosecurity elements and an educational booklet that favors the adoption of healthy lifestyles such as adequate eating habits, physical activity and key hygiene practices, which are priorities in the protection of health and life during times of pandemic.

Additionally, the Company produced a seven-episode web series for children between the ages of 7 and 11. In 2021, the series is shaping up to be a pedagogical tool for the universal access that could be available with or without internet service with the purpose of facilitating the participation of limited-connectivity school populations.

Closing of the strategy for 2020



Capability-development projects in communities

Goal: 1.000 projects

2020: 1.029 projects

Over the past ten years, Fundación Nutresa worked on fulfilling its commitment of carry out 1.000 projects focused on developing the capabilities of communities through which the Organization strategically contributed to improve the quality of education. The projects also allowed Grupo Nutresa to be a strategic ally of base-level clients and suppliers, and to resiliently promote food sourcing systems and healthy dynamics in populations with low social protection levels. For these actions, the Organization had the support of thousand volunteers across the entire strategic region. As a result of this management work, Fundación Nutresa was able to support 1.030 capability-development projects in 2020.

Quality of education

The program focused on strengthening leadership and school management capabilities supported 800 academic directors and teachers from 267 schools

across the entire Colombian territory in a permanent process of shared reflection on practical experiences that allowed developing knowledge and sharing learning accomplishments with the purpose of contributing to the achievement of an equitable high-quality education with increasingly relevant and effective school results.

In 96 Colombian public schools, more than 3.230 teachers created learning resources and experiences based on information and communication technology tools and on innovative strategies for developing the syllabus. This allowed the Company to help students to learn in a more effective way in an increasingly digital world.

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Responsible sourcing

The Organization implemented its recent learnings into the supply chain with the aim of strengthening the production and associative work capabilities of 1.476 suppliers, thus producing increased harvest yields and sales, and consolidating a lasting commercial relationship with Grupo Nutresa. The Company worked with the final part of the value chain, that is more than 7.961 customers, such as ceviche vendors, Novaventa entrepreneurs and independent retailers, with the purpose of providing tools focused on innovation, entrepreneurship and the sustainability of their businesses.

Nutrition

On this front, it is worth highlighting the learning process carried out with actors such as the Colombian Ministry of National Education, the Food and Agriculture Organization of the United Nations (FAO) and Chile's Institute of Nutrition and Food Technology to consolidate and deploy a methodology for the implementation of nourishment systems that represented the development of capabilities focused on the local production and consumption of food. Likewise, the Company worked on the joint creation of a healthy lifestyle promotion route that promoted the organization of festivals, a pedagogical booklet and a school route focused on strengthening capabilities in Chile, Colombia and Mexico.

Furthermore, Grupo Nutresa developed capabilities in 28 food banks both across the strategic region, increasing the food sourcing sources for the families. To continue making the most of edible food products that are lost and wasted in the processes, the Organization formulated a policy for this issue and set reduction goals of 50% and 30% for waste and loss, respectively, by 2030.

With regard to the food security approach, Grupo Nutresa completed the construction of 137 healthy nourishment systems, which allowed producing 5.623 kg of food for 1.010 families in the Colombian states of Antioquia, Bolívar, Córdoba, Magdalena and Meta.

3



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Volunteer work

The Company contributed to the achievement of 1.000 projects for the development of capabilities in the communities by fulfilling 3,9% of such goal, focusing on support initiatives for SMEs in terms of corporate strengthening, and for other organization through social impact initiatives. The execution of these activities benefited a total of 1.476 people.

Management line / Projects per year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Education	0	146	218	250	336	357	479	508	619
Revenue generation and entrepreneurship	0	0	29	30	47	52	63	73	73
Nutrition	0	15	26	27	28	38	130	223	298
Volunteer work	0	0	0	1	6	11	20	25	39
Total	84	161	273	308	417	458	692	829	1.029 projects



“We are filling the plastic bottles at home because we know that they can be useful for something, for example, as materials for building a house.”

Dianey Quintero, Novaventa entrepreneur.





The Quintero family: bottles of love and care.

Dianey Quintero, Novaventa entrepreneur, and her family found in the Botellas de Amor (Bottles of love) recycling program a way to take care of the planet that will inherit the younger members of the family.

“My aunts were the ones who started filling the bottles. I used to see them and ask: ‘What are you doing with those bottles?’ They said the purpose is to recycle waste and take care of the planet, so I started filling my bottles too,” tells Dianey Quintero, Novaventa entrepreneur. Bottles of love is a recycling and waste transformation campaign: the plastic containers that normally end up being thrown to the garbage can are filled with plastic and flexible waste, such as food wrappers, plastic bags, toothbrushes, for example. The foundation that leads this initiative –both of which share the same name– transforms the bottles into materials for the construction of structures and furniture, such as houses and children’s playgrounds.

“Everybody keeps the packages and wrappers to fill the bottles; I even bring the wrappers of the food I eat outside. I used to throw them away but I can’t do that anymore; I keep them in my purse and later I fill the bottles with them,” says Dianey. When she says “everybody,” she is talking about her family because filling these plastic containers is an activity that each family member has incorporated into their household routines with the certainty that disposing of their waste this way is a good method for taking care of the environment. **“It becomes like part of your essence, because you know that we are running out of nature, that we are killing but also that we can help protecting it by doing things like this,”** she says.



“I was amazed when I found out that Nutresa picked up the bottles of love. Right away, I said to everyone: ‘They build houses, parks and many other things with this plastic.’ So, of course, they all started filling more bottles and bringing them to me, and I hand them over to the guys of the vehicle that delivers my Novaventa orders.”

Dianey Quintero, Novaventa entrepreneur.



The vehicle used by Grupo Nutresa for delivering the orders made by Dianey as a Novaventa entrepreneur also picks up the bottles and transports them for their corresponding transformation carried out by the foundation in charge of that process. Thanks to this practical methodology, she has convinced more people to start filling plastic bottles: “I ask my friends: ‘what are you doing with the plastic bags?’ And they told me that they throw them away. So, I told them: ‘Let me tell you that Nutresa is picking up the bottles of love, that’s what they’re called, because they are used even for building houses. Fill the bottles with plastic, don’t be lazy that I will come and get them,’” tells Dianey.

The Quintero family’s commitment to this activity got even stronger during the lockdown in 2020: “We kept filling bottles during the pandemic. So we piled up a lot of bottles and, when the guys came to deliver my order and pick up the bottles, there were more than 100. That was really funny because the bottles were all over the place, so I told them: ‘I think we have enough of them for building a house, right?’” mentions Dianey.

The bottles have become a reason for sharing as a family for everyone, from grandma to the grandchildren. The elders do it to protect the planet that will inherit the younger, and they do it as a result of their new environmental awareness. **When Nicolás, one of the Quintero family children, is asked why do they fill the bottles of love, he answers without hesitation: “To take care of nature.”**

In 2020, Grupo Nutresa delivered 2,7 tons of materials to the “Botellas de Amor” Foundation for the construction of furniture and houses.

Visit our website and discover all the stories that enabled us to take care of people’s life in 2020. [Click here.](#)

“I encouraged my mom to start filling the bottles of love. I told her to do it for her grandchildren, because what will we be leaving them if we don’t take care of our planet.”

Dianey Quintero, Novaventa entrepreneur.



In addition to a better disposal of waste, the Quintero family is also deeply committed to taking care of water.



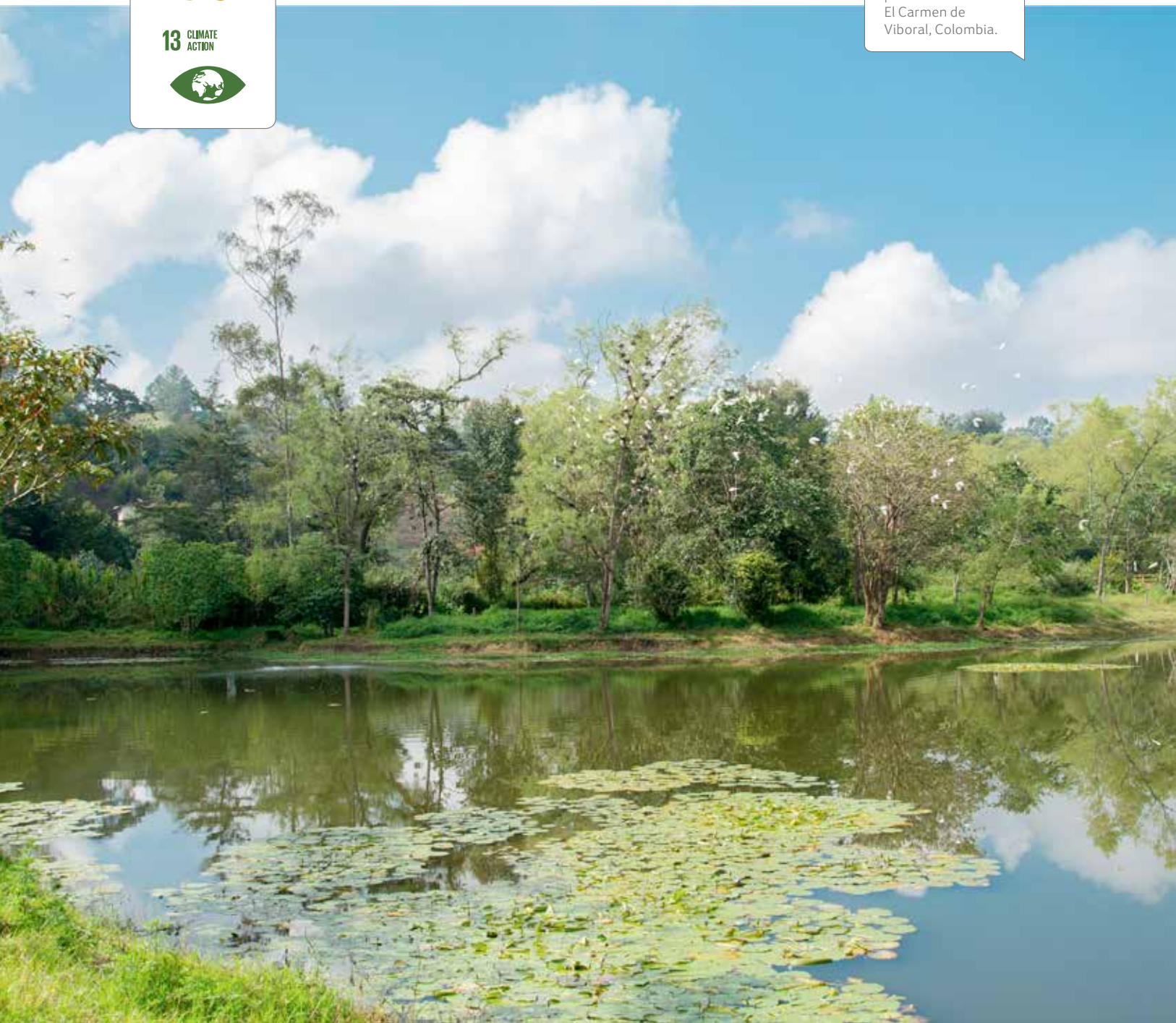
Commitment
to the SDGs



Water resource management

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.

Wetland at the Novaventa premises in El Carmen de Viboral, Colombia.



Grupo Nutresa has been working jointly with its stakeholders on implementing action measures that ensure savings, stewardship and respect for hydrological resources.

Strategy

[GRI 103-2]

Optimizing water consumption.

Reducing the impact on the water resources by means of the adequate management of water disposals.

Managing the water resources in the value chain.

Knowing and monetizing the water-related impact in the value chain, consolidating the water pricing model.

Progress achieved in 2020

[GRI 103-3]

- » **Reduction** of 2,8% in the consumption of water per ton produced in comparison to 2019, and an accrued reduction of 33,3% in relation to 2010 in Colombia.
- » **2,7%** reduction in the water consumption with respect to 2019 in Mexico, Costa Rica, Peru, Chile, the Dominican Republic and Panama.

- » **COP 26.293 million** invested in the wastewater treatment plants of the Retail Food Business and Biscuits Businesses in Colombia and Costa Rica, as well as in La Recetta, and the Chocolates, Cold Cuts and Pastas Businesses in Colombia. [GRI 303-2].

- » **Development** of a risk survey in the dairy chain in Colombia and Costa Rica with the participation of the World Wildlife Fund (WWF).

- » **Implementation** of the model focused on establishing the social and environmental impact of water resources, which incorporates the externalities in order to estimate the actual price of water and the financial assessment of water-related projects.

Grupo Nutresa will maintain its 20% savings goal for its industrial operations in all geographies by 2030.

Description of risks and opportunities [GRI 103-1]

According to the UN World Water Development Report (2020), the global use of water has increased six-fold since 1900. The rise in the demand may cause a 40% deficit to the hydrological offer by 2030. Due to extreme phenomena caused by climate change, increased rainfall and extreme drought periods are expected. Such phenomena will deteriorate water quality, increasing the risks associated with the agricultural and livestock production and adversely affecting the life of the vulnerable communities across the world.

Aware of the risk water management represents to humanity, Grupo Nutresa has been working jointly with its stakeholders on implementing action measures that ensure savings, stewardship and respect for hydrological resources. These measures have allowed reducing water consumption steadily since 2010. However, the Organization faces possible future challenges associated with both the sourcing and the quality of water resources. The achievements attained in the operations must be extended to the value chain to ensure both the supply and quality of hydrological resources.

As it is the case with the risks, the opportunities for the sustainability of water are also significant and are focused on the collaborative work with strategic allies and the transfer of knowledge and the progress made in terms of solutions based on nature itself, on the alliances with stakeholders within both the operations and the value chain.

Future outlook and goal for 2030

Grupo Nutresa will maintain its 20% savings goal for its industrial operations in all geographies by 2030. This is a challenging objective considering the significant progress the Organization achieved over the past decade. Additionally, the Company will commit to reducing by 10% the water footprint of its main commodities. These purposes are set with full confidence on the collaborative work that is carried out with all stakeholders. The alliances for the implementation of leading practices in both meat and dairy livestock farming, coffee and cocoa plantations, as well as other commodities, will be crucial for the sustainable use of water, ensuring the right to such valuable natural resource.

Success stories and acknowledgments [GRI 103-3]



Progress attained regarding water management in the value chain

The Cold Cuts Business conducted a diagnosis of 29 livestock ranches in Colombia based on the *Handbook of strategic recommendations for environmental sustainability in the primary production of beef*, which was created jointly with the WWF branch in Colombia. In addition, five integrated livestock ranches were granted the certification on good livestock practices (BPG-ICA) thanks to the sanitary and safety conditions for the primary production of bovine and bubaline cattle destined to slaughter for human consumption, as well as the promotion of the protection and conservation of hydrological sources.

Infrastructure improvement to reduce water loss in the Retail Food Business in Colombia

At the Chía production plant in Bogotá, Colombia, an aerial water ring was installed with the aim of correcting frequent leaks on the old underground network, which were inherently difficult to remedy. The new network has an online meter that allows saving 1.548 m³/year. The project entailed an investment of COP 141,5 million.

Wastewater recirculation at the Biscuits Business's production plant in Costa Rica

This project consisted in the recirculation of wastewater treated by means of a tertiary ultrafiltration system that allows incorporating the water into the sanitary services and, thus, saving more than 2.200 m³/year of drinking water.



Protection of the Sonsón Paramo in Antioquia, Colombia.

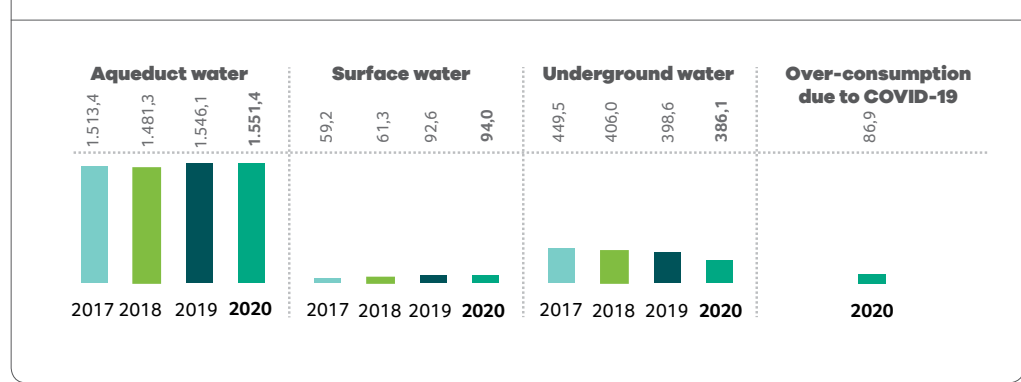
Material topic details [GRI 103-3]

The Organization concludes a period of major challenges and learning. The 2010–2020 decade saw significant advancements in terms of knowledge on the industrial processes, the implementation of technologies and the mobilization of culture that, which allowed fulfilling the (-30%) savings goal with an accumulated reduction of 33,3% with respect to 2010.

By 2019, the Company had already achieved its 30% reduction goal but in 2020, due to the need to address the COVID-19 emergency through the production of water-intensive products, the consumption of water ended up increasing slightly.

Moreover, through the interaction with the stakeholders, particularly the suppliers, communities and the State, the Organization made progress in fields of water stewardship at the supply sources and identification and implementation of leading agricultural and livestock practices, assessed the risks of several production chains, and developed the methodology for pricing the social and environmental cost of the externalities associated with hydrological resources.

Supply sources (thousand m³) [GRI 303-3]



Management of the impact related to water disposal [GRI 303-2]

Water disposal is part of the Organization’s water footprint and, therefore, ensuring the quality and conservation of water resources by ensuring the water disposal quality is a major priority. The Company has determined, for all its operations, that complying with the legal dispositions in this regard is an indispensable minimum requirement, monitoring and establishing the level of compliance in order to bridge any gaps found.

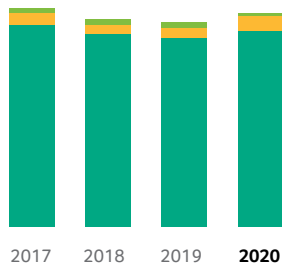
Water withdrawal and consumption (thousand m³) [GRI 303-1] [GRI 303-3] [SDG 12.3]

■ Aqueduct water
 ■ Surface water
 ■ Underground water
 ■ Rainwater
 🔥 Hydrological risk areas

■ Total (thousand m³)
 ■ Consumption intensity (m³/ t.p.)

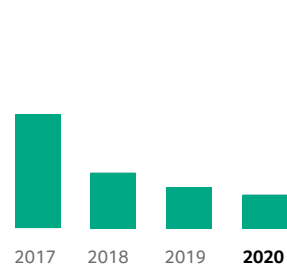
Colombia

1,303,9	1,279,8	1,346,3	1,359,3
1,64	1,62	1,57	1,52



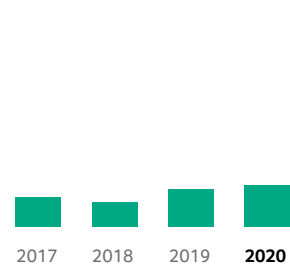
Colombia - Restaurants

252,3	158,6	148,9	123,0
9,05	4,76	3,87	0,01



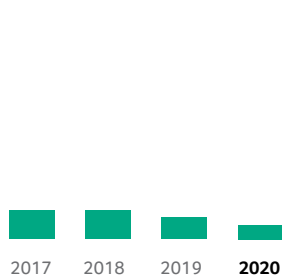
Panama

46,5	44,6	51,1	52,1
9,12	9,00	9,81	9,83



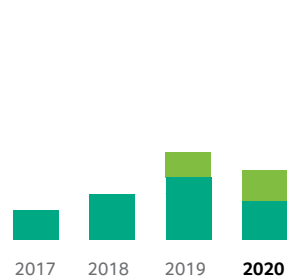
Peru 🔥

33,4	33,9	31,9	24,2
2,10	2,05	2,00	1,58



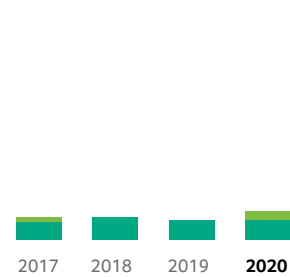
Costa Rica

43,8	44,9	96,6	80,7
0,92	0,90	0,90	1,40



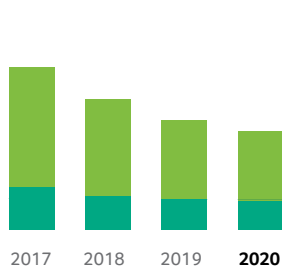
Mexico 🔥

29,9	26,1	24,7	32,3
0,93	0,92	0,89	1,19



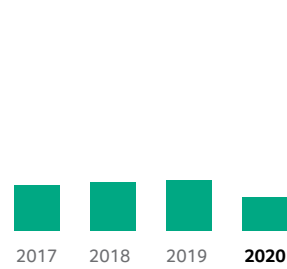
Chile 🔥

518,8	473,4	438,2	428,1
5,61	4,95	4,49	4,45



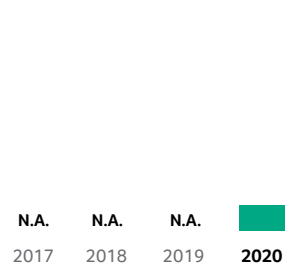
Dominican Republic

45,8	46,1	48,7	36,1
5,75	5,17	5,01	4,64



United States

N.A.	N.A.	N.A.	18,7
			0,35



* Consumption intensity for restaurants (m³/main course)

Water quality and SDGs

Based on the guidelines of SDG 6, Water and sanitation, Grupo Nutresa makes the necessary investments to ensure wastewater treatment allows meeting the legal requirements and reducing the impact of water disposal on the hydrological sources.

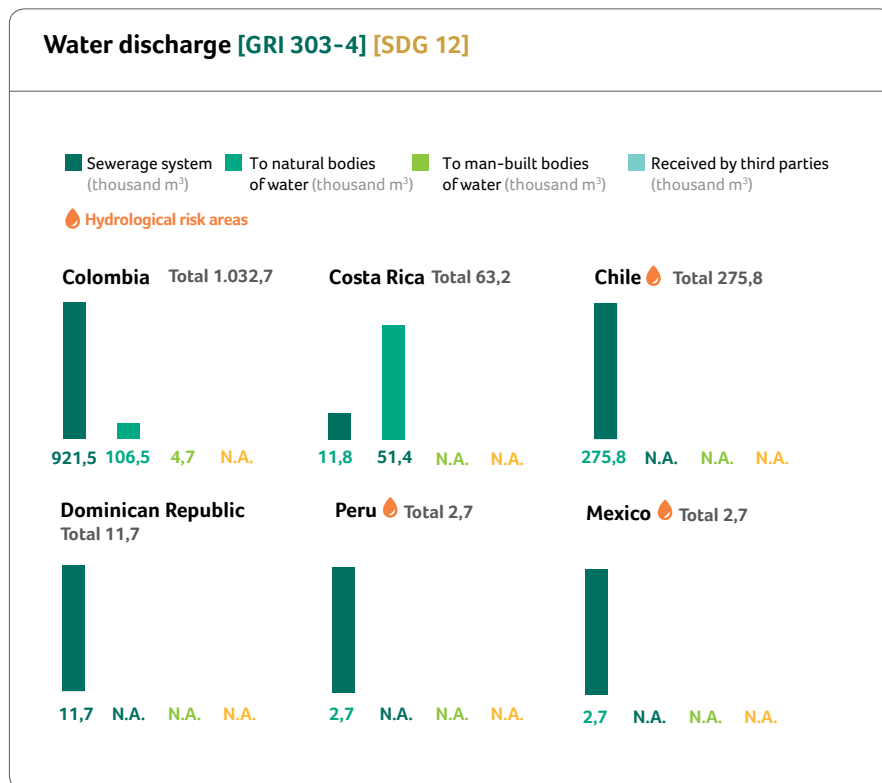
At the Retail Food Business’s Llanogrande Mall production plant in Rionegro, Colombia, the waste water treatment plant was overhauled. The Chocolates Business in Peru also optimized the WWTP with the aim of ensuring the quality of the treated water is well above the maximum limits allowed.

The Cold Cuts Business completed multiple WWTP overhauling projects at the production plants in La Ceja, Bogotá and Aguachica, and at the La Genética and Porcinorte farms, all of them in Colombia.

Furthermore, the Organization adapted the treatment plants and evaluated projects focused on recirculating the residual water treated at the Pastas Business’s production plants in Mosquera, the Retail Food Business’s production plants in the Dominican Republic and Costa Rica, as well as at the Chocolates Business’s production plants in Colombia and Costa Rica.

Grupo Nutresa’s total investment for improving the quality of treated wastewater totaled COP 15.255 million in 2020.

The Company will commit to reducing by 10% the water footprint of its main commodities.





Wastewater treatment plant at the Coffee Business facilities in Medellín, Colombia.

Regulation [GRI 303-1]

The World Economic Forum's 2020 report on the global risks places the access-to-water crisis among the ten most significant risks by probability and impact. In response to the perception and the mitigation plans for this risk, the countries are introducing more stringent regulations. The study also mentions a major economic impact derived from water-related risks. On another note, the UN's 2020 report "Water and Climate Change" states that hydrological resources act as a bond among agreements, alliances and international regulations that would materialize through the countries' development and legislation plans.

In Costa Rica, several regulatory changes have been already introduced. The regulations of the environmental standard for water discharges, Decree 42128-MINAE-S, enacts the one-year extension for the deadlines assigned to utilization authorizations and discharge permits that expire in 2020 (Resolution R-0080-2020-MINAE, Ministry of Environment and Energy).

The Regulatory Policy on Access to Drinking Water and Wastewater Sanitation of the Costa Rican Regulatory Authority for Utilities –abbreviated Aresep in Spanish– (Agreement 11-80-2020 of October 9, 2020) reinforces the National Policy on access to water, not only through the assurance of the supply of drinking water in optimal quality, reliability, timeliness and provision conditions, but also through the treatment and disposal of wastewater, including both sewage and rainwater.

In Chile, the Exempt Resolution DGA 1238 establishes the technical conditions and the nationwide schedule for installing and maintaining a system for monitoring and transferring effective extractions in underground water withdrawal works.



Employees From
the Chocolates
Business,
Colombia.

Water usage and conservation [GRI 303-1]

Water saving projects

The Cold Cuts Business improved the operation of the basket machine with the installation of visual controls and solenoid valves for the inspection of the water filling process at the supply and draining spots. This solution allowed saving more than 2.160 m³ of water per year. Additionally, the water consumption standardization project for the final water-spraying process of the Alkar smoker reduced the amount of salt used in the production of wieners and, therefore, lowered the volume of water required for the entire process, thus saving more than 250 m³/year.

Opperar, La Recetta and the Cold Cuts and Ice Cream Businesses implemented dry cleaning processes for their primary and secondary transport vehicle fleets, saving more than 1.000 m³/year of drinking water.

The Retail Food Business in the Dominican Republic eliminated by 100% the use of hot water in the conveyor belt for ice pops, allowing saving 430 m³ of water per year. In Costa Rica, water from the homogenizer cooling process was reused in the evaporative compressors, saving 99 m³ of water per month.

Also in Costa Rica, the Chocolates Business reduced its water consumption by 4% in relation to 2019 through monitoring measures, daily consumption measurement and the activation of the corresponding departments in charge with the aim of seeking immediate solution.

Water recirculation projects

The Pastas Business completed the installation of the unified evaporation process that recirculates the treated water, allowing the production plant to become a zero-water-disposal facility. The objective is guaranteeing that 100% of the treated water is reused for sanitary services. A total of 525 m³ of water were evaporated, thus protecting the El Gualí wetland in Cundinamarca, Colombia, which is adjacent to the Business's operation.

Water resources in the communities and in the value chain

The Cold Cuts Business made progress in the social-environmental project in the seven rural populations of the indigenous reservations near Toribío and Tacueyo in the Colombian state of Cauca, which includes the sustainable land use planning, an increase in silvopasture project planted areas, the strengthening of agroforestry systems, the protection of water springs and the passive restoration of native forests.

Dairy sector risk study

With advisory provided by the World Wildlife Fund (WWF), the Organization set in motion a study focused on identifying the sourcing risks of the dairy chain, including the risk associated with the management of water resources in Colombia and Costa Rica. The preliminary results show that the procedures and practices with a higher impact on the water-related risk are the handling of feces at ranches and milking and milk-collection stations, as well as the disposal of untreated wastewater and the contamination of water sources with agrochemical residue. In 2021, the Organization will complete the assessment of these risks and formulate action plans intended to reduce the water footprint in this important production chain.

Closing of the strategy for 2020

Water consumption (m³/t.p.)
Goal: -30%
2020: -33,3%

Over the 2010-2020 period, Grupo Nutresa accomplished major achievements, not only quantitative accomplishments in relation to the 30% consumption reduction goal, but also in terms of the expansion of crucial connections with strategic allies.





Commitment to
the SDGs

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



Energy

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

Solar panels at the
Chocolates Business
facilities in Rionegro,
Colombia.



Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Reducing the energy intensity of the operations.

- » **1,0%** reduction in the energy consumption in relation to 2019, with an accrued decrease of 23,5% (kWh/t.p.) between 2010 and 2020 in the industrial operations in Colombia.
- » **2,6%** increase in the use of energy with respect to 2019 in the operations in Mexico, Costa Rica, the Dominican Republic, Panama, Peru and Chile.

Reducing the use of electrical energy in the operations.

- » **3,1%** reduction in the use of electrical energy (kWh/t.p.) with regard to 2019. For the 2010-2020 term, the accumulated reduction in the operations in Colombia was 16,2%.

Reducing the use of thermal energy from non-renewable sources in the operations.

- » **0,1%** increase in the use of thermal energy from non-renewable sources –fossil fuels– (kWh/t.p.) with respect to 2019 in the operations in Colombia.
- » **26,6%** accumulated reduction in use of thermal energy from non-renewable sources (kWh/t.p.) for the 2010-2020 period in Colombia.

Increasing the use of energy from renewable sources.

- » **98,6%** of the energy used by the industrial facilities in Colombia comes from cleaner energy sources such as natural gas, (zero emissions of CO₂eq.) electrical energy from the national grid and biomass.
- » **46,3%** of the total energy usage of the industrial operations in Mexico, Costa Rica, the Dominican Republic, Peru, Chile and Panama corresponds to biomass. In Colombia, 16,52% of the total energy consumption is generated using biomass.
- » **Solar** power generation increased by 130%, in relation to 2019, with 5.309.000 kWh of photovoltaic solar energy generated by the Biscuits Business (59%), the Chocolates Business (40%) and the Coffee (1%).
- » **1,5%** of the electric power consumed in the production plants in Colombia was drawn from photovoltaic sources that use solar panels.

Risks and opportunities [GRI 103-1]

The energy supply in the regions where Grupo Nutresa operates is based on the availability of fossil fuels and on hydropower. The instability in the availability of these fuels is linked to increasingly complex geopolitical events due to the continued crisis in the Middle East, China's and India's increasing demand, the non-conventional oil extraction by hydraulic fracturing –also known as *fracking*– and the decrease of the oil and natural reserves in Colombia, among other factors, which bring about scenarios with growing uncertainty.

On another note, the variability of the climate phenomena affects the hydrological cycles, causing hydropower and wind power to have an additional risk due to the increasingly extreme meteorological events whose occurrence patterns have not been identified yet. Fossil fuel dependence will be increasingly costly in environmental, economic and social terms. Therefore, the energy transition is a fundamental part of Grupo Nutresa's strategic plan for 2020-2030 in search for a low-carbon economy that is aligned with the fulfillment of the Sustainable Development Goals (SDGs) and contributes to containing the increase of the planet's mean temperature at 2°C or less.

The search for renewable energy sources with a reduced environmental impact, furthering into the control of processes to increase energy efficiency and the adoption of new technologies for obtaining thermal energy are the key variables for ensuring the continuity of the processes, the reduction of the environmental impact and the minimization of the financial risks.

Future outlook and goal for 2030

Grupo Nutresa will continue making efforts to reduce its use of energy (25% for the 2020-2030 period), which will in turn allow reducing the pressure on resources such as hydrocarbons, mineral and hydrological, and contributing to the reduction of greenhouse gas emissions.

In addition, the Company will continue making progress in the search for a lower energy intensity and a lesser environmental impact of all its operations through the execution of the plans it has established to reduce its dependence on non-renewable energy sources, the increase in the use of alternative energies, the implementation of energy efficiency programs in the production processes, the technological overhaul, the incorporation of new low energy demand technologies, the development of less impactful 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. Consequently, this will contribute to the reduction of greenhouse gas emissions and mitigate some of the effects of climate change.



Employee from
the Chocolates
Business, Colombia.



Employee from the Biscuits Business in Costa Rica.

Material topic details [GRI 103-3]

Process optimization [GRI 302-3]

From 2010 to 2020, the Organization achieved an accumulated reduction of 23,5% in the use of energy from non-renewable sources and electric power. Despite the sanitary emergency caused by the COVID-19 crisis, Grupo Nutresa attained a reduction of 1,0% with respect to 2019. This result was achieved thanks to the identification of the main energy consumption focal points, the implementation of good operational practices, the development of new projects and the technological overhaul of processes. The following are some of the most outstanding initiatives in both Colombia and the strategic region:

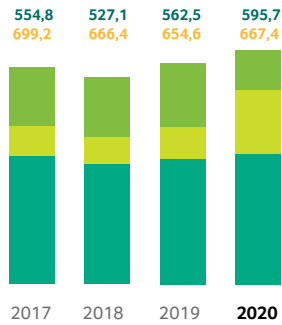
- Implementation of energy optimization projects in the generation of cooling capacity in the Cold Cuts and Ice Cream Businesses.
- Installation of photovoltaic panels for the generation of solar energy in the Biscuits Business.
- Technological overhaul and optimization of the consumption of natural gas in the Coffee Business's roasting process.
- Co-generation in the Pastas Business.
- Optimization of the steam production process using biomass in the Coffee Business.
- Transition to cleaner energy sources by the Chocolates and Pastas Businesses.
- Transition to cleaner fuels by Tresmontes Lucchetti.
- Expansion of the energy generation capacity using biomass in the Chocolates, Biscuits and Retail Food Businesses in Costa Rica.

Internal energy consumption [GRI 302-1] [GRI 302-3] [SDG 12.2]

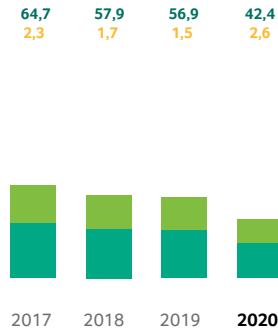
■ Non-renewable ■ Renewable ■ Electricity consumption

Total energy consumption GWh Consumption intensity (kWh / t.p.)

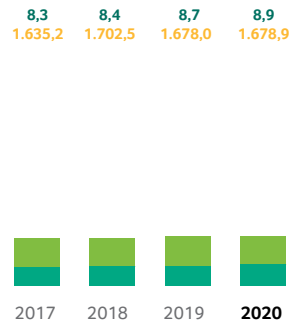
Colombia



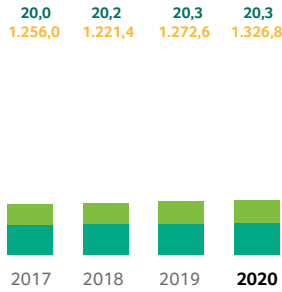
Colombia - Restaurants



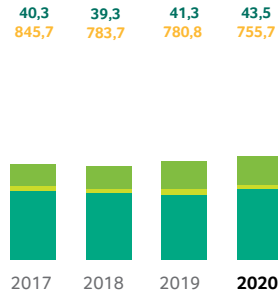
Panama



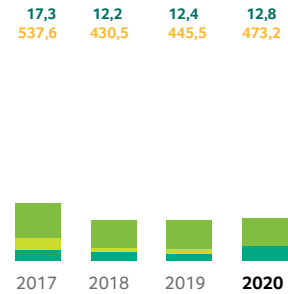
Peru



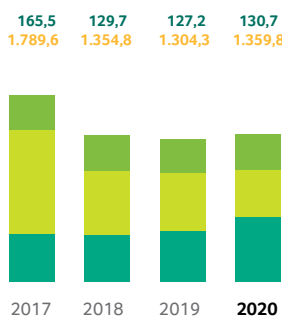
Costa Rica



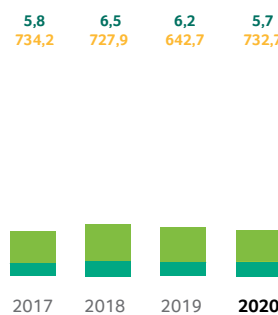
Mexico



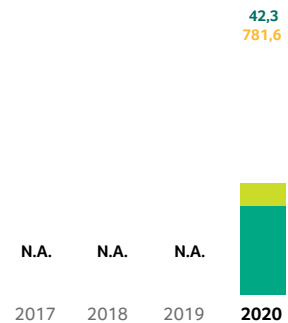
Chile



Dominican Republic



United States



* Consumption intensity for restaurants (kWh/main course)

Reduction of electric power consumption in the operations [GRI 302-4]

In Colombia, the decrease in the electric power indicator was 3,1% with respect to 2019, and a 16,2% accrued reduction was achieved between 2010 and 2020.

Part of this reduction in the use of electric power is associated with the declining lighting and air conditioning use patterns due to the 2020 sanitary emergency and the work-at-home condition for most of the administrative-position employees, as well as the interruptions to the production processes in some of the Businesses due to the effects of the pandemic.

Reducing the use of thermal energy from non-renewable sources in the operations [GRI 302-4]

From the total energy used at the industrial plants in Colombia, 55,8% corresponds to thermal energy from non-renewable sources –natural gas, diesel, liquefied petroleum gas (LPG), coal and petroleum–; 27,3% corresponds to electrical power from the national grid; and 16,9% to energy from renewable sources –biomass and solar power generated at the facilities–. The non-renewable thermal energy is based almost exclusively on natural gas 97,4% and the other fossil fuels represent 2,6% of the total thermal energy from non-renewable sources.

At the production plants in Mexico, Costa Rica, Panama, the Dominican Republic, Peru and Chile, the thermal energy from non-renewable sources corresponds to 48,8% and is based on natural gas, diesel, LPG, coal and petroleum; while 31,4% corresponds to electrical power from the national grid of each country. In the case of non-renewable thermal energy, 66,4% is based on natural gas, and the other fossil fuels provide 33,6% of the total thermal energy from non-renewable sources.

The Company works on accelerating the transition to cleaner energy sources with a lesser environmental impact –greenhouse gas emission reduction– and a lesser social impact –contribution to air quality improvement– caused by the use of energy. It is worth highlighting the results achieved over the past ten years in Colombia, where the use of cleaner fuels –biomass, natural gas and electrical power– was increased by 11,8%, going from representing 88,2% of the energy mix to representing 98,6%.

On another note, as the result of the research project titled *Study of the effect of critical factors of the use of thermal energy in steam autoclaves*, the Cold Cuts Business saved close to 150.000 m³ of natural

gas and reduced CO₂ emissions by 300 tons per year in the production of canned meat products.

The Company continues optimizing the biomass utilization processes in Tresmontes Lucchetti and the Coffee and Chocolates Businesses in Costa Rica, using solar energy in the Chocolates and Biscuits Businesses, and searching for energy alternatives with a lesser environmental impact, both in their sourcing and use, and that also contribute to the maximum possible reduction in the greenhouse gas emission output. In Colombia, the consumption indicator for thermal energy from non-renewable sources increased 0,1% in relation to 2019, and presented an accumulated reduction of 26,6% since 2010.

Green energy supply

Grupo Nutresa maintains its commitment to the use of electrical energy certified as zero emissions. In Colombia, 162,5 GWh of this type of energy were consumed, thus avoiding the emission of 16.000 tons of CO₂ eq. Tresmontes Lucchetti's four production plants in Chile used 36 GWh of zero-emissions electric power, preventing the emission of 10.000 tons of CO₂ eq. The Organization's allies in this field are Empresas Públicas de Medellín (EPM) in Colombia and Chilequinta in Chile, which certify the green energy through hydropower and wind power projects.

Increasing the use of renewable energy sources

The energy transition from fossil fuels (coal, oil and its byproducts, and natural gas) to renewable sources (solar panels, biomass, wind turbines, etc.) makes it possible for *in situ* generation systems to be more common.

The drop in the manufacturing costs of solar panels and their related technologies due to the widespread development allow Companies to generate energy at their own industrial facilities. In 2020, the Biscuits Business, in a partnership with the firm Celsia, started generating electrical power with the installation of 1.553 photovoltaic solar panels that generate 113,214 kWh of energy. Currently, the use of biomass and solar energy represents 16,9% of the energy used in Mexico, Costa Rica, Panama, the Dominican Republic, Peru and Chile, and 19,9% of the energy used in Colombia.

Closing of the strategy for 2020



From the decade that is ending, it is worth underscoring the efforts made by all Businesses to reduce the use of electric power across all their processes: energy audits, lighting system replacement, automation, technological overhaul of motors, optimization of pumping and venting processes – implementation of variable-frequency drive devices–, and the acquisition of equipment and services –compressed air– with better energy performance characteristics, which were made at the production plants of all the Businesses across all geographies. Despite not having fully achieved the goal that was set to reduce energy usage (kW/t.p.) by 25%, the Organization did make major progress in this field.





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, implementing clean technologies, efficiently using the commodities in Grupo Nutresa's operations, and adapting the products intended for consumers with a higher level of awareness.

Commitment to the SDGs



Electric vehicle used for recovering waste at the production facilities of the Chocolates Business in Rionegro, Colombia.

Strategy

[GRI 103-2]

Progress achieved in 2020

[GRI 103-3]

Climate change governance.

- » **Renewal** and definition of roles, responsibilities and structure for climate governance based on the framework of the Task Force on Climate-related Financial Disclosure (TCFD).

Raising awareness about climate change.

- » **345** suppliers participated in the sessions for learning and the exchange of good practices related to environmental sustainability.
- » **1.500** employees received training in strategies to mitigate climate change through virtual actions.

Reducing the emissions of greenhouse gases.

- » **Grupo Nutresa** achieved a 46,4% accumulated reduction in terms of GHG (scopes 1 and 2) between 2010 and 2020 in Colombia, and 1,6% between 2019 and 2020 in Mexico, Chile, the Dominican Republic, Panama, Peru and Costa Rica.
- » **Renewal** of the green electric power certificate for a period of nine years, and expansion of the scope to new acquisitions in Colombia.
- » **100%** reduction in the scope 2 emissions in Colombia.
- » **Implementation** of an agreement for the purchase of non-conventional renewable energies in Tresmontes Lucchetti in Chile.

Expanding the use of lower-impact commercial assets.

- » **Accumulated** acquisition of 4.593 more environmentally friendly refrigerator units at Comercial Nutresa, reducing electricity consumption by more than 800.000 kWh/year.

Mitigating the impact of the products on the climate throughout their entire life cycle.

- » **Continuity** of the carbon neutral certification for four brands, Livean, Zuko, Evok and Tosh, which calculate, reduce and offset the GHG emissions produced throughout their life cycle. In total, 38.716 tons of CO₂ eq. were offset.

Climate, physical and regulatory risk assessment.

- » **Definition** of the assessment scale according to the Integrated Risk Management Model to assess the probability of occurrence and the consequences in relation to the EBITDA.
- » **Assessment** of secondary climatic risks and formulation of the climate action plan.
- » **Identification** and assessment of externalities associated with land use and climate change.

Reducing the impact on air quality.

- » **Reduction** of 1.060 tons of CO₂ eq. thanks to the acquisition of electric and natural gas vehicles, and the planting of native trees in wetlands in Colombia.

The Company works on initiatives for the mitigation and adaptation that will be achieved through the understanding of the climate resilience strategy.

Risks and opportunities [GRI 103-1]

Grupo Nutresa, working jointly with the consulting firm Ecoacciones, consolidated the methodology for the analysis of financial risk derived from climate change. The methodology was first aligned with Grupo Nutresa's Comprehensive Risk Management methodology, and other processes such as *"The climate change risk management matrix: a process for assessing impacts, adaptation, risk and vulnerability,"* an initiative devised by government of the state of Queensland, Australia, and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

As a result of this activity, the Climate Resilience Strategy for Grupo Nutresa was created and the main risks and opportunities related to climate change that may affect the Organization's ability to generate value were identified. Additionally, the climate action plan was formulated in order to establish actions with adaptation approaches based on infrastructure, technology or nature, mitigation, science and technology.

In the analysis, the Company evaluated fifteen climatic variables for Colombia. The risk assessment showed scores ranging from acceptable to moderate. The risk level result for the flooding increase variable was "important risk," since it may lead to the restriction of access to supplies or the marketing of products due to damaged roads, damage to crops and/or plantations, increased cultivation costs, damage to physical assets at farms and adverse effects on the operations.

Future outlook and goal for 2030

Grupo Nutresa has set a new commitment for 2030: to reduce by 40% the specific emissions (kg of CO₂ eq./t.p.) of GHG (scopes 1 and 2) produced in the operations, and ensuring that 100% of the main commodities are obtained productively and sustainably, while conserving biodiversity.

That is why the Company will continue working on initiatives from a mitigation and adaptation approach, which will be achieved through understanding the climate resilience strategy and other tactics. Likewise, the Organization hopes to continue contributing with these actions to the fulfillment of the Sustainable Development Goals (SDGs) and to Colombia's commitment to reduce GHG emissions by 51% over the next ten years, compared to the base year 2010.

Another approach is the promotion of culture and the linking of more related groups, ensuring the continuity of initiatives such as the participation of suppliers in the exchange of sustainability practices, training and awareness-raising activities, creation of guides on environmental sustainability, development of web sites with relevant information on GHG mitigation and offsetting.

Success stories and acknowledgments [GRI 103-3]



New transport fleet powered by green energy

This new distribution fleet is made up of 14 electric vehicles from Comercial Nutresa and the Coffee Business that allow reducing GHG emissions by more than 375 tons of CO₂ eq. over a three-month period.



Renewable energy generation

The Biscuits Business installed the first pilot phase of photovoltaic solar energy, generating 28.000 kWh per month and decreasing 22 tons of CO₂ eq. over the year.



Less water, fewer emissions

The Company implemented the dry cleaning of vehicles at Opperar's facilities, thus reducing commute distances and emissions by 51,0 tons of CO₂ eq. per year.



Environmental commitment of the Cold Cuts Business's El Morro pig farm

The Cornare Environmental Corporation awarded this recognition for the execution and development of the activities that are part of the evaluation and categorization of pigs of the Green Growth and Climate Change Agreement of the pig sector in the eastern Antioquia region in Colombia. This acknowledgment program is led by the local environmental authority and aims to promote both green growth and sustainable development, particularly reducing the emission of GHG from the production activities, thus favoring a type of development compatible with the climate of the region. The results were achieved through the implementation of good energy practices such as natural lighting and LED lighting, as well as the replacement of refrigeration equipment.



Maintenance performed on commercial assets to contribute to reducing the environmental impact.

Material topic details [GRI 103-3]

Governance and organizational culture

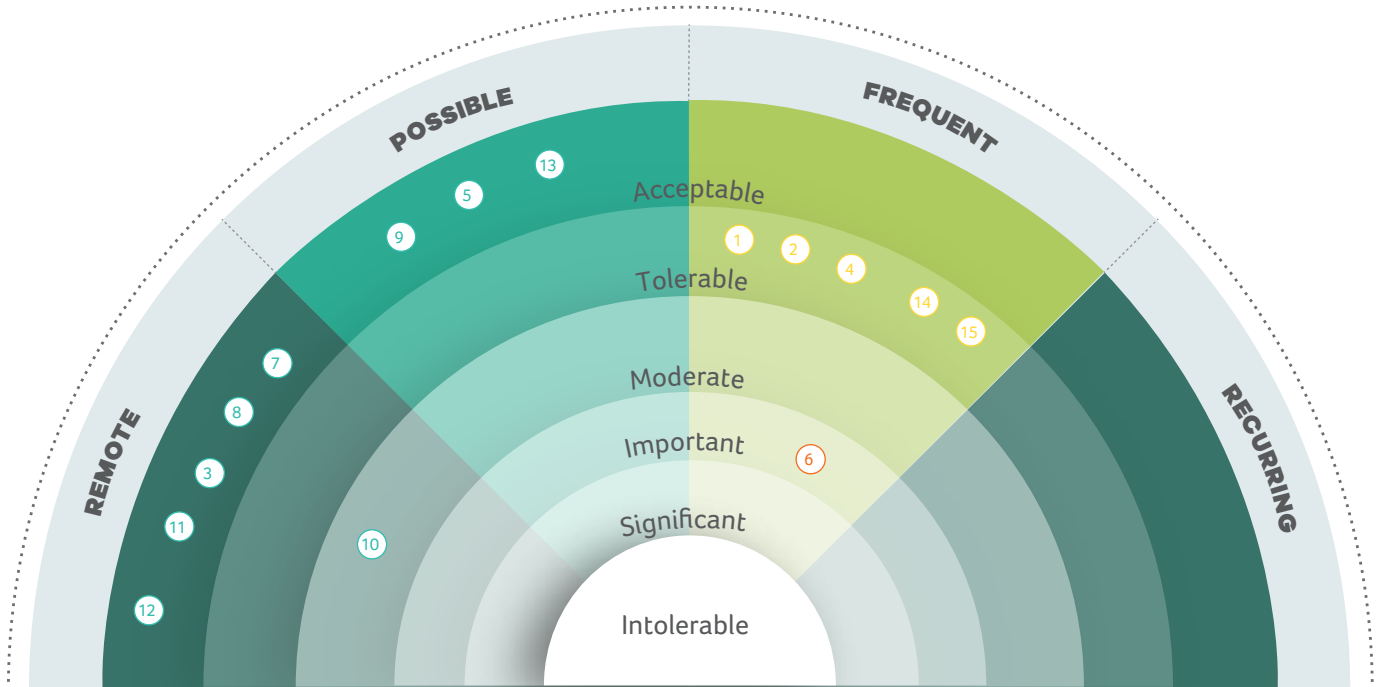
Grupo Nutresa confirms its commitment acquired through the [Climate Change Policy](#), which establishes the corporate guidelines related to the integral management of climate change for achieving a low-emission and climate-resilient development by 2030. The Company defined and renewed the roles, responsibilities and structure for climate governance based on the framework of the TCFD, allowing the implementation of a climate management model within the Organization.

As to the roles, Grupo Nutresa's Board of Directors has the responsibility of steering and supervising the comprehensive climate change strategy. For its part, the Senior Management is in charge of ensuring that the strategy is put into practice by creating incentives, establishing metrics and measuring

the performance of the employees who participate in its implementation. Likewise, the Businesses are responsible for executing the strategy through mitigation and adaptation programs and initiatives, and the allocation of resources to carry them out in their operations.

In 2020, the Organization identified and assessed the risks and opportunities posed by climate change for both the Company and its value chain. The assessment includes all physical, financial and regulatory risks and opportunities, as well as those related to market access and to the changes in the preference of consumers. The risks included and the assessment results are shown below.

Map of climate risks



③ 3,2 mm rise in the ocean levels by 2040.

⑤ Increase in the intensity and frequency of wildfires.

⑪ Not implementing agricultural practices that sequester carbon.

⑬ Requirements that demand providing detailed environmental information of the products.

⑨ Uncertainty related to the market signals.

⑦ Increase in the intensity and frequency of tropical storms.

⑫ Not implementing technologies that allow improving the adaptive capacity and resilience of crops and plantations with regard to climate change.

⑧ Negative feedback from the stakeholders in relation to meeting the expectations of customers and society in terms of climate action or the failure to do so.

⑩ Not developing new low-carbon production solutions (transition to low-carbon technologies that allow improving the efficiency in terms of the use of resources, production and distribution processes).

① 1,4 °C increase in the average temperature.

② Increase in the intensity and frequency of droughts.

④ Increase in the intensity and frequency of rainfall.

⑭ Changes in the preferences of consumers towards low-carbon and environmentally friendly products.

⑮ Increase in the emissions of CO₂ eq. (332,420 Gg of CO₂ eq. by 2030).

⑥ Rise in the intensity and frequency of floods and sudden water-level increases.

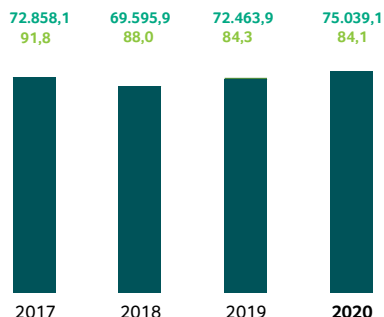
Furthermore, through its impact measurement model under the *true value* methodology, the Organization assessed the externalities associated with land use, climate change and air quality in the value chain. This allowed identifying the positive and negative impacts associated with the intervention of natural capital and soil ecosystem services and the purchase of certified *commodities*, as well as those associated with GHG emissions and air pollutants in the chain, eco-efficiency initiatives, emission offsetting and the use of clean energies.

Moreover, the Company organized and held training and culture sessions aimed at raising awareness about circular economy, sustainable mobility and climate change. More than 1.500 employees participated in such activities. Grupo Nutresa also organized panel discussions with experts on these matters with the purpose of promoting better habits among the employees.

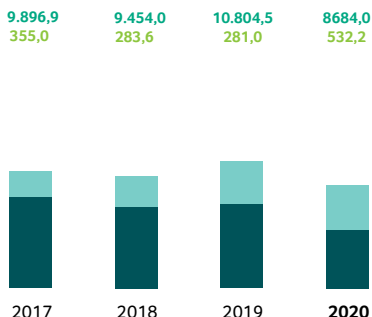
Direct and indirect emissions (scopes 1 and 2)
[GRI 305-1] [GRI 305-2] [GRI 305-4] [SDG 13.1] [SDG 12.2]

■ Scope 1 emissions (tons of CO₂eq.)
 ■ Scope 2 emissions (tons of CO₂eq.)
■ Total (scope 1 and 2) emissions (tons of CO₂eq.)
 ■ Total (scope 1 and 2) emissions (kg of CO₂eq./t.p.)

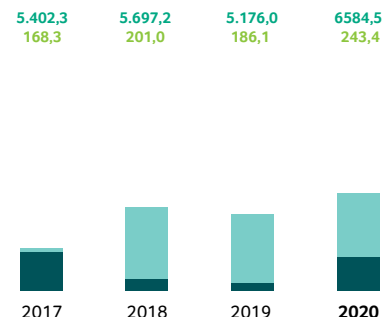
Colombia



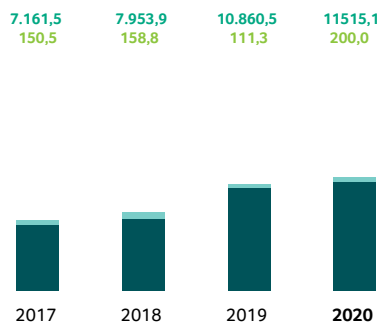
Colombia - Restaurants



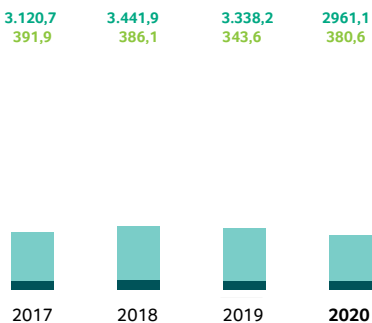
Mexico



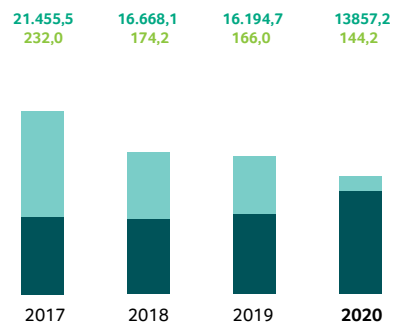
Costa Rica



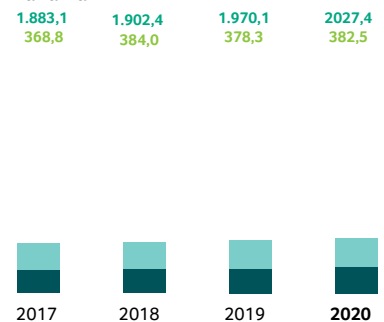
Dominican Republic



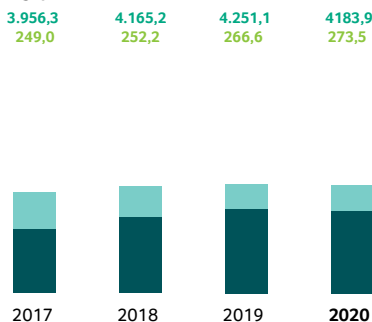
Chile



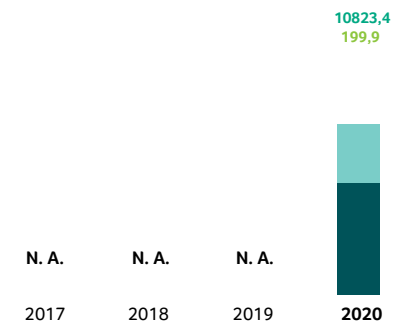
Panama



Peru



United States

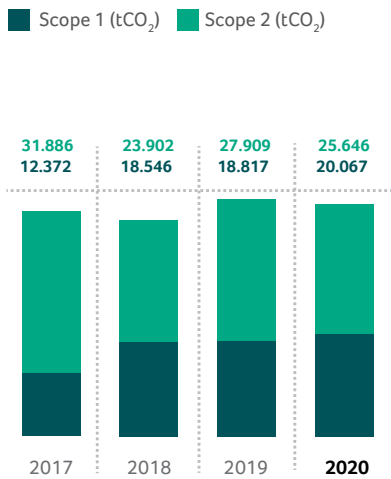


* Consumption intensity for restaurants (tons of CO₂ eq./main course)



Chocolates Business facilities in Rionegro, Colombia.

Logistics operations in Colombia



The goals were achieved thanks to the improvement of production processes, replacement of more environmentally friendly fuels and refrigerants, energy eco-efficiency projects, implementation of environmental practices and innovation in processes and products.

Reduction of industrial process emissions [GRI 305-5] [SDG 13.1]

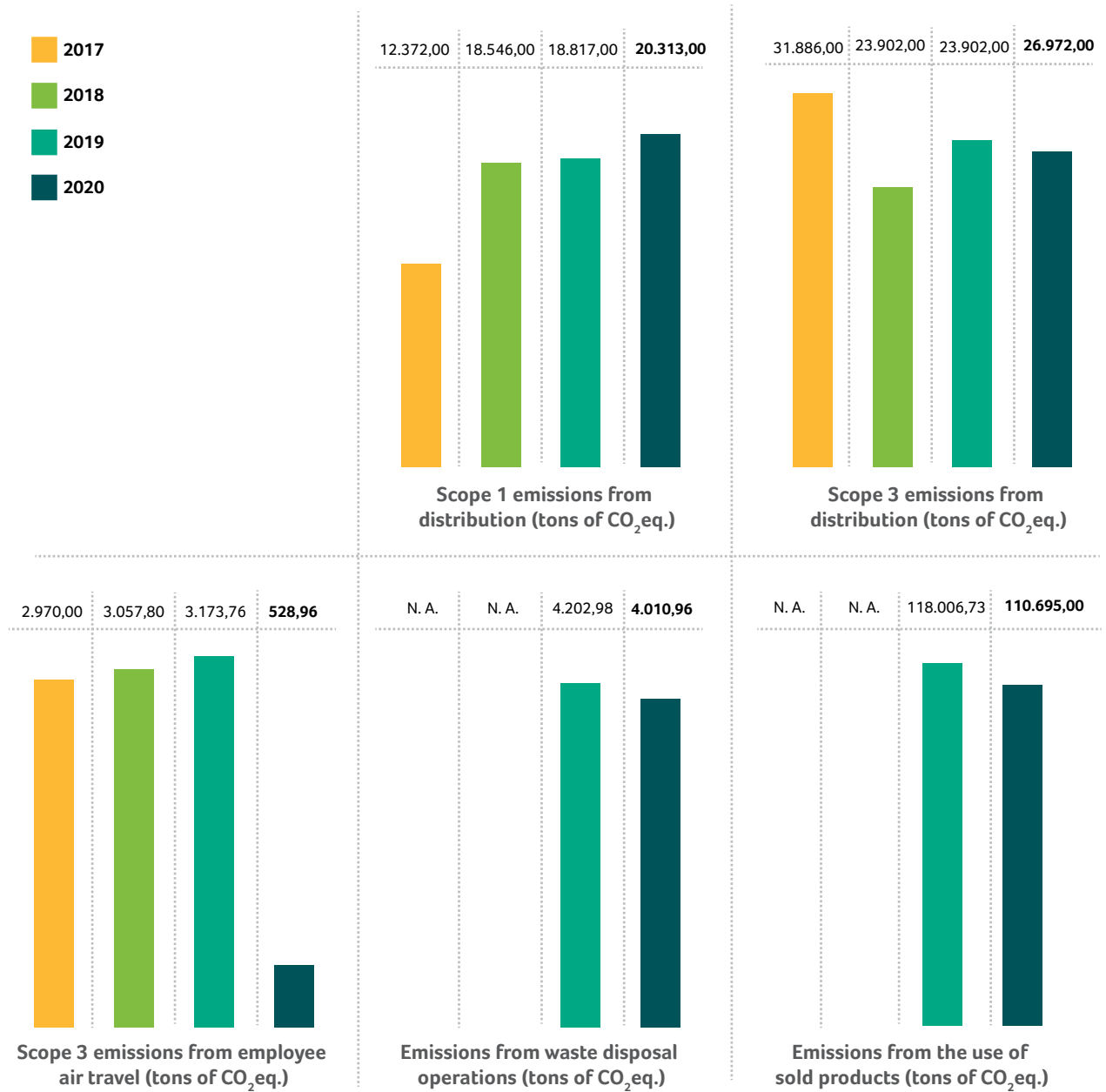
Grupo Nutresa achieved a 46,4% accumulated reduction in terms of GHG (scopes 1 and 2) between 2010 and 2020 in Colombia, and 1,6% between 2019 and 2020 in Mexico, Chile, the Dominican Republic, Panama, Peru and Costa Rica.

Additionally, the Company renewed the green electric power certificate for a period of nine years and the scope was expanded to new acquisitions in Colombia.

Reduction of greenhouse gas emissions [GRI 305-5] [SDG 13.1]

Net emissions reduction in tons of CO ₂ eq.	2018	2019	2020
From scope 1 thermal energy	757,6	-	64,8
From scope 2 electrical energy	61,7	2.846,9	6.561,7

Other scope 1 and 3 greenhouse gas emissions [GRI 305-3] (SDG 13.1)



Grupo Nutresa achieved an accumulated acquisition of 4.593 refrigerator units that are environmentally friendlier through Comercial Nutresa.

Carbon neutrality in products and processes

The Biscuits and Chocolates Businesses in Costa Rica have the Carbon Reduction Plus and Carbon Neutral corporate certifications, respectively, and they offset 431,7 tons of CO₂ eq.

In the industrial operations, multiple projects were developed in line with the Climate Change Policy. The following are some of such projects that stand out:

- In the Chocolates Business in Costa Rica, the coating process and the corresponding tank were automated, which allowed decreasing 3,8 tons of CO₂ eq. per year.
- The Coffee Business in Bogotá increased the equipment's green coffee load capacity, going from 320 kg/batch to 360 kg/batch. In addition to increasing productivity and allowing an efficient consumption of natural gas, this leads to a decrease of 260 tons of CO₂ eq. per year.

Carbon footprint of products

Grupo Nutresa completed the measurement, reduction and offset of the carbon footprint of four of its brands. In total, 38.716 tons of CO₂ eq. were offset through the following projects:

- The Valdivian Coastal Conservation Reserve project in Chile.
- Guatemala Water Filtration and Improved Cookstoves, Gold Standard, in Guatemala.
- West India Wind Power in India.
- Iniciativa Banco 2 (Bank 2 Initiative), forest conservation project in eastern Antioquia in Colombia.
- Bosque Vivo Osa (Living Forest Osa), FONAFIFO. Payment scheme for environmental services in Costa Rica.
- I-REC certificates, electric power from renewable sources.

The Organization achieved a 28,75% reduction of the Tosh brand's carbon footprint of compared to 2017, as a result of the improvement in formulations, mainly

reducing the content of sugar and other components and optimizing the use of packaging materials and the production processes.

Thus, the carbon offset for the Tosh brand has totaled 73.066 tons of CO₂ eq. since 2017, and in the case of Zuko and Livean, it has totaled 38.565 tons of CO₂ eq. since 2019.

Lower-impact products

Grupo Nutresa achieved an accumulated acquisition of 4.593 refrigerator units that are environmentally friendlier through Comercial Nutresa. This allowed reducing electricity consumption by more than 800.000 kWh/year.

Sustainable livestock farming

Since 2019, Grupo Nutresa operates under the guide of strategic recommendations for environmental sustainability in the primary production of beef. This has allowed the Organization to diagnose 29 suppliers from the integrated livestock farming model of the Cold Cuts Business and identify opportunities related to good environmental sustainability practices. The following are examples of such opportunities: silvopasture systems, use of diverse forage species, erosion control, management of vegetation cover in soils, among other, all of which contribute to the mitigation of GHG emissions associated with the livestock farming sector.

In addition, through the Cold Cuts Business in Colombia, the Company secured the certification for good livestock practices for five of its livestock ranches. This aims to manage biological, physical and chemical risks generated at the ranches and also produce environmental benefits such as the protection and conservation of hydrological sources, animal welfare and the minimization of environmental impacts.

Air quality

The Organization developed initiatives to improve air quality that helped to reduce approximately 1.060 tons of CO₂ eq. in 2020, such as:

- Incorporation of eleven electric vehicles and five natural-gas-powered tractors by Comercial Nutresa, Opperar and the Pastas and Cold Cuts Businesses.
- The Chocolates Business in Colombia planted seven hundred native trees in the wetlands of the Piamonte area in Rionegro, in the Colombian state of Antioquia.
- Implementation of dynamic routing (route optimization) by Comercial Nutresa, Opperar and the Ice Cream and Cold Cuts Businesses.
- Improvements in the control of atmospheric emissions.

- Acquisition of 22 natural-gas-powered vehicles by Opperar, Comercial Nutresa and the Pastas Business, which entailed a reduction of 12 tons of CO₂ eq./year.
- Dynamic routing or route optimization by Opperar, Comercial Nutresa and the Cold Cuts and Ice Cream Businesses, which has allowed a reduction of more than 7 tons of CO₂ eq. over a two-month period.
- Optimization of the programming for vehicle pre-cooling process, which represented a reduction of 9,8 tons of CO₂ eq.
- 4.974 employees working from home and 658 telecommuters, who represented an approximate reduction of more than 4.900 tons of CO₂ eq. per year.

Additionally, the Organization maintained the control and monitoring of the pollutants emitted into the atmosphere, which is carried out at each of the production plants through isokinetic monitoring systems.

Air pollutant emissions [GRI 305-7]

Country	Colombia		Chile		Costa Rica		Peru		Mexico	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
PM: Particulate material (kg)	33.467,00	40.037,16	5.240,00	4.293,25	305,40	220,75	142,00	149,60	61,00	153,11
SO ₂ : Sulfur dioxides (kg)	7.629,00	10.685,37	6.817,00	4.525,07	43,40	31,72	11,00	11,81	289,00	69,79
NOX: Nitrogen oxides (kg)	78.691,00	94.894,44	36.203,00	32.441,78	5.686,00	4.113,56	936,00	984,22	846,00	530,68
VOC: Volatile organic compounds (kg)	2.130,00	2.111,63	15.097,00	0,00	0,00	0,00	0,00	0,00	1.103,00	0,00

The emissions are derived from the heating sources at each production plant (furnaces and boilers) and from the coffee roasting process. For the calculation, the Organization uses the AP-42 emission factors established by the Environmental Protection Agency (EPA).



Expenses and investment in emission control systems

Grupo Nutresa made two investments focused on emission control systems:

- **COP 94.934.102** in improvements in the emission control systems (cyclone dust collector units, boiler sleeves and drying chamber) in Tresmontes Lucchetti in Chile.
- **COP 3.431.912** associated with the change of the air surge in the filter of the sleeves of sprayer No. 2 in the Chocolates Business in Colombia.

Closing of the strategy for 2020



Greenhouse gases (CO₂ eq./t.p.)

Goal: -33%

2020: -46,4%

Grupo Nutresa resolved to reduce its GHG emissions (scopes 1 and 2) by 33% between 2010 and 2020. As of the end of such period, the Organization fulfilled its objective having achieved an accumulated reduction of more than 46,4%. This achievement was accomplished thanks to the commitment to implementing projects, practices, operational controls and investments, in addition, of course, to the mobilization of the culture and the participation of the Company's network of allies.



1



2

Transport

- **Acquisition of 22 natural-gas-powered vehicles** and 14 electric vehicles for the distribution operation of Comercial Nutresa, Opperar and the Cold Cuts, Pastas, Coffee Businesses. Operation of an electric vehicle by Comercial Nutresa, which allowed achieving a decrease of more than 375 tons of CO₂ eq. over a three-month period.
 - **Efficient driving training** sessions.
 - **Sustainable corporate mobility** strategies.

Industrial Operations

- **The boiler fuel replacement process** led to a reduction of 6.134 tons of CO₂ eq. per year in the Chocolates Business.
- **Technological incorporation** through economizers installed in boilers in the Chocolates and Cold Cuts Businesses.
- **Use of coffee biomass** in the Coffee Business and Tresmontes Lucchetti, as well as the use of wheat bran and tea biomass in Tresmontes Lucchetti. In the case of the Chocolates Business in Costa Rica, the biomass comes from wood chips certified under sustainable forest management standards.
- **Generation of solar energy** in the Chocolates and Biscuits Businesses as part of an alliance with Celsia.
- **Migration** to greener refrigerants.
- **Energy efficiency** in production processes.
- **Boiler fuel replacement project** in the Chocolates Business in Costa Rica, as well as in the Coffee Business and Tresmontes Lucchetti.



Commitment
to the SDGs

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



Waste, packaging materials and post-consumption management

Reducing the production of waste and increasing its recovery and reutilization with the purpose of lowering the operating costs and mitigating the environmental impact from both the direct operations and the value chain by extending the life cycle of the materials.

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.

Employee from the
Chocolates Business,
Colombia.



Strategy
[GRI 103-2]

Progress achieved in 2020
[GRI 103-3]

Reducing the waste produced in Grupo Nutresa's operations.

- » **28,2%** reduction in the waste output per ton produced without wastewater treatment plant sludges for the 2010-2020 period in Colombia, and 5,5% reduction for Mexico, Costa Rica, Dominican Republic, Panama, Peru and Chile with respect to 2019.

Lowering the output of ordinary waste.

- » **10%** reduction in the waste that is sent to the landfill regarding the operations in Colombia, and 23,4% increase for the international platforms in comparison to the previous year.

Increasing the percentage of waste produced that is recovered and reused.

- » **90,0%** of sludge-less WWTP waste recovered and utilized in the operations carried out in Colombia.

Increasing the use of closed-cycle materials.

- » **76,9%** of the total tons of packaging solutions purchased in Colombia were manufactured with closed-cycle materials.

Strengthening the initiatives focused on the eco-design of wrappers and packaging.

- » **Implementation** of the packaging eco-design manual in the eight Businesses within the strategic region.
- » **Reduction** of 187 tons of packaging materials under the DTV – *Design-to-Value*– methodology, for a total accrued reduction of 2.816 tons since its implementation in 2013.

Reducing the consumption of packaging materials per ton produced.

- » **2,8%** reduction in the consumption of packaging materials per ton produced from 2010 to 2020.

Implementing cycle-closing initiatives for post-industrial flexible packaging materials.

- » **81** tons of flexible plastics recovered through a collaborative industrial-symbiosis project in the Cold Cuts Business for the transformation of plastic waste into recycled *pellets* that are used as raw materials in other industries.

Designing and implementing cycle-closing initiatives for post-consumption materials.

- » **2,7** tons of plastic packaging solutions collected through the "Nutresa Retoma" (Retake) Program, a proprietary reverse logistics model that allows recovering post-consumption flexible plastic packaging materials from the market.

Grupo Nutresa has established new purposes for 2030: having 100% of the packaging materials of its brands designed to be recyclable, reusable or compostable.

Risks and opportunities [GRI 103-1]

Grupo Nutresa is aware of the high level of waste production and the challenges for recovering and utilizing them, as well as the impact of packaging materials throughout their life cycle. Packaging materials generate a constant demand for natural resources and reduce the service life of landfills. In Latin America, only 10% of the exploitable/reusable waste is effectively recycled. The waste and the packaging materials that are not exploited or reused end up at landfills. For this reason, in Colombia, 48% of the landfills are in critical conditions with a remaining service life of less than ten years (according to the report *“Final solid waste disposal 2019”*). Therefore, for Grupo Nutresa, it is a priority to implement circular economy models that enable the adequate management of waste and packaging materials throughout their life cycle, particularly in the final disposal stage. To fulfill this priority, the Organization has implemented eco-design initiatives focused on optimizing the specifications of the packaging solutions while maintaining their functionality, preserving the quality of the products and achieving a better environmental performance.

On another note, the increase in the legislations focused on regulating waste management and establishing more stringent frameworks, such as the producers' extended responsibility (abbreviated REP in Spanish) in a number of geographies, represent a major challenge and opportunity to develop capabilities for the comprehensive management of waste, which is based on new technologies and public-private alliances focused on creating circular economy models and mitigating the environmental impact of packaging materials throughout their life cycle.

Future outlook and goal for 2030

Grupo Nutresa has established new purposes for 2030: having 100% of the packaging materials of its brands designed to be recyclable, reusable or compostable; achieving the goal of zero industrial waste disposed to the environment; and reducing food loss by 30%.

These commitments will be based on the design of packaging solutions with sustainable models that allow accelerating circular economy models throughout their life cycle and maintaining comprehensive waste management strategies.

Likewise, the packaging eco-design manual, which was implemented in 2020, will allow determining and monitoring the efficiency in the use of resources from the beginning of the packaging development stage, maintaining quality and consumer satisfaction, as well as the differentiation of the product portfolio and competitiveness.

Finally, Grupo Nutresa will continue strengthening the alliances in the packaging materials recovery and reuse chains, such as the Vision 3030 of the National Business Association of Colombia (ANDI) and Chile's Gransic de AB, to address the regulations and promote a network of actors committed to circular economy, the sustainable use of resources and consumer education.

Success stories and acknowledgments [GRI 103-3]



“Nutresa Refill,” an exemplary recycling model

This overarching recyclability solution gathers the technical component of the packaging materials, the recovery and transformation of post-consumption flexible materials and the communication with consumers to educate them about packaging material waste management. The first stage included the participation of 9 brands from 6 Businesses in Colombia, which returned recyclable packaging materials through the Novaventa channel. In addition to this, the Organization achieved the reduction of 749 kg of flexible plastic packaging materials over the three execution campaigns through this channel.



Reuse of plastic lids and buckets

The Retail Food Business in the Dominican Republic implemented a model focused on reusing 2-gallon plastic buckets and their lids, which undergo a washing and disinfection process to make them suitable for reuse multiple times until the end of their service life. When the materials cannot be reused any further, they are delivered to the corresponding supplier for a subsequent pelleting process in order to be brought back as plastic trays. In 2020, the Company reduced its consumption of plastic materials by 188 tons under this initiative.



Circularity strategy of the Coffee Business and its sourcing chain

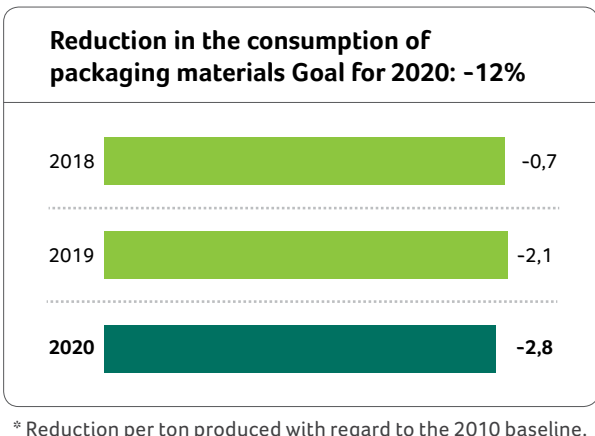
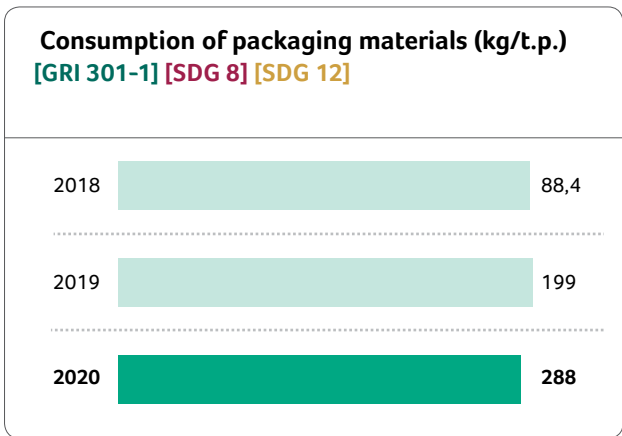
Since 2014 and as part of an alliance with the Farallones Coffee Processing Central Plant, the Coffee Business has worked on developing circularity strategies and installed a coffee pulp dryer that transforms 4.140 tons of coffee husks and mucilage per year into ingredients for new value added products.



Employees from the Biscuits Business in Colombia.

Material topic details [GRI 103-3]

The Organization’s evolution in the management of packaging materials over the past years is reflected on multiple indicators: yearly consumption of packaging materials per ton produced and reduction in the consumption of packaging materials per ton of product with regard to the 2010 baseline.



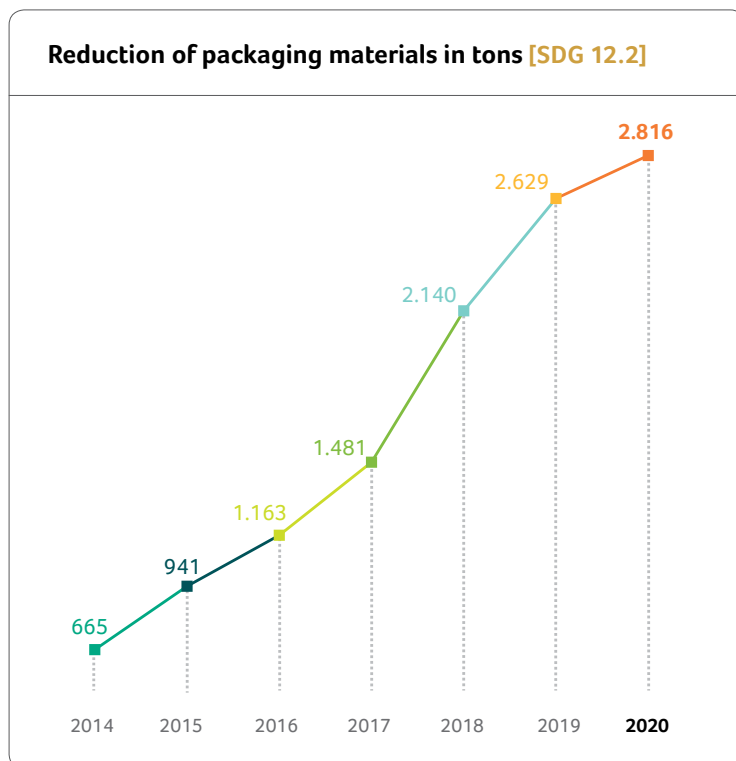
* Reduction per ton produced with regard to the 2010 baseline.

Eco-design of wrappers and packaging

Grupo Nutresa continues devoting efforts to the efficient design of packaging solutions and the unification of criteria across its multiple Businesses. A notable example of this is the implementation of the packaging eco-design manual, which covers from the initial phase of the cycle of a packaging solution, to its final disposal. Likewise, it will strengthen the sustainable packaging culture across all the geographies where the Company operates.

This initiative has enabled the Organization to work collaboratively with suppliers, recycling chain experts and public and private institutions on the creation of sustainable packaging solutions that allow optimizing the resources and preserving the quality and competitiveness features that are essential in meeting the needs of both customers and consumers.

With the implementation of the *design-to-value methodology* in its productive Businesses, the Organization has achieved a reduction of 187 tons of packaging materials, for a total of 2.816 tons over the eight years the methodology has been in place. This reduction has been accomplished by means of efficient design initiatives that take into account the attributes valued by consumers, the behavior of the market in general and the context of the entire value chain. Some of the initiatives that have been implemented are focused on optimizing mechanical blueprints, thickness reduction, replacement with more environmentally efficient materials and solutions intended to optimally close their cycle.



Among the projects focused on improving the management of packaging materials, it is worth highlighting the replacement of materials in the Chocolates Business in Mexico, where PVC was replaced with PET for the pods of the Nucita brand, thus increasing their degree of recyclability. The Retail Food Business installed at one of its production plants in Colombia an iso-tank for the on-line storage and dispensing of soy oil, which allowed eliminating the use of plastic tubs. Moreover, reduction and optimization actions were implemented in the eight Businesses in Colombia and across the strategic region for all types of packaging materials. This enabled the Company to eliminate the use of 187 tons of packaging materials across the multiple categories.

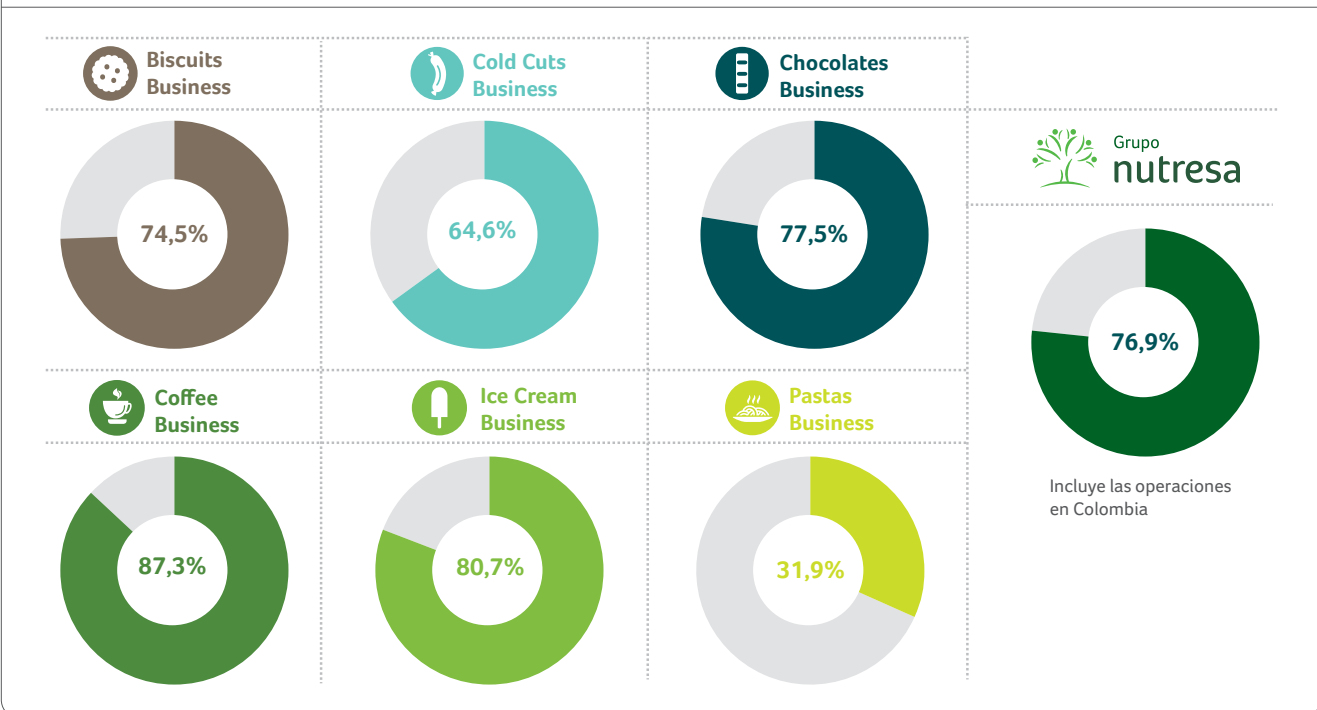


Employees from the Coffee Business, Colombia.

Increasing the use of closed-cycle materials

The use of closed-cycle packaging materials rose to 77,5%, including corrugated cardboard, paperboard, glass and tin. This percentage included the Cold Cuts, Biscuits, Chocolates, Coffee, Pastas and Ice Cream Businesses in Colombia.

Share of closed-cycle materials [SDG 12.5]





Packaging material recovery program in the Businesses.

Recycled input materials used [GRI 301-2] [SDG 12.5]

77% of the packaging cardboard and 41% of the glass for the containers and bottles used by Grupo Nutresa in Colombia have recycled materials in their composition. To enhance the circular economy processes for the packaging solutions, the Company favors those that include a content of recycled raw materials in its composition. In the case of cardboard boxes, the Organization works with suppliers that hold sustainable production certifications, such as the Forest Stewardship Council (FSC) seal; while in the category of foldable materials, Grupo Nutresa works with suppliers that provide materials based of sugar cane fibers.

Products and packaging materials recovered [GRI 301-3] [SDG 12.5]

The Organization continues working on the design and execution of initiatives focused on closing the cycle of post-industrial and post-consumption packaging materials. With help from its strategic allies, the Company transformed 114 tons of waste of post-industrial flexible plastic materials from the Cold Cuts and Ice Cream Businesses in Colombia, which were recovered through recycling processes for the production of new plastic elements for other industries.

To strengthen the packaging material cycle-closing processes, Grupo Nutresa undertakes initiatives that involve diverse agents from the entire chain with the aim of collecting and transforming

post-consumption packaging materials. One of such initiatives is the “Sabor Costeño” (Coastal flavor) project, developed by the Coffee Business in Colombia, which encourages consumers to sort and recycle the flexible wrappers of its Sello Rojo brand to exchange them for home utensils. This program allowed recovering 3,2 tons of packaging materials.

The Coffee Business also recovered and transformed 3,8 tons of beverage pods into school furniture for low-income schools under an overarching material collection initiative.

With “Nutresa Retoma” (Nutresa retakes), an initiative launched in the second half of the year in Medellín, 2,7 tons of post-consumption flexible materials were collected, with the support of a strategic ally, in order to transform them into “plastic wood” for outdoor furniture and ecological stations

At the internal level in Colombia, Grupo Nutresa continued fostering its “Ver de Vuelta” (Take them back) Program among its employees in Medellín, Bogotá and Cali. This initiative promotes the recycling culture focused on post-consumption plastic packaging materials, which are recovered and transformed into “plastic wood” with the support of the Botellas de Amor Foundation.



For further more information about Grupo Nutresa's commitment for 2030 regarding packaging materials, please read its sustainable packaging policy.

Waste management

As part of its commitment to implement efficient waste management strategies that allow closing the cycle of materials and reducing the amount of materials shipped to the landfills, Grupo Nutresa reduced its production of sludge-less waste by 28,2% in its operations in Colombia based on the amounts recorded in 2010. There was, however, a 23,6% increase in this regard in the international platforms in relation to 2019, mainly because it was not possible to work with several recovery agents due to the COVID-19 pandemic. Moreover, the Organization achieved a sludge-less waste recovery rate of 90,0% in Colombia, and 86,2% in the other countries from the strategic region, excluding United States.

With the implementation of new technologies and the improvement of productivity in the processes, the Company has reduced its production of waste through projects such as the installation of a new rotating molding machine in the Biscuits Business, which has allowed cutting 23 tons of waste per year since 2017.

At the international level, the expansion of Tresmontes Lucchetti's regrinding plant allowed reintegrating 443 tons/year of dry pasta that was previously unrecoverable. Thanks to this action, the Company decreased the impact of the production operations on waste generation, and food loss was also reduced.

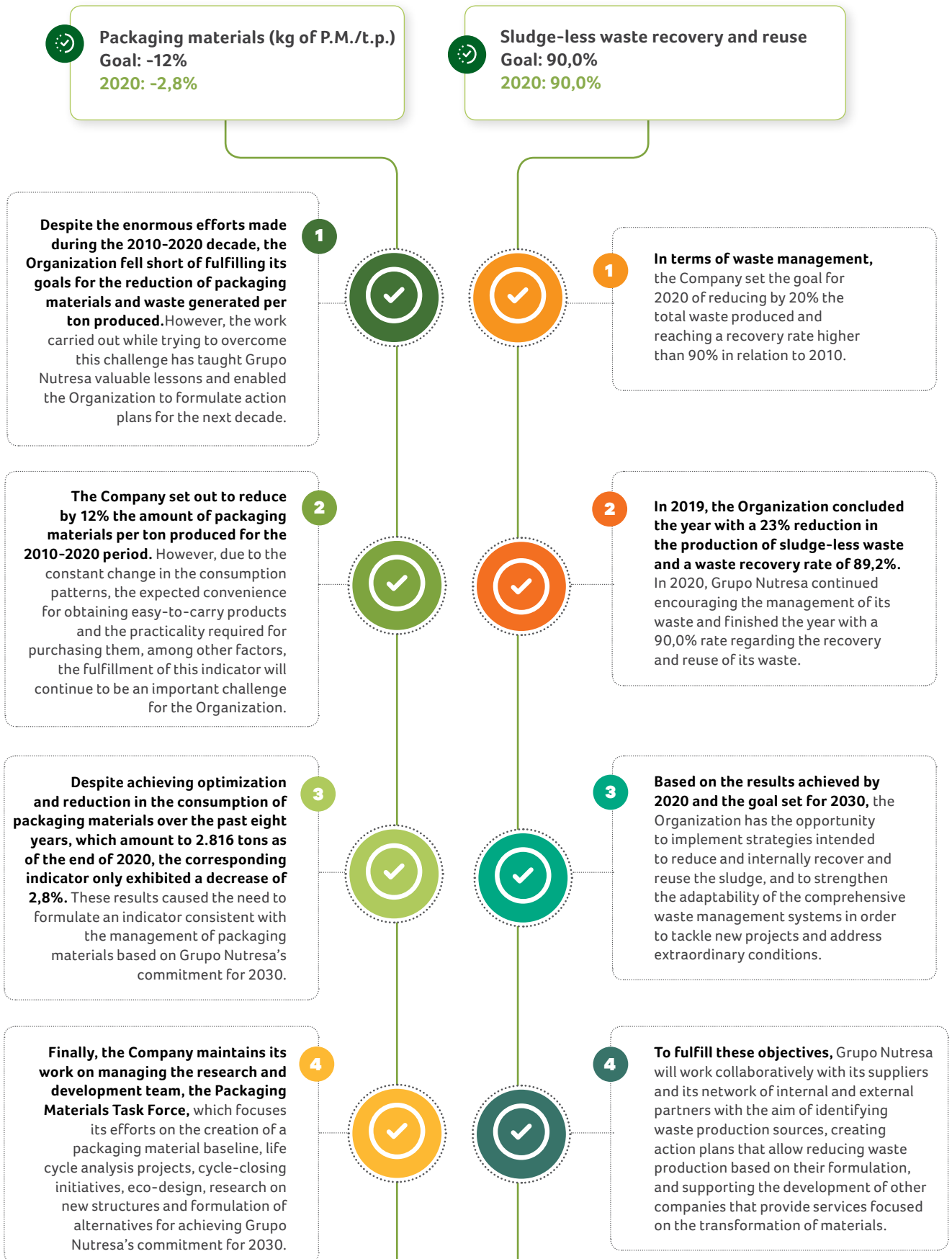
In addition, the production processes were also optimized with the use of continued improvement tools, decreasing waste generation and the use of both packaging materials and supplies, among other achievements.

The Chocolates Business in Colombia implemented a methodology for the nozzle drainage procedure and mechanical improvements to the filters and pumps of the Wiener mill, thus reducing waste production by 10 tons/year.

Additionally, the Ice Cream Business in Colombia executed improvement cycles in the cone production line, achieving the recovery of the cone in the packaging machine and reducing its waste generation by 13,7 tons/year. Lastly, the Chocolates Business in Costa Rica conducted a waste reduction analysis focused on Mespac packaging materials, achieving a reduction of 31,95 in relation to 2019.



Closing of the strategy for 2020



A man wearing a light blue t-shirt, dark shorts, and a dark cap is walking on a concrete sidewalk. He is using a silver metal walker. In the background, there is a tall metal gate with vertical bars. The scene is outdoors with some greenery and a concrete wall visible.

“When I was at the hospital, I said: ‘I need to be different, time does not spare you,’ and this is the opportunity that God has given me to come back and share quality time with my family.”

Maureen de León, beneficiary of the home assistance program for COVID-19 patients, a public-private alliance, Panama.





Taking care of life, delving into the love

The process of recovering from COVID-19 brought Maureen de León and Mauricio Grael closer and gave them a new sense of the present moment. During this process, the public-private alliances were part of the relief.

The bond of love between Maureen de León and Mauricio Grael grew stronger in 2020. In December, both of them tested positive for COVID-19. Maureen got seriously ill quickly and, in a lapse of three days, she was on a ventilator after being admitted to the hospital. At home, Mauricio spent the isolation period in his bedroom, praying to be able to see her again.

Every four hours, Mauricio was monitored by a team from Panama's Ministry of Healthcare. They followed up on his symptoms and improvement via video calls. This same team, based on their home assistance protocol, was the one that detected the need to take Maureen to the hospital urgently, transported her, provided the family with a kit for taking care of Mauricio and delivered the oxygen for his treatment.

Maureen was hospitalized for eighteen days. As the weeks went by and thanks to the assistance of the medical staff, she was able to recover both her spirit and health. "You feel physically ill, but the support of people is so very important and unique; I don't know how to explain it, I feel so thankful for everyone's support," she says as she remembers that her best reward was to be able to come back home for Christmas.

Talking about those days, they realized that they both yearned for each other and that they each had lived a deep love experience—for their body, for each other and for their family—. Such experience has caused their relationship to have a deeper sense of sincerity and joy now.

The home assistance program for COVID-19 patients has been developed thanks to a public-private partnership between the Panamanian Ministry of Healthcare and regional companies such as Grupo Nutresa's Cold Cuts Business, Blue Ribbon and Berard.

This assistance model, which was first implemented in Colombia by Sura, was replicated in Panama in two corregimientos (sub-districts) initially, but by the end of the year it had been deployed in ten. This initiative also allowed establishing protocols for addressing other illnesses. The home assistance program, which was a result of this partnership, boosts and strengthens the company-government relationships.

Visit our website and discover all the stories that enabled us to take care of people's life in 2020.

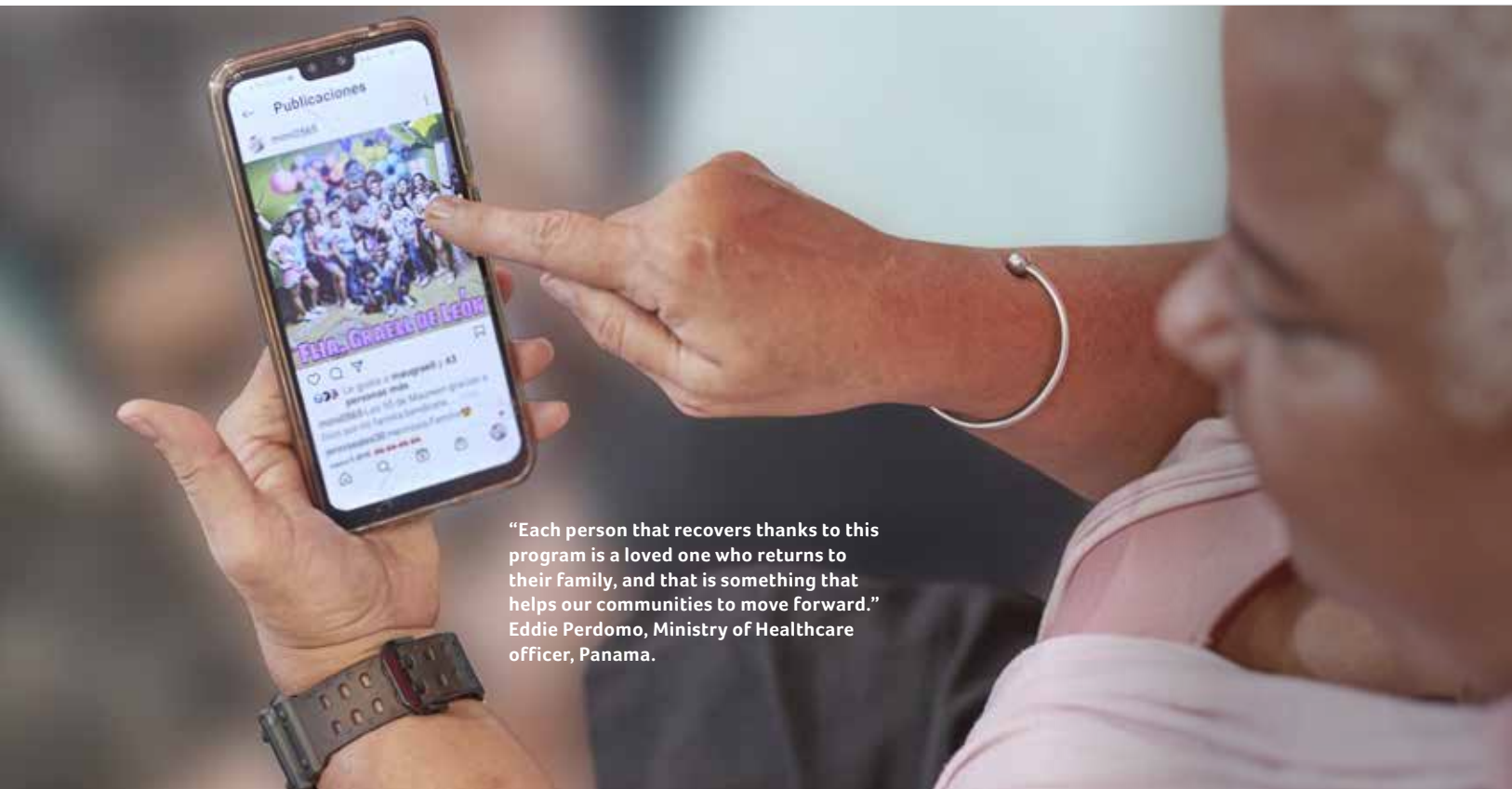
[Click here.](#)



“I believe that the most valuable lesson from this public-private partnership is the concept of solidarity. Thanks to this, we have been able to cope with the pandemic crisis, even in the worst scenarios. We go and find the people, the families, we address them collectively, we monitor them and we provide the necessary assistance. Our staff is highly qualified and prepared, particularly to provide a deeply humane assistance service, which is the most important part.”

Yelkys Gill, Ministry of Healthcare officer, Panama.

“I am really grateful to God for having a team of angels here on Earth: all the people involved in the home assistance service, they are all angels. I thank you so much for the effort you make for all of us, even putting your health at risk.”
Mauricio Grael.



“Each person that recovers thanks to this program is a loved one who returns to their family, and that is something that helps our communities to move forward.”
Eddie Perdomo, Ministry of Healthcare officer, Panama.

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.

Opinion

I have audited the accompanying consolidated financial statements of Grupo Nutresa S. A. and its subsidiaries, which include the consolidated statement of financial position at December 31, 2020, and the consolidated statements of comprehensive income, equity changes and cash flows for the year then ended, and the summary of the main accounting policies and other explanatory notes.

In my opinion, the accompanying consolidated financial statements, faithfully taken from the consolidation records, present fairly, in all material respects, the financial position of Grupo Nutresa S. A. and its subsidiaries at December 31, 2020, 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.

Basis for the opinion

I conducted my audit in accordance with the Auditing Standards on Financial Reporting accepted in Colombia. My responsibility under such standards is further described in the section concerning the "statutory auditor's responsibility for the audit of the consolidated financial statements" of this report.

I am independent of Grupo Nutresa S. A. and its subsidiaries in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), and the ethical requirements relevant to my audit of the consolidated financial statements in Colombia. I have fulfilled my other ethical responsibilities in accordance with the IESBA code and other ethical requirements.

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

Key audit matters

Key audit matters are those that, in my professional judgment, have been the most significant throughout my audit of the period's consolidated financial statements. Such matters have been addressed in the context of my audit of the consolidated financial statements as a whole, and in the preparation of my opinion on such financial statements; as such, I do not express a separate opinion on these matters.

PwC Contadores y Auditores S.A.S., Calle 7 Sur No. 42-70, Torre 2, Piso 11, Edificio Forum, Medellín, Colombia
Tel: (57-4) 325 4320, Fax: (57-4) 325 4322, www.pwc.com/co



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa

Key audit matter	Treatment of the key matter throughout the audit
<p>Goodwill</p> <p>Goodwill generated as a result of the various business combinations that the Group has completed in the countries in which it operates are an important part of the total assets of Grupo Nutresa S. A. At December 31, 2020, as detailed in Note 20, goodwill amounts up to \$2,4 billion.</p> <p>To determine whether impairment exists, management of Grupo Nutresa S. A. performs an annual assessment, or they perform the assessment whenever there are changes in circumstances or events that would indicate the accounting value might not be fully recoverable.</p> <p>As described in Notes 3.3.1 and 3.3.11, the determination of the recoverable value is achieved by calculating fair value less disposal costs for cash generating units associated to goodwill, based on the strategic plans approved by the Group's Board of Directors. Said determination is a key audit matter, because it corresponds to a complex calculation that requires the use of a high degree of judgment to estimate the key hypothesis, such as revenue growth, expenses, costs, the evolution of the operating margin, capex investment, discount rate, among others. Such hypotheses may be affected significantly by the future evolution of the macroeconomic, competitive and regulatory environments in each of the countries where Grupo Nutresa S. A. operates.</p>	<p>I have performed audit procedures in cooperation with valuation experts on the process carried out by management of Grupo Nutresa S. A. to determine the recoverable value of cash generating units associated to goodwill. The performed procedures include:</p> <ul style="list-style-type: none"> - Understanding meetings concerning the financial model used by management of Grupo Nutresa S. A. to determine the recoverable value of the cash generating units. - Verification of consistency of the data used to calculate fair value less disposal costs based on the strategic plans approved by the Board of Directors of Grupo Nutresa S. A. - Analysis of compliance with the strategic plans approved for the previous period. - Evaluation of the key hypotheses used to determine the recoverable value, questioning their reasonability and coherence by carrying out tests to verify those hypotheses against market information. - Review of the mathematical integrity of the calculation and sensitivity tests on the relevant variables.



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa

Responsibilities of management and those charged with the governance in the Entity for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements, in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia, and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease its operations, or has no realistic alternative but to do so.

Those charged with the governance in the Entity are responsible for overseeing its financial reporting process.

Statutory auditor's responsibility for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the Financial Reporting Audit Standards Accepted in Colombia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Financial Reporting Audit Standards Accepted in Colombia, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubts on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my statutory auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with the governance in the Entity regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during my audit.

I have also provided those charged with the governance in the Entity with a statement indicating that I have complied with the applicable ethical requirements in relation to independence, and I have informed them about all relations that could reasonably be expected to affect my independence and, in case any arise, the corresponding safeguards.

Among the matters that have been communicated to those charged with the governance in the Entity, I have established the most significant during my audit of the consolidated financial statements for the current period as key audit matters. Such matters are described in my audit opinion, except for those that are legally or regulatorily non-disclosable or, in very rare instances, those that I determine should not be disclosed in my opinion, because it is reasonably expectable that the negative effects of doing so would outweigh the public interest benefits resulting from disclosure.

(Original in Spanish signed by:)

Juber Ernesto Carrión
Statutory Auditor
Professional Card No. 86122-T
Appointed by PwC Contadores y Auditores S. A. S.
February 26, 2021

Certification of the Financial Statements

The undersigned Legal Representative and the General Accountant


CERTIFY:

26 of February of 2021


We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31st, 2020 and 2019, 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.



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:

26 of February of 2021

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2020 and 2019, 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.




Carlos Ignacio Gallego Palacio
President


Consolidated Statement of Financial Position

As of December 31st (values expressed in millions of Colombian Pesos)

ASSETS	Notes	December 2020	December 2019 (Restated)
Current assets			
Cash and cash equivalents	9	\$ 933.564	\$ 497.947
Trade and other receivables, net	10	1.191.711	1.166.248
Inventories	11	1.379.984	1.248.128
Biological assets	12	127.614	96.632
Other assets	13	228.087	251.397
Non-current assets held for sale	14	177	2.610
Total current assets		\$ 3.861.137	\$ 3.262.962
Non-current assets			
Trade and other receivables, net	10	26.548	25.409
Investments in associated and joint ventures	15	196.498	193.360
Other financial non-current assets	16	2.678.991	3.511.768
Property, plant and equipment, net	17	3.434.206	3.417.424
Right-of-use assets	18	829.563	878.552
Investment properties	19	9.056	79.489
Goodwill	20	2.369.706	2.266.852
Other intangible assets	21	1.303.838	1.274.709
Deferred tax assets	22.4	740.891	668.578
Other assets	13	87.447	80.436
Total non-current assets		\$ 11.676.744	\$ 12.396.577
Total assets		\$ 15.537.881	\$ 15.659.539
LIABILITIES			
Current liabilities			
Financial obligations	23	486.736	527.196
Right-of-use liabilities	24	126.727	147.242
Trade and other payables	25	1.283.494	1.235.133
Tax charges	22.2	240.011	214.542
Employee benefits liabilities	26	217.033	191.864
Provisions	27	3.450	1.948
Other liabilities	28	83.209	29.912
Total current liabilities		\$ 2.440.660	\$ 2.347.837
Non-current liabilities			
Financial obligations	23	2.865.638	2.680.014
Right-of-use liabilities	24	747.296	745.313
Trade and other payables	25	-	3.032
Employee benefits liabilities	26	196.244	189.295
Deferred tax liabilities	22.4	1.020.416	998.236
Provisions	27	5.909	13.238
Other liabilities	28	4.576	487
Total non-current liabilities		\$ 4.840.079	\$ 4.629.615
Total liabilities		\$ 7.280.739	\$ 6.977.452
SHAREHOLDER EQUITY			
Share capital issued	30.1	2.301	2.301
Paid-in-capital	30.1	546.832	546.832
Reserves and retained earnings	30.2	4.003.255	3.801.830
Other comprehensive income, accumulated	31	3.070.019	3.770.120
Earnings for the period		575.441	503.518
Equity attributable to the controlling interest		\$ 8.197.848	\$ 8.624.601
Non-controlling interest	30.4	59.294	57.486
Total shareholder equity		\$ 8.257.142	\$ 8.682.087
TOTAL LIABILITIES AND EQUITY		\$ 15.537.881	\$ 15.659.539

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


 Carlos Ignacio Gallego Palacio
 President
 (See attached certification)


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


 Juber Ernesto Carrión
 External Auditor - Professional Card No. 86122-T
 Designed by PwC Contadores y Auditores S. A. S
 (See attached opinion)

Consolidated Comprehensive Income Statement

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

	Notes	2020	2019 (Restated)
Continuing operations			
Operating revenue	7.1	\$ 11.127.541	\$ 9.958.851
Cost of goods sold	32	(6.465.128)	(5.565.589)
Gross profit		\$ 4.662.413	\$ 4.393.262
Administrative expenses	32	(483.735)	(467.332)
Sales expenses	32	(2.962.563)	(2.832.494)
Production expenses	32	(208.969)	(162.851)
Exchange differences on operating assets and liabilities	34	11.532	23.661
Other operating expenses, net	33	910	2.505
Operating profit		\$ 1.019.588	\$ 956.751
Financial income	35.1	24.022	22.294
Financial expenses	35.2	(282.878)	(302.303)
Dividends	16	69.271	61.516
Exchange differences on non-operating assets and liabilities	34	(10.779)	(4.460)
Share of profit of associates and joint ventures	15	(4.472)	(2.268)
Other income		581	714
Income before tax and non-controlling interest		\$ 815.333	\$ 732.244
Current income tax	22.3	(261.210)	(207.877)
Deferred income tax	22.3	30.274	2.656
Profit after taxes from continuous operations		\$ 584.397	\$ 527.023
Discontinued operations, after income tax	36	(553)	(16.452)
Net profit for the period		\$ 583.844	\$ 510.571
Profit for the period attributable to:			
Controlling interest		575.441	503.518
Non-controlling interest		8.403	7.053
Net profit for the period		\$ 583.844	\$ 510.571
Earnings per share (*)		1.250,62	1.094,31
Basic, attributable to controlling interest (in Colombian pesos)			
(*) 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:			
Gains (Losses) on actuarial defined benefit plans	26-31	2.545	(19.195)
Equity instruments, measured at fair value	16-31	(843.345)	186.697
Income tax from items that will not be reclassified	31	(1.808)	6.576
Total items that are not subsequently reclassified to profit and loss		\$ (842.608)	\$ 174.078
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of associate and joint ventures	15-31	3.227	746
Exchange differences on translation of foreign operations	31	164.673	(56.106)
Cash flow hedges		(31.911)	(9.096)
Income tax from items that will be reclassified	31	6.070	1.651
Total items that are or may be subsequently reclassified to profit and loss		\$ 142.059	\$ (62.805)
Other comprehensive income, net taxes		\$ (700.549)	\$ 111.273
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ (116.705)	\$ 621.844
Total comprehensive income attributable to:			
Controlling interest		(127.989)	617.216
Non-controlling interest		11.284	4.628
TOTAL COMPREHENSIVE INCOME		\$ (116.705)	\$ 621.844

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



Carlos Ignacio Gallego Palacio
President
(See attached certification)



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



Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores S. A. S
(See attached opinion)

Consolidated Exchange in Equity Statement

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

	Share capital issued (Note 30.1)	Paid-in-capital (Note 30.1)	Reserves and retained earnings (Note 30.2)	Earnings for the period	Other comprehensive income, accumulated (Note 31)	Total equity attributable to the controlling interest	Non-controlling interest (Note 30.4)	Total
Equity at December 31st of 2020	2.301	546.832	3.801.830	503.518	3.770.120	8.624.601	57.486	8.682.087
Profit for the period	-	-	-	575.441	-	575.441	8.403	583.844
Other comprehensive income for the period	-	-	-	-	(703.430)	(703.430)	2.881	(700.549)
Comprehensive income for the period	-	-	-	575.441	(703.430)	(127.989)	11.284	(116.705)
Transfer to accumulated results	-	-	503.518	(503.518)	-	-	-	-
Cash dividends (Note 30.3 – 30.4)	-	-	(298.712)	-	-	(298.712)	(4.552)	(303.264)
Acquisition of subsidiaries	-	-	(39)	-	-	(39)	(4.986)	(5.025)
Realization of other comprehensive income	-	-	(3.329)	-	3.329	-	-	-
Other equity movements	-	-	(13)	-	-	(13)	62	49
Equity at December 31st of 2020	2.301	546.832	4.003.255	575.441	3.070.019	8.197.848	59.294	8.257.142
Equity at December 31st of 2019	2.301	546.832	3.552.827	505.308	3.683.175	8.290.443	44.288	8.334.731
Profit for the period	-	-	-	503.518	-	503.518	7.053	510.571
Other comprehensive income for the period	-	-	-	-	113.698	113.698	(2.425)	111.273
Comprehensive income for the period	-	-	-	503.518	113.698	617.216	4.628	621.844
Transfer to accumulated results	-	-	505.308	(505.308)	-	-	-	-
Cash dividends (Note 30.3)	-	-	(281.596)	-	-	(281.596)	(4.031)	(285.627)
Acquisition of subsidiaries	-	-	(572)	-	-	(572)	12.633	12.061
Reclassifications	-	-	26.748	-	(26.748)	-	-	-
Other equity movements	-	-	(885)	-	(5)	(890)	(32)	(922)
Equity at December 31st of 2019	2.301	546.832	3.801.830	503.518	3.770.120	8.624.601	57.486	8.682.087

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



Carlos Ignacio Gallego Palacio
President
(See attached certification)



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




Juber Ernesto Garrigón
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores S. A. S
(See attached opinion)

Consolidated Cash-flow Statement


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

	2020	2019
Cash flow from operating activities		
Collection from sales of goods and services	\$ 11.136.912	\$ 9.807.576
Payments to suppliers for goods and services	(7.921.426)	(6.868.916)
Payments to and on behalf of employees	(1.823.893)	(1.660.668)
Income taxes and tax on wealth, paid	(180.939)	(199.044)
Other cash outflows	(25.217)	(46.565)
Net cash flow from operating activities	\$ 1.185.437	\$ 1.032.383
Cash flow from investment activities		
Cash and cash equivalents received from acquisitions	-	839
Purchase/sale of other equity instruments	(9.889)	(2.425)
Purchases of equity of associates and joint ventures (Note 15)	(4.900)	(2.730)
Purchases of property, plant and equipment (Note 17)	(271.041)	(254.495)
Amounts from the sale of productive assets	31.353	11.576
Purchase of Intangibles and other productive assets	(27.557)	(37.918)
Investment / divestment in assets held for sale, net	2.438	-
Dividends received (Note 15 - 16)	68.784	61.284
Interest received	16.033	11.270
Payments to third parties, to obtain control of subsidiaries	(12.883)	(423.507)
Other cash inflows (outflows)	5	(117)
Net cash flow used in investment activities	\$ (207.657)	\$ (636.223)
Cash flow from financing activities		
Proceeds from loans	113.102	407.278
Dividends paid (Note 30.3)	(298.063)	(279.660)
Interest paid	(175.515)	(179.349)
Paid leases (Note 24)	(144.175)	(151.099)
Fees and other financial expenses	(36.490)	(37.590)
Other cash inflows	6.897	5.752
Net cash flow used in financing activities	\$ (534.244)	\$ (234.668)
Increase in cash and cash equivalent from activities	443.536	161.492
Cash flow from discontinued operations	151	(8.776)
Net foreign exchange differences	(8.070)	(2.289)
Net increase in cash and cash equivalents	\$ 435.617	\$ 150.427
Cash and cash equivalents at the beginning of the period	497.947	347.520
Cash and cash equivalents at the end of the period	\$ 933.564	\$ 497.947

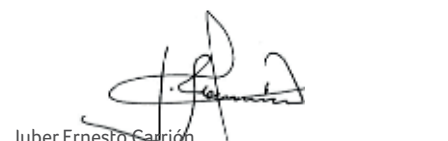
The Notes are an integral part of the Consolidated Financial Statements.



Carlos Ignacio Callego Palacio
President
(See attached certification)



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



Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores S. A. S
(See attached opinion)

Notes for the Consolidated Financial Statements

For the period between January 1st and December 31st of 2020 and 2019 (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 (*)	% Participation	
			2020	2019
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%
Molinos 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. ⁽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%
Operar 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	100,00%	83,41%
IRCC S. A. S. - Industria de Restaurantes Casuales S. A. S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%

Entity	Main Activity	Functional Currency (*)	% Participation	
			2020	2019
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%	60,00%
Atlantic FS S. A. S.	Sales of food products	COP	51,00%	51,00%
Procesos VA S. A. S.	Processing of meat products	COP	100,00%	100,00%
Chile				
Tresmontes Lucchetti S. A.	Provision of specialized business services	CLP	100,00%	100,00%
Nutresa Chile S. A.	Management of financial and investment services	CLP	100,00%	100,00%
Tresmontes Lucchetti Agroindustrial S. A.	Agricultural and industrial production	CLP	100,00%	100,00%
Tresmontes Lucchetti Servicios S. A.	Management of financial and investment services	CLP	100,00%	100,00%
Tresmontes S. A.	Production and sales of foods	CLP	100,00%	100,00%
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%
Tresmontes Lucchetti Inversiones S. A.	Management of financial and investment services.	USD	100,00%	100,00%
Costa Rica				
Compañía Nacional de Chocolates DCR S.A.	Production of chocolates and its derivatives	CRC	100,00%	100,00%
Compañía de Galletas Pozuelo DCR S.A.	Production of biscuits, et al,	CRC	100,00%	100,00%
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%
Mexico				
Nutresa S.A. de C.V.	Production and sales of food products	MXN	100,00%	100,00%
Serer S.A. de C.V.	Personnel services	MXN	100,00%	100,00%
Servicios 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%
Panamá				
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	0%	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	0%	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.	Management of financial resources and franchises	USD	0%	100,00%

Entity	Main Activity	Functional Currency (*)	% Participation		
			2020	2019	
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%	
Kibo Foods LLC	Production and sales of food products	USD	100,00%	100,00%	
Cameron's Coffee & Distribution Company	Production of coffee and coffee related products	USD	100,00%	100,00%	
CCDC OPCO Holding Corporation	Management of financial and investment services	USD	100,00%	100,00%	
Other Countries					
Entity	Main Activity	Country	Functional Currency	% Participation Grupo Nutresa	
				2020	2019
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	Perú	PEN	100,00%	100,00%
Helados Bon S. A.	Production and sales of ice cream, beverages, and dairy, et al,	República Dominicana	DOP	81,18%	81,18%
Compañía de Galletas Pozuelo de República Dominicana S.R.L.	Management of financial and investment services	República Dominicana	DOP	100,00%	100,00%
Gabon Capital LTD.	Management of financial and investment services	BVI	USD	0%	100,00%
Perlita Investments LTD.	Management of financial and investment services	BVI	USD	0%	100,00%

Table 1

(*) See Note 31.4, the descriptions of abbreviations, for each currency, and the primary impact on Grupo Nutresa's Financial Statements.

Changes in the scope of consolidation

The following are the changes in consolidation parameters, during the period:

2020: On July 1st Compañía de Galletas Noel S. A. acquired 16,59% of the "Fondo del capital privado BTG Pactual Cacao - Compartimento A", corresponding to 300.000 shares for \$4.421.

Gabon Capital LTD. was liquidated on October 28, 2020.

On November 11, 2020, a merger by absorption agreement was signed between American Franchising Corp. (AFC), Aldage, Inc., Perlita Investments LTD. and El Corral Capital INC., through which Aldage, Inc., Perlita Investments LTD., El Corral Capital INC. are merged with American Franchising.

On December 1, 2020, a merger agreement was made by absorption between Alimentos Cárnicos de Panamá S. A. and

Comercial Pozuelo Panamá S. A., through which Comercial Pozuelo Panamá S. A. is absorbed by Alimentos Cárnicos de Panamá S. A.

2019: In December, the liquidation of the company, Comercializadora Tresmontes Lucchetti S. A. de C.V. was realized, and in February, the liquidation, of Sociedad Colectiva Civil Inmobiliaria y Rentas Tresmontes Luchetti. In August, through Abimar Foods, Inc, was constituted the company Kibo Foods LLC, which will have the purpose to produce products by request of third parties and to market products of the Group in the United States. In September, was acquired 100% of sharing, via acquisition of shares, in the amount of USD \$117 million (of which USD 4 million correspond to working capital) of CCDC OPCO Holding Corporation, owner of the 100% of Cameron's

Coffee incorporating in the consolidated of Grupo Nutresa the assets and liabilities of the acquired companies on August 31st of 2019 and the results from September 1st of 2019. In October, was acquired 51% of sharing, via acquisition of shares, in the amount of \$47.124, owner of the 100% of Procesos VA S.A.S. incorporating in the consolidated of Grupo Nutresa the assets and liabilities of the acquired companies on October 31st and the results from November 1st of 2019.

NOTE 2. BASIS OF PREPARATION

The Consolidated Financial Statements of Grupo Nutresa, for the period from January 1st to December 31st, 2020, 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 2018 (IFRS 17 not included), and other legal provisions, defined by the Financial Superintendence of Colombia.

Some of the figures and disclosures in 2019 presented in the consolidated financial statements, show variations compared to the information published as of December 31, 2019, due to adjustments made to the provisional amounts that had been recognized in the acquisition of CCDC OPCO Holding Corporation and Atlantic FS SAS, made in 2019. These adjustments are made in accordance with the provisions of paragraph 49 of IFRS3 - Business Combination.

Changes presented in the consolidated statement of financial position are presented below:

Consolidated Statement of Financial Position

As of December 31st (values expressed in millions of Colombian Pesos)

ASSETS	Notes	December 2019	Fair value adjustments CCDC OPCO Holding Corporation	Fair value adjustments Atlantic FS S.A.S	December 2019 Restated
Current assets					
Cash and cash equivalents		497.947			497.947
Trade and other receivables, net		1.166.248			1.166.248
Inventories		1.248.128			1.248.128
Biological assets		96.632			96.632
Other assets		251.397			251.397
Non-current assets held for sale		2.610			2.610
Total current assets		3.262.962			3.262.962
Non-current assets					
Trade and other receivables, net		25.409			25.409
Investments in associated and joint ventures		193.360			193.360
Other financial non-current assets		3.511.768			3.511.768
Property, plant and equipment, net	a	3.400.057	17.367		3.417.424
Right-of-use assets		878.552			878.552
Investment properties		79.489			79.489
Goodwill	b	2.309.739	(41.721)	(1.166)	2.266.852
Other intangible assets	c	1.248.973	24.570	1.166	1.274.709
Deferred tax assets	d	654.496	14.082		668.578
Other assets		80.436			80.436
Total non-current assets		12.382.279	14.298	-	12.396.577
Total assets		15.645.241	14.298	-	15.659.539

	Notes	December 2019	Fair value adjustments CCDC OPCO Holding Corporation	Fair value adjustments Atlantic FS S.A.S	December 2019 Restated
LIABILITIES					
Current liabilities					
Financial obligations		527.196			527.196
Right-of-use liabilities		147.242			147.242
Trade and other payables		1.235.133			1.235.133
Tax charges		214.542			214.542
Employee benefits liabilities		191.864			191.864
Provisions		1.948			1.948
Other liabilities		29.912			29.912
Total current liabilities		2.347.837			2.347.837
Non-current liabilities					
Financial obligations		2.680.014			2.680.014
Right-of-use liabilities		745.313			745.313
Trade and other payables	e	158	2.874		3.032
Employee benefits liabilities		189.295			189.295
Deferred tax liabilities	d	984.035	14.201		998.236
Provisions		13.238			13.238
Other liabilities		487			487
Total non-current liabilities		4.612.540	17.075	-	4.629.615
TOTAL LIABILITIES		6.960.377	17.075	-	6.977.452
SHAREHOLDER EQUITY					
Share capital issued		2.301			2.301
Paid-in-capital		546.832			546.832
Reserves and retained earnings		3.802.402		(572)	3.801.830
Other comprehensive income, accumulated		3.770.027	93		3.770.120
Earnings for the period		506.388	(2.870)		503.518
Equity attributable to the controlling interest		8.627.950	(2.777)	(572)	8.624.601
Non-controlling interest		56.914	-	572	57.486
TOTAL SHAREHOLDER EQUITY		8.684.864	(2.777)	-	8.682.087
TOTAL LIABILITIES AND EQUITY		15.645.241	14.298	-	15.659.539

Consolidated Comprehensive Income Statement

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

	Notes	December 2019	Fair value adjustments CCDC OPCO Holding Corporation	December 2019 Restated
Continuing operations				
Operating revenue		9.958.851	-	9.958.851
Cost of goods sold	g	(5.565.300)	(289)	(5.565.589)
Gross profit		4.393.551	(289)	4.393.262
Administrative expenses	g	(467.302)	(30)	(467.332)
Sales expenses	g	(2.829.943)	(2.551)	(2.832.494)

	Notes	December 2019	Fair value adjustments CCDC OPCO Holding Corporation	December 2019 Restated
Production expenses		(162.851)		(162.851)
Exchange differences on operating assets and liabilities		23.661		23.661
Other operating expenses, net		2.505		2.505
Operating profit		959.621	(2.870)	956.751
Financial income		22.294		22.294
Financial expenses		(302.303)		(302.303)
Dividends		61.516		61.516
Exchange differences on non-operating assets and liabilities		(4.460)		(4.460)
Share of profit of associates and joint ventures		(2.268)		(2.268)
Other income		714		714
Income before tax and non-controlling interest		735.114	(2.870)	732.244
Current income tax		(207.877)		(207.877)
Deferred income tax		2.656		2.656
Profit after taxes from continuous operations		529.893	(2.870)	527.023
Discontinued operations, after income tax		(16.452)		(16.452)
Net profit for the period		513.441	(2.870)	510.571
Profit for the period attributable to:				
Controlling interest		506.388		503.518
Non-controlling interest		7.053		7.053
Net profit for the period		513.441		510.571
Earnings per share (*)				
Basic, attributable to controlling interest (in Colombian pesos)		1.100,55		1.094,31
<i>(*) Calculated on 460.123.458 shares, which have not been modified during the period covered by these Financial Statements.</i>				
OTHER COMPREHENSIVE INCOME				
Items that are not subsequently reclassified to profit and loss:				
(Losses) Gains on actuarial defined benefit plans		(19.195)		(19.195)
Equity instruments, measured at fair value		186.697		186.697
Income tax from items that will not be reclassified		6.576		6.576
Total items that are not subsequently reclassified to profit and loss		174.078		174.078
Items that are or may be subsequently reclassified to profit and loss:				
Share of other comprehensive income of associate and joint ventures		746		746
Exchange differences on translation of foreign operations		(56.199)	93	(56.106)
Cash flow hedges		(9.096)		(9.096)
Income tax from items that will be reclassified		1.651		1.651
Total items that are or may be subsequently reclassified to profit and loss		(62.898)	93	(62.805)
Other comprehensive income, net taxes		111.180	93	111.273
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		624.621	93	621.844
Total comprehensive income attributable to:				
Controlling interest		619.993		617.216
Non-controlling interest		4.628		4.628
Total comprehensive income		624.621		621.844

a. Property, plant and equipment, net

The appraisal made at the acquisition date of CCDC OPCO Holding Corporation generated an increase of \$ 17,692 and a depreciation as of December 31, 2019 of \$ 325.

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Plantations in development	Total
Cost	783.133	930.254	2.861.144	30.989	48.272	56.996	167.413	172.865	12.872	5.063.938
Depreciation and/or impairment	(340)	(243.616)	(1.258.026)	(21.047)	(32.482)	(38.361)	(70.009)	-	-	(1.663.881)
Balance at January 1st, 2019	782.793	686.638	1.603.118	9.942	15.790	18.635	97.404	172.865	12.872	3.400.057
Depreciation	-	-	(282)	-	(29)	(2)	(12)	-	-	(325)
Capitalization and consumption	-	-	16.401	-	250	101	940	-	-	17.692
Cost	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	12.872	5.081.630
Depreciation and/or impairment	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	(1.664.206)
Balance at December 31st, 2019 restatedo	782.793	686.638	1.619.237	9.942	16.011	18.734	98.332	172.865	12.872	3.417.424

b. Goodwill

The provisionally established goodwill of Atlantic FS S. A. S., presented a decrease of \$ 1.166, due to in the assigning of the purchase price was determined the existence of the following brands:

- Atlantic: \$664
- Matsumoto: \$128
- Chophouse: \$374

The provisionally established goodwill of CCDC OPCO Holding Corporation, presented a decrease of \$ 41,721, due to the reallocation of the purchase price. See notes a), c), d) and e).

Reportable Segment	CGU	Balance at January 31 st , 2019	Fair value adjustments CCDC OPCO Holding Corporation	Fair value adjustments Atlantic FS S.A.S.	December 31 st , 2019 Restated
Retail Foods	Grupo El Corral	534.811	-	-	534.811
	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	CCDC OPCO Holding Corporation	249.333	(41.721)	-	207.612
	Industrias Aliadas S.A.S.	4.313	-	-	4.313
Cold Cuts	Setas Colombianas S.A.	906	-	-	906
Chocolate	Nutresa de México	188.012	-	-	188.012
	Abimar Foods Inc.	96.546	-	-	96.546
Biscuits	Galletas Pozuelo	36.291	-	-	36.291
	Productos Naturela S.A.S.	1.248	-	-	1.248
Others	Atlantic FS S.A.S.	34.830	-	(1.166)	33.664
TMLUC	Grupo TMLUC	941.425	-	-	941.425
		2.309.739	(41.721)	(1.166)	2.266.852

c. Other intangible assets

In the process of assigning the purchase price of Atlantic FS S.A.S. was identified the brands related in in note b).

In the process of assigning the purchase price of CCDC OPCO Holding Corporation, the following intangibles were identified:

1. Cameron´s Brand: \$48.829
2. Contracts: \$8.848
3. Customer relationships: \$39.326

Intangibles as “Contracts” and “customer relationships” as of December 31, 2019, generated an amortization expense of \$ 2,551.

Intangibles that were no longer able to generate future benefits of \$ 77,389 were written off.

	Brands	Software and Licenses	Concessions and Franchises	Others	Total
Cost	1.152.948	58.371	53.708	173.187	1.438.214
Amortization and impairment	(70.008)	(39.447)	(18.123)	(61.663)	(189.241)
Balance at January 1st, 2019	1.082.940	18.924	35.585	111.524	1.248.973
Amortization and disposals CCDC OPCO Holding Corporation				55.681	55.681
Fair value and disposals adjustments CCDC OPCO Holding Corporation	48.829			(79.940)	(31.111)
Fair value adjustments Atlantic	1.166				1.166
Cost	1.202.943	58.371	53.708	93.247	1.408.269
Amortization and impairment	(70.008)	(39.447)	(18.123)	(5.982)	(133.560)
Balance at December 31st, 2019 restated	1.132.935	18.924	35.585	87.265	1.274.709

d. Deferred income tax

The intangibles determined by assigning the purchase price of CCDC OPCO Holding Corporation generated a deferred tax credit of \$ 13.006, the property, plant and equipment a deferred tax credit of \$ 4.778.

Adjustments were made to the deferred tax debit on provisions for \$ 3,583 and tax losses for \$ 14,082.

	2019	Fair value adjustments CCDC OPCO Holding Corporation	December 2019 Restated
Deferred tax assets			
Goodwill tax, TMLUC	89.605		89.605
Employee benefits	46.245		46.245
Accounts payable	9.357		9.357
Tax losses	185.716		185.716
Tax credits	6.197		6.197
Debtors	20.671		20.671
Right-of-use assets	254.961		254.961
Other assets	41.744	14.082	55.826
Total deferred tax assets	654.496	14.082	668.578
Deferred tax liabilities			
Property, plant and equipment	356.985	4.778	361.763
Intangibles	345.796	13.006	358.802
Investments	7.039		7.039
Inventories	4.341		4.341
Right-of-use liabilities	251.047		251.047
Other liabilities	18.827	(3.583)	15.244
Total income tax liabilities	984.035	14.201	998.236
Net deferred tax liabilities	329.539	119	329.658

At the end of the period, the price paid in the acquisition of Cameron was assigned, incorporating deferred tax associated to contracts with customers and the deferred tax was withdrawn from the disposals of intangibles that have no value.

- e. A contingent liability for \$ 2,874 was identified.
- f. Corresponds to the non-controlling interest share of the fair value of Atlantic FS S. A. S. brands.
- g. It includes the depreciation and amortization expense originated by the intangibles identified, the adjustment to the fair value of the properties, plant and equipment and the impact of differences of currency translation that generates the differences between the exchange rates used in the translation of the accounts of the Consolidated Comprehensive Income Statement and Consolidated Statement of Financial Position.

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, 2020, 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 POLICIES

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 2020	December 2019
Panamanian Balboa	PAB	3.432,50	3.277,14
Costa Rican Colon	CRC	5,56	5,68
Nicaraguan Cordoba	NIO	98,57	96,85
Peruvian Sol	PEN	947,94	987,39
U,S, Dollar	USD	3.432,50	3.277,14
Mexican Peso	MXN	172,18	173,64
Guatemalan Quetzal	GTQ	440,41	425,67
Dominican Peso	DOP	58,85	61,88
Chilean Peso	CLP	4,83	4,38
Argentine Peso	ARS	40,79	54,71

Table 2

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

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 finan-

cial 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.

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
Transport equipment	3 to 10 years
Computer equipment	3 to 10 years
Office equipment	5 to 10 years

Table 3

^(*) 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 RIGHT-OF-USE ASSETS AND LIABILITIES

A lease is an agreement whereby a lessor assigns to a lessee, in return for a payment or series of payments, the right to use an asset for a specified period of time.

The Group is the lessor and lessee of various properties, equipment and vehicles. Leases are generally for fixed periods of 1 to 15 years, but may have options to extend. The lease terms are negotiated individually and contain a wide range of different terms and conditions.

The extension and termination options included in the Group's leases are used to maximize operational flexibility in terms of contract management. Most extension and termination options held are exercisable simultaneously by the Group and the respective counterparty.

Tenant accounting

Leases are recognized as a right of use asset and a corresponding liability on the date on which the leased asset is available for use by the Group. Each lease payment is allocated between

the liability and the finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-to-use asset is depreciated over the shorter of the asset's useful life and the straight-line lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including substantial fixed payments), less any incentive to lease receivables,
- Variable lease payment based on an index or rate,
- Amounts expected to be paid by the tenant under residual value guarantees,
- The exercise price of a call option if the lessee is reasonably sure of exercising that option, and
- Penalty payments for terminating the lease, if the condition of the lease reflects that the tenant exercised that option.

Lease payments are discounted using a discount rate, which is calculated using the interest rate of each country, taking into account the duration of the contract and the type of asset.

Rights-of-use assets are measured at cost and comprise the following:

- The amount of the initial measurement of the lease liability,
- Any lease payment made on or before the start date,
- Any direct initial costs, and
- Dismantling and restoration costs

Payments associated with short-term leases and low-value asset leases are recognized on a straight-line basis as an expense in the statement of income. Short-term leases have a term of 12 months or less. Low value assets include computer equipment and small office furniture items.

The average periods of amortization for right-of-use assets are, as follows:

Buildings	7 to 15 years
Machinery and production equipment	3 to 4 years
Transportation equipment	5 to 10 years

Table 4

The effects of the implementation of the standard should be seen in notes 18, 24 and 27.

Lessor's Accounting

When assets are leased under a finance lease, the present value of future lease payments is recognized as an account receivable. The difference between the gross amount receivable and the present value of the account receivable is recognized as finance income.

The account receivable is amortized by allocating each royalty between finance income and capital amortization in each

accounting period so that the recognition of finance income reflects a constant rate of return on the lessor's net investment in the finance lease in each period.

When assets are leased out under operating leases, the asset is included in the statement of financial position according to the nature of the asset. Income from operating leases is recognized over the term of the lease on a straight-line basis.

3.3.9 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.

3.3.10 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 99 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.

3.3.11 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.

3.3.12 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.

3.3.13 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.

3.3.14 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 liabilities

Possible obligations, arising from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of Grupo Nutresa, or present obligations

arising from past events, that are not likely, but there exists a possibility that an outflow of resources including economic benefits is required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the Statement of Financial Position and are instead, revealed as contingent liabilities.

c. Contingent assets

Possible assets, arising out of past events and whose existence will be confirmed only by the occurrence, or possibly by the non-occurrence of one or more uncertain future events, which are not entirely under the control Grupo Nutresa, are not recognized in the Statement of Financial Position, and are however, disclosed as contingent assets, when it is a probable occurrence. When the said contingent is certain, the asset and the associated income, are recognized for that period.

3.3.15 REVENUE

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 con-**

tract: 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, va-

lued at their fair value.

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 2020 and 2019, 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 if its omission, inaccuracies or hiding can reasonably influence the economic decisions taken by primary users of general purpose financial statements, based on these, which provide financial information about a specific reporting entity. Materiality or relative importance depends on nature or magnitude of the information. The entity assesses whether the information individually or collectively is material or has relative importance in the context of its financial statements taken as a whole.

3.4. CHANGES IN ACCOUNTING POLICIES

IFRIC 23 was issued in May 2017 and compiled in Decree 2270 of December 13, 2019. 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.

Based on these criteria and judgements for determination and recognition, there are currently no uncertainties in the treatment of income taxes that would result in the recognition of uncertain tax positions in accordance with IFRIC 23.

3.4.1 AMENDMENT TO IFRS 16 LEASES - RENT REDUCTIONS RELATED TO COVID-19

As respond to COVID-19 pandemic, rental concessions have been granted to tenants. Such concessions can take a variety of forms, including grace periods and deferral of lease pay-

ments. In May 2020, the IASB made an amendment to IFRS 16 Leases that gives lessees the option to treat rental concessions the same way they would if they were not lease modifications. In many cases, this will lead to the accounting of the concessions as variable lease payments in the period in which they are granted. In Colombia, Decree 1432 of 2020 incorporated this amendment with the possibility of applying it immediately.

Grupo Nutresa did not have significant adjustments to its lease contracts, however, in the cases in which it was considered necessary, it was applied to all the qualified rental concessions, recognizing in the results profits for \$13.661 from the concessions received.

3.4.2 OTHER REGULATORY CHANGES THAT DID NOT HAVE AN IMPACT ON THE GRUPO NUTRESA'S ACCOUNTING POLICIES

3.4.2.1 IFRIC 23 UNCERTAINTY OVER INCOME TAX TREATMENTS

Regarding to the criteria and judgments in the determination and recognition of taxes, as of December 31, 2020, no situations have been identified that generate tax uncertainty and that must be recognized in the accounting, in accordance with the framework defined by IFRIC 23.

3.4.2.2 PREPAYMENT FEATURES WITH NEGATIVE COMPENSATION (AMENDMENTS TO IFRS 9)

Financial assets with prepayment features with a reasonable possibility of negative compensation for early termination of the contract - are eligible to be measured at amortized cost or fair value in the other comprehensive income, rather than at fair value in the comprehensive income.

3.4.2.3 LONG-TERM INTERESTS IN ASSOCIATES AND JOINT VENTURES (AMENDMENTS TO IAS 28)

It is clarified that entities will account for long-term interests in an associate or joint venture - to which the equity method is not applied - using IFRS 9 before accounting for losses or losses due to impairment, applying IAS 28 Investments in Associates and Joint Ventures.

3.4.2.4 AMENDMENT TO IFRS 3 BUSINESS COMBINATIONS

In October 2018 was published an amendment to IFRS 3, which modifies the definition about what constitutes a business. This new definition requires that an acquisition includes an input and a process applied to itself, that together, contributes significantly to the ability to create products. The definition of the term "products" is restricted to focus on goods and services that are provided to customers, generating investment income and other income, and excludes returns in the form of reduced costs and other economic benefits.

3.4.2.5 AMENDMENTS TO IAS 19 EMPLOYEE BENEFITS - PLAN AMENDMENT, CURTAILMENT OR SETTLEMENT

In February 2018, the IASB issued amendments to IAS 19 regarding to the accounting for plan amendments, curtailment or settlements. The changes require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan modification, curtailment, or liquidation; and that it recognizes in results as part of the cost of past service, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized due to the impact of the asset limit.

3.4.2.6 AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS AND IAS 8 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS - DEFINITION OF MATERIAL OR WITH RELATIVE IMPORTANCE

The amendments published by the IASB in October 2018 clarify the definition of "material".

3.4.2.7. ANNUAL IMPROVEMENTS TO IFRS STANDARDS 2015 TO 2017 CYCLE

- Contains amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Tax and IAS 23 Borrowing Costs.
- The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it will measure again the stake held in that business.
- The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, it will measure again the interest held in that business.
- The amendments to IAS 12 clarify that an entity will account for all the consequences of dividends in income tax in the same way regardless of how the tax arises.
- The amendments to IAS 23 clarify that when a qualifying asset is ready for its intended use or sale, an entity treats outstanding loans made to obtain that qualifying asset as part of general loans.

3.4.3 NEW IFRS PRACTICE STATEMENT - MAKING MATERIALITY JUDGMENTS

IFRS Practice Statement No. 2 - Making materiality judgments, provides companies with guidance on how to make materiality judgements when preparing their general purpose financial statements, so that those financial statements focus on information which is useful to investors. The IFRS Practice Statements meets all the materiality requirements in IFRS Standards and adds practical guidance and examples that entities may find useful when deciding whether the information is material or material. The Practice Statement is a non-mandatory document. It does not change or introduce any requirements in IFRS Standards.

3.5. NEW REGULATIONS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB) THAT HAVE NOT YET BEEN INCORPORATED INTO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA

3.5.1 AMENDMENT TO IAS 1 - PRESENTATION OF FINANCIAL STATEMENTS - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

The amendments issued in January 2020 clarify the criteria for classifying liabilities as current or non-current, based on the rights that exist at the end of the reporting period. The classification is not affected by the expectations of the entity or the events after the date of the report. The changes also clarify what the “settlement” of a liability refers to in terms of the standard. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.2 AMENDMENT TO IAS 16 - PROPERTY, PLANT AND EQUIPMENT – PROCEEDS BEFORE INTENDED USE

The amendment published in May 2020 prohibits the deduction of the cost of an item of property, plant and equipment from any amount arising from the sale of items produced while taking that asset to the place and conditions necessary for it to operate in the manner provided by the management. Instead, an entity would recognize the amounts of those sales in comprehensive income statement. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.3 AMENDMENTS TO IFRS 3 BUSINESS COMBINATION

The amendment issued in May 2020 approach 3 modifications to the standard in order to: update the references to the Conceptual Framework; add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 - Levies; and confirm that contingent assets should not be recognized on the acquisition date. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.4 AMENDMENT TO IAS 37- PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS - COST OF FULFILLING A CONTRACT

The purpose of this amendment, which was also published in May 2020, is to specify the costs that an entity includes when determining the “Compliance cost” of a contract for the purpose of assessing whether that contract is onerous; clarifies that the direct costs of fulfilling a contract include both the

incremental costs of fulfilling a contract and an allocation of other costs that are directly related to the fulfillment of the contract. Before recognizing a separate provision, for an onerous contract, the entity must recognize impairment losses on the assets used to fulfill the contract. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.5 INTEREST RATE BENCHMARK REFORM

After the financial crisis, the reform and replacement of benchmark interest rates, such as GBP LIBOR and other interbank rates (IBOR) has become a priority for global regulators. There is currently uncertainty about the precise moment and nature of these changes. In order to do the transition from existing contracts and agreements that reference LIBOR, it is possible to be necessary to apply adjustments for term differences and credit differences to allow the two benchmark rates to be economically equivalent in transition.

The amendments made to IFRS 9 - Financial instruments, IAS 39 - Financial instruments: recognition and measurement and IFRS 7 - Financial instruments: disclosures provide certain alternatives in relation to the reform of the benchmark interest rate. The alternatives are related to hedge accounting and have the effect that the reforms generally should not bring hedge accounting to an end. However, any hedging ineffectiveness must continue to be recorded in the comprehensive income statement. Given the widespread nature of hedges involving interbank rate-based contracts (IBOR), the alternatives will affect companies in all industries.

The accounting policies related to hedge accounting should be updated to reflect the alternatives. Fair value disclosures may also be affected due to transfers between levels of the fair value hierarchy as markets become more or less liquid.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.6 ANNUAL IMPROVEMENTS TO IFRS 2018-2020 CYCLE

The following improvements were finished in May 2020:

- IFRS 9 - Financial instruments: clarifies which commissions should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 - Leases: modifies illustrative example 13 of the standard to eliminate the illustration of lessor payments related to improvements to leased assets, to eliminate any confusion about the treatment of lease incentives.
- IFRS 1 - First time adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the book value recorded in their parent's accounting, also measure accumulated transla-

tion exchange differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures with some conditions.

- IAS 41 - Agriculture: eliminates the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.5.7 CONCEPTUAL FRAMEWORK

The IASB has issued a revised Conceptual Framework that will be used in decisions to set standards with immediate effect. The key changes include:

- Increase the importance of management in the objective of financial information;
- Restore prudence as a component of neutrality;
- Define a reporting entity, which can be a legal entity or a part of an entity;
- Review the definitions of an asset and a liability;
- Eliminate the probability threshold for recognition and add guidelines on derecognition;
- Add guides on different measurement bases, and
- Indicate that profit or loss is the main performance indicator and that normally, income and expenses in other comprehensive income should be recycled when this improves the relevance or accurate representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that are based on the Framework to determine their accounting policies for transactions, events, or conditions that are not otherwise addressed in the accounting standards must apply the revised Framework effective January 1, 2020. These entities must consider whether its accounting policies are still appropriate under the revised Framework.

3.5.8 IFRS 17 INSURANCE CONTRACTS

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It also requires similar principles to apply to reinsurance contracts held and investment contracts with discretionary participation components. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts to assess the effect that contracts have on an entity's financial position, financial performance and cash flows, within the scope of IFRS 17.

IFRS 17 was initially applicable to annual periods beginning on January 1, 2021, however, the application date was extended for annual periods beginning on January 1, 2023, through an amendment issued by the IASB in June 2020. Early application is allowed.

IFRS 17 repeals IFRS 4 - Insurance Contracts which was an

interim standard that allowed entities to use a wide variety of accounting practices for insurance contracts, reflecting national accounting requirements and variations from those requirements. Some previous insurance accounting practices permitted under IFRS 4 did not adequately reflect the true underlying financial situations or financial performance of insurance contracts.

IFRS 17 requires a current measurement model where estimates are measured again in each reporting period. Contracts are measured using the components of:

- Discounted probability weighted cash flows;
- An explicit risk adjustment, and
- A contractual service margin (CSM) that represents the unearned profit from the contract which is recognized as income during the coverage period.

The standard allows choosing between recognizing changes in discount rates in the comprehensive income statement or directly in other comprehensive income. The choice is likely to reflect how insurers record their financial assets under IFRS 9.

An optional simplified premium allocation approach is allowed for the remaining coverage liability for short-term contracts, which are often offered by insurers that do not provide life insurance.

There is a modification to the general measurement model called "variable commission method" for certain life insurance contracts in which the insured share the returns of the underlying elements. When applying the variable commission method, the entity's participation in the changes in the fair value of the underlying items is included in the contractual service margin. Therefore, the results of insurers using this model are likely to be less volatile than in the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on 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

In the process of applying IFRS 16, the Group considered the following relevant judgements::

The Group's leasing activities and how they are accounted:

for The Group leases various properties, equipment and vehicles. Leases are normally for periods of between 1 and 15 years. The lease conditions are negotiated individually and contain a wide range of different terms and conditions. The leases do not impose any covenants, but the leased assets cannot be used as collateral for loan purposes.

Variable lease payments: Some asset leases contain variable payment terms related to the income generated by the premises. Variable lease payments that depend on revenue are recognized in the income statement in the period in which the condition that triggers such payments occurs.

Lease extension and termination options: Extension and termination options are included in the Group's lease contracts. These conditions are used to maximize operational flexibility in terms of contract management. Most extension and termination options held are exercised by the Group and the lessor.

Lease terms: In determining the term of the lease, mana-

gement considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. The assessment is reviewed if a significant event or significant change in circumstances occurs that affects this assessment.

Discount rate: The Group determined the discount rate based on the rate of its incremental indebtedness. The determination process considered the duration of the leases, the nature and quality of the collateral and the economic environments in which the Group operates. This rate is reviewed annually and adjusted when there are significant changes.

Dismantling provision: The provision is established taking into account the interventions that the Group must make on the real estate to leave it in the condition in which it was delivered and the contractual obligations with the lessor. The provision is reviewed and adjusted annually

NOTE 5. ACQUISITION OF SUBSIDIARIES

CCDC OPCO Holding Corporation

On September 18, 2019, a share purchase agreement was formalized for \$384,762 in which Grupo Nutresa acquires 100% of the outstanding shares of CCDC OPCO Holding Corporation, which owns 100% of Cameron's Coffee & Distribution Company, located in the United States. The operation was financed with international bank loans for USD 105 million and USD 12 million with its own resources.

Cameron's Coffee & Distribution Company is a company dedicated to the production and distribution of value-added roasted and ground coffee, based in Shakopee, Minnesota. The company has nearly 40 years of experience in the production and marketing of roasted and ground coffee in different presentations in bags and capsules. Through the Cameron's brand, the company offers its consumers an innovative value proposal, which integrates a high quality product with convenience attributes and sustainability vision. Cameron's stands out for its relevant presence and growth in the American Midwest market where it has a distribution that has allowed it to position itself as one of the fastest growing brands in the channels it serves in that region. Likewise, it has begun its expansion to other regions of the United States with excellent results.

With this acquisition, the Group expects to capture important synergies in the United States, where Cameron's has arrived at modern retail through various commercial relationships in Premium coffee, which will be promoted and deepened, and which complement the distribution network and the portfolio that Grupo Nutresa currently has in that country. The transaction is expected to generate new opportunities for profitable growth for the Group, by connecting the commercial network, production capacities and

the Cameron's brand with the scale, support and platform of Grupo Nutresa in the United States.

The recognized goodwill of \$207,612 is assigned to the Coffee segment and will not be deductible from income tax.

Atlantic FS S. A. S.

On October 25, 2019, the Superintendence of Industry and Commerce authorized Grupo Nutresa to acquire 51% of the shares of Atlantic FS S. A. S., owner of 100% of the shares of Procesos V.A. S. located in Colombia. The negotiation was for a value of \$47,207, which was paid with own resources.

The company is a leader in the food service sector and has positioned itself in Colombia in the commercialization of food, with presence in the main cities of the country.

Accounting policy option for non-controlling interest

The Group recognizes the non-controlling interest in an acquired entity either at its fair value or at the proportional participation of the non-controlling shareholders in the identifiable net assets of the acquired entity. This decision is made on the basis of each separate acquisition. For the non-controlling interest in Atlantic, the Group elected to recognize the non-controlling interest in its proportionate interest in the identifiable net assets acquired.

The recognized goodwill of \$ 33,747 is assigned to the "others" segment and will not be deductible from income tax in accordance with the current tax regulations in Colombia.

The detail of the net assets incorporated as part of the business combination and goodwill is as follows:

	2019		
	CCDC OPCO Holding Corporation 1st September, 2019	Atlantic FS S. A. S. 31st October, 2019	Total
Cash and cash equivalents	-	839	839
Trade and other receivables	18.491	22.304	40.795
Inventories	33.019	28.440	61.459
Other assets	3.509	903	4.412
Tax assets	-	3.106	3.106
Property, plant and equipment, net	30.093	5.608	35.701
Other intangible assets	69.980	326	70.306
Deferred tax assets	-	1.151	1.151
Right-of-use assets	20.109	6.282	26.391
Financial obligations	(791)	(6.928)	(7.719)
Trade and other payables	(12.230)	(24.481)	(36.711)
Tax charges	(2)	(4.614)	(4.616)
Employee benefits	(2.836)	(841)	(3.677)
Other non-financial liabilities	-	(145)	(145)
Right-of-use liabilities	(20.331)	(6.691)	(27.022)
Deferred tax liabilities	(3.583)	(1.154)	(4.737)
Net identifiable assets	135.428	24.105	159.533
(-) non-controlling interest	-	(11.811)	(11.811)
(+) other intangible assets - brands (Note 2)	48.829	1.166	49.995
(+) other intangible assets contractual relationships with clients (Note 2)	48.174	-	48.174
(-) disposals of intangibles (Note 2)	(69.980)	-	(69.980)
(+) adjustment to the fair value of property, plant and equipment (Note 2)	17.692	-	17.692
(-) net effect on deferred tax (Note 2)	(119)	-	(119)
(-) contingent liability (Note 2)	(2.874)	-	(2.874)
(+) goodwill (nota 20)*	207.612	33.747	241.359
Negotiation value	384.762	47.207	431.969

Table 5

(*) In 2020 there is an increase in goodwill of Atlantic for the price paid in 2019.

Income from ordinary activities

The income from ordinary activities and results included in the financial statements of Grupo Nutresa as of 31st of December, 2019 is, as follows:

	2019	
	CCDC OPCO Holding Corporation	Atlantic FS S. A. S.
	Sep-dic	Nov-dic
Income from ordinary activities	87.972	43.833
Net income	9.673	1.554

Table 6

Accounts receivable acquired companies

The fair value of the acquired accounts receivable and their respective impairment, is as follows:

	CCDC OPCO Holding Corporation	Atlantic FS S. A. S.
	1 st September 2019	31 st October, 2019
Accounts receivable	18.747	22.419
Impairment	(256)	(136)
Net accounts receivable	18.491	22.283

Table 6

Acquisition-related costs

Costs related to the acquisition that were not directly attributable to the issue of shares are included in administrative expenses in the income statement and in operating cash flows in the statement of cash flows.

Contingent liability

A contingent liability was recognized on the acquisition date of CCDC OPCO Holding Corporation for \$ 2,874 arising from a legal dispute.

NOTE 6. INCOME STATEMENT FOR THE FOURTH QUARTER

The following is the Income Statement and an analysis of its line items for the period between October 1st and December 31st.

	Notes	October- December 2020	October- December 2019
Continuing operations			
Operating revenue	a	\$ 2.949.271	\$ 2.758.815
Cost of goods sold	e	(1.722.629)	(1.555.832)
Gross profit		\$ 1.226.642	\$ 1.202.983
Administrative expenses	e	(125.259)	(142.506)
Sales expenses	e	(842.727)	(787.995)
Production expenses	e	(61.069)	(49.240)
Exchange differences on operating assets and liabilities		9.818	20.358
Other operating expenses, net	f	12.264	4.077

	Notes	October-December 2020	October-December 2019
Operating profit		\$ 219.669	\$ 247.677
Financial income		8.677	6.443
Financial expenses	d	(62.754)	(78.525)
Dividends		2	-
Exchange differences on non-operating assets and liabilities		(16.732)	(11.203)
Share of profit of associates and joint ventures		1.551	(598)
Other expenses		-	625
Income before tax and non-controlling interest		\$ 150.413	\$ 164.419
Current income tax	c	(43.766)	(64.408)
Deferred income tax	c	3.787	(3.766)
Profit after taxes from continuous operations		\$ 110.434	\$ 96.245
Discontinued operations, after income tax		(174)	(1.902)
Net profit for the period		\$ 110.260	\$ 94.343
Profit for the period attributable to:			
Controlling interest		105.974	91.145
Non-controlling interest		4.286	3.198
Utilidad neta del período		\$ 110.260	\$ 94.343
Ebitda	b	326.723	354.777

Table 7

a. Income from ordinary activities

- Income from ordinary activities, by segments

	Fourt Quarter					
	External clients		Inter-segments		Total	
	2020	2019	2020	2019	2020	2019
Biscuits	544.446	546.970	3.086	2.532	547.532	549.502
Cold Cuts	590.055	552.052	12.698	12.197	602.753	564.249
Chocolate	483.275	461.758	11.658	8.225	494.933	469.983
Coffee	397.996	356.193	1.777	2.213	399.773	358.406
TMLUC	248.980	246.989	1.150	367	250.130	247.356
Retail Food	217.527	222.669	12	196	217.539	222.865
Ice Cream	134.786	126.593	573	623	135.359	127.216
Pastas	98.025	89.941	215	141	98.240	90.082
Others	234.181	155.650	-	-	234.181	155.650
Total segments	2.949.271	2.758.815	31.169	26.494	2.980.440	2.785.309
Adjustments and eliminations					(31.169)	(26.494)
Consolidated					2.949.271	2.758.815

Table 8

- Income from ordinary activities, by geographical locations

	Fourt Quarter	
	2020	2019
Colombia	1.831.744	1.722.297
United States	302.620	280.593
Central America	295.156	270.714
Chile	187.498	191.806
Mexico	74.227	75.416
Dominican Republic and the Caribbean	50.657	48.232
Peru	80.693	75.703
Ecuador	40.778	39.284
Others	85.898	54.770
Total	2.949.271	2.758.815

Table 9

- Income from ordinary activities, by type of product

	Fourt Quarter	
	2020	2019
Foods	1.703.088	1.457.584
Beverages	671.146	555.833
Candy and snacks	465.532	452.350
Others	109.505	293.048
Total	2.949.271	2.758.815

Table 10

b. Ebitda

	Fourt Quarter	
	2020	2019
Operating profit	219.669	247.677
Depreciation and amortization	85.045	80.340
Right-of-use depreciation	28.758	31.365
Unrealized exchange differences from operating assets and liabilities	(6.749)	(4.605)
EBITDA	326.723	354.777

Table 11

• Ebitda, by operation segments

	Fourt Quarter							
	Operating Profit		Depreciation and Amortization		Unrealized Exchange Differences from Operating Assets and Liabilities		Ebitda	
	2020	2019	2020	2019	2020	2019	2020	2019
Biscuits	46.989	48.860	15.442	15.336	(2.122)	(1.244)	60.309	62.952
Cold Cuts	49.949	66.469	16.431	16.183	(635)	(2.090)	65.745	80.562
Chocolate	38.283	37.020	13.330	13.785	(842)	(1.155)	50.771	49.650
Coffee	9.284	20.035	19.166	14.135	2.544	1.658	30.994	35.828
TMLUC	13.980	16.974	11.568	12.368	216	(483)	25.764	28.859
Retail Food	25.957	33.287	21.529	22.560	(69)	(93)	47.417	55.754
Ice Cream	13.752	9.502	6.984	9.233	(229)	(218)	20.507	18.517
Pastas	10.666	11.061	3.051	3.066	(1.143)	(423)	12.574	13.704
Others	10.809	4.469	6.302	5.039	(4.469)	(557)	12.642	8.951
Total segments	219.669	247.677	113.803	111.705	(6.749)	(4.605)	326.723	354.777

Table 12

c. Income tax expenses

	Fourt Quarter	
	2020	2019
Income tax	43.766	64.408
Total	43.766	64.408
Deferred taxes	(3.787)	3.766
Total income tax expenses	39.979	68.174

Table 13

Current tax decreases mainly due to the decrease in profits in the last quarter of 2020.

The variation in deferred tax is mainly due to the recognition of higher tax losses and amortization of intangibles during the fourth quarter of 2020.

d. Financial expenses

	Fourt Quarter	
	2020	2019
Loans interest	30.225	44.812
Bonds interest	2.491	3.224
Interest from financial leases	21	28
Total interest expenses	32.737	48.064
Employee benefits	6.038	5.631
Right-of-use financial expenses	14.127	15.166
Other financial expenses	9.852	9.664
Total financial expenses	62.754	78.525

Table 14

e. Expenditure by nature

	Fourt Quarter	
	2020	2019
Inventory consumption and other costs	1.305.408	1.153.366
Employee benefits	471.636	444.451
Other services ⁽¹⁾	291.520	264.953
Other expenses ⁽²⁾	140.354	148.349
Transport services	116.315	109.489
Depreciation and amortization	85.045	80.340
Right-of-use depreciation	28.758	31.365
Manufacturing services	24.451	57.238
Seasonal services	66.838	50.082
Energy and gas	46.412	44.474
Advertising material	35.137	35.260
Maintenance	35.123	33.120
Taxes other than income tax	24.257	10.075
Leases	28.037	17.389
Fees	30.896	38.341
Insurance	13.224	12.383
Impairment of assets	8.273	4.898
Total	2.751.684	2.535.573

Table 15

(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.

f. Other operating income (expenses), net

	Fourt Quarter	
	2020	2019
Indemnities and recuperations	2.840	3.944
Disposal and removal of property, plant and equipment and intangibles	(1.620)	481
Fines, penalties, litigation, and legal processes	(545)	(612)
Other income and expenses	1.427	3.343
Government subsidies	1.060	1.015
Donations	(4.966)	(4.671)
Disposal and removal of right-of-use assets	407	577
Leases forgiveness income	13.661	-
Total	12.264	4.077

Table 16

NOTE 7. OPERATING SEGMENTS

Grupo Nutresa's operating segments reflect its structure and how Management, in particular, the Board of Directors, evaluates the financial information for decision-making in operational matters. For the administration, businesses are assessed by combining geographic areas and types of pro-

ducts. 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, 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 accountability 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 re-

spect 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.

7.1. 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 2020 and 2019, 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	
	2020	2019	2020	2019	2020	2019
Biscuits	2,223.679	2,029.125	11.415	11.002	2,235.094	2,040.127
Cold Cuts	2,145.265	1,912.022	30.692	43.062	2,175.957	1,955.084
Chocolate	1,737.201	1,676.711	38.656	34.529	1,775.857	1,711.240
Coffee	1,591.087	1,210.085	9.406	11.168	1,600.493	1,221.253
TMLUC	1,117.290	1,041.956	4.734	2.584	1,122.024	1,044.540
Retail Food	660.356	814.636	103	196	660.459	814.832
Ice Cream	482.535	475.583	2.735	1.224	485.270	476.807
Pastas	404.555	343.012	728	1.630	405.283	344.642
Others	765.573	455.721	-	-	765.573	455.721
Total segments	11,127.541	9,958.851	98.469	105.395	11,226.010	10,064.246
Adjustments and eliminations					(98.469)	(105.395)
Consolidated					11,127.541	9,958.851

Table 17

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:

	2020	2019
Colombia	6.691.219	6.203.824
United States	1.310.335	918.285
Central America	1.131.776	978.337
Chile	801.535	750.211
Mexico	306.948	343.573
Dominican Republic and the Caribbean	188.297	186.563
Peru	241.306	227.141
Ecuador	155.771	144.295
Others	300.354	206.622
Total	11.127.541	9.958.851

Table 18

Sales information is realized with consideration of the geographical location of the end-user customer.

c. Information by type of product

As some segments are also categorized by geographical location, sales to external customers are presented by product category, as follows:

	2020	2019
Foods	5.854.414	5.212.575
Beverages	2.774.328	2.244.602
Candy snacks	1.657.337	1.721.324
Others	841.462	780.350
Total	11.127.541	9.958.851

Table 19

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.

7.2 EBITDA

	Four Quarter							
	Operating Profit		Depreciation and Amortization (Note 32)		Unrealized Exchange Differences from Operating Assets and Liabilities (Note 34)		Ebitda	
	2020	2019	2020	2019	2020	2019	2020	2019
Biscuits	240.624	222.800	60.882	55.093	(264)	(1.311)	301.242	276.582
Cold Cuts	224.162	181.925	61.924	58.732	(2.006)	(3.075)	284.080	237.582
Chocolate	181.818	182.872	49.902	50.000	647	(884)	232.367	231.988
Coffee	164.359	103.067	53.433	37.431	(209)	879	217.583	141.377
TMLUC	100.027	92.994	44.575	49.555	331	(946)	144.933	141.603
Retail Food	(5.313)	100.534	87.961	83.510	45	(47)	82.693	183.997
Ice Cream	50.013	34.222	27.874	33.727	(129)	(247)	77.758	67.702
Pastas	49.425	32.046	12.623	11.530	559	(300)	62.607	43.276
Others	14.473	6.291	22.210	16.766	3.630	65	40.313	23.122
Total segments	1.019.588	956.751	421.384	396.344	2.604	(5.866)	1.443.576	1.347.229

Table 20

NOTE 8. 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 State-

ments 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.

	2020					2019				
	Assets	Liabilities	Shareholder equity	Profit for the Period	Other comprehensive income for the period	Assets	Liabilities	Shareholder equity	Profit for the Period	Other comprehensive income for the period
Subsidiaries directly or indirectly 100% owned by Grupo Nutresa										
Grupo Nutresa S. A.	8.425.618	102.819	8.322.799	583.241	-	8.843.438	100.357	8.743.081	513.898	-
Compañía de Galletas Noel S. A. S.	2.319.187	821.764	1.497.423	121.850	-	2.196.980	819.679	1.377.301	106.129	-
Alimentos Cárnicos S. A. S.	2.283.594	1.246.470	1.037.124	108.951	-	2.170.520	1.265.276	905.244	70.714	-
Compañía Nacional de Chocolates S. A. S.	1.923.634	759.992	1.163.642	106.579	-	1.797.136	634.166	1.162.970	104.592	-
Nutresa Chile S. A.	1.648.868	323	1.648.545	19.777	374	1.476.445	222	1.476.223	93.003	(5.097)
Industria Colombiana de Café S. A. S.	1.441.518	794.864	646.654	29.897	-	1.342.560	756.455	586.105	25.790	-
Tresmontes S. A.	1.327.080	337.052	990.028	12.506	(1.370)	1.285.528	317.429	968.099	(7.955)	96
Servicios Nutresa S. A. S.	1.166.531	1.166.141	390	1.544	-	771.637	771.395	242	1.207	-
American Franchising Corp. (AFC)	1.151.726	1	1.151.725	(87)	2	1.104.157	-	1.104.157	(9)	(633)
Compañía de Galletas Pozuelo DCR S. A.	944.292	180.001	764.291	57.132	(6.641)	850.712	120.976	729.736	32.702	111
Abimar Foods Inc.	764.209	439.242	324.967	(1.705)	412	722.826	411.057	311.769	4.787	(1.990)
Meals Mercadeo de Alimentos de Colombia S. A. S.	751.211	518.862	232.349	11.756	-	749.855	528.465	221.390	37.313	-
Lucchetti Chile S. A.	664.865	70.536	594.329	20.376	584	586.833	67.247	519.586	10.396	(568)
IRCC S. A. S. - Industria de Restaurantes Casuales S. A. S.	530.769	540.151	(9.382)	(37.623)	-	589.541	560.822	28.719	7.980	-
Comercial Nutresa S. A. S.	448.660	404.066	44.594	18.753	-	457.773	432.036	25.737	(2.316)	-
Compañía Nacional de Chocolates del Perú S. A.	433.915	73.356	360.559	13.401	(1.371)	443.734	80.698	363.036	15.377	460
Novaventa S. A. S.	427.206	190.135	237.071	45.179	-	371.652	179.663	191.989	45.567	-
Tresmontes Lucchetti S. A.	393.026	194.394	198.632	19.230	552	355.599	195.655	159.944	16.722	(1.038)
Productos Alimenticios Doria S. A. S.	346.784	224.315	122.469	23.309	-	296.941	184.087	112.854	19.084	-
Gestión Cargo Zona Franca S. A. S.	332.307	174.415	157.892	21.978	-	283.575	191.475	92.100	15.205	-
Otras sociedades ⁽¹⁾	3.066.346	1.276.513	1.789.833	71.114	13.125	2.812.084	1.079.253	1.732.831	122.630	(270)
Subsidiaries with non-controlling interest										
La Recetta Soluciones Gastronómicas Integradas S. A. S.	81.611	80.081	1.530	291	-	84.843	83.605	1.238	(174)	-
Helados Bon S. A.	77.980	44.241	33.739	8.002	1.375	83.775	43.774	40.001	17.463	(464)
Atlantic FS S. A. S.	83.882	49.775	34.107	6.476	-	70.876	43.245	27.631	3.016	-
Setas Colombianas S. A.	68.559	19.445	49.114	4.821	-	70.740	20.416	50.324	7.017	-
Fondo de capital privado BTG PACTUAL	68.618	38.283	30.335	268	-	62.211	32.144	30.067	610	-
Novaceites S. A.	74.043	7.498	66.545	6.525	13	62.162	4.443	57.719	4.014	14
Schadel Ltda. Schalin Del Vecchio Ltda.	19.994	13.399	6.595	(1.223)	-	18.307	10.253	8.054	526	-
Productos Naturela S. A. S.	5.018	799	4.219	786	-	4.165	506	3.659	456	-

Table 21

(^{c)} Other subsidiaries include equity of \$1.789.833 (2019: \$1.616.507) for the following companies: Industria de Alimentos Zenú S. A. S., 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., Molinos Santa Marta S. A. S., Comercial Pozuelo Nicaragua S. A., Cía. Americana de Helados S. A., 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., Tresmontes Lucchetti México S. A. De C. V., Tresmontes Lucchetti Inversiones S.A., Inversiones Tresmontes S.A., Tresmontes Lucchetti Servicios S. A., Fideicomiso Grupo Nutresa, Opperar Colombia S. A. S., Promociones y Publicidad Las Américas S. A., TMLUC Servicios Industriales, S. A. de C. V., Servicios Tresmontes Lucchetti S. A. de C. V., Inverlogy S. A. S., Servicios Nutresa Costa Rica S. A., Tresmontes Lucchetti Agroindustrial S. A., PJ COL S. A. S., LYC S. A. S., New Brands S. A., Tabelco S. A. S., LYC Bay Enterprise INC., Sun Bay Enterprise INC., Cameron's Coffee & Distribution Company, CCDC OpCo Holding Corporation, KIBO FOODS LLC, Procesos VA S. A. S.

NOTE 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31st includes the following:

	2020	2019
Cash and banks	717.765	362.940
Short-term investments	215.799	135.007
Total	933.564	497.947

Table 22

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 1,7% (2019: 2,9%).

At the close of December, \$6.600 (2019: \$9.780) 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, 2020, the Group had \$3.569.679 (2019: \$3.095.475) available in committed unused credit lines.

NOTE 10. TRADE AND OTHER ACCOUNTS RECEIVABLES, NET

Trade and other accounts receivables, are as follows:

	2020	2019
Clients	1.123.665	1.134.929
Accounts receivable from employees	37.930	35.219
Accounts receivable from related parties	15.108	16.548
Loans to third-parties	992	573
Dividends receivable (Note 16)	16.376	15.373
Other accounts receivable	53.386	10.868
Impairment	(29.198)	(21.853)
Total trade and accounts receivable	1.218.259	1.191.657
Current portion	1.191.711	1.166.248
Non-current portion	26.548	25.409

Table 23

As of December 31st, accounts receivable from customers have the following stratifications:

	2020	2019
Not overdue	786.983	749.947
Up to 90 days	282.242	336.281
Between 91 and 180 days	27.678	25.841
Between 181 and 365 days	17.667	18.624
More than 365 days	9.095	4.236
Total	1.123.665	1.134.929

Table 24

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 the portfolio el analysis at December 31st of 2020, 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:

	2020	2019
Book value at January 1st	21.853	18.794
Impairment losses recognized during the period	29.989	18.604
Use during the period	(22.199)	(15.828)
Reversal of impairment losses for the period	(212)	(235)
Exchange differences	(177)	14
Increase from acquisition	-	392
Other changes	(56)	112
Book value at December 31st	29.198	21.853

Table 25

The book amount of accounts receivable from customers, is denominated in the following currencies:

	2020	2019
Colombian Pesos	513.492	564.692
US Dollars	277.044	236.826
Other currencies	333.129	333.411
Total	1.123.665	1.134.929

Table 26

NOTE 11. INVENTORIES

The balance of inventories, at December 31st, includes the following:

	2020	2019
Raw materials	404.601	367.079
Works-in-progress	89.694	78.878
Finished products	536.896	454.612
Packing materials	117.986	112.270
Consumable materials and spare parts	98.761	91.465
Inventories in transit	136.095	146.158
Adjustments to the net realizable values	(4.049)	(2.334)
Total	1.379.984	1.248.128

Table 27

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 \$6.072.405 (2019: \$5.287.158).

Write-off inventories are recognized as expenses, in the amount of \$65.917, during the period 2020 (2019: \$57.814); these penalties are within the normal range expected by the Group, according to, the production process, and associated with factors of the type of product, such as expiration dates, rotation, and handling of food.

The impairment of inventories is determined based on an analysis of the conditions and the rotation of inventories. The estimate is recorded, against the results of the year, in the amount of \$943; (2019: \$416).

As of December 31st of 2020 and 2019, there are no inventories committed as collateral for liabilities. The Group expects to realize its inventories, in less than 12 months.

NOTE 12. BIOLOGICAL ASSETS

The following is a breakdown of biological assets:

	2020	2019
Biological assets - Cattle	46.127	44.554
Biological assets - Pig	77.145	48.378
Crops	4.342	3.700
Total	127.614	96.632

Table 28

The following are the amounts and principal locations of the biological assets:

	Quantities		Location
	2020	2019	
Biological assets - Cattle ⁽¹⁾	26.148 Uds.	27.971 Uds.	Antioquia, Córdoba, Cesar, Santander, Sucre y Caldas - Colombia
Biological assets - Pig ⁽¹⁾	116.290 Uds	95.319 Uds.	Antioquia y Caldas - Colombia
Forest plantations	12.523 Uds	11.008 Uds.	Provincia de Oeste - Panamá
Mushroom crops ⁽²⁾	41.080 mts ²	41,080 mts ²	Yarumal - Colombia

Table 29

⁽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, 2020, the price per average kilo of the pig livestock used in the valuation was \$7.305* (2019: \$5.894*); for cattle a price per average kilo of \$4.840* (2019: \$4.243*) was used.

The value of pigs that are produced in Panama, in December 2020, is \$8.791⁽¹⁾ (2019: \$5.386), are measured upon initial recognition under the cost model, taking into account that there is no active market, in said country

⁽¹⁾ In Colombian Pesos.

⁽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, 2020 were \$13.131 (2019: \$4.834), 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 13. OTHER ASSETS

Other assets are comprised of the following:

	2020	2019
Current taxes (Note 22.2)	170.607	202.585
Prepaid expenses ⁽¹⁾	41.686	32.174
Financial derivative instruments (Note 23.6)	15.794	16.638
Total other current assets	228.087	251.397
Non-current taxes (Note 22.2)	11.282	11.054
Prepaid expenses	7.971	7.250
Other financial instruments measured at fair value ⁽²⁾	68.194	62.132
Total other non-current assets	87.447	80.436
Total other assets	315.534	331.833

Table 30

⁽¹⁾ The expenses paid in advance, correspond mainly to insurance in the amount of \$16.185 (2019: \$17.456), leases in the amount of \$112 (2019: \$192) and contractors in the amount of \$10 (2019: \$809).

⁽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 14. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale, are as follows:

	2020	2019
Land	80	80
Constructions in progress	97	2.530
	177	2.610

Table 31

NOTE 15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures, are as follows:

	Country	% Participation	Book value	
			2020	2019
Associates				
Bimbo de Colombia S.A.	Colombia	40%	137.489	139.121
Dan Kaffe Sdn. Bhd	Malasia	44%	33.948	31.291
Estrella Andina S.A.S.	Colombia	30%	10.615	10.924
Wellness Food Company S.A.S.	Colombia	20%	610	613
Joint ventures				
Oriental Coffee Alliance Sdn. Bhd	Malasia	50%	11.455	11.411
Oriental Coffee Alliance Inc.	Filipinas	50%	2.381	-
Total associates and joint ventures			196.498	193.360

	Country	% Participation	2020			2019		
			Dividends received	Share of Profit and Loss for the Period	Share of Other Comprehensive Income	Dividends received	Share of Profit and Loss for the Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S.A.	Colombia	40%	-	(2.845)	1.214	-	(692)	(105)
Dan Kaffe Sdn. Bhd	Malasia	44%	(516)	1.650	1.523	(643)	1.226	640
Estrella Andina S.A.S.	Colombia	30%	-	(2.602)	-	-	(1.864)	-
Wellness Food Company S.A.S.	Colombia	20%	-	(3)	-	-	(17)	-
Joint ventures								
Oriental Coffee Alliance Sdn. Bhd	Malasia	50%	-	(550)	594	-	(921)	211
Oriental Coffee Alliance Inc.	Filipinas	50%	-	(122)	(104)	-	-	-
Total associates and joint ventures			(516)	(4.472)	3.227	(643)	(2.268)	746

Table 32

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.

Wellness Food Company S.A.S. is a simplified joint stock company domiciled in Itagui, Colombia, dedicated mainly to the elaboration of dairy products and other types of prepared foods.

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.

Oriental Coffee Alliance, Inc is a Company domiciled in Taguig – Philippines, conformed with the objective of partici-

pating, conducting and developing the business of purchase, sale, distribution, marketing, enter into all types of export, import, purchase, acquisition, sale and other provisions agreements by itself as principal or representative as manufacturing representatives, , merchandise broker, indenter, commission merchant, factors or agents in the shipment of coffee-related products, including but not limited to instant coffee, ready-to-drink products, coffee extract, and roast and ground coffee, but excluding green grains to provide direction, supervision and support, including but not limited to marketing and sales, to affiliates and / or incorporated subsidiaries, including future

affiliates and / or subsidiaries that may be incorporated, that will conduct the manufacturing and marketing business; and developing business opportunities related to coffee and other food products in Asian countries and elsewhere. This Company is part of Grupo Nutresa's strategy of association with Mitsubishi Corporation, which allows it to advance in the objectives initially set with the acquisition of DKM to enter to the fast-growing coffee market in Asia.

The movements of the book value of the investments in associates and joint ventures, are as follows:

	2020	2019
Opening balance at January 1st, 2020	193.360	192.795
Increase of contributions ⁽¹⁾	4.900	2.730
Dividends received ⁽²⁾	(516)	(643)
Participation in profit and loss, for the period	(4.472)	(2.268)
Participation in other comprehensive income	3.226	746
Balance at December 31st, 2020	196.498	193.360

Table 33

⁽¹⁾ In July 2020, Industria Colombiana de Café S.A.S. invested \$2.607 in Oriental Coffee Alliance Inc. in Philippines with a participation of 50% and in June 2020, Estrella Andina S. A. S.'s capital was increased in which Grupo Nutresa invested \$2.293, without generating changes in the percentage of participation, which was paid in full.

In June 2019, Grupo Nutresa invested \$630 in Wellness Food Company S.A.S. In February 2019, Estrella Andina S. A. S.'s capital was increased, in which Grupo Nutresa invested \$2,100, without generating changes in the percentage of participation, which was paid in full.

⁽²⁾ As of December, 2020 was received \$516 (\$643) as dividends from the associated Dan Kaffe Sdn. Bhd.

The following is a summary of financial information of associates and joint ventures:

	2020					2019				
	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.	684.582	340.859	343.723	3.568	1.577	686.195	338.393	347.802	(1.732)	(262)
Dan Kaffe Sdn. Bhd	103.082	23.866	79.216	3.738	-	90.984	18.958	72.026	2.777	-
Estrella Andina S.A.S.	77.965	42.409	35.556	(8.672)	-	41.694	5.110	36.584	(6.214)	-
Wellness Food Company S A S	1.000	398	602	9	-	889	269	620	(83)	-
Joint Ventures										
Oriental Coffee Alliance Sdn. Bhd	21.252	342	20.910	(1.101)	-	21.648	825	20.823	(1.841)	-
Oriental Coffee Alliance Inc.	5.095	334	4.761	(243)	-	-	-	-	-	-

Table 34

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 16. 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	2020	2019
Grupo de Inversiones Suramericana S. A.	61.021.436	13,01%	1.542.622	2.074.729
Grupo Argos S. A.	79.804.628	12,37%	1.109.284	1.420.522
Other companies			27.085	16.517
Total			2.678.991	3.511.768

Table 35

	2020		2019	
	Dividend Income	Loss on Fair Value Measurement	Dividend Income	Loss on Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	38.687	(532.107)	33.562	114.873
Grupo Argos S. A.	30.007	(311.238)	27.931	71.824
Other companies	577	-	23	-
	69.271	(843.345)	61.516	186.697

Table 36

The value of the dividend per share, declared for 2020, by Grupo de Inversiones Suramericana S. A. was \$583 (pesos), yearly per share. These paid quarterly, in the amount of \$145,75 and an extraordinary payable dividend paid in cash for \$51 pesos each share in a single installment on July 1, 2020. Whilst, Grupo Argos S. A. declared, dividends, in the amount of \$376 (pesos), yearly, per share, to be paid quarterly, in the amount of \$94.

For 2019 the annual value per share was \$350 pesos (\$87.50 pesos quarterly) for Grupo Argos S. A. and \$550 pesos (\$137.50 pesos quarterly) for Grupo de Inversiones Suramericana S. A.

The dividend income recognized as of September 2020 for portfolio investments corresponds primarily to the total annual dividend declared by the issuers, and therefore similar income is expected for the remainder of the year.

As of December 31, 2020 there is receivable for dividends from financial instruments \$16.376 (December 2019 - \$15.373).

The dividends received generated an impact in cash flows of \$68.268 (2019: \$60.641).

In January of 2019, 365,114 shares of equity instruments, of Grupo de Inversiones Suramericana S.A., were sold for \$11,880.

At December 31, 2019, there were pledges of 20.786.846 (2019: 26.686.846) 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.

Measurement at fair value

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 as of December 31th, 2020 generated losses of \$843.345 (December 2019: gain of \$186,697), recognized in the other comprehensive income. In the case of other investments, when their book value is material, the measurement is made annually using valuation techniques recognized and accepted under IFRS 13.

The following is the value per share, used in the valuation of investments listed on the Colombian Stock Exchange:

Price per share (in pesos)	December 2020	December 2019
Grupo de Inversiones Suramericana S. A.	25.280	34.000
Grupo Argos S. A.	13.900	17.800

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.

NOTE 17. 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	Plantations in development	Total
Cost	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	-	12.872	5.081.630
Depreciation and/or impairment	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	-	(1.664.206)
Balance at January 1st, 2020	782.793	686.638	1.619.237	9.942	16.011	18.734	98.332	172.865	-	12.872	3.417.424
Acquisitions	-	920	15.388	395	2.700	726	13.156	236.438	-	-	269.723
Disposals	(473)	-	(3.180)	(142)	(41)	(179)	(164)	-	-	-	(4.179)
Depreciations	-	(35.318)	(198.827)	(4.122)	(6.120)	(5.588)	(20.409)	-	(287)	-	(270.671)
Transfers	35.108	6.603	116.013	172	136	1.744	1.394	(168.319)	6.323	(6.323)	(7.149)
Exchange translation impact	951	5.414	16.909	525	290	780	452	2.419	-	-	27.740
Capitalization and consumption	-	-	-	-	-	-	-	-	-	1.318	1.318
Cost	818.735	946.687	3.029.852	31.440	52.225	60.597	176.378	243.403	6.323	7.867	5.373.507
Depreciation and/or impairment	(356)	(282.430)	(1.464.312)	(24.670)	(39.249)	(44.380)	(83.617)	-	(287)	-	(1.939.301)
Balance at December 31st, 2020	818.379	664.257	1.565.540	6.770	12.976	16.217	92.761	243.403	6.036	7.867	3.434.206
Cost reconciliation											
Cost balance at January 1st, 2020	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	-	12.872	5.081.630
Acquisitions	-	920	15.388	395	2.700	725	13.156	236.438	-	-	269.722
Disposals	(473)	(2)	(24.080)	(1.174)	(384)	(945)	(6.950)	-	-	-	(34.008)
Transfers	35.107	6.086	115.211	356	(342)	1.767	1.392	(168.319)	6.323	(6.323)	(8.742)
Exchange translation impact	968	9.428	45.788	875	1.729	1.953	427	2.419	-	-	63.587
Capitalization and consumption	-	-	-	-	-	-	-	-	-	1.318	1.318
Cost balance at December 31st, 2020	818.735	946.686	3.029.852	31.441	52.225	60.597	176.378	243.403	6.323	7.867	5.373.507

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Plantations in development	Plantations in development	Total
Depreciation and/or impairment reconciliation											
Depreciation and/or impairment balance at January 1st, 2020	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	-	(1.664.206)
Disposals	-	-	20.900	1.033	344	766	6.786	-	-	-	29.829
Transfers	-	518	801	(183)	477	(22)	-	-	-	-	1.591
Depreciations	-	(35.318)	(198.544)	(4.122)	(6.091)	(5.586)	(20.397)	-	(287)	-	(270.345)
Exchange translation impact	(16)	(4.014)	(29.161)	(351)	(1.468)	(1.175)	15	-	-	-	(36.170)
Depreciation and/or impairment balance at December 31st, 2020	(356)	(282.430)	(1.464.312)	(24.670)	(39.249)	(44.380)	(83.617)	-	(287)	-	(1.939.301)

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in	Plantations in development	Total	
Cost	786.484	929.129	2.634.946	26.697	43.347	61.115	145.627	134.808	11.943	4.774.096	
Depreciation and/or impairment	(337)	(211.256)	(1.048.388)	(17.615)	(27.578)	(39.962)	(52.596)	-	-	(1.397.732)	
Balance at January 1st, 2019	786.147	717.873	1.586.558	9.082	15.769	21.153	93.031	134.808	11.943	3.376.364	
Acquisitions	-	1.865	22.779	3.486	3.943	694	16.681	204.118	-	253.566	
Disposals	(3.370)	(2.959)	(9.288)	(163)	(34)	(40)	(1)	(10)	-	(15.865)	
Depreciations	-	(33.741)	(191.151)	(3.984)	(5.355)	(6.150)	(17.596)	-	-	(257.977)	
Transfers	(546)	1.833	164.470	1.276	(122)	2.905	1.897	(170.113)	-	1.600	
Acquisition of subsidiaries	-	89	42.522	220	1.909	280	4.076	4.298	-	53.394	
Exchange translation impact	562	1.678	3.347	25	(99)	(108)	244	(236)	-	5.413	
Capitalization and consumption	-	-	-	-	-	-	-	-	929	929	
Cost	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	12.872	5.081.630	
Depreciation and/or impairment	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	(1.664.206)	
Balance at December 31st, 2019	782.793	686.638	1.619.237	9.942	16.011	18.734	98.332	172.865	12.872	3.417.424	
Cost reconciliation											
Cost balance at January 1st, 2019	786.484	929.129	2.634.946	26.697	43.347	61.115	145.627	134.808	11.943	4.774.096	
Acquisitions	-	1.865	22.779	3.486	3.943	694	16.681	204.118	-	253.566	
Disposals	(3.370)	(4.537)	(31.573)	(1.372)	(567)	(8.690)	(1.892)	(10)	-	(52.011)	
Transfers	(546)	2.604	170.419	1.839	(101)	3.390	1.981	(170.113)	-	9.473	
Acquisition of subsidiaries	-	102	89.818	221	2.897	874	5.590	4.298	-	103.800	
Exchange translation impact	565	1.091	(8.844)	118	(997)	(286)	366	(236)	-	(8.223)	
Capitalization and consumption	-	-	-	-	-	-	-	-	929	929	
Cost balance at December 31st, 2019	783.133	930.254	2.877.545	30.989	48.522	57.097	168.353	172.865	12.872	5.081.630	

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in	Plantations in development	Total
Depreciation and/or impairment reconciliation										
Depreciation and/or impairment balance at January 1st, 2019	(337)	(211.256)	(1.048.388)	(17.615)	(27.578)	(39.962)	(52.596)	-	-	(1.397.732)
Disposals	-	1.578	22.285	1.210	534	8.650	1.891	-	-	36.148
Transfers	-	(771)	(5.949)	(563)	(21)	(484)	(84)	-	-	(7.872)
Acquisition of subsidiaries	-	(13)	(47.578)	-	(1.016)	(599)	(1.523)	-	-	(50.729)
Depreciations	-	(33.741)	(190.869)	(3.984)	(5.326)	(6.148)	(17.584)	-	-	(257.652)
Exchange translation impact	(3)	587	12.191	(95)	896	180	(125)	-	-	13.631
Depreciation and/or impairment balance at December 31st, 2019	(340)	(243.616)	(1.258.308)	(21.047)	(32.511)	(38.363)	(70.021)	-	-	(1.664.206)

Table 37

(*) 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, 2020 and 2019, there was not collateral of property, plant and equipment.

NOTE 18. RIGHT-OF-USE ASSETS

The movement of right-of-use assets is as follows (see accounting policy 3.3.8):

	Buildings	Transportation Equipment	Machinery and Production Equipment	Communication and computer equipment	Total
Balance at January 1st, 2020	814.955	46.556	17.041	-	878.552
New contracts ^(*)	62.796	10.896	4.152	377	78.221
Disposals	(21.962)	(946)	(438)	-	(23.346)
Depreciation (Note 32)	(95.760)	(17.909)	(7.166)	(76)	(120.911)
Transfers	6.876	183	-	-	7.059
Exchange translation impact	6.878	1.104	2.018	(12)	9.988
Balance at December 31st, 2020	773.783	39.884	15.607	289	829.563

	Buildings	Transportation Equipment	Machinery and Production Equipment	Total
First-time Adoption	873.984	56.468	19.979	950.431
Balance at January 1st, 2020	873.984	56.468	19.979	950.431
New contracts	30.573	8.808	4.142	43.523
Acquisition of subsidiaries	25.533	(31)	890	26.392
Disposals	(22.030)	(1.030)	(917)	(23.977)
Depreciation (Note 32)	(93.577)	(17.650)	(7.296)	(118.523)
Exchange translation impact	472	(9)	243	706
Balance at December 31st, 2020	814.955	46.556	17.041	878.552

Table 38

* Includes updating of variable lease fees based on an index or rate.

NOTE 19. INVESTMENT PROPERTIES

The movement of investment properties during 2020 and 2019, is as follows:

	Land	Buildings	Total
Cost	74.327	6.592	80.919
Depreciation and/or impairment	-	(1.430)	(1.430)
Balance at January 1st, 2020	74.327	5.162	79.489
Depreciation	-	(352)	(352)
Transfers	(1.014)	(471)	(1.485)
Sales	(68.596)	-	(68.596)
Cost	4.717	5.814	10.531
Depreciation and/or impairment	-	(1.475)	(1.475)
Balance at December 31, 2020	4.717	4.339	9.056
Cost	72.283	6.591	78.874
Depreciation and/or impairment	-	(1.812)	(1.812)
Balance at January 1, 2019	72.283	4.779	77.062
Depreciation	-	(351)	(351)
Transfers	2.044	734	2.778
Cost	74.327	6.592	80.919
Depreciation and/or impairment	-	(1.430)	(1.430)
Balance at December 31, 2019	74.327	5.162	79.489

Table 39

At December 31st of 2020 and 2019, 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 \$68.600 (2019: \$3.179).

The fair value, of the most significant investment properties, amounted to \$28.153 (2019: \$87.520). Note 39.

NOTE 20. 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 January 1 st , 2020	Additions	Exchange Differences	Balance at December 31 st , 2020
Retail Foods	Grupo El Corral	534.811	-	-	534.811
	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	CCDC OPCO Holding Corporation	207.612	-	9.841	217.453
	Industrias Aliadas S.A.S.	4.313	-	-	4.313
Cold Cuts	Setas Colombianas S.A.	906	-	-	906
Chocolate	Nutresa de México	188.012	-	(3.321)	184.691
	Abimar Foods Inc.	96.546	-	-	96.546
Biscuits	Galletas Pozuelo	36.289	-	(792)	35.497
	Productos Naturela S.A.S.	1.248	-	-	1.248
Others	Atlantic FS S.A.S. ⁽¹⁾	33.664	83	-	33.747
TMLUC	Grupo TMLUC	941.427	-	97.043	1.038.470
TOTAL		2.266.852	83	102.771	2.369.706

Reportable Segment	CGU	Balance at January 1 st , 2019	Additions	Exchange Differences	Balance at December 31 st , 2019
Retail Foods	Grupo El Corral	534.811	-	-	534.811
	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	CCDC OPCO Holding Corporation	-	207.612	-	207.612
	Industrias Aliadas S. A. S.	4.313	-	-	4.313
Cold Cuts	Setas Colombianas S. A.	906	-	-	906
Chocolate	Nutresa de México	186.070	-	1.942	188.012
Biscuits	Abimar Foods Inc.	96.546	-	-	96.546
	Galletas Pozuelo	33.914	-	2.377	36.291
	Productos Naturela S.A.S.	1.248	-	-	1.248
Otros	Atlantic FS S.A.S	-	33.664	-	33.664
TMLUC	Grupo TMLUC	1.006.076	-	(64.651)	941.425
		2.085.908	241.276	(60.332)	2.266.852

Table 40

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 6,2% and 10,73% (2019: between 8,5% and 10,2%).

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 de-

creasing 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 compartment takes into account, the expected evolution of the market and the growth strategies approved by the Management, for 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 21. OTHER INTANGIBLE ASSETS

	Brands	Software and Licenses	Concessions and Franchises	Others	Total
Cost	1.202.943	58.371	53.708	93.247	1.408.269
Amortization and impairment	(70.008)	(39.447)	(18.123)	(5.982)	(133.560)
Balance at January 1, 2020	1.132.935	18.924	35.585	87.265	1.274.709
Acquisitions	-	12.696	103	11.913	24.712
Amortization	(3.876)	(14.043)	(148)	(12.696)	(30.763)
Transfers	-	17.105	-	(15.531)	1.574
Exchange translation impact	30.761	253	81	4.785	35.880
Sales and disposals	-	(26)	-	-	(26)
Others	-	(2.248)	-	-	(2.248)
Cost	1.236.235	69.234	53.867	91.866	1.451.202
Amortization and impairment	(76.415)	(36.573)	(18.246)	(16.130)	(147.364)
Balance at December 31, 2020	1.159.820	32.661	35.621	75.736	1.303.838

	Brands	Software and Licenses	Concessions and Franchises	Others	Total
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 January 1, 2019	1.095.805	14.416	35.583	21.732	1.167.536
Acquisitions	-	12.634	115	21.577	34.326
Amortization	(3.853)	(10.362)	(127)	(1.428)	(15.770)
Transfers	-	(347)	-	(335)	(682)
Exchange translation impact	(9.012)	(140)	14	(2)	(9.140)
Acquisition of subsidiaries	49.995	2.723	-	45.721	98.439
Cost	1.202.943	58.371	53.708	93.247	1.408.269
Amortization and impairment	(70.008)	(39.447)	(18.123)	(5.982)	(133.560)
Balance at December 31, 2019	1.132.935	18.924	35.585	87.265	1.274.709

Table 41

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:

Reportable Segment	2020		Total
	Finite Useful Life Brands	Indefinite Useful Life Brands	
Retail Food	-	265.803	265.803
Coffee ⁽¹⁾	-	51.144	51.144
Cold Cuts	1.037	-	1.037
Chocolate	-	17.889	17.889
Biscuits	-	190.816	190.816
Ice Cream	274.531	-	274.531
Others	-	1.166	1.166
TMLUC	-	357.434	357.434
Total	275.568	884.252	1.159.820

Reportable Segment	2019		
	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Food	-	266.498	266.498
Coffee	-	48.829	48.829
Cold Cuts	990	-	990
Chocolate	-	18.629	18.629
Biscuits	-	195.076	195.076
Ice Cream	277.715	-	277.715
Others	-	324.032	324.032
TMLUC	-	1.166	1.166
Total	278.705	854.230	1.132.935

Table 42

The brands with finite useful lives have useful life residuals of 89 years.

The brands 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. These brands have a net book value of \$884.252 (2019: \$804.235).

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 fu-

ture 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 20), are taken into account.

During 2020 and 2019, no losses from impairment of brands were not recognized.

Regarding 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 2020 and 2019, there exists no indications of impairment of intangible assets with a finite useful life.

NOTE 22. INCOME TAXES AND TAXES PAYABLE

22.1. APPLICABLE NORMS

The effective and applicable tax norms, state that nominal rates of income tax, for Grupo Nutresa, are as follows:

Income tax %	2019	2020	2021	2022	2023
Colombia ⁽¹⁾	33,0	32,0	31,0	30,0	30,0
Chile	27,0	27,0	27,0	27,0	27,0
Costa Rica	30,0	30,0	30,0	30,0	30,0
Ecuador	25,0	25,0	25,0	25,0	25,0
El Salvador	30,0	30,0	30,0	30,0	30,0
Estados Unidos	21,0	21,0	21,0	21,0	21,0
Guatemala	25,0	25,0	25,0	25,0	25,0
México	30,0	30,0	30,0	30,0	30,0
Nicaragua	30,0	30,0	30,0	30,0	30,0
Panamá	25,0	25,0	25,0	25,0	25,0
Perú	29,5	29,5	29,5	29,5	29,5
República Dominicana	27,0	27,0	27,0	27,0	27,0

Table 43

⁽¹⁾ For the 2019 taxable year, all of the Nutresa Group's Colombian companies are taxed at the 33% rate, including the companies that have signed legal stability contracts.

a. Colombia:

The basis for the tax treatment is the recognition of income and expenses accrued for accounting purposes, except for those expressly provided for in the regulations, such as: the time of realization for certain income, non-deductibility of the difference not realized, limitation of the deduction for employee, customer and supplier services, ceilings on annual depreciation rates, changes in realization for tax recognition of the customer loyalty plan and the option to take the value paid for industry and commerce tax as a 100% deduction or as a 50% tax discount.

On the other hand, donations made to entities belonging to the special tax regime are not deductible, but a tax discount of 25% on the value donated is allowed, which cannot exceed 25% of the income tax payable in the respective taxable year.

The presumptive income applicable to the year 2020 is 0.5% (2019: 1.5%).

The firmness of the tax returns is 3 years, however, for companies' subject to the transfer pricing regime, the firmness is 5 years and the declarations that originate or offset tax losses will be firm in 5 years. Additionally, for the years 2020 and 2021, the returns that present an increase in net income tax by a minimum percentage of 30% or 20% compared to the previous year, will be final in 6 months or 12 months, respectively.

b. Chile

In Chile, income tax law includes 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 27% 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. The tax losses are carried forward to the next period as part of the deductions.

c. Mexico:

Income tax (ISR) is levied on net income obtained by both resident and non-resident companies, with specific rules for each. The Mexican income tax rate is 30%, which is applied to the taxable income of the year, resulting from subtracting from the income earned in the period (including capital gains), the expenses incurred for their generation (which are justified through invoices or other legally accepted documents) and the tax loss carryforwards of the last 10 years.

d. Costa Rica

Income tax is calculated on the net income for the year, which is the result of gross income less costs and expenses useful

and necessary to generate the profit. The provision for income taxes charged to income includes current taxable income for the year and deferred tax applicable to temporary differences between accounting and taxable items. The deduction of non-bank interest is limited to 20% of income before interest, taxes, depreciation and amortization (UAIIDA).

The income tax rate is 30% and the rate for income and capital gains is 15%. Tax losses can be offset within 3 years of their generation.

e. Panamá

Current income tax is subject to a 25% rate on net taxable income based on the greater of the following amounts:

- a. The net taxable income resulting from deducting from the taxable income of the taxpayer the rebates granted under promotion or production regimes and the legally authorized loss carry-forwards, this calculation will be known as the traditional method.
- b. The net taxable income resulting from applying 4.67% to the total taxable income (this calculation will be known as the CAIR - Alternate Calculation).

Income tax returns are subject to review by the Tax Authorities for the last 3 years.

According to Panamanian Tax Legislation in force, companies are exempt from paying income tax on foreign source earnings. Also exempt from income tax are interest earned on time deposits in local banks, interest earned on Panamanian government securities and investments in securities issued through the Panama Stock Exchange.

Tax losses may be deducted from the taxable income of the following five years, 20% each year, but limited to 50% of the taxable income of each year.

f. Ecuador

Income tax is subject to a rate of 25% applicable to the taxable income, which includes all taxable income reduced by returns, discounts, costs, expenses and deductions attributable to such income and which have been taken for the purpose of obtaining, improving or maintaining income subject to income tax.

Tax losses may be offset against taxable profits within the following five years, not exceeding 25% of the profits obtained in each year.

g. United States

The current income tax is subject to a rate of 21% on the taxable income of the year. Additionally, the special tax on profits held abroad is 15% if held in cash and 8% if invested in assets.

h. Peru

Income tax is calculated at a rate of 29.5%, on the tax profits of the period, purified in accordance with current regulations.

The Tax Authority of the country has the power to control and, if applicable, correct the tax on the corresponding earnings calculated by the company, during the 4 years following the year in which the affidavit is presented.

Tax regulations approved in 2020 applicable from the year 2021

Colombia

Through Law 2068 of 2020, some decisions were adopted regarding income tax, sales tax and consumption tax:

- Special deduction of wages and social benefits for business establishments located in San Andrés, Providencia and Santa Catalina.
- Incentive for donations made in favor of INNpulsA.
- Some goods and services went from being VAT excluded to being exempt.
- Transitory exemption (until December 31, 2021) of 0% in the consumption tax for the service of restaurants, bars and similar.

Additionally, in terms of tax procedure, virtual means of proof were permanently incorporated for the purposes of inspections, visits, surveillance and control by the tax authority.

Mexico

On November 5, 2020, various changes were approved by the Congreso de la Unión that reform, add and repeal regulatory provisions of the Income Tax Law, the Value Added Tax Law and the Tax Code of the Federation, whose changes are aimed at strengthening the mechanisms in the inspection process and reducing tax evasion and avoidance. Some changes are:

- Company divisions will always have the effect of a disposal when concepts that did not exist before the division are generated.
- Residents in Mexico who carry out operations with related parties residing abroad will be jointly and severally liable when those related parties generate a permanent establishment in Mexico.
- When increases or decreases in capital, mergers or divisions of companies, distribution of dividends, declarations of provisional payments and of the fiscal year and federal contributions, the corresponding documentation must be kept for as long as the company exists.
- The income of the grantees cannot exceed 50% for activities not related to their corporate purpose.
- Changes in withholding rates at source for services provided through digital platforms.

22.2. 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:

	2020	2019
Income tax and complementaries ⁽¹⁾	126.925	154.840
Equity tax ⁽³⁾	4.373	6.407
Sales tax	37.079	39.609
Claims in process ⁽²⁾	420	-
Other taxes	1.810	1.729
Total current tax assets	170.607	202.585
Claims in process ⁽²⁾	11.282	11.054
Total non-current tax assets	11.282	11.054
Total tax assets	181.889	213.639

Table 44

⁽¹⁾ Income tax assets and complementary, include auto-withholdings of \$13.577 (2019 - \$15.474), credit balances of \$53.491 (2019 - \$78.413), tax advances of \$23.794 (2019 - \$33.148), tax rebates for \$31.316 (2019 - \$23.819), and income tax withheld for \$4.747 (2019 - \$3.986).

⁽²⁾ Grupo Nutresa has four (4) subsidiaries (2019 six (6) subsidiaries with current contract) 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. The claims for the payment of the not owed are advanced, remain to be resolved the value of \$9.866, 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.

⁽³⁾ Refers to current interest derived from this payment of what is not due in the amount of \$6.407. During 2020, the tax administration has recognized in favor of Grupo Nutresa an amount of \$2.034, leaving an outstanding balance of \$ 4,373.

The current taxes payable balances include:

	2020	2019
Income tax and complementary ⁽¹⁾	99.776	69.810
Sales tax payable	94.483	91.297
Withholding taxes, payable	35.499	33.152
Other taxes	10.253	20.283
Total	240.011	214.542

Table 45

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.

Considering the criteria and judgments in the determination and recognition of the mentioned taxes, as of December 31, 2020, no situations have been identified that generate tax uncertainty and that must be recognized in the accounting according to the framework defined by IFRIC 23.

⁽¹⁾ Includes reduction of income tax payable, realized, through Works Taxes. In 2020, four companies of Grupo Nutresa are linked with a total investment of \$19.955. The projects aim to improve the conditions for the academic education and development of educational skills of 80.353 students from various municipalities in the Department of Antioquia. Currently the schedule is 80% complete. The project in which Compañía Nacional de Chocolates S. A. S. participated in 2019 for a value of \$ 1.197, to date it is fully liquidated.

22.3. INCOME TAX EXPENSES

Current income tax expenses are as follows:

	2020	2019
Income tax	261.210	207.877
Total	261.210	207.877
Deferred taxes ⁽¹⁾ (Note 22.4)	(30.274)	(2.656)
Total income tax expenses	230.936	205.221

Tabla 46

⁽¹⁾ The change in deferred tax is mainly due to the recognition of accelerated amortization of intangible assets in 2019, tax losses and property, plant and equipment. In 2020 it is due to the recognition of deferred tax on movements generated in the items of tax losses, foreign exchange differences, property, plant and equipment and commercial provisions.

22.4. DEFERRED INCOME TAX

The breakdown of the deferred tax assets and liabilities, are as follows:

	2020	2019
Deferred tax assets		
Goodwill tax, TMLUC	76.289	89.605
Employee benefits	46.906	46.245
Accounts payable	13.628	9.357
Tax losses	228.120	185.716
Tax credits	14.345	6.197
Debtors	23.015	20.671
Right-of-use assets	280.746	254.961
Other assets	57.842	55.826
Total deferred tax assets ⁽¹⁾	740.891	668.578

Deferred tax liabilities		
Property, plant and equipment	342.372	361.763
Intangibles ⁽²⁾	368.831	358.802
Investments	14.097	7.039
Inventories	8.039	4.341
Right-of-use liabilities	267.605	251.047
Other liabilities	19.472	15.244
Total income tax liabilities	1.020.416	998.236
Net deferred tax liabilities	279.525	329.658

Table 47

⁽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 and the recognition for the difference between accounting and tax due to the entry into force in 2019 of the accounting standard for financial leases IFRS 16.

The movement of deferred tax, during the period, was as follows:

	2020	2019
Opening balance, net liabilities	329.658	325.010
Deferred tax expenses, recognized in income for the period	(30.274)	(2.656)
Income tax relating to components, of other comprehensive income, net (Note 31)	(4.262)	(8.227)
Increase due to business combination	-	3.629
Impact of variation in rates of foreign exchange	(15.120)	11.483
Other impacts	(477)	419
Final balance, net liabilities	279.525	329.658

Table 48

The income tax, relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of \$1.809 (2019: -\$6.574), the participation in associates and joint ventures, accounted for by using the Equity Method, in the amount of \$968 (2019: \$224), by the financial assets measured at fair value, in the amount of -\$1 (2019: -\$2) and cash-flow hedges of -\$7.038 (2019: -\$1.875).

22.5 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 Nutresa Group companies operate. To calculate the effective rate at December 2020 and 2019, the amount of discontinued operations was included in income before taxes, since these operations are part of the income tax purification.

The recognition of deferred tax at a lower rate than the current income tax rate, in accordance with the future income tax

rate established in current Colombian regulations, impacts the effective rate for temporary differences in the determination of the tax.

The effective tax rate is below the theoretical rate, mainly due to permanent differences as income from untaxed portfolio dividends and the application of stabilized rules in Colombia such as the special deduction in real productive fixed assets, whose impact on the effective rate is 3.54% (2019: 4.44%). This effect is counterbalanced in 2020 by the tax discount of 50% of that paid for industry and commerce tax and 25% of the duly certified donated value, expenses that are not tax deductible; by the higher payment of income tax paid by Colombian companies abroad and by other non-deductible expenses as 50% of the tax on financial movements and costs and expenses of previous years. These items have an effect of 1.37% (2019: 2.17%) on the effective rate.

The following is the reconciliation of the applicable tax rate and the effective tax rate:

	2020		2019	
	Valor	%	Valor	%
Accounting profit, before income taxes⁽¹⁾	814.780		715.792	
Applicable tax rate expenses	248.589	30,51%	221.575	30,96%
Untaxed portfolio dividends	(24.743)	-3,04%	(20.459)	-2,86%
Special deductions for real productive fixed assets	(3.884)	-0,48%	(11.403)	-1,59%
ICA and non-deductible donations	7.608	0,93%	7.640	1,07%
Income tax paid abroad	(1.238)	-0,15%	4.177	0,58%
Other tax impact	4.604	0,57%	3.691	0,52%
Total tax expenses	230.936	28,34%	205.221	28,67%

Table 49

22.6. PRESUMPTIVE INCOME TAX EXCESS AND LOSSES

At December 31, 2020, the tax losses of the Group amounted to COP 869.855 (2019: COP 663.597). 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. Likewise, the tax losses recognized in the deferred tax asset corresponding to Chile and

the United States do not expire. In Mexico, tax losses can be offset in the 10 years following their generation date.

The excess presumptive tax on ordinary income of the Group, outstanding amount of \$187 (2019 - \$20.657). 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.

Expiration date	Tax Loss	Excess presumptive income tax
2024	2.812	-
2025	-	187
2030	40.158	-
2032	45.720	-
No expiration date	781.165	-
Total	869.855	187

Table 50

22.7. INFORMATION ON CURRENT LEGAL PROCEEDINGS

- 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 in Industria de Alimentos Zenú S.A.S. and year 2011 and 2015 in Alimentos Cárnicos S.A.S. The process in the Administrative Chamber has already been done, 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, 2009 and 2014. 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.

NOTE 23. FINANCIAL OBLIGATIONS

23.1. 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:

	2020	2019
Loans	3.211.594	3.061.465
Bonds	135.246	135.585
Leases	5.534	10.160
Total	3.352.374	3.207.210
Current	486.736	527.196
Non-current	2.865.638	2.680.014

Table 51

The financial obligations, mainly loans, taken out by Colombian companies, in dollars, incorporates adjustments, that increase the amortized cost, in the amount of \$9.674, increasing the value of the financial obligation (December: \$1.637 decreasing the value of the financial obligation), as a result of the measurement at fair value of hedging exchange rates, as described in Note 23.6, henceforth.

23.2. BONDS

Grupo Nutresa generated issuance of two bonds:

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. At December 2020, interest expenses were incurred in the amount of \$11.381 (December 2019 - \$19.261). The emission has a balance at December 2020, including accrued interest in the amount of \$135.246 (December 2019: \$135.585), and has the following characteristics:

Maturity	Interest rate	2020	2019
2021	IPC + 5,75%	135.246	135.585
Total		135.246	135.585

Tabla 52

23.3. MATURITY

Period	2020	2019
1 year ^(*)	486.736	527.196
2 to 5 years	2.311.643	1.989.351
More than 5 years	553.995	690.663
Total	3.352.374	3.207.210

Table 53

(*) Includes payable interest.

23.4. BALANCE BY CURRENCY

Currency	2020		2019	
	Original currency	COP	Original currency	COP
COP	2.848.451	2.848.451	2.709.556	2.709.556
CLP	23.613.795.679	114.009	33.851.554.561	148.164
USD	107.145.520	367.777	106.644.672	349.490
CRC	3.981.120.954	22.137	-	-
Total		3.352.374		3.207.210

Table 54

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, 2020, that are in currencies other than each company's functional currency 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 \$160 (2019: \$408), in the final balance.

23.5. 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:

Tasa	2020	2019
Variable interest rate debt	3.072.950	3.160.436
Fixed interest rate debt	279.424	46.774
Total	3.352.374	3.207.210
Average rate	3,59%	5,93%

Table 55

Rate	2020	2019
IBR indexed debt	1.582.791	1.197.093
DTF indexed debt	1.061.781	1.119.859
CPI indexed debt	135.246	345.427
TAB (Chile) indexed debt	113.882	146.904
LIBOR indexed debt	157.109	351.153
BCCR (Costa Rica)	22.141	-
Total debt at variable interest rate	3.072.950	3.160.436
Debt at a fixed interest rate	279.424	46.774
Total debt	3.352.374	3.207.210
Average rate	3,59%	5,93%

Table 56

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 in \$30.560 (2019: \$31.821).

Following is information on the main reference rates, at the close of the period:

Close Rate	2020	2019
CPI	1,61%	3,80%
IBR (3 Months)	1,69%	4,13%
DTF EA (3 Months)	1,89%	4,48%
DTF TA (3 Months)	1,87%	4,36%
TAB (3 Months)	0,25%	2,28%
LIBOR (3 Months)	0,24%	1,91%
BCCR (Costa Rica)	3,50%	5,75%

Table 57

23.6. 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, 2020, hedged debt amounted to USD\$12.500.000 (2019: USD\$11.341.542) and the debt with interest rate hedge is up to USD 60.000.000 (December 2019 - USD 0).

Finally, 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:

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Hedges				
Fair value of exchange rates on financial obligations	-	(9.674)	-	1.637
Fair value of interest rate hedge	-	(386)	-	-
Fair value of exchange rates on suppliers	-	(3.419)	-	(368)
Fair value of exchange rates on cash flows	13.954	(42.437)	10.750	(11.140)
Total hedges derivatives	13.954	(55.916)	10.750	(9.871)
Non-designated derivatives				
Forwards and options on currency	-	(23)	-	(50)
Forwards and options on interest rates	-	-	-	(44)
Forwards and options on commodities	1.840	(1)	5.888	(1.075)
Total non-designated derivatives	1.840	(24)	5.888	(1.169)
Net value of financial derivatives		(40.146)		5.598

Table 58

The valuation of non-designated derivative financial instruments, generated a loss in the Income Statement, in the amount of \$600 (2019: \$1.023).

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 24. RIGHT-OF-USE LIABILITIES

The balances of right-of-use liabilities, are as follows (see accounting policy 3.3.8):

	2020	2019
First-time adoption	-	927.493
Balance at January 1st, 2020	892.555	927.493
New contracts ⁽⁹⁾	85.355	52.815
Acquisition of subsidiaries	-	26.842
Disposals	(24.976)	(24.154)
Interests	59.060	61.511
Exchange translation impact	9.982	660
Exchange differences	3.892	(1.513)
Transfers	5.991	-
Leases forgiveness income	(13.661)	-

	2020	2019
Payments	(144.175)	(151.099)
Balance at December 31st, 2019	874.023	892.555
Current portion	126.727	147.242
Non-current portion	747.296	745.313

Table 59

*Includes updating of variable lease fees based on an index or a rate.

NOTE 25. TRADE AND OTHER ACCOUNTS PAYABLE

The balances of trade and other accounts payable, are as follows:

	2020	2019
Suppliers	723.010	665.309
Cost and expenses payable	444.176	440.848
Purchase of shares to be paid	-	8.379
Dividends payable (Note 30.3)	84.766	79.565
Payroll deductions and contributions	31.542	44.064
Total	1.283.494	1.238.165
Current	1.283.494	1.235.133
Non-current		3.032

Table 60

NOTE 26. EMPLOYEE BENEFITS

The balance of liabilities, due to employee benefits, is as follows:

	2020	2019
Short-term benefits	120.666	108.917
Post-Employment benefits	129.621	127.862
Defined benefit plans	41.723	39.057
Defined contribution plans (Note 26.2)	87.898	88.805
Other long-term benefits (Note 26.3)	162.990	144.380
Total liabilities for employee benefits	413.277	381.159
Current portion	217.033	191.864
Non-current portion	196.244	189.295

Table 61

26.1. 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.

The Colombian Government allowed companies, subject to the approval of their employees, to transfer their sever-

ance assistance obligation to private pension funds. The layoffs of all workers who entered into labor contracts after Law 50 of 1990 and former workers who availed themselves of this system 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 counted 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 2020, with 199 beneficiaries (2019: 222) 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, et 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 371 workers belonging to the labor force, before the Law 50 of 1990 (2019: 445 beneficiaries).

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.

26.2. 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	
	2020	2019	2020	2019	2020	2019	2020	2019
Present value of obligations at January 1st	19.427	19.138	12.898	14.507	56.480	53.741	88.805	87.386
(+) Cost of services	175	227	358	413	8.150	6.709	8.683	7.349
(+) Interest expenses	994	1.113	598	858	6.301	6.243	7.893	8.214
(-) Plan performances	-	-	-	-	(3.651)	(5.971)	(3.651)	(5.971)
(+/-) Actuarial losses and/or gains	2.274	1.166	832	2.873	(5.651)	15.156	(2.545)	19.195
(-) Contributions to the fund	-	-	-	-	(2.254)	(12.882)	(2.254)	(12.882)
(+/-) Other movements	(2.274)	(2.248)	974	(5.753)	1.104	(4.213)	(196)	(12.214)
(-) Payments	(2.067)	1	(4.775)	-	(4.547)	(355)	(11.389)	(354)
(+/-) Difference in exchange rate	41	30	-	-	2.511	(1.948)	2.552	(1.918)
Present value of obligations at December 31st	18.570	19.427	10.885	12.898	58.443	56.480	87.898	88.805

Table 62

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
2021	10.304
2022	6.260
2023	9.092
2024	9.290
2025	7.796
Following years	180.981
Total	223.723

Table 63

The estimated time for termination of benefits is 43 years. (2019: 41 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	17.562	14.524
Discount rate	4,37%	4,80%
Salary adjustment rate	3,00%	3,64%

Table 64

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 \$88.738 (2019: \$82.435); and expenses for contributions to severance from Law 50, during the period, in the amount of \$48.227 (2019: \$ 45.426).

26.3. 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	
	2020	2019	2020	2019	2020	2019
Present value of obligations at January 1st	83.373	74.305	61.007	40.271	144.380	114.576
(+) Cost of services	7.697	7.614	63.364	57.048	71.061	64.662
(+) Interest expense	5.295	5.189	1.630	2.062	6.925	7.251
(+/-) Actuarial gains or losses	1.203	4.617	(8.814)	(2.947)	(7.611)	1.670
(+/-) Others	(8)	(1)	(12)	-	(20)	(1)
(-) Payments	(8.269)	(8.373)	(43.243)	(34.867)	(51.512)	(43.240)
(+/-) Exchange rate differences	(81)	22	(152)	(560)	(233)	(538)
Present value of obligation at December 31st	89.210	83.373	73.780	61.007	162.990	144.380

Table 65

26.4. EXPENSES FOR EMPLOYEE BENEFITS

The amounts recognized, as expenses for employee benefits, were:

	2020	2019
Short-term benefits	1.602.072	1.448.674
Post-employment benefits	145.648	135.210
Defined contribution plans	136.965	127.861
Defined benefit plans	8.683	7.349
Other long-term employee benefits	61.136	60.551
Termination benefits	16.245	26.474
Total	1.825.101	1.670.909

Table 66

26.5. ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used in the actuarial measurement of the defined and long-term plans are:

	2020	2019
Discount rates	1,75%-9,5%	4,8%-10,5%
Salary increase rates	1,3% -5%	1,5% - 6,3%
Employee turn-over rates	1%-18%	1%-24%

Table 67

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.

26.6. SENSITIVITY ANALYSIS

A quantitative analysis of sensitivity to a change in a significant key assumption, as of December 31st, 2020, 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%	(1.271)	(440)	(6.126)	(8.521)
Discount rate - 1%	1.290	474	6.985	6.135
Salary increase rate + 1%	1.395	1.543	7.070	6.207
Salary increase rate - 1%	(1.379)	(1.468)	(6.303)	(7.572)

Table 68

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 27. PROVISIONS

At December 31st, current provisions are as follows:

	2020	2019
Restoration and dismantling	5.909	13.238
Legal contingencies	3.234	1.731
Prizes and incentives	216	217
Total	9.359	15.186
Current portion	3.450	1.948
Non-current portion	5.909	13.238

Table 69

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 2020 and 2019.

Bonuses and incentives: corresponds to the recognition plans for the management and innovation of employees and the sales force.

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 2020 and 2019.

NOTE 28. OTHER LIABILITIES

As of December 31, other liabilities were as follows:

	2020	2019
Derivative financial instruments	42.847	12.309
Pre-payments and advances received	13.660	9.986
Liabilities from customer loyalty programs ⁽⁹⁾	28.284	6.710
Return of goods	884	-
Other	2.110	1.394
Total other liabilities	87.785	30.399
Current	83.209	29.912
Non-current	4.576	487

Table 70

⁽⁹⁾ Corresponds to liabilities, from contracts with clients. During 2020, there were no significant variations with respect to 2019.

NOTE 29. LEASES

29.1. GRUPO NUTRESA AS LESSEE

The Group has recognized as leases those contracts that do not meet the conditions for recognition as rights of use in accordance with IFRS 16.

The lease expense during 2020 is composed as follows:

	Low-value leases	Short-term leases	Variable fee leases	2020
Buildings	2.007	8.140	5.511	15.658
Computer equipment	21.020	899	-	21.919
Office equipment	378	4	56	438
Transportation equipment	912	1.469	830	3.211
Machinery and production equipment	4.224	5.572	201	9.997
Others	2.717	3.524	-	6.241
Total lease expense	31.258	19.608	6.598	57.464

The lease expense during 2019 is composed as follows:

	Low-value leases	Short-term leases	Variable fee leases	2019
Buildings	1.928	12.809	8.017	22.754
Computer equipment	18.075	1.984	1	20.060
Office equipment	315	134	27	476
Transportation equipment	348	1.753	543	2.644
Machinery and production equipment	3.518	2.921	67	6.506
Others	1.554	6.526	-	8.080
Total lease expense	25.738	26.127	8.655	60.520

Table 71

29.2. GRUPO NUTRESA AS LESSOR

Grupo Nutresa has properties under operating leases, (mainly buildings) with a book value of \$2.266 (2019: \$11.548) at December 31st, 2020, upon which income of \$3.659 (2019: \$3.624), with a term period between 1 to 10 years.

NOTE 30. EQUITY

30.1. SUBSCRIBED AND PAID SHARES

As of December 31st, of 2020 and 2019, 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, 2020, and its value was \$24.000, per share (2019: \$25.400).

At December 31, 2019, the common shares are held by 11.537 (2019: 11.037 Shareholders). The Corporate Structure, of the Grupo Nutresa, at December 31, 2020 and 2019, is as follows:

Group of Investors	2020		2019	
	Number of shares	% Participation	Number of shares	% Participation
Grupo de Inversiones Suramericana S.A.	162.758.405	35,4%	162.246.520	35,3%
Grupo Argos S.A.	45.243.781	9,8%	45.243.781	9,8%
Colombian Funds	93.712.571	20,4%	90.797.456	19,7%
International Funds	33.982.986	7,4%	37.045.213	8,1%
Other investors	124.425.715	27,0%	124.790.488	27,1%
Total outstanding shares	460.123.458	100,0%	460.123.458	100,0%

Table 72

30.2. RESERVES AND RETAINED EARNINGS

Of the accounts that make up the equity reserves at December 31st of 2020 and 2019, are as follows:

	2020	2019
Legal reserves	87.201	81.149
Non-distributable occasional reserves	1.558.597	1.558.597
Other reserves	2.395.967	2.180.025
Total Reserves	4.041.765	3.819.771
Retained earnings	(38.510)	(17.941)
Total	4.003.255	3.801.830

Table 73

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: the movement in 2020 corresponds mainly to the realization of other comprehensive results for employee benefits due to pension gap \$ 3.329 Servicios Nutresa SA S, transfer of profits from foreign companies \$ 6.031, acquisition of the controlling interest of the Pactual Private Capital Fund \$ 808 and effect for the allocation of the purchase price of Cameron´s Coffee & distribution Company \$ 2.892.

The movement in 2019 corresponds to the effect of the liquidation of Sociedad Colectiva Civil Inmobiliaria and Rentas Tres-

montes Lucchetti -\$6,283, effect of the acquisition of Atlantic FS S. A. S. -\$3,385, and Procesos V.A. S. \$70, effect of the merger and liquidation of Inmobiliaria Tresmontes Lucchetti S. A. \$575, liquidation of Comercializadora TMLUC S. A. de C. V. \$ 147, record of deferred tax from previous years of New Brands S. A \$ 421, re-statement of equity of TMLUC Argentina \$ 395, earnings before acquisition of Cameron´s Coffee & distribution Company \$ 222.

30.3. DISTRIBUTION OF DIVIDENDS

The ordinary Shareholders of Grupo Nutresa S.A., at the meeting, held on March 24, 2020, declared ordinary share dividends of \$54,10^(*) per-share and per-month, equivalent to \$649,20^(*) annually per share (2019: \$612^(*) annually per share), over 460.123.458 outstanding shares, during the months from April 2020 to March 2021, inclusive, for a total of \$298.712 (2019: \$281.596). In addition, dividends were issued to non-controlling interest in the amount of \$4.552 (2019: \$4.031). See Note 30.4.

This dividend was declared by taking untaxed earnings from 2019, in the amount of \$298.712.

During 2020, dividends were paid in the amount of \$298.063 (2019: \$279.660), which include dividends paid to non-controlling interest owners, in the amount of \$4.553 (2019: \$4.031).

As of December 31, 2020, dividends payable are up to \$84.766 (2019: \$79.565).

^(*) In Colombian Pesos.

30.4. NON-CONTROLLING INTEREST

Participation of non-controlling interest at December 31st, 2020 and 2019 is as follows:

Subsidiary	Country of Origin	% Non-controlling interest		2020		2019	
		2020	2019	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%	33.192	3.262	28.645	2.007
La Recetta Soluciones Gastronómicas Integradas S. A. S.	Colombia	30,00%	30,00%	501	87	414	(52)
Setas Colombianas S. A.	Colombia	0,50%	0,50%	244	24	250	35

Subsidiary	Country of Origin	% Non-controlling interest		2020		2019	
		2020	2019	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
		Helados Bon	Dominican Republic	18,82%	18,82%	6.357	1.506
Fondo de Capital Privado "Cacao para el Futuro" - Compartimento A	Colombia	-	16,59%	-	32	4.971	101
Schadel Ltda. Schalin del Vecchio Ltda.	Colombia	0,12%	0,12%	9	(1)	11	1
Productos Naturela S. A. S	Colombia	40,00%	40,00%	1.687	315	1.463	182
Atlantic FS S. A. S.	Colombia	49,00%	49,00%	17.304	3.178	14.126	1.493
Total				59.294	8.403	57.486	7.053

Table 74

During 2020, Setas Colombianas S.A. distributed dividends in the amount of \$6.031 (2019 - \$11.338), of which \$30 (2019-\$57) was paid to non-controlling interests. Helados Bon S.A. distributed dividends in the amount of \$13.814 (2019 - \$12.338), of which \$2.600 (2019- \$2.322) were paid to the non-controlling interest. Novaceites distributed dividends of \$3,661 (2019: 3.304), of which \$1.831 (2019: 1.652) were paid to non-controlling interests, Shadel Ltda Shalin del Vecchio Ltda. distributed dividends in the amount of \$237 (2019- \$487), of which \$1(2019: \$1) were paid to the non-controlling interest and Productos Naturela S. A. S distributed dividends in the amount of \$228, of which \$91 were paid to the non-controlling interest.

NOTE 31. OTHER COMPREHENSIVE INCOME

Below is a breakdown of each of the components of accumulated other comprehensive results, in the Consolidated Financial Statements:

	Actuarial Result (31.1)	Financial Instruments (31.2)	Associates and Joint Ventures (31.3)	Reserves for Translations (31.4)	Cash flow hedges (31.5)	Total Accumulated Other Comprehensive Income	Non-controlling Interest	Total OCI Attributed to Controlling Interest
Balance at January 1st, 2020	(35.946)	3.213.293	7.068	589.525	(836)	3.773.104	(2.984)	3.770.120
Losses/gains from new measurements	2.545	(843.345)	3.227		(31.911)	(869.484)	-	(869.484)
Impact of exchange translation for the period	-	-	-	164.673		164.673	-	164.673
income tax associated	(1.809)	1	(968)	-	7.038	4.262	-	4.262
Realization of the OCI to accumulated profits	3.329	-	-	-	-	3.329	-	3.329
Participation of non-controlling in OCI for the period	-	-	-	-	-	-	(2.881)	(2.881)
Balance at December 31st, 2020	(31.881)	2.369.949	9.327	754.198	(25.709)	3.075.884	(5.865)	3.070.019

	Actuarial Results (31.1)	Financial Instruments (31.2)	Associates and Joint Ventures (31.3)	Reserves for Translations (31.4)	Cash flow hedges (31.5)	Total Accumulated Other Comprehensive Income	Non-controlling Interest	Total OCI Attributed to Controlling Interest
Balance at January 1st, 2019	(23.325)	3.026.599	6.546	672.379	6.385	3.688.584	(5.409)	3.683.175
Losses/gains from new measurements	(19.195)	186.697	746	-	(9.096)	159.152	-	159.152
Impact of exchange translation for the period	-	-	-	(56.106)	-	(56.106)	-	(56.106)
income tax associated	6.574	2	(224)	-	1.875	8.227	-	8.227
Reclassifications	-	-	-	(26.748)	-	(26.748)	-	(26.748)
Realization of the OCI to accumulated profits	-	(5)	-	-	-	(5)	-	(5)
Participation of non-controlling in OCI for the period	-	-	-	-	-	-	2.425	2.425
Balance at December 31st, 2019	(35.946)	3.213.293	7.068	589.525	(836)	3.773.104	(2.984)	3.770.120

Table 75

31.1. 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 26.2, for detailed information about the post-employment defined benefit plans, that result in these actuarial gains and losses.

31.2. 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 16 for detailed information on these investments.

31.3. 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 15, for detailed information on investments in associates and joint ventures.

31.4. RESERVES FOR TRANSLATION OF FOREIGN OPERATIONS

Grupo Nutresa's Consolidated Financial Statements include foreign subsidiaries, located mainly in Chile, Costa Rica, the United States, Mexico, Peru, Panama, and other Latin American countries that represent 33,3% and 30,30% of total consolidated assets in December 2020 and 2019, 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:

		2020	2019
Chile	CLP	179.610	(117.783)
Costa Rica	CRC	(18.199)	40.253
United States	USD	13.928	410
Mexico	MXN	(1.953)	13.167
Peru	PEN	(14.391)	7.783

		2020	2019
Panamá	PAB	5.460	855
Others		218	(791)
Impact of exchange translation for the period		164.673	(56.106)
Equity reclassifications		-	(26.748)
Reserves for exchange translation, at the beginning of the period		589.525	672.378
Reserves for exchange translation at the end of the period		754.198	589.524

Table 76

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.

31.5. CASH FLOW HEDGE

The component of other comprehensive income hedging cash flow represents the value of financial instruments used to hedge the effect of exposure to risk associated with the exchange rate. These accumulated profits may be transferred to income for the period in the cases provided by accounting standards.

NOTE 32. EXPENDITURE BY NATURE

Below is a detailed breakdown of cost and expenditures, by nature, for the period:

	2020	2019
Inventory consumption and other costs	4.853.295	4.057.615
Employee benefits (Note 26.4)	1.825.101	1.670.909
Other services ⁽¹⁾	943.996	879.586
Other expenses ⁽²⁾	556.486	540.197
Transport services	429.165	381.463
Depreciation and amortization ⁽³⁾	300.473	277.821
Right-of-use depreciation ⁽³⁾	120.911	118.523
Manufacturing services	171.969	210.726
Seasonal services	193.890	181.229
Energy and gas	178.123	164.672
Advertising material	119.810	132.600
Maintenance	117.275	119.671
Taxes other than income tax	80.510	77.720
Leases ⁽⁴⁾	57.464	60.520
Fees	92.324	94.903
Insurance	48.691	41.094
Impairment of assets	30.912	19.017
Total	10.120.395	9.028.266

Table 77

⁽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 and legal expenses.

⁽³⁾ Expenses for depreciation and amortization, impacted profit and loss, for the period, is as follows:

	2020	2019
Cost of sales	175.679	167.587
Sales expenses	213.169	200.825
Administration expenses	25.370	24.301
Production expenses	7.166	3.631
Total	421.384	396.344

Table 78

NOTE 33. OTHER OPERATING INCOME (EXPENSES), NET

The following is a breakdown of other operating income (expenses), net:

	2020	2019
Indemnities and recuperations	9.823	8.693
Disposal and removal of property, plant and equipment and intangibles ⁽¹⁾	(2.794)	3.345
Fines, penalties, litigation, and legal processes	(4.929)	(1.842)
Other income and expenses	2.618	1.630
Government subsidies	1.116	1.015
Donations ⁽²⁾	(20.107)	(10.923)
Disposal and removal of right-of-use assets	1.522	587
Leases forgiveness income	13.661	-
Total	910	2.505

Table 79

⁽¹⁾ In 2019 it mainly corresponds to profit on the sale of assets for \$ 5.571 (building and land) and withdrawals of machinery and equipment for \$ 1.344 and transportation equipment for \$ 117.

In 2020 it corresponds mainly to machinery and equipment retirement.

⁽²⁾ The worldwide pandemic throughout 2020, have left millions of families without an employ, without business, lowering the level of incomes significantly, for that reason Grupo Nutresa contributes to the fight against this pandemic, by donating products and money to the low income families in each of the geographies in which it operates.

NOTE 34. EXCHANGE RATE VARIATION IMPACT

The differences in exchange rates of assets and liabilities, recognized in profit and loss, are as follows:

	2020	2019
Realized	14.136	17.795
Unrealized	(2.604)	5.866
Operating exchange differences ⁽¹⁾	11.532	23.661
Non-operating exchange differences	(10.779)	(4.460)
Total income (expenses) from exchange differences	753	19.201

Table 80

⁽¹⁾ The difference in operating exchange rate is distributed among customers \$5.333 (2019: \$3.453), suppliers \$-7.982 (2019: \$4.145), raw materials \$-1.243 (2019: \$1.134) and cash flow hedges of \$15.424 (2019: \$14.929).

Note 23.6 discloses information related to hedging transactions that have an impact on profits/losses, due to exchange differences.

NOTE 35. FINANCIAL INCOME AND EXPENSES

35.1. FINANCIAL INCOME

The financial income recognized in the Income Statement, are as follows:

	2020	2019
Interest	19.453	17.207
Valuation of other financial instruments ⁽¹⁾	3.224	4.008
Others	1.345	1.079
Total	24.022	22.294

Table 81

⁽¹⁾ 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 39 for information on the methodology and variables used in the valuation.

35.2. FINANCIAL EXPENSES

The financial expenses recognized in the Income Statement, are as follows:

	2020	2019
Loans interest	158.854	162.534
Bonds interest	11.381	19.261
Interest from financial leases	125	230
Total interest expenses	170.360	182.025
Employee benefits	17.132	21.246
Right-of-use financial expenses	59.060	61.511
Other financial expenses	36.326	37.521
Total financial expenses	282.878	302.303

Table 82

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 23.5.

NOTE 36. DISCONTINUED OPERATIONS

2020: Liquidation of the company TMLUC Argentina.

2019: Alimentos Cárnicos S. A. S. in its strategy for the consolidation of the highest standards of productivity and efficiency, moved its operations and the productive assets of the Barranquilla plant to those located in Bogotá and Caloto and defined not to continue with the concessions for the assisted sale of fresh meat in large chains. Additionally, expenses generated in the closing of the franchise Krispy Kreme and Taco Bell, in the subsidiaries IRCC S. A. S. and Tabelco S. A. S. respectively. Finally, machinery and equipment discontinued with the closing of the Marrieta plant at Abimar Foods Inc.

The following, is a breakdown of the principal income and expenses, incurred in this project:

	2020	2019
Income	97	487
Costs	-	(288)
Expenses	(652)	(16.648)
Operational losses	(555)	(16.449)
Financial expenses	3	-
Financial expenses	(1)	(3)
Loss before taxes	(553)	(16.452)
Net loss	(553)	(16.452)

Table 83

NOTE 37. 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:

	2020	2019
Net income attributable to holders of ordinary instruments of the Parent	575.441	503.518
Continuing operations	575.994	519.970
Discontinued operations	(553)	(16.452)
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest¹⁾	1.250,62	1.094,31

Table 84

¹⁾ In Colombian Pesos.

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, 2020 and 2019.

	2020	2019
Net profit	583.241	513.898
Earnings per share	1.267,58	1.116,87

Table 85

NOTE 38. 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.

38.1. 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 31.4. 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	2020		2019	
	USD	COP	USD	COP
Current assets	467.774.404	1.605.636	401.123.253	1.314.537
Non-current assets	1.041.177.870	3.573.843	1.045.201.557	3.425.272
Total assets	1.508.952.274	5.179.479	1.446.324.810	4.739.809
Current liabilities	(175.558.384)	(602.604)	(158.559.216)	(519.621)
Non-current liabilities	(256.062.725)	(878.935)	(248.917.904)	(815.739)
Total liabilities	(431.621.109)	(1.481.539)	(407.477.120)	(1.335.360)
Net assets	1.077.331.165	3.697.940	1.038.847.690	3.404.449

Table 86

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 23.4).

To evaluate the sensitivity of balances of financial obligations related to exchange rates, all of the obligations, to December 31, 2020, 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 \$160 over the book value.

38.2. 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 23.5.

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 \$30.560, by the end of 2020, other components of net equity would not have been impacted.

38.3. 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 11,8% of the total

production cost, wheat which is 6,5%, beef and pork which are 9,7%, and cocoa which is 6,0%.

The Company has equity instruments (shares), in the amount of \$2.651.906 (2019: \$3.495.251), 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.

38.4. 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, 2019, the Group holds \$933.564 (2019: \$497.947) in cash and investments classified as cash equivalents, in entities of the financial sector with AA- 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 10 discloses information on impairment losses and portfolio maturity.

38.5. LIQUIDITY RISK

Grupo Nutresa is 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:

	2020	2019
Ebitda	1.443.576	1.347.229
(-) Leases paid	144.175	151.099
Ajusted Ebitda	1.299.401	1.196.130
(+) (-) items that do not generate cash movement	9.538	(2.325)
Investment in working capital	(86.733)	(113.520)
CAPEX ⁽¹⁾	(267.245)	(280.837)
Discontinued operations	151	(8.776)
Cash tax coverage	(180.939)	(199.044)
Operating cash flows	774.173	591.628

Table 87

⁽¹⁾ 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 39. FAIR VALUE MEASUREMENT

The following table shows the fair value hierarchy measurement of assets and liabilities of the Group:

2020	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Type of asset				
Assets whose fair value is revealed in the Notes of the Financial Statements	-	28.153	-	28.153
Investment properties (Note 19)		28.153		28.153
Assets/Liabilities measured at fair value	2.651.906	155.662	27.085	2.834.653
* Recurrent	2.651.906	155.662	27.085	2.807.568
Investments in quoted shares (Note 16)	2.651.906	-	-	2.651.906
Other financial instruments (Note 13)	-	68.194	-	68.194
Financial derivatives, net (Note 23.6)	-	(40.146)	-	(40.146)
Biological assets (Note 12)	-	127.614	-	127.614
*Non-recurrent	-	-	27.085	27.085
Investments in non-quoted shares (Note 16)	-	-	27.085	27.085
Total	2.651.906	183.815	27.085	2.862.806

2019	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Type of asset				
Assets whose fair value is revealed in the Notes of the Financial Statements	-	87.520	-	87.520
Investment properties (Note 19)	-	87.520	-	87.520
Assets/Liabilities measured at fair value	3.495.251	155.276	16.517	3.667.044
* Recurrent	3.495.251	155.276	-	3.650.527
Investments in quoted shares (Note 16)	3.495.251	-		3.495.251
Other financial instruments (Note 13)	-	62.132		62.132
Financial derivatives, net (Note 23.6)	-	5.598		5.598
Biological assets (Note 12)	-	87.546		87.546
*Non-recurrent	-	-	16.517	16.517
Investments in non-quoted shares (Note 16)	-	-	16.517	16.517
Total financial assets	3.495.251	242.796	16.517	3.754.564

Table 88

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 \$843.345 (2019: profit \$186.697), 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)	December 2020	December 2019
Grupo de Inversiones Suramericana S.A.	25.280	34.000
Grupo Argos S.A.	13.900	17.800

Table 89

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 (2019: \$6/ton), an average productivity of 1.800 – 1.900 tons per hectare, cost of the debt of 9,2% (2019: 9,72%), 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 \$3.224 (2019: \$4.008).

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 \$600,13 (2019: 1.023), 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, 2019, the price per average kilo of the pig livestock used in the valuation was \$7.305* (2019: \$5.894*); for cattle a price per average kilo of \$4.840* (2019: \$4.243) was used.

The gain for the period, due to changes in fair value, less the cost of sale of biological assets in 2019, was \$13.131 (2019: \$4.834), and is included in the Income Statement, as operating income.

(*) In Colombian Pesos.

Investments in unquoted shares. These investments correspond primarily to the investments that Grupo Nutresa had until 2017 in Venezuela, in Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A.

NOTE 40. DISCLOSURE OF RELATED PARTIES

The following table shows related parties' transactions, at the year-end:

Company	2020							
	Receivables Balance	Payables Balance	Purchases of goods and services	Sales of goods and services	Dividends income	Dividends paid	Interests income	Interests expenses
Associates and joint ventures								
Bimbo de Colombia S.A.	3.289	1.067	6.374	53.033	-	-	-	-
Dan Kaffe (Malaysia) Sdn. Bhd	195	-	3.232	572	516	-	-	-
Oriental Coffee Alliance (OCA)	-	-	2.611	140	-	-	-	-
Estrella Andina S.A.S.	4	-	-	18	-	-	-	-
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	17.878	14.539	79.218	36.090	38.688	103.729	-	-
Other related parties								
Grupo Bancolombia	920	1.381.748	43.057	4.024	-	-	37	67.184

2020								
Company	Receivables Balance	Payables Balance	Purchases of goods and services	Sales of goods and services	Dividends income	Dividends paid	Interests income	Interests expenses
Grupo Argos	7.510	-	-	88	30.007	28.951	-	-
Fundación Nutresa	36	1.179	5.628	30	-	-	-	-
Corporación Vidarium	177	57	3.101		-	-	-	-
Alpina Productos Alimenticios S. A.	1.475	18.635	23.959	3.159	-	-	-	-
Members, Board of Directors	-	28	1.139	-	-	-	-	-
2019								
Company	Receivables Balance	Payables Balance	Purchases of goods and services	Sales of goods and services	Dividends income	Dividends paid	Interests income	Interests expenses
Associates and joint ventures								
Bimbo de Colombia S.A.	3.043	4.142	7.700	53.342	-	-	-	-
Dan Kaffe (Malaysia) Sdn. Bhd	128	923	6.291	25	643	-	-	-
Oriental Coffee Alliance (OCA)	-	1	109	-	-	-	-	-
Estrella Andia S.A.S	14	-	-	7	-	-	-	-
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	18.588	15.299	77.480	32.015	33.562	97.181	-	-
Other related parties								
Grupo Bancolombia	902	1.244.712	52.397	3.921	-	-	110	73.522
Grupo Argos	7.051	-	3	285	27.932	27.173	-	-
Fundación Nutresa	15	460	5.386	-	-	-	-	-
Corporación Vidarium	352	-	3.057	-	-	-	-	-
Alpina Productos Alimenticios S.A.	1.827	20.047	28.121	3.913	-	-	-	-
Members, Board of Directors	-	89	1.029	-	-	-	-	-

Table 90

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 \$131.443 (2019: 125.451) for 148 (2019: 145) key personnel were realized.

NOTE 41. EVENTS AT THE END OF THE PERIOD

For Grupo Nutresa, sustainability is the main framework for corporate action from which actions are derived to generate long-term value for all related groups and to manage risks in a responsible and proactive manner.

The business model of the Business Group is diversified in geographies, products, and in the way of reaching clients, buyers and consumers; which allows us to have a solid and flexible position to manage the risks and changes in the environment resulting from this situation.

The action of the Nutresa Group in these circumstances is supported by a multidisciplinary Management Committee created on March 5 of this year, and which has the objective of implementing quick and effective daily measures. This action framework is summarized in 4 key matters:

1. Taking care of the health and well-being of our people and our communities: We take all necessary measures to ensure the well-being of our employees who are at homeworking, as well as additional hygiene, disinfection and prevention measures in the places where their physical presence is required.
2. Ensure food supply: Aware of our responsibility to ensure the food supply for daily consumption, we work perma-

nently to ensure continuity in the value chain which involves the proper flow of raw materials, and the production and delivery of products through the various available channels.

Also, we have implemented additional cleaning and disinfection protocols in production plants and logistics operations, and developed alternative ways of taking and delivering orders, reaching consumers directly at home when required.

3. Responsible management of resources: We focus on responsibly managing of the financial available resources, prioritizing liquidity, and business continuity for all the agents in the value chain involved in our operation.
4. Contribute to the solution: We are leading initiatives and cooperating on different fronts to contribute to the solution. In this way, we participate in public-private alliances for the protection of vulnerable populations, we donate resources, food, and hospital equipment, and we work with trade-unions to accompany and suggest alternatives actions to national and local governments.

Regarding the Company's commercial dynamics, it should be noted that a large part of Grupo Nutresa's portfolio is made up of foods for daily consumption at home, which have been favored by consumers in the current environment. Some businesses, such as restaurants and the institutional channel, have shown less dynamics, mainly due to the preventive measures of social distancing established by the different governments.

Although sensitive businesses in this situation do not exceed 15% of the Group's annual income, we have implemented mitigating measures to give continuity to the operation and to serve our clients and consumers. These measures include a quick adaptation of our operation to reach households directly through e-commerce, direct deliveries, and alliances with digital home platforms, among others.

In the consolidated result, we report that the commercial dynamics of Grupo Nutresa has been positive, with the categories of greater frequency of consumption in the home contributing significantly in the mitigation of sensitive businesses.

Finally, we reiterate that Grupo Nutresa has a diversified business model, a good liquidity position, and the financial and operational solvency required to continue managing in a timely and effective manner the emerging risks derived from the present situation.

These Consolidated Financial Statements were authorized for issuance, by the Board of Grupo Nutresa, on February 26, 2021. 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, 2020.

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.

Opinion

I have audited the accompanying separate financial statements of Grupo Nutresa S. A., which include the separate statement of financial position at December 31, 2020, and the separate statements of comprehensive income, equity changes and cash flows for the year then ended, as well as the summary of the main accounting policies and other explanatory notes.

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, 2019, 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.

Basis for the opinion

I conducted my audit in accordance with the Auditing Standards on Financial Reporting accepted in Colombia. My responsibility under such standards is further described in the section concerning the "statutory auditor's responsibility for the audit of the financial statements" of this report.

I am independent of Grupo Nutresa S. A. in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), and the ethical requirements relevant to my audit of the consolidated financial statements in Colombia. I have fulfilled my other ethical responsibilities in accordance with the IESBA code and other ethical requirements.

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

Responsibilities of management and those charged with governance in the Entity for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements, in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia, and for such internal control as management determines necessary to enable the preparation of separate financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance in the Entity are responsible for supervising its financial reporting process.

PwC Contadores y Auditores S.A.S., Calle 7 Sur No. 42-70, Torre 2, Piso 11, Edificio Forum, Medellín, Colombia
Tel: (57-4) 325 4320, Fax: (57-4) 325 4322, www.pwc.com/co



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa S. A.

Statutory auditor's responsibility in relation to the audit of the separate financial statements

My objective is to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the Financial Reporting Audit Standards Accepted in Colombia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with the Financial Reporting Audit Standards Accepted in Colombia, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubts on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my statutory auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa S. A.

I communicate with those charged with the governance in the Entity regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during my audit.

I have also provided those charged with the governance in the Entity with a statement indicating that I have complied with the applicable ethical requirements in relation to independence, and I have informed them about all relations that could reasonably be expected to affect my independence and, in case any arise, the corresponding safeguards.

Report on other legal and regulatory requirements

Management is also responsible for compliance with certain regulatory requirements in Colombia, related to the handling of accounting documentation, the preparation of management reports, and the timely and appropriate payment of contributions to the Integral Social Security System. My responsibility as statutory auditor in these matters is to perform review procedures to issue an opinion on their due compliance.

With the above in mind, in my opinion:

- a) The Company's accounting records for the year ended December 31, 2020 have been kept in conformity with the 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 administration report prepared by 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, 2020, the Company is not in arrears regarding payment of contributions to the Integral Social Security System.
- e) The Entity has implemented the System to Prevent and Control the Risk of Money Laundering and Terrorism Financing, in accordance with that established in External Circular 062 of 2007, issued by the Superintendency of Finance.



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa S. A.

In compliance with the statutory auditor's responsibilities stated in items 1 and 3 of Article 209 of the Colombian Code of Commerce, in relation to the assessment on whether the acts of the Entity'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 Entity's assets or those of third parties in its possession are in place, I have issued a separate report dated February 26, 2021.

(Original in Spanish signed by:)

Juber Ernesto Carrión
Statutory Auditor
Professional Card No. 86122-T
Appointed by PwC Contadores y Auditores S. A. S.
February 26, 2021

Certification of the Financial Statements

The undersigned Legal Representative and the General Accountant of Grupo Nutresa S. A.

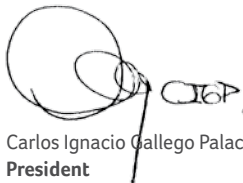
CERTIFY:

February 26th, 2021

We have previously verified all claims, herewith contained, in the Financial Statements, at December 31, 2020 and 2019, 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:
February 26th, 2021

That the Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2020 and 2019, 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.



Carlos Ignacio Gallego Palacio
President

Separate Financial Position Statement

As of December 31st (values expressed in millions of Colombian Pesos)

ASSETS	Notes	2020	2019
Current assets			
Cash and cash equivalents		\$ 319	\$ 54
Trade and other accounts receivables	5	21.166	25.733
Other assets	6	169	150
Total current assets		\$ 21.654	\$ 25.937
Non-current assets			
Trade and other accounts receivables	5	568	565
Investments in subsidiaries	7	5.593.927	5.167.033
Investments in associated	8	148.715	150.658
Other financial non-current assets	9	2.653.942	3.497.287
Right-of-use assets		13	104
Other assets	6	4	6
Total non-current assets		\$ 8.397.169	\$ 8.815.653
TOTAL ASSETS		\$ 8.418.823	\$ 8.841.590
LIABILITIES			
Current liabilities			
Trade and other account payables	11	85.969	89.014
Income tax and other taxes, payable	10.2	1.156	877
Employee benefits liabilities	12	2.712	1.880
Right-of-use liabilities		13	98
Total current liabilities		\$ 89.850	\$ 91.869
Non-current liabilities			
Trade and other accounts payables	11	-	158
Employee benefits liabilities	12	1.072	1.737
Deferred tax liabilities	10.4	5.102	4.735
Right-of-use liabilities		-	10
Total non-current liabilities		\$ 6.174	\$ 6.640
TOTAL LIABILITIES		\$ 96.024	\$ 98.509
EQUITY			
Share capital issued	13.1	2.301	2.301
Paid-in-capital	13.1	546.832	546.832
Reserves	13.2	4.359.436	4.144.250
Retained earnings	13.2	3	3
Other comprehensive income, accumulated	14	2.830.986	3.535.797
Earnings for the period		583.241	513.898
TOTAL EQUITY		\$ 8.322.799	\$ 8.743.081
TOTAL LIABILITIES AND EQUITY		\$ 8.418.823	\$ 8.841.590

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


 Juber Ernesto Garrón
 External Auditor – Professional Card No. 86122-T
 Designed by PwC Contadores y Auditores S. A. S.
 (See attached opinion)

Separate Comprehensive Income Statement

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

	Notes	2020	2019
Operating Income		\$ 585.968	\$ 515.139
Portfolio dividends	9	69.265	61.493
Share of profit, for the period of subsidiaries	7	522.153	456.219
Share of profit, for the period of associates	8	(5.450)	(2.573)
Gross profit		\$ 585.968	\$ 515.139
Administrative expenses	15	(5.696)	(5.085)
Exchange differences on operating assets and liabilities		(38)	1
Other operating income, net		4.224	2.744
Operating profit		\$ 584.458	\$ 512.799
Financial income		1.387	2.601
Financial expenses		(1.411)	(1.257)
Exchange differences on non-operating assets and liabilities		1	19
Income before tax		\$ 584.435	\$ 514.162
Current income tax	10.3	(932)	(561)
Deferred income tax	10.3	(262)	297
Net profit for the period		\$ 583.241	\$ 513.898
Earnings per share ^(*)			
Basic, attributable to controlling interest (in Colombian Pesos)	16	1.267,58	1.116,87
<i>(*) Calculated on 460,123,458 shares, which have not been modified during the period covered by these Financial Statements.</i>			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit or loss:			
Actuarial (losses)/gains of defined benefit plans	12.1	(866)	(5.879)
Equity investments measured at fair value	9	(843.345)	186.697
Income tax from items that will not be reclassified		259	1.764
Total items that are not subsequently reclassified to profit or loss		\$ (843.952)	\$ 182.582
Items that may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of subsidiaries	7	138.291	(69.319)
Share of other comprehensive income of associates	8	1.214	(105)
Income tax from items that will be reclassified		(364)	31
Total items that are or may be subsequently reclassified to profit and loss:		\$ 139.141	\$ (69.393)
Other comprehensive income, net taxes		\$ (704.811)	\$ 113.189
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ (121.570)	\$ 627.087

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



Juber Ernesto Carrion
External Auditor - Professional Card No. 86122-T
Designed by PwC Contadores y Auditores S. A. S.
(See attached opinion)


Separate Change in Equity Statement

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

	Share capital issued (Note 13.1)	Paid-in-capital (Note 13.1)	Reserves (Note 13.2)	Retained earnings (Note 13.2)	Profit for the period	Other comprehensive income, Accumulated (note 14)	Total
Balance at December 31st, 2019	2.301	546.832	4.144.250	3	513.898	3.535.797	8.743.081
Profit for the period	-	-	-	-	583.241	-	583.241
Other comprehensive income for the period	-	-	-	-	-	(704.811)	(704.811)
Comprehensive income for the period	-	-	-	-	583.241	(704.811)	(121.570)
Transfer to income, in prior years	-	-	-	513.898	(513.898)	-	-
Cash dividends (Note 13.3)	-	-	(298.712)	-	-	-	(298.712)
Appropriation of reserves	-	-	513.898	(513.898)	-	-	-
Balance at December 31st, 2020	2.301	546.832	4.359.436	3	583.241	2.830.986	8.322.799
Balance at December 31st, 2018	2.301	546.832	3.915.685	3	510.161	3.422.608	8.397.590
Profit for the period	-	-	-	-	513.898	-	513.898
Other comprehensive income for the period	-	-	-	-	-	113.189	113.189
Comprehensive income for the period	-	-	-	-	513.898	113.189	627.087
Transfer to accumulated results	-	-	-	510.161	(510.161)	-	-
Cash dividends (Note 13.3)	-	-	(281.596)	-	-	-	(281.596)
Appropriation of reserves	-	-	510.161	(510.161)	-	-	-
Balance at December 31st, 2019	2.301	546.832	4.144.250	3	513.898	3.535.797	8.743.081

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


 Juber Ernesto Cañón
 External Auditor – Professional Card No. 86122-T
 Designed by PwC Contadores y Auditores S. A. S.
 (See attached opinion)

Separate Cash-flow Statement

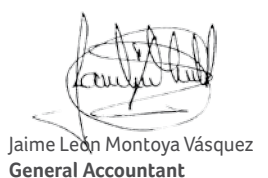
From January 1st to December 31st (values expressed in millions of Colombian Pesos)

	2020	2019
Cash flow from operating activities		
Dividends received (Note 7 – 9)	\$ 307.145	314.594
Dividends paid (Note 13.3)	(293.536)	(275.537)
Collection from goods and services	4.059	2.750
Payments to suppliers for goods and services	(3.294)	(1.253)
Payments to and on behalf of employees	(8.795)	(11.673)
Income taxes on reimbursed (paid) gains	(757)	7
Other cash inflows	6.303	4.002
Net cash flow from operating activities	\$ 11.125	32.890
Cash flows from investing activities		
Purchases of equity of associates and joint ventures (Note 8)	(2.293)	(2.730)
Payments to third parties, to obtain control of subsidiaries (Note 7)	(8.462)	(42.952)
Purchases and sales of other equity instruments (Note 9)	-	11.880
Other cash inflows	4	7
Net cash flows used in investment activities	\$ (10.751)	(33.795)
Cash flow from financing activities		
Leases paid	(98)	(99)
Interest paid	(6)	(1)
Other cash outflows	(6)	(46)
Net cash flow used in financing activities	\$ (110)	(146)
Increase (decrease) in cash and cash equivalents from activities	\$ 264	(1.051)
Net foreign exchange differences	1	19
Net increase in cash and cash equivalents	265	(1.032)
Cash and cash equivalents, at the beginning of the period	54	1.086
Cash and cash equivalents at the end of the period	\$ 319	54

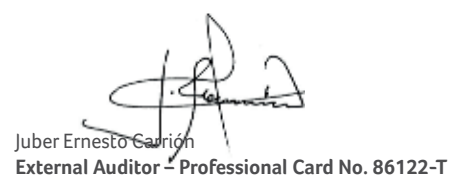
The Notes are an integral part of the Separate Financial Statements.



Carlos Ignacio Gallego Palacio
President



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



Juber Ernesto Carrion
External Auditor - Professional Card No. 86122-T
Designed by PwC Contadores y Auditores S. A. S.
(See attached opinion)

Notes for the Separate Financial Statements

For the period between January 1st and December 31st 2020 and 2019

(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, 2020, 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 2018 (IFRS 17 not included), 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.

Participation in profit or 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

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 comprehensive income statement.

(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

Grupo Nutresa 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.

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.

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

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 ASSETS

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. RIGHT-OF-USE ASSETS AND LIABILITIES

A lease is an agreement whereby a lessor assigns to a lessee, in return for a payment or series of payments, the right to use an asset for a specified period of time.

The Group is the lessor and lessee of various properties, equipment and vehicles. Leases are generally for fixed periods of 1 to 15 years, but may have options to extend. The lease terms are negotiated individually and contain a wide range of different terms and conditions.

The extension and termination options included in the Group's leases are used to maximize operational flexibility in terms of contract management. Most extension and termination options held are exercisable simultaneously by the Group and the respective counterparty.

Tenant accounting

Leases are recognized as a right of use asset and a corre-

sponding liability on the date on which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-to-use asset is depreciated over the shorter of the asset's useful life and the straight-line lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Variable lease payment based on an index or rate,
- The exercise price of a call option if the lessee is reasonably sure of exercising that option, and
- Penalty payments for terminating the lease, if the condition of the lease reflects that the tenant exercised that option.

Lease payments are discounted using a discount rate, which is calculated using the interest rate of each country, taking into account the duration of the contract and the type of asset.

Rights-of-use assets are measured at cost and comprise the following:

- The amount of the initial measurement of the lease liability,
- Any lease payment made on or before the start date,
- Any direct initial costs, and

Payments associated with short-term leases and low-value asset leases are recognized on a straight-line basis as an expense in the statement of income. Short-term leases have a term of 12 months or less. Low value assets include computer equipment and small office furniture items.

The average periods of amortization for right-of-use assets, transportation equipment are between 5 and 10 years:

3.10. REVENUE

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, inter-

est 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.

3.11. 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.

3.12. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit and loss attributable to ordinary equity holders, by the weighted average number of ordinary shares outstanding during the period.

The average number of shares outstanding, for the periods ended December 31, 2020 and 2019, 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.

3.13. RELATIVE IMPORTANCE OR MATERIALITY

Information is material if its omission, inaccuracies or hiding can reasonably influence the economic decisions taken by primary users of general purpose financial statements, based on these, which provide financial information about a specific reporting entity. Materiality or relative importance depends on nature or magnitude of the information. The entity assesses whether the

information individually or collectively is material or has relative importance in the context of its financial statements taken as a whole.

3.14. CHANGES IN ACCOUNTING POLICIES

3.14.1 AMENDMENT TO IFRS 16 LEASES - RENT REDUCTIONS RELATED TO COVID-19

As respond to COVID-19 pandemic, rental concessions have been granted to tenants. Such concessions can take a variety of forms, including grace periods and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases that gives lessees the option to treat rental concessions the same way they would if they were not lease modifications. In many cases, this will lead to the accounting of the concessions as variable lease payments in the period in which they are granted. In Colombia, Decree 1432 of 2020 incorporated this amendment with the possibility of applying it immediately.

3.14.2 OTHER REGULATORY CHANGES THAT DID NOT HAVE AN IMPACT ON THE GRUPO NUTRESA'S ACCOUNTING POLICIES

3.14.2.1 IFRIC 23 UNCERTAINTY OVER INCOME TAX TREATMENTS

Regarding to the criteria and judgments in the determination and recognition of taxes, as of December 31, 2020, no situations have been identified that generate tax uncertainty and that must be recognized in the accounting, in accordance with the framework defined by IFRIC 23.

3.14.2.2 PREPAYMENT FEATURES WITH NEGATIVE COMPENSATION (AMENDMENTS TO IFRS 9)

Financial assets with prepayment features with a reasonable possibility of negative compensation for early termination of the contract - are eligible to be measured at amortized cost or fair value in the other comprehensive income, rather than at fair value in the comprehensive income.

3.14.2.3 LONG-TERM INTERESTS IN ASSOCIATES AND JOINT VENTURES (AMENDMENTS TO IAS 28)

It is clarified that entities will account for long-term interests in an associate or joint venture - to which the equity method is not applied - using IFRS 9 before accounting for losses or losses due to impairment, applying IAS 28 Investments in Associates and Joint Ventures.

3.14.2.4 AMENDMENT TO IFRS 3 BUSINESS COMBINATIONS

In October 2018 was published an amendment to IFRS 3, which modifies the definition about what constitutes a business. This new definition requires that an acquisition includes an input and a process applied to itself, that together, contributes significantly to the ability to create products. The definition of the

term "products" is restricted to focus on goods and services that are provided to customers, generating investment income and other income, and excludes returns in the form of reduced costs and other economic benefits.

3.14.2.5 AMENDMENTS TO IAS 19 EMPLOYEE BENEFITS - PLAN AMENDMENT, CURTAILMENT OR SETTLEMENT

In February 2018, the IASB issued amendments to IAS 19 regarding to the accounting for plan amendments, curtailment or settlements. The changes require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan modification, curtailment, or liquidation; and that it recognizes in results as part of the cost of past service, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized due to the impact of the asset limit.

3.14.2.6 AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS AND IAS 8 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS - DEFINITION OF MATERIAL OR WITH RELATIVE IMPORTANCE.

The amendments published by the IASB in October 2018 clarify the definition of "material".

3.14.2.7 ANNUAL IMPROVEMENTS TO IFRS STANDARDS 2015 TO 2017 CYCLE

- Contains amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Tax and IAS 23 Borrowing Costs.
- The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it will measure again the stake held in that business.
- The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, it will measure again the interest held in that business.
- The amendments to IAS 12 clarify that an entity will account for all the consequences of dividends in income tax in the same way regardless of how the tax arises.
- The amendments to IAS 23 clarify that when a qualifying asset is ready for its intended use or sale, an entity treats outstanding loans made to obtain that qualifying asset as part of general loans.

3.14.3 NEW IFRS PRACTICE STATEMENT - MAKING MATERIALITY JUDGMENTS

IFRS Practice Statement No. 2 - Making materiality judgments, provides companies with guidance on how to make materiality judgements when preparing their general purpose financial statements, so that those financial statements focus on information which is useful to investors. The IFRS Practice Statements meets all the materiality requirements in IFRS Standards and adds

practical guidance and examples that entities may find useful when deciding whether the information is material or material. The Practice Statement is a non-mandatory document. It does not change or introduce any requirements in IFRS Standards.

3.15. NEW REGULATIONS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB) THAT HAVE NOT YET BEEN INCORPORATED INTO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA

3.15.1 AMENDMENT TO IAS 1 - PRESENTATION OF FINANCIAL STATEMENTS - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

The amendments issued in January 2020 clarify the criteria for classifying liabilities as current or non-current, based on the rights that exist at the end of the reporting period. The classification is not affected by the expectations of the entity or the events after the date of the report. The changes also clarify what the “settlement” of a liability refers to in terms of the standard. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.15.2 AMENDMENT TO IAS 16 - PROPERTY, PLANT AND EQUIPMENT – PROCEEDS BEFORE INTENDED USE

The amendment published in May 2020 prohibits the deduction of the cost of an item of property, plant and equipment from any amount arising from the sale of items produced while taking that asset to the place and conditions necessary for it to operate in the manner provided by the management. Instead, an entity would recognize the amounts of those sales in comprehensive income statement. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.15.3 AMENDMENTS TO IFRS 3 BUSINESS COMBINATION

The amendment issued in May 2020 approach 3 modifications to the standard in order to: update the references to the Conceptual Framework; add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 - Levies; and confirm that contingent assets should not be recognized on the acquisition date. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.15.4 AMENDMENT TO IAS 37- PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS - COST OF FULFILLING A CONTRACT

The purpose of this amendment, which was also published in

May 2020, is to specify the costs that an entity includes when determining the “Compliance cost” of a contract for the purpose of assessing whether that contract is onerous; clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling a contract and an allocation of other costs that are directly related to the fulfillment of the contract. Before recognizing a separate provision, for an onerous contract, the entity must recognize impairment losses on the assets used to fulfill the contract. Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.15.5 INTEREST RATE BENCHMARK REFORM

After the financial crisis, the reform and replacement of benchmark interest rates, such as GBP LIBOR and other interbank rates (IBOR) has become a priority for global regulators. There is currently uncertainty about the precise moment and nature of these changes. In order to do the transition from existing contracts and agreements that reference LIBOR, it is possible to be necessary to apply adjustments for term differences and credit differences to allow the two benchmark rates to be economically equivalent in transition.

The amendments made to IFRS 9 - Financial instruments, IAS 39 - Financial instruments: recognition and measurement and IFRS 7 - Financial instruments: disclosures provide certain alternatives in relation to the reform of the benchmark interest rate. The alternatives are related to hedge accounting and have the effect that the reforms generally should not bring hedge accounting to an end. However, any hedging ineffectiveness must continue to be recorded in the comprehensive income statement. Given the widespread nature of hedges involving interbank rate-based contracts (IBOR), the alternatives will affect companies in all industries.

The accounting policies related to hedge accounting should be updated to reflect the alternatives. Fair value disclosures may also be affected due to transfers between levels of the fair value hierarchy as markets become more or less liquid.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.15.6 ANNUAL IMPROVEMENTS TO IFRS 2018-2020 CYCLE

The following improvements were finished in May 2020:

- IFRS 9 - Financial instruments: clarifies which commissions should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 - Leases: modifies illustrative example 13 of the standard to eliminate the illustration of lessor payments related to improvements to leased assets, to eliminate any confusion about the treatment of lease incentives.
- IFRS 1 - First time adoption of International Financial Re-

porting Standards: allows entities that have measured their assets and liabilities at the book value recorded in their parent's accounting, also measure accumulated translation exchange differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures with some conditions.

- IAS 41 - Agriculture: eliminates the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

3.15.7 CONCEPTUAL FRAMEWORK

The IASB has issued a revised Conceptual Framework that will be used in decisions to set standards with immediate effect. The key changes include:

- Increase the importance of management in the objective of financial information;
- Restore prudence as a component of neutrality;
- Define a reporting entity, which can be a legal entity or a part of an entity;
- Review the definitions of an asset and a liability;
- Eliminate the probability threshold for recognition and add guidelines on derecognition;
- Add guides on different measurement bases, and
- Indicate that profit or loss is the main performance indicator and that normally, income and expenses in other comprehensive income should be recycled when this improves the relevance or accurate representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that are based on the Framework to determine their accounting policies for transactions, events, or conditions that are not otherwise addressed in the accounting standards must apply the revised Framework effective January 1, 2020. These entities must consider whether its accounting policies are still appropriate under the revised Framework.

3.15.8 IFRS 17 INSURANCE CONTRACTS

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It also requires similar principles to apply to reinsurance contracts held and investment contracts with discretionary participation components. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts to assess the effect that contracts have on an entity's financial position, financial performance and cash flows, within the scope of IFRS 17.

IFRS 17 was initially applicable to annual periods beginning on January 1, 2021, however, the application date was extended for annual periods beginning on January 1, 2023, through an

amendment issued by the IASB in June 2020. Early application is allowed.

IFRS 17 repeals IFRS 4 - Insurance Contracts which was an interim standard that allowed entities to use a wide variety of accounting practices for insurance contracts, reflecting national accounting requirements and variations from those requirements. Some previous insurance accounting practices permitted under IFRS 4 did not adequately reflect the true underlying financial situations or financial performance of insurance contracts.

IFRS 17 requires a current measurement model where estimates are measured again in each reporting period. Contracts are measured using the components of:

- Discounted probability weighted cash flows;
- An explicit risk adjustment, and
- A contractual service margin (CSM) that represents the unearned profit from the contract which is recognized as income during the coverage period.

The standard allows choosing between recognizing changes in discount rates in the comprehensive income statement or directly in other comprehensive income. The choice is likely to reflect how insurers record their financial assets under IFRS 9.

An optional simplified premium allocation approach is allowed for the remaining coverage liability for short-term contracts, which are often offered by insurers that do not provide life insurance.

There is a modification to the general measurement model called "variable commission method" for certain life insurance contracts in which the insured share the returns of the underlying elements. When applying the variable commission method, the entity's participation in the changes in the fair value of the underlying items is included in the contractual service margin. Therefore, the results of insurers using this model are likely to be less volatile than in the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

Grupo Nutresa does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on 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
- 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
- Determination of the existence of financial or operating leases, based on the transfer of risks and benefits of the leased assets
- Determination of lease terms.

Judgments and estimates made by the Administration of Nutresa Group, in the preparation of the Separated Financial Statements, at December 31, 2020, do not differ significantly from those realized at the year-end close, of the previous period, that is, December 31, 2019.

In the process of applying IFRS 16, the Group considered the following relevant judgements:

The Company's leasing activities and how they are accounted: The Company leases vehicles. Leases are normally

for periods of between 1 and 5 years. The lease conditions are negotiated individually and contain a wide range of different terms and conditions. The leases do not impose any covenants, but the leased assets cannot be used as collateral for loan purposes.

Lease extension and termination options: Extension and termination options are included in the Group's lease contracts. These conditions are used to maximize operational flexibility in terms of contract management. Most extension and termination options held are exercised by the Group and the lessor.

Lease terms: In determining the term of the lease, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. The assessment is reviewed if a significant event or significant change in circumstances occurs that affects this assessment.

Discount rate: The Company determined the discount rate based on Grupo Nutresa's incremental debt rate. In the determination process was considered the duration of the leases, the nature and quality of the collateral guarantees and the economic environments in which the Group operates. This rate is reviewed annually and adjusted when it presents significant variations.

NOTE 5. TRADE AND OTHER ACCOUNTS RECEIVABLES

The balance of trade receivables and other accounts receivable comprised the following items:

	2020	2019
Accounts receivable from employees	15	17
Dividends receivable from third parties (Note 9)	16.396	15.374
Related dividends receivable (Note 7 – 17)	3.114	8.384
Other accounts receivable, related parties (Note 17)	2.156	2.478
Other accounts receivable from third parties	53	45
Total debtors and accounts receivable	21.734	26.298
Current portion	21.166	25.733
Non-current portion	568	565

Table 1

NOTE 6. OTHER ASSETS

Other assets are comprised of the following:

	2020	2019
Other current assets		
Taxes (Note 10.2)	47	92
Prepaid expenses ^(*)	122	58
Total other current assets	169	150
Otros activos no corrientes		
Other non-current assets ^(*)	4	6
Total other assets	173	156

Table 2

^(*) 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:

	% participation	Book Value	
		2020	2019
Compañía de Galletas Noel S. A. S.	100%	1.526.079	1.403.658
Compañía Nacional de Chocolates S. A. S.	100%	1.136.868	1.136.705
Tropical Coffee Company S. A. S.	100%	17.033	18.174
Industria Colombiana de Café S. A. S.	100%	643.595	581.541
Industria de Alimentos Zenú S. A. S.	100%	196.187	207.012
Inverlogy S. A. S. (antes Litoempaques S. A. S.) ⁽¹⁾	100%	27.508	27.184
Meals Mercadeo de Alimentos de Colombia S. A. S.	100%	203.312	192.316
Molinos Santa Marta S. A. S.	100%	88.098	78.144
Novaventa S. A. S.	93%	219.671	177.942
Pastas Comarrico S. A. S.	100%	32.662	32.052
Productos Alimenticios Doria S. A. S.	100%	122.282	112.671
Alimentos Cárnicos S. A. S.	100%	1.036.807	905.267
Setas Colombianas S. A.	94%	45.870	47.078
Compañía Nacional de Chocolates Perú S. A.	0,0%	10	11
La Recetta Soluciones Gastronómicas Integradas S. A. S.	70%	997	789
Gestión Cargo Zona Franca S. A. S. ⁽¹⁾	70%	113.441	95.896
Comercial Nutresa S. A. S.	100%	45.109	26.037
Industrias Aliadas S. A. S.	83%	78.641	70.087
Opperar Colombia S. A. S.	100%	2.176	1.561
Servicios Nutresa S. A. S.	100%	895	514
Fideicomiso Grupo Nutresa	100%	308	288
Productos Naturela S. A. S. ⁽²⁾	60%	3.736	3.444
Atlantic FS S. A. S.	51%	52.642	48.662
Total		5.593.927	5.167.033

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:

	2020			2019		
	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.	(27.727)	124.150	25.998	(32.725)	132.745	1.430
Compañía Nacional de Chocolates S. A. S.	(106.928)	106.070	1.021	(129.811)	106.148	2.929
Tropical Coffee Company S. A. S.	-	(1.076)	(65)	-	(1.844)	(71)
Industria Colombiana de Café S. A. S.	-	31.401	30.653	-	25.122	(12.297)
Industria de Alimentos Zenú S. A. S.	(22.564)	7.894	3.845	-	5.463	(1.717)
Inverlogy S. A. S.	-	324	-	-	618	-
Meals Mercadeo de Alimentos de Colombia S. A. S.	-	11.794	(798)	-	8.308	(903)
Molinos Santa Marta S. A. S.	-	9.951	3	(4.207)	9.201	(7)
Novaventa S. A. S.	-	41.819	(90)	-	42.456	(176)
Pastas Comarrico S. A. S.	-	610	-	-	2.772	-
Productos Alimenticios Doria S. A. S.	(12.423)	23.305	(1.271)	(7.550)	19.000	(627)
Alimentos Cárnicos S. A. S.	(58.184)	108.611	81.113	(77.409)	70.528	(56.971)
Setas Colombianas S. A.	(5.669)	4.461	-	(10.658)	6.634	-
Compañía Nacional de Chocolates Perú S. A.	-	-	(1)	(1)	2	-
La Recetta Soluciones Gastronómicas Integradas S. A. S.	-	208	-	-	(173)	-
Gestión Cargo Zona Franca S. A. S. ⁽¹⁾	-	18.978	(1.433)	-	17.839	-
Comercial Nutresa S. A. S.	-	18.967	105	-	(2.016)	(199)
Industrias Aliadas S. A. S.	-	8.544	10	-	9.861	(3)
Opperar Colombia S. A. S.	-	615	-	-	219	-
Servicios Nutresa S. A. S.	-	1.776	(1.395)	-	1.479	(664)
Fideicomiso Grupo Nutresa	-	20	-	-	45	-
Productos Naturela S. A. S.	(137)	428	1	-	274	(43)
Atlantic FS S. A. S. ⁽²⁾	-	3.303	595	-	1.538	-
Total	(233.632)	522.153	138.291	(262.361)	456.219	(69.319)

Table 4

⁽¹⁾ In July 2019 Grupo Nutresa capitalized Gestión Cargo Zona Franca S. A. S. in the amount of of \$4,207. In 2020 Grupo Nutresa lowered its participation to 70% due to an investment of Compañía Nacional de Chocolates S. A. S. in Gestión Cargo Zona Franca S. A. S., corresponding to \$ 46,000.

⁽²⁾ In November 2019, Grupo Nutresa acquired 51% of the shares of Atlantic FS S. A. S., a company dedicated to food distribution in the institutional channel, for \$47,124. Atlantic FS S. A. S. is a leading company in the institutional or food service channel in Colombia, providing superior service to its customers through a diversified product portfolio focused on the "Centro del plato". At the end of the year there is a balance payable of \$8,379 for the purchase of this investment, which was canceled in February 2020. In August 2020 the acquisition price was adjusted for a value of \$ 83.

There are no variations in the participation of Shareholders between December 2020 and December 2019. The dividends received in subsidiaries, are recognizes as the lessor value of the investment, as part of the application of the equity method. As

of December 31, 2020, dividend receivables were \$3.114 (2019: \$8.384).

Dividends received, from subsidiaries, generate an impact on cash flow in the amount of \$238.902 (2019: \$253.977).

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:

	Country	% participation	Book Value		2020		2019	
			2020	2019	Share of Income for the Period	Share of Other Comprehensive Income	Share of Income for the Period	Share of Other Comprehensive Income
Associates								
Bimbo de Colombia S. A.	Colombia	40%	137.490	139.121	(2.845)	1.214	(692)	(105)
Estrella Andina S. A. S.	Colombia	30%	10.615	10.924	(2.602)	-	(1.864)	-
Wellness Food Company S. A. S.	Colombia	20%	610	613	(3)	-	(17)	-
Total associates			148.715	150.658	(5.450)	1.214	(2.573)	(105)

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 cafete-

rias, in which Nutresa has a 30% stake, having as its majority Shareholder, Grupo Alsea, with an interest of 70%.

Wellness Food Company S. A. S.

It is a simplified joint-stock company dedicated to the production of dairy products and other types of prepared foods n.c.p. in which Nutresa has a 20% participation.

The movements of investments in associates, are as follows:

	2020	2019
Opening balance	150.658	150.606
Increased of contributions ^(*)	2.293	2.730
Participation in profit and loss	(5.450)	(2.573)
Participation comprehensive income	1.214	(105)
Ending balance	148.715	150.658

Table 6

Increase in contributions in associates and joint ventures

^(*) In June 2020, Grupo Nutresa carried out an increase in the capital in Estrella Andina S.A.S, in which invested \$2.293 and in February 2019, \$2,100, without generating changes in the percentage of participation. In June 2019, Grupo Nutresa invested \$630 in the Wellness Food Company S.A.S.

During the period covered by these Financial Statements, no dividends were received from these investments.

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.

Below, is the summarized financial information regarding the associated entities:

	2020					2019				
	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.	684.582	340.859	343.723	3.568	1.577	686.195	338.393	347.802	(1.732)	(262)
Estrella Andina S. A. S.	77.965	42.409	35.556	(5.497)	-	41.694	5.110	36.584	(1.864)	-
Wellness Food Company S. A. S.	1.000	398	602	9	-	889	269	620	(83)	-

Table 7

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	2020	2019
Grupo de Inversiones Suramericana S. A.	61.021.436	13,01%	1.542.622	2.074.729
Grupo Argos S. A.	79.804.628	12,37%	1.109.284	1.420.522
Other companies			2.036	2.036
			2.653.942	3.497.287

Table 8

	2020		2019	
	Dividend income	Losses of Fair Value Measurement	Dividend income	Profit of Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	38.687	(532.107)	33.562	114.873
Grupo Argos S. A.	30.007	(311.238)	27.931	71.824
Other companies	571	-	-	-
	69.265	(843.345)	61.493	186.697

Table 9

The value of the dividend per share, declared for 2020, by Grupo de Inversiones Suramericana S. A. was \$583 (pesos), yearly per share. These will be paid quarterly, in the amount of \$145,75 and an extraordinary dividend payable and paid in cash of \$ 51 for each share in a single installment on July 1, 2020. Whilst Grupo Argos S. A. declared, in the month of April, dividends, in the amount of \$376 (pesos), yearly, per share, to be paid quarterly, in the amount of \$94.

For 2019 the annual value per share was \$ 350 (pesos) (\$ 87,50 pesos quarterly) for Grupo Argos S. A. and \$ 550 (pesos) (\$ 137,50 pesos quarterly) for Grupo de Inversiones Suramericana S. A.

Income from dividends recognized as of December 2020 for the portfolio investments mainly corresponds to the total annual dividend decreed by the issuers.

As of December 31, 2020, there is \$ 16.396 receivables for dividends from financial instruments (December 2019: \$ 15.374).

Dividends received generated an effect on cash flow as of December 31, 2020 for \$ 68.243 (2019: \$ 60.617).

In January of 2019, 365.114 shares of equity instruments, of Grupo de Inversiones Suramericana S.A., were sold for \$11,880.

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 \$843.345 (December 2019: profit \$186.697), recognized in the other comprehensive income. In the case of other investments, when their book value is material, the annual measurement will be carried out using valuation techniques recognized and accepted under IFRS 13.

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)	2020	2019
Grupo de Inversiones Suramericana S. A.	25.280	34.000
Grupo Argos S. A.	13.900	17.800

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, 2020, there were pledges of 20.786.846 (December 2019: 26.686.846) 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 current tax provisions applicable to the Company establish a nominal income tax rate of 32% (2019 -33%).

The basis for the tax treatment is the recognition of income and expenses accrued for accounting purposes, except for those expressly provided for in the regulations, such as: the

time of realization for certain income, non-deductibility of the difference not realized, limitation of the deduction for employee, customer and supplier services, ceilings on annual depreciation rates, changes in realization for tax recognition of the customer loyalty plan and the option to take the value paid for industry and commerce tax as a 100% deduction or as a 50% tax discount.

Otherwise, donations made to entities belonging to the special tax regime are not deductible, but it is allowed a tax discount of 25% on the value donated, which cannot exceed 25% of the income tax payable in the respective taxable year.

The presumptive income applicable to the year 2020 0,5% (2019: 1,5%).

The firmness of tax returns is generally 3 years, however, for companies subject to the transfer pricing regime, the firmness is 5 years and the returns that originate or offset tax losses will be firm in 5 years. Additionally, for the years 2020 and 2021, the returns that present an increase in net income tax by a minimum percentage of 30% or 20% compared to the previous year, will be final in 6 months or 12 months, respectively.

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:

	2020	2019
VAT	-	5
ICA	47	87
Total current tax assets	47	92

Table 11

The current taxes payable balances include:

	2020	2019
Income tax and complementaries	349	194
Withholding taxes, payable	213	291
Other taxes	594	392
Total	1.156	877

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 situa-

tions 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.

Additionally, based on the criteria and judgments in the determination and recognition of those taxes, as of December 31, 2020, no situations have been identified that generate tax uncertainty and that should be recognized in the accounting according to the framework defined by IFRIC 23.

10.3. INCOME TAX EXPENSES

Current income tax expenses and deferred tax are as follows:

	2020	2019
Income tax	932	561
Total	932	561
Deferred taxes ^(*)	262	(297)
Total income tax expenses	1.194	264

Table 13

^(*) The composition of the deferred income tax arises primarily from the recognition of labor and investment obligations.

10.4. DEFERRED INCOME TAX

	2020	2019
Deferred tax assets		
Employee benefits	-	1.797
Investments	6.780	-
Debtors	-	2
Right-of-use assets	-	32
Other assets	15	16
Total deferred tax assets	6.795	1.847
Deferred tax liabilities		
Investments	11.897	6.395
Right-of-use liabilities	-	31
Other liabilities	-	156
Total income tax liabilities	11.897	6.582
Net deferred tax liabilities	5.102	4.735

Table 14

The movement of deferred tax, during the period, was as follows:

	2020	2019
Opening balance, net liabilities	4.735	6.827
Deferred income tax expenses recognized in profit and loss	262	(297)
Income tax relating to components of other comprehensive income	105	(1.795)
Ending balance, deferred tax net liabilities	5.102	4.735

Table 15

The income tax, relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of \$-259 (2019: \$-1.764), the participation

in associates and joint ventures, accounted for by using the Equity Method, in the amount of \$364 (2019: \$-31).

10.5. EFFECTIVE TAX RATES

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.

Additionally, the Company has the limitation of some deductions, which increase the effective rate, such as: financial movement tax, permanent provisions, costs and expenses of previous years, fines and penalties, among others.

Below is reconciliation, of both the applicable tax rate and the effective tax rates:

	2020		2019	
	Value	%	Value	%
Accounting profit	584.435		514.162	
Tax expenses at applicable tax rates	187.019	32.00%	169.674	33.00%
Non-taxed portfolio dividends	(22.165)	(3.79%)	(20.293)	(3.95%)
Untaxed income from the Equity Method	(167.089)	(28.59%)	(149.703)	(29.12%)
Other tax effects	3.429	0.59%	586	0.11%
Total tax expenses, net (Note 10.3)	1.194	0.20%	264	0.05%

Table 16

10.6. 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, 2009 and 2014. 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.

- Special deduction of wages and social benefits for business establishments located in San Andrés, Providencia and Santa Catalina.
- Incentive for donations made in favor of INNpulsA.
- Some goods and services went from being VAT excluded to being exempt.
- Transitory exemption (until December 31, 2021) of 0% in the consumption tax for the service of restaurants, bars and similar.

10.7. APPROVED TAX REGULATIONS APPLICABLE FROM THE YEAR 2021

Through Law 2068 of 2020, some decisions were adopted regarding income tax, sales tax and consumption tax:

Additionally, in terms of tax procedure, virtual means of proof were permanently incorporated for the purposes of inspections, visits, surveillance and control by the tax authority.

NOTE 11. TRADE AND OTHER ACCOUNT PAYABLES

The balances of trade and other accounts payable, are as follows:

	2020	2019
Suppliers	-	44
Cost and expenses payable	281	945
Purchase of shares payable to third parties	-	8.379
Dividends payable (See note 13.3)	84.650	79.473
Payroll deductions and contributions	235	251
Loans and accounts payable to related parties (Note 17)	803	80
Total	85.969	89.172
Current	85.969	89.014
Non-current	-	158

Table 17

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 as of December 31 is as follows:

	2020	2019
Short-term benefits	1.349	923
Post-employment benefits - defined contributions	10	-
Other long-term benefits (12.2)	2.425	2.694
Total liabilities for employee benefits	3.784	3.617
Current portion	2.712	1.880
Non-current portion	1.072	1.737

Table 18

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:

	2020			2019
	Plan Liability	Plan Asset	Net benefit	Plan Liability
Present value of obligations at January 1st	13.868	13.868	-	
(+) Cost of service	883	-	883	804
(+) Interest expenses	1.263	-	1.263	1.019
(-) Plan returns	-	1.384	(1.384)	(2.594)
(-) Actuarial gains or losses	866	-	866	5.879
(-) Contributions to the fund of the plan	-	1.628	(1.628)	(5.108)
Present value of obligations at December 31st	16.880	16.880	-	-

Table 19

Actuarial gains and losses are recognized in the Income Statement, under other comprehensive income.

The Company estimates that the time for the termination of the benefit is 17 years (2019: 17 years).

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:

	2020	2019
Present value of obligations at January 1st	2.694	1.474
(+) Cost of services	569	1.432
(+/-) Interest expenses	109	123
(+/-) Actuarial losses and/or gains	(191)	80
(-) Payments	(756)	(415)
Present value of obligations at December 31st	2.425	2.694

Table 20

12.3. EXPENSES FOR EMPLOYEE BENEFITS

Amounts recognized as expenses for employee benefits, are as follows:

	2020	2019
Short-term benefits	6.698	6.153
Post-Employment benefits	1.037	952
Other long-term benefits	355	1.452
Sub Total	8.090	8.557
Reimbursement for contracts of mandate ^(*)	(6.863)	(7.187)
Total	1.227	1.370

Table 21

^(*) According with 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:

	2020	2019
Discount rates	6,22%	6,55%
Salary increase rates	4,00%	4,20%
Employee turn-over rates	1,00%	1,00%

Table 22

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, 2020, would generate the

	Seniority Premium	Others defined benefits
Discount rate +1%	(48)	(1.517)
Discount rate -1%	52	1.523
Rate of salary increases +1%	53	1.361
Rate of salary increases -1%	(49)	(1.359)

Table 23

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, 2019:

following impact on the obligation for other long-term benefits, as well as, senior premium:

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, 2020 and 2019, 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 \$ 546.832, from the issuance of shares made in previous periods.

The Company's shares are listed on the Colombian Stock Exchange as of December 31, 2020, and its market value was \$24.000 per share (\$25.400 as of December 31, 2019).

The corporate structure of the company, as of December 31, is as follows:

Investor Group	2020		2019	
	Number of Shares	% Participation	Number of Shares	% Participation
Grupo de Inversiones Suramericana S. A.	162.758.405	35,4%	162.246.520	35,3%
Grupo Argos S. A.	45.243.781	9,8%	45.243.781	9,8%
Colombian Funds	93.712.571	20,4%	90.797.456	19,7%
International Funds	33.982.986	7,4%	37.045.213	8,1%
Other Investors	124.425.715	27,0%	124.790.488	27,1%
Total outstanding shares	460.123.458	100%	460.123.458	100%

Table 24

According to the register of shareholders, at December 31, 2020, there are 11.537 shareholders (2019: 11.037).

13.2. RESERVES AND RETAINED EARNINGS

Of the accounts that make up the equity, reserves at December 31st of 2020 and 2019 are as follows:

	2020	2019
Legal reserves	3.787	3.787
Occasional non-distributed reserves	1.558.597	1.558.597
Other reserves	2.797.052	2.581.866
Total Reserves	4.359.436	4.144.250
Retained earnings	3	3
Total	4.359.439	4.144.253

Table 25

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 of Grupo Nutresa S.A., at the meeting, held on March 24, 2019, declared ordinary share dividends of \$54,10(*) per-share and per-month, equivalent to \$649,20(*) annually per share (2019: \$612(*) annually per share), over 460.123.458 outstanding shares, during the months from April 2020 to March 2021, inclusive, for a total

of \$298.712 (2019: \$281.596).

This dividend was declared by taking untaxed earnings from 2019, in the amount of \$298.712. In 2019 the dividend was declared by taking untaxed earnings from 2018 in the amount of 281.596.

As of December 31, 2020, dividends payable are up to \$293.536 (2019: \$275.537).

Accounts payable as of December 31, 2020 for \$ 85.969 (December 2019: 89.172) mainly include dividends payable for \$ 84.650 (December 2019: \$79.473) for this concept.

Appropriations authorized by the General Assembly of Shareholders are recorded as reserves, charged to the results of the year for compliance with legal provisions or to cover expansion plans or financing needs. The Company takes the profits for the year to retained earnings and these to reserves. The appropriation value is \$ 215.186 (2019- \$ 228.566).

(*) 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 / gains (14.1)	Equity investments (14.2)	Investments in Associates (14.3)	Subsidiaries (14.4)	Total Other Comprehensive Income, Accumulated
Balance at January 1, 2020	(7.831)	3.268.820	(426)	275.234	3.535.797
Losses/Gains for new measurements	(866)	(843.345)	1.214	138.291	(704.706)
Associated income tax	259	-	(364)	-	(105)
Balance at December 31, 2020	(8.438)	2.425.475	424	413.525	2.830.986
	Actuarial Losses (14.1)	Equity investments (14.2)	Investments in Associates (14.3)	Subsidiaries (14.4)	Total Other Comprehensive Income, Accumulated
Balance at January 1, 2019	(3.716)	3.082.123	(352)	344.553	3.422.608
Losses/Gains for new measurements	(5.879)	186.697	(105)	(69.319)	111.394
Associated income tax	1.764		31		1.795
Balance at December 31, 2019	(7.831)	3.268.820	(426)	275.234	3.535.797

Table 26

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

The component of other comprehensive income from investments in associates and joint ventures, represents the accu-

mulated 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:

	2020	2019
Taxes other than income tax	1.824	1.778
Fees	1.551	1.290
Employee benefits (Note 12.3)	1.227	1.370
Contributions and memberships	520	53
Other expenses	297	374
Other services	197	159
Insurance	72	56
Travel expenses	8	5
Total	5.696	5.085

Table 27

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 inte-

gral 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:

	2020	2019
Net income attributable to holders of ordinary equity of the Parent	583.241	513.898
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest	1.267,58	1.116,87

Table 28

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:

Company	2020							
	Purchases of Goods and Services	Sales of Goods and Services	Receivables Balance	Payables Balance	Dividend Income	Dividends Paid	Interest incomes	Interest expenses
Subsidiaries								
Alimentos Cárnicos S. A. S.	-	836	-	-	58.184	-	-	-
Compañía de Galletas Noel S. A. S.	-	979	-	-	27.727	-	-	-
Compañía Nacional de Chocolates S. A. S.	-	832	510	-	106.928	-	-	-
Compañía Nacional de Chocolates del Perú S. A.	-	-	-	-	-	-	-	-
Industria Colombiana de Café S. A. S.	-	520	-	-	-	-	-	-
IRCC S.A.S. Industria de Restaurantes Casuales S. A. S.	-	520	76	18	-	-	-	-
Meals Mercadeo de Alimentos de Colombia S. A. S.	-	227	-	-	-	-	-	-
Productos Alimenticios Doria S. A. S.	-	146	-	-	12.423	-	-	-
Servicios Nutresa S. A. S.	18	-	1.570	785	-	-	-	6
Setas Colombianas S. A.	-	-	3.114	-	5.669	-	-	-
Industrias Naturela S. A. S.	-	-	-	-	137	-	-	-
Industria de Alimentos Zenú S. A. S.	-	-	-	-	22.564	-	-	-
Entities with joint control or significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	50	-	8.894	66	38.688	103.729	-	-
Other related parties								
Grupo Bancolombia	54	-	8	1	-	-	-	-
Grupo Argos S. A.	-	-	7.502	-	30.007	28.951	-	-
Corporación Vidarium	3	-	-	-	-	-	-	-
Members, Board of Directors	1.139	-	-	28	-	-	-	-

Company	2019							
	Purchases of Goods and Services	Sales of Goods and Services	Receivables Balance	Payables Balance	Dividend Income	Dividends Paid	Interest incomes	Interest expenses
Subsidiaries								
Alimentos Cárnicos S. A. S.	-	673	-	-	77.409	-	-	-
Compañía de Galletas Noel S. A. S.	-	700	-	-	32.725	-	-	-
Compañía Nacional de Chocolates S. A. S.	-	680	8.894	-	129.811	-	-	-
Compañía Nacional de Chocolates del Perú S. A.	-	-	-	-	1	-	-	-
Industria Colombiana de Café S. A. S.	-	343	-	-	-	-	-	-
Molinos Santa Marta S. A. S.	-	-	-	-	4.207	-	-	-
IRCC S.A.S. Industria de Restaurantes Casuales S. A. S.	-	84	29	15	-	-	-	-
Meals Mercadeo de Alimentos de Colombia S. A. S.	-	165	-	-	-	-	-	-
Productos Alimenticios Doria S. A. S.	-	105	-	-	7.550	-	-	-
Servicios Nutresa S. A. S.	12	-	1.939	65	-	-	-	-
Setas Colombianas S. A.	-	-	-	-	10.658	-	-	-
Gestión Cargo Zona Franca S. A. S.	4.207	-	-	-	-	-	-	-
Atlantic FS S. A. S.	47.124	-	-	-	-	-	-	-
Entities with joint control or significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	189	-	8.390	60	33.562	97.181	-	-
Other related parties								
Grupo Bancolombia	172	-	-	28	-	-	1	-
Grupo Argos S.A.	-	-	6.983	-	27.932	27.173	-	-
Members, Board of Directors	1.029	-	-	89	-	-	-	-

Table 29

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 \$6.284 (2019 - \$6.719) for 2 key personnel (2019: 2 employees) were made.

NOTE 18. EVENTS AFTER THE REPORTING PERIOD

For Grupo Nutresa, sustainability is the main framework for corporate action from which actions are derived to generate long-term value for all related groups and to manage risks in a responsible and proactive manner.

The business model of the Business Group is diversified in geographies, products, and in the way of reaching clients, buyers

and consumers; which allows us to have a solid and flexible position to manage the risks and changes in the environment resulting from this situation.

The action of the Nutresa Group in these circumstances is supported by a multidisciplinary Management Committee created on March 5 of this year, and which has the objective of implementing quick and effective daily measures. This action framework is summarized in 4 key matters:

1. Taking care of the health and well-being of our people and our communities: We take all necessary measures to ensure the well-being of our employees who are at homeworking, as well as additional hygiene, disinfection and prevention measures in the places where their physical presence is required.
2. Ensure food supply: Aware of our responsibility to ensure the food supply for daily consumption, we work permanently to ensure continuity in the value chain which involves the proper flow of raw materials, and the production and delivery of products through the various available channels.

Also, we have implemented additional cleaning and disinfection protocols in production plants and logistics operations, and developed alternative ways of taking and delivering orders, reaching consumers directly at home when required.

3. Responsible management of resources: We focus on responsibly managing of the financial available resources, prioritizing liquidity, and business continuity for all the agents in the value chain involved in our operation.
4. Contribute to the solution: We are leading initiatives and cooperating on different fronts to contribute to the solution. In this way, we participate in public-private alliances for the protection of vulnerable populations, we donate resources, food, and hospital equipment, and we work with trade-unions to accompany and suggest alternatives actions to national and local governments.

Regarding the Company's commercial dynamics, it should be noted that a large part of Grupo Nutresa's portfolio is made up of foods for daily consumption at home, which have been favored by consumers in the current environment. Some businesses, such as restaurants and the institutional channel, have shown less dynamics, mainly due to the preventive measures of social distancing established by the different governments.

Although sensitive businesses in this situation do not exceed 15% of the Group's annual income, we have implemented mitigating measures to give continuity to the operation and to serve our clients and consumers. These measures include a quick adaptation of our operation to reach households directly through e-commerce, direct deliveries, and alliances with digital home platforms, among others.

In the result, we report that the commercial dynamics of Grupo Nutresa has been positive, with the categories of greater frequency of consumption in the home contributing significantly in the mitigation of sensitive businesses.

Finally, we reiterate that Grupo Nutresa has a diversified business model, a good liquidity position, and the financial and operational solvency required to continue managing in a timely and effective manner the emerging risks derived from the present situation.

These separated Financial Statements were authorized for issuance, by the Board of Grupo Nutresa, on February 26, 2021. 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 Financial Statements at closing.



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.

Description of the main matter

In the development of my duties as the 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, 2020, 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 by 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 assurance work to issue an opinion, based on the executed procedures and the obtained evidence, on whether the actions of the Company's management adjust to the bylaws, orders and instructions of the Shareholders' Meeting, and on whether there are proper internal control measures established by the Company's management to safeguard its assets or those of third parties in its possession.

PwC Contadores y Auditores S.A.S., Calle 7 Sur No. 42-70, Torre 2, Piso 11, Edificio Forum, Medellín, Colombia
Tel: (57-4) 325 4320, Fax: (57-4) 325 4322, www.pwc.com/co



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa S. A.

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 Tuesday, December 31, 2020, 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 accountancy firm that I am a part of, and that appointed me as the statutory auditor of the Company, applies International Quality Control Standard 1, and, as a result, it 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, the minutes of the Shareholders' Meeting and other supervision bodies, in order to verify proper compliance by the Company's management with those bylaws and with the decisions made 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



(Free translation from the original in Spanish)

To the Shareholders of Grupo Nutresa S. A.

- 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 2020, 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

(Original in Spanish signed by:)

Juber Ernesto Carrión
Statutory Auditor
Professional Card No. 86122-T
Appointed by PwC Contadores y Auditores S. A. S.
February 26, 2021

“This process of changing habits has been like taking a second chance on life.”

Efraín Ramírez, Grupo Nutresa employee.







Efraín, a family project

Being able to come back to work motivated Efraín Ramírez to lose weight by radically improving his habits. His family became involved in his process of change, becoming his source of support and inspiration.

In June 2020, Efraín Ramírez received the news that after returning from his vacations he had to stay at home, as a protective measure against COVID-19. Efraín was overweight and had been suffering from several associated health complications that represented major risk factors in the light of the possibility of contracting the virus. Therefore, he would have to wait to return to his job as the driver of one of Comercial Nutresa's semi-trucks. "When I became aware of the news, I thought to myself: 'No, I can't let this defeat me.' My family is what I love the most in life, so I decided to take responsibility for the fact that I didn't take good care of my health and make changes so I could go back to work. That's when I started transforming my life," says Efraín.

He consulted several doctors who gave him instructions to improve his eating habits and to incorporate physical activity in his daily life.

However, what motivated him the most was that his family became involved in his process of change: Efraín, his wife and his two daughters transformed their eating habits together. "We all started this process together. It wasn't a restrictive diet but we did have to pay attention to the serving size, so we improved our cooking skills, but it wasn't that easy because we are a rather big family and we were used to big servings," says Estefany Ramírez, Efraín's oldest daughter, key ally in his new lifestyle and his right hand when it comes to cooking.

"He started getting out of bed at 6:30 in the morning to take an online personal training class with his exercise coach. At first, he used his smartphone but the screen is too small for him, so Estefany lent him her tablet. He bought some weights, dumbbells and exercise bands for his training sessions," recounts Sara Gabriela Moreno, Efraín's wife. In about six months, Efraín went from weighing 135 kg to weighing 108 kg, thus fulfilling his goal of losing 5 kg per month.

"I got myself tested again and the doctor said: 'You're fit to go back to work now.' I think that was one of the happiest days of my life, besides the days my daughters were born," states Efraín. His triumphs have been many and most of them re-

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[Click here.](#)

present shared benefits: his sleep apnea condition has improved a lot, he can now tie his own shoelaces and he can wear the clothes he wants to wear, among many other. “When I went back to work and people saw me, they said things like ‘Wow, what happened to you?’, and I answered while laughing that I had my mouth operated to stop eating so much,” tells Efraín and he adds: “The fact that my colleagues and supervisors acknowledge my process makes me really proud of myself.”

However, the most significant acknowledgment is the one shown by his family. The admiration and enthusiasm for his process of change are constantly expressed through loving gestures: “I called him ‘Chubby’ for 32 years but now I don’t do that as much as I used to; now I call him ‘Handsome.’ But, to me, he’s not only handsome but brave too,” says Sara Gabriela. Efraín’s younger daughter, Natalia Ramírez, states: “The process my dad has gone through is really exciting. I want him to be healthy so that we can have him by our side for many years and, for that, he has to take care of himself. **Seeing him like that is really encouraging for me because it makes me think that if he can do it, I can too.**”

In 2020, Grupo Nutresa took special care of 562 employees who presented risky health conditions that could represent complications if they were to contract COVID-19. Said employees were told to stay at home with their families, while keeping both their jobs and income.



“This pandemic made me realize that I had to take care of the people I love the most and take care of myself too. I think everything happens when it needs to happen and life definitively gives us second chances.”

Estefany Ramírez, daughter of Efraín Ramírez, Grupo Nutresa employee.



“Life is too short and you have to give yourself the chance to take care of yourself, of your health. You can reinvent yourself, nothing is impossible.”

Efraín Ramírez, Grupo Nutresa employee.

