100 YEARS

nutresa

A FUTURE TOGETHER

Integrated Report 2019

PRESENCE IN OUR STRATEGIC REGION

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

Distribution and sales

Biscuits | Cold Cuts | Chocolates | Coffee | Tresmontes Lucchetti | Retail Food | Ice Cream | Pastas

Production | Distribution | Services

47 Production plants

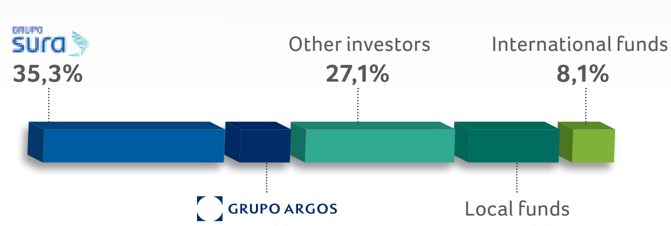
14 Countries where Grupo Nutresa has production plants and distribution network

Shareholding structure

December 31, 2019.

Source: Deceval.

11.037 Shareholders



Market share
Source: Nielsen.

In Colombia**

55,4% Grupo Nutresa's consolidated share in Colombia

- 62,5% Cold Cuts
- 52,4% Biscuits
- 69,3% Chocolate confectionery
- 56,6% Hot chocolates
- 28,4% Milk modifiers
- 48,1% Nuts
- 49,1% Ground coffee
- 39,9% Soluble coffee
- 52,5% Pastas

In Chile

- 59,4% PDMP*
- 28,1% Pastas
- 17,2% Coffee
- 13,6% Potato chips

In Mexico

- 34,1% PDMP*

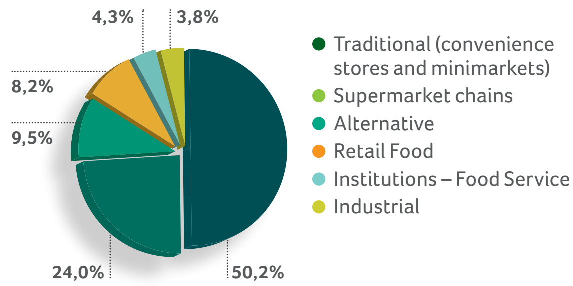
*Powdered drink mix products

#1

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

**New full market estimation model, which 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 wholesalers.

Grupo Nutresa's sales by channel



Points of sale
1.425.141
Sales people: **9.235**

Novaventa network
192.666
Individual entrepreneurs

Employees
45.803

27,3% Internacional
72,7% Colombia

(Direct employees, third-party employees and apprentices)

36,2% Women
63,8% Men

(Direct employees and apprentices)

Differentiators of our business model

Our people

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

Our brands

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

Market entry capabilities

Our 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 a close relationship with our customers.

Business structure [GRI 102-24]

Grupo nutresa

- Comercial nutresa
- Novaventa
- La Recetta / Atlantic — Food Service
- International sales and distribution network
- Servicios nutresa

DIGITAL TRANSFORMATION

Grupo Nutresa is advancing in its digital transformation process as a fundamental part of an assertive, proactive and innovative corporate model, based on the development of key initiatives that enable it to evolve and offer better experiences to both shoppers and consumers.

- Exploration of new technologies
- Projects of capabilities under development
- Market entry evolution
- Talent and culture capabilities

Main risks of our business model

- Volatility in commodity prices and exchange rates.
- Changes in regulations related to both nutrition and health in the countries where we operate.
- Negative impact of a highly competitive environment on the Businesses.

Our long-term commitment

MEGA 2020
Duplicate our sales 2013

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

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

RESULTS 2019

Of our strategic goals for 2020

Acting with integrity

Employees who participated in awareness-raising and training activities focused on preventing money laundering and terrorism financing:
+10.700

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

Employees who received training on the Code of Corporate Governance:
+15.500

120 risk, crisis and business continuity management workshops, talks and simulations.

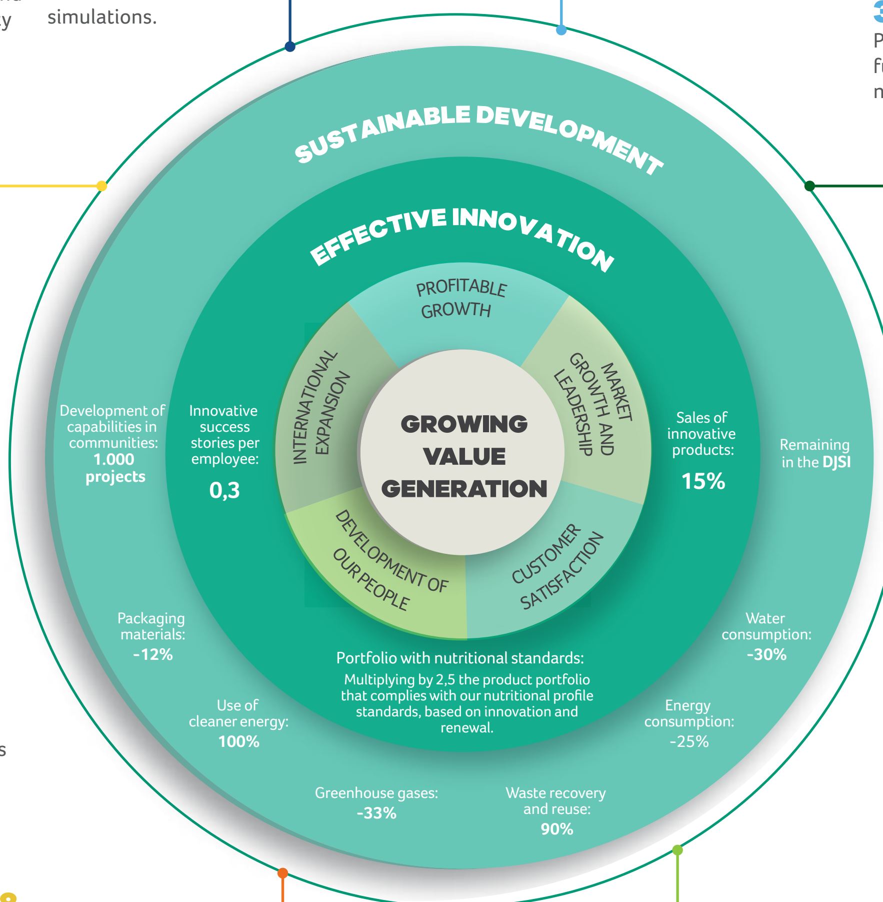
Promoting a healthy lifestyle

Products with GDA labeling:
2019: **88,7%**
2018: 86,4%

Products manufactured in certified centers:
2019: **88,2%**
2018: 84,6%

Volume of sales that meets Nutresa's nutritional profile:
2019: **69,3%**
2018: 68,2%

3.216
Product items fulfill the Nutresa nutritional profile.



Building a better society

Capability-development projects:
2019: **945**
2018: 879

Employees with disabilities:
2019: **223**
2018: 199

20
discussion sessions focused on Human Rights

Investment in communities:
2019: **90.818**
2018: 70.972
COP million

Fostering profitable growth and effective innovation

Variation in productivity:
2019: **4,9%**
2018: 3,2%

Innovative success stories per employee:
2019: **0,21**
2018: 0,21

Sales of new products*:
2019: **22,4%**
2018: 21,5%

Brands with sales over USD 50 million:
2019: **18**
2018: 18

*Measurement of the past three years.

Managing the value chain responsibly

Accident frequency rate:
2019: **1,66**
2018: 1,53

Sourcing from local suppliers:
2019: **81,1%**
2018: 83,0%

Customer satisfaction index in Colombia:
2019: **87,7%**
2018: 89,0%

Organizational climate:
2019: **83,0%**
2018: 83,0%

Investment in quality of life, training and aids for employees:
2019: **106.225**
2018: 104.389
COP million

Reducing the environmental impact of the operations and products

Energy consumption reduction*
2019: **-22,7%**
2018: -20,4%

Reduction in the consumption of packaging materials*:
2019: **-2,1%**
2018: -0,7%

Greenhouse gas emission reduction*[1]:
2019: **-46,2%**
2018: -43,7%

Investment in environmental management actions in the strategic region:
2019: **25.511**
2018: 30.078
COP million

Water consumption reduction*:
2019: **-31,4%**
2018: -29,2%

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

[1]This reduction is related to the supply of certified green energy, which is considered to be emissions free.

MEMBER OF
Dow Jones Sustainability Indices
In collaboration with SAM

SAM Sustainability Award Silver Class 2020

GRI Community Grupo Nutresa 2020

Emisor bvc Comprometido ir

"The Issuer Acknowledgment awarded by Bolsa de Valores de Colombia S.A. (the Colombian Stock Exchange) is not a certification of the favorability of the registered securities nor of the issuer's solvency."

PROFITABLE GROWTH [GRI 102-7]

Increased
Decreased

Total sales (COP thousand million)

9.959
2018: 9.016
Increased 10,5%

	Biscuits	Cold Cuts	Chocolates	Coffee	Tresmontes Lucchetti	Retail Food	Ice Cream	Pastas
2019	2.029	1.912	1.677	1.210	1.042	815	476	343
2018	1.823	1.850	1.553	986	995	738	444	302
Variation	11,3%	3,4%	8,0%	22,8%	4,8%	10,4%	7,0%	13,6%

EBITDA (COP thousand million)

1.347
2018: 1.126
Increased 19,6%

Margin 2019
13,5%
Margin 2018
12,5%

	Biscuits	Cold Cuts	Chocolates	Coffee	Tresmontes Lucchetti	Retail Food	Ice Cream	Pastas
2019	277	238	232	141	142	184	68	43
2018	244	228	250	99	129	85	54	33
Variation	13,5%	4,2%	-7,0%	43,5%	9,7%	115,7%	25,0%	32,7%
Margin 2019	13,6%	12,4%	13,8%	11,7%	13,6%	22,6%	14,2%	12,6%
Margin 2018	13,4%	12,3%	16,1%	10,0%	13,0%	11,6%	12,2%	10,8%

Sales in Colombia (COP thousand million)

6.204
2018: 5.737
Increased 8,1%

Volume 2019
6,9%
Volume 2018
2,1%

Price 2019
1,2%
Price 2018
2,0%

Percentage of total sales:
62,3%

	Biscuits	Cold Cuts	Chocolates	Coffee	Tresmontes Lucchetti	Retail Food	Ice Cream	Pastas
2019	980	1.734	1.011	660	Not applicable	563	476	340
2018	898	1.682	955	623		521	444	300
Variation	9,1%	3,1%	5,8%	6,0%		8,0%	7,0%	13,5%
Vol. 2019	8,4%	3,6%	3,4%	5,9%		No aplica	3,0%	10,2%
Vol. 2018	-1,2%	0,9%	3,5%	2,4%			4,2%	0,7%
Price 2019	0,6%	-0,4%	2,4%	0,1%			4,0%	3,0%
Price 2018	3,6%	0,4%	0,4%	2,3%			0,7%	1,6%

Sales abroad (USD million)

1.142
2018: 1.109
Increased 3,0%

Percentage of total sales:
37,7%

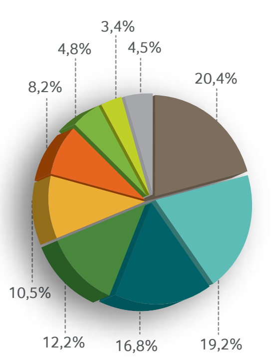
	Biscuits	Cold Cuts	Chocolates	Coffee	Tresmontes Lucchetti	Retail Food	Ice Cream	Pastas
2019	319	54	202	166	318	77	Not applicable	Not applicable
2018	313	57	201	123	338	73		
Variation	2,1%	-5,0%	0,5%	35,1%	-5,8%	4,8%		

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

Sales of innovative products
(% on total sales)

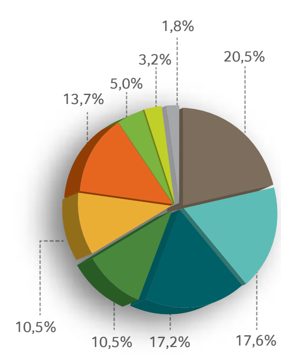
22,4%
2018: 21,5%
2017: 20,2%

Percentage of sales by Business



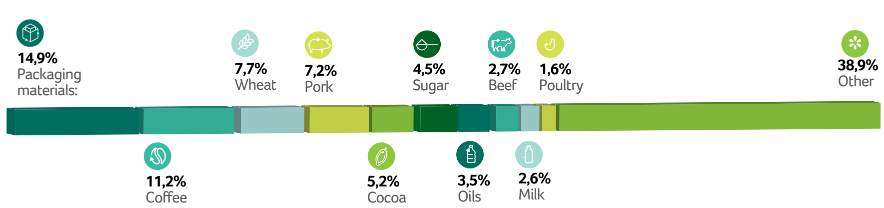
- Biscuits
- Cold Cuts
- Chocolates
- Coffee
- TMLUC
- Retail Food
- Ice Cream
- Pastas
- Other

Percentage of EBITDA by Business



Diversification of commodities

Production cost %



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

FIND MORE INFORMATION AT http://informe2019.gruponutresa.com/pdf/informe_2019.pdf

The information included in this executive summary is consistent with the information contained in the Grupo Nutresa S. A. Integrated Report, which is available at http://informe2019.gruponutresa.com/pdf/informe_integrado_2019.pdf.

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

The scope and the results of our work are described in the assurance report, which can be found at this website: http://informe2019.gruponutresa.com/pdf/informe_de_verificacion.pdf.

KPMG Advisory Services S. A. S. | March 2020.

Further information:

In Grupo Nutresa, we celebrate our 100th anniversary by **acknowledging our stakeholders**, who have made possible what we have achieved and what we will achieve in our near future.

You represent the value of our present and the inspiration for our future.

We will celebrate our commitment to this future in 2020 as we are convinced that only by being united we will be able to keep building A Future Together.

Scan the code and tell us about your commitment.

Commitment

Communities

Beatriz Elena Muñoz Arenas

Principal of the Los Micos Rural Education Center in Colombia.

“Grupo Nutresa contributes to strengthening and guiding educational and social processes. Its support is essential because, by putting the communities first, it identifies the most relevant needs. We now have a clear understanding of the methodological strategies the Organization has taught us to make social, community-related, academic and pedagogical interventions. Today, were are an institution that is going along the right path, having restored its credibility in our society.”

Balance

Employees

Jenniffer Soreyn Zúñiga García

Employee from the Biscuits Business, Guatemala

“Balance and harmony are reflected on the work environment, on how important my well-being as an employee is for Grupo Nutresa, and on the opportunity I have to grow both professionally and personally. This is a company that trusts the job I do and lets me take on a leadership role. Additionally, with the social and corporate responsibility campaigns promoted by Grupo Nutresa, we are achieving a positive balance for everyone.”

Future

Suppliers

Apolinar Mosquera

Chairman of Asoagriac, project Cocoa Agro-Business Connection, Urabá, Colombia

“For me, everything I have learned from Grupo Nutresa has been very important because it means progress for my cocoa production unit. What we are doing right now, while learning from good practices, is to think about the future, listening, embracing the best ideas and growing.”

Inclusion

Employees

Diana Cristina Saldarriaga Zapata

Employee from the Coffee Business, Colombia

"Many people with disabilities end up staying home doing nothing, but Grupo Nutresa has given us the chance to feel as equals. Being an employee of this Organization has allowed me to learn new things every day, teach others about the processes and receive the support from many people. The fact of working for Grupo Nutresa lets me enjoy plenty of time with my family, allows me to pay for my house, support my mom, and give my baby everything she needs."

Trustworthiness

Shareholders

Francisco Javier Yepes Arango

Shareholder, Colombia

"Investing in Grupo Nutresa means trustworthiness and soundness. I feel confident they are doing things right and that they care about the adequate nourishment of consumers and the necessary protection of the environment. Owning stock in the Organization is also a way of saving and creating awareness about the reality we are currently living. It is a company where you know there is transparency, as well as noble and clear aspirations."

Nutrition

Consumers and shoppers

Lina María Torres Montoya

Consumer, Colombia

"I am aware of the importance of healthy and balanced eating habits because I am a sportswoman and I need to know my body and have a clear understanding of what helps me to have a better performance. Having a balanced diet means you have to understand what you should eat and at what time of the day. Grupo Nutresa offers a portfolio of the products I need with wholemeal, low-sugar and fiber-rich components."

Well-being

Customers

Elcy Beatriz Clavijo Estrada

Manager of La Palma, a small grocery store in Colombia

"For me, family, friends and work represent well-being, as well as being able to sell Grupo Nutresa's products, which are widely recognized and loved by people because they mean savings, quality, support and reliability."

Prosperity

Suppliers

Luis Andrés Arcila Piedrahíta

CEO of Piloto S. A. S., one of Grupo Nutresa's Exemplary Suppliers, Colombia

"We have grown hand in hand with Grupo Nutresa because it demands a great deal from us, but it also provides us with a strong and comprehensive support so that we can fulfill and exceed high standards. We have found in Grupo Nutresa a partner that listens to and helps us in solving problems so that we can be part of a productive chain that produces the best shared results."

Progress

Customers

Lina María Sastoque Londoño

Novaventa's individual entrepreneur, Colombia

"For me, Grupo Nutresa is like a shelter that enables me to make progress and grow. Being one of Novaventa's individual entrepreneurs allows me to save, get the things I need and help people to buy high-quality products. When people see that I am happy and proud, they want to become leaders just like I have. I know I am making progress when I am on the right track to fulfilling my goals and dreams."

Corporate Contacts **[GRI 102-53]**

María Adelaida Arango Hoyos
Vice-President of Sustainable Development, Grupo Nutresa
marango@serviciosnutresa.com

Catherine Chacón Navarro
Investor Relations Director, Grupo Nutresa
cchacon@gruponutresa.com

Claudia Rivera Marín
Sustainability Director, Grupo Nutresa
cprivera@serviciosnutresa.com

For questions and comments on the report and its contents, please get in touch with:

Santiago García Ochoa
Sustainability Specialist
sgarcia@serviciosnutresa.com

Conceptualization, graphics architecture, journalistic editing, design and production:
Taller de Edición S.A.
www.tallerdeedicion.co

Photography:

Mauricio Granados Osorio
100th anniversary manifest photographies

Alfonso Posada Lalinde
Board of Directors, Management Team and Testimonials

Content

A flowering coffee tree in the state of Huila, Colombia.

ABOUT THIS **INTEGRATED REPORT**

Grupo Nutresa has prepared the Integrated Report 2019 **[GRI 102-1] [GRI 102-50]** to share with its stakeholders how the Organization manages risks and opportunities of the material issues that can impact the capacity to create value to the society. The Report comprises the main sustainability achievements, accomplished between January 1 and December 31, 2019. It also contains the future projections that will enable the Organization to share moments with its stakeholders for another 100 years.

The Integrated Report was designed with the purpose of communicating the Company's strategy, management work, future outlook and success stories. Additionally, it includes indicators that reflect how the Organization contributes to the fulfillment of nine of the Sustainable Development Goals (SDGs 1, 2, 4, 8, 9, 12, 13, 16 and 17) **[GRI 102-12]**, which are related to each one of Grupo Nutresa's six strategic priorities regarding sustainability: Acting with integrity, Fostering profitable growth and effective innovation, Promoting healthy lifestyles, Managing the value chain responsibly, Building a better society, and Reducing the environmental impact of the operations and products. The Report also includes the progress related to the fulfillment of the ten principles of the Global Compact, thus representing the eleventh progress report submitted to the United Nations **[GRI 102-12]**.

This document was prepared in accordance with the standard (Comprehensive option) published by the GRI (Global Reporting Initiative), and with the food sector supplement of the G4 guide **[GRI 102-54]**. In addition, it incorporates the principles and elements of the International Integrated Reporting Council's framework (IIRC), and it covers 21 relevant 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, the number of employees and number of manufacture operations were included **[GRI 103-1]**.

READING GUIDE

General contents **[GRI 101-3]**
Material topics **[GRI 301-1] [G4-FP1]**
Sustainable Development Goals SDG **[ODS 16]**

For an easier understanding by the readers, a specific format has been defined with the purpose of enabling a clear identification of the basic GRI contents in relation to each material topic and the Sustainable Development Goals to which they are connected. This document is available in its entirety on the Company's website, both in English and Spanish (http://informe2019.gruponutresa.com/)

This report is inspired by Grupo Nutresa's 100-year Manifest. Scan this code and find out about it.

For this report, data on **[GRI 205-3] [GRI 102-48]** was restated, by differentiation between corruption cases and acts against the Code of Corporate Governance, as well as the methodology to consolidate leave days and fatalities **[GRI 403-9] [GRI 403-10] [GRI 102-49]**. This document does not contain information related to the environmental performance of the Cold Cuts Business's production plants located in Santa Rosa de Osos, Antioquia, and of the Ice Cream Business's production plant located in Armenia, Quindío. It does not incorporate data from the Retail Food Business with regard to topics such as Nutrition and healthy lifestyles, and it does not include information regarding the Biscuits Business's production plant located in Cumaral, Meta.

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 y Tax & Legal **[GRI 102-56]**, an independent auditing firm that abides by the guidelines of the ISAE 3000 international standard, whose report has concluded that the information is presented in accordance with the Comprehensive option of the GRI standards.

ENGAGEMENT MODEL

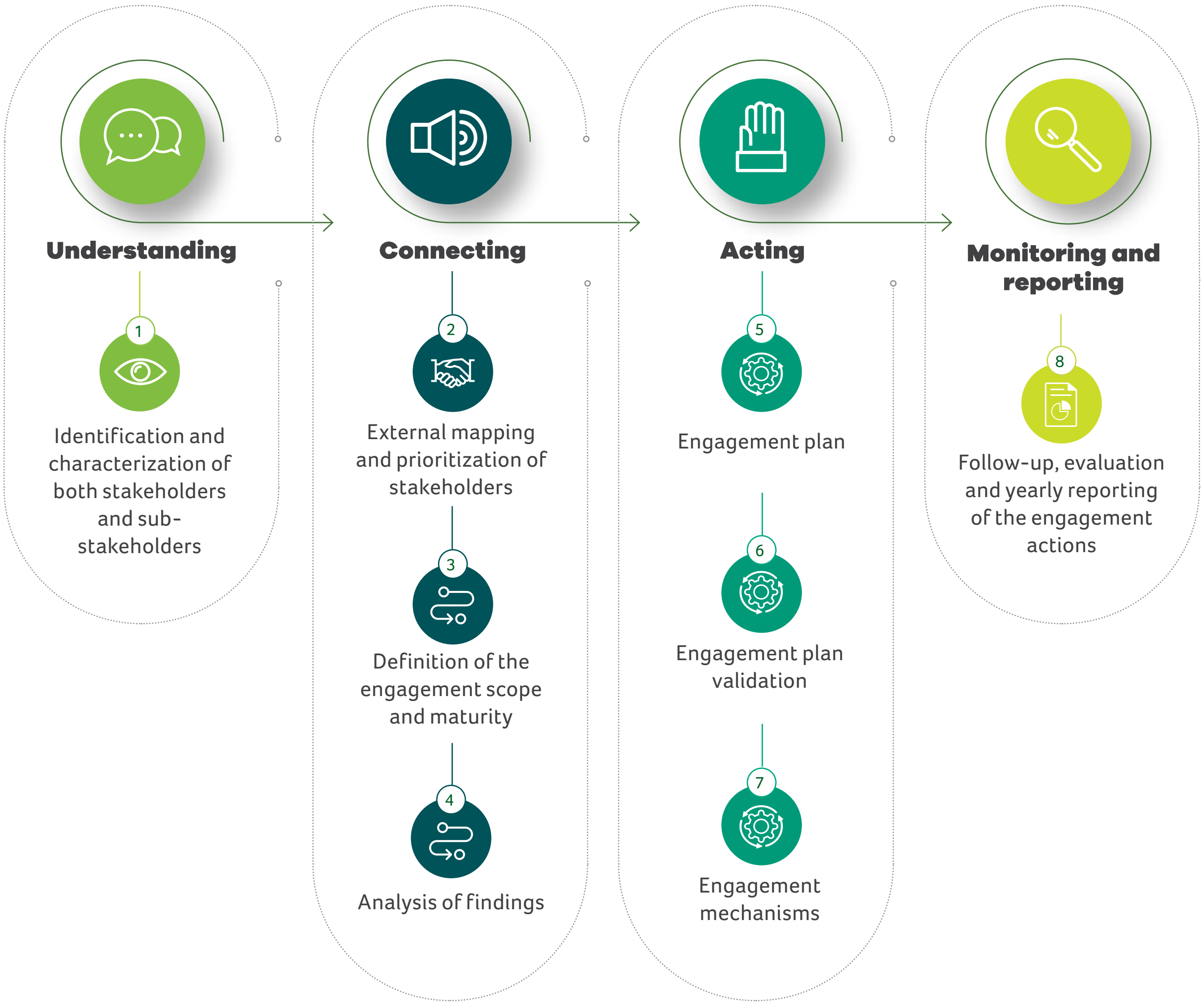
[GRI 102-21] [GRI 102-40] [GRI 102-42] [GRI 102-43]

Grupo Nutresa contributes to the development of humanity by acting uprightly and transcendently, with the ultimate goal of being a people-centered Organization. The Company has been actively fostering diverse capabilities among its employees to enhance the necessary skills for managing the stakeholders, enabling the development of an effective engagement and promoting a constructive and participative long-term dialog. This is a constant and progressive process that will allow enriching the materiality analysis and strengthening the sustainability management work.

As its fundamental premise, and according to the guidelines of the AA1000 international standard, Grupo Nutresa applies the essential principles of engagement: inclusiveness, materiality, impact and response capacity in all the relations with its stakeholders. The purpose of this action is to reinforce the processes focused on the identification, prioritization and effective engagement with its stakeholders; to foster a constructive and participative long-term dialog that enables knowing and documenting their expectations in a dynamic and assertive way; to consolidate the relevant findings that make the revision of the materiality matrix's validity term possible when necessary; and to adapt the work plans of the Businesses.

STAGES AND PHASES OF GRUPO NUTRESA'S ENGAGEMENT MODEL

The Company implemented the engagement model in the Coffee, Ice Cream and Cold Cuts Businesses, with the neighboring communities of Medellín, Bogotá and Aguachica (Colombia) as the intervention focal points.



ENGAGEMENT PURPOSE

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

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

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

Employees
To promote 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.

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.

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.

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

MATERIALITY ANALYSIS [GRI 102-46] [GRI 102-47]

With the purpose of identifying the sustainability trends that might have a major impact on the Organization's ability to generate value in the short, medium and long term, Grupo Nutresa has been conducting its materiality analysis since 2011.

For this process, the Company 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 materiality matrix was updated in 2013 and 2015, and its scope was expanded in 2017 and 2018. During the last analysis, **23 relevant topics** were identified, **18 of which were classified as high-impact or material topics.** For said classification, the following aspects were assessed:

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

Grupo Nutresa continuously strives to be a people-centered organization. That is why it fosters diverse capabilities that enable its employees to perform an optimal management of the matters related to its stakeholders.

MILESTONES (MATERIALITY AND ENGAGEMENT MODEL)

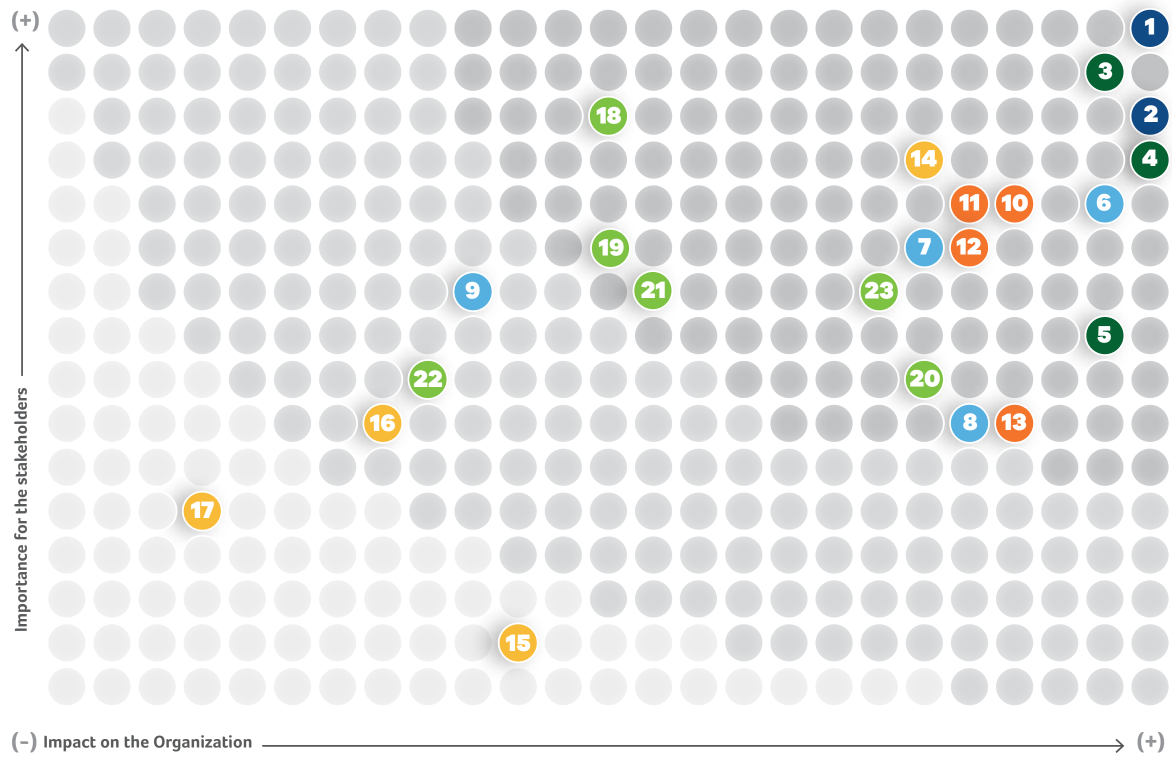
2008
Presentation of the first sustainability report, aligned with the criteria of the Global Reporting Initiative (GRI).

2011
Grupo Nutresa performed its 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 extension to cover Panama, Peru and the Dominican Republic.



Acting with integrity

1. Corporate governance
2. Risk and compliance

Fostering profitable growth and effective innovation

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

Promoting a healthy lifestyle

6. Nutrition and healthy lifestyle
7. Responsible marketing
8. Reliable food
9. Food security

Managing the value chain responsibly

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

Building a better society

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

Reducing the environmental impact of the operations and products

18. Water resource management
19. Energy
20. Climate change
21. Air quality
22. Waste management
23. Packaging and post-consumption

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 good 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 four strategic engagement committees for the Businesses.

GRUPO NUTRESA AND ITS **COMMITMENT** TO THE **SUSTAINABLE DEVELOPMENT GOALS** (SDGS)

The adoption of the Sustainable Development Goals established by the United Nations is a relevant topic in the global work agenda, especially in Latin America, where countries and their governments submit yearly national reports on the progress regarding their implementation. To achieve a greater contribution to the fulfillment of these goals, Grupo Nutresa has aligned its sustainability strategy with the 2030 Agenda for Sustainable Development, a 15-year plan in favor of people, the planet and prosperity. Thus, the Organization's programs, work methodologies and metrics are intended to make progress in the accomplishment of the SDGs.

Grupo Nutresa is aware of the role of private companies in the successful fulfillment of this set of goals, and of the fact that its actions add value to the process of advancing into a natural transition toward a more sustainable development. The goals that have been prioritized by the Company, that is, those for which it can make a more effective contribution are: 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 Organization has selected the following indicators 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

16.5

+10.700
Employees trained in the prevention of money laundering and terrorism financing.

16.6

COP 9.606 million
Social investment in the Colombian post-conflict stage.

8.3

2.062
Small farmers who have received training in socio-entrepreneurial matters.

Employment generation

29.180
Direct employees and apprentices.

16.623
Indirect employees.

8.5

40,6
Average hours of training per employee.

COP 106.225 million
Invested in quality of life, training and aids for employees.

8.7

13
Matrices of Human Rights risks in Grupo Nutresa.

Safe work environment

1,45
Lost-time injury frequency rate (LTIFR) x 200.000 worked hours

0,34
Absenteeism rate due to occupational illnesses (OIFR2) x 200.000 worked hours

4.1

443
Schools benefited through Grupo Nutresa's programs.

431
Education institutions benefited with a satisfactory performance in the countrywide standardized tests.

4.10

73,9%
Average institutional quality performance.

406
Teachers who have received training related to the integration of technology into classroom practices.

9.4

17
Industrial designs and patents.

0,54%
Of sales invested in R&D+i.

272
People working on R&D+i.

22,4%
Sales of new products.

1.1

COP 337,6 million
Average annual income of producer associations from sales to Grupo Nutresa.

1.6

COP 90.818 million
Social investment in the communities.

11.475
Volunteers.

37.220
Hours invested in volunteer work.

17.16

Grupo Nutresa works in a collaborative manner with both governmental and private entities, non-governmental organizations (NGOs), among other, with the aim of boosting its programs and the fulfillment of the SDGs.

13.1

-46,2%
Greenhouse gas emission reduction.*

98,5%
Use of cleaner energy.

12.2

-31,4%
Water consumption reduction.*

-22,7%
Energy consumption reduction.*

COP 25.511,3 million
Investment in environmental management actions in Colombia.

12.3

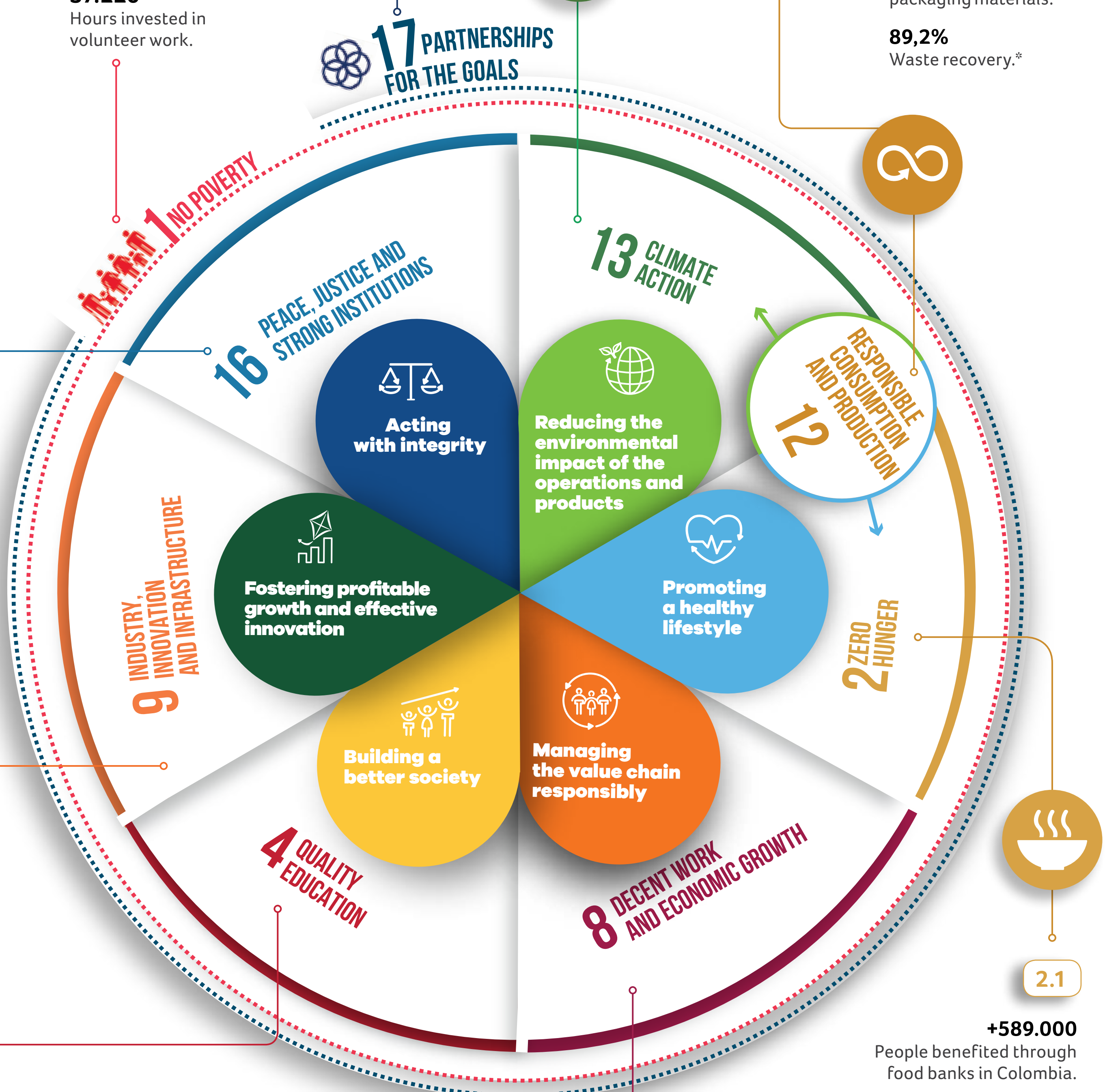
1.052 tons
Of products delivered to food banks in Colombia.

12.5

77,5%
Closed-cycle packaging materials used.

-2,1%
Reduction in the consumption of packaging materials.*

89,2%
Waste recovery.*



2.1

+589.000
People benefited through food banks in Colombia.

COP 861.067 million
Sales of products enriched with macro and micro-nutrients lacking in the strategic region.

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

SPECIAL REPORT
OF THE BUSINESS GROUP

By the end of 2019, the Nutresa Business Group was formed by 74 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 2.75 billion, and the amount of COP 262.36 billion as dividends. Throughout 2019, to secure the financial obligations of its subordinates, Grupo Nutresa allocated endorsements and guarantees for COP 644.0 billion and COP 167.31 billion, accordingly. The subordinates, for their part, did not carry out operations for third parties by influence or in the interest of the parent company.

Moreover, in 2019, 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.

Employee from the Pastas Business, Colombia.

Grupo Nutresa ensures an adequate and timely disclosure to its shareholders, the market and the general public.

LEGAL PROVISIONS

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

In 2019, the Organization did not receive any notices of lawsuits and there were no judicial rulings that could significantly affect its 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 such operations were carried out under market conditions.

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

ASSESSMENT OF THE PERFORMANCE OF THE INFORMATION DISCLOSURE AND FINANCIAL INFORMATION CONTROL SYSTEMS

Grupo Nutresa's internal control system includes the necessary resources to guarantee 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 shareholders, the market and the general public.

This system includes, among other elements, comprehensive risk management processes, accountability systems, control plans and programs, tools for budgets and costs, chart of accounts, standardized policies and procedures, integrated information systems and templates for documenting and recording operations, and indicators dashboards that for the continuous monitoring of the processes carried out by the Administration.

Additionally, the Internal Audit Department verifies the fulfillment of the Company's goals and objectives and the protection, utilization and conservation of its assets. The Tax Auditor, for its part, is responsible for verifying and certifying relevant aspects such as the compliance with legal, statutory and administrative standards, the reasonableness of the Company's financial statements and the disclosures contained therein.

The results of the activities performed by the Internal Audit Department and by the Tax Auditor are timely informed to the corresponding authorities, which implement the required improvement measures.

The aforementioned activities confirm that the performance of the Company's financial information disclosure and control systems is adequate and 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 such information, or significant changes in the financial information assessment methodology.

MANAGEMENT REPORT

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

Today, our vision of the future is focused on generating progress and development for everyone. Human beings inspire us and drive us to promote sustainable development by internalizing the necessary capabilities to prevent environmental deterioration and to generate prosperity for the communities where Grupo Nutresa operates.

Carlos Ignacio Gallego Palacio
Grupo Nutresa CEO

Solar panels at the Chocolates Business's production plant in Rionegro, Colombia.


nutresa
Grupo
nutresa

Throughout its history, Grupo Nutresa has dreamed big and has achieved its purpose based on the trust of all the people surrounding the Organization.

Throughout its history, Grupo Nutresa has dreamed big and has achieved its purpose based on the trust of all the people surrounding the Organization.

Currently, amid the celebration of our first one hundredth anniversary, we are able to say that we are the result of what we have shared with millions of people, that is, the sum of our triumphs, learning experiences, the challenges we have overcome and a great deal of work well done.

Since the beginnings of the Company in 1920, a framework of action was established based on integrity, respect for people and collaborative development, values that still govern our actions and enclose our corporate management model, where sustainable management is the basis of a business that intends to transcend.

The progress of the communities and the protection of our planet are major priorities for Grupo Nutresa and they are directly related to the ability to manage the businesses while addressing the expectations and needs of our stakeholders. To achieve this, we strive in developing the proactive behavior and the analysis and interpretation of trends, emerging global challenges, new technologies and swifts in the preferences of customers, shoppers and consumers.

These capabilities are necessary to prosper in an increasingly aware, changing and competitive world. We are convinced that the sources of innovation and productivity that drive both value and competitive advantage emerge from the solutions to the economic, social and environmental challenges of our society.

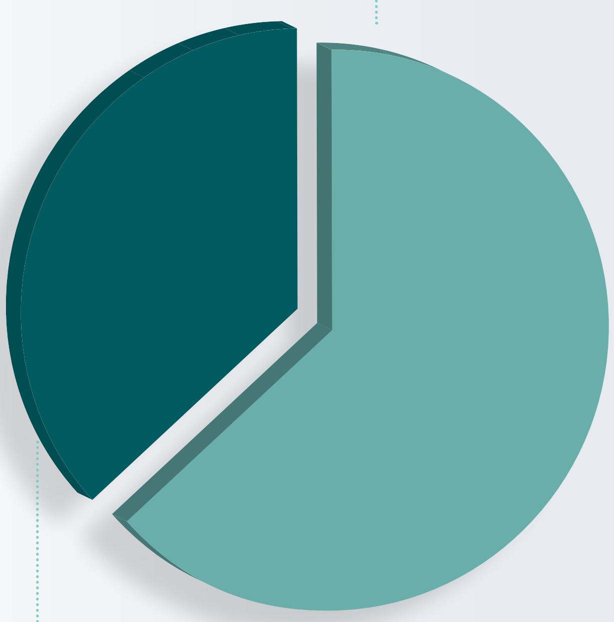
As a result of this conviction, for the first time in our history, we have been acknowledged as the most sustainable food company in the world, according to the Dow Jones Sustainability World Index 2019. We also maintain our position as the most outstanding company in the Dow Jones Sustainability Emerging Markets Index and in the MILA Pacific Alliance Index, which are acknowledgments to our search for social progress, economic development and the conservation of the natural capital for future generations.

The results presented in this Integrated Report have been prepared in accordance with the framework of the International Integrated Reporting Council (IIRC) and with the GRI standard (exhaustive option), abiding by international guidelines and based on our materiality matrix.

In numbers

Grupo Nutresa sales

62,3%
SALES IN COLOMBIA



37,7%
SALES ABROAD

↑ 10,5%	↑ 8,1%	↑ 3,0%
TOTAL SALES	SALES IN COLOMBIA	SALES ABROAD
COP 9,96 trillion	COP 6,20 trillion	USD 1.142 million

Sales of innovative products

REPRESENTED

OF TOTAL SALES

Consolidated market share

IN COLOMBIA

Social investment in the strategic region

COP 90.618 million

EBITDA

COP 1,35 trillion

For further information, we invite you to review the printed document and the supplementary information in full detail, which are available on our website www.gruponutresa.com.

Understanding our consumers, inspiring their lives, working on improving their well-being, being committed to their nourishment are aspects that give meaning to the message: We are the convergence of everyone.

OUR CORPORATE PILLARS

Grupo Nutresa relies on a portfolio of widely recognized and appreciated brands that contribute nutrition, well-being and enjoyment, which are also led by a deeply talented and committed team.

- **Our People:** Grupo Nutresa permanently works on consolidating an organizational culture centered on the recognition and respect for the being, inclusion, inspiring leadership, and the promotion of a balanced life.

Throughout 2019, the Organization continued developing constructive, challenging and inclusive work environments with leaders that contribute to the comprehensive development of people and inspire their coworkers to achieve the organizational purpose and the objectives of their work teams. That is how we have reached levels of excellence in terms of organizational climate and commitment, in addition to the consolidation of practices that promote a balanced life and people spending time with their families. As of 2019, ten Grupo Nutresa companies hold the Familiarly Responsible Company certification, and five hold the Healthy Organizations certification granted by the Colombian Heart Foundation.

We kept promoting training programs that strengthen the sense of collectivity and the inspiration to attain goals, which are key aspects within our organizational leadership model. Additionally, we made progress in the development of capabilities such as the receptiveness to transformation, the adaptability to change and the swiftness in our actions, and we worked on the consolidation of healthy and safe work environments.

We concluded the year by being the top company in terms of talent attraction and loyalty in the Colombian food sector according to the "Merco Talento" results, an acknowledgment that motivates us and reinforces our commitment to creating greater and better development opportunities for our employees.

Grupo Nutresa continued improving processes and using new technologies that allow us to consolidate our market entry capabilities in order to be present with the timeliness, affordability and ubiquity required by our customers, shoppers and consumers.

Brands with a superior purpose: Throughout 2019, Grupo Nutresa continued strengthening its brands to make them increasingly relevant and innovative. The Organization also accelerated the expansion of its portfolio in fast-growing categories such as coffee and healthy snacks, and adjusted the portfolio to make it more efficient, dynamic and competitive. We now have 24 mega-brands that hold the first and second places in the market where they operate. All these achievements have been attained based on a strategy centered on the deep understanding of customers, consumers and shoppers.

Market entry capabilities: Grupo Nutresa continued improving processes and using new technologies that allow us to consolidate our market entry capabilities in order to be present with the timeliness, affordability and ubiquity required by our customers, shoppers and consumers. Over the year, we reinforced the traditional channels and supermarkets by means of alliances and projects that drive shared growth. Likewise, we accelerated the positioning of our brands in new points of sale and enhanced the scope of fast-growing channels such as Novaventa, the restaurant network and the institutional channel.

As of the date of this communication, Grupo Nutresa has a distribution network that directly serves more than 1,4 million customers in the strategic region, reaches more than four million consumers in Colombia through Novaventa's network of individual entrepreneurs, and has 842 restaurants across the region.

GROWING VALUE GENERATION

The financial results for 2019 reflect the application of a new accounting standard for leases in the financial statements called "IFRS16 Leases," which eliminates the distinction between operating and financial leases, proposing a unique presentation model. The statement of financial position includes an account in the assets that represents the right of use for the lease term and an account with its corresponding liabilities. The profit and loss statement records the depreciation of the assets derived from the right of use of the period and financial expenses associated with the liabilities derived from the right of use.

In 2019, Grupo Nutresa exhibited an outstanding commercial dynamic, achieving consolidated sales for COP 9,96 trillion, which represents a 10,5% growth over the sales recorded the previous year. In Colombia, the revenue totaled COP 6,20 trillion, representing 62,3% of Grupo Nutresa's consolidated sales and growing 8,1% with regard to 2018. More than 80% of this growth is driven by greater volumes recorded for all of the Organization's business units.

International sales in Colombian pesos amounted to 3,76 trillion, that is 14,5% more than those of 2018, representing 37,7% of the total sales. Stated in dollars, these sales totaled 1.142million, that is 3,0% higher than the previous year.

The gross profit for the period amounts to COP 4,4 trillion with a 0,8% decrease in the gross margin compared to the same period in 2019, which was caused by the increased costs of several commodities over the year.


Jamoneta
Ref: 1000447
Peso Neto 180 g x 48 uds
Zenú
Aliméntate con confianza!

In 2019,
Grupo Nutresa exhibited an outstanding commercial dynamic, achieving consolidated sales for COP 9.96 trillion, which represents a 10.5% growth over the sales recorded the previous year.

The operating profit, which totaled COP 959.621 million, presented a 13,0% year-on-year increase. By excluding the effects of the application of the IFRS16 standard, this result stands at COP 927.045 million, showing a 9,2% increase.

Due to the greater revenue and an adequate cost and expense management, Grupo Nutresa reports a consolidated EBITDA of COP 1,35 trillion, with a sales margin of 13,5%. By excluding the effects of the IFRS16 standard, the EBITDA stands at COP 1,2 trillion, with a 6,2% growth and a margin on sales of 12,0%.

In the post-operative items, the Organization recorded a 22,2% increase in the financial expenses due to the inclusion of the right-of-use liabilities established by the IFRS16 standard. The expenses associated with Grupo Nutresa's debt interests declined as a result of lower financing rates.

The operating profit stands at COP 506.388 million, growing 0,2% in relation to the same period in 2018, and represents 5,1% of the consolidated sales. By excluding the IFRS16 effect, it amounts to COP 533.810million, with a 5,6% growth and a net sales margin of 5,4%.

In the Statement of Financial Position, Grupo Nutresa reports assets for COP 15,6 trillion, with an increase of 15,7% when compared to 2018. This increase is mainly explained by the fact of right-of-use assets being recorded based on the IFRS16 standard, a greater generation of cash over the period, the capital gain from the acquisitions of Cameron's Coffee and Atlantic Food Service, and the appreciation of our investments in Grupo Sura and Grupo Argos.

The Company fosters new technologies such as exoskeletons, which have the purpose of preventing musculoskeletal risks among our employees.

The total liabilities present a 34,1% increase, amounting to COP 7,0 trillion, mainly due to the fact of the right-of-use liabilities derived from the transition to the IFRS16 standard, and due to the debt associated with the aforementioned acquisitions.

The equity closed at COP 8,7 trillion, which represents an increase of 4,2% compared to the equity recorded in 2018.

In terms of cash flow, the Organization reports positive results with a free cash flow of COP 600.403 million, a free cash flow on sales indicator that stood at 6,0% and a 1,2-fold free cash flow on net profit.

Throughout 2019, we continued making progress in the path to fulfilling the objectives we have set for ourselves as an Organization in our MEGA 2020 (Great and Ambitious Goal for 2020). We are getting the benefits of the continuous investment in our brands over the years, with outstanding growth rates in 10 of the 14 zones of our strategic region, which represent 92% of the total sales.

Eating habits and well-being
Our commitment to nourishment drives us to be part of people's day-to-day lives and to ensure the best price-value ratio.

The acceleration of our expansion into highly dynamic categories and channels enables us to harness growth rates higher than the market average, and our permanent search for operational excellence allows us to operate with increased agility, efficiency and competitiveness. Over the year, significant progress was made in multiple initiatives from our productivity agenda. The following are some examples:

- Our commitment to the comprehensive management of the expenditure was expedited, thus allowing us to reduce Grupo Nutresa's selling expenses on revenue comparatively by 70 basic points.[1]
- The utilization and efficiency of our production plants were increased through the cross-fertilization of products, thus boosting the growth of existing assets.
- Significant progress was made in our brand rationalization model throughout the strategic region with the aim of having a more potent and specialized brand portfolio.
- Our CapEx discipline culture was enhanced, achieving a CapEx/revenue indicator of 2,8%, where more than 30% of such investments are focused on differentiated market entry capabilities that offer clear competitive advantages for the Organization.

All these actions were performed based on a responsible resource management framework, prioritizing investments that bring about competitive advantages for Grupo Nutresa and translate into better returns for our shareholders.

GRUPO NUTRESA S.A. INDIVIDUAL RESULTS

In compliance with the Colombian regulations, we report the individual results of Grupo Nutresa S.A.: we recorded a net operating income of COP 515.139 million, from which COP 453.646 million correspond to the profit from the equity method of our investments in food companies and COP 61.493 million correspond to dividends from the investment portfolio. Furthermore, the net profit totaled COP 513.898 million.

INNOVATION AND OTHER RELEVANT PROJECTS

The strengthening of our innovation model "Imagix" was noteworthy throughout 2019. This model focuses on the management of four priority aspects: processes and resources, organizational culture, portfolio evolution and ecosystem management.
Over the year, Grupo Nutresa increased the rhythm of the innovations to exert a more agile response to the consumers' needs, focusing its efforts on new products and categories, as well as on the strengthening of processes and business models that allow the Organization to succeed in the market. Additionally, we continued incorporating new capabilities to foster a culture with a greater adaptability and involvement, as we are convinced that human transformation is essential for having the flexibility and speed demanded by the new conditions.

[1] Based on the IFRS, the reduction amounts to 100 basic points.

With our Bénet brand, Grupo Nutresa strengthens the nutrition and wellness segment by means of products such as soft capsules, gums and nutritional bars.

- **Innovation Initiatives:** In the context of product innovation, it is worth highlighting the launch of the product portfolio under the new KIBO brand, which targets global consumers and is aligned with the trends of aware lifestyles and sustainable diets based on vegetable-origin ingredients. The Bénet brand continues venturing into new categories such as vitamins for kids, powder protein and nutritional bars, thus expanding its nutritious product proposal centered on people's wellness.

Grupo Nutresa's innovation-driven sales in 2019 represented 22,4% of its total sales, which is a result that exceeds, for the fourth consecutive year, the goal set at 15% for 2020.

In terms of market entry capabilities, we maintained our growth related to business models focused on the direct contact with consumers, and on the customization of the portfolio. In 2019, 16% of our sales were made through differentiated channels that reach consumers directly and represented 23% of Grupo Nutresa's consolidated growth over the period.

- **Relevant Projects:** Throughout 2019, the Organization strengthened its share in the coffee category by acquiring *Cameron's Coffee*, a company based in the United States, which is the country with the highest level of coffee consumption in the world. Additionally, the Company consolidated its leadership in the food service channel in Colombia with the acquisition of a majority interest in the company *Atlantic Food Service.*

Through Nutresa Ventures, a fund created for investing in entrepreneurship projects, we made two investments in companies focused on innovation and new technologies. The first investment was made in a company that specializes in developing biotechnology-based products with a high protein content; and the second investment was focused on the research and understanding of the human microbiome as a tool of knowledge for the development of customized products.

With these investments, we intend to incorporate and internalize cutting-edge knowledge for the development of new markets, products and categories with new capabilities in aspects related to health and nutrition, market entry capacity, productivity and sustainability.

- **Digital Strategy:** The transformation of the human being and the adequate adoption and application of new technologies are key elements in the implementation of a constantly evolving digital strategy.

Grupo Nutresa, being aware of its responsibility, further develops its nutritional portfolio strategies and its contribution to the adoption of healthy lifestyles.

Our digital strategy was designed to strengthen the development of new organizational capabilities, implementing and internalizing new technologies through a process of experimentation, application and adaptation.

All these actions are based on the fostering of an adaptive thought culture with methodologies, tools and new structures with the aim of facilitating an agile adaptation.

NUTRITION, HEALTH AND WELL-BEING

All the global economy sectors undergo major transformations and their products and, consequently, their business models evolve to meet the new needs of their customers, shoppers and consumers. For the food sector, the dynamics of change revolve around health, well-being and sustainability, which are aspects where the new knowledge poses considerable transformation challenges.

Grupo Nutresa, being aware of its responsibility as a transformational leader, further develops its nutritional portfolio strategies and its contribution to the adoption of healthy lifestyles.

Back in 2012, the Organization set itself to double its portfolio of products that meet the Nutresa nutritional profile by 2020. This goal was already fulfilled by 2013, so the Company decided to multiply said portfolio by 2,5. We are glad to report that the goal has been exceeded again one year in advance, as Grupo Nutresa currently has 3.216 product references that meet the Nutresa nutritional profile. Additionally, our commitment to the constant improvement of our products enables us to offer a meat product portfolio with lesser levels of nitrites and a product line free of added nitrites.

In the context of product innovations, we continue expanding our vegetable-based portfolio, nutritional supplements and products that contribute to people's well-being and health, such as: *Quinua Doria, Veggie Bites, Veggie Burgers, Kibo, Tosh Artesanal*, and the nutritional food products and nutritional supplements of the Bénet product line.

NATURAL CAPITAL

The sustainability of the ecosystems is a priority for Grupo Nutresa and all its stakeholders. The effects of climate change, the pressure related to water resources, as well as the generation of waste throughout the value chain are essential issues that must be addressed to ensure the sustainability of our production processes and to foster the reduction of their impact on our planet.

Therefore, in 2019, the Organization continued steering its investment strategies and the transformation of its processes and business models toward the fulfillment of the commitments to the reduction in the consumption of water resources (-31,4%), energy resources (-22,7%), greenhouse gas emissions (-46,2%) and waste generation in all of our operations (-23,3%), all these reductions compared to the consumption in 2010.

Grupo Nutresa fosters sustainable development in its sourcing chain.

Opperar Colombia's control room, where the Company's vehicle fleet are monitored to support and ensure the delivery of our products according to the estimated time frame.

In addition to these efforts for reducing the environmental impact, we have continued working on the identification of the risks in the sourcing of our main commodities in order to accelerate the most sustainable practices across the entire processed food chain. The Company enhanced its knowledge on palm oil sustainability according to the *RSPO practices* (Round table on sustainible palm oil), made progress in the diagnosis of sustainable livestock farming in Colombia, and prepared jointly with the WWF a handbook on the best practices with important contributions to the entire meat chain in Colombia.

In the path to a circular economy, we participated in important discussions of public policies related to the producer extended responsibility, and we accomplished the consolidation of a pilot plan for recovering, recycling and reusing packaging materials. This plan will be executed through an alliance with the National Business Association of Colombia (abbreviated *ANDI* in Spanish) with the aim of creating a collective method for closing the cycle of packaging materials with multiple agents from the value chain. Additionally, the Organization also participated in similar efforts led by the Pacific Alliance Business Council (abbreviated *CEAP* in Spanish).

Moreover, with the active involvement our employees and their families, we made progress in strengthening a culture of recovery and separation of flexible packaging materials. For this purpose, we implemented the circular economy initiative that we called "Ver de Vuelta" (Take them back), which was designed and operated jointly with specifically suitable allies in order to close the cycle of the post-consumption packaging waste by collecting and transforming flexible materials into school furniture elements.

Grupo Nutresa invested COP 8,02 billion in training programs, focusing on the development of sustainability-related, innovation-driven and digital capabilities.

SOCIAL CAPITAL

Contributing to a prosper society by means of the development of capabilities focused on everyone's progress and sustainability is one of Grupo Nutresa's most important priorities.

In the context of human capital, we develop increasingly aware and upright leaders who have higher purposes for their potential while contributing to the consolidation of long-lasting businesses.

In 2019, the Organization invested COP 8.016 million in training programs, focusing on the development of digital, analytical, sustainability-related and innovation-driven capabilities. We incorporated *adaptability* as an enabling skill that will allow us to have flexible and motivated talent that is also open-minded to the permanent evolution of our setting.

In addition, the Company enhanced gender equality practices, which have enabled us to evolve toward becoming a diverse and inclusive.

In the dimension of food security, Grupo Nutresa has contributed to the food self-supply of urban and rural communities, and to the reduction in the loss and waste of food in our value chain. With regard to our customers and suppliers, we have supported their development and management in terms of local and global competitiveness in such a way our support contributes to their progress and to producing a positive impact on their quality of life and environment.

On these fronts, we have provided support with our own programs to more than 501 leaders, 887 contract auditors, around 1.059 suppliers and approximately 1.099 customers. The nourishment systems of low-income communities exchanged, consumed and sold more than 15.476 food servings, and the 19 food banks in Colombia prevented the destruction of 1.052 tons of food products and gained strength thanks to the support of Grupo Nutresa's volunteer network. Through the implementation of inclusive business strategies, more than 2.110 small customers and suppliers developed social and business capabilities, improved their revenue and enhanced their community dynamics.

In addition, through Fundación Nutresa, the Organization contributes to a high-quality education that promotes healthy lifestyles and helps in addressing the global challenges.

- We facilitated the development of pedagogical, leadership and management capabilities among 1.134 academic directors and teachers from 378 public schools.
- Grupo Nutresa carried out activities focused on promoting healthy lifestyles, having a positive impact on 1.726 students in Colombia and 2.295 students in Mexico and Chile.

All of these internal and external social management actions were possible thanks to an investment of COP 197.043 million and the dedication of 11.475 volunteers. We are deeply committed to contributing to the construction of a social framework based on trustworthiness and respect and focused on fostering a productive dialog and social development.

Contributing to a prosper society by means of the development of capabilities focused on everyone's progress and sustainability is one of Grupo Nutresa's priorities.

OUTLOOK

The year 2020 marks the conclusion of the MEGA we set for ourselves as an organization in 2013, consisting of challenging objectives with the aim of being a company that consistently generates value for its stakeholders.

We will approach 2020 with a solid basis of installed capacities, and with hope, motivation and determination to fulfill the dreams we have devised for ourselves.

We will remain focused on offering the best products and experiences to our consumers with nutritious and convenient alternatives aligned with their needs.

We will advance toward the digitalization of processes and business models that enable us to be more competitive every day, and we will enhance our Organization's culture with an increasingly humane, inclusive, transcending and inspiring leadership.

Our commitment with the goals still is our navigation chart, motivated by the purpose of producing a positive impact on society while managing the growth of our business and generating value for our stakeholders.

ACKNOWLEDGMENTS

Our biggest aspiration as an organization is to promote sustainable development throughout the value chain, which is something that can only be achieved with support from a deeply aware and motivated team.

We would like to sincerely and profoundly thank our employees, who materialize their values and commitment in each one of their actions, thus building the collective talent force for which we are broadly recognized today.

Likewise, we would like to thank our suppliers, customers, shoppers and consumers, with whom we build relations based on collaboration and the generation of shared value on a daily basis; our appreciation to our shareholders, who place their trust in us and actively contribute to our vision of a development steered toward a better society.

Finally, we would like to acknowledge and thank those who preceded us as managers and guiders of Grupo Nutresa's corporate strategy and who, with the support of their teams, have contributed to the construction of our first one hundred years.

Today, our vision is focused on generating progress and development for everyone, and for such purpose we work on the innovations that will make nourishment and nutrition the path to build a better future for the new generations.

Mauricio Reina Echeverri
Chairman of the Board of Directors

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

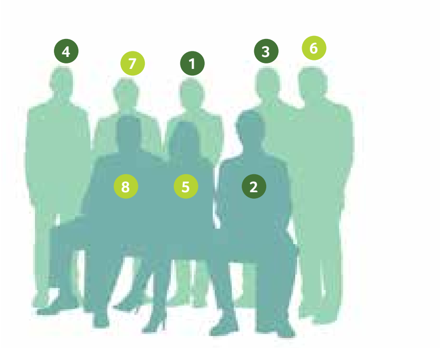
Carlos Ignacio Gallego Palacio
CEO of Grupo Nutresa


MATIZ

CORPORATE MODEL

BOARD OF **DIRECTORS**

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



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.

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.

3

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, Foundation for Higher Education and Development, "Ideas para la Paz" (Ideas for Peace) Foundation, Barranquilla Modern Art Museum, Honorary Member of the Private Council for Competitiveness.

4

Cipriano López González
2016*
Vice-President of Innovation and Sustainability, Grupo Bancolombia.

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

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

OTHER BOARDS
Tuya S. A., Eafit's Board of Governors, Bancolombia Foundation Council.

5

María Clara Aristizábal Restrepo
2013*
Head of the Real Estate Business, Grupo Argos S. A.

PRIOR EXPERIENCE
Corporate Strategy Executive Manager, Grupo Argos S. A.
Investor Relations Director, Grupo Argos S. A.
Economic Research Executive Director, Bolsa y Renta S. A.

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

OTHER BOARDS
Eafit's Board of Governors, Fondo de Capital Privado Pactia S. A. S.

6

David Emilio Bojanini García
2005*
CEO, Grupo de Inversiones Suramericana S. A.

PRIOR EXPERIENCE
CEO, Fondo de Pensiones y Cesantías Protección S. A.
Actuarial Manager, Suramericana de Seguros S. A.

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

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

ADVISORY BOARDS
Foundation for Antioquia's Development - Proantioquia, Entrepreneurs for the Education Foundation (ExE), International Corporation of Colombia, Private Council for Competitiveness, Fedesarrollo, Suramericana Foundation, Fundación Nutresa.

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
Bancolombia S. A., Celsia S. A.

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, Universidad de los Andes School of Government.

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.

Average Board Member tenure: 9.7

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

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

1 4 6
Appointment and Remuneration Committee.

1 2 4 6
Corporate Governance and Board Matters Committee.

1 2 4 6
Strategic Planning and Sustainability Committee.

Independent Members
Non-Independent Members

* 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's capabilities in order to guarantee a sustainable and profitable growth.

Carlos Ignacio Gallego Palacio
Chief Executive Officer

José Domingo Penagos Vásquez
Vice-President of Corporate Finance

Sol Beatriz Arango Mesa
President, Servicios Nutresa; Vice-President of Sustainable Development; General Director, Fundación Nutresa

Jairo González Gómez
Vice-President
Secretary General
General Counsel

Alberto Hoyos Lopera
President, Biscuits Business
International Vice-President

Juan Fernando Castañeda Prada
President, Chocolates Business
Vice-President of Marketing and Sales - Commercial Network

Miguel Moreno Múnera
President, Coffee Business

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

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

Juan Chusán Andrade
President, Retail Food Business

Fabián Andrés Restrepo Zambrano
President, Pasta Business

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

CORPORATE TEAM

Carlos Ignacio Gallego Palacio
Chief Executive Officer

Prior Experience
- President, 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 Secretary General 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.

CROSS-ORGANIZATIONAL UNITS TEAM

Sol Beatriz Arango Mesa
President, Servicios Nutresa; Vice-President of Sustainable Development; General Director, Fundación Nutresa

Prior Experience
- President, Chocolates Business.
- Vice-President of Grupo Nutresa's South Strategic Region.
- Vice-President of Corporate Planning, Grupo Nacional de Chocolates S. A.
- Vice-President of Finance and Systems, Industrias Alimenticias Noel S. A.
- Industrial and Financial Manager, Susaeta Ediciones S. A.

Academic Background
- Degree in Production Engineering, Universidad Eafit.
- Specialized studies in Finance, Universidad Eafit.
- Specialized studies in Strategic Management, Pace University (New York).

BUSINESS UNITS TEAM

Alberto Hoyos Lopera
President, Biscuits Business International Vice-President

Prior Experience
- Chief Executive Officer, Compañía de Galletas Pozuelo DCR S. A.
- International Business Manager, Compañía de Galletas Noel S. A.
- Procurement Manager, Compañía de Galletas Noel S. A. 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, Inveralimenticias Noel S. A.
- Financial Engineering Manager, Corfinsura S. A.
- Cali Region Manager, Corfinsura S. A.

Academic Background
- Degree in Electrical Engineering, Universidad Tecnológica de Pereira.
- Specialized studies in Finance, Universidad Eafit.

Juan Fernando Castañeda Prada
President, Chocolates Business. Vice-President of Marketing and Sales - Commercial Network.

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, Brazil YUM Brands.
- Consultant, McKinsey & Co.

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

Mario Alberto Niño Torres
President, Ice Cream Business Vice-President 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, Pasta 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.

STRATEGIC GOAL FOR OUR **FIRST CENTURY**

Our centenary strategy is 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**

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

Grupo nutresa

100 YEARS

MEGA 2020

Duplicate our sales 2013

Mission

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

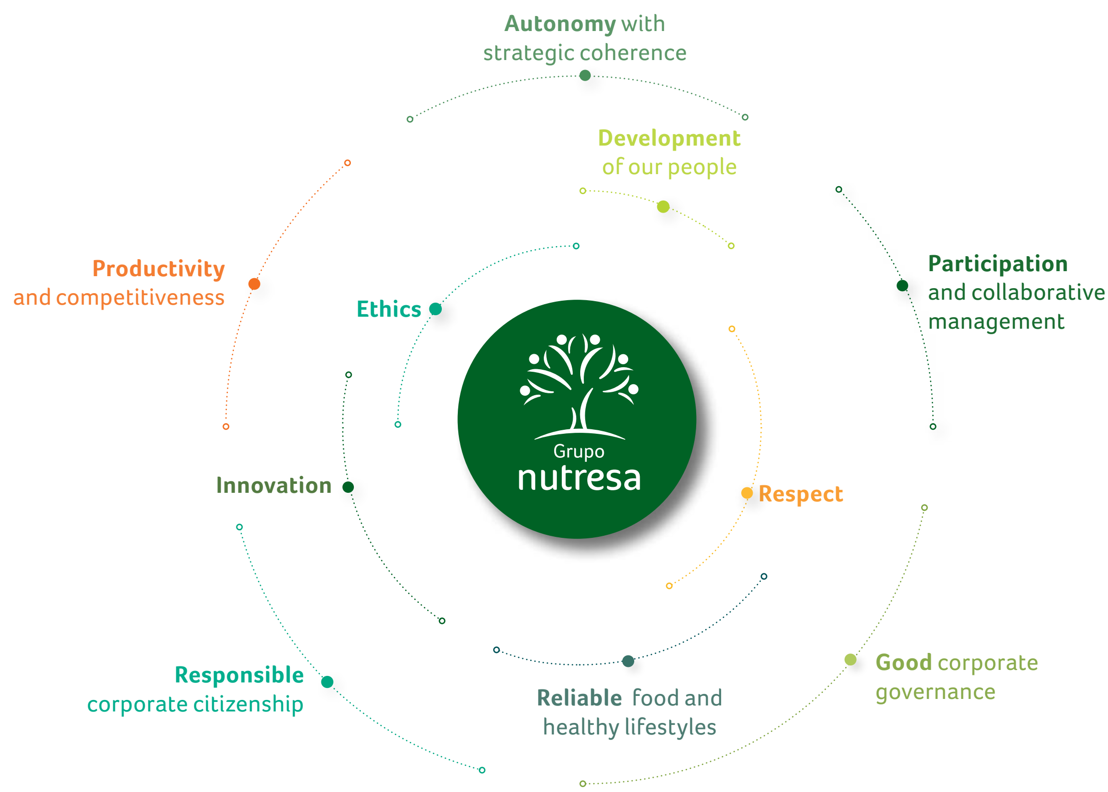
In our food businesses, we always strive to **improve the quality of life of the consumers and the progress of our people.**

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

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

Corporate philosophy and performance

[GRI 102-16]



Differentiators of our business model

OUR BRANDS

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

18 brands

with sales over USD 50 million.

OUR PEOPLE

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

Organizational climate at a level of excellence:

83,0%

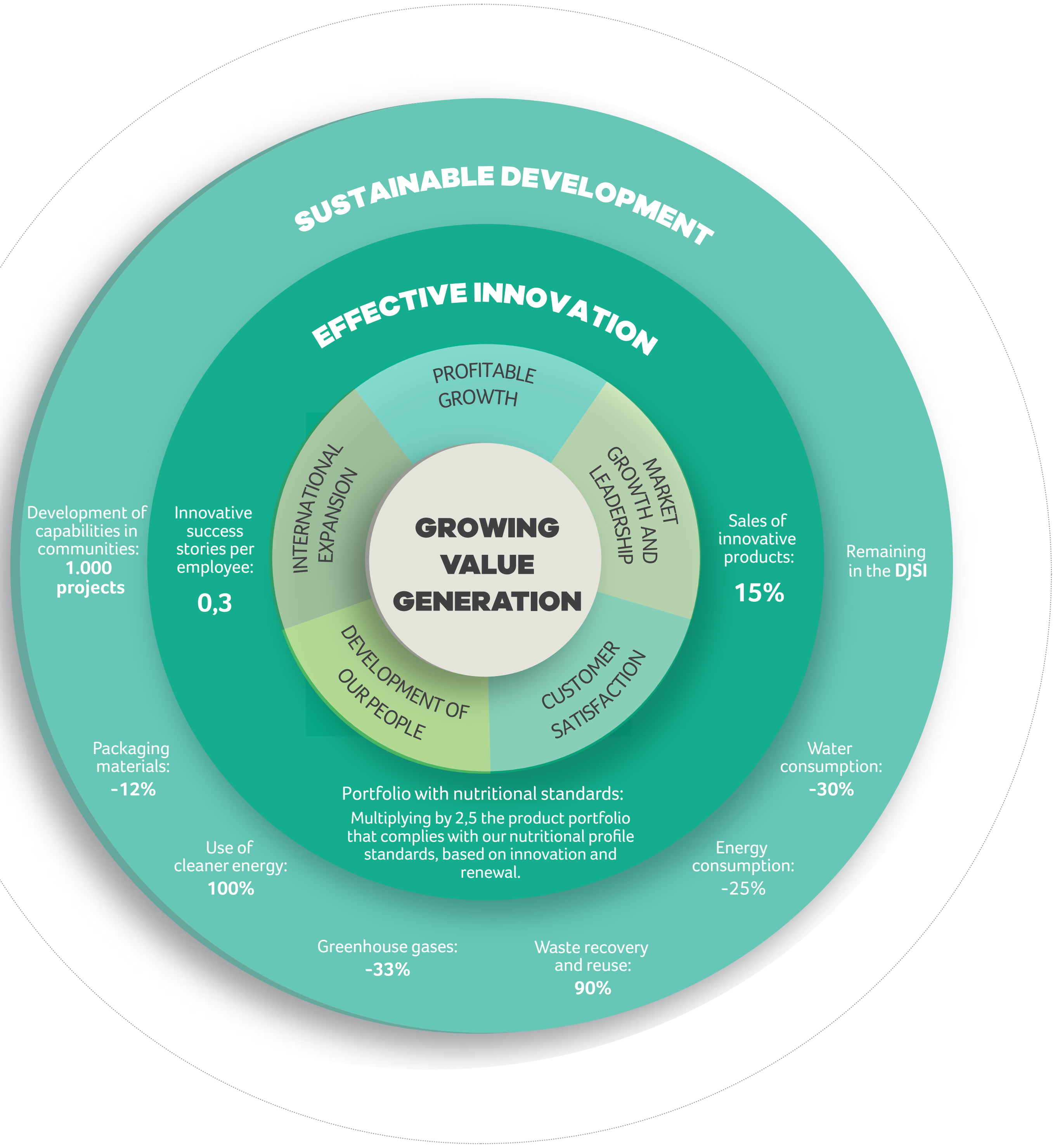
OUR DISTRIBUTION NETWORKS

Our 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 a close relationship with our customers.

1.425.141

points of sale.

STRATEGIC GOALS FOR **2020**



ECONOMIC DIMENSION

Doubling the 2013 sales by 2020 (COP trillion)

2020: 11,8
2019: 9,96

Sales of innovative products:

2020: 15%
2019: 22,4%

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

2020: 3.140 SKUs
2019: 3.216 SKUs

International sales (USD million):

2020: 2.000
2019: 1.142

Innovative success stories per employee:

2020: 0,3
2019: 0,21

Customer satisfaction level:

2020: Maintaining the level of excellence
2019: 87,7% in Colombia
91,9 in the strategic region
*This measurement is performed every two years.

EBITDA margin

2020: between 12% and 14%
2019: 13,5%

ENVIRONMENTAL DIMENSION

Water consumption (m3/t.p.):

2020: -30%
2019: -31,4%

Sludge-less waste generation:

2020: -20%
2019: -23,3%

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

2020: -12%
2019: -2,1%

Sludge-less waste recovery and reuse:

2020: 90%
2019: 89,2%

Use of cleaner energy:

2020: 100%
2019: 98,5%

Energy consumption (kWh/t.p.):

2020: -25%
2019: -22,7%

Greenhouse gases (CO2eq./t.p.):

2020: -33%
2019: -46,2%

SOCIAL DIMENSION

Accident frequency rate:

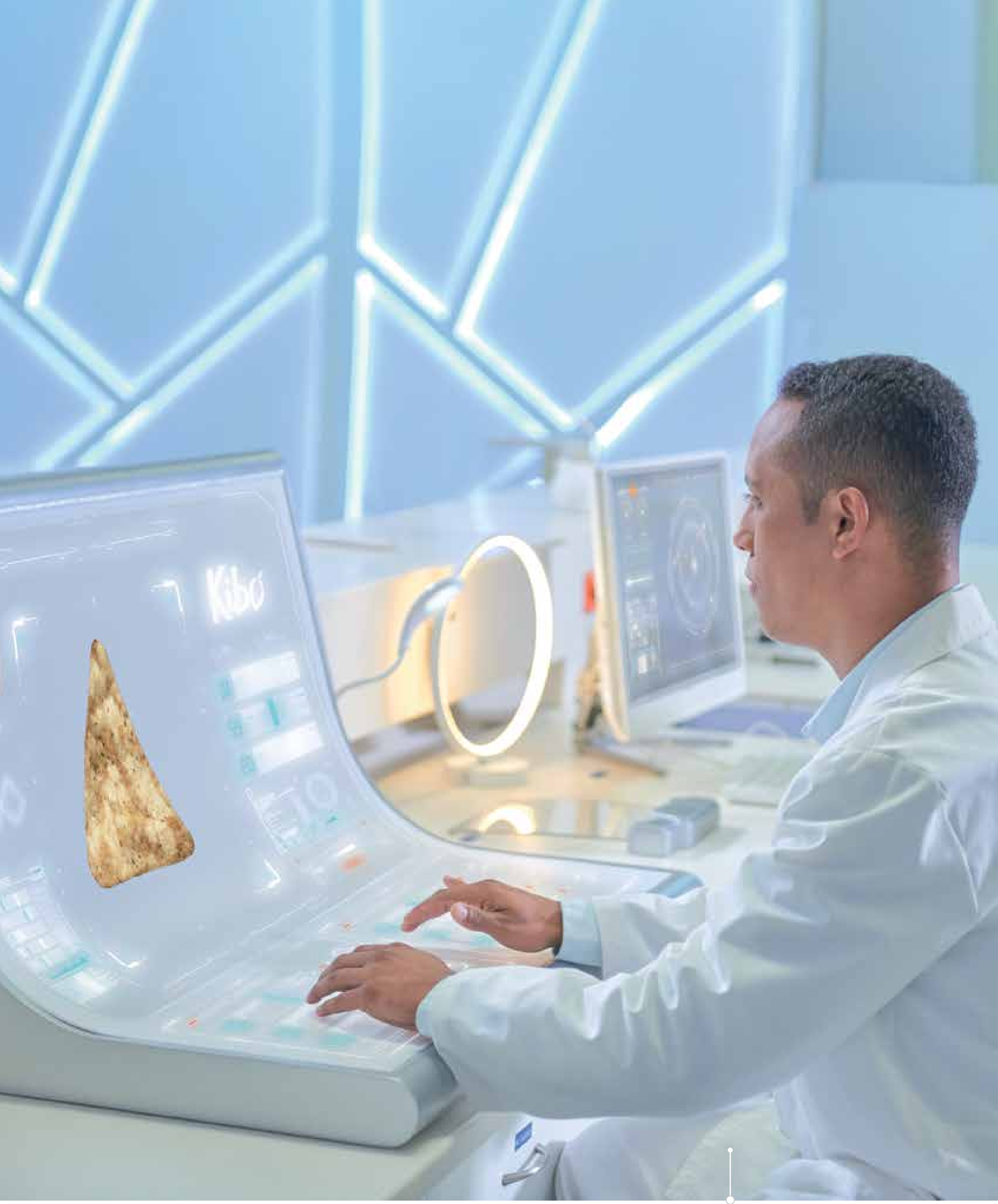
2020: 1,40
2019: 1,66

Organizational climate:

2020: 83,3%
2019: 83,0%

Capability-development projects in communities:

2020: 1.000
2019: 945



Kibo is a nutrition proposal devised by the Biscuits Business and it offers food products developed based on highly-nutritious sources of vegetable origin such as soybeans, chickpeas and green peas.

CONNECTING GRUPO NUTRESA'S STRATEGY WITH THE **DIGITAL TRANSFORMATION**

DIGITAL TRANSFORMATION

Exploration of new technologies

Monitoring and exploration of technologies from the fourth industrial revolution in early maturity stages.

Projects of capabilities under development

Exploration and adoption of technologies that are at middle or high maturity levels jointly with research centers, entrepreneurs and other actors from the Company's ecosystem.

Market entry evolution

Development of digital capabilities that transform the interaction with and the experience of customers and consumers and enable the creation of new reaching-out methods and business models regarding e-commerce, channels, market and other value added services.

Talent and culture capabilities

Development of capabilities and evolution of the work methods in an adaptive environment with the aim of enhancing the Organization's agility and flexibility.

COMPREHENSIVE RISK MANAGEMENT **AND MAIN BUSINESS RISKS**

RISK ASSESSMENT

In 2019, Grupo Nutresa made progress in the consolidation of its risk, trend and opportunity management model across all its Businesses, thus facilitating its integration with the corporate strategy.

In addition and thanks to our level of internalization of our risk management system at all organizational levels, the Company carried out assessment processes that included the analysis of strategic, operational, financial, climate-related and natural risks. These processes were supplemented with context-based exercises in order to understand the influence of trends on both current and emerging risks, risk assessments in the projects and workshops carried out in the eight business units, commercial networks, cross-organizational companies, international operations and in all the operation centers in Colombia and abroad. For this purpose, the current 24 corporate risks were taken into account, as well as the catalog of associated tactical risks.

Risk, crisis and business continuity management workshops:

120

Employees who received training:

+2,000

Risk assessments at the strategic, tactical and operational levels:

+25,500

Main risks	Mitigating actions
Volatility in commodity prices and exchange rates.	• Process management by a specialized committee, with permanent auditing by internal and external bodies. • Coverage policies with definitions based on risk levels, aligned with the dynamics of the market. • Highly trained team dedicated to monitoring and negotiating commodities. • Exploration of hedging automation processes for having real-time information, keeping the context of possible scenarios updated and facilitating the decision-making process. • Permanent 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.	• Development and enhancement of organizational capabilities focused on the market needs. • Strengthening the staff's talents: passion about customers, consumers and shoppers. • Identification of opportunities and threats caused by cultural changes. • Brands and Networks Management Model based on the deep and integrated understanding of the market: consumers, shoppers and customers. • Leading brands that are highly recognized and appreciated. • Effective innovation and portfolio differentiation. • Profitable market development based on consumer segmentation. • Broad distribution network with value propositions differentiated by customer segment. • Attractive propositions with an excellent price-value ratio. • High levels of customer satisfaction and loyalty.
Regulatory environment with regard to nutrition and health, which has a negative impact on the business.	• Adoption of the nutrition policy defined by Grupo Nutresa. • Continuous monitoring of the Company's environment with the aim of adopting a proactive stance regarding possible swifts in regulations and ensuring regulatory compliance. • Understanding of the needs of the communities and their health and nutrition issues with the aim of contributing to the solution alternatives. • Involvement in the discussion about and formulation of public policies. • Development of health and nutrition research that allows to improve the quality of life of the population through innovative food propositions. • Support to and participation in programs that promote healthy lifestyles. • Vidarium: nutrition, health and well-being research center.

RISK MANAGEMENT SYSTEMS OF THE BUSINESS GROUP

STRATEGIC

Associated with the Organization's strategic formulation and its relationship with the business environment.

1. **Associated** with the Organization's strategic formulation and its relationship with the business environment.
2. **Inadequate** formulation, implementation or understanding of the strategy.
3. **Lack** of availability of human talent with the required skills, committed and connected with the Organization's purpose.
4. **Not knowing** or not capitalizing in a timely manner on the opportunities identified based on the understanding of the needs and expectations of consumers, shoppers and customers.
5. **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.
6. **Insufficient** access systems and channels for creating value for customers, shoppers and consumers.
7. **Not having** operating models that support and boost the development of the strategy.
8. **Lack** of internalization of the sustainable development as a core capability of the Organization and its alignment with the strategy.
9. **Regulatory** environment with a negative impact on the businesses.
10. **Systematic** loss of trust in the food industry.

Detriment to businesses due to a highly competitive environment.

OPERATIONAL

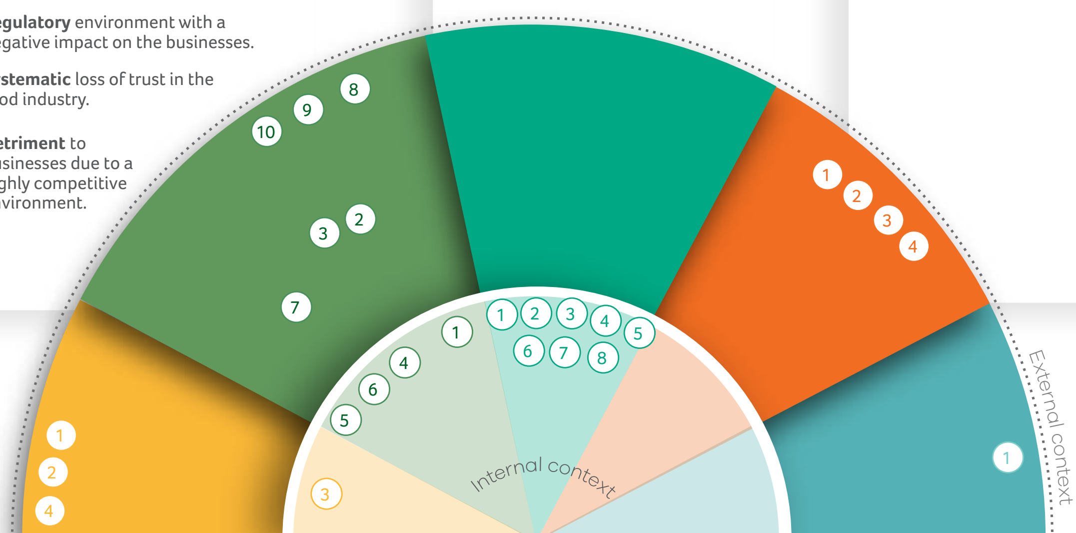
Related to failures in internal processes or management or technological systems, or by people.

1. **Negative** impact on the safety of our employees at the workplace.
2. **Negative impact** on the environment.
3. **Interruption** to the operations, including technologies related to both information and communication.
4. **Internal** or external violations of Human Rights.
5. **Impact** on third parties caused by the operations or the products.
6. **Negative** impact on information because of threats to cybersecurity.
7. **Ethical** offenses or inappropriate behavior of employees or third parties.
8. **Regulatory** noncompliance.

EMERGING

New risks currently developing or changing.

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



FINANCIAL

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

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

ASSOCIATED WITH CLIMATE AND NATURE

1. **Alterations** caused by nature and climatic phenomena.

Those that are caused by climate, hydrological, geophysical, biological and epidemiological conditions.

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

61
Supplier development projects

196
Farms and plantations

COP 33,56 billion
Social investment in suppliers

Commodities logistics

Gestión Cargo

Operation

Biscuits Business
Cold Cuts Business
Chocolates Business
Coffee Business
Retail Food Business
Tresmontes Lucchetti
Pastas Business
Ice Cream Business

47
Production plants

45.803
Employees

18
Brands with sales over USD 50 million

29
ISO 14001 -certified operation centers

1.024.009
Hours of training

11.418
Performance assessments

Distribution and commercialization

Comercial Nutresa
Novaventa
La Recetta
Atlantic Food Service
Opperar Colombia

9.235
Sales people

124
Distribution centers

COP 35,83 billion
Social investment in customers

81,1%
Local purchases

Retail Food Business

33
Coffee shops*

342
Restaurants

13
Evok experience shops

500
Ice cream shops

* Starbucks coffee shops in Colombia, a business in which Grupo Nutresa holds a 30% share.

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

STRATEGIC SUSTAINABILITY PRIORITIES | RESULTS | OUTPUT

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.

- **3.216** product items fulfill the Nutresa nutritional profile.
- **23,3%** Sales of innovative products with increased nutritional components.
- **0,9%** Products with reduced critical components.

Managing the value chain responsibly

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

- **401.588** Customers benefited from capability-development programs
- **44,6 kg/Hdl** Productivity
- **83,0%** Organizational climate

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.

- **2.062** Small farmers have received training in socio-entrepreneurial matters.
- **945** Capability-development projects (2013-2018).

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.

- **-22,7%** reduction in the consumption of thermal energy and electric power from the grid*
- **-31,4%** Water consumption reduction*
- **-46,2%** Greenhouse gas emission reduction*

* Reductions based on the 2010 baseline.

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.

- **Ninth consecutive year** included in the Dow Jones Sustainability World Index.
- **Seventh consecutive year** being awarded the Investor Relations "IR" acknowledgment by the Colombian Stock Exchange.de Colombia.

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.

- **COP 9,96 trillion** Total sales
- **COP 1,35 trillion** EBITDA
- **55,4%** Market share in Colombia

Food production*

1.068.279 Tons produced*
1,9 million m³ Water consumption*
778,6 GWh Energy consumption*
114.254,6 tons of CO2eq. GHG emissions*

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

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

Distribution and commercialization

182,2 GWh Energy consumption in distribution operations**
46.726 tons of CO_2eq.** GHG emissions from distribution operations **

- Storage
- Distribution
- Sales

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

Retail Food Business

38.450.327 Main courses sold***
148,9 thousand m³ Water consumption***
56,9 GWh Energy consumption***
10.804,5 tons of CO2eq. GHG emissions***

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

*** Data from Colombia

ACTING WITH INTEGRITY

CORPORATE GOVERNANCE

Establishing a framework of transparent behavior, integrity and ethics for Grupo Nutresa by developing management, information disclosure and control policies, 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.

Commitment to the SDGs

Opperar employees, Colombia.

Employees from the Pastas Business in Bogotá, Colombia.

STRATEGY AND PROGRESS 2019

Strategy [GRI 103-2]	Progress 2019 [GRI 103-3]
Updating the Organization's corporate governance measures.	• **Update** of the codes of corporate governance of Grupo Nutresa's companies headquartered abroad, with the inclusion of measures for the mitigation of corruption and bribery risks. • **External and independent evaluation** of Grupo Nutresa's Board of Directors with the aim of identifying opportunities and formulating improvement strategies that maintain a level of excellence in its performance, composition and operation.
Communicating and promoting the corporate governance measures, and raising awareness among all employees.	• **Near 9.400 employees** received training on human rights, more than 9.000 on information security, more than 10.700 on the prevention of asset money laundering and terrorist financing, and more than 15.500 on the Code of Corporate Governance through the strategy focused on communicating and promoting the *Actúo Íntegramente* (I act with integrity) Program.
Watching over the compliance with the governance practices incorporated by the Company.	• **87 incidents** reported with regard to the Code of Corporate Governance and **181** reports received and addressed through the Ethics Hotline. [GRI 102-17] [ODS 16.5] [ODS 16.6]
Strengthening the reporting mechanisms for matters related to ethics and conduct.	• **Design** of a digital tool focused on facilitating the reporting, traceability and management by the Committee of Ethics, Transparency and Conflicts of Interest of the cases related to conflict of interest and gifts to employees.

Grupo Nutresa will continue promoting the ethical behavior of its employees and related third parties through the strengthening of the organizational values.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Grupo Nutresa established corporate governance as one of the pillars of its philosophy and performance. Thus, the Organization is permanently striving to be aligned with the highest global standards with the aim of making sure its operations and the performance of its governance bodies are carried out within an institutional and an ethics-based framework focused on transparency.

One of Grupo Nutresa's priorities is to monitor the compliance of corporate policies that allow mitigating the corruption and money laundering and terrorist financing risks. The materialization of these risks would represent the loss of confidence in the Organization and the damage to both its reputation and the engagement with the stakeholders.

Therefore, the implementation of permanent training and communication programs intended for all the stakeholders are an opportunity for the Company, where the strengthening of the complaint reporting mechanisms and the correct management of the reported cases, as well as the formulation and implementation of an internal audit plan, allow reinforcing the multiple processes and acting in anticipation with the purpose of preventing the breaching of the established conduct guidelines.

OUTLOOK

An adequate corporate governance is one of the main pillars of sustainability. That is why maintaining a level of excellence in the work of updating, communicating, promoting and managing its corporate governance remains a major priority for Grupo Nutresa.

To achieve higher levels of corporate transparency, ethical behavior and integrity, the Organization focuses its efforts on keeping its internal policies and guidelines updated according to the latest worldwide trends in the field, as well as on strengthening the interaction with its multiple stakeholders through a timely and unabridged delivery of information.

In the short term, the Company 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. Moreover, Grupo Nutresa will continue working on the implementation of processes that ensure the fulfillment of the corporate policies and guidelines in its day-to-day activities.

In the medium and long terms, the Organization will update its Code of Corporate Governance and corporate policies according to international transparency and ethics standards, enabling it to maintain its position at the forefront in the industry.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Servicios Nutresa employees in Medellín, Colombia.

Investor Relations Acknowledgment

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

Best rating in the Dow Jones Sustainability Index

In 2019, the Company improved its rating by nine points in the Corporate Governance chapter of the Dow Jones Sustainability Index, which evaluates aspects such as the management of crises and risks, the codes of conduct and an adequate corporate governance.

Novaventa employees in Itagüí, Colombia.

PROGRESS ACHIEVED IN 2019

[GRI 103-3]

Board of Directors

The Board of Directors is formed by eight members based on the reform of the Company Bylaws approved by the Shareholders Assembly. The Board members have the necessary experience and knowledge for fulfilling the responsibilities of their position and meet the set of skills determined by the Organization for this governance body.

Grupo Nutresa defined more rigorous criteria, which are established in the Code of Corporate Governance, than the ones established by the law to determine the independence of the Board members. Thus, four of the eight Board members are independent, including its Chairman. Moreover, the Appointment and Retributions 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 2019-2020 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.

Throughout 2019, the Board gathered 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. According to this, all of them fulfilled the functions and meeting frequency provisions established in the Code of Corporate Governance.

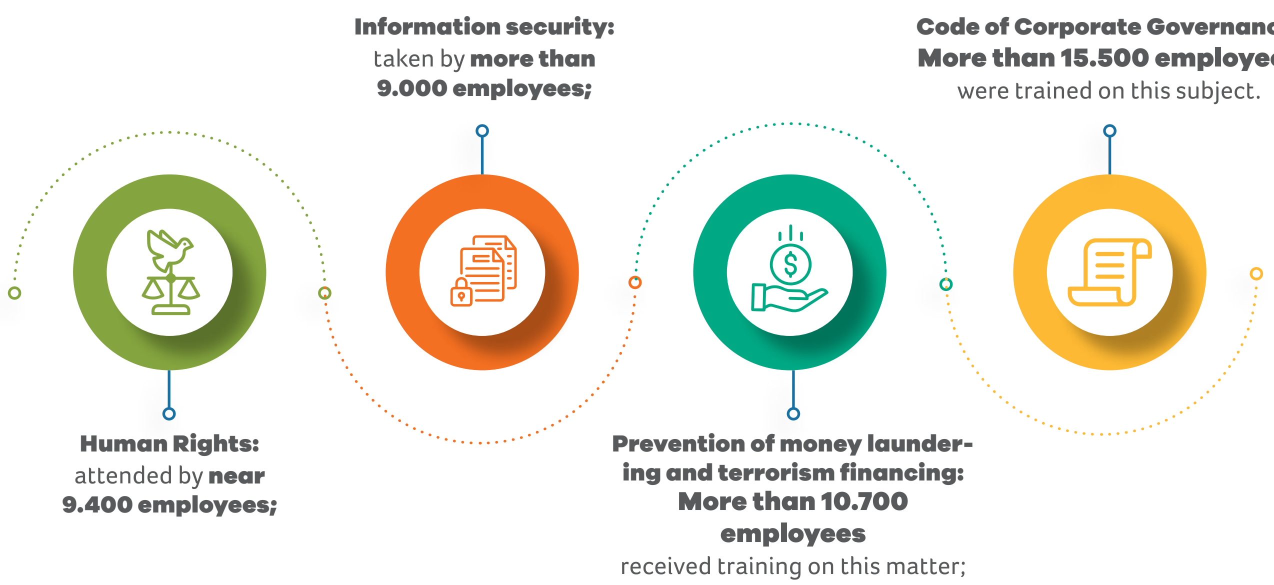
The process of conducting an external and independent evaluation of Grupo Nutresa's Board of Directors was started with the aim of identifying opportunities and formulating improvement strategies for this administrative body, in such a way a level of excellence in the Company's performance, composition and operation is maintained. Additionally, the Board conducted its annual self-evaluation through which it assessed the qualities, attributes and experience of the Board itself and its support committees. Finally, improvement opportunities were identified in order to work on them throughout the year.

Employees from the Cold Cuts Business in Medellín, Colombia.

Actúo Íntegramente (I act with integrity)

Consolidation of the *Actúo Íntegramente* (I act with integrity) strategy in the companies abroad

In 2019, the codes of corporate governance of Grupo Nutresa's companies abroad were updated in order to include measures for the mitigation of corruption and bribery risks, along with a communication and promotion plan targeting its employees. The implementation of the training program Actúo Íntegramente (I act with integrity) for both direct and third-party employees was also continued, focusing on the following modules:



In addition, during this year a digital tool was designed with the purpose of enabling a swift reporting of possible conflicts of interest and gifts offered or given to employees, thus simplifying the process for managing these situations, their traceability and their resolution by Grupo Nutresa's Committee of Ethics, Transparency and Conflicts of Interest.

Employee from the Biscuits Business in Costa Rica.

Superior Achievement Acknowledgment System

The Superior Achievement Acknowledgment System establishes that 30% of the variable annual compensation of the CEO, the CFO and the Secretary General should be paid with Company share units, and the disposition of such share units is limited until the Executives retire. Part of the remaining balance of the variable annual compensation is accumulated in a bond bank, from where a third part is liquidated on a yearly basis to encourage the Executives to remain in the Organization.

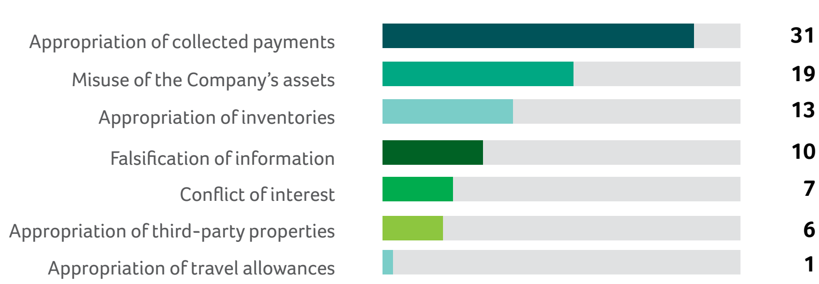
Grupo Nutresa's Appointment and Retributions Committee establishes, for these executives, internal and external metrics associated with financial, social, market, environmental and sustainability indicators, framed within a timeline of 1 to 3 years.

Ethics Hotline

Ethics Hotline

For Grupo Nutresa, ethics and transparency are fundamental pillars of its corporate performance and, at the same time, they are highly relevant principles for the fulfillment of its mission. Fraud, corruption, money laundering and terrorist financing 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] [ODS 16.5] [ODS 16.6]

Throughout 2019, the Organization received reports about 87 incidents related to breaches of the Code of Corporate Governance **[GRI 205-3] [ODS 16.5]**, which amounted to an approximate total of COP 215 million, broken down as follows:



These incidents involved 117 employees, 98% of whom were working under direct employment contracts and 2% 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.

The Organization also addressed 181 reports received through the Ethics Hotline, which were channeled by the responsible departments of each one of the businesses. In this regard, 94% of the reports were related to direct employees and 6% of them involved third parties. In addition, 41% of the reported cases were confirmed with 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.

Commitment to the SDGs

Employee from the Biscuits Business in Costa Rica.

STRATEGY AND PROGRESS 2019

Strategy [GRI 103-2]	Progress [GRI 103-3]
Integrating risk management into the corporate strategy.	• **Expansion** of the scope of the trend and risk management methodology into all Grupo Nutresa's businesses as an input for the strategic planning. • **Monitoring** of priority risks through key risk indicators. • **Analysis** of relevant matters regarding reputation and the establishment of measures defined by the Reputation Management Committee. • **Update** of the strategic risk maps of Grupo Nutresa's businesses, and of the tactical risk maps of both the companies and their operation centers.
Strengthening the Organization's risk management culture.	• **More than 9.000 employees** sensitized in information security since the launch of the course, and disclosure of recommendations on the protection of information. • **More than 2.000 employees** received training in risk, crisis and continuity management. • **More than 10.700** direct and third-party employees received training in matters related to preventing the money laundering and terrorist financing risks ML/TF. **[GRI 205-2]**
Increasing the organizational resilience.	• **80.13% evolution** in the business continuity maturity level and expansion into Mexico. • **Development** of the continuity model in the supply chain. • **Creation** of the Information Security Committee. • **Communication, promotion** and trial runs of the crisis management manual in all the businesses.
Monitoring and ensuring the legal and regulatory compliance.	• **Implementation** of the environmental legal surveillance standardization and assurance project for the companies in Colombia. • **Update** of the Policy for the Prevention and Control of the ML/TF risk, consolidation of the implementation of this system in Colombia and support to the prioritized companies abroad. • **Communication** and promotion of the Business Ethics Program. **(ODS 16.5) (ODS 16.6)**

Grupo Nutresa strengthens the risk culture across the entire Organization, promotes the development of capabilities related to monitoring the business setting, and manages new risks once they have been identified.

RISKS AND OPPORTUNITIES

[GRI 103-1]

For the Organization, it is essential to maintain a risk management system adaptable to changes, which facilitates the decision-making process and fits the corporate strategy.

This entails challenges with respect to the anticipation of the compliance with international standards and the identification and understanding of the trends that determine current and emerging risks and opportunities that must be duly managed. Thus, it is necessary to make progress in the system's maturity level, strengthen the risk culture across the entire Organization, promote the development of capabilities related to the legal surveillance, and manage the new risks once they have been identified.

Additionally, the execution of the Company's operations and its relation with the environment generate continued exposure to reputational risks. To mitigate them, it is fundamental to have protocols in place, as well as suitable and well-prepared human talent, capable of responding to crisis situations adequately. Also, it should be supplemented with follow-up actions and guidelines established by the Reputation Management Committee.

Finally, regarding regulatory compliance matters, more than just complying with the legal framework, the aim is to ensure the fulfillment of the corporate action principles. This entails the execution of a solid business ethics program and activities related to the legal surveillance, the consolidation of self-control systems and the management work for the prevention of the ML/TF risks, among others, in order to effectively manage risks that may have an impact on the Business' reputation and competitiveness.

OUTLOOK

The consolidation of the risks, trends and opportunities management model will be a main workfront focal point that will be supported on practices such as the nutrition and food trend observatory. This, along with new methodologies and approach schemes, will contribute to democratize and boost the management of both current and emerging opportunities and risks.

Furthermore, the Organization's Board of Directors will prioritize the adoption of the risk monitoring and oversight model by means of key risk indicators at both the corporate and business levels for the priority risks. Additionally, the Company will promote the internalization of analytical and quantification aptitudes that facilitate reviewing the risk appetite and tolerance levels.

For Grupo Nutresa's continuity, in addition to consolidating this capacity in the businesses, the Organization will continue working on its expansion in the strategic region, and this model will be implemented in the supply chain. In terms of the reputational risk, Grupo Nutresa's Reputation Management Committee will promote an effective engagement with the stakeholders and, in the short term, the Organization will face the challenges of updating its corporate legal compliance risk matrix and reviewing the associated governance scheme.

Finally, regarding the AML/CTF management system, the Company will foster its integration within all the Businesses management systems, and will delve into the development of analytical models and tools that improve the system effectiveness.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Novaventa employees in Itagüí, Colombia.

Best practices highlighted by the Dow Jones Sustainability Index

Thanks to its risk and crisis management work, Grupo Nutresa was acknowledged as one of the top companies among those belonging to the Dow Jones Sustainability World Index in the food industry, where the Organization also ranked first in terms of emerging risk management practices.

Positive reputational balance

Grupo Nutresa was acknowledged for the fifth 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 Colombia." Moreover, the Organization's CEO, Carlos Ignacio Gallego Palacio, was recognized as the business leader with the best reputation.

Employee from the Pastas Business in Mosquera, Colombia.

PROGRESS 2019

Risk and crisis management

The risks and trends management model was consolidated and implemented in all the businesses, and it was also supplemented with the formulation of initiatives and identified projects that contribute to the strategic planning processes. Likewise, the risks identified at corporate level in 2018 were incorporated into the risk matrices of the businesses' strategy, thus bringing about the unfolding of the most relevant matters in terms of trends and risks from the strategic level toward the other administrative levels.

The risks, trends and opportunities management model is supplemented with the execution of initiatives such as the nutrition and food observatory, which has been developed in association with an important ally and which gathers participants from all the businesses with the aim of systematically identifying the signals that reveal new driving forces in the Company's environment and industry. This, along with new methodologies and approach schemes, will contribute to democratize and boost even further the management of both current and emerging opportunities and risks.

Furthermore, revisiting the maturity level analysis results, the Organization made progress in the integrated risk management system with respect to the methodology for the measurement of the efficacy in the control measures, the work on updating of the risk portafolio, the monitoring schemes and the reporting to the Board by means of key risk indicators (KRIs), and the promotion of a risk-based way of thinking through multiple communication and promotion methods.

More than 25.500 risk assessments were conducted by means of the Organization's application software.

These initiatives were executed in conjunction with the businesses' integrated management systems. This work facilitated the adoption of the integrated risk management system and shed light on the internalization of the methodology by the businesses, which autonomously carried out the assessment exercises in the tactical and operational levels. Said assessments were performed by using tools such as the integrated risk management application software, presenting a significant growth in the risks analysis of 14% compared to the previous year, with more than 25.500 assessments performed under the methodology standardized by the Organization. **[GRI 205-1]**

The risks assessments included the analysis of the impacts on the human, natural, financial, physical and social capitals, and considered the analysis of financial, strategic, operational, human rights, corruption, ML/TF, climate and nature-related and projects risks **[GRI 205-1] [GRI 205-2] [GRI 412-1]** In addition, the Company addressed analysis of the main emerging risks.

For further details on the corporate and emerging risk management model, go to:

The process of embracing the risk-based methodology by the businesses was possible thanks to the development of risk, crisis and continuity management capabilities across the entire Organization. In 2019, more than 2,000 employees and key suppliers received training through their participation in 120 different sessions, which included talks, simulations, specific workshops and virtual courses.

In terms of the reinforcement of the organizational resilience, the Organization designed the methodology for the implementation of the business continuity management system in the supply chain, which will be executed across multiple business lines and with critical suppliers in 2020. The consolidation of the system was evident due to its expansion into the companies in Mexico and in Novaventa, in addition to the design and implementation of continuity strategies in all of Grupo Nutresa's businesses.

The Company continued working on communicating and promoting the crisis management manual to get prepared in advance and be able to detect potential crises, thus ensuring a timely and adequate response to them. In the workshops that were carried out, the Organization worked on solidifying the understanding of the crisis situation management structure, and implemented the guidelines that allow coordinating the response efforts from the participants if an event of this type occurs.

Additionally, Grupo Nutresa approved the Information Security Policy, which consists of multiple guidelines and the definition of the governance levels, including the creation of the new Information Security Committee, which is in charge of designing strategies to bridge the existing gaps based on processes, technology and human capital.

Finally, the Reputation Management Committee continued working on its follow-up and steering scheme for sensible situations that could have an impact on the Organization's reputation. This was carried out over three sessions throughout the year, where specific events were thoroughly analyzed.

Comercial Nutresa employees in Medellín, Colombia.

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:

Prevention of the ML/TF risks

The money laundering and terrorism financing risk assessments were updated in the multiple processes, as well as the internal audits of the system and the segmentation of both critical suppliers and customers. In addition, progress was made in the due diligence automation processes, in the support to the platforms in Chile, Mexico and El Salvador, and in the organization of meetings for the Company's compliance officers with the purpose of consolidating their understanding and internalization of the system. Moreover, assistance was provided to the Businesses aspiring to obtain the classification as Authorized Economic Operators.

Business Ethics Program

Consolidation of the business ethics program known as "Actúo Íntegramente" (I act with integrity), which has the purpose of promoting transparency, preventing the risks related to money laundering and terrorism financing, fostering the respect for human rights, fighting against corruption and promoting the use of the complaint and reporting mechanisms. **(ODS 16.5) (ODS 16.6)**

Regulatory compliance

The impact of the new tax regulations was analyzed in order to achieve efficiency in terms of the tax burdens, thus enabling the fulfillment of the related obligations on a timely basis. These actions enhance the Organization's profitable growth and minimize their effects on employment.

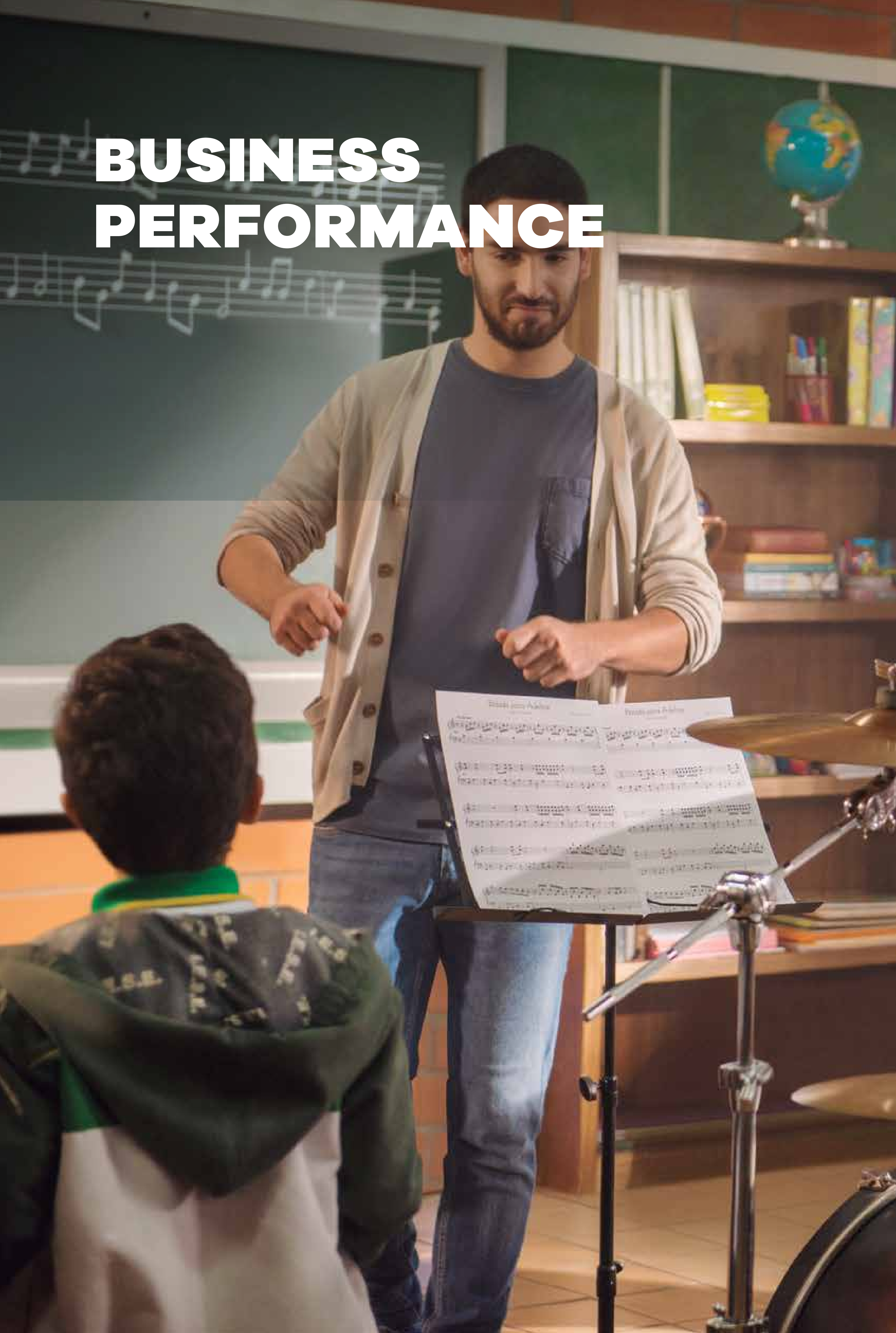
Additionally, the Company adopted the changes established in the Financing Law, which include the initiation of the electronic invoicing system with prior validation, among other matters.

Moreover, the Organization carried out an environmentally-focused regulatory monitoring by updating the environmental legal matrices for the identification of gaps and the assessment of regulatory risks and their potential impact on the natural capital.

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

Employees from the Pastas Business in Mosquera, Colombia.

BUSINESS PERFORMANCE



BISCUITS BUSINESS
grupo nutresa

SALES COP thousand million

Total sales

	2019	2018	2017
% of growth	11.3%	3.1%	1,8%
Sales	2,029	1,823	1,768

7.1% CAGR

The Biscuits Business represents 20.4% of Grupo Nutresa's total sales.

Sales in Colombia

	2019	2018	2017
% of growth	9.1%	2.4%	2.6%
Sales	980	898	877
Price	0.6%	3.6%	6.6%
Volume	8.4%	-1.2%	-3.8%

5.7% CAGR

Sales in Colombia represent 48.3% of the Business's total sales.

Sales abroad

USD million

	2019	2018	2017
% of growth	2.1%	3.6%	4.3%
Sales	319	313	302

2.8% CAGR

Sales abroad represent 51.7% of the Business's total sales.

PRESIDENT

Alberto Hoyos Lopera

55 years old / **Part of Grupo Nutresa since 1993**

We launched Kibo, our sustainable nutrition brand, totaling COP 1,07 billion in sales of snacks and vegetable protein products. Kibo's commercialization was mainly carried out via Amazon, B2C and the networks. On another note, the company Kibo Foods USA was incorporated in Austin, Texas, making the most of all the advantages of this city's entrepreneurship ecosystem.

The sales of the Tosh brand amounted to COP 122.91 billion in the categories of biscuits and snacks, which represents a 21.0% growth in the 31 countries where the brand has market presence.

We consolidated United States as the third market for the Business as it contributes 19.6% of the total sales. Our entry to dollar stores, the distribution expansion in the multi-cultural channel and the innovations allowed us to achieve USD 121 million in sales and a growth rate of 2.7%.

The Biscuits Business achieved its best productivity in the past five years based on the Company's operational excellence model, in addition to a 5.7% decrease in losses and a 5.7% growth rate in the volume of production.

We secured our carbon neutral re-certification; therefore, we were granted the corresponding seal for the Tosh brand in Colombia and Costa Rica based on our work offsetting 18,386 tons of C02 through forest conservation projects.

The sales of products launched over the past three years represented 14.8% of the total sales, with outstanding brands like *Festival* and *Tosh* confirming that innovation is a relevant growth driver for Grupo Nutresa.

We successfully incorporated Naturela's portfolio into Novaventa's network, closing the year with a sales growth rate of 65.4%.

EBITDA COP thousand million

	2019	2018	2017
% of growth	13.5%	10.6%	4.6%
EBITDA	277	244	220
Margin	13.6%	13.4%	12.5%

12.0% CAGR

The Biscuits Business represents 20.5% of Grupo Nutresa's EBITDA.

EMPLOYEES

48.9% Abroad

51.1% Colombia

6,211

TOTAL

(Direct employees, third-party employees and apprentices)

29.4% Women

70.6% Men

(Direct employees and apprentices)

Customer satisfaction level based on their orders:

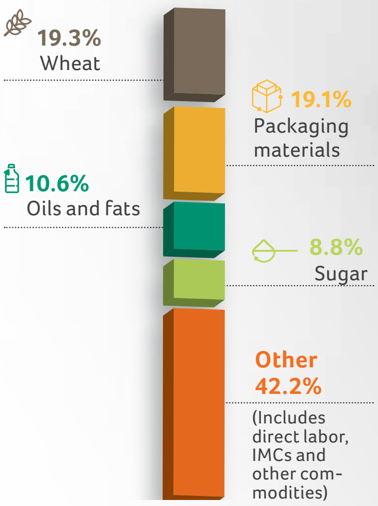
98.1%

ACKNOWLEDGEMENTS

Pozuelo, our subsidiary company in Costa Rica, was acknowledged by the country's Ministry of Environment and Energy due to its progress in sustainable development as part of the program titled "País de Carbono Neutralidad 2.0" (Carbon Neutrality Country 2.0).

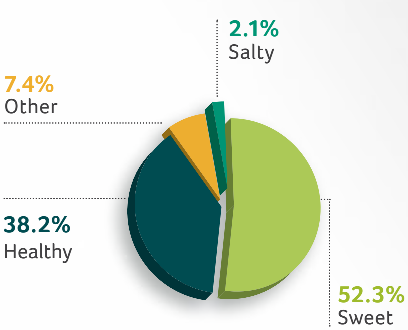
In Colombia, Noel was included in the Gold category by the local environmental authority "Área Metropolitana del Valle de Aburrá" for its sustainability programs and proactive support to the region's sustainable mobility.

SUPPLIES AND OTHER

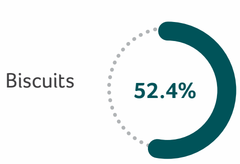


MAIN CATEGORIES

(% of total sales)



Market share in Colombia



New full 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.

Captions [GRI102-2]

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

OUTLOOK FOR 2020

Maintaining the brands' leadership position in Colombia and Central America by means of innovation, portfolio segmentation and a thorough management work with our customers.

Consolidating Kibo Foods's innovation and entrepreneurship model in the U.S.

Reinforcing our productivity plans in terms of sourcing, production and distribution in order to successfully manage the rise of the costs of supplies.

Fulfill the plans of the sustainable nutrition brands *Kibo* and *Naturela* by means of new value propositions and the reinforcement of our digital channel.

Capitalizing on the growth opportunities in the U.S. market with the Organization's multiple distribution networks.

BUSINESS VISION

Consolidating our leadership in the categories of biscuits and healthy snacks *in Colombia, and boosting the business growth in Central America and the United States by taking advantage of Grupo Nutresa's market entry capabilities through its modern and competitive distribution networks.*

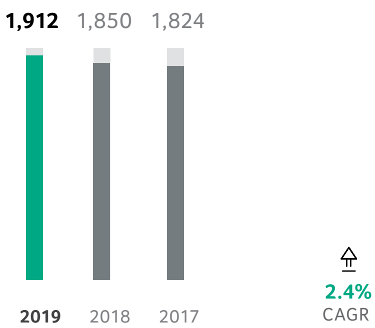
Alberto Hoyos Lopera
Biscuits Business, Grupo Nutresa

COLD CUTS BUSINESS
grupo nutresa

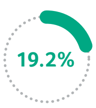
SALES COP thousand million

Total sales

3.4% 1.4% 1.1% % of growth



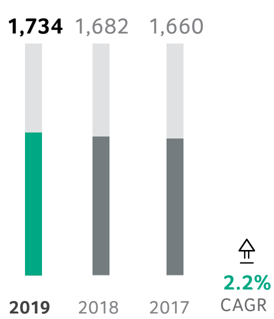
The Cold Cuts Business represents



of Grupo Nutresa's total sales.

Sales in Colombia

% of growth 3.1% 1.3% -1.1%



	2019	2018	2017
Price	-0.4%	0.4%	1.8%
Volume	3.6%	0.9%	-2.8%

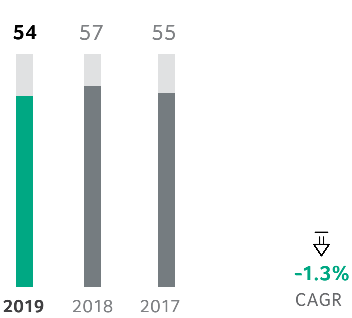
Sales in Colombia represent

of the Business's total sales.

Sales abroad

USD million

-5.0% 2.6% 34.5% % of growth



Sales abroad represent

of the Business's total sales.

PRESIDENT

Diego Medina Leal

58 years old / **Part of Grupo Nutresa since 1997**

We launched innovations with sales greater than COP 21 billion. Our Ranchera brand ventured into the snacks category with its cabanossi product; Zenú expanded its snacks portfolio with sweet and savory options; Pietrán strengthened its vegetable protein (veggie) product line and its portfolio of preservative-free meat products with no added nitrites.

We consolidated our go-to-market in the stores and marketers channels and we implemented trade-spend in the wholesaler and self-service channels. With these actions, we generated profits for more than COP 3.7 billion.

We strengthened our fresh meat exports network to the Middle East and Europe, achieving values of approximately COP 50 billion. Two of our production plants were granted certifications related to international trade regulations.

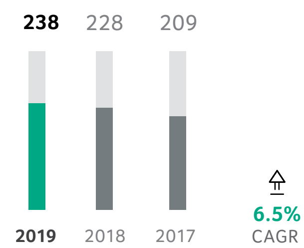
We reinforced our brands' position in Panama, with an 86% household penetration rate, and our Berard brand was ranked third in the *top of mind* ranking according to Kantar's 2019 measurements. For its part, the *Setas de Cuivá* mushroom brand grew 14.3% in terms of sales volume in this region.

We launched and disseminated the guide for environmental sustainability in livestock farming, which contributes to and boosts the development of the sector in Colombia and raises the awareness of the value chain regarding the best practices in this activity.

Rating above 97% in the service level thanks to the articulation of the planning processes for the operations and to the optimization of the finished product rotation, which was achieved by executing a model based on the real dynamics of the demand and reducing loss and waste.

EBITDA COP thousand million

% of growth 4.2% 8.8% -4.6%

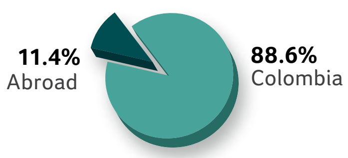


Margin 12.4% 12.3% 11.5%

The Cold Cuts Business represents

of Grupo Nutresa's EBITDA.

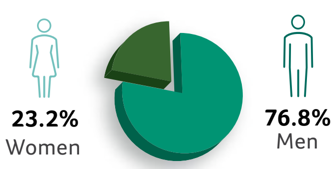
EMPLOYEES



8,774

TOTAL

(Direct employees, third-party employees and apprentices)



(Direct employees and apprentices)

Organizational climate

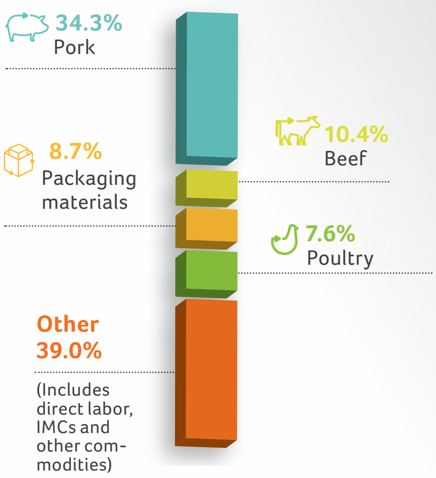
94% favorable rating in the commitment, occupational climate and job satisfaction metric, reflecting a team of employees who identify themselves with our purposes and business strategy. This measurement was performed by *Mercer*, a global talent consultancy firm.

ENVIRONMENT

Accumulated reduction rates since 2010 from the optimization in the use of resources:

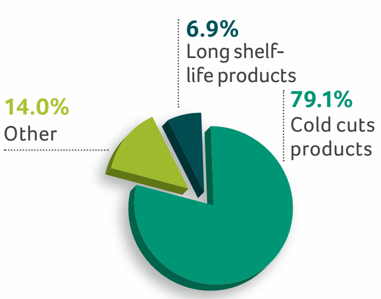
-25.1%	Water
-14.9%	Energy
-6.4%	Waste generation

SUPPLIES AND OTHER

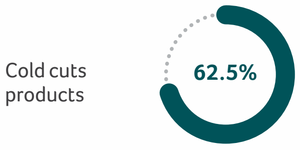


MAIN CATEGORIES

(% of total sales)



Market share in Colombia



New full 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.

Captions [GRI102-2]

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

OUTLOOK FOR 2020

Growing the Business's international expansion, increasing the exports of fresh meat products to Europe and the Middle East, and strengthening our presence with cold cuts and mushroom products in Panama and Central America.

Expanding the vegetable protein category with the Pietrán brand through a full portfolio with new solutions for the market.

Contributing to the development of cattle and pig farming in Colombia through the implementation of good sustainability practices.

BUSINESS VISION

Profitably growing with a social and environmental focus. *Keep innovating in the current categories and developing new vegetable-based proposals, for both meat products and other product lines.*

Diego Medina Leal
Cold Cuts Business, Grupo Nutresa

CHOCOLATES BUSINESS
grupo nutresa

SALES COP thousand million

Total sales

	2019	2018	2017
% of growth	8.0%	6.1%	3.0%
	1,677	1,553	1,464

7.0% CAGR

The Chocolates Business represents 16.8% of Grupo Nutresa's total sales.

Sales in Colombia

	2019	2018	2017
% of growth	5.8%	3.9%	3.2%
	1,011	955	919
Price	2.4%	0.4%	4.6%
Volume	3.4%	3.5%	-1.3%

4.9% CAGR

Sales in Colombia represent 60.3% of the Business's total sales.

Sales abroad
USD million

	2019	2018	2017
% of growth	0.5%	9.2%	5.6%
	202	201	184

4.7% CAGR

Sales abroad represent 39.7% of the Business's total sales.

PRESIDENT

Juan Fernando Castañeda Prada

52 years old / **Part of Grupo Nutresa since 2011**

In the chocolate confectionery category, our sales amounted to COP 680 billion, that is 8.3% higher than the previous year. These sales were driven by leading brands such as Jet and Jumbo, and by relevant innovations like Burbujet.

In Colombia, we celebrated the 60th anniversary of our continued work on both research and the training of cocoa growers in good agricultural practices through the La Nacional Farm, thus reasserting our commitment to the sustainability of the cocoa growing industry.

17.8% growth rate in Central America driven by the Tutto brand, which grew 43.9% and consolidated its market share leadership in the chocolate tablet segment. The following are some innovations in the region worth highlighting: Fusion, Bonbons and Christmas devised by the Tutto brand, and the launch of the ready-to-serve cereals under the Tosh brand.

We continued working on the expansion of our brands Granuts, Muibon and Tosh across the countries of the strategic region.

We introduced the Cordillera brand in Mexico, Central America and Peru, with growth rates of 19%, 11% and 25%, respectively.

We continued consolidating our presence in the nuts category throughout the region based on innovative products and effective distribution.

EBITDA COP thousand million

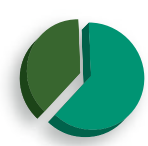
	2019	2018	2017
% of growth	-7.0%	20.8%	40.8%
	232	250	206
Margin	13.8%	16.1%	14.1%

6.0% CAGR

The Chocolates Business represents 17.2% of Grupo Nutresa's EBITDA.

EMPLOYEES

4,294
TOTAL
(Direct employees, third-party employees and apprentices)



(Direct employees and apprentices)

Organizational climate

92%	Colombia
94%	Costa Rica

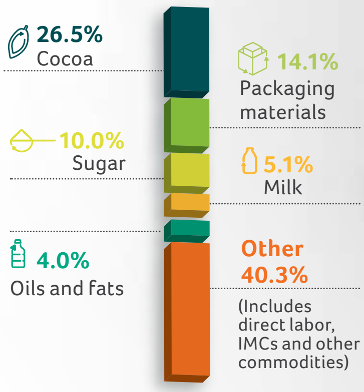
Labor Productivity (kg man-hour)

5.2% increase, surpassing the goal set for the year.

ACKNOWLEDGEMENTS

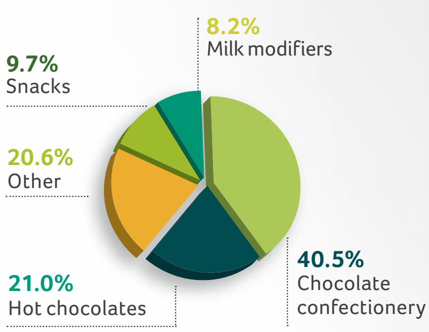
Familiarly Responsible Company (*EFR*) certification, category A, level of excellence, granted by the Spanish *Másfamilia* Foundation thanks to our implementation of good practices that promote balance in the personal, family and work aspects of life among employees.

SUPPLIES AND OTHER

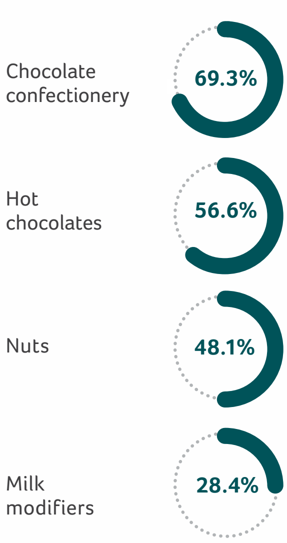


MAIN CATEGORIES

(% of total sales)



Market share in Colombia



New full 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.

Captions [GRI102-2]

Presence of our main brands

% of the Business's sales

Number of production plants

Brands with sales over USD 50 million

OUTLOOK FOR 2020

Strengthening the positioning of our key brands in the multiple categories and geographies by managing our Brands and Networks Model, the delivery of superior value propositions and the improvement of the return of our marketing investment.

Keep working on our geographic expansion and enhancing our our market entry capabilities by means of brands and products like *Tosh* in Central America, and *Cool! nuts* in Mexico.

Keep fostering our innovation management work with value propositions focused on our mega-brands.

Maintaining our gross margins based on the productivity of our operations and proactive and efficient commodity procurement management work.

BUSINESS VISION

Being the top business in the strategic region *(Colombia, Central America, Ecuador and Peru) in two categories, nuts and chocolate confectionery and beverages, based on brands that lead their corresponding categories and offer superior value propositions.*

Juan Fernando Castañeda Prada
Chocolates Business, Grupo Nutresa


COFFEE BUSINESS
grupo nutresa

SALES COP thousand million

Total sales

% of growth	22.8%	-1.6%	4.8%
	1,210	986	1,002
	2019	2018	2017

9.9% CAGR

The Coffee Business represents 12.2% of Grupo Nutresa's total sales.

Sales in Colombia

% of growth	6.0%	4.8%	4.5%
	660	623	594
	2019	2018	2017
Price	0.1%	2.3%	0.7%
Volume	5.9%	2.4%	3.8%

5.4% CAGR

Sales in Colombia represent 54.6% of the Business's total sales.

Sales abroad

USD million

% of growth	35.1%	-10.9%	9.3%
	166	123	138
	2019	2018	2017

9.7% CAGR

Sales abroad represent 45.4% of the Business's total sales.

PRESIDENT

Miguel Moreno Múnera

42 years old / **Part of Grupo Nutresa since 2003**

The Business attained growth in the roasted and ground coffee segment in Colombia (+7.2%) and we achieved an excellent performance with our brands *Sello Rojo* and *Matiz*.

The Organization acquired *Cameron's Coffee*, which contributed USD 25.8 million in sales over the year.

An adequate balance was achieved in the Business's production platforms, with improvements in the global effectiveness of the teams, reaching an 87% rate in this regard.

We consolidated our go-to-market model in the U.S. to serve business-to-business (B2B) customers with the strategic collaboration of important local allies.

The Business made progress in its initiatives focused on strategic sourcing and efficient management of coverage in the green coffee purchase process.

We developed a program focused on coffee growing farms with the implementation of sustainability strategies that benefit 250 coffee growers and their families in the Colombian states of Santander, Valle del Cauca, Cauca and Huila.

We developed differentiated portfolios of hot and cold brew products for the beverage industry in the U.S. and Asia.

We developed the *La Bastilla Campo* innovation by using the coffee beans in their entirety. This represents a significant contribution to the brand's sustainability and competitiveness.

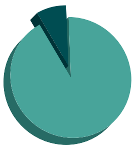
EBITDA COP thousand million

% of growth	43.5%	-18.4%	-22.1%
	141	99	121
	2019	2018	2017
Margin	11.7%	10.0%	12.1%

8.2% CAGR

The Coffee Business represents 10.5% of Grupo Nutresa's EBITDA.

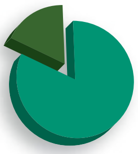
EMPLOYEES



2,010

TOTAL

(Direct employees, third-party employees and apprentices)



(Direct employees and apprentices)

Organizational climate

80% rate in terms of commitment y satisfaction at the workplace

Labor productivity

41% increase since 2013

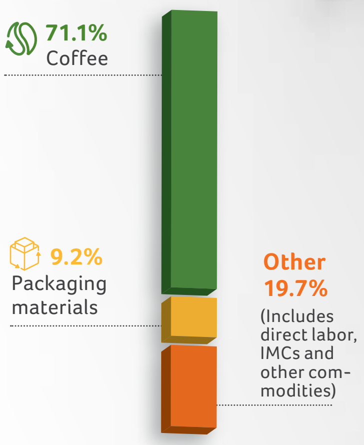
ENVIRONMENT

Reduction rates in terms of the use of resources:

-34.3%	Water
-26.8%	Energy
-35.3%	Total GHG emissions

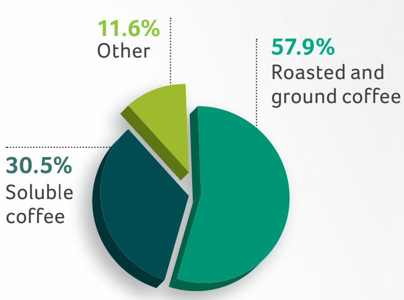
Accumulated rates in relation to the figures from 2010.

SUPPLIES AND OTHER

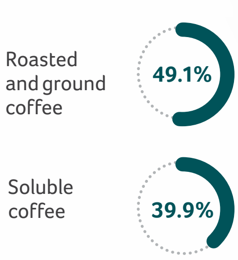


MAIN CATEGORIES

(% of total sales)



Market share in Colombia



New full 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.

Captions [GRI102-2]

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

OUTLOOK FOR 2020

Consolidating the acquisition of *Cameron's Coffee* and enhancing its growth in terms of both its brand and B2B capabilities.

Continue working on the development of our general brand in strategic coun-tries based on our brands, talent and local distribution capabilities.

Maintaining our strategic sourcing capabilities in terms of global presence and competitiveness.

BUSINESS VISION

We will focus our efforts on three growth drivers: *one, the dynamization of the coffee category in Colombia; two, the development of our brands outside Colombia; and three, the collaboration with large-scale companies for us to be the best ally in the creation of coffee beverages and the like. We will support our growth on highly productive and efficient operating and distribution platforms managed by the best human talent.*

Miguel Moreno Múnera
Coffee Business, Grupo Nutresa

TRESMONTES LUCCHETTI

Sales COP thousand million

Total sales

4.8%	1.7%	-0.3%	% de crecimiento
1,042	995	978	
2019	2018	2017	

3.2% CAGR

Tresmontes Lucchetti represents 10.5% of Grupo Nutresa's total sales.

Sales abroad
USD million

-5.8%	1.8%	3.0%	% of growth
318	338	332	
2019	2018	2017	

-2.1% CAGR

Sales abroad represent 100% of the Business's total sales.

EBITDA COP thousand million

% of growth	9.7%	1.8%	31.9%
	142	129	127
	2019	2018	2017
Margin	13.6%	13.0%	13.0%

5.7% CAGR

Tresmontes Lucchetti represents 10.5% of Grupo Nutresa's EBITDA.

PRESIDENT

Justo García Gamboa

57 years old / **Part of Grupo Nutresa since 2013**

We unified Tresmontes Lucchetti's and Nutresa Mexico operations, thus achieving operational savings for USD 1 million, the establishment of a standardized culture, the consolidation of processes and structures, and the integration of the SAP system.

We created differentiated value propositions in the snacks category for the traditional channel in terms of product formats and packaging, with a 10% revenue increase in Chile.

The Business launched its *Zuko Sábila* (aloe) product in Mexico with the aim of boosting the beverage category and responding to a highly competitive business environment.

We broadened the presence of our *Kryzpo* stackable chips products in the strategic region, now reaching Colombia, Costa Rica, Ecuador, Honduras and Panama.

We enhanced the traditional and direct distribution channels in Chile jointly with regional customers with the aim of balancing the importance of other channels.

The Business entered the dried fruits category in Chile with its Granuts brand.

The Business consolidated in a transversally manner the adoption and maturing process of the sales and operations planning model, decreasing the inventory rotation by three days over the year.

We promoted the growth and leadership of the instant cold beverage category through innovations in our carbon-neutral instant juice products by replacing artificial colors with natural colors in all the products from the *Zuko* and *Livean* lines in Chile.

The Business continued working on its durum wheat sustainable development program jointly with public-sector allies, thus fostering the growth of small farmers.

EMPLOYEES

100% Abroad

4,401
TOTAL
(Direct employees, third-party employees and apprentices)

43.5% Women
56.5% Men
(Direct employees and apprentices)

SUPPLIES AND OTHER

28.2% Packaging materials
10.2% Wheat
2.9% Coffee
2.2% Sugar
1.1% Oils and fats
Other 55.4% (Includes direct labor, IMCs and other commodities)

Growth ↑ 55.0% in the Food Service-Industrial channel in Chile.

We enhanced the value proposition of our *Gold* coffee brand by consolidating its product line with the following results:

+12%*	Premier granulated coffee
+18%*	Ground coffee

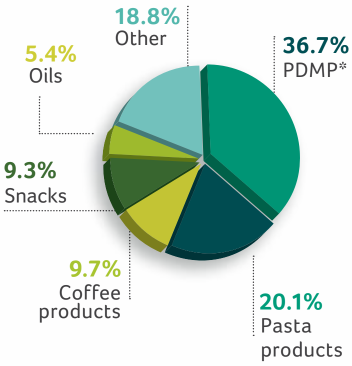
* Of revenue in Chile.

MUIBON

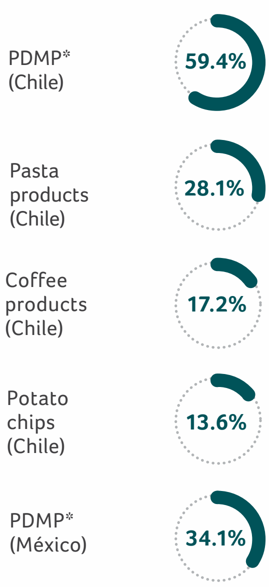
We consolidated the entry into the chocolates market in Chile with our *Muibon* brand, thus achieving an ↑ 8% increase in revenue.

MAIN CATEGORIES

(% of total sales)



Market share



New full 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.

*Powdered drink mix products

Captions [GRI102-2]

Presence of our main brands

% of the Business's sales

Number of production plants

Brands with sales over USD 50 million

OUTLOOK FOR 2020

Maintaining our leadership in the powdered drink mix category, promoting growth with innovative proposals for both customers and consumers in Chile and Mexico.

Boosting our innovative offer in categories such as coffee and snacks to ensure a sustained growth in Chile.

Strengthening the categories of dehydrated, dessert and pastry products, and milk modifiers, which represent potential growth for the Business in Chile.

Continue working on the development process of channels and customers in Chile and Mexico that contribute to the balance and diversification of both revenue and profitability regarding regional customers, shops, stores and the food service channel.

BUSINESS VISION

***Strengthening our actions as a multi-category Business** with strong and diversified brands and market entry capabilities, based on a high-performance human talent team focused on outstanding sustainability practices.*

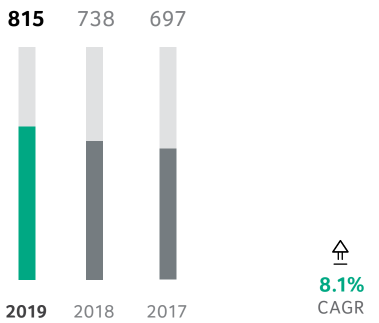
Justo García Gamboa
Tresmontes Lucchetti

RETAIL FOOD BUSINESS

Sales COP thousand million

Total sales

% of growth	10.4%	5.8%	6.1%

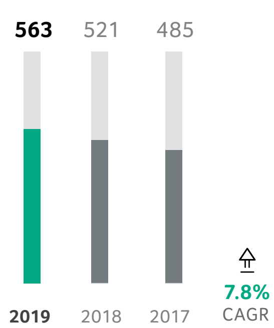


The Retail Food Business represents

of Grupo Nutresa's total sales.

Sales in Colombia

% of growth	8.0%	7.6%	8.7%



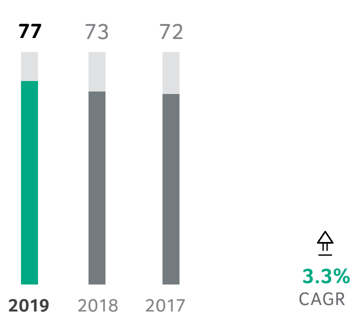
Sales in Colombia represent

of the Business's total sales.

Sales abroad

USD million

% of growth	4.8%	1.8%	4.0%



Sales abroad represent

of the Business's total sales.

PRESIDENT

Juan Chusán Andrade

55 years old / **Part of Grupo Nutresa since 2013**

We improved the experience in our points of sale by relocating or renovating our shops for El Corral, Leños & Carbón and Papa John's in Colombia, and our Bon and Pops ice cream shops in Central America.

The Business maintained its productivity by achieving adequate operating costs and enhancing the scale of its businesses.

We created the *Burger Bar by El Corral*, an innovation-kitchen gastronomic concept that allows testing different products and technologies, and offering new experiences to our consumers.

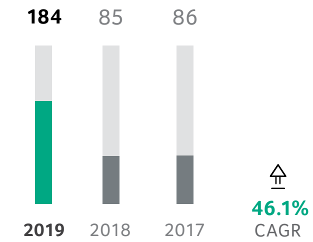
The Business executed negotiation and sourcing processes with its suppliers to boost the competitiveness and scale of our operations.

We enhanced our engagement with multiple service aggregators (third-party delivery service providers) to reach consumers through the use of these new platforms.

The Business designed eco-design strategies for its packaging solutions and migrated to environmentally friendlier materials.

EBITDA COP thousand million

% of growth	115.7%	-1.1%	-8.5%

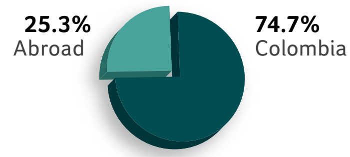


Margin	22.6%	11.6%	12.4%

The Retail Food Business represents

of Grupo Nutresa's EBITDA.

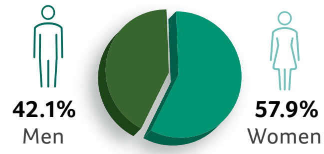
EMPLOYEES



7,370

TOTAL

(Direct employees, third-party employees and apprentices)



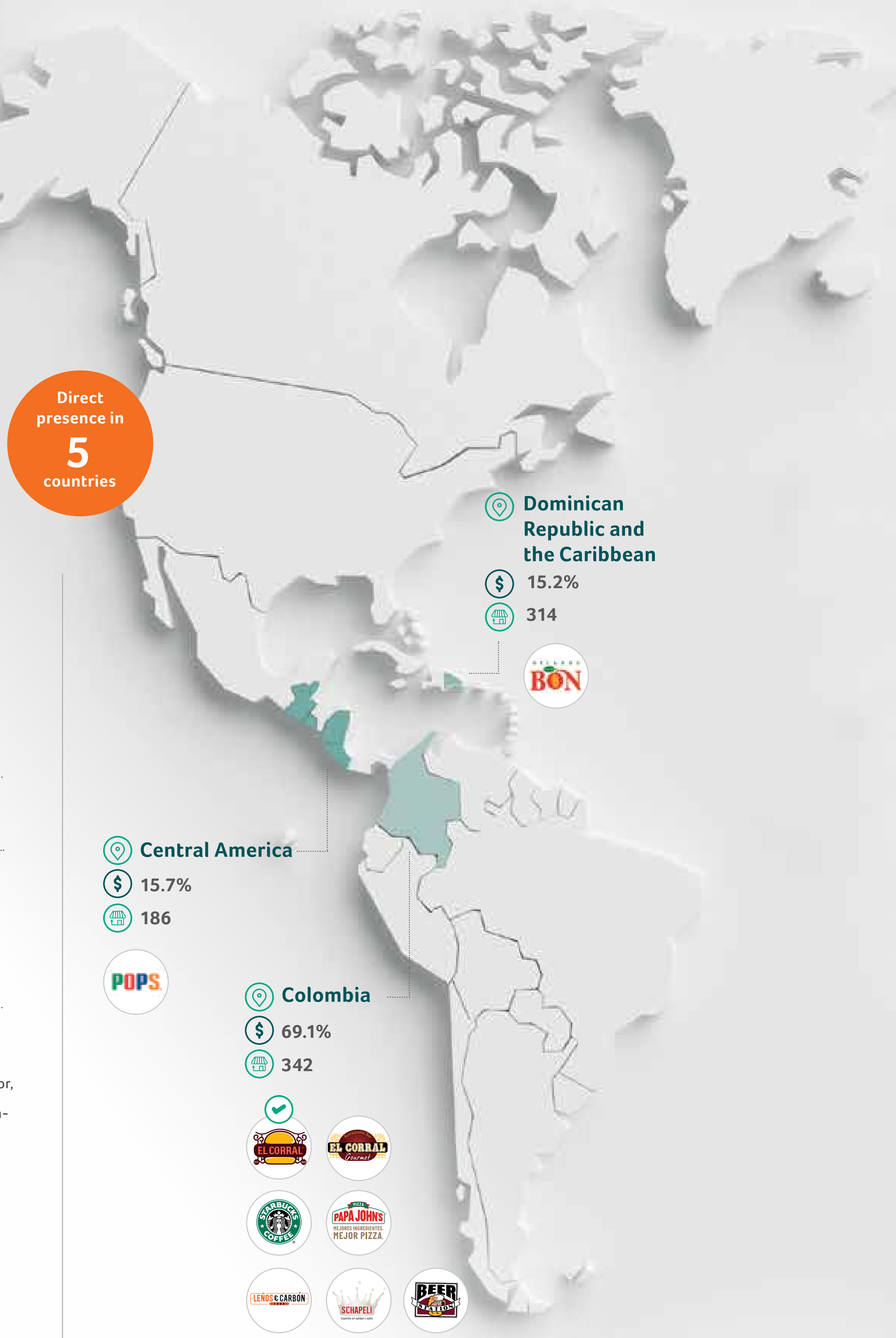
(Direct employees and apprentices)

SOCIAL COMMITMENT

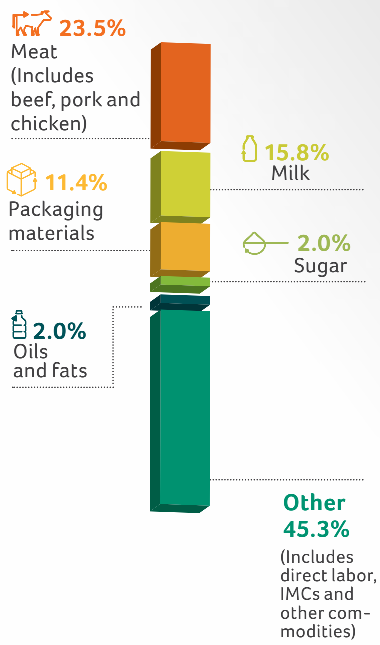
1,200 hours of social volunteer work in Costa Rica.

58 employees with disabilities hired in Colombia through alliances with *Best Buddies*.

82% of the employees participated in volunteer activities in the Dominican Republic.



SUPPLIES AND OTHER



#1

In the hamburgers and steakhouse categories in Colombia.

In ice cream shops in Costa Rica and the Dominican Republic.

Captions [GRI102-2]

Presence of our main brands

% of the Business's sales

Number of points of sale

Brands with sales over USD 50 million

OUTLOOK FOR 2020

Developing the international market focusing on the Caribbean, broadening the experience in the Bon ice cream shops with new products for different times of the day and continue optimizing the sales processes at Pops.

Consolidating the business strategy in its three dimensions: people, 360 vision and new technologies. This will enable the Business to tackle challenges such as: single-use packaging materials, high rotation, volatility in the cost of supplies and the highly competitive business environment.

BUSINESS VISION

Continue leading the consumer preference field in the market through better experiences in our restaurants. *This objective will be fulfilled based on management work performed by a team deeply committed to service and operational excellence and by contributing to Grupo Nutresa's sustainable goals.*

Juan Chusán Andrade
Retail Food Business

ICE CREAM BUSINESS
grupo nutresa

Sales COP thousand million

Total sales

% of growth	7.0%	4.9%	-3.0%
	476	444	423
	2019	2018	2017

6.0% CAGR

The Ice Cream Business represents 4.8% of Grupo Nutresa's total sales.

Sales in Colombia

% of growth	7.0%	4.9%	-3.0%
	476	444	423
	2019	2018	2017
Price	4.0%	0.7%	6.6%
Volume	3.0%	4.2%	-8.9%

6.0% CAGR

Sales in Colombia represent 100% of the Business's total sales.

PRESIDENT

Mario Alberto Niño Torres

53 years old / **Part of Grupo Nutresa since 2006**

The EBITDA margin improvement was attained thanks to the productivity projects that achieved higher efficiency levels in the business key processes.

The Business optimized its amount of brands, thus achieving a higher efficiency in its investments in advertising and increases in its results.

We renovated the image of our *Crem Helado* brand with a differentiated value proposition for the market.

The Business improved its processes with the aim of better understanding both consumers and customers in order to accomplish a higher level of effectiveness in terms of its results.

We made significant progress in bridging sustainability gaps.

The Business renovated and launched its "Somos" cultural model, thus fostering teamwork and the sense of organizational identity, and enhancing the training level of our employees.

We worked on innovating our processes, channels and products to become increasingly agile regarding the market entry capabilities of our portfolio.

EBITDA COP thousand million

% of growth	25.0%	27.9%	-20.7%
	68	54	42
	2019	2018	2017
Margin	14.2%	12.2%	10.0%

26.5% CAGR

The Ice Cream Business represents 5.0% of Grupo Nutresa's EBITDA.

EMPLOYEES

100% Colombia

2,340
TOTAL
(Direct employees, third-party employees and apprentices)

28.2% Women
71.8% Men
(Direct employees and apprentices)

SUPPLIES AND OTHER

22.0% Milk

15.2% Packaging materials

5.9% Sugar

4.3% Oils and fats

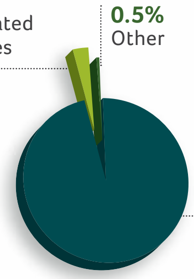
Other 52.6%
(Includes direct labor, IMCs and other commodities)

#1

in market share in Colombia.

MAIN CATEGORIES

(% of total sales)



Captions [GRI102-2]

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

OUTLOOK FOR 2020

Maintaining innovation models for products, processes and business models that make contributions as layers additional to growth and profitability.

Identifying and implementing productivity models that support the business profitability.

Continue working on bridging gaps with a superior performance regarding sustainable practices in the industry.

Strengthening the "Somos" culture strategy with well-defined processes and a solid cultural model for our Organization.

Positioning innovation and new technologies as drivers of a continued transformation for our business.

BUSINESS VISION

We will strive to achieve a profitable growth based on innovation, *technology incorporation and management, and the development of new distribution channels that will allow us to maintain our leadership and improve our share in markets where we have found expansion possibilities.*

Mario Alberto Niño Torres
Ice Cream Business, Grupo Nutresa

PASTAS BUSINESS
grupo nutresa

Sales COP thousand million

Total sales

% of growth	13.6%	2.9%	2.4%
	343	302	294
	2019	2018	2017

8.1% CAGR

The Pastas Business represents 3.4% of Grupo Nutresa's total sales.

Sales in Colombia

% of growth	13.5%	2.4%	2.3%
	340	300	293
	2019	2018	2017

7.8% CAGR

Price	3.0%	1.6%	0.8%
Volume	10.2%	0.7%	1.5%

Sales in Colombia represent 99.2% of the Business's total sales.

ENVIRONMENT

We reused 100% of the wastewater at the Mosquera production plant.

Water consumption reduction: -35.1%

PRESIDENT

Fabián Andrés Restrepo Zambrano

45 years old / **Part of Grupo Nutresa since 1996**

The Business achieved a significantly positive evolution in its results by managing challenges associated with devaluation and road and maritime logistics circumstances.

We achieved two-digit growth in sales (13.6%), increasing our market share and strengthening the positioning and capital of our Business's brands.

The Business improved the profitability of its brands by being efficient and productive in its investment, increasing its sales volumes, managing its expenses and generating value-per-kilo growth.

We focused our capital investments on enhancing the efficiency of our production plants, thus obtaining a higher level of productivity as a result.

The Business enhanced the capabilities of its people within the framework of diversity and sustainable development, underscoring innovation, the creation of memorable experiences, collaborative work and adaptability.

We managed our Imagix Model based on an innovative culture and on a portfolio of projects focused on new products, services and processes. In addition, we made great progress in initiatives that contribute to our sustainability.

EBITDA COP thousand million

% of growth	32.7%	12.3%	11.5%
	43	33	29
	2019	2018	2017
Margin	12.6%	10.8%	10.0%

22.0% CAGR

The Pastas Business represents 3.2% of Grupo Nutresa's EBITDA.

EMPLOYEES

100% Colombia

684
TOTAL
(Direct employees, third-party employees and apprentices)

28.8% Women

71.2% Men

(Direct employees and apprentices)

SUPPLIES AND OTHER

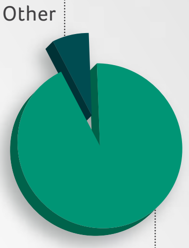
65.7% Wheat

Other 23.2% (Includes direct labor, IMCs and other commodities)

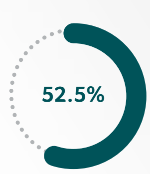
11.1% Packaging materials

Direct presence in
1
country

MAIN CATEGORIES
(% of total sales)



Market share in Colombia



New full 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.

Other countries
0.8%

Captions [GRI102-2]

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

OUTLOOK FOR 2020

Maintaining the optimization of the costs of commodities in their multiple components to fulfill the value promise for our customers and consumers.

Continue generating value and growth for the Business, strengthening the brands' higher purpose through differentiated and sustainable value propositions, relevant innovation and growth in the international markets.

Making progress in the comprehensive development of our people, enhancing the Nutresa talents and fostering a diverse and inclusive culture with the aim of strengthening the capabilities of the Business.

Leveraging the capital investments on continued contributions of productivity and profitability to the Business.

Managing the digital transformation by adequately incorporating and internalizing technologies based on a culture of adaptability and flexibility.

BUSINESS VISION

Consolidating our leadership in the pasta business and our development of new categories focused on health and nutrition *based on new capabilities, adaptive leadership and innovation.*

Fabián Andrés Restrepo Zambrano
Pastas Business, Grupo Nutresa

CROSS-ORGANIZATIONALUNITS

grupo nutresa

DRY COMMERCIAL NETWORKS

Customer satisfaction level in 2019

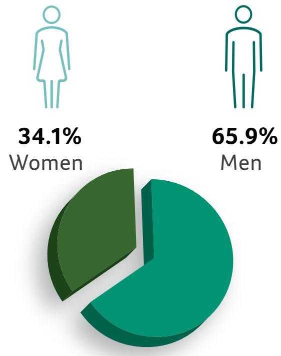
Customer loyalty level in 2019

*Loyalty and satisfaction measurements are performed every two years.

EMPLOYEES

Comercial nutresa	4,554
Novaventa	1,712
La Receta soluciones gastronómicas integradas	292
Atlantic	436

6,994
TOTAL
(Direct employees, third-party employees and apprentices)



(Direct employees and apprentices)

PRESIDENT
Juan Fernando Castañeda Prada
52 years old / **Part of Grupo Nutresa since 2011**

The Organization acquired a 51% interest in Atlantic Food Service, a company specialized in the commercialization of products in the institutional or food service channel in Colombia.

We maintained the dynamism of our brands in the traditional channel with a 4.6% increase in value.

The Organization kept its expenditure under the sales growth, contributing to the business productivity and efficiency thanks to the evolution of the commercial model and the optimization of the structure.

We reduced the CO2 emissions from our distribution fleet by 35%. This was possible due to the efficient-driving efforts among the directly operated vehicles and to the adequate management of the vehicle fleet maintenance activities.

We incorporated the first electric vehicle with a capacity of 4.5 tons and three natural gas-powered cargo vehicles. Additionally, we replaced 24 cargo machinery units and used electric tricycles for delivery activities with a lesser environmental impact.

The Novaventa network closed the year with a total of 192,666 individual entrepreneurs, enabling direct access to almost four million Colombian consumers.

We implemented a pilot program of commercial agents with exclusive dedication, which allows focusing the Organization's efforts and a higher level of specialization in the topics associated with the segment.

OUTLOOK FOR 2020

Supporting the transformation of the market by maintaining the best value proposition for our customers, along with a better coverage and a higher level of efficiency.

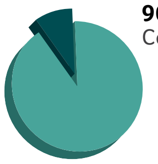
Incorporating Atlantic Food Service's product portfolio to Grupo Nutresa's commercial ecosystem.

Raising the portfolio efficiency by optimizing the number of product references and improving the value offer for each one of the segments according to the brands and networks management model.

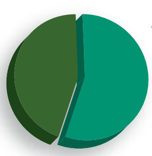
Maintaining the best environmental practices to keep contributing to the reduction of CO_2 emissions by incorporating more electric vehicles, ensuring the continuity of our efficient driving plans and adequately managing our maintenance plans.

SERVICIOS NUTRESA

EMPLOYEES



945
TOTAL
(Direct employees, third-party employees and apprentices from Colombia and Costa Rica)



(Direct employees and apprentices)

Workplace climate, commitment and satisfaction rating

Colombia	**89.0%**
Abroad	**90.0%**

According to the last measurement performed in 2018.

Savings evolution

2017 **COP 86.2 billion**

2018 **COP 86.4 billion**

2019 **COP 88.9 billion**

From the efficiency achieved in negotiations and sourcing processes, COP 59.01 billion of which correspond to savings in Colombia and USD 9.9 million to our platforms abroad.

PRESIDENT

Sol Beatriz Arango Mesa

58 years old / **Part of Grupo Nutresa since 1992**

Servicios Nutresa developed new services that contribute to Grupo Nutresa's competitiveness. The exploration and adoption of new technologies, the adaptive leadership training and the foreign trade and external manufacturing services are some notable examples of such new services.

Servicios Nutresa fulfilled the planned value proposition regarding competitiveness and productivity, maintaining the cost-to-serve in the operations in Colombia, Costa Rica and the procurement office in Shanghai, China.

Servicios Nutresa supported the acquisition process of both *Cameron's Coffee* and *Atlantic Food Service*, as well as multiple alliances and entrepreneurship projects with the objective of facilitating their growth and connection with the rest of the Organization.

We started the project that consists in the adoption of digital tools for negotiation and contracting with the purpose of harnessing efficiency and seizing opportunities for the entire Organization.

Servicios Nutresa adopted a risk and trend management model as input for the formulation of the forward planning actions and the corporate strategy.

We made progress in the use of agile methodologies, mass learning of new technologies and adjustment of the structures that facilitate both mobility and collaboration. Additionally, 14 work teams were formed with the aim of fostering the adoption of these new capabilities.

We developed practices focused on strengthening women's leadership and *Servicios Nutresa* was ranked 1st in Aequales's gender equality par ranking in the Colombian state of Antioquia.

We consolidated our *Servicios Nutresa School* by enhancing the sustainability management capabilities among both employees and contractors. Additionally, we provided training for more than 13,900 employees and leaders in topics related to sustainability and Human Rights.

Significant progress was made in terms of circular economy with the support provided to the Businesses in the formulation of eco-design criteria with the aim of producing recyclable, reusable or compostable packaging solutions.

We implemented 22 cases of use of new technologies focused on RPA, exoskeletons, blockchain, artificial intelligence, internet of things, virtual and augmented reality, advanced analytics and 3D printing.

We consolidated alliances and agreements with agents from the innovation ecosystem in order to accelerate the implementation of projects related to new technologies.

OUTLOOK FOR 2020

Consolidating and developing new services centered on the productivity and competitiveness needs of our customers while broadening our scope at a worldwide scale.

Promoting the adoption and use of new technologies for the optimization of processes that enhance our customers' physical and digital experiences.

Supporting the digital transformation of all the Businesses, as well as the use of agile, flexible and collaborative work models.

Continue fostering an adequate risk management and the integrity-based behavior of the employees to ensure the continuity and sustainability of the business.

Strengthening the co-creation processes and the strategic alliances to boost innovation and project implementation.

VISION OF *REDES COMERCIALES SECAS*

***Continue being the strongest food distribution network in Colombia** and working on maximizing our market entry by focusing on maintaining the best value proposition for each one of the segments we serve. We will maintain our commitment to competitiveness, making significant contributions to the improvement of the cost-to-serve, with a highly qualified and committed team.*

Juan Fernando Castañeda Prada
Dry Commercial Networks

VISION OF *SERVICIOS NUTRESA*

***We will consolidate an agile and flexible model of shared services** managed by a talented team that facilitates the processes of research, development and innovation and that contributes to the transformation of the sourcing models based on sustainable practices throughout the value chain with the purpose of enhancing the competitiveness of our customers.*

Sol Beatriz Arango Mesa
Servicios Nutresa

Lado B, Cruda: 17
Carne Lado A

FOSTERING PROFITABLE GROWTH AND EFFECTIVE INNOVATION

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

Profitably developing strategic markets with brands, distribution networks and value propositions that deliver memorable and differentiated experiences fulfilling consumer, shopper and clients' need states, motivations and purposes in life.

Grupo Nutresa's Brands and Networks Management Model allows a unified alignment and vision in order for a broad brand and product portfolio can be managed in different geographies, thus improving people's quality of life and well-being.

Promoting a market based organization by transversalizing knowledge, development and strengthening organizational capabilities that reinforce models and practices throughout the region.

Commitment to the SDGs

The Company explores new distribution formats with digital solutions and new commercialization methods such as e-commerce.

STRATEGY AND PROGRESS 2019

Strategy [GRI 103-2]	Progress 2019 [GRI 103-3]
Strengthening brands' differentiated value propositions.	• **Update of in-depth** consumer segmentation knowledge and model which aim to strengthened main brands. • **Atlantic Food Services** acquisition, which specializes in food and beverage supply for hotels, restaurants and cafeterias. • **Improving** shopper experience based on Shopper marketing implementation. • **Adjustments** in price-benefit ratio, providing a positive impact on brand experience and profitability.
Managing brand, product and experiencies' portfolio according to markets' needs states.	• **Kibo brand** launch in Colombia and Kibo Foods in the U.S. with a sustainable nutrition proposal. • **Naturela's** natural and functional products and portfolio incorporation and its natural and functional products. • **Development** of the Trublu brand expanssion for the U.S., based on clean-label parameters including natural ingredients.
Strengthening commercial networks and clients' loyalty.	• **Delve into** understanding and developing management capabilities in terms of new clients. • **Novaventa's** ability to reach consumers directly by including cold product portfolio through direct purchase and experience locations. • **Experience** enhancement through a digital channel for La Recetta's institutional customers in Colombia.
Strengthening the internationalization model.	• **Portfolio consolidation** with presence in 47 countries and a 37,7% international sales share for Grupo Nutresa's total sales. • **Distribution strengthening** in the U.S. and migrating to a direct distribution model for Florida and the North East. • **Traditional channel distribution was Consolidated** in Central America with direct sales teams. • ***Cordillera*** brand launch in Central America, Peru, Ecuador and Mexico, *Granuts* brand in Chile and Brazil, chocolate tablet portfolio in Puerto Rico and Bénet brand in Guatemala.

Employees from the Chocolates Business in Rionegro, Colombia.

Grupo Nutresa continues developing brands with a global perspective that become references in terms of service, sustainability and agility.

RISKS AND OPPORTUNITIES

[GRI 103-1]

The main risks were encountered by the strategic region's countrie's juncture–which had an impact on commodities costs and volatility –, American dollar strengthening, changes in labeling regulations, marking and ingredients, also non-tariff barriers, which generate opportunities in markets with strong currencies. They are also associated with maintaining the value propositions productivity and profitability , leveraged on new information technologies use , strategic channel development and reinforcing brands across the entire region.

The Company observes a highly competitive environment, with proliferation of diverse brands (especially private brands), growth in hard discount channels and new distribution formats with digital solutions and new sales models such as e-commerce. Therefore, Grupo Nutresa is working on strengthening its brand and experience differentiation, capitalizing opportunities through price-value ratio, portfolio segmentation for clients, expanding cold products distribution, technifying processes and developing sustainable and customized products.

Lastly, changing consumption dynamics among different generations, associated with consumption, technological and sales trends, represent a challenge for disruptive innovation for brands and networks. This challenge makes understanding human needs and their their value added to their lives into pivotal aspects.

OUTLOOK

Grupo Nutresa will continue evolving its brands with a global perspective focusing on service, sustainability and agility, in solutions within the strategic region, strengthening brand's roles and positioning, boosting channels, categories and markets seizing new opportunities.

In addition, Grupo Nutresa will venture into new categories and territories with high nutritional value by using diverse commodities and raw materials, especially those of vegetable and sustainable origin. Moreover, existing information will be used in big data analyses that contribute to innovation processes within Grupo Nutresa.

Furthermore Grupo Nutresa will continue to develop and streghten productive capabilities, supplier optimization and processes that enable a greater cost-efficiency management , and focus on brand investments with greater profit growth and that give a better response to the needs of both consumers and shoppers. Finally, the Organization will continue developing B2B, hard discount and digital distribution networks, among other specialized networks with the purpose of addressing the omnichannel and multichannel trends.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Galletas Pozuelo production plant in Costa Rica.

In Costa Rica, Pozuelo successfully launched Rondelas, Nevadas and Comodoros for its 100th anniversary celebration. Pozuelo was recognized as the country´s third favorite brand, according to Kantar World Panel. Additionally, Grupo Nutresa received the Effie Award in the food, desserts and snacks category as well as its “Quiero Creer” (I want to believe) campaign.

La Bastilla, has been in the market for 100 years and as part of its anniversary celebration it renewed the *Urban Passageway* (with the same name) located in downtown Medellín, Colombia, in partnership with the municipal administration.

Matiz was included in the Monde Selection Awards’ Gold category for its *Instantáneo Ultrafino* (ultra-fine instant) product, and Silver category for its *Ámbar* and *Escarlata* product references.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Marketer at a point of sale in Barranquilla, Colombia.

Cordillera received a packaging design award for creating an emotional connection with shoppers, according to the *Graphic Design* magazine.

Saltín Noel received a first-place award from Google and P&M for the most creative ad.

Tutto was awarded with an Effie, for the fifth year in a row, in *Éxito sostenido con el mejor desempeño de anunciante* (Sustained success with top performance by an advertiser) category.

Jumbo Bites' advertisement l was ranked first in Colombia Leaderboard by YouTube.

Hamburguesas El Corral was recognized, among 100 companies, as second most welcoming business in Colombia, according to *La Barra* magazine ranking e .

Comercial Nutresa customer
Antioquia regional operation

PROGRESS 2019 [GRI 103-3]

Grupo Nutresa's Brand and Network Management Model

Mega-brands are aiming to create stronger emotional connections with consumers, based on Brands and Networks Management Model implementation and capitalizing opportunities . Mega-brands exceed USD 50 million in sales, relevant opportunities in terms of consumer segmentation, strong value proposals for clients , shopper understanding, experience and product portfolio management, strategic analysis of the price management , as well as the strategic investment in media.

Consumer segmentation enables brand opportunities to be capitalized in multiple innovations in different categories, like vegetable proteins and snacks, quinoa and functional foods. This effort has shown significant innovation share growth and more nutritious and sustainable experiences.

By understanding consumers and clients with shopper realities, brands implemented new strategies in stores and other sale models, as those collected in *Mundos del Shopper* (Shopper Worlds) project in order to achieve greater positive impact, better sales performance and purchase process.

Brands continue working on their purpose and role following market expectations to optimize portfolios and specialize toward high nutritional, wellness and enjoyment claims. Following are some of the most outstanding cases:

The Organization works on furthering the cross-sectional approach to the commercial management capabilities in different segments, and in the strengthening of the customer experience that connects the brands with the consumers and shoppers.

- **Functional food:** Nutritional and wellness claims endorse Bénet and Naturela, with a product portfolio that contain sustainable nutrients essential for an optimal performance.
- **Nutritious and healthy food:** Doria launched quinoa, coherent with its sustainable nutrition concept. Monticello enters new categories such as olive oil, aged cold cuts, risotto, sauces and jarred food; Kibo enters pasta and vegetable protein categories. Finally, Pietran consolidates vegetable protein portfolio.
- **Beverages:** *Colcafé Chai* Latte and *Café La Bastilla* Campo started using coffee beans in their entirety. Chocolisto Crocante (crunchy) and Chocolisto 100 grams products were relaunched in Colombian and Ecuadorian traditional channel. Corona Delicatto was launched and strengthen automatic hot chocolate pots use (home appliances) dynamizing the beverage category.
- **Nutritious and healthy snacks:** Grupo Nutresa launched Kibo in Colombia and the U.S., and jelly products by Diversa brand as forward-looking actions to capitalize market trends and opportunities. Additionally, Kryzpo's stackable potato chips were included in the Ecuadorian and Colombian markets.
- **Candy products:** New Burbujet Cookies & Cream product line launch.
- **Physical experiences:** it is worth highlighting the *Burger Bar by El Corral* case, a new gastronomic concept that will allow guests to live memorable experiences. Matiz opened three experience locations and Ducales implemented *La Ducalería*, a strategy focused on starting from an offline experience merging onto online. Additionally,the *Bon ice* cream shops experience was expanded, by including coffee and pastry products in Central America.

Grupo Nutresa aims to develop sales management capabilities with clients in different segments looking to strengthen client experiences that favors connections between brands and shoppers and consumers, also updating and maintaining leadership in distribution models. Segments with greater expansion opportunities were also identified, without neglecting support and development of less dynamic segments.

For distribution networks, value proposition design is prevailing methodology in order to formalize and strengthen relationships with clients, ensuring alignment between segments' strategy and sales operation. As part of the point-of-sale management work, Grupo Nutresa has found in commercial assets a vehicle for growth boosting and improving consumer experience for several categories.

New brand and network management capabilities

Advanced analytics tools based on available communication data contributed to brands' return on investment and generated a greater efficiency in communicational scope. It is worth highlighting creative digital media use such as social networks, YouTube platform, collaborations with influencers, among other strategies implemented brands through media planning. The following are two examples: *Tosh* made notable efforts in terms of advertising innovation and sustainability. *Zenú* achieved a stronger brand position as diverse food category brand by commu-

Employee from the Biscuits Business
in Medellín, Colombia.

nicating moments, categories and locations, integrated into its portfolio options.

Grupo Nutresa acquired Atlantic Food Services company, which specializes in supplying hotels, restaurants and cafeterias and with a main course ingredients' portfolio such as shellfish, fish, beef, pork and other supplementary products. This acquisition contributes channel, diversification businesses' complementarity and market leadership.

Internationalization Model

Grupo Nutresa continues working on strengthening and consolidating its brands throughout the strategic region, as well as adapting its portfolios to the international markets' needs. The following are some of the main achievements in this regard:

- In Central America, Tosh consolidated its portfolio in the healthy and nutritious snacks, cereals and infusions (herbal tea products) category , and entered the Florida, New York and Maryland markets in the U.S. with biscuits.
- *Festival* strengthened its portfolio through innovations, diverse formats and promotions throughout the region.
- In Chile, consumer segmentation model was run, including shopper variables. Progress was also made in the channel diversification process.

Commodity volatility management

The efficient management of commodities was a decisive factor throughout the year. Future coverages were made by using favorable opportunity advantages and ensuring varieties at fixed prices with deliveries scheduled until the second half of 2020. In addition, Grupo Nutresa maintains its Inventory Policy aiming towards effective purchases. With regard to meat raw materials, the Company's own pork production has been increased in order to mitigate the risk associated with international prices rising.

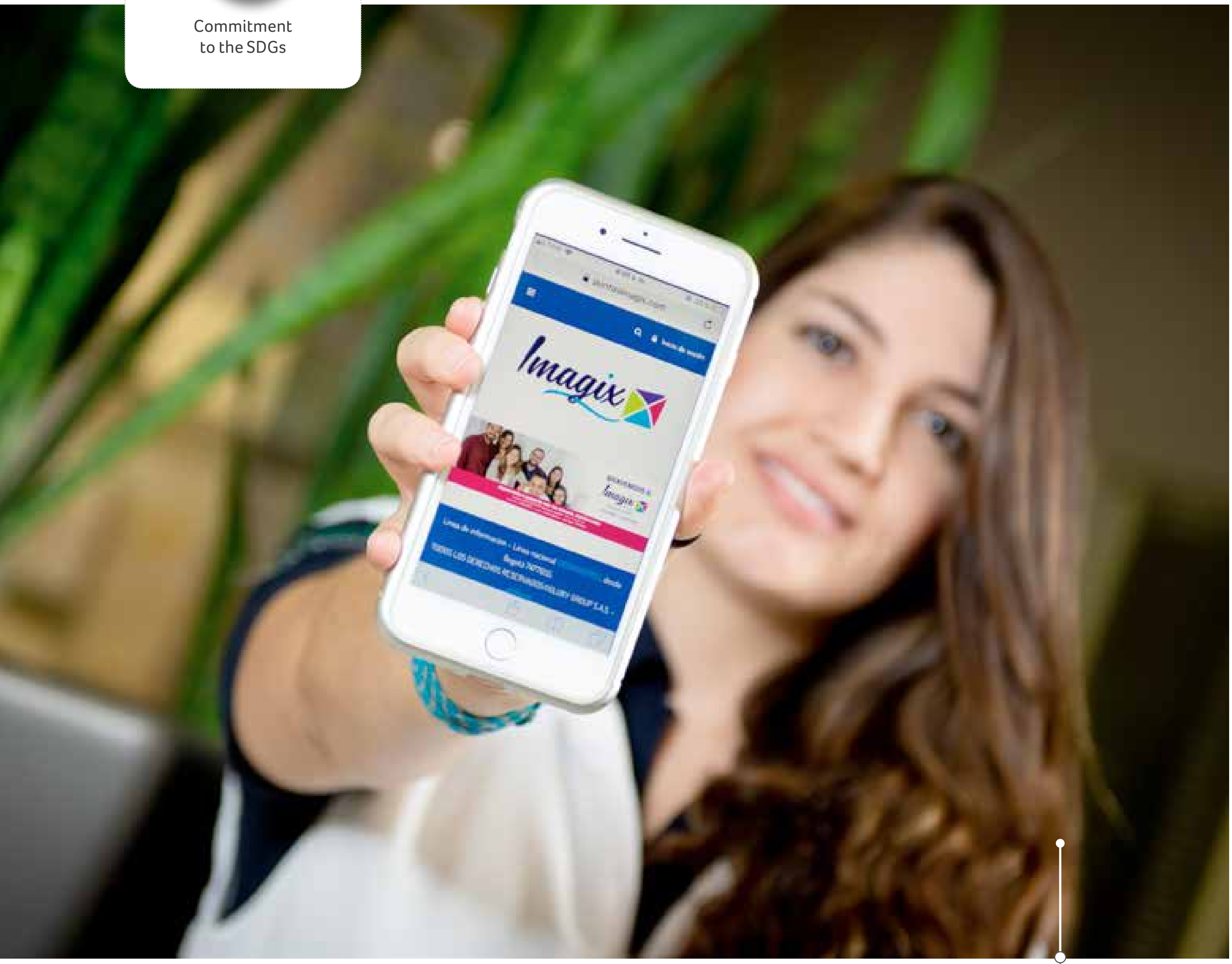
Direct economic value generated and distributed [GRI 201-1]

(COP million)	2016	2017	2018	2019
Revenue from net sales	8.676.640	8.695.604	9.016.066	**9.958.851**
Revenue from financial investments	61.527	68.327	74.308	**83.810**
Revenue from sales of property, plant, and equipment	917	17.804	28.640	**11.576**
Direct economic value generated	8.739.084	8.781.735	9.119.014	**10.054.237**
Operating expenses	6.106.637	5.942.715	6.342.582	**6.868.916**
Salaries	820.042	867.952	940.571	**1.004.756**
Social benefits	431.774	482.283	452.376	**500.013**
Dividends paid to shareholders	229.582	245.706	260.614	**281.596**
Interest payments to credit providers	250.289	259.085	198.915	**179.349**
Payments to the government	255.842	221.880	282.857	**331.243**
Community investments	55.273	62.367	70.972	**90.818**
Benefits	98.387	102.767	104.389	**106.225**
Direct economic value distributed	8.247.826	8.184.755	8.653.276	**9.362.916**
Economic value retained	491.258	596.980	465.738	**691.321**

EFFECTIVE INNOVATION

For Grupo Nutresa, innovation is a strategic driver that becomes the engine of growth and competitiveness for the achievement of results in the strategic region and the markets where the Organization operates. Innovation is based on the deep knowledge of customers, consumers and the construction of a long-term vision resulting from forward planning exercises, and, combined with a culture that enables processes of this nature, it materializes in products, services, processes and new business models that add value.

Commitment to the SDGs



Imagix Points redemption platform, Comercial Nutresa, Medellín, Colombia.

Strategy [GRI 103-2]	**Progress 2019** [GRI 103-3]
Implementing the innovation-focused strategy, and structuring the governability model.	• **Continuation** of the deployment of the Imagix model in the strategic region. • **Execution** of 3 strategic innovation workshops in all the businesses with the aim of identifying exponential growth opportunities. • **Design Thinking training** provided to executive teams in the Pastas and Ice Cream Businesses and in La Recetta. • **Identification** of strengths and gaps in terms of innovation that need to be addressed in the international platforms in 2020.
Strengthening the innovation programs: *Éxitos Innovadores* (Innovative Success Stories), *Prácticas Ejemplares* (Exemplary Practices), *Soluciones Innovadoras* (Innovative Solutions) and Out of the Box.	• **Re-launch** of the *Promotores de Innovación* (Innovation Promoters) Program in Colombia. • **Training** of 219 promoters with the purpose of strengthening the adoption of the Imagix Model. • **Reinforcement** of the Innovative Success Stories program through the transformation of the point redemption platform. • **Development** of the Innovative Solutions program pilot to increase the number of high-impact solutions both internally and in the ecosystem.
Building Grupo Nutresa's innovation project portfolio.	• **Formulation** of goals by type and definition of the scope of the projects for the innovation portfolio and their impact on the Business's growth.
Consolidating the knowledge management culture.	• **Strengthening of the knowledge management capabilities** in synergy communities, projects and key processes in order to promote a self-management culture. • **Delivery and application** of methodological and technological tools for the development of digital transformation capabilities among employees. • **Creation** of the learning hub for re-training activities and the development of the new technological capabilities required.
Discovering and making progress in the identification of new digital technologies and their contribution to innovation and productivity.	• **Exploration of new Industry 4.0 technologies** through experimentation and the creation of prototypes in the fields of exoskeletons, advanced analytics, robotic process automation (RPA), mixed reality technologies –virtual and augmented–, internet of things, artificial intelligence, 3D printing and blockchain.

The Company is aware of the fact that open innovation becomes particularly relevant in the process of attracting new capabilities and incorporating other technologies in the value chain.

RISKS AND OPPORTUNITIES

[GRI 103-1]

The rapid changes in the market, the transformation of the organizational culture and management, the development of expert capabilities, the creation of intra-entrepreneurship initiatives and the adoption of new technologies in the light of the digital transformation are factors that represent innovation risks and opportunities for the Organization.

To address these challenges, it is essential to strengthen the innovation culture, from the transformational leadership skills to the adoption of methodologies centered on the user and on the lean startup and agile culture concepts. Additionally, the development of expert capacities has been identified as a competitive advantage, which are necessary to boost intra-entrepreneurship processes, make the most of the ecosystem and build a portfolio of competitive projects adaptable to a changing market setting within a legislative and strategic framework that is constantly evolving. The Company is aware of the fact that open innovation becomes particularly relevant in the process of attracting new capabilities and incorporating other technologies in the value chain.

Finally, another major opportunity for the Organization to create value, both internally and for its customers and consumers, is to continue walking the digital transformation path in partnership with multiple actors from the innovation ecosystem and through the internalization of technologies such as: artificial intelligence/machine learning, robotics, blockchain, virtual reality/augmented reality, 3D printing, analytics and big data.

OUTLOOK

Two of the strategic goals the Company has established for 2020 are to have innovation-driven sales equivalent to 15% of the total sales and achieve 0,3 Innovative Success Stories per employee. The purpose of these goals is to timely take on the challenges posed by the setting, maintain Grupo Nutresa's leadership in the region and anticipate defying market situations.

The Organization will continue combining efforts to strengthen the comprehensive management of innovation and achieving an adequate balance of the project portfolio with regard to their scope –incremental, adjacent and disruptive projects– and types of innovation –related to products, processes and new business models–. An increased emphasis will be placed in the development of intra-entrepreneurship initiatives by training expert talent, monitoring projects up to the scaling and fast-track stages, and establishing and maintaining articulated relations with external agents that enable gaining speed and knowledge.

Conversely, the Company will continue strengthening its strategy that focuses on making the most out of its ecosystem by means of alliances, investments made through the Nutresa Ventures fund, and R&D+i collaborations, among other initiatives. The purpose of these actions is to enable the Organization to incorporate new capabilities, technologies, talent and knowledge in order to reinvent the business and create pathways for future growth and competitiveness according to the market trends and goals established based on forward planning.

Servicios Nutresa employee in Medellín, Colombia.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Innovative Success Stories acknowledgment in Tresmontes Lucchetti, Chile.

Innovation Award

Grupo Nutresa received the *Portafolio* Award 2019 in the Innovation category for its efforts in the consolidation of this capability as a strategic leverage for the achievement of positive results and fostering a culture that stimulates the design of new profitable growth pathways.

New *Tosh Artesanal* product line

Developed by the Chocolates and Biscuits Businesses with a unique variety of products in the biscuits, bars and cereals categories. *Tosh Artesanal* products are made with more natural and less processed ingredients, for those who are constantly looking for more natural food products.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Servicios Nutresa employees in Medellín, Colombia.

Exploration of new technologies

The Organization made progress in the implementation of its digital strategy through the exploration of 60 initiatives focused on:

- **Exoskeletons:** aimed at reducing the musculoskeletal risks among employees who perform activities related to lifting, holding or pushing considerably heavy elements.
- **Robotic process automation and robotic desktop automation (RPA/RDA):** with the purpose of increasing productivity, control and efficiency in backoffice processes.
- **Research, implementation and development of mixed reality technologies (virtual and augmented reality):** initiative applied to the training, induction and remote support processes.
- **Use of computer vision:** to support the quality processes in both production plants and points of sale, and to detect failures in the products' characteristics or attributes.
- **Utilization of virtual assistants (chatbots):** which contribute to the automation of the tasks related to the interaction with customers and employees.

PROGRESS ACHIEVED IN 2019

[GRI 103-3] [ODS 9.4]

Processes

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

Resources

- **0,54%** of the sales invested in innovation
- **Venture capital** fund for the development of one Out of the Box project.
- **272** people dedicated to R&D+i.

Imagix
Apasionados por la innovación

Culture

- **5.406** innovative success stories
- **427** innovation promoters
- **+500** people trained in innovation

Portfolio

- Balance of innovation portfolios in the short, medium and long term, and different disruption levels.
- Identification of the portfolio baseline for businesses and main innovation projects.
- Thirteen projects carried out through Innpulsa's Megai program.
- Sixty initiatives under the digital strategy focused on internalizing new technologies.
- Development of indicator board management tools.

Ecosystem

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

Imagix Promoters at Comercial Nutresa's headquarters in Medellín, Colombia.

STRATEGY

Implementation of the innovation strategy.
This strategy was consolidated in the businesses within the strategic region. Goals were established in order to achieve high-impact results, as well as follow-up and management mechanisms, with the aim of adjusting the actions according to the progress made.

Deployment of the Imagix Model.
Launch of the evolved version in the international platforms. In Colombia, the Organization promoted its adoption and implementation and worked on furthering each one of the axes. Additionally, Grupo Nutresa continued working on the plan that is aimed at bridging the gaps in terms of innovation capabilities identified in 2016, and the following results were obtained:

More than **500 employees** and leaders received training in innovation methodologies.

16 proofs of concept delivered at the end of the training activities on innovation-focused capabilities and leadership for innovation.

Re-launch of the **Innovation Promoters Program** in the Businesses in Colombia and several international platforms.

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

Innovation Promoters, Servicios Nutresa, Colombia.

CULTURE

Innovation indicators

Continuation of the indicator board pilot initiative in the Chocolates Business in Colombia, with the aim of measuring the impact and the management work based on the strategic goals. Tests were carried out and adjustment measures were established.

Leadership for innovation

Production and publication of ten episodes with interviews to the Businesses' Presidents and three with interviews to employees with the purpose of presenting different viewpoints on innovation, its objectives, practical implementation and the new skills developed. Additionally, five workshops with presidents, managers and master promoter supervisors were organized and held to address the topic of innovation-driven leadership.

Training for expert capabilities

More than 500 employees received training in multiple methodologies.

Innovation culture programs:

Innovation Promoters
This program intends to promote innovation in the Organization through employee training. In 2019, this program produced the following results in the fields of innovation-driven capabilities and leadership, design thinking and basic concepts and methodologies: 219 employees reached the promoter level, 47 the master level, 47 the expert level and 125 the pro level. In total, the initiative has produced 427 promoters in Colombia and some of the Businesses abroad.

Innovative Solutions
Open cross-organization participation program focused on overcoming Grupo Nutresa's strategic or tactical impact challenges. In 2019, 3 challenges were promoted, with 20 solutions and 22 participants, for a total of 61 challenges since being launched.

Innovative Success Stories
This program promotes the participation in the formulation and implementation of ideas for the continued improvement of the processes. Throughout the year, 5.406 Innovative Success Stories were achieved.

Exemplary Practices
Acknowledgment of management experiences and projects with outstanding results, which are also replicable in other businesses. The following five Exemplary Practices were acknowledged:

- Comercial Nutresa's "Retorno al Trabajo" (Return to work) Program.
- Increase of the drop size of shopkeepers in a sustainable way over time by means of two major drivers: packing and price rounding. This project was carried out by the Ice Cream Business.
- Recovery of coffee waste: use of 100% of coffee cherries with the aim of generating value and a positive impact in the Coffee Business´s sustainable development.
- Tutto: Chocolates Business's model focused on taking a local brand to the regional market, reinventing it.
- RPA technology internalization model: from exploration to the adoption of this project in Servicios Nutresa.

Capital fund for radical innovation projects with a high level of uncertainty, intended to create future growth opportunities. One of the projects from the previous edition is currently under development.

Employees from the Coffee Business in Bogotá, Colombia.

Research Awards:
This program promotes the research culture and the strengthening of the intellectual capital. It is led by the Vidarium Research Center and its ninth call for entries resulted in 14 projects that were evaluated by academic peers. In 2019, the following projects received the top 3 awards:

First place

Study on the effect of the addition of enzymes on the rheological properties of shake-type beverages and the shelf-life of wafer-type biscuits. This project was submitted by the **Biscuits Business.**

Second place:

i) Formation of nitrosomyoglobin during the mixing of a meat product: semi-physical phenomenologically-based model. This project was submitted by the Cold Cuts Business.
ii) Absolute effect of the risk factor of the occupational illness attributable to the population exposed in the production plant in Medellín. This project was submitted by the Biscuits Business.

Third place

Phenomenological model based on the prediction of structural changes during the chocolate conching process. This project was submitted by the Chocolates Business.

Innovation portfolio

Portfolio management

- Business-based goals were established to find the ideal balance of the innovation portfolio regarding horizons and types of innovation.
- Eight strategic challenges were solved in Costa Rica by using different methodologies.
- The Organization worked on strengthening the intra-entrepreneurship culture, which promotes an agile mentality for solving high-impact challenges.
- Thirteen projects were developed through **MEGA I**, a program led by Innpulsa.
- 16 proofs of concept were delivered for strategic challenges with the team of master promoters, seven of which are still in the incubation stage.
- 60 initiatives are being explored as part of the digital strategy, focusing on technologies such as exoskeletons, robotic process automation, mixed reality, computer vision and chatbots.

Ecosystem

Grupo Nutresa works in an articulated manner with actors from multiple contexts –universities, entrepreneurial undertakings, research centers, governmental bodies and suppliers– with the purpose of creating expert capabilities and resources that allow gaining speed, quality and competitiveness in the developments that are launched into the market.

Open Innovation

Execution of 40 initiatives focused on enabling an agile access to knowledge, methods, tools and valuable resources for the development of new products and processes. Through the Nutresa Ventures Fund, the Organization made investments and established connections with companies by means of technologies and proposals that will be significantly important for future developments.

Resources

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

COP 53,39 billion invested in R&D+i, which are equivalent to 0,54% of the Company's sales invested in innovation.

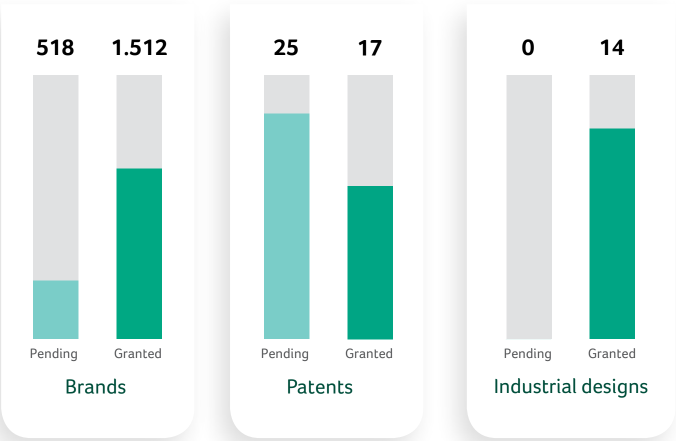
One ***Out of the Box*** project developed with the venture capital fund.

272 people dedicated to R&D+i in the Organization.

Processes

Intellectual property [ODS 9.4]. 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.

Brands, patents and industrial designs



Technological Surveillance

Technological surveillance processes and tools in the businesses that allow enhancing the innovation model through the timely delivery of diagnostics, conclusions and recommendations. Additionally, they guide the R&D+i processes, as well as those focused on the internalization and transfer of new technological capabilities throughout the Organization.

PROMOTING A HEALTHY LIFESTYLE

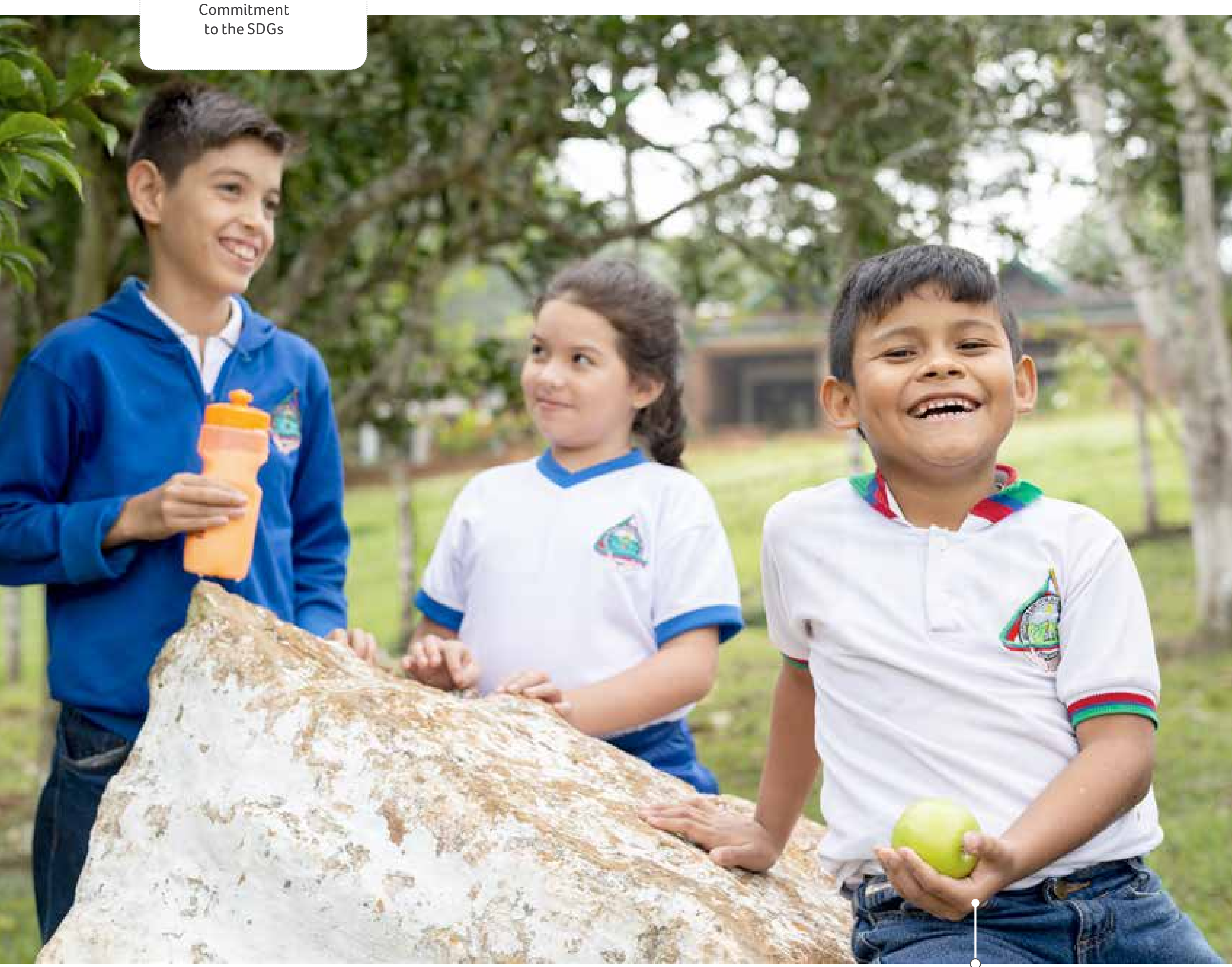

joy every moment and be
LEMON

NUTRITION, HEALTHY LIFESTYLE AND **RESPONSIBLE MARKETING**

Commitment to the SDGs

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

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



Students form the Julio Fernández Medina Education Institution in Valle del Cauca, Colombia.

Strategy [GRI 103-2]	**Progress achieved in 2019** [GRI 103-3]
Adjusting the nutritional profile of the products.	• **3.216 products** were adjusted to the Nutresa nutritional profile, surpassing the goal established for 2020 at 76 product references.
Implementing the front-panel nutritional label in all the products.	• **88,7%** of the portfolio complies with the front-panel labeling requirements.
Promoting healthy lifestyles.	• **Continuation** of the Healthy Organizations program in Colombia, benefiting 5.591 employees. • **More than 8.000 kids** in Colombia impacted through 21 Nutresa Quiere a los Niños (Nutresa cares for children) festivals held. • **48 educational institutions** and 6.031 students benefited in Colombia from the "Nutresa Quiere a los Niños" program, which promotes the adoption of healthy lifestyles. • **Implementation** of Grupo Nutresa's Healthy Lifestyles strategy in Mexican schools and communities through the obesity prevention program in partnership with the country's National Public Health Institute, the municipalities and the Guadalajara and the Jesuit Guadalajara Universities. As part of the Epidemiological Monitoring System that is part of the project, 27 schools and 4.290 students were assessed. • **Leadership** of the SDG2 Zero Hunger Working Group in Chile and implementation of the "Comuna Saludable" (Healthy Municipality) pilot program in Casablanca, with the purpose of promoting healthy lifestyles.
Reducing the nutrients of interest in public health.	• **41 product references** with reduced sodium content, 26 with reduced sugar content and 7 with reduced saturated fat content. The total number of products with reduced key component contents represents 23% of the sales.
Managing the advertising responsibly.	• **98,5%** of the advertising was adjusted to the self-regulation criteria with regard to kids under 12 years old.

Since 2012, Grupo Nutresa has had a nutritional policy based on five pillars: reformulation, new products, labeling, promotion of healthy lifestyles and advertising.

RISKS AND OPPORTUNITIES

[GRI 103-1]

The great tensions experienced by the food sector as consequences of the implementation of policies focused on slowing down the increase of obesity around the world create areas of opportunity for the development of new products and services for consumers. The tensions also entail the exposure to tax risks related to food composition and warning labeling that, if they do not include structured and permanent educational campaigns, may have a negative impact on the market.

Additionally, the regulatory dynamics differentiated by country demand flexibility and proactive behavior to maintain the leadership condition that distinguishes Grupo Nutresa. Thus, it is important to bear in mind that not only governments or major supranational bodies, such as the World Health Organization, send signals that must be addressed, as it is also the case of diverse civil society organizations that run campaigns to ensure consumers have access to clear and accurate information on food composition, fulfilling the function of raising awareness.

In this context, after observing the market trends and the new ingredient and product manufacturing technologies, Grupo Nutresa established its multiple strategies, which showcase the Organization's commitment to offering greater nutritional contributions, maintaining the highest quality standards and ensuring consumers' sensory preference in all its business units.

OUTLOOK

One of the main challenges facing Grupo Nutresa's Businesses is to offer healthy and sustainable proposals in terms of products and menus. Since 2012, the Organization has had a nutritional policy based on five pillars: reformulation, new products, labeling, promotion of healthy lifestyles and advertising. These pillars have been reinforced with long-term actions by means of cross-sectional brand projects with defined characteristics that offer better nutrition and contribute to maintaining adequate health conditions, as it is the case of Kibo, Bénet, Pietrán and Tosh.

The Retail Food Business offers menu options where ingredients can be replaced, such as the lettuce wrap, or consumers can opt for salads, for example. Thus, the visibility of these products has been raised in the restaurants' image with the appealing quality that is characteristic of this consumer moment.

The five-pillar strategies will be maintained and supplemented in Colombia with actions focused on the internalization of contents from the healthy lifestyles strategy through Fundación Nutresa's programs in the school communities. In addition, Grupo Nutresa will support the Ministry of Education in the nationwide communication and implementation strategy. Moreover, the Organization will continue implementing actions intended to fight child malnutrition through the *Alimentando Sueños* (Feeding Dreams) Alliance, in partnership with the companies that are members of the ANDI's Chamber of Food and the Colombian Food Bank Association (Abaco).

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Employees from Grupo Nutresa's center for scientific research on nourishment, health and nutrition in Medellín, Colombia.

Launch of the Kibo brand

This multi-business brand has a product portfolio that includes snacks and pasta, both being good sources of fiber, vegetable protein and textured soy protein. This development is a response to the new trends in healthy-conscious lifestyles, flexitarian diets and sustainable eating habits, which also contribute to the protection of the environment.

Launch of the Quinua Doria brand

Quinoa is a natural product that has a high nutritional value thanks to its vitamin, mineral and protein contents. The brand has a portfolio of three product references: grain, flakes and ground products, which allow creating all types of recipes and combinations. This ingredient is produced in the colombian department of Cauca by indigenous people and farmers who replace illegal crops with quinoa plantations as a new source of income that gives them security and peace of mind, and brings peaceful environments to the regions they live.

Sodium content reduction for the Kryzpo brand

Reduction ranging from 510-540 to 380 mg of sodium per 100 g of product in the snacks of the Kryzpo brand, thus complying with the Chilean Act on nutritional composition of food and its advertising. This effort has allowed the product (in its original and flavors varieties) to not be required to include the "High sodium content" nutritional descriptor or label as it complies with the limit established at 400 mg of sodium per each 100 g.

Grupo Nutresa strengthens the nutrition and wellness segment with the incorporation of Naturela, which includes products that contain sustainable nutrients essential for an optimal performance of the human organism.

PROGRESS ACHIEVED IN 2019
[GRI 103-3]

Product portfolio

The contribution to consumers' health and nutrition is one of Grupo Nutresa's permanent commitments. That is why the Organization strives in improving the consumers quality of life by means of products that meet their wellness, nutrition and delight needs. Consequently, the Company has implemented long-term strategies for the reformulation of its existing products, the launch of new products with nutritional and health-related values, the development of new categories (such as diet supplements) and the promotion of healthy lifestyles, thus addressing the concerns related to health conditions such as non-communicable diseases like diabetes and obesity. For this reason, the product portfolio offers a large number of alternatives with the aim of being present in the different consumer moments, from fully indulgent to aware and responsible eating.

The development of consumer offers incorporates the health considerations established in guiding documents in terms of diets and the promotion of healthy lifestyles by multiple official bodies such as the World Health Organization, the Pan American Health Organization, and the health ministries and secretariats from the countries where the Company operates. Additionally, the market trends that have sustainability and convenience inputs, among other, are also considered in the process.

An appropriate reading of these contexts enables progress toward new portfolios for increasingly aware consumers. Within this dynamics, the Organization launched products such as vegetable protein hamburger patties, pea flour pasta, vegetable-based snacks and products with cleaner labels, all of which were broadly accepted in the market.

Health and nutrition issues are being actively addressed by lawmaking and regulatory bodies, conditioning the license needed to operate in the processed food sector to the compliance with increasingly demanding requirements. One of the reasons for this is that, based on the evolution of the public health findings, new regulations emerge in relation to aspects such as labeling, taxes and restrictions in terms of advertising and operating areas. Most of the countries from the strategic region have this type of regulations in place or are discussing them and, as a member of the food sector, the Company actively participates in such discussions. The country-specific regulations have different dispositions, hindering the possibility to harmonize the supply chains and make them more efficient, but they do address their context-specific conditions.

Delivery of "Nutresa Quiere a los Niños" school kits in Ituango, Colombia.

Main progress made in health-related issues (Assessment of the health and safety impacts of product and service categories) [GRI 416-1] [ODS 2.1]

Cold Cuts Business

Meat byproducts

The Cold Cuts Business achieved a 62.7% level of adjustment of the nutritional profiles of its baseline portfolio product references. The yearly salt consumption was reduced by 15.29% and the sodium nitrite consumption was lowered by 13.24% in comparison with the amounts used in 2018.

TMLUC Business

All categories

- Launch of the snacks under the Granuts brand, dried fruit mixes in five presentations: salted peanuts, Japanese peanuts, fruit and yogurt, cranberry mix and nuts mix.
- Launch of Lucchetti pasta products enriched with five vitamins (A, B1, B2, B3, folic acid) and two minerals (iron and zinc) [three product items].
- Launch of the Zuko Atole product, a good source of vitamins (A, C, B1, B3, B6, B12, folic acid) and minerals (iron and zinc) in four different flavors (vanilla, cajeta, raspberry and chocolate) [four product items].
- Elimination of all the artificial color additives used in the instant beverages of the Zuko and Livean brands, replacing them with natural color additives such as turmeric, chlorophyll, black tea and anthocyanins.
- Launch of the Zuko Sábila (aloe) product, a sugar-free instant beverage with aloe vera, in different flavors (orange, lemon, Jamaica and original) [8 product items].
- Launch of the Livean coconut-lemon product, a sugar-free instant beverage with natural color additives and sweetened with Stevia.
- Adjustment to the sodium content in the Talliani ketchup with mushrooms with a 25,8% reduction.
- Reduction in the sugar and saturated fat contents of the home-made pastry products under the Van Cook brand, in its Chantilly, Chantilly light, Chantilly mocha, Chantilly lúcuma cream presentations.

Chocolates Business

Pastry

Replacement of artificial color additives with natural components across the entire Pícaras biscuits portfolio produced in Peru.

Cereals

- Launch of the Tosh granos ancestrales (ancient grains) with quinoa, chia and amaranth, a good source of protein and fiber.
- Launch of Tosh Estilo Artesanal (artisanal style), blend of natural ingredients, rolled oats, wheat sticks, seeds and raisins, without artificial color additives and flavorings.

Chocolate candy

- Launch of the 9-gram presentation of Mini Tuttto without added sugar.
- Launch into the Central American and Puerto Rican markets of a chocolate tablet line under the Granuts brand with natural ingredients, pineapple, raisins and dehydrated cranberries.

Cereal bars

Launch of the new Tosh artisanal-style baked bars: almond vanilla bar (peanuts, inulin, honey, almonds, oatmeal, extruded rice and sugar-free corn flakes), oatmeal honey bar (peanuts, inulin, honey, oatmeal, extruded rice and sugar-free corn flakes) and seeds sea salt bar (peanuts, inulin, honey, oatmeal, extruded rice, almonds and roasted and salted whole pumpkin seeds), all of which have natural antioxidants and are free of artificial flavor and color additives.

Nuts and trail mixes

- Renovation of the Nuts trail mixes under the Tosh brand (wild mix, spring mix and nuts & seeds), with reduced contents of sugar, sodium, calories and saturated fats, and the "good source of protein" statement.
- Launch of the Tosh del Huerto (Tosh from the kitchen garden) product with new ingredients such as chickpeas and green peas, along with the "good source of protein and fiber" statement.
- Reduction in the amount of sodium in the fried cashew nuts under the Granuts brand, thus complying with the Business's nutritional profile. A 293-mg reduction was achieved in the sodium content per each 100 g of fried cashew nuts.
- Launch of the premium mix of blueberries and giant corn, cranberries, salted peanuts and honey peanuts, complying with Grupo Nutresa's nutritional profile established for the nuts and trail mixes category.

Biscuits Business

Vegetable protein

- Launch of the Kibo vegetable protein, an excellent source of protein, fiber and iron, that is more than 20% of the daily amount.

Biscuits and crackers

- The sodium content of seven Tosh fusión product references was reduced.
- Launch of the Tosh product filled with pesto, which is a source of fiber, zinc and selenium, contains extra virgin olive oil and has 0% trans fat and 0% cholesterol.

Cookies

- 50% reduction in the sugar content of 7 Tosh cremadas product references, both in the cookie and in the cream.
- Launch of the Tosh arroz chocolate (rice and chocolate) and Tosh arroz arándanos (rice and cranberries) products, which are made with 100% rice flour and have no artificial colors or flavors and 0% trans fat.
- Launch of the Tosh wafer fresa y açai (strawberry and açai wafers) product: with no added sugar, no preservatives, no artificial colors, 0% cholesterol and trans fat, sweetened with Stevia.
- Launch of the Tosh wafer fresa (strawberry wafer) product: with 3 cereals, low sodium content, 0% trans fat and cholesterol.

Baked snacks

- Launch of Kibo chickpea caramel, Kibo Himalayan salt and Kibo chickpea cheese, products free of gluten and color additives.
- Launch of the Tosh rosquitas hierbas y chía (baked snacks with herbs and chia), Tosh rosquitas tomate y quinua (baked snacks with tomato and quinoa) products, which have low fat contents.
- Launch of rosquitas Spirunat tradicionales (traditional Spirunat baked snacks), which are 100% natural and wholemeal, as well as gluten-free and soy-free.
- Launch of rosquitas Spirunat veganas (vegan baked snacks), which are 100% natural and vegan, as well as free of sugar, dairy, soy and gluten.

Ice Cream Business

Ice cream products

- Elimination of preservatives from 20 product items.
- The sugar content of 1 product item was reduced.

Sorbets

Elimination of the use of preservatives in one product item by means of high-pressure processes, maintaining the flavor and the nutrients of the fruit and replacing the thermal process.

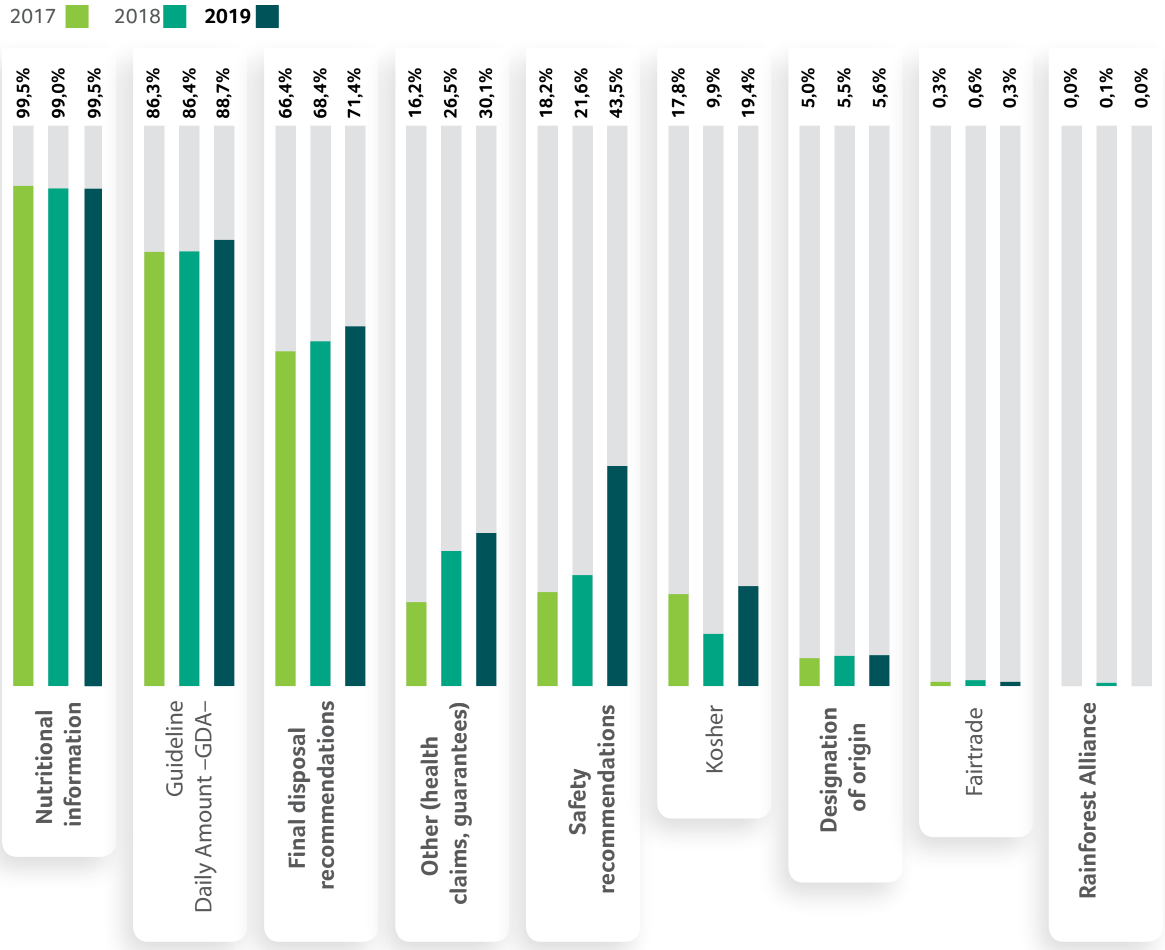
Healthy lifestyles promotion activities in the San Rafael Educational Institution in Antioquia, Colombia.

Results of the strategy

The market tensions and a highly competitive environment create risks for the operation that must be mitigated. To this effect, since 2012, Grupo Nutresa established its Nutrition Policy, which has achieved a reformulation progress of 41 product references, 88,7% with front-panel labeling and 98,5% with their related advertising adjusted to the Organization's self-regulation standard. Today, Grupo Nutresa has new brands such as: Kibo, Bénet, Pietrán's veggie products, Quinua Doria, Tosh Artesanal and Sello Rojo Vive.

The evolution of the portfolios requires thorough research to ensure the suitability of products for consumers in the corresponding time of consumption, price levels that make them affordable and scientific knowledge support for their health and nutritional function statements. In the Company, this research is conducted within the framework of an articulated innovation system that develops knowledge-production agendas driven by the identified challenges. Throughout 2019, Grupo Nutresa worked on furthering the knowledge related to the modulation of oxidative processes and the intestinal microbiome, product safety, process modeling by means of phenomenological-basis mathematical models, the reduction in the consumption of water and energy resources in production lines, and the improvement in the quality of coffee and cocoa beans and their transformation processes, among other.

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



Promotion of healthy lifestyles at the Julio Fernández Medina Education Institution in Valle del Cauca, Colombia.

Promotion of the Healthy Lifestyles Culture among the employees

Just as the Organization has worked on its products and consumer offers, it has also actively promoted healthy lifestyles among the employees. Throughout the year, action plans of the Healthy Company standard were developed with interventions centered on the culture of learning to eat appropriately, the culture of movement and the culture of smoke-free environments. Additionally, based on its work on the Familiarly Responsible Companies certification, Grupo Nutresa promotes the reconciliation between the personal, family and work aspects of life by means of initiatives such as labour flexibility, equal opportunities and time checkbooks, which enable reducing the risks associated with stress.

Results of the Healthy Lifestyles Program in the communities

Grupo Nutresa continued working on both the urban and rural versions of its Nutresa Quiere a los Niños (Nutresa cares for children) Program in the Colombian school communities. This initiative emerged as an activity focused on delivering school kits in rural populations, but today it is a support program that promotes the internalization of healthy lifestyles. This strategy includes the purpose of raising the awareness of teachers to get a clear diagnosis of the conditions of the schools and provides pedagogical elements such as the autodidactic booklet for both teaching and learning healthy lifestyles, supplemented with multiple school elements. Additionally, the urban version of the program raises awareness and generates knowledge about healthy lifestyles through fun learning activities with messages referring to the increase in physical activity, an adequate diet and good hygiene practices. In 2019, Grupo Nutresa organized and held 21 festivals that had an impact on more than 8.000 kids of ages ranging between 7 and 14 years old.

In Mexico, for the fourth consecutive year, the Organization continued promoting healthy lifestyles through the Obesity Prevention Program in Acatlán de Juárez and Villa Corona, where healthy environments were developed in schools and communities. Additionally, an academic community forum was organized and held in Guadalajara with the purpose of presenting the results of the 2015-2018 assessment, among other activities.

In Chile, Grupo Nutresa led the SDG2 Zero Hunger Working Group in a public-private-academic partnership with the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Global Compact. This collaborative work made it possible to launch the pilot program known as "Comuna Saludable" (Healthy Municipality) in Casablanca. In addition, the Organization maintained the implementation of the Healthy School program along with local allies from the municipality and the academic world.

Finally, through the Chamber of Food of the National Business Association of Colombia, a pact was signed with the Colombian Vice-President's Office in favor of the processed food sector's productivity. The pact agenda includes the coordination of initiatives and programs focused on fighting obesity and generating healthy life habits, the compilation of an inventory of research and innovation needs for the industry, and the execution of public-private joint campaigns related to education and awareness-raising among consumers.

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

	2017		2018		2019	
	Labeling	Communication	Labeling	Communication	Labeling	Communication
Number of fines	0	1	0	0	0	0
Number of warnings	2	0	1	0	1	0
Number of voluntary code violations	0	0	0	0	0	0
Total	2	1	1	0	1	0

FOOD **SECURITY**

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

Commitment to the SDGs

Food security actions in rural communities in Colombia.

Food bank in Cali, Colombia.

Strategy [GRI 103-2]	Progress [GRI 103-3]
Implementing food security actions in rural and urban communities in Colombia.	• **3% increase** in the production of food in relation to the previous year across 111 productive systems in five Colombian states. • **15.476 servings** of fruits and vegetables were delivered to more than 405 families in Colombia.
Reducing food loss and waste in Grupo Nutresa's companies.	• **Consolidation** of the procedure for collecting and managing information by applying the Food Loss and Waste Reduction Policy. • **Participation** in the First Latin American Summit to Deal with Food Loss and Waste held in Bogotá, which totaled an attendance of more than 400 people from multiple countries who learned about the Organization's progress addressing this issue. • **116 employees** received training in processes and practices focused on reducing food loss and waste.

Grupo Nutresa fosters productive systems with sustainable practices and initiatives for the promotion of healthy lifestyles in the territories where it operates.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Climate change causes serious consequences on biodiversity, brings along an elevated natural system imbalance, represents a risk for the survival of plants and animals, and generates a negative effect on the social and economic stability of the regions.

Some of the major challenges this issue entails are food insecurity and the damage to both people's health and economic development, which have a more direct impact on millions of people who are in vulnerable situations, generating repercussions on the well-being, the productivity and even the sustainability and resilience of the communities and operations in the countries of the strategic region.

On the other hand, according to data gathered by the Food and Agriculture Organization of the United Nations (FAO), more than 1.3 billion tons of food are lost and wasted every year around the world. If this represented only one country, it would be the third largest emitter of greenhouse gases on Earth. This entails alarming impacts on environmental matters, widens the social-economic gap and increases the social instability.

For Grupo Nutresa, addressing these issues is a purpose that requires transformations in its operation, the implementation of new processes, the adaptation and changes of infrastructure and the participation of qualified labor. It should be noted that in order to efficiently and comprehensively address these challenges, the Organization has built a network of allies that supplement and reinforce its management work.

OUTLOOK

Grupo Nutresa will maintain its commitment to contributing to the fulfillment of the Sustainable Development Goals 2. Zero Hunger and 12. Responsible consumption and production. In response, the Company will foster productive systems with sustainable practices and initiatives for the promotion of healthy lifestyles in the territories where it operates. In the short term, the measures for reducing food loss and waste will be reinforced in both the productive processes and distribution networks; and, in the medium term, initiatives will be executed to address this issue in the remainder of the value chain.

The Company expects to expand into two new states and to increase the farmed area to more than 1000 m² by 2020 through its Germinar program. New technologies will be included for the monitoring of production by the beneficiary community and actions will be sought with the aim of strengthening the irrigation and drainage components, which are key elements in the process of obtaining a higher level of productivity and adoption of the foodsystems.

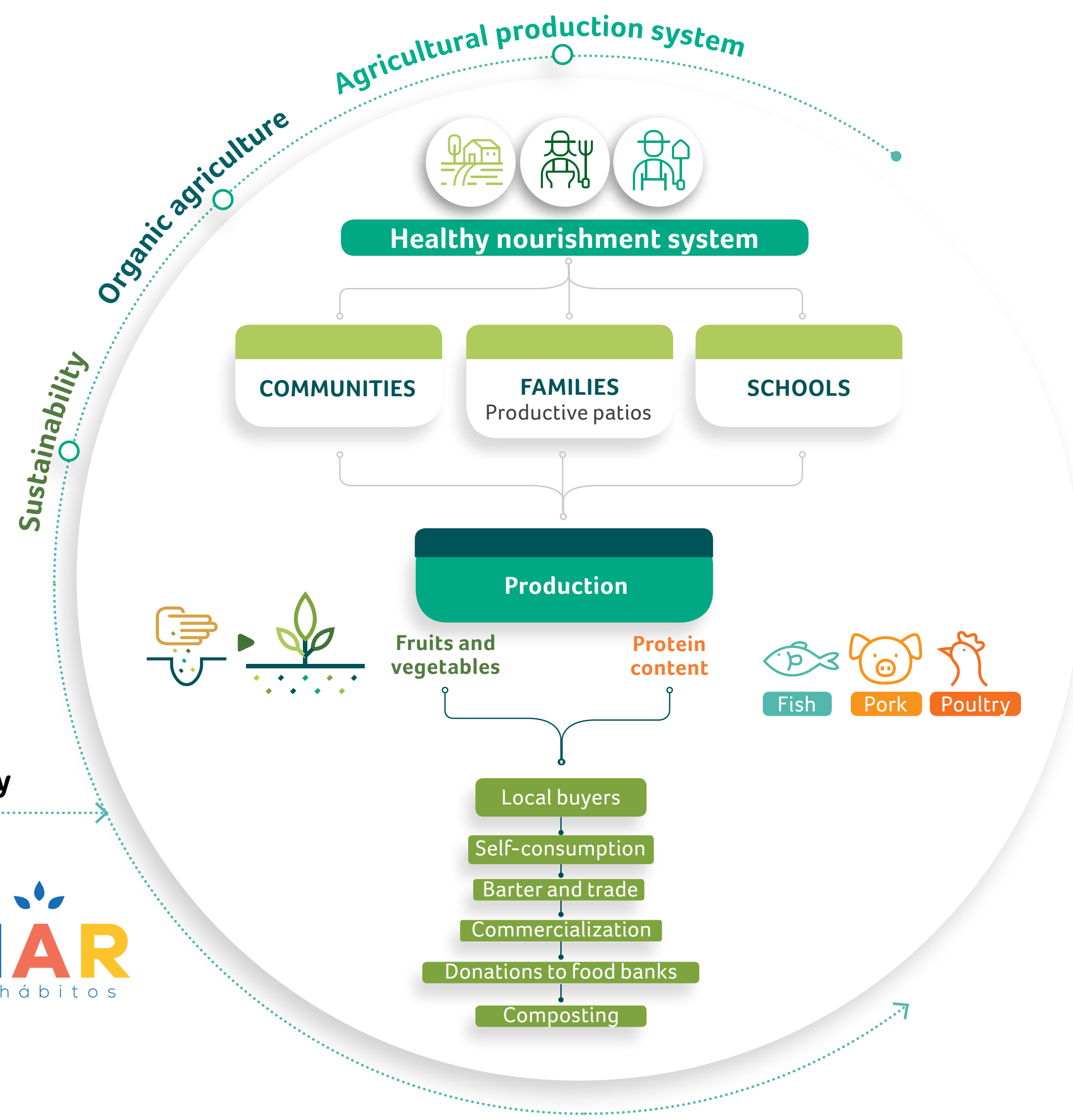
Finally, in 2020, the Company will work jointly with the Colombian Food Bank Association (known as ABACO in Spanish) and the Chamber of Food of the National Business Association of Colombia ((known as ANDI in Spanish) in the formulation of the policy for the prevention of food loss and waste, which is part of the consolidation of Act 1990 (approved by the Colombian Government in 2019).

Strengthening activities in the food bank in Cali, Colombia, with the purpose of improving the logistics, quality and infrastructure capabilities.

PROGRESS 2019
[GRI 103-3]

The mitigation of the food insecurity risk in the Business and its value chain is one of Grupo Nutresa's priorities because, in addition to contributing to the fulfillment of global goals, it develops social and technical capabilities in base-level communities. Thus, it enables the communities to implement sustainable practices that will last over time and can be replicated.

“Germinar” Food Security Strategy (ODS 2.1)



GERMINAR
sembramos buenos hábitos

Germinar is part of the Company's Healthy Lifestyles strategy, which includes the participation of both rural and urban communities. Its purpose is the development of capabilities focused on getting an optimal and abundant harvest and creating conscious and healthy eating habits. Its implementation included the participation of organic-agriculture experts, who contributed by assisting the community in the incorporation of environmentally friendly practices, the use of supplies sourced from the neighboring area for the production of bio-inputs, and in the elimination of pesticides and other chemical elements. The following are some of the progress achievements that stand out:

111 community and family productive gardens implemented, with a production of **6.191 kg** of food and savings that amounted to **COP 28,8 million**. These numbers translate into an income increase for the families and the improvement of their quality of life.

Five Colombian departments and more than **405** families benefited with **15.476** servings of fruits and vegetables.

Three community bio-factories and seedling sheds built in the departments of Córdoba, Meta and Antioquia. These spaces mitigate the seed and bio-input stockout risk, contribute to the maintenance of the food systems and promote the replication of new productive gardens by the communities themselves.

"Germinar" program activities in Ciudad Bolívar, Antioquia, Colombia.

Strategy for the reduction of food loss and waste (ODS 2.1) (ODS 12.3)

The loss and waste of food represents a major challenge for our entire planet. About a third of the world's food production that could be edible is discarded.

The Organization is making progress in the quantification of the food loss and waste in the operations of Mexico, Costa Rica, Dominican Republic, Peru and Chile. The main causes have been identified, as well as good practices that allow reducing the amount of food discarded in its own operations and together with other actors throughout the value chain.

The Company strengthened its information gathering processes and created a database with the purpose of mapping food loss and waste in its processes to identify improvement opportunities and actions focused on mitigating the challenging findings. The measurement method used by Grupo Nutresa is based on the accounting and reporting standard for food loss and waste known as the Food Loss Waste Protocol (FLW Protocol), a model that allows quantifying this issue across the entire strategic region and which allowed to implement 25 initiatives in the Cold Cuts and Retail Food Businesses.

It is worth highlighting the communication and promotion of the Policy for Reducing Food Loss and Waste among the responsible and related teams in the Tresmontes Lucchetti Business in Chile, with the purpose of ensuring its correct measurement and reporting. In addition, the Organization held specialized training activities focused on the measurement methodology for managing this issue, which were intended for the Stock Managers and people in other key positions within Grupo Nutresa.

Food banks continue working as allies with the common purpose of reducing food loss and waste in the strategic region.

In the operations of the Retail Food Business, both the responsible sourcing and the elimination of food loss in the kitchens are aspects that were significantly improved. As part of this project, vegetable transformation procedures have been assessed and parameters that have an impact on the different stages of the process have been established to achieve greater efficiency. After the first exercises, the loss of lettuce, tomato and onion was reduced by 25%.

Finally, to strengthen both collaboration and networking, the Company participated in the First Latin American Food Security Summit organized by the FAO, an event designed with the aim of promoting the discussion and the exchange of experiences, and getting to know the contributions of the multiple actors to the global goal. The Summit was attended by more than 400 people and included the participation of companies such as Bimbo, Éxito and Unilever, as well as institutions such as Abaco, GFN (Global FoodBanking Network) and delegates from the Colombian President's Administration.

Reinforcement of the food banks in the strategic region

Grupo Nutresa maintained its relations with food banks with the common purpose of reducing food loss and waste in the strategic region. Thanks to this joint work, which also involved other allies in the processes, more than 589.000 people benefited in Colombia from the delivery of 1.052 tons of food.

Moreover, the support and assistance provided by Grupo Nutresa and other companies from the sector for the development of capabilities, allowed food banks in Colombia, Chile, Costa Rica, Mexico and Ecuador to make significant progress in their operations thanks to the new practices related to quality, infrastructure and logistics, among other aspects.

In 2019, the support and assistance model migrated to a professionalization scheme to strengthen the internal processes of food banks under the compliance parameters of the Global Foodbanking Network.

The food bank is 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

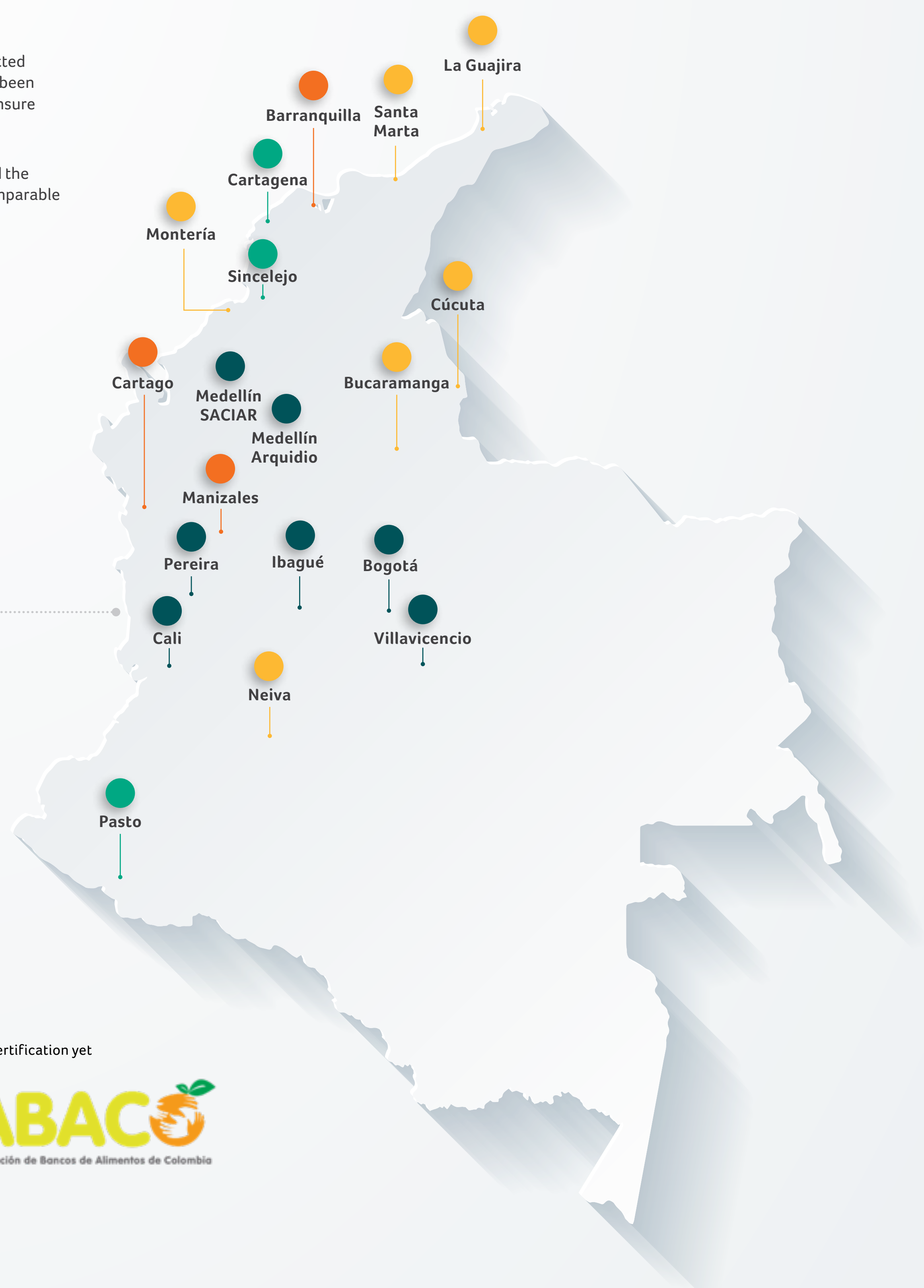
Consolidated
70 – 79,9%
Characterized and executed processes
Results of Certification Guide No. 4 - 2016
17 food banks consolidated *

Quantitatively managed
80 – 89,9%
Measured and controlled processes

Optimized
90% - 100%
Continued improvement actions

Considerations

- The final results will be submitted once all the applications have been completed in the country to ensure the uniformity of the ratings.
- The results of the 2018 professionalization model and the certification guide are not comparable as the metrics are different.



* The Food Bank in Cartagena has no certification yet

RELIABLE FOOD

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

Commitment
to the SDGs

**Employee from the
Coffee Business, Colombia.**

Strategy [GRI 103-2]	Progress [GRI 103-3]
Consolidating the implementation, certification and maintenance of the management systems.	• **Conservation and/or renewal of certifications** – Quality ISO 9001:2015: conservation and renewal in 30 operation centers. – Good Manufacturing Practice (GMP): 10 operation centers. – HACCP (Hazard Analysis and Critical Control Points): 25 operation centers. – Sedex Members Ethical Trade Audit (SMETA) - in the supply chain -: 5 operation centers. • **Standards recognized by the GFSI (Global Food Safety Initiative):** 15 operation centers. • **Product certifications:** – *Kosher:* 11 operation centers. – *Halal:* 7 operation centers. – *Fairtrade:* 3 operation centers. – *Organic produce:* 3 operation centers. - Carbon footprint: 3 operation centers. – Carbon neutral: 5 operation centers • **Agricultural sector certifications:** – Good agricultural practices (GAP), Forest Compensation and Rainforest: 5 operation centers. – UTZ (program and a label for sustainable farming): 1 operation center. • **New certifications obtained:** – HACCP for the Aguachica Processing Plant of the Cold Cuts Business. – Certification and transition to the 45001:2018 standard: 8 centers of the Cold Cuts, Ice Cream and Biscuits Businesses. – *Gestión Cargo* obtained the Authorized Economic Operator (AEO) resolution for importers.
Consolidating the food protection model.	• **Incorporation** of new practices that prevent frauds and tampering of raw materials, packaging materials and processed or finished products.
Strengthening the business relations with the suppliers and the corresponding enforcement of applicable requirements.	• **Continued training** provided to 84 suppliers in relation to management systems, quality and safety matters. • **Open Space** to work with 32 suppliers on topics such as sustainable management and risk management.
Creating capabilities for the exports to the U.S. through the implementation of the Food Safety Modernization Act (FSMA).	• **Expansion** of the Pastas Business's coverage by complying with 100% of the requirements established by the law, and progress in the implementation of a pilot program in the Cold Cuts Business.
Reinforcing the safety culture.	• **Review** of the measurement scheme and the practices related to the safety culture in the Coffee and Chocolates Businesses.

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

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 and safety of the food products. To prevent such risks from materializing, the Organization has incorporated legal surveillance mechanisms that are aligned with the challenges related to both health and nutrition with regard to the labeling of the portfolio.

The Company permanently works on minimizing the risks associated with the noncompliance with the product specifications, the damage to consumers' health and intentional contamination. This work is carried out based on management systems that comply with international standards and regulations and through permanent verification processes based on both internal and external audits.

Reputational risks emerge from the aforementioned risks. In order to moderate their materialization, Grupo Nutresa works on increasing both the satisfaction and loyalty of its customers and other stakeholders. For this purpose, the Organization structured a value proposition where their needs and expectations were identified, and the constant and timely communication mechanisms have been expanded.

Finally, as an opportunity to reduce the loss and waste of food, Grupo Nutresa implemented a product return policy with the aim of raising the awareness of both customers and the Company's Businesses. This motivates them to implement good practices that ensure and maximize the adequate utilization of the food products for human consumption and promote initiatives such as the delivery of products to food banks.

OUTLOOK

The Organization has an internal audit system based on international standards, such as those of the Global Food Safety Initiative (GFSI), which allow developing good practices in the operations from the farm –raw material supply processes–, to the delivery of finished products to customers and consumers, ensuring the best quality and safety conditions for the products.

In alignment with the foregoing, and with the purpose of managing reputational risks related to the operation and the evolution in the engagement with the stakeholders, Grupo Nutresa will strengthen its capabilities in terms of anticipation and crisis management in all its Businesses in the short term by means of training activities and trial drills.

Finally, the Organization expects to consolidate its *maquila* management model with the aim of guaranteeing the application of the highest quality and safety standards it has established.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Employee from the Biscuits Business in Medellín, Colombia.

British Retail Consortium Certification

In Colombia, the Chocolates Business's production plant in Rionegro was certified "AA" under the BRC (British Retail Consortium) standard for the next five years, and the Coffee Business's production plant in Medellín for the next two years. This certification acknowledges the safety practices applied in the manufacturing of food products in order to ensure both their quality and safety.

HACCP certification in the Ice Cream Business

In Colombia, the Ice Cream Business was granted this certification for four production lines in the processing plants in Armenia, Manizales and Bogotá. Thus, Grupo Nutresa continues spreading the culture based on managing safety risks and both the satisfaction and safety of the consumers.

Formulation and implementation of the standardized tool known as Grupo Nutresa's Food Safety Standard (abbreviated ESAN in Spanish)

Based on local and international standards such as the ones established by the Global Food Safety Initiative (GFSI), it measures the degree of compliance with the safety requirements applicable to all the production plants, storage centers and product distribution systems.

Employees from the Cold Cuts Business in Medellín, Colombia.

PROGRESS [GRI 103-3]

Management systems

In alignment with its material topic "Reliable food," the Organization maintains, improves and permanently updates the integrated management systems of the Businesses, focusing on customer or consumer satisfaction, stakeholders' needs, risk management, profitable growth, productivity, sustainability and legal compliance.

That is why Grupo Nutresa holds 247 valid up-to-date certifications for the following systems: quality, safety, risks, good agricultural and livestock practices, commercial safety, workplace health and safety, environmental performance and product seals.

In 2019, 88,2% of the production was manufactured in processing plants that hold certifications and abide by standards on food management (GRI G4-FP5). In addition, risk assessments were conducted from the strategic and tactical levels in relation to the quality and safety systems to prioritize the treatment measures required according to the analyses in the Organization's companies.

Food protection model

With regard to the food protection model, the Company bridged the gaps based on the dispositions of the Food Safety Modernization Act (FSMA), with a 100% compliance in the Coffee, Biscuits, Chocolates and Pastas Businesses that export their products to the U.S. Additionally, Cordialsa USA implemented a food protection model that ensures the application of the safety measures on the portfolio of export products.

Process optimization

Grupo Nutresa developed a project focused on capturing savings in laboratory services and supplies used by its Businesses. The purpose of this project is to attain savings, synergies, standardization of techniques and methods, standardization of practices and optimal utilization of the internal capabilities. Thanks to this, the Organization obtained savings of more than 25% in the costs associated with the services and 7% in terms of the inputs.

Supplier follow-up and development

With the aim of strengthening and developing new capabilities among the suppliers that are strategic allies in the supply chain, the following workshops and knowledge-creation activities were organized and carried out:

- Two sessions focused on sustainability tools, with the participation of 42 suppliers within the framework of the Sustainability Audits Program. Its objective was to enhance suppliers' capabilities based on the opportunities identified during the audits.
- An eight-hour training course titled "Sanitary suitability of materials that make direct contact with the food products," which was intended for 25 suppliers from the indirect materials category. The course was organized and imparted by the Institute of Food Science and Technology (abbreviated INTAL in Spanish).

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

	2016	2017	2018	2019
Number of fines	-	-	-	-
Number of warnings	1	7	1	1
Number of noncompliances with the voluntary codes of products and services	4	-	-	-
Total	5	7	1	1

Technological monitoring

Grupo Nutresa maintains its technological surveillance processes and the implementation of subjects related to quality and safety technologies for online measurement, laboratory equipment and new analysis techniques that support the quality and safety systems.

Development of quality and safety capabilities

The Company promoted capabilities among 17.201 of the employees who have an impact on, participate in and support the quality and safety systems with regard to the following aspects:

- **Quality:** control of processes, quality procedure or standards, indicators, risk management, good laboratory practices, sample drawing, measurement assurance, ISO standards for internal auditors, concepts and skills for panelists of different food matrices, legal requirements for materials that make direct contact with food products, traceability programs, crisis management, customer experience and service management for both internal and external customers.
- **Safety:** good manufacturing and maintenance practices, prerequisite programs, HACCP or critical control points, global GFSI standards such as the FSSC 22000 (Food Safety System Certification) and the BRC (British Retail Consortium), threats and vulnerabilities, and handling of products within a food chain of refrigeration.

Several of the Businesses' laboratories participated in international tests in order to assess their performance and ensure the capabilities and reliability of the personnel, as well as the quality of the analyses conducted based on the level of other similar laboratories.

MANAGING THE VALUE CHAIN RESPONSIBLY

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.

Commitment to the SDGs

Employee from the Biscuits Business in Medellín, Colombia.

Strategy [GRI 103-2]	**Progress** [GRI 103-3]
Enhancing the talent attraction initiatives.	• **Redesign** of the attraction and recruitment process with new technologies and more objective, agile and effective tools. • **Utilization** of talent recruitment and training sources for new roles required by the Organization: digital, analytics, agile culture, data science, among other. • **Publication** of 582 calls for entries to fill vacant posts and 358 internships, organization of 3 talent marketplaces, and creation of 14 working cells as strategies for speeding up the implementation of projects.
Developing key capabilities.	• **1.508** employees received training related to adaptive leadership, innovation, sustainability and digital transformation, which are capabilities prioritized by the Organization with the aim of fulfilling its strategy. • **877** employees participated in key capability-development initiatives: adaptive mindset, new ways of working, project team reconfiguration and new technology adoption models.
Developing key talents.	• **Consolidation** of the employee potential matrix as a source of availability of professionals around the world. • **Implementation** of talent development and gap-bridging plans.
Managing the organizational climate and commitment.	• **Consolidation** of the new organizational climate measurement and management model for the promotion of healthy work environments for all employees.
Strengthening the volunteer service as a scenario for the development of the human capital.	• **11.475** employees were active volunteers in terms of time and money. The volunteers carried out 17.866 actions that contribute to the development of the communities involved, as well as to their own development.

Comercial Nutresa employees in Ibagué, Colombia.

RISKS AND OPPORTUNITIES

[GRI 103-1]

For Grupo Nutresa, the ability to attract and develop talent with new capabilities, such as adapting to an increasingly demanding and challenging work environment in relation to the expected results, is still one of its main risk sources. Therefore, boosting the adaptive leadership capabilities will be an opportunity that will enable the Organization to transform and gain both agility and flexibility.

Another important challenge facing the Company is the reconfiguration of the talent with the objective of achieving a higher level of understanding, internalization and evolution in terms of analytical, digital, adaptive and innovation-driven capabilities. Moreover, the Organization seeks to internally promote new ways of working that contribute to accelerating the response times, becoming closer to its customers and enhancing both collaboration and experimentation, in addition to creating work environments that give sense and purpose to people's contribution.

Finally, the corporate volunteer work represents an opportunity for developing new skills and mitigating the strategic risk of not understanding sustainable development as a genuine capability of the entire Organization.

OUTLOOK

The 2020-based human talent strategies will continue to focus on the development of capabilities, with adaptability being the one that will enable the adoption and internalization of new practices. Grupo Nutresa will incorporate talent capable of fulfilling the roles of the future and will evolve toward other ways of working that allow establishing agile teams and practices in terms of the adoption of new technologies with the aim of contributing to the Organization's productivity and competitiveness.

Another focal point will be to enhance the adaptive leadership context, where leaders are key actors in the transformation process. Additionally, the Company will continue working on the consolidation of new technologies and learning models that accelerate the development of new capabilities.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Servicios Nutresa employees in Medellín, Colombia.

One of the companies with the best talent attraction and retention practices

Grupo Nutresa was ranked second in terms of the ability to attract and retain talent in Colombia, and it once again was ranked first in the food sector, according to the *Merco Talento* 2019 ranking, which includes three assessment categories: employment quality, employer brand and internal reputation.

Compañía Nacional de Chocolates and Noel, the top two companies to work for in Colombia

Both companies were ranked first and second, accordingly, in the Best WorkPlaces 2019 awards as the best companies to work for in Colombia. The awards were presented by *Computrabajo*, the leading digital employment portal in Latin America, after assessing more than 65.865 companies based on more than 4,6 million opinions submitted by the portal's users.

Pride Awards acknowledgment

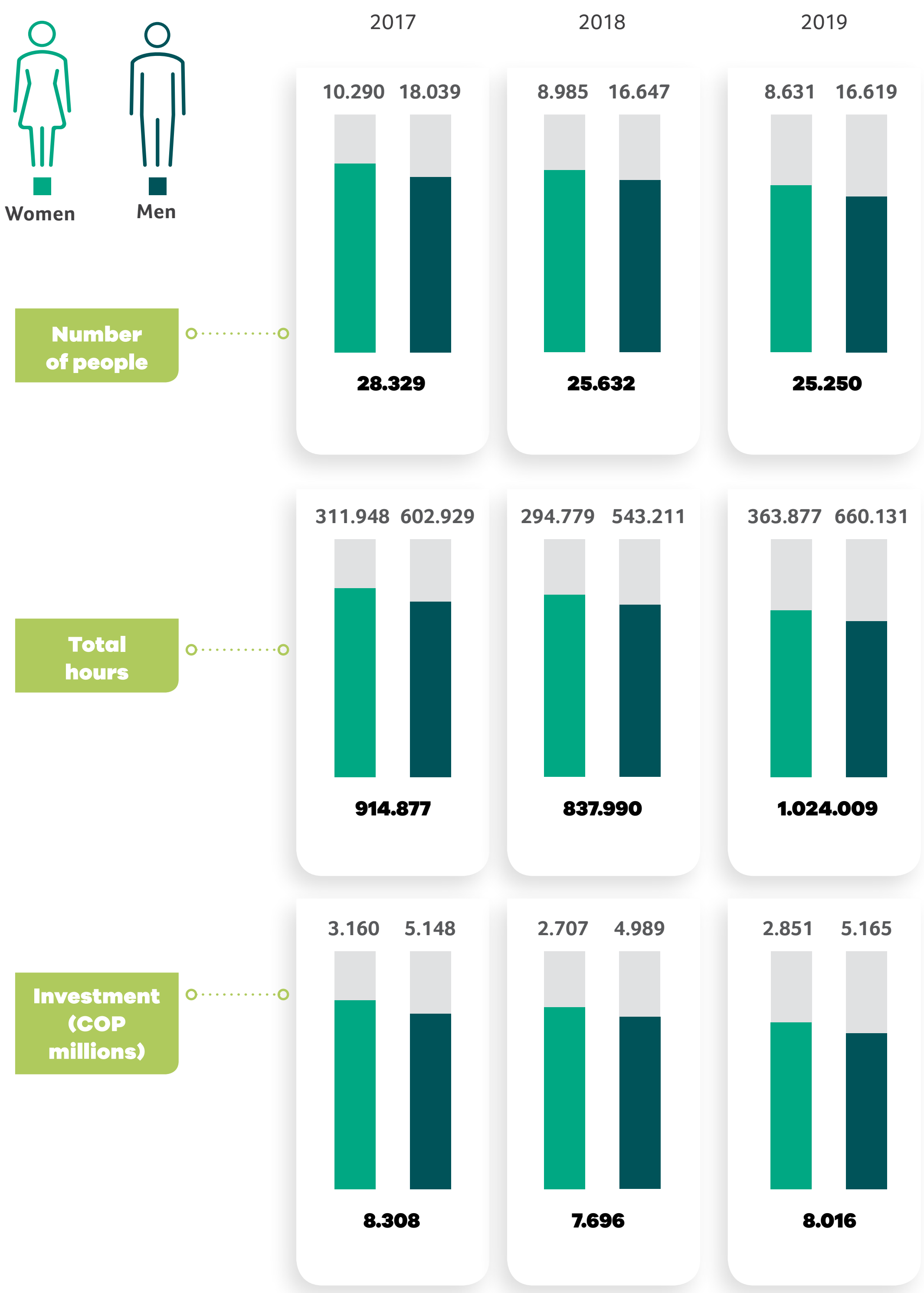
Compañía de Galletas Pozuelo was acknowledged as the most inclusive company in Costa Rica within the framework of the Pride Awards, which give recognition to the country's LGBTI community.

PROGRESS 2019
[GRI 103-3]

Development of key capabilities
[GRI 404-1] (ODS 8.5)

The Company organized and executed 35 training programs, with the participation of 11.237 employees, which were focused on developing cross-sectional capabilities and talents. The programs with the highest level of impact were the ones focused on leadership: adaptive, for innovation and female, gender equality, circular economy, analytics, RPA (Robotic Process Automation) and agile tools.

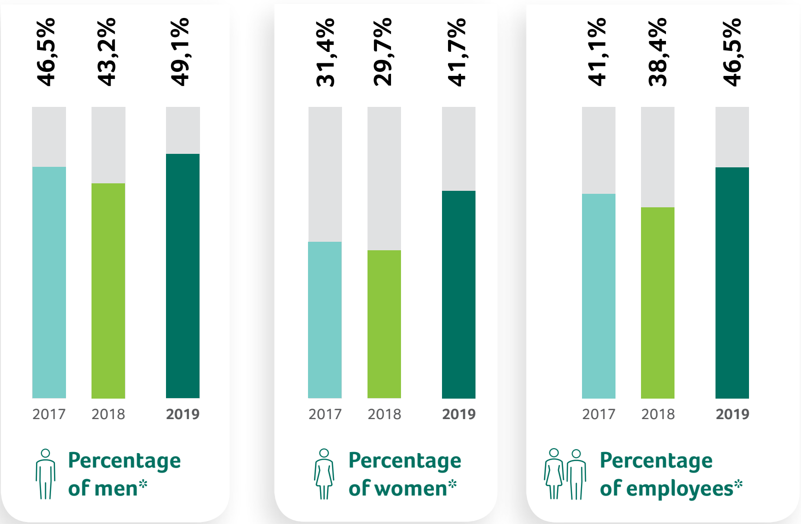
Employee training [GRI 404-1] (ODS 8.5)



Employees from the Chocolates Business in Rionegro, Colombia.

Performance assessment [GRI 404-3]

*who are regularly assessed for performance and professional development.



Creation of jobs while fostering commitment and a positive occupational climate

Grupo Nutresa remains one of the biggest job creators in Colombia and in the international regions where the Organization has its largest operations. Additionally, the Company maintains the second place among top employers in Colombia and the first place in the food sector.

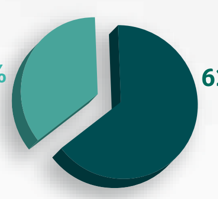
Employees in the strategic region [GRI 102-8] (ODS 8.3)

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

Total
29.180
909

28.580
967

Women 9.977
Men 18.294



Total direct employees 2019
28.271

		Women	Men	Total
Panama	2,10%	**218/0**	**394/0**	**612/0**
		249/4	422/8	671/12
Mexico	3,53%	**647/3**	**379/0**	**1.026/3**
		117/0	81/0	198/0
El Salvador	0,11%	**13/0**	**19/0**	**32/0**
		17/0	16/0	33/0
Dominican Republic	0,93%	**65/2**	**201/4**	**266/6**
		250/1	380/3	630/4
Peru	2,70%	**295/4**	**485/5**	**780/9**
		0/0	1/0	1/0
Chile	5,80%	**529/5**	**1.157/1**	**1.686/6**
		572/20	1.330/12	1.902 /32
Puerto Rico	0,00%	**0/0**	**0/0**	**0/0**
		64/0	197/2	261/2
Nicaragua	0,68%	**116/0**	**82/0**	**198/0**
		230/0	406/0	636/0
United States	0,93%	**330/2**	**493/3**	**823/5**
		278/0	96/0	374/0
Colombia	70,08%	**6.089/ 509**	**13.496/ 355**	**19.585/ 864**
		6.047/ 528	12.981/ 344	19.028/ 872
Guatemala	2,84%	**261/0**	**107/0**	**368/0**
		519/3	365/8	884/11
Costa Rica	7,91%	**1.187/0**	**1.120/0**	**2.307/0**
		1.187/0	1.128/0	2.315/0
Ecuador	0,60%	**106/1**	**67/1**	**173/2**
		99/1	66/0	165/1
Venezuela	1,47%	**121/8**	**294/6**	**415/14**
		148/18	363/15	511/33

Moreover, the occupational climate and commitment results remain at levels of excellence. The score obtained by the Organization was 83, with the following as the most outstanding variables: agility and innovation, trustworthiness and strategic approach.

Programs focused on employability and employee retirement [GRI 404-2] [ODS 8.5]

Biscuits Business

New technologies
Providing training in the field of robotic process automation (RPA), which represents highly valuable knowledge regarding the demands of the fourth industrial revolution.

Cold Cuts Business

RPA
Enabling the adoption of new capabilities by the employees, promoting the agility in the production of large-scale data.

Chocolates Business

Adaptability expedition
Creating skills to strengthen the adaptive capabilities required by the Business in such a way the challenges posed by the setting can be timely and effectively addressed.

Coffee Business

Mindfulness Program
Training the mind for living the present time with 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: Helados BON

Active listening
Improving the listening skills among the employees based on empathy with the aim of achieving an optimal understanding of others.

Ice Cream Business

Business School
Favoring the employability of vendors, training them in matters such as indicators, sales methods and numerical analysis.

Comercial nutresa

Training for employees nearing their retirement
Supporting the employees who are within the 11-year period for them to be able to adequately manage their retirement. The assistance consists in the redefinition of the life project that challenges both the employee and her o his family and the help with the corresponding employment and legal procedures. An adequate preparation that transforms into a continuous process that facilitates the work-retirement transition, thus contributing to the employee's new family-related, social and economic adaptation.

Servicios nutresa

Adoption of new technologies
Developing capabilities among the Company's employees with regard to robotics, chatbots and analytics, allowing the exploration and adoption of these technologies with the purpose of transforming the way we interact and create value within the digital ecosystem.

Pastas Business

Certification of capabilities
Promoting and acknowledging the learning and expertise acquired by the employees, allowing to identify strengths and improvement opportunities.

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

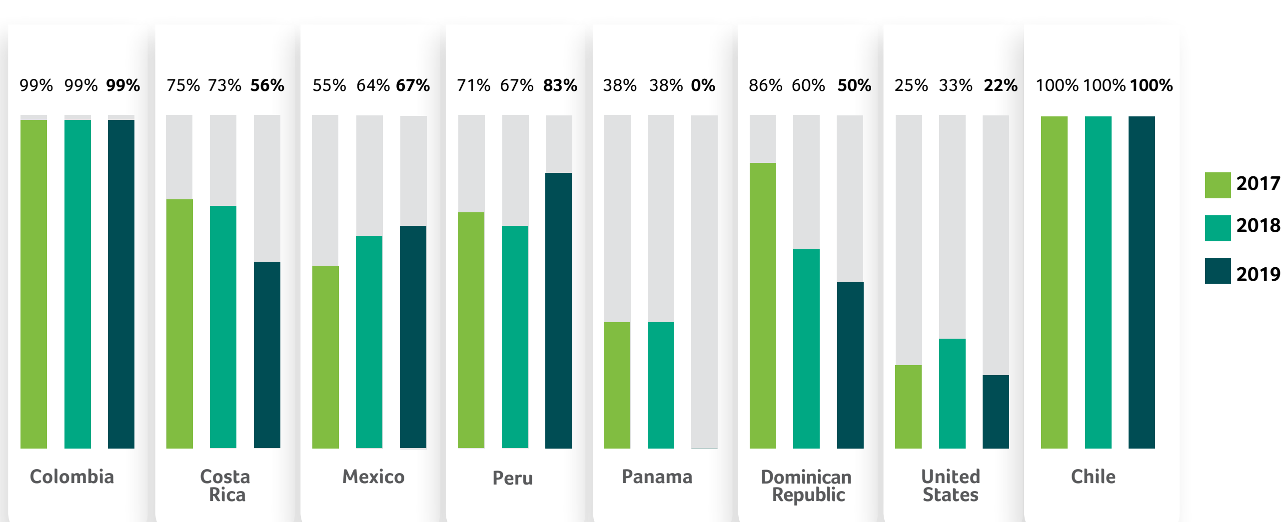
Grupo Nutresa maintains good employee turnover indicators, allowing it to retain the best talent and recruit employees with new capabilities.

	Operation			Distribution and commercialization			Retail Food		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
New employees	4.293	3.871	5.509	1.024	532	365	4.013	3.410	3.360
Employee turnover rate	20,7%	19,3%	18,80%	11,1%	12,6%	10,6%	57,8%	53,30%	49,5%

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

	Colombia	Costa Rica	Ecuador	Mexico	Panama	Peru	Dominican Republic	United States	Chile
MEN	1,90	1,60	1,20	2,50	2,50	2,00	1,70	1,20	1,60
WOMEN	1,30	1,20	1,20	1,90	1,90	1,90	1,50	1,30	1,40

Proportion of senior management hired from the local community [GRI 202-2]



Volunteer service as a development scenario

PFor Grupo Nutresa, corporate volunteering is a human capital mobilization scenario that retains, attracts and develops the Nutresa talents in employees by implementing high social value actions.

With 17.866 volunteer service actions, 8.438 of them consisting in money contributions and 9,428 in time investments, 11.475 Grupo Nutresa employees promoted the development of the capabilities of several communities, benefiting 98.803 people by means of more than 37.220 hours of volunteer work.

The Company consolidates the *Aula* (Classroom) program as a training scenario for Grupo Nutresa's volunteers. This program addresses subjects as social, community and alliance management, and development-focused communication, among other. In 2019, 18 volunteers from multiple Businesses participated in the program, benefiting 6.928 people.

To consolidate volunteer work as a scenario for the development of the Nutresa talents, the Organization conducted a perception survey for the employees who participated in these activities. The results of the survey showed a positive favorability rating of 90,7%, which allows confirming that this is an ideal platform for both personal and professional growth.

Finally, for the seventh consecutive year, more than 27 companies in 8 countries celebrated Nutresa's International Volunteer Work Day (known as "El Poder de Mil," Power of a thousand), with the participation of 1.194 volunteers. In 2019, the volunteer activities were focused on raising environmental awareness and promoting circular economy by creating pedagogical tools made out of flexible packaging materials with the aim of educating the school communities about this issue.

Celebration of the International Volunteer Day in Colombia.

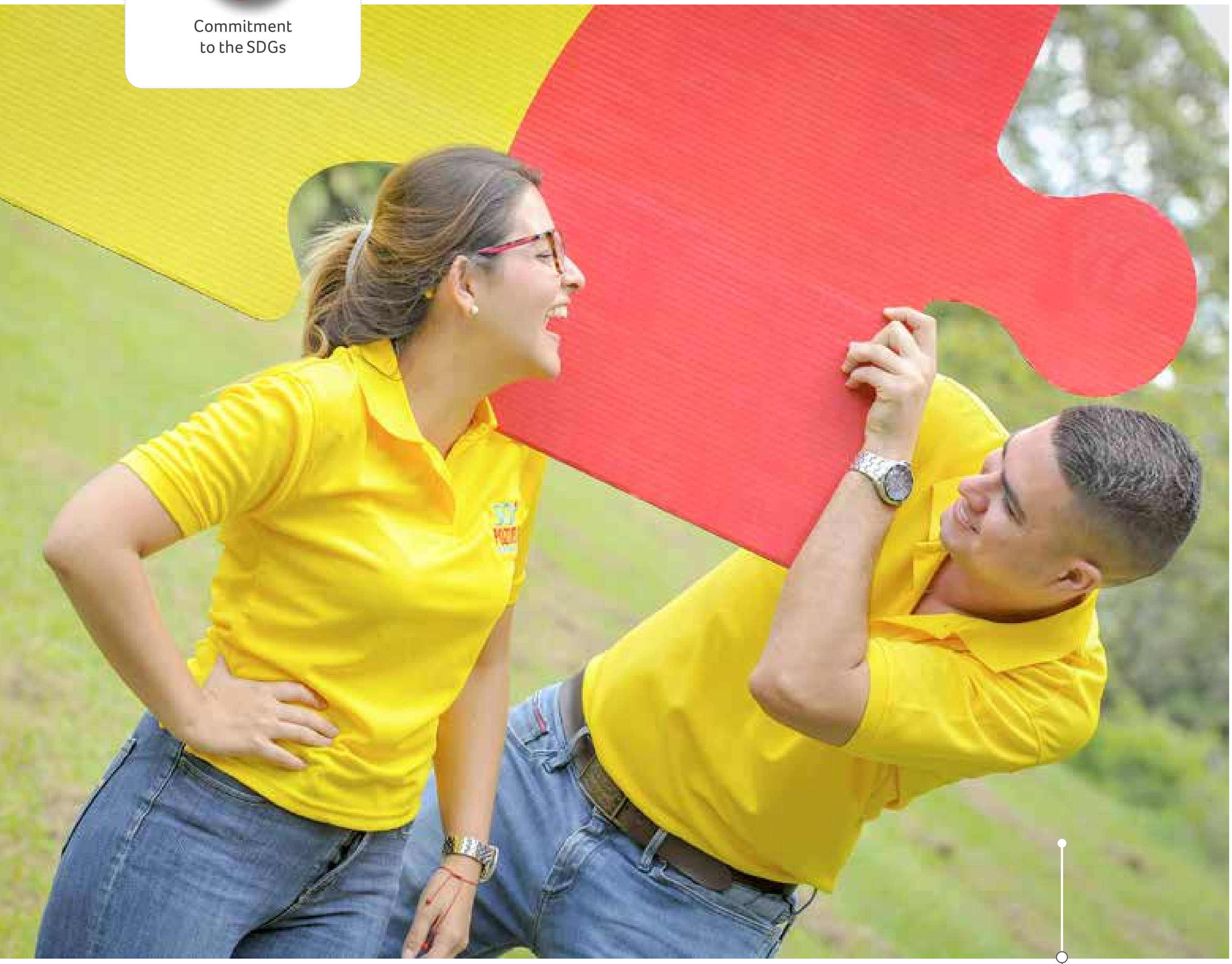

Grupo
nutresa

International Volunteer Day in the Strategic Region.

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.

Commitment to the SDGs



Employees from the Biscuits Business in Costa Rica.

Strategy [GRI 103-2]	**Progress** [GRI 103-3]
Managing workplace health and safety based on world-class standards.	• **Reduction** in the absenteeism rates thanks to the initiatives focused on the prevention of and intervention related to accident rates and occupational illness. • **Increase** the accident rate, which went from 1.53 in 2018 to 1.66 in 2019. • **Zero** occupational illnesses among employees who have been working for the Company for less than four years. • **Mitigation** of the musculoskeletal risks among employees by means of automation processes and the implementation of exoskeletons.
Strengthening the development of capabilities and the management work in terms of workplace safety and health among suppliers and contractors.	• **Development** of capabilities among contractors, focusing on aspects such as business continuity, sustainability and the Code of Corporate Governance. • **Organization** of the second Meeting of Contract Auditors in Colombia, which totaled 887 attendees; and the first equivalent meeting in Chile, which was focused on workplace health and safety. • **Implementation** of sustainability audits in 41 companies. They got an 89,2% rating and a decrease in the accident rate, which went from 3,81 in 2018 to 3,47 in 2019.
Measuring and managing psychosocial risks.	• **Incorporation** of mechanisms intended to identify psychosocial risks and the structuring of gap-bridging plans in all of Grupo Nutresa's Businesses, focusing on reducing stress among the employees. • **651** employees participated in mindfulness and life balance programs.
Strengthening the process that is focused on reporting sick leaves and managing common illnesses.	• **Creation** of the support office for the timely registration of sick leaves and stricter control over the early identification of potential illnesses. The Organization recorded no growth in the occupational illness metrics over the year.

For Grupo Nutresa, having healthy and harmonious employees represents a constant opportunity to achieve favorable and sustainable results.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Due to their nature, the operations of Grupo Nutresa's Businesses pose big challenges in risk prevention. Among these, osteomuscular, public and psychosocial risks stand out. Failing to manage these risks would cause a rise in the accident and occupational illness rates, which would have a significantly negative impact on people's quality of life and on the Organization's productivity. Given these conditions, the Company has evolved in process automation and the incorporation of new technologies, such as exoskeletons for the most critical jobs, as well as replacing repetitive tasks and high-risk processes.

For Grupo Nutresa, having a healthy and harmonious workforce represents a constant opportunity to achieve positive and sustainable results. That is why the Organization maintains its commitment to the health and well-being of its employees by means of strategies focused on promoting the quality of life in the workplace and the dimensions that contribute to achieving a balanced life.

OUTLOOK

Grupo Nutresa's Businesses face major challenges as to the reduction to any potential health detriment in such a highly productive environment. This entails not only the automation of processes, but also the evolution in the prevention and management of accidents and both physical and mental illnesses based on initiatives that connect people with the importance of self-care. To address this challenge, the Organization will implement the following initiatives in the medium term:

- **Life balance:** programs promoting healthy lifestyles.
- **Accident and illness rate management:** actions based on world-class standards to reduce the accident rate among both direct employees and contractors. The goal established by the Organization would go from 1,47 in 2019 to 1,4 in 2020.
- **Psychosocial risk management:** programs focused on leadership, workloads, relationships and responsibilities in the job posts according to the measurements made.

Finally, Grupo Nutresa will work with the purpose of achieving that, by 2020, no occupational illnesses develop among direct employees who have been working for the Company for less than four years. The Organization will also work on ensuring the rotation of employees in high-risk job positions and on relocating employees with any kind of restrictions to job positions adapted to their conditions, where they can develop new skills and be more productive.

Employee from Novaventa's operations center with his wife, daughter and son in El Carmen de Viboral, Colombia.

Physical conditioning centers of the Biscuits Business in Medellín, Colombia.

Tresmontes Lucchetti acknowledged for its safety leadership

The Chilean Safety Association (abbreviated *ACHS* in Spanish) acknowledged Tresmontes Lucchetti for its outstanding management and leadership in the field of occupational safety and health, thus preventing work-related accidents and occupational illnesses among its employees. It is worth highlighting the committed involvement actions carried out by the Company's Management regarding risk prevention, capability development among the occupational safety and health team members, the 2,4% reduction in the total accident rate, and their commitment to the implementation of the ISO 45001 standard.

Biscuits Business acknowledged by Bogotá's Mobility Secretariat in Colombia

Bogotá's Mobility Secretariat and District acknowledged the Biscuits Business by awarding it the silver medal in the category of Best Corporate Practices in Traffic Safety. Both entities underscored the management work and the contribution of the Biscuits Business in the creation of a citizenship culture based on institutional management, human behavior, efficient vehicles, infrastructure, insurances and victim assistance.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Active pause exercises in the Cold Cuts Business, Colombia.

The Chocolates Business in Colombia achieved in the Excellence category the FRC certification

Due to its implementation of good practices that promote a balance in the personal, family and work aspects of life among employees, their families and the stakeholders, the Organization is the first industrial company in the world to be awarded the Familiarly Responsible Company acknowledgment (FRC), which is granted by the Másfamilia Foundation from Spain.

The Másfamilia Foundation acknowledges the Pastas Business in Colombia

The Pastas Business was acknowledged for its management work and commitment to the Familiarly Responsible Company model, which highlights the reconciliation between family life and work, and it also fosters the support to ensuring equal opportunities.

Health checkup for employees from the Coffee Business, Colombia.

PROGRESS 2019
[GRI 103-3]

Well-being
The Organization continued working on the implementation of quality-of-life activities to prevent illnesses, assists people's health and promote healthy lifestyles. COP 952 million were invested and 17.424 employees participated in activities such as:

- **Recreation and sports:** swimming courses, dance classes, bowling matches and field and fishing trips.
- **Pre-retirement program:** designed to prepare employees for the family, personal, sexual, mental and financial aspects of life when the time comes for their retirement.
- **Psychological support for employees and their families:** program that promotes inner peace and tranquility according to the difficulties of our employees and their family group.
- **Aids and loans:** intended to strengthen the employees' financial dimension and improve their and their family's quality of life.
- **Healthy lifestyle program:** focused on healthy eating habits and diets, physical activity, smoke-free environments, resting and sleeping.
- **Health and wellness sessions:** executive checkups, regular medical exams, cardiovascular screening, cytologies and laboratory tests.
- **Quality-of-life training sessions:** transformational leadership workshops, emotion management, importance of sleep and fatigue management, effective communication, healthy eating habits, life projects and mindfulness.

Management of a safe work environment
[GRI 403-1]

Grupo Nutresa ensures a safe work environment through the prevention of occupational accidents and illnesses, measures for controlling hazards and risks inherent to its activities, the promotion of healthy lifestyles, prevention actions, continuous improvement, and compliance with the occupational risk regulations currently in force.

The Organization continuously works to increase the level of safety commitment and management of its employees, which is why it defines specific roles and responsibilities with regard to occupational health and safety. The Company also designs and manages accident occurrence intervention plans according to the specific needs of each department, standardizes critical tasks that enable knowing in advance the risks and con-

trol measures for the safe execution of a job, and trains the new staff at the skills school for them to be prepared to perform their jobs safely.

In 2019, Grupo Nutresa completed the implementation of the ISO 45001 standard in the Cold Cuts, Ice Cream and Pastas Businesses in Colombia, the Chocolates Business in Peru, the Biscuits Business in Colombia and Costa Rica, and Tresmontes Lucchetti in Chile. Finally, in Colombia, the production facilities of Colcafé, Setas, Compañía Nacional de Chocolates and Molinos Santa Marta, and the cross-organizational businesses Servicios Nutresa, Comercial Nutresa and Novaventa maintain their OHSAS 18001 certification.

Promotion of safe and healthy work environments in the Biscuits Business, Colombia.

Participation, consultation and communication related to occupational health and safety [GRI 403-4] (ODS 8.8)

Number of members	2017	2018	2019
Occupational Safety and Health Committee	458	497	**596**
Zero Accidents Management	22.850	23.657	**27.392**
Support groups in case of emergencies	1.864	1.940	**2.576**
Health Management	22.135	23.657	**27.235**
Cohabitation Committee	199	184	**265**

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]

Grupo Nutresa implemented the project called "Riesgo de Carga Atribuible para Enfermedad Laboral por Riesgo Osteomuscular" (Risk of attributable burden for occupational illnesses derived from musculoskeletal risks). As part of this project, 869 tasks were assessed in 35 work centers of 15 facilities, thus allowing to project the possible emergence of occupational illnesses with the mentioned origin. The initiative will allow prioritizing the investment for and execution of musculoskeletal risk programs according to the criticality of the risks associated with the tasks or jobs.

In addition, the Company has physical conditioning programs in place with the aim of increasing and maintaining the employees' physical conditions (improving strength, flexibility and posture) as a mechanism for preventing and controlling musculoskeletal risks. These programs are permanently guided by physical therapists or sports medicine physicians. Additionally, the programs are supplemented with the development of technical and standard ergonomics capabilities among leaders and core staff with the purpose of improving the working methods that allow preventing these pathologies.

On another note, Grupo Nutresa has employment reinstatement and relocation programs in place in order to enhance the productivity and quality of life of employees suffering from pathologies that restrict the performance of their jobs. These initiatives enable the employees' timely recovery through their relocation to jobs, departments and/or locations evaluated by an interdisciplinary team. Finally, in cooperation with the occupational risk insurance administrator and the health care service provider, the Organization conducted a monitoring process of employees' health conditions for a timely assistance in occupational illness or absenteeism cases, and Comercial Nutresa's "Retorno al Trabajo" (Return to work) program was internally acknowledged as an exemplary practice due to its outstanding results for both the employees and the Company.

Health and workplace safety performance [GRI 403-9] [GRI 403-10] [ODS 8.8]

	2017		2018		2019	
	Direct employees	Contractors	Direct employees	Contractors	Direct employees	Contractors
Accident frequency rate Number of accidents in relation to total employees	2,02	4,27	1,53	3,81	**1,66**	**3,47**
Serious accident frequency rate Number of accidents with serious or severe consequences per 200.000 hours worked	ND	ND	0,01	0,00	**0,00**	**0,00**
LTIFR Number of accidents that caused lost time per 200.000 hours worked	1,85	3,62	1,42	3,23	**1,45**	**2,67**
OIFR Number of occupational illness cases per 200.000 hours worked	0,14	0,02	0,11	0,03	**0,34**	**0,01**
Work-related fatalities	1	0	0	1	**0**	**1**
Occupational illness fatalities	0	0	0	0	**0**	**0**

Servicios Nutresa employees practicing yoga in Medellín, Colombia.

Promotion of healthy lifestyles for people
[GRI 403-5] [GRI 403-6]

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, yearly laboratory tests for measuring the lipid profile (cholesterol and triglycerides, HDL, LDL and VLDL lipoproteins), fasting glycemia, anthropometric measurements (height, weight, abdominal circumference and BMI calculation), and blood pressure control, which allow identifying and assessing the employees' cardiovascular risk level. The interventions carried out are focused on the culture of learning adequate eating habits, the culture of movement and the culture of smoke-free environments.

- **Culture of movement:** seeks to reduce the idleness associated with sedentary lifestyles through agreements with multiple gyms, sports tournaments (cycling, table tennis, athletics and swimming) and ecological trekking. On another note, based on the "Día Verde" (Green Day) strategy, Grupo Nutresa promotes cycling and walking, and discourages the use of vehicles.
- **Culture of learning adequate eating habits:** the Organization promotes healthy lifestyle habits based on the guide published by the Colombian Heart Foundation. Additionally, several Grupo Nutresa companies regularly monitor its food services with the objective of promoting the offer of healthy menus. Furthermore, a nutritional evaluation is conducted on a yearly basis for high-risk employees, with complementary support provided to help them achieve their goals.
- **Culture of smoke-free environments:** several Grupo Nutresa Businesses have anti-smoking schools and provide individual therapeutic consultations to help employees quit their smoking habits. This process involves the employees' families through motivational videos and the reinforcement of positive messages about the benefits of reducing to the maximum extent or eliminating altogether cigarette smoking.

It is worth highlighting the fact that Servicios Nutresa and the Biscuits, Coffee, Chocolates and Cold Cuts Businesses have been certified as healthy organizations by the Colombian Heart Foundation. For their part, the production plants of Molinos Santa Marta, Alimentos Cárnicos, Industria de Alimentos Zenú, Colcafé, as well as Comercial Nutresa, Servicios Nutresa, Opperar and the Chocolates, Pastas and Biscuits Businesses have all implemented the Familiarly Responsible Company standard, created and monitored by the Spanish Másfamilia Foundation.

Worker training on occupational health and safety [GRI 103-5] (ODS 8.8)

Biscuits Business

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.

Cold Cuts Business

High-risk jobs
Developing capabilities among employees who perform high-risk jobs, particularly for safe work-at-height.

Chocolates Business

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.

Coffee Business

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.

Tresmontes Lucchetti

Emergency brigade
Training the members in six modules related to their needs in case of an actual emergency.

Ice Cream Business

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.

Comercial nutresa

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.

Servicios nutresa

Internalization of care
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.

Gestión Cargo – Servicios nutresa

COPASST (occupational health and safety peer committee)
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.

novaventa

Experience box
Striving to promote awareness about self-care and the care for others.

Opperar employees, Colombia.

RESPONSIBLE SOURCING

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

Commitment to the SDGs

"Conexión Cacao" (Cocoa Connection) project in Urabá, Colombia.

Strategy [GRI 103-2]	**Progress 2019** [GRI 103-3]
Improving and broadening the coverage of the strategic sourcing model and managing the commodity price volatility.	• **More** than COP 88,9 billion in savings in the supplies and service purchase categories through 343 initiatives deployed in all the regions. • **Commodity** volatility management through coverage and negotiation strategies with the aim of ensuring competitiveness.
Bridging sustainable-sourcing gaps.	• **Update** of the environmental and social risks for 76 categories of supplies and services in Colombia, and exploration of the supplier management scope. • **Publication** of the guide for environmental sustainability in livestock farming in Colombia jointly with the WWF. • **39%** improvement in the sustainability assessment of the suppliers participating in the Grupo Nutresa Exemplary Supplier acknowledgment program.
Promoting the implementation of inclusive businesses and the development of organizational capabilities among farmers.	• **Consolidation** of the new social support methodology for reinforcing 32 associations of producers of coffee, milk, honey, cashew nuts and cocoa in Colombia, allowing the development of the capabilities of 2.062 producers. • **Formulation** and assessment of new inclusive cocoa, turmeric and orange businesses in Colombia
Implementing the comprehensive foreign trade logistics model.	• **Consolidation** of the import operation for the main commodities, incorporating skills and capabilities associated with the export model. • **Increase** in the operation capacity of the Gestión Cargo business area for the indirect supplies categories. • **Development** of internal capabilities for being granted the AEO certification (authorized economic operator) by the Colombian National Directorate of Taxes and Customs (abbreviated DIAN in Spanish).
Implementing digital capabilities in the negotiation/procurement and sourcing processes.	• **Implementation** of the **"Clic de Compras Digitales" (Digital Purchase Click) project**, which contributes to the Company's digital transformation and facilitates its interaction with the suppliers.

Fifth edition of Grupo Nutresa's Exemplary Supplier Acknowledgment Program: 21 companies were acknowledged in the different purchase categories.

RISKS AND OPPORTUNITIES

[GRI 103-1]

The responsible sourcing model allows Grupo Nutresa to manage the risks and opportunities derived from commodity price volatility, animal welfare and the generational replacement in the agricultural and livestock supply chain. Additionally, it represents an opportunity to motivate suppliers to adopt sustainable practices that have a positive impact on their resource management processes.

In anticipation of the new challenges, the Organization updated its definitions of current and emerging risks in the supply chain and identified opportunities and partnerships related to circular economy, eco-design and alternative energies jointly with suppliers and strategic allies. This update included analyses of the risks associated with the three sustainability dimensions.

Fundación Nutresa's social support methodology is one of the mechanisms that benefit more than 2.062 producers in Colombia, and it is considered to be an opportunity to boost the development of business capabilities that mitigate identified risks, such as child labor, forced labor and unfair salaries.

OUTLOOK

Grupo Nutresa will continue working on its digital strategy by incorporating new technologies in the purchase processes in order to enhance its engagement with suppliers, negotiations and the sourcing process. The purpose of these actions is to strive for profitable growth and optimize the working capital based on strategic sourcing methodologies.

The Company's social management work will continue focusing on developing projects in the strategic region to generate capabilities and empower the value chain, thus contributing to the eradication of poverty and to the achievement of prosperity in the territories. For such purpose, the Organization will continue consolidating partnerships and actions that allow bridging gaps in the sustainable sourcing processes.

Capability strengthening project in dairy associations in Cundinamarca and Boyacá, Colombia.

National Meeting of Cocoa Producers in Colombia

The **First National Meeting of Cocoa** Growers was organized by the Chocolates Business and Fundación Nutresa and it was held on November 27 and 28, 2019, in the Municipality of San Vicente de Chucurí. This event focuses on the transfer and exchange of knowledge and best practices found in the cocoa supply chain with the aim of increasing plantation productivity and market competitiveness. More than 160 cocoa producers from the Colombian departments of Bolívar, Antioquia, Magdalena, Cesar, Tolima and Santander attended the Meeting. The National Business Association of Colombia (ANDI), Bucaramanga's Chamber of Commerce and Ecocacao also participated in the event.

First National Meeting of Cocoa Growers in San Vicente de Chucurí, Colombian.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Social support for strengthening honey producer associations in San Rafael, Colombia.

Open Space Technology: more learning in the productive chain

The Second Open Space event with suppliers from multiple commodity and service categories was organized with the purpose of fostering a collaborative learning ecosystem among the multiple actors of the productive chains, addressing shared challenges and opportunities in the social, economic and environmental dimensions. This event was attended by 49 people from 32 supplier companies, who discussed 11 sustainability-related matters.

Sustainable livestock farming

As a result of the study on risks in the bovine cattle supply chain, which was carried out jointly with the World Wildlife Fund (WWF), Grupo Nutresa published the handbook of good practices titled

Strategic recommendations for environmental sustainability in the primary production of beef

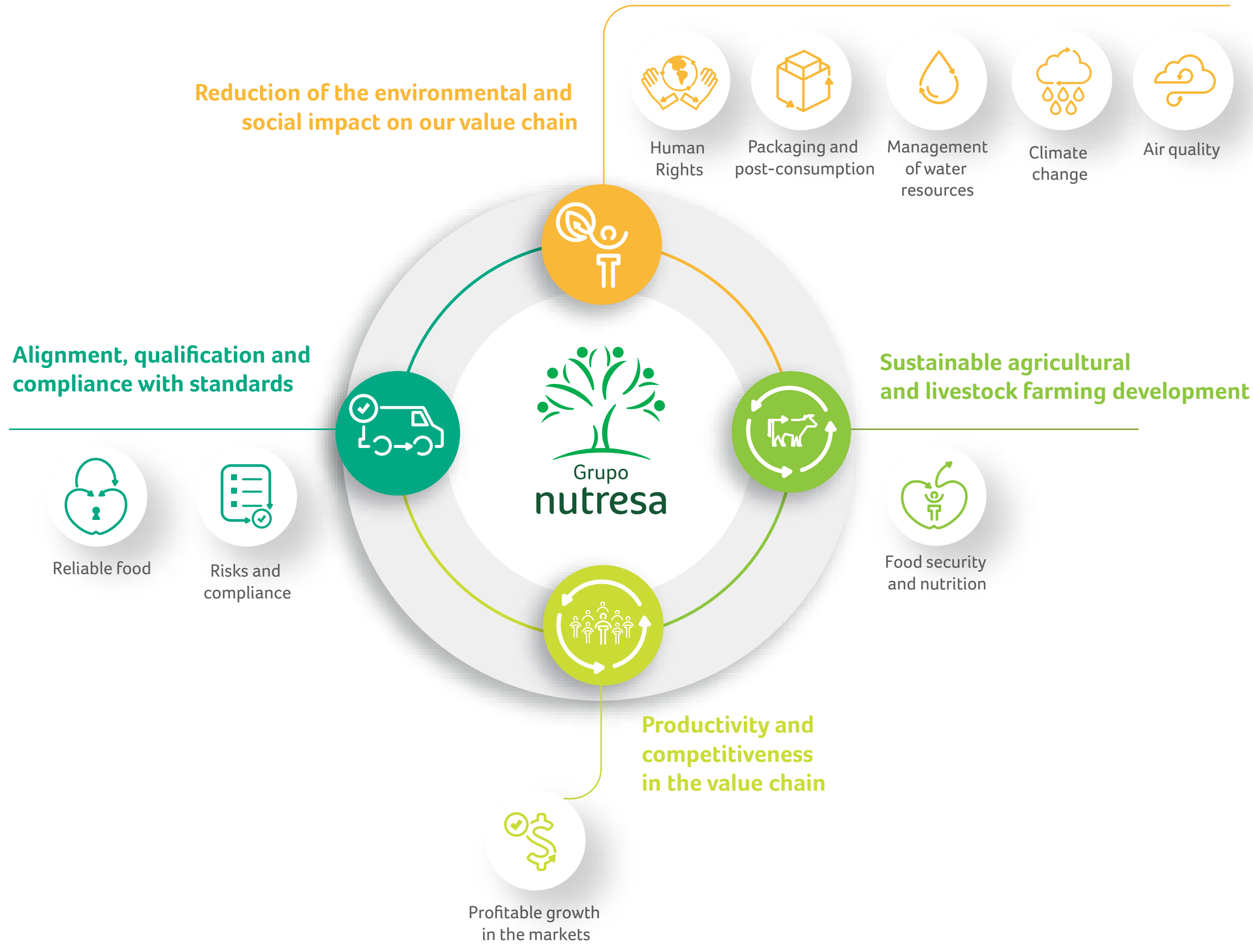
The recommendations contained in this handbook will work as guidelines for the implementation of better practices, and include diverse activities intended to improve productivity in terms of soil, water and other natural resources.

PROGRESS 2019

[GRI 103-3]

Responsible sourcing model

The responsible sourcing model seeks to ensure the Organization's continuity, capitalize opportunities and manage the risks that are not directly controlled by the Company through the incorporation of economic, social and environmental variables and through four management approaches.



Alignment, qualification and compliance with standards

Qualification and enhancement of capabilities

Grupo Nutresa develops capabilities with the objective of guaranteeing the qualification and compliance with quality and safety standards and management systems that have an impact on the sustainable sourcing processes.

In 2019, 1.059 suppliers of commodities and services received training in order to improve their capabilities and adequately manage the risks in the supply chain. The training sessions were attended by 9.459 people. Part of the syllabus for the training activities was centered on the compliance with the regulations related to the migration of materials that make contact with food products. This content will be made available online to the suppliers. Grupo Nutresa also developed internal capabilities among 28 people from the purchase negotiation teams and enhanced the capabilities and knowledge in terms of competitiveness and sustainability.

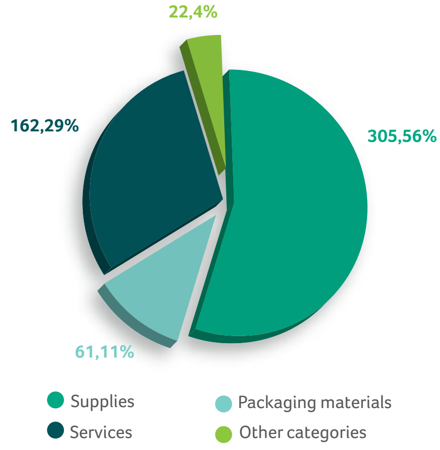
The Organization is convinced that collaborative work and alliances help to build a better future for all; therefore, the Company has been participating for over five years in the "Grupo Pares" (Peer Group) initiative in Colombia with the aim of boosting the country's productivity and competitiveness and creating knowledge banks and experiences related to supplier management. Additionally, Grupo Nutresa works with Medellín's innovation and business center Ruta N and its entrepreneurship ecosystem in search for sustainable solutions for challenges facing our Businesses and the entire value chain.

Grupo Nutresa develops capabilities and implements the responsible sourcing model across its multiple operations and the geographies where it operates.

Supplier assessment and auditing

Grupo Nutresa conducted 41 sustainability audits, where 83% of the suppliers screened obtained favorable and superior scores, that is, ratings above 80%. Additionally, 466 integrated management system audits were carried out, where 89% of the suppliers screened ranked at favorable levels. Finally, 43 key suppliers from the logistics value chain were audited in the context of commercial security as a requirement for being able to apply for the AEO certification.

Total suppliers audited in 2019 by category



Productivity Factories

By means of the promotion in its value chain, Grupo Nutresa joined the Productivity Factories program, which is led by the Colombian Ministry of Commerce, Industry and Tourism and supported by the chambers of commerce from Bogotá, Bucaramanga, Cali, Medellín for Antioquia and Manizales. The program was disseminated among more than 200 local suppliers for which development opportunities have been identified.

For further information, go to

New suppliers that were screened using environmental and social criteria [GRI 308-1] [GRI 414-1]

Based on the following criteria	Environmental			Social		
	2017	2018	2019	2017	2018	2019
Colombia	39%	60%	22%	40%	100%	24%
Chile	0%	10%	0%	3%	1%	0%
Costa Rica	N.A.	100%	0%	N.A.	0%	0%

Sustainability sessions with suppliers

As part of the audit program, two training sessions about sustainability tools were held in 2019 with the support of the Icontec (Colombian Institute of Technical Standards) and the participation of 50 suppliers.

Sustainability-related risks assessed

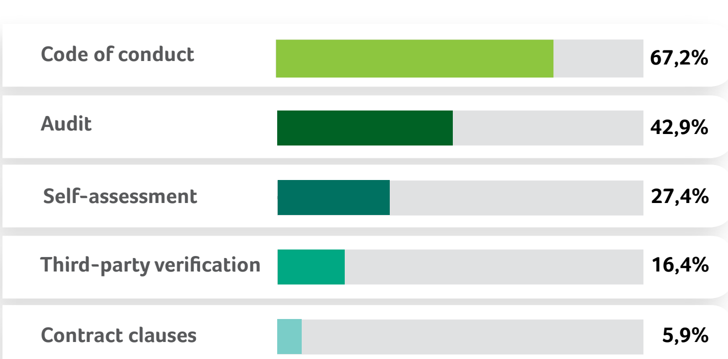
- **Environmental:** alterations in the water resources, the soil and the atmosphere; dependence on non-renewable resources; inadequate waste management; noncompliance with environmental regulations; loss of biodiversity; inadequate use and management of hazardous substances; and climate variability 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.

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

Based on the following criteria	Environmental			Social		
Country	**Colombia**	**Chile**	**Costa Rica**	**Colombia**	**Chile**	**Costa Rica**
Number of suppliers whose impact has been assessed.	386	9	40	239	9	40
Number of suppliers with actual significant negative impact.	1	4	32	-	-	10
Suppliers with actual and potential negative environmental impact with which improvements have been agreed upon after the assessment.	1	0	32	-	-	10
Percentage of suppliers with negative impact with which improvements have been agreed upon after the assessment.	100%	0%	100%	0%	NA	100%
Suppliers with actual and potential significant negative environmental impact with which the commercial relation has been terminated as a result of the assessment.	-	1,0	-	-	-	-
Percentage of suppliers with actual and potential significant negative impact with which the commercial relation has been terminated as a result of the assessment.	0%	25%	0%	NA	NA	0%

Sourcing policy compliance verification mechanisms

Critical suppliers represent 80% of the main suppliers in purchase amounts. From the total amount purchased from them, 57% corresponds to direct suppliers of goods that comply with the Company's purchase policy.



Connectivity with suppliers

In 2019, the Organization started a project focused on the implementation of the *SAP Ariba* software, the leading cloud-based purchase application, with the objective of increasing the efficiency of the negotiation processes, contracts, orders, invoices and payments. The interactive voice response was automated to enable the suppliers to self-manage the payment-related information, thus improving the Company's supplier service level.

Piloto S.A.S., packaging materials supplier in Medellín, Colombia.

Reduction of the environmental and social impact on the supply chain

Management of sustainability-related risks regarding commodities
As a result of the study on risks in the bovine cattle supply chain, which was carried out jointly with the World Wildlife Fund (WWF), Grupo Nutresa published the handbook of good practices titled

Strategic recommendations for environmental sustainability in the primary production of beef

The recommendations contained in this handbook will work as guidelines for the implementation of better practices, and include diverse activities intended to improve productivity in terms of soil, water and other natural resources.

Update of the risks associated with sustainability and the suppliers in the value chain
With the support from BSD Consulting, Grupo Nutresa updated and analyzed the environmental and social risks in 76 purchase categories and launched its plan for responding based on the corresponding results and findings. This exercise allowed identifying the categories of commodities and services with the highest levels of sustainability-related risk or impact.

Supplier acknowledgment program
In the fifth edition of the supplier acknowledgment program, 21 suppliers were honored in recognition of their commitment to the development of society and the economic, social and environmental progress of the countries where they operate. The program seeks, in addition to give recognition, to develop sustainability-related capabilities.

In 2019, the Organization provided training to 1.009 people from 56 supplier companies through a virtual course on Human Rights that promotes empowerment, diversity and inclusion in the sourcing chain.

Plantations that supply the Coffee Business in Colombia.

Sustainable agricultural and livestock development

Promotion of coffee

Se generaron beneficios para las comunidades productoras de café certifiThe Organization benefited the coffee-growing communities certified under the Fair Trade seal, a program based on the cooperation among growers and marketers. Thanks to alliances and negotiations with international customers, the Company has transferred resources amounting to more than COP 61,76 billion by means of a social premium that is used in initiatives focused on productivity, crop quality and environmental and social projects.

The following has been the behavior of the premiums transferred over the past years:

Fairtrade Coffee						
	2014	2015	2016	2017	2018	2019
Communities benefited	34	34	32	46	31	19
Premiums paid plus surcharge (COP million)	5.656	7.338	8.170	10.181	11.209	19.206

Wheat

Continuation of the public-private collaboration agreement for the development of small durum wheat suppliers with the Agricultural Development Institute (Indap), the National Institute of Agricultural Innovation (INIA) and Tresmontes Lucchetti in Chile. Five training sessions were organized to address topics such as traceability, quality, safety, competitiveness and sustainable crop management. In addition, the Organization created the English version of the handbook of good agricultural practices for growing durum wheat. Finally, four small farmers recently incorporated into the supplier matrix were included in the training activities.

On another note, all the suppliers that work under the contract farming schemes in Chile agreed to abide by Grupo Nutresa's Code of Conduct for Suppliers for the 2018-2019 purchase season.

Cocoa bean sourcing in Urabá, Colombia.

Cocoa

As a contribution to the sustainable rural development of the Colombian cocoa-growing sector, the Chocolates Business managed, through 154 alliances with multiple actors from the cocoa-chocolate chain, inclusive projects that benefited 20.339 families with 33.742 hectares of cocoa plantations in 23 Colombian departments. The activities consisted in 392 training programs, technical tours and method demonstrations carried out in the experimental agricultural centers, propagation plant nurseries and demonstrative plots, with the participation of 5.435 farmers and technicians. Grupo Nutresa also shared practices in the cocoa-growing sector through the dissemination of written, visual and audio contents by using digital platforms. As a result of these activities, 954.133 text messages were sent to 12.490 participants of the value chain, and four handbooks were published for the promotion and improvement of good agricultural practices focused on cocoa production, with 8.000 copies being distributed and delivered to the communities that have manifested interest in the productive system.

Moreover, from the clonal orchards in Colombia, 4.040.115 vegetable material units were propagated and distributed for new plantations and for the renovation and rehabilitation of unproductive cocoa plantations.

In terms of commercialization, the Chocolates Business purchased 37.6% of the cocoa from farmer associations and cooperative organizations across the country's territories. The Business also signed inter-institutional agreements with academic entities and both public and private organizations, among which are: Agroemprende Cacao, Colombian Cocoa Control System (Colco), developed with two universities: Universidad Pontificia Bolivariana (UPB) and Universidad Nacional de Colombia (UNAL).

Finally, Grupo Nutresa, in partnership with the Canadian Government, Socodevi and Repsol, inaugurated a plant nursery for the propagation and distribution of vegetable materials in the Colombian department of Meta, contributing to the replacement of illegal crops in communities that were victims of the armed conflict. This plant nursery has an annual capacity of 660.000 cocoa tree seedlings, provides formal jobs for women and men from the region and benefits more than 500 cocoa growers in the area, thus allowing to boost the productivity and enhance the competitiveness of the cocoa-growing chain in the country.

Grupo Nutresa ensures an adequate environment for the animals that will be the source of supplies throughout their development process, guaranteeing production practices based on sustainability criteria.

Animal welfare

Grupo Nutresa promotes animal welfare throughout both the raising and slaughter processes, as well as the productivity under sustainability criteria. Thus, in 2018, the Organization implemented gestation sheds for raising pigs based on animal welfare standards.

Furthermore, 87.9% of Grupo Nutresa's pig farms are certified under resolution 2640 from the Colombian Agricultural and Livestock Institute (ICA) related to good livestock farming practices and safety. The other farms are currently undergoing the certification process, which includes the analysis of practices, expert advisory, the design of the productive model and its valuation, assurance of technical conditions, and the identification of the impact, risks and benefits. The production systems guarantee the animals' well-being and comfort and have the necessary facilities to maintain adequate temperatures, the permanent supply of water and balanced feed, and the protection from adverse weather conditions.

Animals raised and processed, and type of housing [G4-FP9] [G4-FP11]

	2019
Breeding pigs	9.364
Fattening pigs	217.206
Pigs in pens	218.372
Pigs in crates	8.198
Cattle in pastures	24.971
Fattening cattle	27.573

Coffee growers benefited from the Company's social and technical development programs in Colombia.

Development of capabilities among community organizations

Support in the strengthening of the socio-entrepreneurial capabilities of communities that produce cashew nuts, milk, cocoa and durum wheat in the Colombian departments of Antioquia, Bolívar, Boyacá, Córdoba, Cundinamarca, Magdalena, Santander, Sucre and Tolima, as well as in the strategic region in Chile.

Historically, Fundación Nutresa has implemented methodologies for strengthening business capabilities, benefiting 61 farmer associations and peasant groups in Colombia; in 2019, 32 of them remained active. Additionally, the Organization formulated and assessed projects in new agricultural sectors in multiple Colombian departments: turmeric in Vichada; tomato, lettuce and onion in Cundinamarca, and cocoa in Cesar. The latter is managed in partnership with the Chocolates Business and the United States' Natural Wealth program.

Besides that, more than COP 675 million were invested and, with the support from other actors such as the ANDI Foundation, Comfama and Interactuar, it was possible to develop new capabilities and produce a greater positive impact on the territory for more than 2.000 rural agricultural product suppliers, who were able to provide Grupo Nutresa with more than 8.000 tons of supplies, valued at COP 19.743 millions. These initiatives also reinforce the rural enterprises and improve the living conditions of the farmers and their families.

Lastly, Grupo Nutresa organized two agricultural meetings with more than 300 farmers. The 3rd Meeting of Cashew Nut Producers in the municipality of Chinú, in the Colombian state of Córdoba, gathered producers from Atlántico, Vichada and the host state. One of the notable actions carried out during the event was the formalization of the region's cashew nut production chain, led by Fundación Nutresa and several partners to contribute to the development of the territory. Additionally, the First National Meeting of Cocoa Growers was organized and held in the municipality of San Vicente de Chucurí, in the Colombian department of Santander. The amount invested in both events totaled COP 60.000.000.

Productivity and competitiveness in the value chain

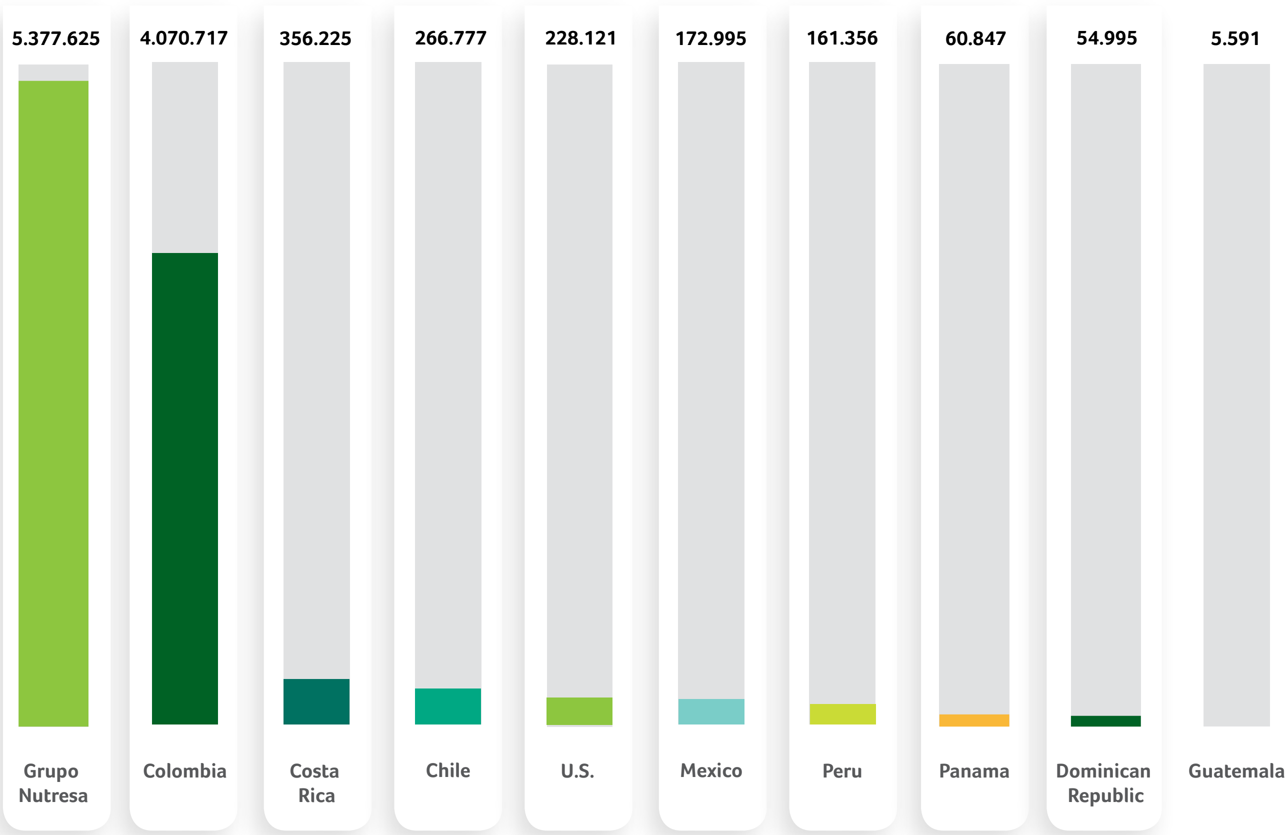
By means of the strategic sourcing, Grupo Nutresa structure and execute initiatives that improve the negotiation competitiveness and the sourcing of goods and services for the Organization. In 2019, the Company secured COP 88,9 billion in savings through 343 negotiation initiatives.

Moreover, four work sessions were carried out with suppliers from Colombia, Chile, Costa Rica and the U.S. to address the topics of innovation and productivity in the supply chain. These work sessions gave rise to 49 initiatives.

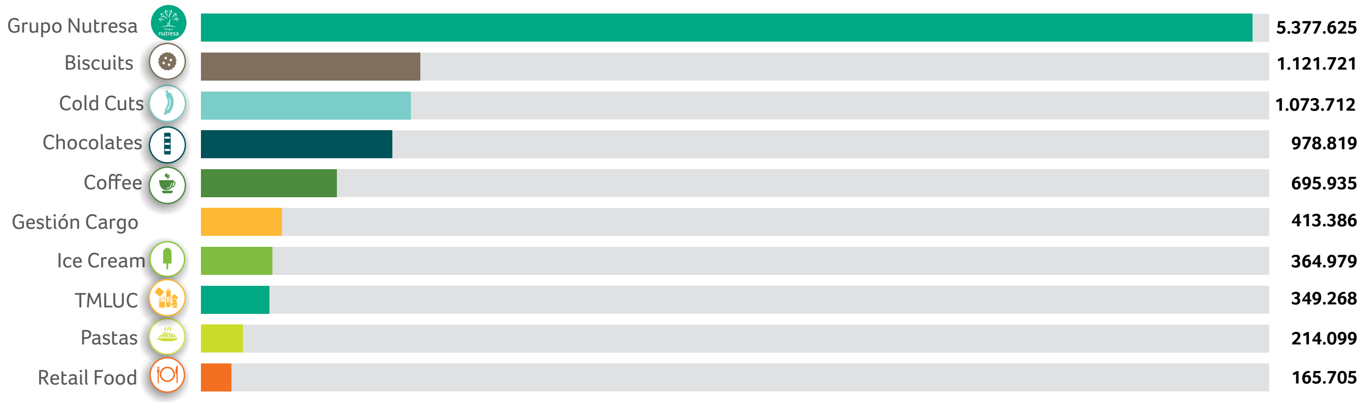
In 2019, Grupo Nutresa engaged 20.331 suppliers.

Grupo Nutresa's local purchases (COP billion) [GRI 204-1]

Grupo Nutresa's TOTAL purchases in 2019

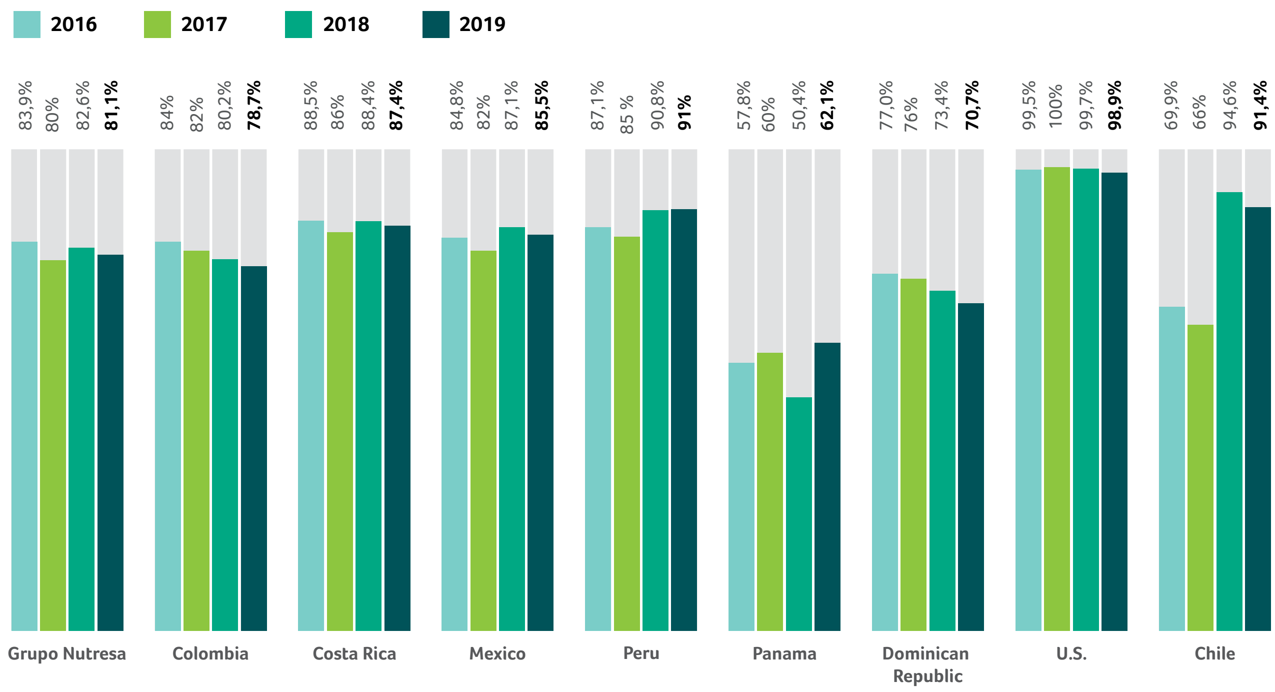


Grupo Nutresa's total purchases in 2019 by business



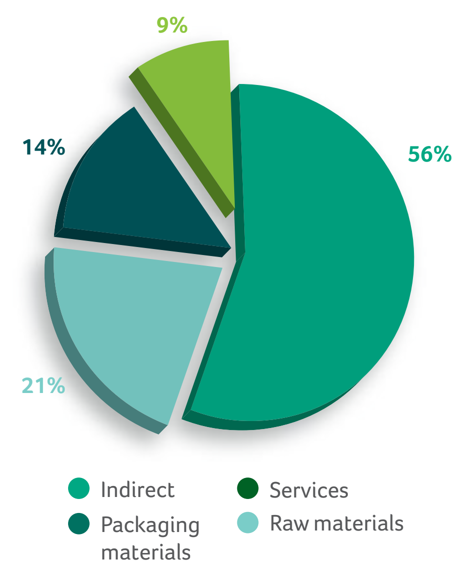
Annual purchases by each Business. The marketing companies, the fixed assets, the Organization's own finished and marketable products are not included.

Grupo Nutresa's local purchases [GRI 204-1]



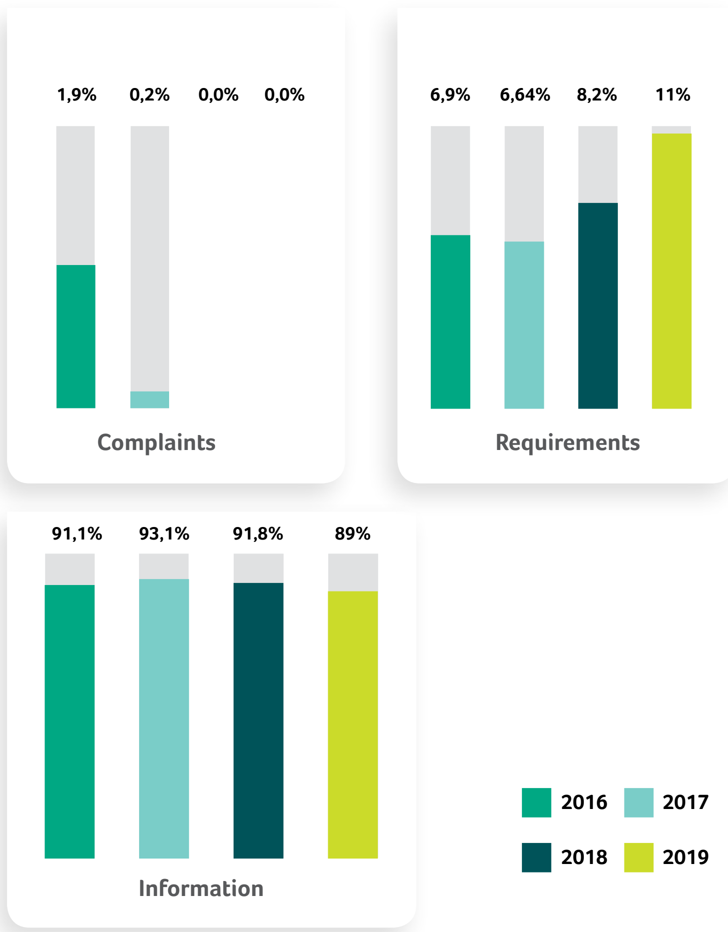
*Includes commodities, raw materials, packaging materials, indirect purchases and services. The marketing companies, the Organization's own finished and marketable products and the fixed assets are not included. Note: local suppliers are those located in each country where the Organization runs significant operations (transformation operations).

Grupo Nutresa's total purchases in 2019 by type of supplies



Support and service provided to suppliers

Grupo Nutresa addressed 31.343 cases through its supplier service lines, 5.538 of which were related to web portal services and 3.296 of them were scaled up.



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.

8 DECENT WORK AND ECONOMIC GROWTH

Commitment to the SDGs

Social and business strengthening process of ceviche vendors in Cartagena, Colombia.

Strategy [GRI 103-2]	**Progress** [GRI 103-3]
Providing customers with differentiated value propositions based on a deep knowledge of the market.	• **Incorporation** of methodologies based on the design of experiences to deliver comprehensive solutions and differentiated value propositions to customers, consumers and shoppers by resorting to the knowledge and understanding of the market. • **87,7** score in terms of satisfaction and 86,2 regarding loyalty in Colombia, placing the Organization at levels of excellence and allowing it to validate and ensure the efficient delivery of value propositions.
Implementing capability development plans and programs for customers, enabling them to face the new challenges of the commercial environment.	• **Development** of customers' skills and capabilities in terms of their level of understanding of the commercial environment, formulation of commercial strategies, point-of-sale management and administration, product transformation and operational efficiency measures that contribute to Grupo Nutresa's sustainability.
Creating differentiated and memorable experiences.	• **Strengthening** of the customer service models with a focus on agility, efficiency, flexibility and the alignment of needs.
Consolidating inclusive and sustainable business models that contribute to the development of customers.	• **Consolidation** of inclusive initiatives in Comercial Nutresa, Novaventa and the Tresmontes Lucchetti, Ice Cream and Biscuits Businesses in Colombia and Costa Rica, promoting income generation and the development of base of the pyramid customers.
Reinforcement of commercial and distribution processes to reduce the environmental impact.	• **Expansion** of the transport fleet with 5 more efficient vehicles that operate with cleaner energies. • **45%** reduction in fuel consumption from the optimization of the commercial routes. • **Use** of recyclable and less polluting materials for the product display solutions at the points of sale.

Grupo Nutresa develops commercialization models with social impact, such as Novaventa's individual entrepreneurs program. Medellín, Colombia.

RISKS AND OPPORTUNITIES

[GRI 103-1]

The reinforcement of the new commercialization formats and the reinvention of the existing ones, as well as the arrival of new competitors to the market, pose a business landscape that demands the delivery of differentiated value propositions to the customers based on the deep knowledge of their needs and the development of capabilities.

In addition, the social and macroeconomic contexts entail new challenges for all the market participants, making it necessary to devise new ways for engaging the customers and adapting the Company's processes to create experiences of value based on the commercial service, delivery and development. To achieve this, it is essential to capitalize new market entry opportunities, such as venturing into new commercialization platforms, adopting new distribution models and aligning with new consumer trends that represent competitive advantages and an effective path to prevailing in the market.

Finally, through the development of capabilities and the formulation of joint strategies with the customers, collaborative relations become an opportunity to create and harness mutual value in pursuit of sustainability.

OUTLOOK

The market trends are governed by factors related to the changes in the commercial ecosystem and by people's new motivations. One of these motivations is sustainable consumption, which is increasingly common in the general public and, especially, among the young generations, who are concerned about making more conscious buying decisions, and value attributes related to environmental protection, sustainable production and positive social impact. This entails a sizable challenge in terms of productive models and commercialization systems, which modifies the outlook regarding the relationship between the companies and their customers in order to guarantee sustainability.

On the other hand, the digital transformation creates commercial management opportunities in aspects related to the simplification of purchase processes, the bigger expansion in the markets and an adequate understanding of previously neglected needs.

Finally, it is worth highlighting the importance of creating differentiated experiences for both customers and consumers, with elements such as personalization, the use of sensory strategies, the strengthening of the collaborative relations and the use of new interaction and connectivity means. These elements will become success factors in the construction and consolidation of strong relations with all of Grupo Nutresa's stakeholders.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Novaventa employee loading a vending machine in Itagüí, Colombia.

Pozuelo in Costa Rica, the best customer service

In Costa Rica, the National Chamber of Retailers and the Like (abbreviated Canacodea in Spanish) granted Pozuelo the "Galardón del Detallista" (Retailer Award) for its outstanding customer service work and its sales-related contributions to the sector. This acknowledgment intends to value and recognize the service level of the sales force, the support provided to the retail sector and the quality of the products.

Comercial Nutresa, with top logistical and commercial practices

Logyca, the leading logistics firm in Latin America, awarded Comercial Nutresa for the second consecutive year its accolade for the best logistical and commercial practices in the mass consumption category. The acknowledgment also highlighted the Company's capabilities for the collaboration with business partners in the sector. For its part, in Colombia, Bogotá's District Mobility Secretariat acknowledged Comercial Nutresa as one of the top companies in the implementation of urban logistical practices in the categories of logistical efficiency, collaborative work, technological support and low-emissions fleet.

Grupo Nutresa, leading organization in goodwill

For its contributions in the fields of innovation, value offer, soundness and trajectory, Grupo Nutresa was recognized as the leading company in the 2WAY Goodwill Awards, consolidating itself as the company with the best reputation in Colombia. This research includes the largest 200 companies in the country.

Logistical process in Comercial Nutresa's Antioquia regional facilities.

PROGRESS 2019

[GRI 103-3]

Providing customers with differentiated value propositions

Grupo Nutresa designed 15 new value propositions for customers from different segments with the aim of providing a conscious service, developing their capabilities and meeting their needs.

In the yearly measurement of the value propositions, the Company obtained a score of 87,7 in the satisfaction index and 86,2 in the loyalty index, placing the Organization at an outstanding level of excellence.

Customer training for the generation of capabilities

The strengthening and development of capabilities among customers remains a fundamental aspect for Grupo Nutresa. This allows the Organization to provide these two stakeholder groups with differentiated elements that enable them to adapt to the new setting conditions and continue being sustainable and competitive in the market. To achieve this, the Company made progress in:

- **The development of 40 schools for customers that benefited 1.040 people in Colombia.** This initiative seeks to increase the Businesses' comprehensive sales and improve the quality of life of customers and their families.
- **The pilot of the "escuela móvil" (mobile school) initiative with 72 customers from the traditional channel in Colombia.** The aim of this project is to reach distant populations, having an impact on a larger number of people.
- **In Colombia, 253 food handlers received training through activities organized by La Recetta** as part of the School Food Program (abbreviated PAE in Spanish). The training activities addressed the subjects of food handling, food preparation and nutrition. The Business also provided bakery and pastry training for 60 inmates from five penitentiary facilities in Colombia.
- **More than 126.749 individual entrepreneurs participated in a virtual training course created by Novaventa and offered via Facebook Live.** This activity covered the subjects of product commercialization and sales techniques with the objective of improving their capabilities.
- **The Ice Cream Business provided training to 1.852 customers, addressing subjects such as:** good manufacturing practices, product costing, profitability and customer service in order to enhance their administrative and regulatory compliance capabilities.

Comercial Nutresa salesman and a customer at a point of sale in Barranquilla, Colombia.

Loyalty and co-creation programs with customers

Novaventa, Comercial Nutresa and the Ice Cream Business continue working on strengthening their customer loyalty programs, delivering acknowledgments for the fulfillment of objectives aimed at providing tools for the businesses consolidation, as well as to create experiences that enable them to enjoy their everyday life both in and out of the work environment. Impact of the multiple programs:

- **9.318 customers** benefited from the Comercial Nutresa's Socios Nutresa (Nutresa Partners) program.
- **18.862 customers** benefited from Novaventa's Mis Premios (My prizes) program.
- **36.230 customers** benefited from the Ice Cream Business's multi-channel program: Súper Socio (Super Partner).
- **4.100 people** benefited from Grupo Nutresa's Bambú (Bamboo) program.
- **386 customers** benefited from the Co-Creation Workshops organized by Comercial Nutresa and the Cold Cuts Business.

These programs enable the Organization to achieve a deep understanding of the customers' brand essence, the commercial environment and the shoppers. In turn, this deep understanding is used to implement collaborative commercial strategies that boost mutual development, point-of-sale exclusivity and supply-chain efficiency.

Technical advisory activities

Comercial Nutresa and La Recetta supported more than 1.000 customers with specialized advisory and assistance with the purpose of transferring knowledge for the development of new portfolios, the use of the Company's products and the preparation techniques. Additionally, Grupo Nutresa continues organizing and holding customer acknowledgment events:

- **Comercial Nutresa's Annual Commercial Agents** Meeting with the participation of 59 people, who received training in matters related to sustainability, business evolution and transformation, global trends and challenges, family, leadership, financial policies and value propositions. The event also included an acknowledgment to the top businessperson for their performance in terms of sales, customer satisfaction, numerical distribution and talent retention.
- **Organization of the Wholesalers Meeting in Mexico,** with 46 attendees.
- **Socios Nutresa Gala,** where the 50 most important customers-partners in Colombia were acknowledged.
- **Novaventa organized and held the annual event known as "Día Diamante" (Diamond day),** which gathered 3.492 individual entrepreneurs around training and acknowledgment activities.

Fundación Nutresa and the Saltín Noel brand develop the capabilities of the ceviche vendors in Cartagena regarding aspects like good manufacturing practices, circular economy and business projection.

Development of differentiated and memorable experiences

Grupo Nutresa continued strengthening its customer and consumer assistance systems by means of technological ecosystems and processes designed to be where and when customers need it so. For this purpose, the Organization enabled channels such as social networks, chatbots, WhatsApp, apps, SMS and IVR (interactive voice response), which allow providing a timelier and more efficient omnichannel service.

In addition, Comercial Nutresa set up the Customer Interaction Center (CIC) project in Colombia, which aims to ensure the commercial assistance service through telemarketing and proactively responding to the novelties occurring during the commercial process. The CIC team is formed by the Company's relocated personnel, who due to health conditions have restrictions in terms of the execution of certain activities.

Commercialization models with social impact

In Colombia, Novaventa and the Cold Cuts Business benefited 194.649 individual entrepreneurs and 7.800 businesswomen through the development of opportunities that allow them having a business with more independence and comprehensive benefits. On another note, the Ice Cream Business's service model for ice cream vendors had a positive impact on 4.300 people with the promotion of employability, the formalization of sales and legality in a market that is generally considered informal.

The Saltín Noel brand and Fundación Nutresa continued working on the social and business strengthening process of 48 ceviche vendors in Cartagena. This process allowed developing capabilities associated with the business and, in addition, the Company carried out circular economy actions that made it possible to collect more than 8.600 packaging waste that were exchanged for biscuit products and prizes for their families. In the long term, this initiative will enable closing the cycle of packaging materials, thus producing a positive impact on the garbage systems and the sea ecosystems in Colombia.

In Chile, Tresmontes Lucchetti developed the capabilities of 12 vendors through the program Service School for Commercial Operators, which enhances the skills of the sales force by turning them into business advisers.

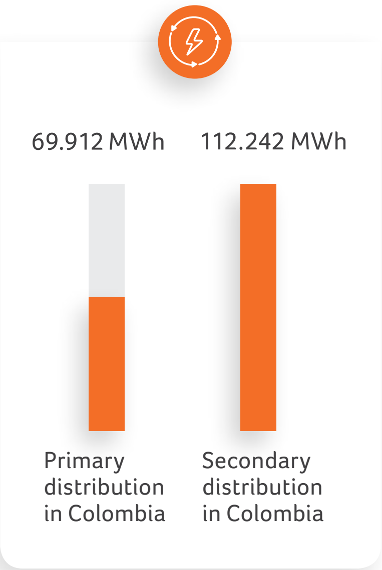
Marketers from the Antioquia regional operation center promoting Nutresa's express pods.

Reinforcement of commercial and distribution processes to reduce the environmental impact

Between 2014 and 2019, Grupo Nutresa reduced by 45% its environmental impact associated with the distribution process. It is worth highlighting the addition of five vehicles that run fully on gas and one electric vehicle to the fleet. Both types of vehicles have a positive impact on the reduction of GHG emissions.

The Organization has provided its customers with more than 15.000 business assets for the conservation of its products, such as refrigerators and refrigerated carts, which operate with refrigerating gases that are environmentally friendlier and more energy efficient. Besides that, the Company designed point-of-purchase elements and product displays that were subsequently manufactured with recycled materials through more than 150 business initiatives. Additionally, the first environmental vending machine was deployed for the recycling of PET bottles.

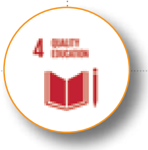
External energy consumption [GRI 302-2]



BUILDING A BETTER SOCIETY

HUMAN **RIGHTS**

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



Commitment to the SDGs

Work inclusion promotion activity at the Colcafé production plant in Medellín, Colombia.

Strategy [GRI 103-2]	**Progress** [GRI 103-3]
Ensuring the effectiveness of the Human Rights management system.	• **The Human Rights risk** matrix was updated and analyzed. • **The Organization received** and managed 50 possible Human Rights violation cases. • **20 discussion conferences** on Human Rights led by the Strategic Human Rights Committee.
Training in aspects related to Human Rights	• **18 Human Rights managers** received training in topics related to diversity and inclusion. • **The Company launched a virtual course** focused on strengthening gender equality, with the participation of 650 employees. • **211 employees** received training in the topic of eliminating unintended biases.
Consolidating diversity-related and inclusion practices.	• **Four inclusion programs** were implemented: people with disabilities, women leadership, creation of jobs for people who were victims of the armed conflict and multiculturalism. • **223 people** with disabilities were hired by the Organization, 58 of them through a partnership with *Best Buddies* [GRI 102-8] **[GRI 405-1]** **[ODS 8.5]** • **34 people** hired under the multi-sector initiative titled "Alianza soluciones" (Solutions alliance) in Colombia, an endeavor that supports the Colombian peace process.
Developing capabilities among the leaders in order to enable them to promote and manage the respect for Human Rights, thus developing a mentality focused on the openness to diversity and inclusion.	• **102 employees** participated in the Transformational Leadership program. • **Graduation** of the first group of 46 women from the **Women Leadershi**p program. • **200 employees** attended the first discussion panel titled "Transformando miradas - Conversaciones que Fortalecen la Equidad de Género" (Transforming perspectives - Conversations that strengthen the gender equality).
Developing Human Rights management capabilities among suppliers and contractors.	• **59 allied companies** completed the virtual course titled "Actúo Íntegramente" (I act with integrity). • **Contract Auditor Meeting,** focused on the internalization of capabilities related to labor matters and the Human Rights due diligence.
Building trust-based relations with the leaders of collective covenants and collective bargaining agreements.	• **Development** of work agendas with union and collective bargaining agreement leaders. • **7 collective covenants** and 7 collective bargaining agreements were signed over the year.

Grupo Nutresa intensifies its work with allies from the value chain to make sure that the best Human Rights practices are incorporated. Capability strengthening project in dairy associations in Cundinamarca and Boyacá, Colombia.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Social matters are becoming increasingly important around the world and organizations are not exempt to this. Therefore, companies must be committed to the creation of a work context that values and recognizes human beings as active and primary agents in the achievement of their organizational objectives. This represents a challenge for Grupo Nutresa's Businesses, especially regarding all aspects related to the assurance of the indicators in the fields of equality, inclusion and diversity, allowing to have a staff with different capabilities and skills. Thus, the Company has raised the awareness of its employees, especially the leaders, about the contribution of the role of women and men in the Organization, and it has also 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 adequately diverse human talent.

Finally, to mitigate the risks associated with the violation of Human Rights, the Organization works on a strategic approach that includes this criterion in the decision-making processes and establishes adequate processes in terms of monitoring and control. In addition, in the last Human Rights impact assessment, a specific emphasis was laid on managing the risks inherent to the violation of the rights to freedom of association and collective bargaining, as well as the risks related to the violation of Human Rights by third parties.

OUTLOOK

[GRI 103-1]

In 2020, Grupo Nutresa will remain at the forefront in terms of diversity-related and inclusion practices, and it will ensure the incorporation of global talent, the strengthening of policies that promote gender equality and a broader participation of minorities in the workforce.

The Organization will enhance its work with allies from the value chain to make sure that suppliers, contractors and customers also incorporate the best practices in this regard. The Company 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. Grupo Nutresa will also continue promoting participation and discussion mechanisms among both employees and third parties in order to identify improvement opportunities and incorporate people with disabilities.

Lastly, the complaint and reporting channels and mechanisms will be reinforced in order to encourage people to use them and make their effectiveness evident.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Grupo Nutresa's companies in Colombia were acknowledged for their contribution to Human Rights

In Medellín, the Par Ranking placed Servicios Nutresa at the top spot and Colcafé at the seventh, and in Valle del Cauca, the Cold Cuts Business occupied the fifth place due to their commitment to the implementation and dissemination of labor practices that actively promote gender equality. Ranking Par has been awarding this accolade since 2015. It measures gender equality and diversity in private companies, public organizations and SMEs (small and medium-sized enterprises) from Latin America. Twenty-five Grupo Nutresa companies participated in the diagnosis as a benchmarking exercise with the best practices in the industry and continue incorporating new trends from this context.

For Grupo Nutresa, the environments that foster conversation and listening are essential for creating and maintaining a trustworthiness and respect climate with all its stakeholders. Employees from the Coffee Business, Colombia.

Comercial Nutresa employees from the southwest regional office in Colombia.

PROGRESS ACHIEVED IN 2019

[GRI 103-3]

The Organization consolidated the prioritization of five action focal points that enclose its management and promotion: risk management and risk information updating, leadership and training, strengthening of diversity-related and inclusion practices, supply chain management, and due diligence. The following are some of the progress achievements in such aspects:

Leadership and training

Includes the actions focused on achieving a deeper understanding and awareness about the way each employee contributes to a work environment based on the respect and acknowledgment of coworkers. In 2019, the Company provided training in the following topics for the employees:

Code of Corporate Governance
more than 15.500 employees

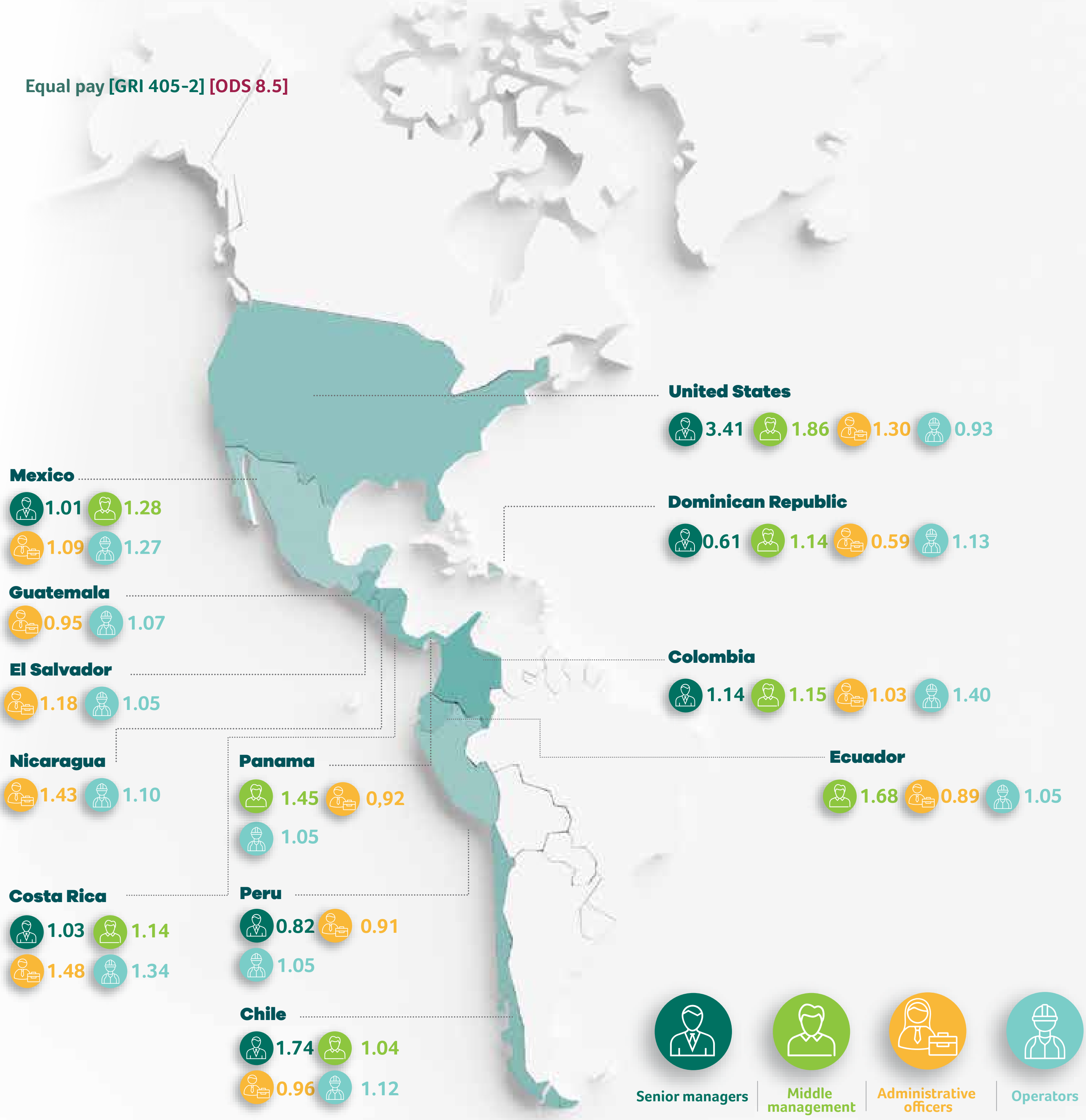
Human Rights
near 9.400 employees

Comprehensive program on transformational leadership
374 leaders

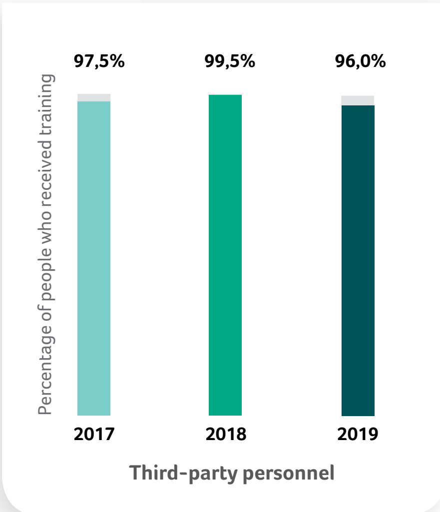
Elimination of biases in the selection/ recruitment processes
211 employees

Grupo Nutresa launched the virtual training course titled "Transformando miradas - Conversaciones que Fortalecen la Equidad de Género" (Transforming perspectives - Conversations that strengthen gender equality), which invites to reflect on the importance of this matter and women's empowerment based on self-esteem and the reality of being a woman in today's world, the new masculinities and women leadership. Additionally, The Organization continued offering the course that focuses on eliminating biases and carrying out related in-person activities for the stakeholders with support from the "Ideas para la Paz" (Ideas for peace) Foundation.

Equal pay [GRI 405-2] [ODS 8.5]



Security personnel who received Human Rights training [GRI 410-1]

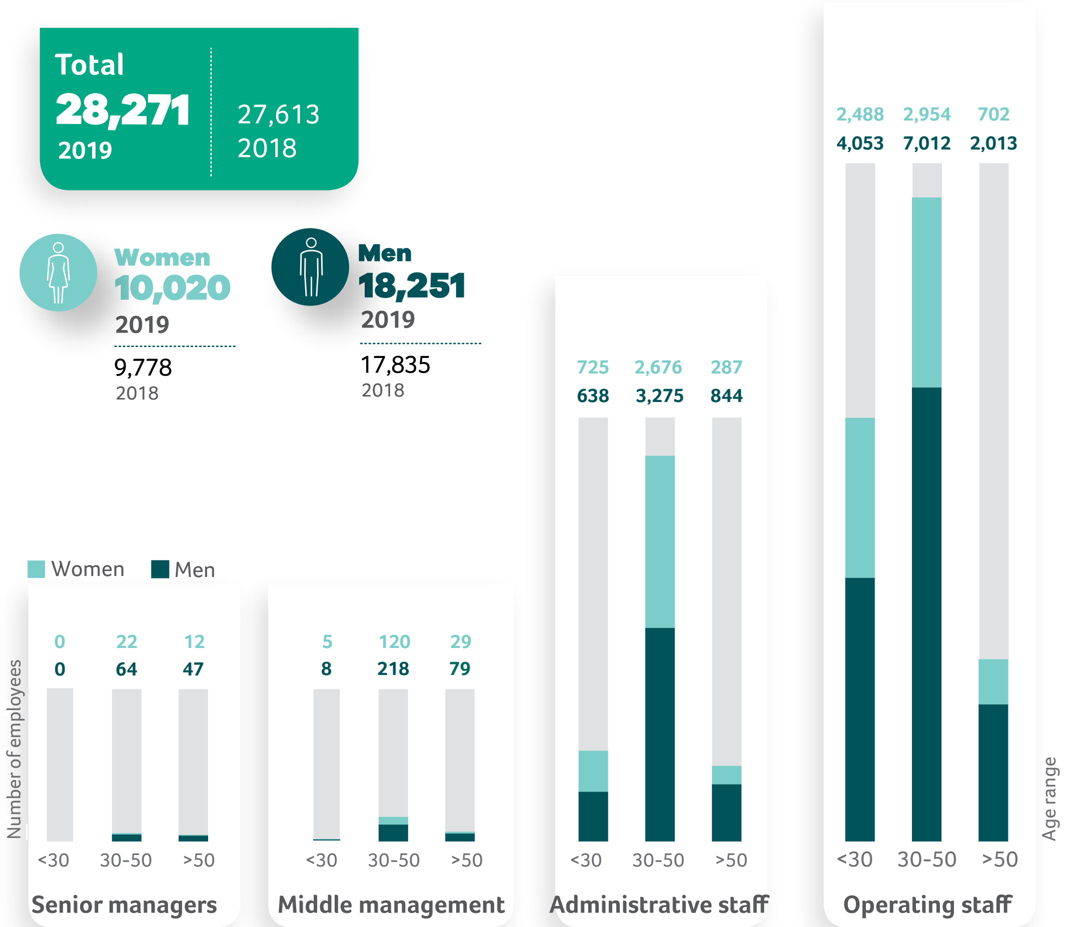


Diversity and inclusion

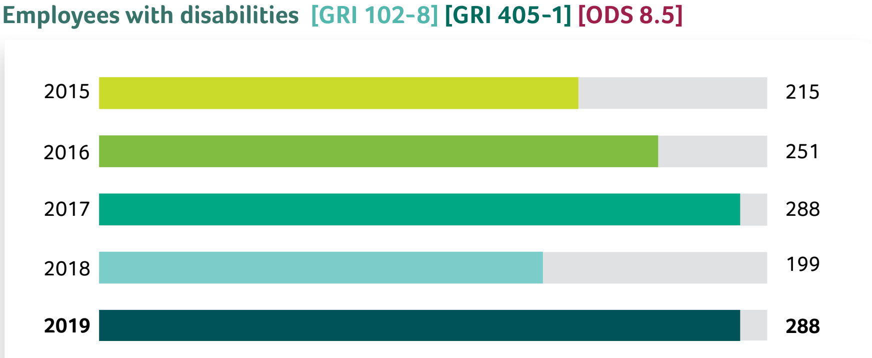
The Tactical Human Rights Committee consolidated several programs that promote work environments free of discrimination and harassment, thus fostering equal opportunities for both women and men, and enabling more innovative and flexible work teams. This was the progress achieved:

- 46 women graduated from the **"Women Leadership: developing the potential of Nutresa's Female Leaders" program,** in partnership with the School of Superior Managerial Studies (CESA).
- Significant work on the **"Alianza Soluciones"** multi-sector initiative focused on promoting the employability and labor inclusion of people affected by the Colombian armed conflict. The Organization created 34 jobs.
- **58 employees** with special capabilities were hired through the Best Buddies program.
- The Company was included in the **Aequales Community,** which is a network of organizations committed to gender equality and equal opportunities for everyone.

Employee diversity [GRI 102-8] [GRI 405-1] [ODS 8.3]



Employees with disabilities [GRI 102-8] [GRI 405-1] [ODS 8.5]



Employee at the Biscuits Business production plant in San José, Costa Rica.

Supply chain

The Company works on making progress in the development of capabilities among its allies through the Strategic Allies School. This is an environment where Grupo Nutresa shares the best practices and trends with regard to Human Rights with the purpose of enhancing capabilities and providing tools for replicating them in the value chain. Throughout 2019, training activities were carried out under the "Actúo Íntegramente" (I act with integrity) program based on sustainability, business continuity and the introduction to the Code of Corporate Governance. Additionally, the Organization launched the virtual course titled "Actúo Íntegramente Porque Respeto los Derechos Humanos" (I act with integrity because I respect the Human Rights). 58 suppliers and 972 employees received training.

The Organization also conducted 41 audits that allowed identifying improvement opportunities with the allies, and performed collaborative work on the gap-bridging plan. Finally, Grupo Nutresa comprehensively complied with its Employee, Supplier and Contractor Selection Policy, which explicitly prohibits the violation of Human Rights, the incorporation of minors and forced labor. Consequently, in 2019, 100% of the contracts signed with contractors include a compliance chapter focused on Human Rights.

Due diligence

Within the framework of the Engagement Model, Grupo Nutresa fostered environments for active conversation and listening with the stakeholders to create and maintain a trustworthy and respectful climate. In 2019, fourteen collective agreements were signed with the union and collective bargaining organizations, achieving common purposes that enable the sustainability in this regard in all Businesses. Additionally, the Company held meetings focused on Human Rights with the presidents of each Business, HR managers and representatives from the union and collective bargaining organizations with the objective of assessing the plans proposed in this regard. Lastly, the Strategic Human Rights Committee held a productive discussion with these organizations about the management work and the new challenges of a diverse and inclusive culture. **[GRI 408-1] [GRI 409-1] [GRI 407-1] [ODS 8.7]**

Grupo Nutresa will keep strengthening its complaints mechanisms, building trust and promoting the identification of behaviors that go against its organizational philosophy. The Company will continue evolving to consolidate a work culture that appreciates diversity in all its forms, and to develop an inclusion-driven, diverse and socially aware leadership. **[GRI 412-2]**

Discrimination cases reported [GRI 406-1]

	2017	20178	2019
Discrimination cases reported	27	36	**7**
Cases analyzed and managed	27	36	**7**
Number of cases closed	22	30	**6**

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.

Commitment to the SDGs

Implementation of the "Líderes Siglo XXI" (21st Century Leaders) Project at the La Granja Municipal Educational Institution in Zipaquirá, Colombia.

Educational institution benefited through the "Nutresa Quiere a los Niños" (Nutresa cares for children) Program in Cartagena, Colombia.

Strategy [GRI 103-2]	**Progress** [GRI 103-3]
Developing leadership and school management capabilities in the direction, academic, administrative, community and cohabitation departments of education institutions.	• **378 educational institutions** in Colombia trained and supported in the process of school improvement. 97.5% of the institutions that completed the program maintained or improved their results in the countrywide standardized tests or in the Educational Quality Synthetic Index (abbreviated ISCE in Spanish).
Strengthening the digital capabilities of the school communities.	• **406** teachers and academic directors from 17 educational institutions in Colombia received training to enhance their technological capabilities. • **Design and implementation** of 193 classroom projects and 17 institutional projects with the use of digital tools that support the learning processes.
Developing pedagogical and management capabilities focused on the promotion of healthy lifestyles.	• **6,031 school kits** were delivered to Colombian kids to favor and promote their learning process and school continuity, and to foster healthy lifestyles. • **68 school facilities** and 1,726 students in Colombia benefited from the development of their capabilities in terms of healthy lifestyles.

Grupo Nutresa makes presence in rural areas of Colombia with the delivery of school kits to kids 5 to 12 years old. Los Micos Rural Education Center in Yarumal, Colombia.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Grupo Nutresa considers society's training and educational processes to be an opportunity to strengthen the human capital and quality. Thus, the Organization is aware of the fact that ensuring a high-quality education in the societies where it operates has a positive impact on its productivity, in addition to contributing to the mitigation of the risks inherent to poverty and inequality in the economic and social contexts. By having adequately qualified people in terms of what they are, know and do, the Organization will be able to tackle the challenges of a changing world, based on innovation processes that raise the competitiveness levels of the countries.

Making positive contributions to the basic and middle education systems and promoting the access to higher education also represent a significant opportunity for Grupo Nutresa. These opportunities consist in reducing the social gap, generating material and intellectual wealth, improving the sources of jobs and remuneration, and contributing to the quality of life and wellness of the school communities that currently participate in programs that enhance the commitment of their leaders, improve the results of the students' learning processes, reduce the school dropout rate and boost the institutional management capabilities.

OUTLOOK

In the long term, Grupo Nutresa will consolidate its value propositions based on education, with the aim of ensuring their relevance regarding future changes and needs. The Organization will achieve this by promoting training innovation processes and strengthening the school leadership as basic elements for attaining better results in terms of learning and institutional quality management.

For 2020, a key aspect to foster active listening attitudes and boost the participative construction will be the networking and collaborative work with the all the stakeholders. One of the opportunities the Company intends to develop is the upcoming 17th National Education Congress, which will allow sharing knowledge and experiences about school leadership with more than 900 attendees.

Additionally, public-private alliances will be established in order to enable the participation in public policy formulation, the sustainability of the school transformation processes, and the promotion of healthy lifestyles.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

The Organization enhances the capabilities of teachers, academic directors and students from public schools. Arroyo de Piedra educational institution in Cartagena, Colombia.

Grupo Nutresa was presented with the Educational and Cultural Merit Medal by the Medellin Mayor's Office

The Organization was awarded the "Porfirio Barba Jacob" Educational and Cultural Merit Medal in Colombia for its work on the promotion of social growth based on equality and inclusion in Medellín. This work was made within the framework of the "Alianzas con vos" (Alliances with you) Program, a strategy where the private sector supported the education quality improvement process. Thus, a private school, a company and a university worked together to make a positive contribution to the improvement of a public educational institution. The Company worked jointly with Eafit University and the Montessori School on supporting 1,065 students from the América Educational Institution (public school), which is located in Medellín's neighborhood Santa Mónica. From the main achievements, it is worth highlighting the strengthening of the institutional climate, the strategic planning, the curricular management work and the support to the students' life projects.

Participation in the "Buen Comienzo" Festival in Colombia

For the first time, Grupo Nutresa participated in the "Buen Comienzo" (Good Start) Festival titled "La Revolución Creativa de los Niños" (Children's creative revolution), which was organized by the Medellin Mayor's Office. The Organization participated with its "Mega Aventura Nutresa" (Nutresa Mega Adventure) experience, an initiative that is part of the healthy lifestyles strategy. The main purpose of this experience is to teach kids, in a fun and educational way, about balanced eating habits, physical activity and personal hygiene. This message was spread among more than 2.000 attendees.

The Company provides Colombian education institutions with comprehensive support for the development and internalization of the school capabilities and for the promotion of healthy lifestyles. Cartagena, Colombia.

PROGRESS ACHIEVED IN 2019

[GRI 103-3]

Grupo Nutresa fosters education as a sustainable development mechanism, a driver of economic and social progress for the country and an investment that enables people's productivity and competitiveness.

Through Fundación Nutresa, the Organization contributes to an equitable and high-quality education, deploying initiatives that enhance the capabilities of teachers, academic directors and students from Colombian public schools. The following are brief summaries of the purposes of and actions carried out by each one of the programs:

nutresa QUIERE A LOS NIÑOS

Nutresa cares for children [ODS 4.1]
This program includes recreational and pedagogical festivals, the delivery of school kits and the development of capabilities among the school communities. The aim of these actions is to foster healthy lifestyles and promote balanced diets, physical activity and key hygiene practices.

nutresa QUIERE A LOS NIÑOS

Urban Festivals

Nutresa cares for children
These festivals include, for the enjoyment by the multiple communities, the artistic experience called "Mega Aventura Nutresa" (Nutresa Mega Adventure), which provides basic learning experiences related to balanced diets, the increase in physical activity and key hygiene practices, while fostering the importance of sharing time with the family. Moreover, this strategy allows Grupo Nutresa's Businesses to mitigate the risks associated with public order issues.

- **Balanced diets and eating habits:** promotes the consumption of food and beverages with nutritional characteristics that provide well-being and energy.
- **Increase in physical activity:** promotes movement, outdoor activities and sports practices.
- **Key hygiene practices:** highlights the importance of hand washing, teeth cleaning and personal hygiene.
- **Share time with the family:** fosters values such as tolerance, respect, solidarity and friendship.

Highlights

22 community festivals were organized and held.

8,599 people attended the community festivals.

93% was the corresponding satisfaction rating.

nutresa QUIERE A LOS NIÑOS

Rural Areas

Nutresa cares for children
The Organization delivers school kits to kids from 5 to 12 years old in rural areas of Colombia. The selected areas are those where, due to their difficult access and vulnerability conditions, kids do not have the basic elements needed for school. Therefore, this initiative contributes to the mitigation of the school dropout risk and supports the learning process. The school kits include the booklet titled "Una aventura para crecer feliz y más saludable" (An adventure for growing up happy and healthy), which was designed by the Fundación Nutresa team as a support tool for working with the teachers.

The most notable results of this program

6,031 kids benefited from the school kits.

45 educational institutions benefited from the program.

91% was the corresponding satisfaction rating among the benefited communities.

11 Colombian departments received the benefits of the program: Antioquia, Bolívar, Cauca, Cesar, Cundinamarca, Meta, Risaralda, Santander, Sucre, Tolima and Valle del Cauca.

Proyecto Educativo Líderes Siglo XXI
Una ventana al futuro de Colombia

21st Century Leaders

This initiative develops school management and leadership capabilities by providing comprehensive support and training to school directors and teachers. It is intended to improve the school environments and strengthen the institutional culture.

Oriéntate
El mundo a un clic

Find your way, the entire world just one click away

This program develops technological, pedagogical, communicational, research-related and managerial capabilities among teachers, school directors and student parents based on the guidelines established by the Colombian Ministry of National Education in terms of information and communication technologies for the professional teaching development. The program has its own measurement instruments for assessing the level of internalization of capabilities and the improvement of the teacher role.

The following results stand out:

21st Century Leaders:

- **378 education institutions** have become involved in the initiative.
- **1.134 teachers and academic directors** are enrolled in training activities.
- **97.5% of the institutions** that completed the program maintained or improved their results in the countrywide standardized tests or in the Educational Quality Synthetic Index.
- **9,720 students benefited** from the initiative.
- **8 Colombian departments benefited by the initiative:** Antioquia, Bolívar, Cauca, Cundinamarca, Chocó, Risaralda, Santander and Valle del Cauca.
- **1,876 hours of training,** assistance and collaborative work.

Find your way:

- **17 educational institutions** benefited from the program.
- **193 digital** projects were executed in the classrooms.
- **17 institutional** projects were carried out.
- **406 teachers** and academic directors received training.
- **1,155 parents** received training.
- **100% compliance** with the operational plan.
- **94% was the corresponding satisfaction** rating regarding the program.

Development of capabilities

Grupo Nutresa benefited 1,726 kids from 68 educational institutions with the healthy lifestyles capability development model. The Company provided comprehensive support for the development and internalization of the school capabilities and for the healthy lifestyles management through a diagnosis, a work plan and the utilization of the booklet delivered with the school kits.

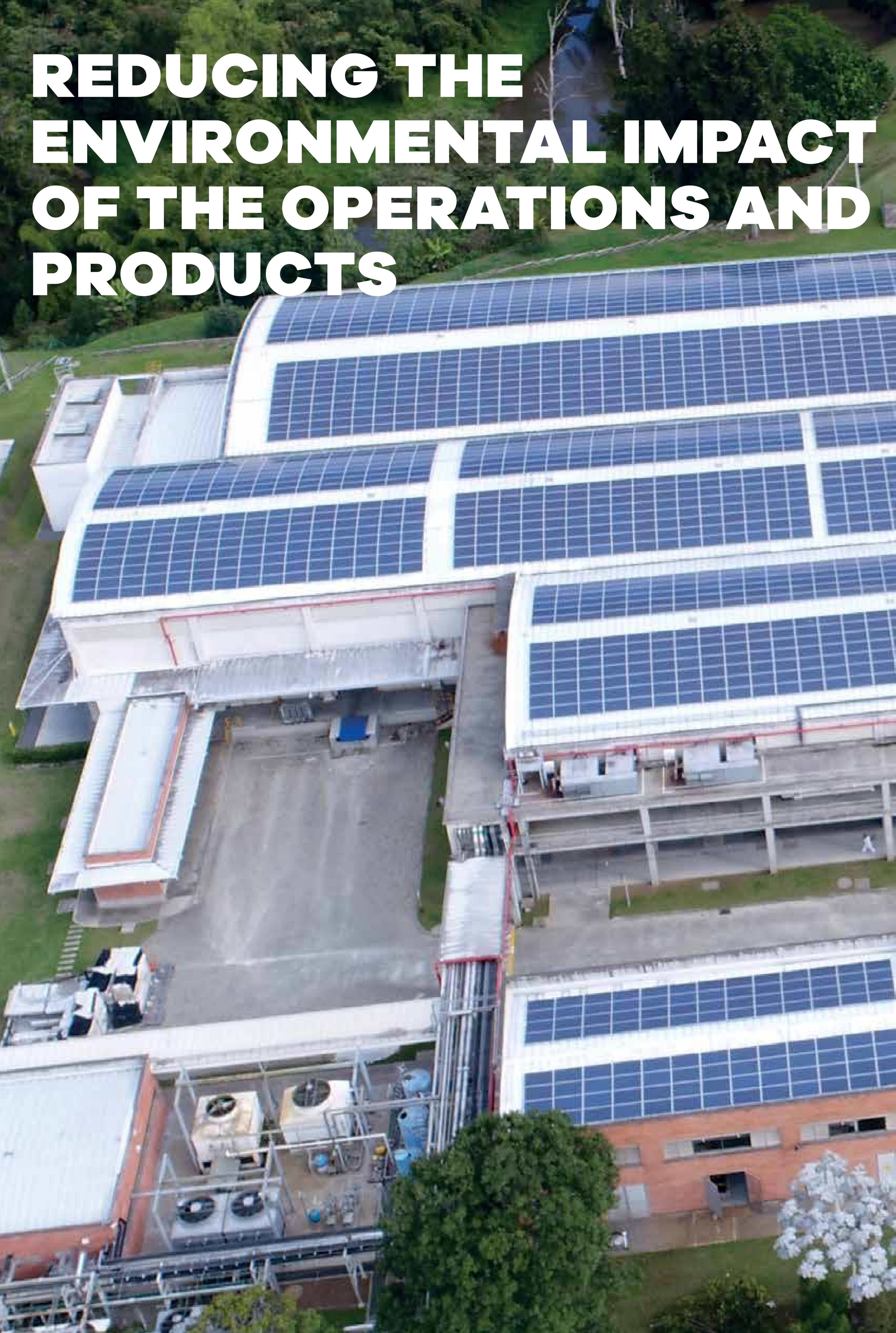
Finally, the Organization made progress in the participative preparation of the 17th National Education Congress, which will be held in 2020. The following are some of the most outstanding actions in this regard:

- Creation of the Advisory Committee, which is formed by expert organizations that contribute innovation processes.
- 23 workshops were held.
- Launch of the event in 12 Colombian regions.

With these participative activities, the Organization's Stakeholder Engagement Model is reinforced and high-quality environments are designed based on the relevance, impact and needs prioritized by teachers and school directors in Colombia.

"Oriéntate, el mundo a un clic" (Find your way, the entire world just one click away) Program in Zipaquirá, Colombia.

REDUCING THE ENVIRONMENTAL IMPACT OF THE OPERATIONS AND PRODUCTS



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.

Commitment to the SDGs

Lake at the premises of Novaventa's processing plant in El Carmen de Viboral, Colombia.

Strategy [GRI 103-2]	**PROGRESS** [GRI 103-3]
Optimizing water consumption.	• **3.2% reduction** in water consumption per ton produced compared to 2018, which allowed the early achievement of the 2020 target by reaching a 31.4% cumulative reduction of the indicator compared to 2010. This, thanks to the execution of multiple projects in Colombia. • **5,6% reduction** in water consumption with respect to 2018 in Chile, Costa Rica, Mexico, Panama, Peru and the Dominican Republic.
Reducing the impact on the water resources by means of the adequate management of water disposals.	• **COP 1.32 billion** invested in the wastewater treatment plants of the Cold Cuts, Setas, Pastas and Biscuits Businesses in Colombia, as well as in Helados Pops in Costa Rica and Tresmontes Lucchetti in Chile. **[GRI 303-2]**
Managing the water resources in the value chain.	• **Execution** of the study on the risks of the livestock farming chain in Colombia, carried out in partnership with the WWF. As an action plan, the Organization consolidated the strategic recommendations for achieving environmental sustainability in the primary production of beef, such as recommendations related to the quality and efficient use of water, among other.
Knowing and assessing the water-related risks in the operations, consolidating the model that focuses on determining the real price of water.	• **Implementation** of the model focused on establishing the social and environmental value of the water resources, which incorporates the external alterations in order to estimate the real price of water. This evaluation allows incorporating other concepts in the financial assessment of projects that include these resources.

The Organization centers its efforts on water productivity in both its direct operations and the value chain.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Water is a human right and a vital resource for both the communities and Grupo Nutresa's operations. The United Nations has prioritized the access to water and basic sanitation as key factors for eradicating poverty and, according to its global report, the consumption of water resources has constantly increased by 1% since 1980, and it will reach 30% by 2050. Currently, three in every ten people have no access to drinking water and the access to basic sanitation remains a challenge because six in every ten people do not have such service.

Based on this context, the Organization centers its efforts on water productivity in both its direct operations and the value chain. For the 2010-2020 period, Grupo Nutresa established a 30% reduction goal and, as a result of the work carried out by the production and administrative departments, a 31,4% reduction per tonne produce has been attained.

Over the last couple of years, the Company identified the hydrological risks in palm production, livestock farming and cocoa growing, concluding that despite the improvement actions implemented in these value chains, the coming years will be decisive to improve productivity and waste water discharge management, with action plans focused on adapting to the hydrological stress pressure.

The improvements that have been implemented and pending to be implemented in both the operations and the value chain, the collaborative work with strategic allies, the knowledge transfer with the stakeholders, the technological advances such as precision agriculture, among other, constitute major opportunities that the Organization takes advantage of to ensure the future availability of water for everyone.

OUTLOOK

Grupo Nutresa makes contributions to the sustainability of water resources by means of global partnerships and alliances. The Company supports the achievement of several Sustainable Development Goals, especially SDG 12 (Responsible Production and Consumption) and SDG 13 (Climate Action), by integrating into the sustainability strategy water consumption reduction goals and key matters such as the productivity and stewardship of the resource, wastewater treatment and implementation of the best production practices in both the operations and the value chain. Since 2012, the Organization has quantified its water footprint and prioritizes the identification of the hydrological risks.

Over its 100 years of history, Grupo Nutresa has achieved the fulfillment of challenging goals and has identified gaps that become future challenges for the Organization. Future work will be characterized by decisive elements: training and the creation of new knowledge and skills, the incorporation of collaborative policies and the creation of alliances and partnerships. In the case of the former element, it will ensure that people and communities contribute to improving water sustainability. Additionally, the Company's participation in public policy formulation will enable enriching and democratizing the water regulation and governance processes. Finally, the alliances and the collaborative work will allow the combination of human, financial and technological resources for the conservation of water.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Coffee Business Production Plant in Bogotá, Colombia.

Water consumption reduction in the sausage water-spraying process

The Cold Cuts Business detected inefficiencies in the sausage water-spraying process, which has the purpose of reducing the temperature of the product. The Business assessed the possibility to reduce the water-spraying time from 8 to 5 minutes, guaranteeing the cooling time in the tunnels and a product exit temperature ranging between 50 °C and 55 °C. This project represented average water consumption savings of 780 m^3/month and a caustic soda consumption reduction of 200 kg/month.

Consolidation of the Pastas Business's zero discharge water plant

The Pastas Business has been working in Bogotá on the implementation of wastewater recirculation processes and, in 2019, the Business blocked the treatment plant's discharge channel, thus becoming a zero discharge water plant. This project also improved the efficiency in the use of water resources as the water is recirculated for using it in restrooms, irrigation, cooling towers, boilers and cast washing.

Control of both the water level and the demolding temperature in Helados Bon's ice pop production process

The exterior of the ice pop casts presents a high content of brine. For the demolding process, the casts are sprayed with hot water and the brine content is increased while temperature drops, which is why it becomes necessary to perform manual replacement. The project consisted in the automation of the process (monitoring brine content and water temperature), thus allowing to achieve water savings of 786.84 m^3 per month.

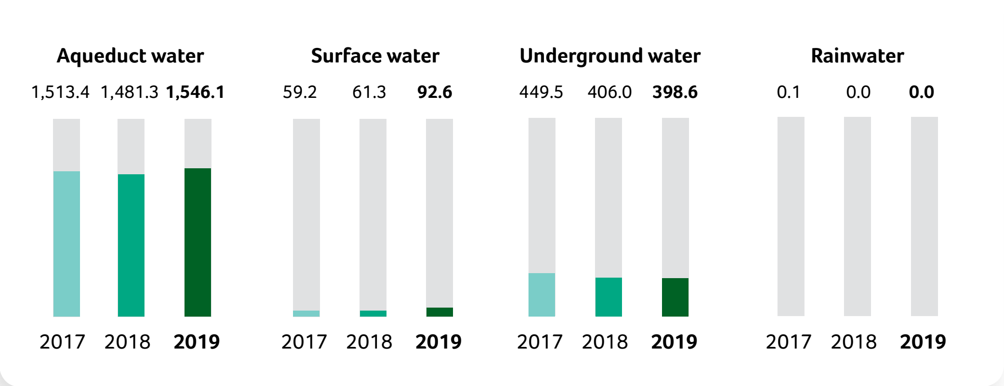
Water analysis and operational control at the Coffee Business facilities, Colombia.

PROGRESS ACHIEVED IN 2019

[GRI 103-3]

In Grupo Nutresa, water resource management includes policies, action plans and follow-up programs for eco-efficiency. In 2015 and 2016, the Organization conducted a specific materiality study for water resources, which included the definition of key issues such as: responsible use and water stewardship, work actions throughout the value chain, water footprint of products and discharges, regulation and surveillance.

Supply sources (thousand m³) [GRI 303-3]

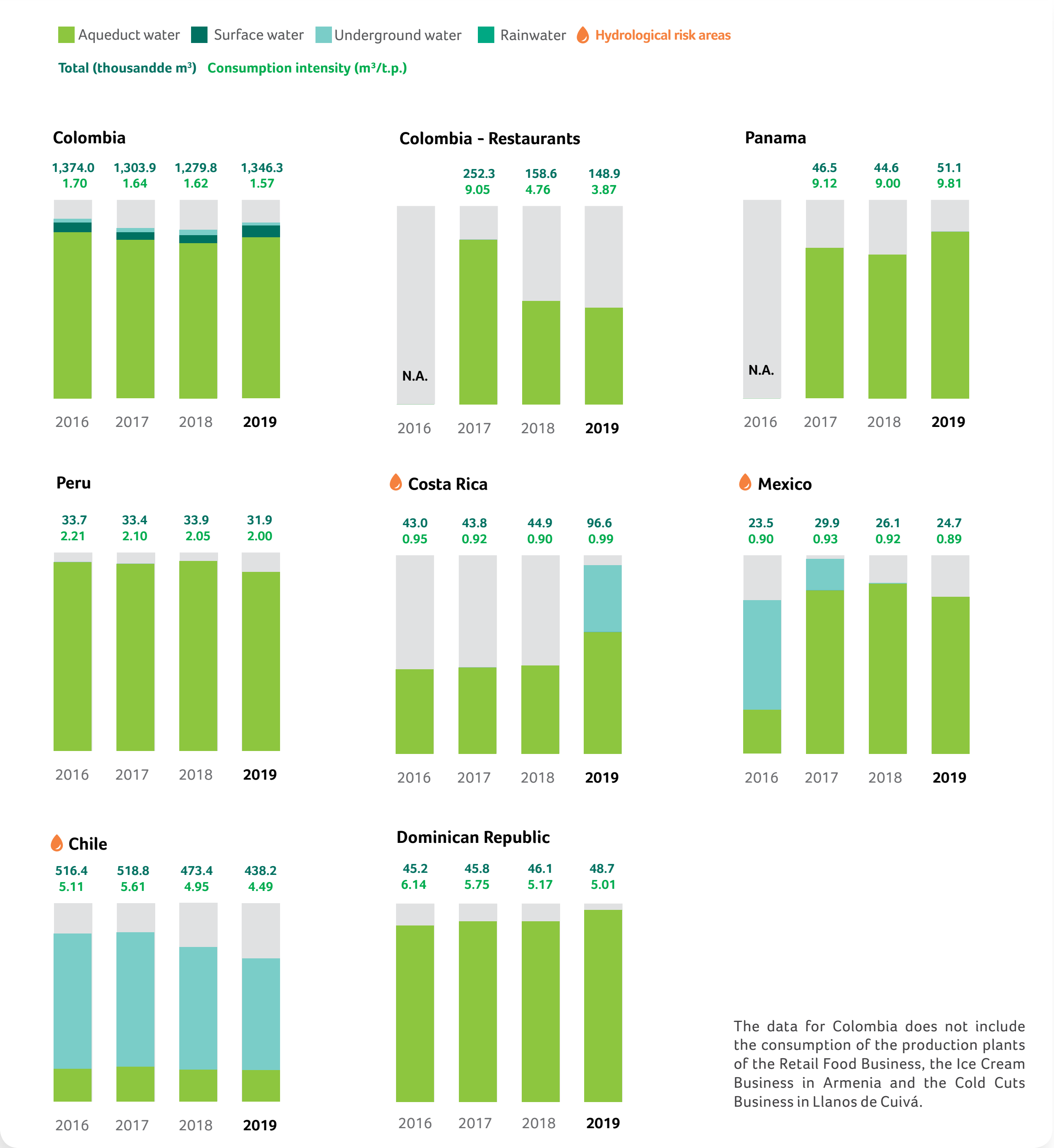


For the 2010-2020 period, the Organization established a 30% reduction goal in terms of water consumption per tonne of product in its operations. To achieve this goal, Grupo Nutresa has implemented monitoring and control plans, technological update in the processes and the promotion of the water saving and conservation culture, among other projects. These actions allowed reducing water consumption by 31,4% in the production plants located in Colombia (based on the consumption recorded in 2010) and by 5,6% in the production plants located abroad (based on the consumption recorded in 2018).

Management of the impact related to waste water discharge [GRI 303-2]

For the Organization's operations, ensuring the quality and conservation of water resources is a major priority, as well as guaranteeing the quality of the waste water discharge. Therefore, the Company has determined 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 [GRI 303-1][GRI 303-] [ODS 12.3]



The data for Colombia does not include the consumption of the production plants of the Retail Food Business, the Ice Cream Business in Armenia and the Cold Cuts Business in Llanos de Cuivá.

Water quality and SDGs

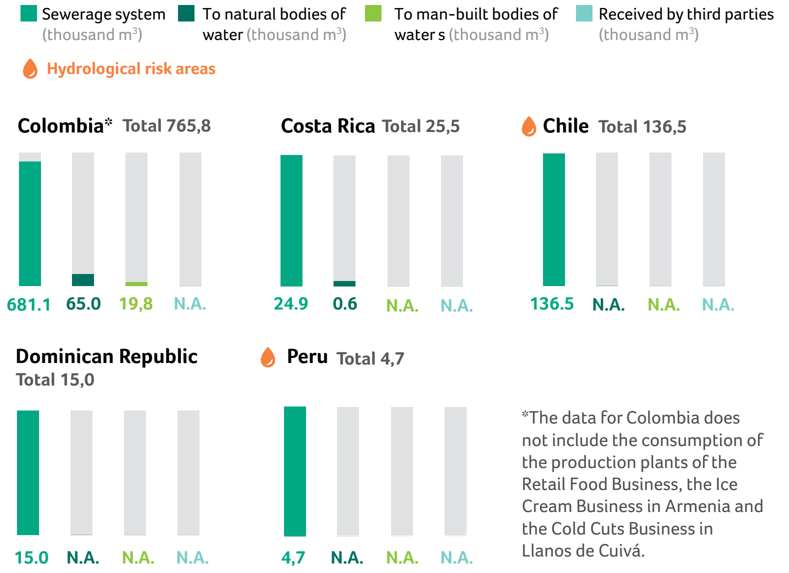
SDG 6 (Water and sanitation) invites to establish regulations that ensure both the universal access to water and its quality. Thus, it is expected that waste water discharge regulations will become increasingly stricter over the years. For instance in Mexico, due to the pollution of surface waters, the government will consolidate the National Hydrological Program (abbreviated PNH in Spanish), which is the governing document of the country's policy for the 2019-2024 administration.

Throughout 2019, Grupo Nutresa made several improvements in the wastewater treatment processes. The investment amounted to COP 465.23 million in Colombia and COP 863.41 million for the production plants located abroad:

- In Colombia, a high-efficiency solid material separator was installed at Setas de Cuivá's production plant, allowing to reduce the dissolved solids by 600 kg/day. Additionally, a pulp trap was installed, allowing to reduce the residues found in the wastewater by 2.8 tons/year. On another note, the Cold Cuts Business modernized its wastewater treatment system and ensured the compliance with Resolution 0631, the Pastas Business improved the automation and efficiency of that process in Bogotá, and the Biscuits Business incorporated a 20 m³ anaerobic tank into the system.
- In Costa Rica, Helados Pops initiated the operation of the treatment system for 60 m³ of wastewater per day, reducing the chemical oxygen demand (COD) by 95%. Additionally, in Chile, Tresmontes Lucchetti improved the dissolved air flotation equipment and implemented a sludge dehydrating screw, thus allowing to reduce the BOD by 68% and the concentration of solids by 54%. The treatment plant in Nutresa Mexico started operating continuously in compliance with the regulations currently in force.

The Company promotes the rational use of water to optimize the consumption of resources in the production and service processes. Employee from the Biscuits Business in Medellín, Colombia.

Waste water discharge [GRI 303-4] [ODS 12]



*The data for Colombia does not include the consumption of the production plants of the Retail Food Business, the Ice Cream Business in Armenia and the Cold Cuts Business in Llanos de Cuivá.

Regulation [GRI 303-1]

The World Economic Forum's Global Risks Report ranks water crises among the most important at the global scale due to the increase in the demand of the resource. The Report also mentions a major economic impact derived from water-related risks. On another note, the United Nations' 2019 report titled "Leaving no one behind" states that some of the countries from the strategic region are going through major difficulties regarding the access to water and basic sanitation services: conflicts among communities or between industries and communities (Peru), water access inequality based on socio-economic classes in the cities (Dominican Republic and Peru) and water access inequality in rural areas (Dominican Republic, Mexico and Peru).

These facts indicate that the regulations for water management and stewardship will tend to increase and be stricter and more innovative through regulatory and economic instruments, agreements and funding. Grupo Nutresa remains vigilant of new provisions and will review its hydrological risk model to evaluate the regulatory component within the risk quantification model with the aim of taking relevant actions.

Water usage and conservation [GRI 303-1]

The Organization's projects were focused on consumption reduction, recirculation and improvement of the wastewater discharge quality; as well as in the structuring of work plans derived from the identification of risks in the value chain. The following results from 2019 stand out:

- The Cold Cuts Business implemented improvements in its Practicarne production line in Colombia, through the installation of a surge tank to store water and a centrifugal pump to recirculate it, allowing to save up to 198 m^3/month. Additionally, in the Business's Setas production plant, the process of recovering water from autoclaves was improved with the installation of a recovery tank at the discharge pipe end point, allowing to pump the recovered water in order to treat it for subsequent utilization. This solution allowed achieving water savings of 700 m^3/month.
- Opperar Colombia implemented the dry washing process for its vehicles, thus reducing water consumption by 21 m3/month for a 27-vehicle fleet.
- In the production plant of the Chocolates Business in Rionegro, the drying conveyor equipment was improved as it previously required regular washing. The washing frequency was reduced by 50%, thus allowing savings of 576 m^3/year.
- In Costa Rica, the Chocolates Business implemented improvements in the washing processes, reducing water consumption by more than 2,000 m^3/year.
- In Colombia, the Biscuits Business achieved water consumption savings that amounted to 312 m^3/year by improving the process of recovering water from the fire sprinkler system tests.
- The Ice Cream Business's production plant in Bogotá optimized its water consumption and shortened the rinsing and sanitation times, allowing to achieve savings of 250 m^3/year.

Wastewater treatment plant at the Coffee Business in Medellín, Colombia.

The development of capabilities enhances the level of awareness and ensures success in the implementation of new technologies. Helados Pops's production plant in Costa Rica provided training to all its employees to address the importance of the efficient use and treatment of water. These actions contributed to getting the Bandera Azul (Blue Flag) Accolade, which is awarded by the European Foundation for Environmental Education.

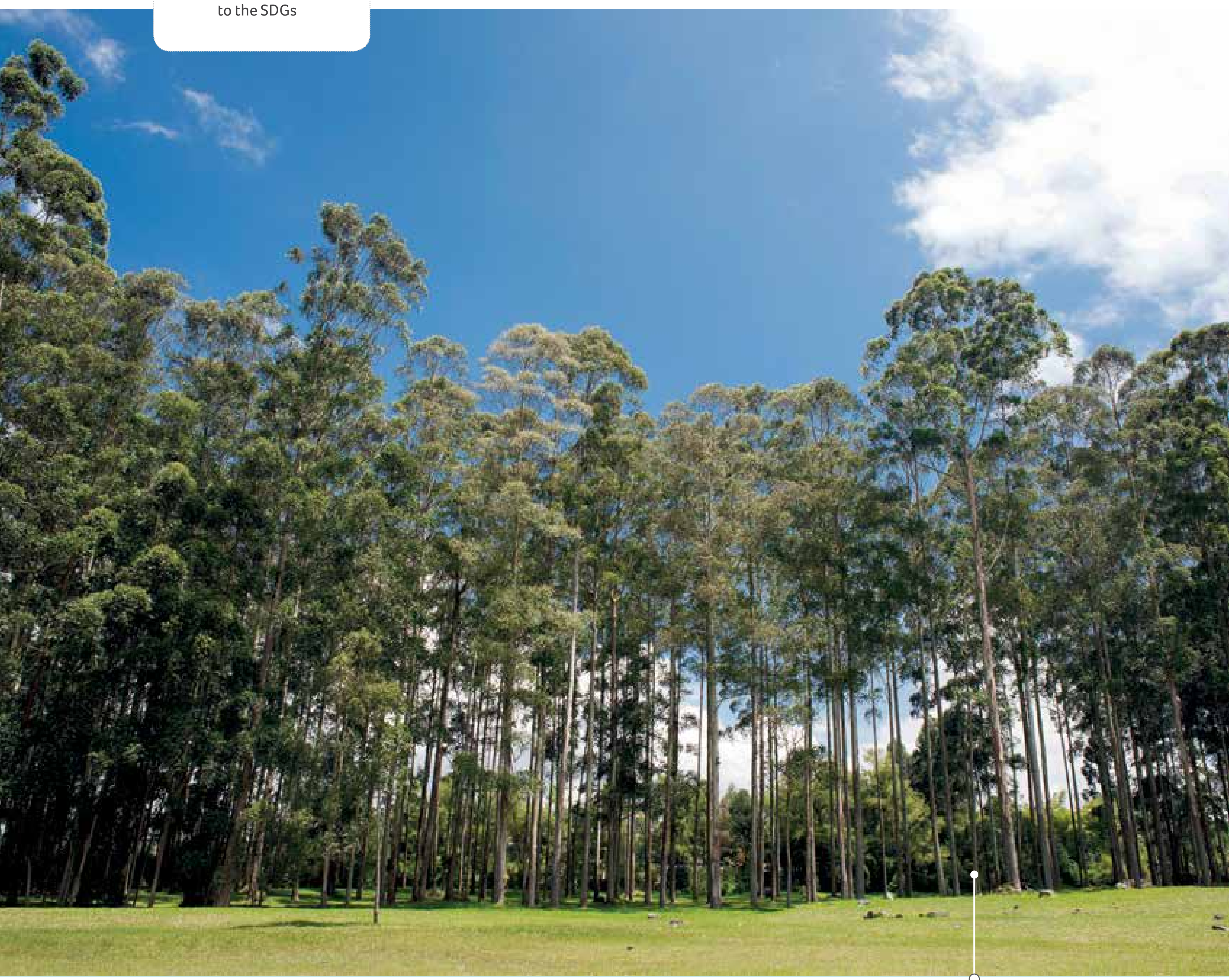
The Chocolates Business provided training focused on water stewardship in its Yariguíes experimental farm. Moreover, the Chocolates Business's environmental leader in Costa Rica attended the Aladyr Seminar 2019, which focused on desalinization, reutilization and treatment of water and effluents.

Grupo Nutresa identified the environmental risks associated with livestock farming in the value chain and, based on the findings, the Organization created the Strategic recommendations toward environmental sustainability in the primary production of beef. These recommendations include a significant focus on the protection of sources, water quality, efficient use of the water resources, water consumption by the animals, and availability in different times of the year, among other. The suggestions allow each livestock farmer to measure their progress and to determine what action plans must be implemented for the conservation of the water resources.

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



Forest in Novaventa's premises in El Carmen de Viboral, Colombia.

Strategy [GRI 103-2]	**Progress** [GRI 103-3]
Raising awareness about climate change.	• **246 awareness-raising and communication sessions** were carried out to consolidate the Climate Change Policy in the Businesses, focusing on circular economy and sustainable mobility.
Reducing the generation of green-house gas emissions.	• **46.2%** accumulated reduction in terms of greenhouse gases (GHG), scopes 1 and 2, between 2010 and 2019 in Colombia, 6.4% accumulated reduction between 2018 and 2019 in Mexico, Costa Rica, the Dominican Republic, Panama, Peru and Chile. • **Continued purchase and supply** of green energy certified as zero emissions, entailing a 100% reduction in greenhouse gas emissions scope 2 between 2010 and 2019 in Colombia. • **Carbon neutral re-certification** for the production plants of the Chocolates and Biscuits Businesses in Costa Rica.
Expanding the use of lower-impact commercial assets.	• **Replacement** of refrigerants with products that are environmentally friendlier (such as the R290) in the Ice Cream Business.
Mitigating the impact of the products on the climate throughout their entire life cycle.	• **Preservation** of the carbon neutral certification and seal for the Tosh brand in Colombia and Costa Rica, and for the Livean and Zuko brands in Chile; thus offsetting 18,386 and 19.099 tC02e accordingly, by means of forest and coast conservation projects, sustainable farms, the use of wind power, and water treatment initiatives.
Climate, physical and regulatory risk assessment.	• **Implementation** of the impact measurement project and economic valuation of the climate change effects for Grupo Nutresa in Colombia. • **Update** of the environmental risk information in the value chain.
Reducing the impact on air quality.	• **Optimization** in both the consumption and use of cleaner fuels, which currently represent 98.5% of the total use in the production plants in Colombia and 83.3% in the production plants abroad. • **Implementation** of the strategies established in the sustainable mobility plans, as it is the case of: adaptation and expansion of bicycle parking areas, incentives for shared routes, preferential parking spaces for shared vehicles, flexible working and teleworking, among other.

Solar panels installed at the Coffee Business production plant in Medellín, Colombia.

RISKS AND OPPORTUNITIES

[GRI 103-1]

Climate change and air quality are considered key risks for Grupo Nutresa and they are part of the material topics for the Organization's stakeholders, based on the corresponding materiality analysis. The Company has identified different types of climate change risks, such as the physical risks, which emerge as a consequence of the adverse climate phenomena that may entail damages to the assets, disruption in the supply chain and the loss of economic value that involves facing them; and the transition risks, derived from the changes in policies and regulations, and from the consumers' and society's perception regarding the way companies manage climate change issues.

Air quality remains an important challenge due to the accelerated urban growth, the variations in climate conditions and the current mobility habits, among other. Thus, regulatory changes have been made and contingency measures have been taken, both entailing possible operational and reputational risks.

For the Organization, these challenges represent opportunities to improve the climate change management work through the use of new technologies that contribute to reducing the environmental impact, the paradigm shift in the employees' habits of mobility and consumption, the increase in the awareness in the value chain, and operational transformations that help to mitigate these phenomena.

OUTLOOK

Grupo Nutresa will maintain its commitment to making contributions to the worldwide efforts to address climate change and support the fulfillment of SDG 12 (Responsible consumption and production) and SDG 13 (Climate action), through the integration of GHG emission reduction goals into its sustainability plan; leveraged on initiatives that seek to reduce the amount of energy used in their operations, the migration to the use of cleaner energies and energy-efficient technologies, the optimization of the logistical processes and the reduction of the carbon footprint of its products.

Furthermore, Grupo Nutresa will continue participating in collective activities carried out jointly with governments, communities and companies in order to develop collaborative proposals, incentives and better practices that decrease the impact associated with air quality, reduce the atmospheric emissions of the processes and improve the transport logistics with the use of cleaner fuels, the modernization of the fleet and the optimization of the routes.

In the long term, specific plans will be formulated to expand more sustainable practices in relation to both the climate and the air throughout the value chain. Additionally, the Organization will work on achieving a greater understanding of the risks associated with climate change and will strengthen the strategies that have the purpose of reducing their impact, improving its adaptation practices and advancing toward a low-carbon economy which also improves air quality in the places where the Company operates.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Acknowledgment granted to Compañía de Galletas Pozuelo by means of the Award to Excellence given by the Costa Rican Chamber of Industries.

Installation of the water harvesting and irrigation system

Action carried out by the Chocolates Business in Peru, with the purpose of reforesting the protected natural area of the National Lachay Reserve to optimize the water resources, preserving the biodiversity of the zone, reducing the CO_2 emissions and contributing to the decrease of climate change.

Elimination of the steam-generator boiler

The Biscuits Business in Costa Rica replaced this equipment with a water heating system. With this action, the Business reduced the use of 47,000 gallons of LPG, which represents a decrease in the emissions equivalent to 282.6 tCO_2 e.

Acknowledgment to the sustainability management work in Colombia and Costa Rica

In Colombia, the *Área Metropolitana del Valle de Aburrá* (association of the municipalities of the Aburrá valley for their autonomous and sustainable development) and the *Icontec* (Colombian Institute of Technical Standards and Certification), within their corporate acknowledgment program, included the Biscuits Business in the Gold category due to its sustainability management work, and ranked it in the third place for its contribution to the Sustainable Corporate Mobility Plan. Additionally, the Biscuits Business in Costa Rica received acknowledgments in two categories: Human Talent and Environmental Management, with the Award to Excellence granted by the Costa Rican Chamber of Industries.

Chocolates Business, environmental management leader in Colombia

The *Icontec* and *Cornare* (Colombian Negro and Nare River Basins Regional Autonomous Corporation) presented the Chocolates Business with this acknowledgment within the framework of the Environmental Leadership Program. This award, called *Gran Líder Progresa* (Great Progress Leader), highlights the organizations' sustainable practices. Another action that was recognized as a successful case was the installation of the largest solar panel roof at a food company facility in the country.

Solar panels at the Chocolates Business's production plant in Rionegro, Colombia.

PROGRESS ACHIEVED IN 2019

[GRI 103-3]

Governance and organizational culture

- **Governance.** The Board of Directors maintains its commitment to making sure that the strategy is in constant evolution, allocates the resources efficiently, validates the policies, creates incentives and establishes metrics regarding climate change.
- **Sustainability Sessions.** The sessions were focused on raising the employees' awareness about circular economy, sustainable mobility and women's empowerment. The Company organized panel discussions with experts on these matters with the purpose of promoting better habits among the employees.
- **Sustainable Corporate Mobility Plan (abbreviated MES in Spanish).** In Colombia, as a contribution to the Pact for Air Quality, multiple strategies were implemented in the operations carried out in Medellín. The following were some of such strategies: telecommuting for the administrative staff, optimization of transport routes for the employees and installation of bicycle parking areas and preferential parking spaces. With these measures, Grupo Nutresa expects to reduce by 10% the GHG emissions generated by employees traveling for office-related business and commuting to and from their jobs. Furthermore, practices such as telecommuting allow avoiding commutes from 541 employees, which represents a reduction of 400 tCO_2.

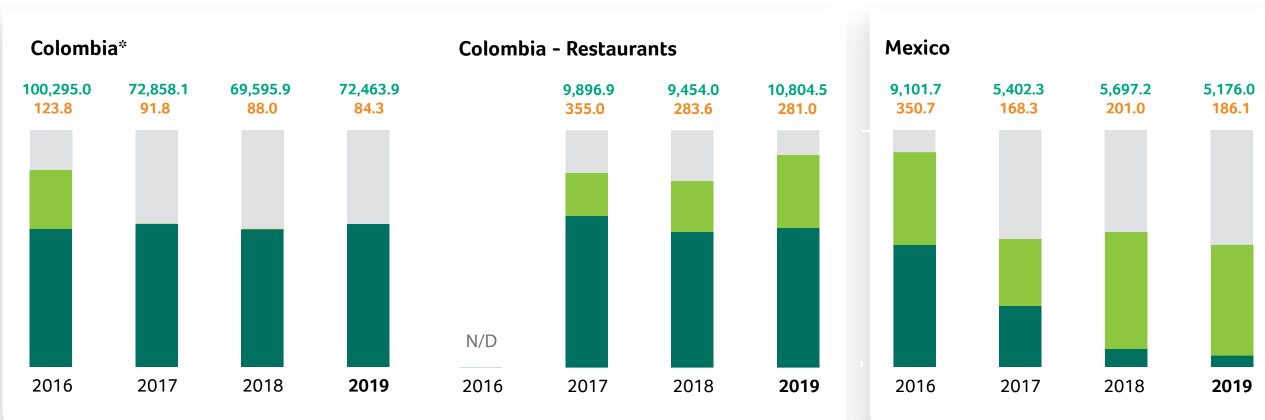
Greenhouse gas emission reduction

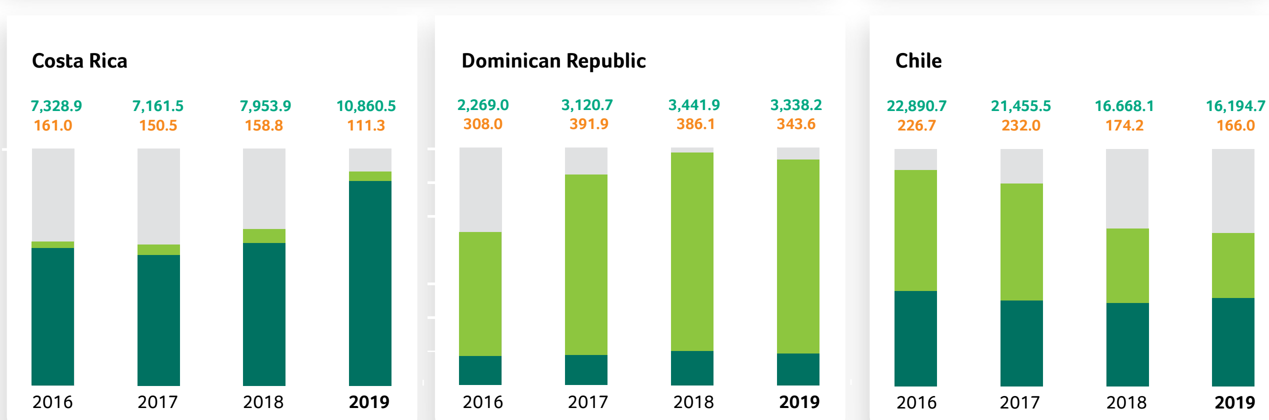
In 2019, Grupo Nutresa made progress in the fulfillment of the GHG emission goals through good environmental practices, energy eco-efficiency projects, technological overhaul and the execution of innovative initiatives in the processes to achieve a cleaner production, thus allowing to reduce emissions from both operations and products.

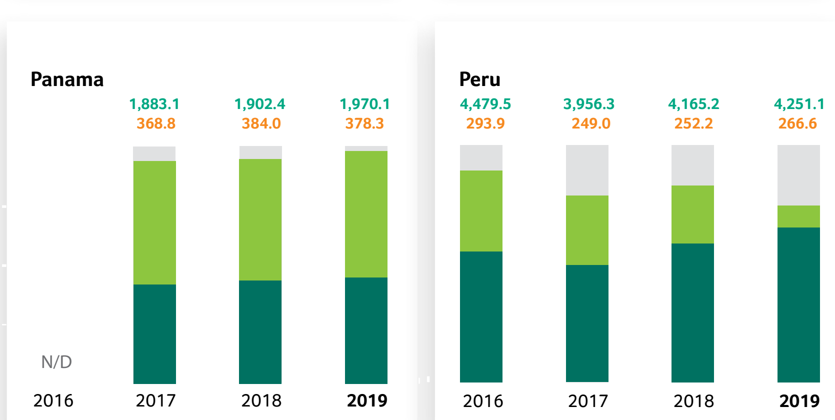
Direct and indirect emissions (scopes 1 and 2 [GRI 305-1] [GRI 305-2] [GRI 305-4] [ODS 13.1] [ODS 12.2]

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.)







*The data for Colombia does not include the consumption of the production plants of the Retail Food Business, the Ice Cream Business in Armenia and the Cold Cuts Business in Llanos de Cuivá.

Servicios Nutresa employee contributing to sustainable mobility by responsibly riding his bike to work in Medellín, Colombia.

Comercial Nutresa's distribution center, Colombia.

Reduction of emissions generated by industrial processes [GRI 305-5] [ODS 13.1]

Grupo Nutresa makes progress in preventing and controlling atmospheric pollution, as well as in the implementation of mitigation and adaptation measures regarding climate change. These practices have resulted in a 98,5% use of cleaner energies in the industrial processes and a 20,4% reduction in atmospheric emissions (particulate material, nitrogen oxides, sulfur oxides and other air pollutants). The following are some of the most outstanding good practices implemented in 2019:

- Novaventa's Merchandise Step Sales Model achieved an annual reduction of 104,000 km in displacements, which are equivalent to a decrease of 22 tCO_2 e.
- Installation of new electrical dashboards in the Chocolates Business's production area in Costa Rica, which improved the efficiency of the system and allowed saving 20,093 kWh of electric power (equivalent to a reduction of 1,52 tCO_2 e.).
- New refrigeration technologies for Novaventa's vending machines that improve the efficiency of the compressors and allow saving up to 2,528,968 kWh of electric power, equivalent to a reduction of 273.4 tCO_2e/year.
- Replacement of lighting systems at 70 spots in the Retail Food Business's NewBrands production plant in Colombia. This action produced theoretical savings that amount to 32,657.7 kWh, equivalent to a reduction of 3.53 tCO_2e./year.
- Four solar panels were installed to supply energy for the external lighting at the Pastas Business's production plant in Colombia, equivalent to a reduction of 0.583 tCO_2e./year.
- Tresmontes Lucchetti implemented electric boilers for heating water in the soluble tea production plant in Chile. This action prevented the use of LPG and reduced the emission of GHG by 75% in this process.
- Installation of high-tech packaging machines and technological overhaul of baling equipment in the Pastas Business in Colombia. The energy consumption was improved by 46%, achieving a reduction of 347.33 tCO2e./year.

Reduction of greenhouse gas emissions [GRI 305-5] [ODS 13.1]

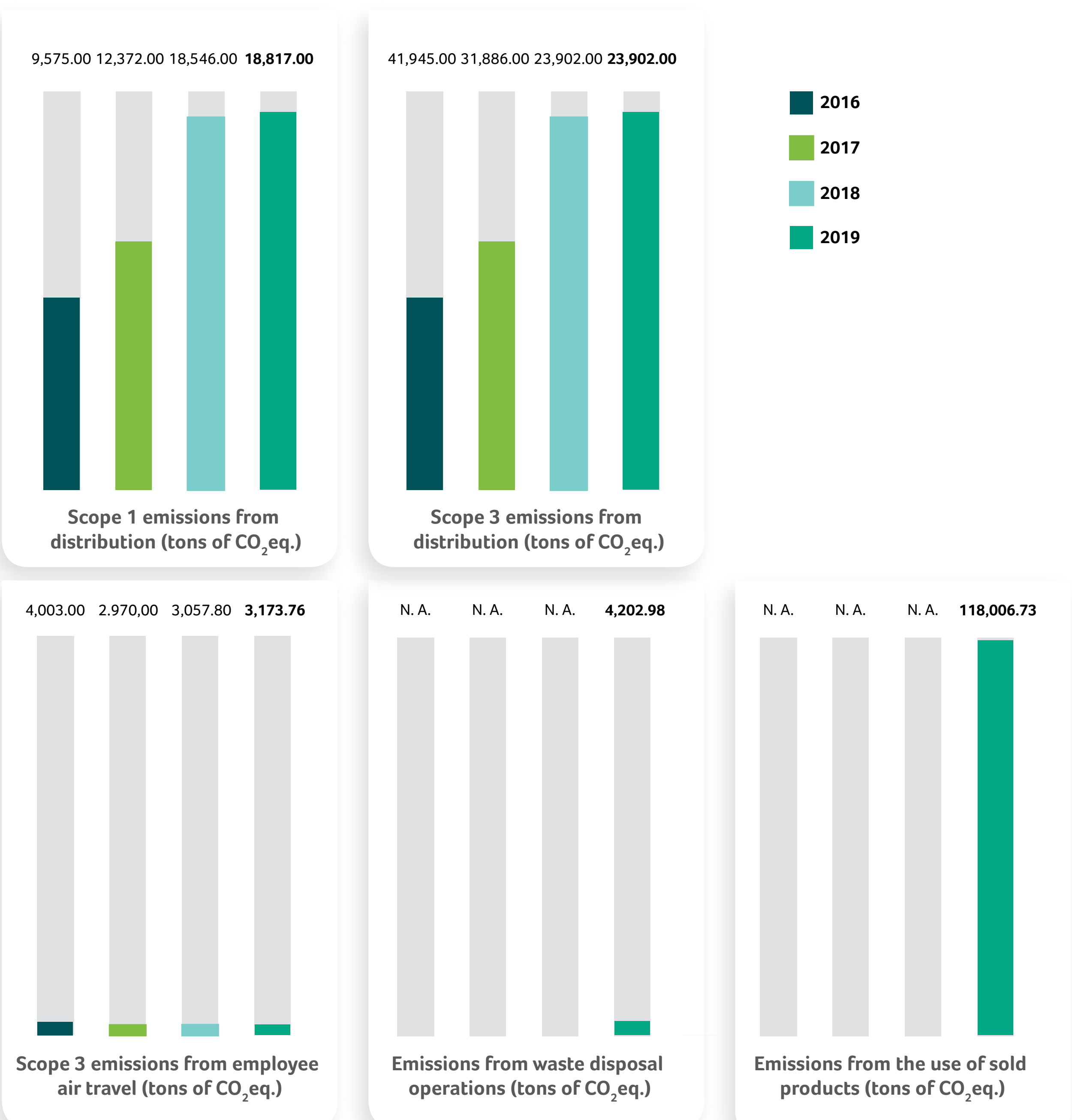
Net emissions reduction in tons of CO_2e	2017	2018	2019
From scope 1 thermal energy	87.3	757.6	-
From scope 2 thermal energy	387.4	61.7	2,846.9

Reduction of GHG emissions from transport activities

The Organization incorporated 6 vehicles with cleaner technology (that run on natural gas and electric vehicles) in the primary and secondary operations. The routes were optimized to improve the efficiency in the transport execution, and fleet satellite monitoring processes were carried out to track and implement driving improvements, optimize fuel consumption and ensure a vehicle service life of three to eight years with replacement plans. All these actions enable the Company to avoid emitting 137,3 tCO2e. into the atmosphere.

Besides that, it is worth highlighting that Opperar Colombia offset 730 tCO2e. by purchasing carbon credits.

Other scope 1 and 3 greenhouse gas emissions [GRI 305-3] (ODS 13.1)



Products with a lesser impact

In 2019, the Ice Cream Business acquired 6,241 freezers that use the R290 refrigerant, which is 100% environmentally friendly and has zero ODP (ozone depletion potential), allowing a reduction of 2,675.52 tCO2e/year. Additionally, the R507 refrigerant gas was replaced with the 422A (MO79) refrigerant in six mixer units and cold room compressors from the Manizales production plant in Colombia. Thus, the global warming potential index was reduced by 21%. This new refrigerant allows extending the service life of the compressors and improve their performance, which translates into a lesser energy consumption.

In Grupo Nutresa, the carbon neutral products are growing under the brands Tosh, Livean and Evok with more than 90 certified product references that contribute to offsetting the CO2 emissions through forest conservation projects.

Air quality

In terms of the air quality control and improvement management work, it is worth highlighting the following progress achievements:

- The cleaner energy use percentages of the Cold Cuts, Coffee and Biscuits Businesses reached 98.84%, 99.35% and 99.9%, accordingly.
- Elimination of the use of oil in the backup boilers in Tresmontes Lucchetti's Casablanca complex in Chile by replacing it with natural gas, thus reducing the total output of greenhouse gas emissions by 2,84%.
- Approval by *Área Metropolitana del Valle de Aburrá* of the Sustainable Corporate Mobility Plans (abbreviated PMES in Spanish) of the Medellín-based Businesses.
- Tresmontes Lucchetti replaced 50% of the forklifts that run on LPG with electric forklifts in Chile.
- 20.4% reduction in atmospheric emissions in Colombia (particulate material, nitrogen oxides, sulfur oxides and other air pollutants) in the industrial operations through the use of cleaner energies.

Carbon footprint of products

More than 90 certified Grupo Nutresa´s product references contribute to offsetting the CO_2 emissions through forest conservation projects.

The Organization maintains the carbon neutral certification granted by the *Icontec* (Colombian Institute of Technical Standards) for the Tosh brand products: infusions (herbal tea products), cereals, cereal and nut bars in Colombia, and biscuits and snacks in Colombia and Costa Rica. Additionally, the Company offset 18,836 tCO_2e, through forest conservation projects and sustainable farming.

In Chile, Tresmontes Lucchetti was once again awarded the carbon neutral certification granted by the Carbon Neutral Organization for the cold and instant drinks of the Livean and Zuko brands, offsetting 19,099 tCO_2e. by means of coast conservation projects, the use of wind power and water treatment processes.

Air pollutant emissions [GRI 305-7]

Country	Colombia	Chile	Costa Rica	Peru	Mexico
PM: Particulate material (kg)	33,467.00	5,240.00	305.40	142.00	61.00
SO_2: Sulfur dioxides (kg)	7,629.00	6,817.00	43.40	11.00	289.00
NO_X: Nitrogen oxides (kg)	78,691.00	36,203.00	5.686.00	936.00	846.00
VOC: Volatile organic compounds (kg)	2,130.00	15,097.00	0.00	0.00	1,103.00

The emissions come from the heating sources at each production plant (furnaces and boilers) and from the coffee roasting process. For the calculation, the Organization uses the emission factors established by the EPA (Environmental Protection Agency – Emission Factors AP-42).

ENERGY

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.

Commitment to the SDGs

Employee from the Biscuits Business in Medellín, Colombia.

Strategy [GRI 103-2]	**Progress** [GRI 103-3]
Reducing the energy intensity of the operations.	• **22.7% accumulated reduction** in energy consumption (kWh/t.p.) between 2010 and 2019 in the operations carried out in Colombia, and 2.4% accumulated reduction in the operations carried out in Mexico, Costa Rica, the Dominican Republic, Panama, Peru and Chile, with respect to 2018.
Reducing the use of electrical energy in the operations.	• **The electrical energy consumption indicator** (kWh/t.p.) decreased 1.5% with regard to 2018. For the 2010-2019 term, the accumulated reduction in Colombia was 13.6%.
Reducing the use of thermal energy from non-renewable sources in the operations.	• **3,7% reduction** in the indicator of thermal energy consumption from non-renewable sources - fossil fuels - (kWh/t.p.) with respect to 2018 in the industrial operations in Colombia. • **26,7%** cumulative reduction of the indicator of thermal energy from non-renewable sources (kWh / t.p.) for the 2010-2019 period in Colombia.
Increasing the use of energy from renewable sources.	• **98.5% of the energy** used by the industrial facilities in Colombia comes from cleaner energy sources such as natural gas, electrical energy- zero emissions- from the national grid, and biomass. • **25.6% of the total energy** usage of the food production operations in Mexico, Costa Rica, the Dominican Republic, Peru, Chile and Panama corresponds to renewable energies. In Colombia, it is equivalent to 14.4%. • **2,300,000** kWh of clean energy generated by means of the photovoltaic systems, 99% by the Chocolates Business and 1% by the Coffee Business in Colombia. • **3.3%** of the electric power in Colombia was drawn from photovoltaic sources that use solar panels.

Grupo Nutresa advances in the search for a lower energy intensity and a lesser environmental impact of all its operations.

RISKS AND OPPORTUNITIES
[GRI 103-1]

The energy supply in the regions where Grupo Nutresa operates is 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, the non-conventional oil extraction by hydraulic fracturing and the decrease of the oil reserves in Colombia, among other factors, which bring about scenarios of growing uncertainty.

Grupo Nutresa depends on the national energy generation and distribution grids in each country where it operates. In Colombia, the failures in the Hidroituango hydropower project compromised the fulfillment of the domestic demand for the near future (2021).

On the other hand, 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, which is why an adequate planning of a transition toward the use of renewable energies with the lowest possible cost and the lesser social and environmental impact becomes the best alternative. The search for a broader independence from energy sources and the continuous work on energy efficiency are two key variables for ensuring the continuity of the processes, the reduction of the environmental impact and the minimization of the financial risks.

OUTLOOK

Being aware of the impact caused by the energy used by the Organization, the following goals were established for 2020:

- Reducing by 25% the energy consumption indicator (for energy from non-renewable sources and electrical energy from the grid) per ton produced.
- Achieving 100% energy supply from cleaner sources, such as natural gas and renewable sources.

Grupo Nutresa continues making progress in the search for a lower energy intensity and a lesser environmental impact of all its operations. Thus, the Organization has established 2020-based plans 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 productive 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, thus mitigating some of the effects of climate change.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Coffee Business production plant, Colombia.

Photovoltaic solar system in the Biscuits Business in Colombia

In 2019, Grupo Nutresa started installing a photovoltaic solar energy system at the Biscuits Business's production plant in Medellín, with a real-time energy output monitoring system that will prevent the emission of 77.5 tons of CO_2/year. The photovoltaic system consists of 1,553 panels of 365-Wp each, which deliver a total of 717,890 kWh/year.

Fuel replacement by Tresmontes Lucchetti in Chile

Until 2018, all the forklifts at Tresmontes Luchetti's instant cold beverage production plant ran on liquefied petroleum gas (LPG). However, since 2019, half of the forklifts are electric. Due to the fact that the electrical energy purchased for their operation comes from unconventional renewable energy sources, the Organization achieved a 50% reduction in the emissions of GHG in this process.

Elimination of the use of petroleum No. 6 for the backup boilers

The use of petroleum No. 6 for the backup boilers was eliminated at the Casablanca production plant in Chile by replacing this fuel with natural gas. Additionally, the Company migrated toward the use of electric boilers supplied with energy from the unconventional renewable energy grid for heating water in the soluble tea production plant, achieving 100% of the migration in 2019. This action allows avoiding the use of LPG and reduces the emissions of GHG.

Replacement of refrigerants in the Ice Cream Business in Colombia

Replacement of refrigerants in the Ice Cream Business in Colombia With the replacement of the refrigerant gas R-507 with the R-422A (MO79) refrigerant for six industrial equipment devices at the Manizales production plant, the global warming potential index was decreased by 21%, the energy consumption was reduced and the service life of the compressors was extended.

Employee from the Biscuits Business in Medellín, Colombia.

PROGRESS ACHIEVED IN 2019

[GRI 103-3]

Process optimization [GRI 302-3]

Grupo Nutresa achieved a cumulative reduction of 22.7% in the indicator of energy consumption from non-renewable sources and electrical energy. This result was obtained thanks to the positive impact of the implementation of solar energy projects with the installation of solar panels at the production plants of the Chocolates Business (in Rionegro), the Biscuits Business (in Medellín) and the Coffee Business (pilot project at the Medellín Processing Plant).

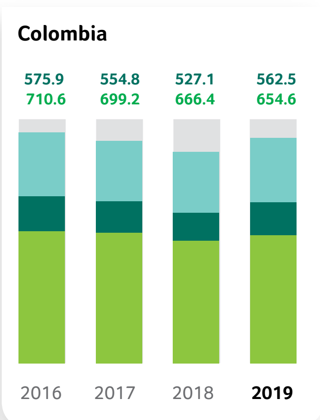
The processes focused on the implementation of data analysis and operation control platforms enable the Organization to make progress in the optimization of processes based on a better instrumentation and use of devices with internet-of-things capabilities. It is worth highlighting the initiatives led by the Cold Cuts Business for the control of the cold generation systems, and those led by the Ice Cream Business with the overhaul of refrigeration equipment to ensure a better energy performance.

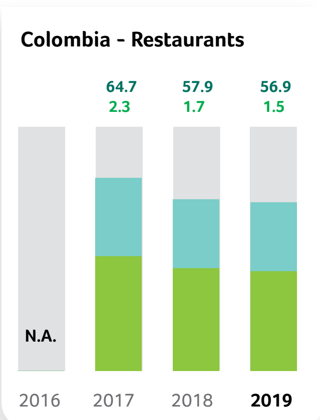
From the international operations, it is worth underscoring the replacement of fuels at Tresmontes Luchetti's production plants in Chile, and the Biscuit Business's optimization of the steam generation system and the stabilization of the biomass boiler by the Chocolates Business in Costa Rica. The energy consumption indicator in the operations in Mexico, Costa Rica, the Dominican Republic, Panama, Peru and Chile exhibited a 2.4% reduction, including the energy from renewable sources.

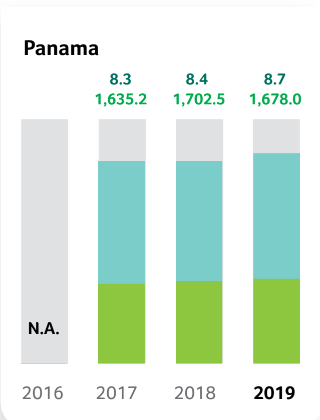
Internal energy consumption [GRI 302-1] [GRI 302-3] [ODS 12.2]

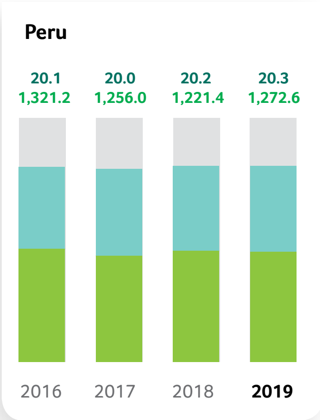
Non-renewable (GWh) Renewable (GWh) Electricity consumption (GWh)

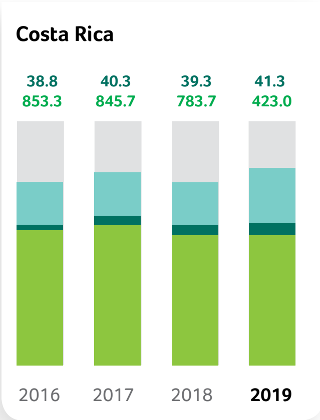
Total energy consumption (GWh) **Consumption intensity (kWh / t.p.)**

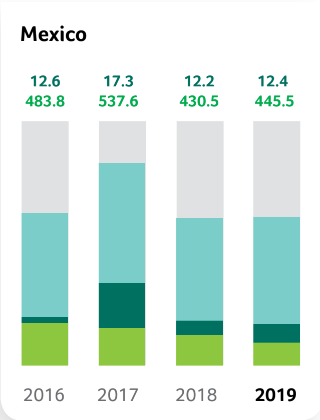


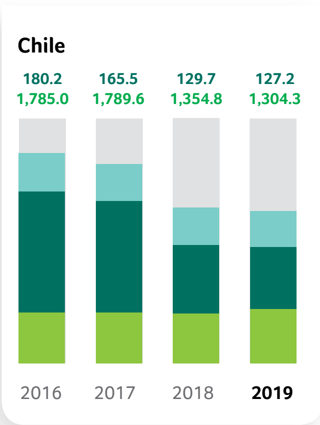


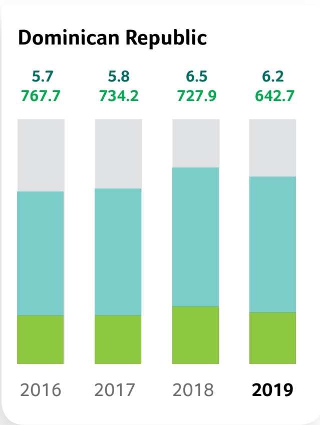












The data for Colombia does not include the consumption of the production plants of the Retail Food Business, the Ice Cream Business in Armenia and the Cold Cuts Business in Llanos de Cuivá.

Reduction of electrical energy consumption in the operations [GRI 302-4]

It is worth highlighting the efforts put in by all the Businesses to reduce the electrical energy consumption in all their processes: the stabilization in the operation of the wastewater treatment plants, the technological update of equipment (motors with increased efficiency), the acquisition of devices with better energy performance levels, the replacement of traditional lighting with LED lighting, and the new solar power installation at the Biscuits Business's production plant in Medellín. All these initiatives contributed to the improvement in the electrical energy indicator in Colombia, which showed a drop of 1,5% with regard to 2018 and an accumulated reduction of 13,6% between 2010 and 2019.

Employees from the Coffee Business, Colombia.

Reduction of the thermal energy consumption from non-renewable sources in the operations [GRI 302-4]

For Grupo Nutresa's operations, the use of fossil fuels remains a significant challenge because they still represent 57% of the Organization's energy usage in Colombia and 42% in Mexico, Costa Rica, Panama, the Dominican Republic, Peru and Chile. In this regard, 97% corresponds to the use of natural gas in Colombia and 61% in Mexico, Costa Rica, Panama, the Dominican Republic, Peru and Chile. The Company continues searching for energy alternatives with a lesser environmental impact, both in their sourcing and use, and that also contribute to fulfill the goal of achieving the maximum possible reduction in the GHG emission output.

Moreover, it is worth highlighting the continuation of the Coffee Business's energy optimization process and the Pastas Business's energy efficiency process, both in Colombia. These two projects combined with the projects developed at all the production plants allow maintaining a decreasing trend in the thermal energy consumption indicator (kWh/t.p.), which exhibited a 3,7% reduction with respect to the previous year and an accumulated reduction of 26,7% in Colombia between 2010 and 2019.

In the production plants located outside Colombia, it is worth underscoring the case of Chile, where liquid fuels were replaced with natural gas that, even though it is a fossil fuel, produces lesser GHG emissions and is more efficient in the combustion processes.

Green energy supply

Grupo Nutresa confirms its commitment to the use of electrical energy certified as zero emissions. In Colombia, 162 GWh of this type of energy were consumed, thus avoiding the emission of 25.500 tCO2e. On another note, in the international context, the production plants in Chile used 30 GWh of zero-emissions electric power, preventing the emission of 10.000 tCO2 e. Our allies in these two countries are Empresas Públicas de Medellín and Chilequinta, respectively, which are companies that generate this type of electrical 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, 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 2019, the Biscuits Business, in a partnership with the energy service company Celsia, started the construction of a power plant with the installation of 1.553 photovoltaic solar panels that will generate up to 700.000 kWh of energy.

Currently, the use of biomass and solar energy represents 26,6% of the energy used in Mexico, Costa Rica, Panama, the Dominican Republic, Peru and Chile, and 14,4% of the energy used in Colombia. In 2019, in the latter country, the use of biomass increased by 15,4% due to the improvements implemented in the coffee biomass energy utilization processes for generating steam.

Pastas Business Production Plant in Mosquera, Colombia.

PACKAGING MATERIALS AND POST-CONSUMPTION

Offering a portfolio of more sustainable products throughout their life cycle by means of the inclusion of eco-design principles and extended responsibility regarding their packaging.

Commitment to the SDGs

Employee from the Coffee Business, Colombia.

Strategy [GRI 103-2]	Progress [GRI 103-3]
Increasing the use of closed-cycle materials.	• **77.5%** of the total tons of packaging materials purchased over the year for the Businesses in Colombia were manufactured with closed-cycle materials.
Strengthening the initiatives focused on the eco-design of packaging.	• **Creation** of the Packaging Eco-Design Manual intended to achieve an increase in the design-based efficiency, a higher recyclability level and an improved cycle-closing process in terms of the packaging materials. • **Reduction** of 489 tons of packaging material under the DTV (Design-to-Value) methodology, for a total cumulative reduction of 2,629 tons since its implementation in 2013.
Reducing the consumption of packaging materials per ton produced.	• **2,1% reduction** in the consumption of packaging materials per ton produced from 2010 to 2019.
Implementing Closed-Loop Cycle initiatives for post-industrial flexible packaging materials.	• **Development** in the Cold Cuts Business in Colombia of an initiative focused on transforming the post-industrial multi-layer packaging materials into plastic crates for the logistical distribution and into point-of-sale exhibition trays. Approximately 3 tons of packaging materials were transformed as part of this initiative.
Designing and implementing Closed-Loop Cycle initiatives for post-consumption materials.	• **Utilization** of post-consumption flexible materials derived from the “Juntos para Ganar” promotional campaign of the Biscuits Business’s Saltín and Ducales brands in Colombia, for manufacturing pellets used in the production of plastic roof shingles for construction applications. 480 kilos of flexible packaging materials were transformed.

Grupo Nutresa will maintain its search for more efficient high-impact alternatives for closing the cycle of packaging materials.

RISKS AND OPPORTUNITIES

[GRI 103-1]

For a mass consumption food company like Grupo Nutresa, packaging materials play a relevant role in the conservation of its products and in its differentiation and competitiveness in the market. This is why it is vitally important to implement initiatives throughout the multiple stages of the packaging material life cycle, with the aim of maintaining the optimal functionality and, in turn, achieving a better environmental performance.

Diverse regulations are being implemented in the different countries where the Company operates, such as Extended Producer Responsibility (EPR) and ban of single-use plastics policies, among other. In the case of the EPR regulations, producers are obligated to bear the responsibility of the final disposal of the packaging material waste produced during the post-consumption stage. This represents a challenge for the Organization, as well as an opportunity to develop circular economy models with different allies from the value chain that promote an adequate management of the packaging materials, from the efficient use of resources for their manufacturing to their correct post-use recovery with the minimum possible environmental impact.

In order to mitigate the risks and enhance the opportunities surrounding this topic, Grupo Nutresa will continue searching more efficient high-impact alternatives for closing the cycle of packaging materials. For this purpose, the collaborative work among the industry, suppliers, customers and consumers is of essential importance as it allows identifying and creating solutions emerging as the result of combined efforts.

OUTLOOK

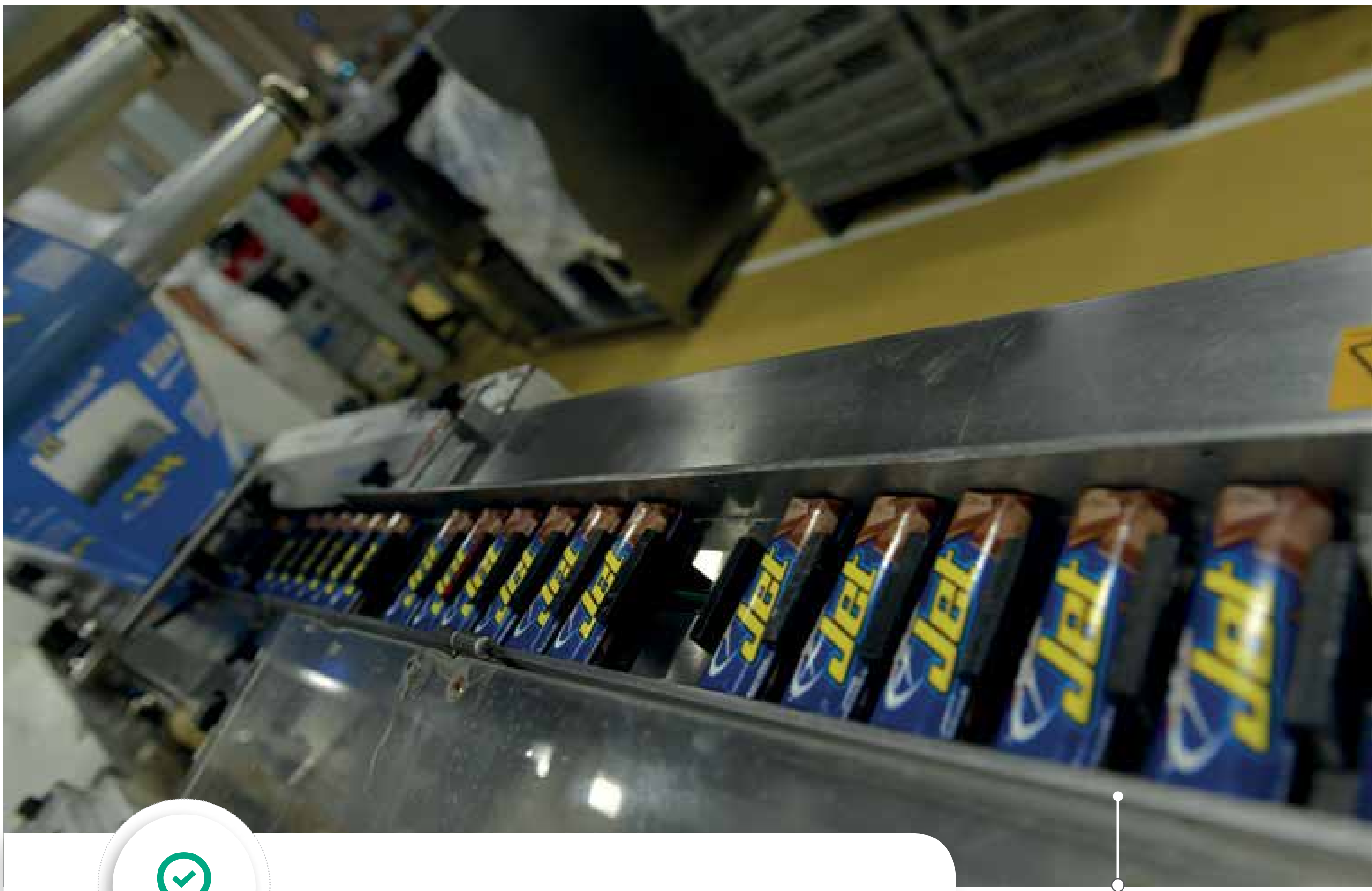
The Organization's strategic goal for the 2010-2020 period is to reduce the consumption of packaging materials per ton produced by 12%. However, due to the consumption pattern trends and factors such as convenience, among other, the achievement of this indicator represents a significant challenge for Grupo Nutresa.

In the short term, the Company will continue working on the eco-design initiatives undertaken by the Businesses, which are supplemented with the Packaging Eco-Design Manual that was created in 2019. The purpose of this work consists in unifying criteria, raising awareness and getting the multiple departments of the companies involved in order to improve the design and recyclability of the packaging solutions, while maintaining the quality, the consumer satisfaction level, the differentiation of the product portfolio and the Organization's competitiveness.

In addition, Grupo Nutresa will continue participating actively in the Packaging Committee that is led by the National Business Association of Colombia (known as ANDI in Spanish), which is focused on finding sector-based solutions to maximize the recovery and reuse of post-consumption packaging materials. In the medium term, the Organization will continue supporting this type of initiatives across all its operations in the strategic region.

Finally, the management of the Packaging Task Force research and development team continues which focuses its efforts on the creation of a packaging material baseline, life cycle analysis projects, closed-loop cycle initiatives, eco-design, research on new structures and formulation of goals for the 2020-2030 decade.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]



Production plant of the Chocolates Business, Colombia.

Elimination of plastic straws in the Retail Food Business

This initiative, which consists in eliminating and replacing plastic straws with straws made of sustainable materials, was implemented in all the restaurant chains, which generated a reduction of 800 kg in the consumption of plastic materials.

Replacement of plastic spoons in the Dominican Republic

The plastic spoons used for the Retail Food Business's ice cream tasting were replaced with spoons made of cardboard. This action allowed reducing the amount of plastic used in the ice cream shops by 63 tons.

Transition to the use of sustainable flexible packaging materials in the Chocolates Business in Colombia

The "Gol" brand replaced the multi-material primary packaging of the regular chocolate and coconut products with solutions that have a single-material polypropylene structure. With this process, the Organization increased the closed-loop possibilities of 58 tons of packaging materials that are purchased every year.

Production plant of the Chocolates Business, Colombia.

PROGRESS 2019 [GRI 103-3]

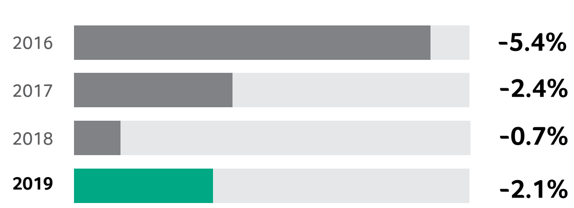
Grupo Nutresa's commitment to managing packaging materials and their related waste can be mainly observed in its Sustainable Packaging Policy, as well as in its strategic goal of reducing by 12% the consumption of packaging materials per ton produced for the 2010-2020 period.

Find more about this Policy here:

The Organization's evolution in the management of packaging materials over the past three years is reflected on two 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.

Consumption of packaging materials [GRI 301-1] [ODS 8] [ODS 12]

Reduction in the consumption of packaging materials



Goal for 2020: -12%

*Reduction per ton produced with regard to the 2010 baseline.

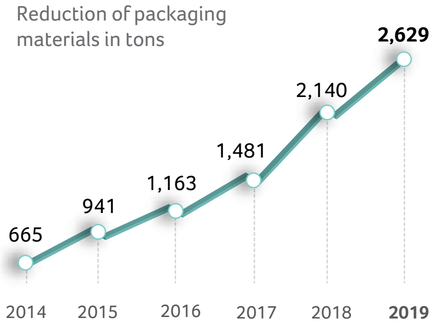
Employee from Novaventa, Colombia.

Eco-design of packaging

With the aim of strengthening the good practices and taking on a cross-sectional role in the closed-loop cycle process, Grupo Nutresa created its Packaging Eco-Design Manual. This document will promote the packaging sustainability culture in all businesses areas and will enable the standardization of the definitions and optimal specifications for packaging materials with the purpose of preserving the products in good condition and getting a better performance in the closed-loop cycle process.

With the implementation of the DTV methodology in its productive businesses, the Organization has achieved a reduction of 2.629 tons of packaging materials over the seven years the methodology has been in place. This reduction has been accomplished by means of eco-design initiatives focused on optimizing the packaging materials while taking into account the attributes valued by the consumers, the behavior of the market in general and internal factors throughout the value chain. Some examples of said initiatives are: the reduction in the thickness of the materials, the adjustment in the mechanical designs, the elimination of unnecessary packaging components, the development of less complex structures, and the replacement with closed-loop cycle materials that have a lesser environmental impact while preserving the quality characteristics of the products.

Reduction of packaging materials in tons (ODS 12.2)



Throughout 2019, multiple projects were executed within the Organization in order to improve the management of packaging materials. It is worth highlighting the reutilization of plastic lids and containers in the Retail Food Business in the Dominican Republic, where the Company avoided the purchase of 211 tons of packaging materials by reusing said elements in optimal safety and hygiene conditions to extend their use and service life.

Grupo Nutresa's businesses and productive platforms implemented actions focused on reducing and optimizing all types of packaging materials, with a decrease in their consumption that amounted to 489 tons over the year.

The Cold Cuts Business in Colombia replaced cardboard boxes with plastic crates for packing meat raw materials in the maquila processes. The plastic crates offer higher levels of resistance and service life, which allowed avoiding the use of 18,5 kilos of single-use cardboard.

Grupo Nutresa constantly works on reinforcing the optimization and reduction processes regarding the flexible packaging materials in all its companies. Thus, in 2019, the organization reduced its consumption of plastic materials by 43 tons.

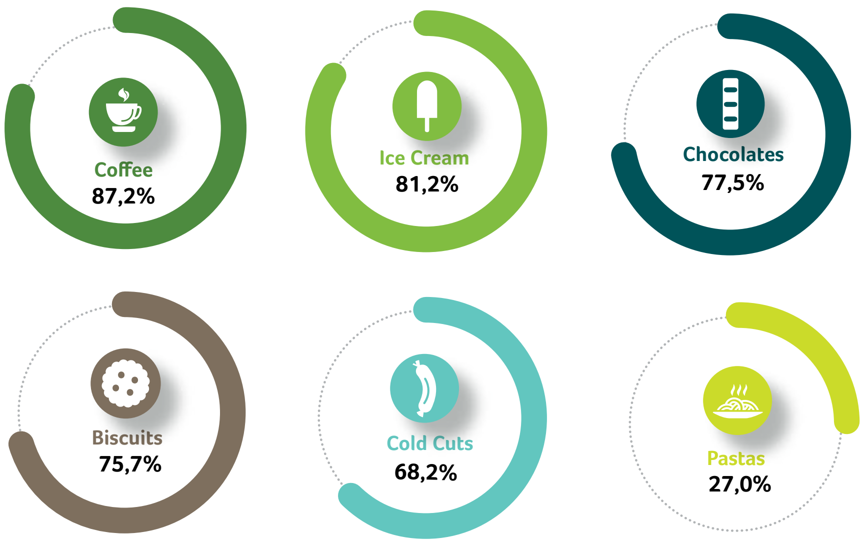
Employees from the Biscuits Business, Colombia.

Increasing the use of Closed-Loop Cycle materials

In 2019, 78% of the packaging materials consumed by the Organization corresponded to closed-cycle materials (corrugated cardboard, paper-board, glass and tin).

* This percentage includes the Cold Cuts, Biscuits, Chocolates, Coffee, Pastas and Ice Cream Businesses in Colombia.

Share of closed-cycle materials (ODS 12.5)



To enhance the circular economy processes for the packaging solutions, Grupo Nutresa has incorporated the use of biodegradable materials that include a content of recycled raw materials in its composition.

Recycled input materials used

[GRI 301-2] (ODS 12.5)

In terms of percentages, 76% of the packaging cardboard and 40% of the glass for the containers and bottles used by Grupo Nutresa in Colombia are made with recycled materials.

To enhance the circular economy processes for the packaging solutions, Grupo Nutresa has incorporated the use of biodegradable materials that include a content of recycled raw materials in its composition. One example of this is the case of the corrugated cardboard boxes, which are made with 100%-recycled cellulose fiber. Additionally, the Company is permanently working with suppliers that hold sustainable production certifications, such as the Forest Stewardship Council (FSC) seal. Moreover, in the foldable materials category, Grupo Nutresa works with suppliers that provide paper and paperboard made with sugarcane fibers. Finally, 40% of the materials used to manufacture the glass containers and bottles are recycled materials.

Designing and implementing initiatives focused on closing the cycle of materials

Grupo Nutresa 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 4.5 tons of waste of flexible packaging materials that were recovered through recycling processes for the production of new plastic elements such as ropes, packing straps, garbage bags, among other. With the aim of reinforcing the processes centered on closing the cycle of packaging materials, the Organization has deployed initiatives focused on raising awareness and creating knowledge among its stakeholders. One of this initiatives is the "Sabor Costeño" project, which was developed by the Coffee Business in Colombia with the purpose of encouraging consumers to sort and recycle the flexible packaging of the brands, and subsequently exchange them for home utensils. Thanks to this initiative, approximately 23 tons of waste from packaging materials were collected.

Products and packaging materials recovered [GRI 301-3] (ODS 12.5)

As a response to the emerging demands in terms of packaging waste management, Grupo Nutresa has identified potential agents for the transformation and reuse of these materials, particularly the waste from plastic packaging materials, which are the ones that pose the biggest challenge for the Organization.

In 2019, the Packaging Eco-Design Manual was created as the result of the joint work carried out by the research and development, marketing and negotiation teams. This manual is a guide that promotes the collaborative work among the Company's Businesses and departments to find solutions for this issue, and to develop cross-sectional initiatives that mitigate the environmental impact and optimize the use of the required supplies.

WASTE **MANAGEMENT**

Reducing waste generation and increasing waste recovery 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.

Commitment to the SDGs

Employee working on a solid waste storage process at the Coffee Business production plant in Medellín, Colombia.

Waste storage at the Coffee Business's production plant, Colombia.

Strategy
[GRI 103-2]

Progress
[GRI 103-3]

Strategy	Progress
Reducing the waste produced in Grupo Nutresa's operations.	**23.3% reduction** in the waste output per ton produced without taking into account the wastewater treatment plant sludges for the 2010-2019 period in Colombia, and 8.3% reduction for Mexico, Costa Rica, Dominican Republic, Panama, Peru and Chile, with respect to 2018.
Lowering the output of ordinary waste.	**0.42% net reduction** in the amounts of waste sent to the landfill regarding the operations in Colombia, and 5.80% reduction for the international platforms in comparison to the previous year.
Increasing the percentage of waste produced that is recovered.	**Recovery** of 89,2% of waste materials from the operations in Colombia.

The Organization will keep working on strengthening its partnerships and collaborative work with suppliers with the aim of closing cycles throughout the value chain.

RISKS AND OPPORTUNITIES

[GRI 103-1]

One of the major challenges facing current societies is relieving the pressure we put on landfills due to their short service life, the ecosystemic damages they entail and the greenhouse gases they produce, which in aggregate represent a significantly negative contribution to climate change. Additionally, it is increasingly difficult to find and acquire land property that can be used for this type of waste disposal solutions.

This environmental issue, along with other matters related to comprehensive waste management, have driven Grupo Nutresa to rethink the linear system that governs its operations. In a gradual manner, the Organization has been transitioning to a circular economy system with the aim of reducing its waste output to a minimum and transforming it into value-added products. This transition will mitigate current and future environmental, regulatory and reputational risks.

Grupo Nutresa will continue promoting prevention, reduction, recovery and reutilization activities mainly focused on packaging materials, food loss in the production and distribution processes, and the by-products from the wastewater treatment process. However, this will depend on the multiple social dynamics, the economic constraints, the technological developments and the local conditions in the diverse regions. On another note, the Organization will keep working on strengthening its partnerships and collaborative work with suppliers with the aim of closing cycles throughout the value chain.

OUTLOOK

With the purpose of reducing the operating costs and mitigating the environmental impact of its operations, the Company must formulate plans to face a close challenge related to the fulfillment of its 2020 strategic goals: reducing its total waste output by 20% and achieving a waste recovery rate of or higher than 90% with regard to 2010 base-year.

In this context, Grupo Nutresa's main challenge is related to the sludges produced during the industrial wastewater treatment process, which have an impact on the reduction indicators of waste generation and waste recovery due to their difficult handling and disposal. That is why Grupo Nutresa, through partnerships with multiple institutions, works on researching potential types of use for materials that are hard-to-recover, as well as in capability development initiatives for the essential actors in the waste recovery/reutilization system, such as recyclers, waste managers and waste processors.

On the other hand, the Organization expects to achieve that its future strategies, enclosed within the comprehensive waste management framework, incorporate methodologies such as Life Cycle Assessment (LCA), in order to prioritize those with lesser environmental impact. The actions will be implemented gradually under a short, medium and long term planning strategy, considering the availability of resources and the differential measures according to the characteristics of the actors or the size of the markets.

SUCCESS STORIES AND ACKNOWLEDGMENTS [GRI 103-3]

Waste co-processing in the Chocolates Business in Costa Rica

The Chocolates Business in Costa Rica transformed more than 20 tons of plastic, packaging material and paper towel waste (that were previously shipped to the landfill) into materials with suitable characteristics to be considered alternative raw material for the cement production process.

Reduction of more than 190 tons of sludge in an industrial wastewater treatment plant of the Cold Cuts Business

This reduction was achieved by analyzing and monitoring chemical dosages, which allow to determine the use of smaller doses without compromising the biological systems and the compliance with the parameters enforced by the regulations.

Plastic bottle weight reduction in the Retail Food Business

The use of PET plastic for the production of the water bottles offered to consumers in the Retail Food Business was reduced by 31% in the Dominican Republic. This reduction percentage is equivalent to a total of 8,4 tons of plastic.

Water quality tests at the Coffee Business's WWTP, Colombia.

Packaging materials recovery campaign called "Ver de Vuelta" (Take them back), in a first stage in the Businesses in Colombia.

PROGRESS ACHIEVED IN 2019 [GRI 103-3]

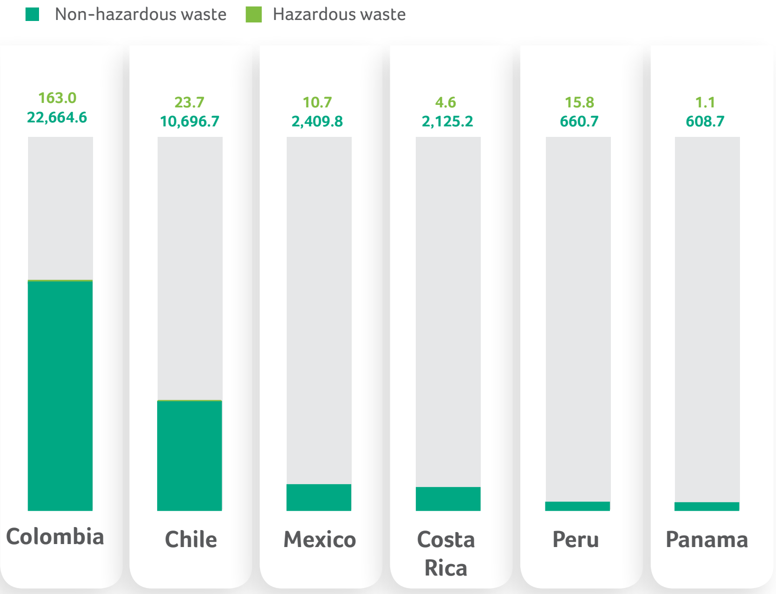
Thanks to the efficient waste management strategies and the research and innovation processes derived from a new business model based on the circular economy, Grupo Nutresa reduced, in 2019, its waste generation (without sludges from water treatment) by 23.3%

Over the year, the Company also carried out the following actions:

Waste management

- Process optimization by means of continued improvement tools that allowed reducing the waste of products, packaging materials and raw materials, among other elements.
- Efficiency in the operations of the wastewater treatment plants, as it is the case of the Cold Cuts Business, which attained sludge production reductions through monitoring activities and the analysis of the information available.
- Promotion of the rational use of plastic bags based on the availability of reusable bags at the points of sale.

Total weight of waste [GRI 306-2]



Implementation of the "Ver de Vuelta" (Take them back) campaign at Novaventa, Colombia.

Circular economy

- Recovery and reutilization of post-consumption packaging materials. Along with processes focused on research, innovation and the creation of partnerships with education institutions, the circular economy concept has enabled the creation of several prototypes of elements framed within the circular economy concept, as well as the assessment of their impact on the multiple life cycle stages.
- Reformulation of the metrics and initiatives that have an impact on the reduction percentages with the objective of lowering the loss and waste of food in the operations and the commercialization and sales processes.
- Promotion of the sustainability culture among the employees, with awareness-raising initiatives related to the comprehensive management of waste, such as the "Ver de Vuelta" (Take them back) campaign, which consists in encouraging employees to take the post-consumption packaging materials from their households back to the corresponding Businesses. These materials are handed over to the "Llena una Botella de Amor" (Fill a bottle with love) Foundation with the purpose of transforming them into elements useful for society.
- Promotion of consumers' education through media such as the websites of the carbon-neutral Evok and Tosh products to communicate the type of materials used for the manufacturing of the packaging solutions, how to handle them and their final disposal.

FINANCIAL STATEMENTS

CONSOLIDATED

FINANCIAL STATEMENTS

Statutory auditor's report on the consolidated financial statements

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

Opinion
I have audited the accompanying consolidated financial statements of Grupo Nutresa S. A., which include the consolidated statement of financial position at December 31, 2019, 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. 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 consolidated 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.

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 financial statements. Such matters have been addressed in the context of my audit of the 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

TO THE SHAREHOLDERS OF GRUPO NUTRESA

Key audit matter	Treatment of the key matter throughout the audit
Goodwill	
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, 2019, as detailed in Note 20, goodwill amounts up to $2,309,739 million. 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. 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.	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: • 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.

TO THE SHAREHOLDERS OF GRUPO NUTRESA

Key audit matter	Treatment of the key matter throughout the audit
IFRS 16 implementation	
Starting January 1, 2019, Grupo Nutresa S. A. implemented IFRS 16. The recognition of the right-of-use asset and the lease liability plays an important role in the total assets and liabilities of Grupo Nutresa S. A. At December 31, 2019, as detailed in Notes 18 and 24, right-of-use assets and the lease liabilities amount up to $878,552 million and $892,555 million, respectively. As indicated in Notes 3.3.8 and 4, the implementation of IFRS 16 requires the determination of a discount rate, lease terms, and a dismantling provision associated to real estate. Such determinations are key audit matters because they involve the use of significant judgments by management of Grupo Nutresa S. A. to determine the discount rate; the time in which Grupo Nutresa S. A., acting as a lessee, expects to hold leases of goods, and the dismantling provision associated to real estate. Such judgments may change in the future due to the economic environment and the strategies of the Group.	• I have performed audit procedures on the process carried out by management of Grupo Nutresa S. A. to determine the discount rate and the terms over which they expect to hold leased goods. The performed procedures include: • Understanding of the corresponding controls implemented by the Group's Management in association with IFRS 16. • Meetings to understand the implementation process carried out by management of Grupo Nutresa S. A. • Integral review of lease contracts signed by Grupo Nutresa S. A. • Detailed review of a sample of lease contracts. • Review of the current value of a sample of lease liabilities. • Review of the depreciation of a sample of right-of-use assets. • Understanding of the determination of lease terms established for leased goods. • Understanding of the method used to determine the discount rate and review of the rate itself. • Review of the dismantling provision associated to real estate.

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.

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.

Other matters

The Group's consolidated financial statements for the year ended December 31, 2018 were audited by a different statutory auditor, appointed by PwC Contadores y Auditores Ltda., whom in a report dated February 22, 2019 issued an unqualified opinion on such statements. My opinion on this matter is unqualified.

(Original in Spanish signed by:)

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Certification of the Financial Statements

The undersigned Legal Representative and the General Counsel of Grupo Nutresa S. A.

CERTIFY:

21 of February of 2020

We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31st, 2019 and 2018, according to, the regulations, and the that same have been faithfully taken, from the Financial Statements of the Parent Company, and its subsidiaries, duly certified and audited.

In accordance with the above stated, in relationship to the Financial Statements, herewith mentioned, we declare the following:

1. The assets and liabilities, are stated and the recorded transactions, have been recorded, during said years.
2. All realized economic transactions, have been recognized.
3. The assets represent rights, and liabilities represent obligations, obtained or under the responsibility of the Companies.
4. All elements have been recognized, in the appropriate amounts, and in accordance with the accounting norms and the financial information accepted in Colombia.
5. The economic transactions, that impact the Companies, have been correctly classified, described, and disclosed.
6. The Financial Statements and Notes, do not contain misstatements, errors, differences or material inaccuracies, which could impact the financial position, equity, and operations of the Companies. Similarly, appropriate procedures, reporting systems, and control of the financial information, have been established, to insure accurate reporting to third–party users, of such.

CIGP.

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Jaime León Montoya Vásquez
General Accountant T.P. 45056-T
(See attached certification)

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:

21 of February of 2020

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2019 and 2018, do not contain any defects, differences, inaccuracies, or errors that impede the knowledge of the true and fair presentation, of the financial situation, of the same.
The foregoing, is stated, for purposes of compliance with Article 46 of Law 964 of 2005.
And is signed, as a record, on the 21nd day of the month of February of 2020.

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Consolidated Statement of Financial Position

At December 31st of 2019 and 2018 (values expressed in millions of Colombian Pesos)

	Notes	December 2019	December 2018
ASSETS			
Current assets			
Cash and cash equivalents	9	$ 497.947	$ 347.520
Trade and other receivables, net	10	1.166.248	1.020.579
Inventories	11	1.248.128	1.109.878
Biological assets	12	96.632	94.569
Other assets	13	251.397	241.726
Non-current assets held for sale	14	2.610	6.777
Total current assets		**$ 3.262.962**	**$ 2.821.049**
Non-current assets			
Trade and other receivables, net	10	25.409	28.065
Investments in associated and joint ventures	15	193.360	192.795
Other financial non-current assets	16	3.511.768	3.322.694
Property, plant and equipment, net	17	3.400.057	3.376.364
Right-of-use assets	18	878.552	-
Investment properties	19	79.489	77.062
Goodwill	20	2.309.739	2.085.908
Other intangible assets	21	1.248.973	1.167.536
Deferred tax assets	22.4	654.496	379.753
Other assets	13	80.436	72.471
Total non-current assets		**$ 12.382.279**	**$ 10.702.648**
TOTAL ASSETS		**$ 15.645.241**	**$ 13.523.697**
LIABILITIES			
Current liabilities			
Financial obligations	23	527.196	522.302
Right-of-use liabilities	24	147.242	-
Trade and other payables	25	1.235.133	1.094.960
Tax charges	22.2	214.542	228.841
Employee benefits liabilities	26	191.864	165.833
Provisions	27	1.948	4.118
Other liabilities	28	29.912	26.676
Total current liabilities		**$ 2.347.837**	**$ 2.042.730**
Non-current liabilities			
Financial obligations	23	2.680.014	2.265.743
Right-of-use liabilities	24	745.313	-
Trade and other payables	25	158	158
Employee benefits liabilities	26	189.295	175.036
Deferred tax liabilities	22.4	984.035	704.763
Provisions	27	13.238	-
Other liabilities	28	487	536
Total non-current liabilities		**$ 4.612.540**	**$ 3.146.236**
TOTAL LIABILITIES		**$ 6.960.377**	**$ 5.188.966**
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	3.802.402	3.552.827
Other comprehensive income, accumulated	31	3.770.027	3.683.175
Earnings for the period		506.388	505.308
Equity attributable to the controlling interest		**$ 8.627.950**	**$ 8.290.443**
Non-controlling interest	30.4	56.914	44.288
TOTAL SHAREHOLDER EQUITY		**$ 8.684.864**	**$ 8.334.731**
TOTAL LIABILITIES AND EQUITY		**$ 15.645.241**	**$ 13.523.697**

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 T.P. 45056-T
(See attached certification)

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Consolidated Comprehensive Income Statement

At December 31st of 2019 and 2018 (values expressed in millions of Colombian Pesos)

	Notes	2019	2018
Continuing operations			
Operating revenue	**7.1**	$ **9.958.851**	$ **9.016.066**
Cost of goods sold	32	(5.565.300)	(4.969.218)
Gross profit		$ **4.393.551**	$ **4.046.848**
Administrative expenses	32	(467.302)	(406.057)
Sales expenses	32	(2.829.943)	(2.651.071)
Production expenses	32	(162.851)	(146.966)
Exchange differences on operating assets and liabilities	34	23.661	(4.260)
Other operating incomes, net	33.1	2.505	10.802
Operating profit		$ **959.621**	$ **849.296**
Financial income	35.1	22.294	15.457
Financial expenses	35.2	(302.303)	(247.304)
Dividends	16	61.516	58.851
Exchange differences on non-operating assets and liabilities	34	(4.460)	23.113
Share of profit of associates and joint ventures	15	(2.268)	(400)
Other income, net		714	5.202
Income before tax and non-controlling interest		$ **735.114**	$ **704.215**
Current income tax	22.3	(207.877)	(164.423)
Deferred income tax	22.3	2.656	(24.901)
Profit after taxes from continuous operations		$ **529.893**	$ **514.891**
Discontinued operations, after income tax	36	(16.452)	(6.135)
Net profit for the period		$ **513.441**	$ **508.756**
Profit for the period attributable to:			
Controlling interest		506.388	505.308
Non-controlling interest		7.053	3.448
Net profit for the period		$ **513.441**	$ **508.756**
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian pesos)		1.100,55	1.098,20
*(*) Calculated on 460.123.458 shares, which have not been modified during the period covered by these Financial Statements.*			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit and loss:			
Actuarial losses on defined benefit plans	26-31	(19.195)	(1.487)
Equity instruments, measured at fair value	16-31	186.697	(871.316)
Income tax from items that will not be reclassified	31	6.576	(1.863)
Total items that are not subsequently reclassified to profit and loss		$ **174.078**	$ **(874.666)**
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of associate and joint ventures	15-31	746	1.301
Exchange differences on translation of foreign operations	31	(56.199)	8.781
Cash flow hedges		(9.096)	7.960
Income tax from items that will be reclassified	31	1.651	(3.009)
Total items that are or may be subsequently reclassified to profit and loss:		$ **(62.898)**	$ **15.033**
Other comprehensive income, net taxes		$ **111.180**	$ **(859.633)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$ **624.621**	$ **(350.877)**
Total comprehensive income attributable to:			
Controlling interest		619.993	(353.371)
Non-controlling interest		4.628	2.494
TOTAL COMPREHENSIVE INCOME		$ **624.621**	$ **(350.877)**

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 T.P. 45056-T
(See attached certification)

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Consolidated Exchange in Equity Statement

From January 1st December 31st of 2019 and 2018 (values expressed in millions of Colombian Pesos)

	Share capital issued	Paid-in-capital	Reserves and retained earnings	Earnings for the period	Other comprehensive income, accumulated	Total equity attributable to the controlling interest	Non-controlling interest	Total
Equity at December 31st of 2018	**2.301**	**546.832**	**3.552.827**	**505.308**	**3.683.175**	**8.290.443**	**44.288**	**8.334.731**
Profit for the period				506.388		506.388	7.053	513.441
Other comprehensive income for the period					113.605	113.605	(2.425)	111.180
Comprehensive income for the period	**-**	**-**	**-**	**506.388**	**113.605**	**619.993**	**4.628**	**624.621**
Transfer to accumulated results			505.308	(505.308)		-		-
Cash dividends (Note 30.3-30.4)			(281.596)			(281.596)	(4.031)	(285.627)
Acquisition of subsidiaries						-	12.061	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**	**3.802.402**	**506.388**	**3.770.027**	**8.627.950**	**56.914**	**8.684.864**
Equity at December 31st of 2017	**2.301**	**546.832**	**3.396.462**	**420.207**	**4.541.854**	**8.907.656**	**42.525**	**8.950.181**
Remeasurement of impairment provision			(5.277)			(5.277)		(5.277)
Balance at January 1st, 2018	**2.301**	**546.832**	**3.391.185**	**420.207**	**4.541.854**	**8.902.379**	**42.525**	**8.944.904**
Profit for the period				505.308		505.308	3.448	508.756
Other comprehensive income for the period					(858.679)	(858.679)	(954)	(859.633)
Comprehensive income for the period	**-**	**-**	**-**	**505.308**	**(858.679)**	**(353.371)**	**2.494**	**(350.877)**
Transfer to accumulated results			420.207	(420.207)		-		-
Cash dividends (Note 30.3-30.4)			(260.614)			(260.614)	(2.025)	(262.639)
Acquisition of subsidiaries							1.315	1.315
Other equity movements			2.049		-	2.049	(21)	2.028
Equity at December 31st of 2018	**2.301**	**546.832**	**3.552.827**	**505.308**	**3.683.175**	**8.290.443**	**44.288**	**8.334.731**

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 T.P. 45056-T
(See attached certification)

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Consolidated Cash-flow Statement

From January 1st December 31st of 2019 and 2018 (values expressed in millions of Colombian Pesos)

	2019	2018
Cash flow from operating activities		
Collection from sales of goods and services	9.807.576	8.935.188
Payments to suppliers for goods and services	(6.868.916)	(6.342.582)
Payments to and on behalf of employees	(1.660.668)	(1.599.418)
Income taxes and tax on wealth, paid	(199.044)	(112.855)
Other cash outflows	(46.565)	(37.311)
Net cash flow from operating activities	**$ 1.032.383**	**$ 843.022**
Cash flow from investment activities		
Cash and cash equivalents received from acquisitions	839	2.649
Purchase/sale of other equity instruments	(2.425)	(63.950)
Purchases of equity of associates and joint ventures (Note 15)	(2.730)	(12.094)
Purchases of property, plant and equipment (Note 17)	(254.495)	(234.780)
Amounts from the sale of productive assets	11.576	28.640
Purchase of Intangibles and other productive assets	(37.918)	(18.181)
Investment / divestment in assets held for sale, net	-	54
Dividends received (Note 16)	61.284	50.538
Interest received	11.270	11.101
Payments to third parties, to obtain control of subsidiaries	(423.507)	(3.221)
Other cash (outflows) inflows	(117)	30
Net cash flow used in investment activities	**$ (636.223)**	**$ (239.214)**
Cash flow from financing activities		
Proceeds from (used in) loans	407.278	(223.643)
Dividends paid (Note 30.3)	(279.660)	(247.668)
Interest paid	(179.349)	(198.915)
Paid leases	(151.099)	-
Fees and other financial expenses	(37.590)	(34.377)
Other cash inflows	5.752	9.165
Net cash flow used in financing activities	**$ (234.668)**	**$ (695.438)**
Increase (decrease) in cash and cash equivalent from activities	**$ 161.492**	**$ (91.630)**
Cash flow from discontinued operations	(8.776)	(1.087)
Net foreign exchange differences	(2.289)	4.594
Net increase (decrease) in cash and cash equivalents	**$ 150.427**	**$ (88.123)**
Cash and cash equivalents at the beginning of the period	347.520	435.643
Cash and cash equivalents at the end of the period	**$ 497.947**	**$ 347.520**

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 T.P. 45056-T
(See attached certification)

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

A message from the management at Grupo Nutresa

Management of monitoring indicators

Grupo Nutresa assesses the management of sustainability on economic, social, and environmental dimensions; to measure the management in the economic dimension, indicators, such as, total sales, international sales, sales in Colombia, and EBITDA, are used.

For Grupo Nutresa, EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization), is calculated by eliminating depreciation charges, amortization, and unrealized gains or losses from exchange differences in operating assets and liabilities, from the operating income. It is considered that EBITDA is most significant for investors, because it provides an analysis of operating results, as well as, segment profitability, using the same measurement, that is used by management. Likewise, EBITDA allows a comparison of the results, or benchmarks with other companies in the same industry and market. EBITDA is used to track the evolvement of the business and establish operating and strategic objectives. EBITDA is commonly reported and widely used amongst analysts, investors, as well as, other stakeholders, interested in the industry. EBITDA is not a measurement, explicitly defined as such, in IFRS, and may therefore, not be comparable with similar indicators used by other companies. EBITDA should not be considered an alternative to operating income, as an indicator of operating results, nor as an alternative to cash flows from operating activities, such as the measurement of liquidity.

The following table is a breakdown of details the reconciliation between the EBITDA and the operating income of Grupo Nutresa, for the period covered by these Financial Statements:

	2019	2018
Operating earnings	**959.621**	**849.296**
Depreciation and amortization (Note 32)	274.951	276.472
Right-of-use assets, depreciation and amortization (Note 32)	118.523	-
Unrealized exchange differences from operating assets and liabilities (Note 34)	(5.866)	654
EBITDA (See details by segment in Note 7.2)	**1.347.229**	**1.126.422**

Table 1

Management of Capital

The generation of value growth is a fundamental part of the strategic objectives, set by the Group. This translates into the active management of the capital structure, and the return on investment, which balances the sustained growth of current operations, the development of business plans for investments, and growth through business acquisitions, underway.

In every one of the investments, the goal is to seek a return that exceeds the cost of the capital (WACC). The administration periodically evaluates the return on the invested capital of its businesses, and projects this, to verify that they are in line with the value generation strategy.

Similarly, for each investment, the various sources of funding, both internal and external, are analyzed, to secure a suitable profile, for the duration of that specific investment, as well as, cost optimization. In accordance with a moderate financial risk profile, the capital structure, of the Group, aims towards obtaining the highest credit ratings.

Notes for the Consolidated Financial Statements

For the period between January 1st and December 31st of 2019 and 2018
(Values are expressed as millions of Colombian Pesos, except for the values in foreign currency, exchange rates, and number of shares.).

NOTE 1. CORPORATE INFORMATION

1.1. ENTITY AND CORPORATE PURPOSE OF THE PARENT COMPANY AND SUBSIDIARIES

Grupo Nutresa S.A. and its subsidiaries, (hereinafter referred to as: Grupo Nutresa, the Company, the Group, or Nutresa), constitute an integrated and diversified food industry group, that operates mainly in Colombia and Latin America.

The Parent Company is Grupo Nutresa S.A., an anonymous corporation of Colombian nationality, incorporated on April 12, 1920, with its headquarters in the City of Medellin, Colombia, and whose terms expire, on April 12, 2050. The Corporate Business Purpose consists of the investment, or application of available resources, in organized enterprises, under any of the forms permitted by law, whether domestic or foreign, and aimed at the use of any legal economic activity, either tangible or intangible assets, with the purpose of safeguarding its capital.

Below is information of subsidiaries: Name, Main Activity, Principle Domicile, Functional Currency, and Percentage of Shares held by Grupo Nutresa:

Entity	Main Activity	Functional Currency [1]	% Participation 2019	% Participation 2018
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. (before Litoempaques S. A. S.) [2]	Production or manufacturing of packaging material	COP	100,00%	100,00%
Pastas Comarrico S. A. S.	Production of pasta, flour, and cereals	COP	100,00%	100,00%
Novaventa S. A. S.	Sales of foods and other items, via direct sales channels	COP	100,00%	100,00%
La Recetta Soluciones Gastronómicas Integradas S. A. S.	Distribution of foods, via institutional channels	COP	70,00%	70,00%
Meals Mercadeo de Alimentos de Colombia S. A. S.	Production and sales of ice cream, dairy beverages, et al,	COP	100,00%	100,00%
Servicios Nutresa S. A. S.	Provision of specialized business services	COP	100,00%	100,00%
Setas Colombianas S. A.	Production, processing and sales of mushrooms	COP	99,50%	99,50%
Gestión Cargo Zona Franca S. A. S.	Provision of logistics services	COP	100,00%	100,00%
Comercial Nutresa S. A. S.	Sales of food products	COP	100,00%	100,00%
Industrias Aliadas S. A. S.	Provision of services related to coffee	COP	100,00%	100,00%
Opperar Colombia S. A. S.	Provision of transportation services	COP	100,00%	100,00%
Fideicomiso Grupo Nutresa	Management of financial resources	COP	100,00%	100,00%
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	Investment in cocoa production	COP	83,41%	83,41%
IRCC S. A. S. - Industria de Restaurantes Casuales S. A. S. [3]	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%
LYC S. A. S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%
PJ COL S. A. S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%
New Brands S. A.	Production of dairy and ice cream	COP	100,00%	100,00%
Schadel Ltda. Schalin Del Vecchio Ltda.	Production of foods and operation of food establishments providing to the consumer	COP	99,88%	99,88%
Tabelco S. A. S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	100,00%
Productos Naturela S. A. S.	Production and marketing of healthy and functional foods	COP	60.00%	60,00%
Atlantic Food Service S. A. S.	Sales of food products	COP	51.00%	-
Procesos VA S. A. S.	Processing of meat products	COP	100.00%	-

Chile				
Tresmontes Lucchetti S. A.	Provision of specialized business services	CLP	100,00%	100,00%
Nutresa Chile S. A.	Management of financial and investment services	CLP	100,00%	100,00%
Tresmontes Lucchetti Agroindustrial S. A.	Agricultural and industrial production	CLP	100,00%	100,00%
Tresmontes Lucchetti Servicios S. A.	Management of financial and investment services	CLP	100,00%	100,00%
Tresmontes S. A.	Production and sales of foods	CLP	100,00%	100,00%
Lucchetti Chile S. A.	Production of pasta, flour, and cereals	CLP	100,00%	100,00%
Novaceites S. A.	Production and sales of vegetable oils	CLP	50,00%	50,00%
Inmobiliaria y Rentas Tresmontes Lucchetti S. A.	Management of financial and investment services	CLP	-	100,00%
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%
Comercializadora Tresmontes Lucchetti S. A. de C. V.	Sales of food products	MXN	-	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 C. V.	Specialized business services provider	MXN	100,00%	100,00%
Panama				
Promociones y Publicidad Las Américas S. A.	Management of financial and investment services	PAB	100,00%	100,00%
Alimentos Cárnicos de Panamá S. A.	Production of meats and its derivatives	PAB	100,00%	100,00%
Comercial Pozuelo Panamá S. A	Production of biscuits, et al,	PAB	100,00%	100,00%
American Franchising Corp. (AFC)	Management of financial and investment services	USD	100,00%	100,00%
Aldage, Inc.	Management of financial and investment services	USD	100,00%	100,00%
LYC Bay Enterprise Inc.	Management of financial and investment services	USD	100,00%	100,00%
Sun Bay Enterprise Inc.	Management of financial and investment services	USD	100,00%	100,00%
El Corral Capital Inc. (4)	Management of financial resources and franchises	USD	100,00%	100,00%
The United States of America				
Abimar Foods Inc.	Production and sales of food products	USD	100,00%	100,00%
Cordialsa USA, Inc.	Sales of food products	USD	100,00%	100,00%
Kibo Foods LLC	Production and sales of food products	USD	100,00%	-
Cameron's Coffee & Distribution Company	Production of coffee and coffee related products	USD	100,00%	-
CCDC OPCO Holding Corporation	Management of financial and investment services	USD	100,00%	-
Other Countries				

Entity	Main Activity	Country	Functional Currency	% Participation 2019	% Participation 2018
TMLUC Argentina S. A.	Production and sales of food products	Argentina	ARS	100,00%	100,00%
Corporación Distribuidora de Alimentos S. A. (Cordialsa)	Sales of food products	Ecuador	USD	100,00%	100,00%
Comercial Pozuelo El Salvador S. A. de C. V.	Distribution and sales of food products	El Salvador	USD	100,00%	100,00%
Americana de Alimentos S. A. de C. V.	Sales of food products	El Salvador	USD	100,00%	100,00%
Comercial Pozuelo Nicaragua S. A.	Sales of food products	Nicaragua	NIO	100,00%	100,00%
Industrias Lácteas Nicaragua S. A.	Sales and logistics management	Nicaragua	NIO	100,00%	100,00%
Compañía Nacional de Chocolates del Perú S. A.	Production of foods and beverages	Peru	PEN	100,00%	100,00%
Helados Bon S. A.	Production and sales of ice cream, beverages, and dairy, et al,	Dominican Republic	DOP	81,18%	81,18%
Compañía de Galletas Pozuelo de República Dominicana S. R. L.	Management of financial and investment services	Dominican Republic	DOP	100,00%	100,00%
Gabon Capital Ltd.	Management of financial and investment services	BVI	USD	100,00%	100,00%
Perlita Investments Ltd.	Management of financial and investment services	BVI	USD	100,00%	100,00%

Table 2

(1) See Note 31.4, the descriptions of abbreviations, for each currency, and the primary impact on Grupo Nutresa's Financial Statements.
(2) As of March 2018, Litoempaques S. A. S., changed its corporate name to Servicios Logypack S.A.S., and in November of 2018, the latter changed its corporate name to Inverlogy S. A. S..

Changes in the scope of consolidation

The following are the changes in consolidation parameters, during the period:

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 $113 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.

2018: In September 2018, a 60% stake, was obtained, via the acquisition of shares (capitalization), in the amount of $3.221, of Productos Naturela S. A. S., a company dedicated to the production and commercialization of healthy and functional foods. This acquisition is aligned with the purpose of expansion towards innovative products, that benefit the health and nutrition of its consumers. In November 2018, the company TMLUC Perú S. A. was liquidated. In December, the company Tremontes Lucchetti Inversiones S. A. was incorporated in Chile, and the merger between Inmobiliaria Tresmontes Lucchetti S. A. and Tresmontes S. A., was presented, leaving the latter in force.

NOTE 2. BASIS OF PREPARATION

The Consolidated Financial Statements of Grupo Nutresa, for the period from January 1st to December 31st, 2019, 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 2017 (IFRIC 23 and IFRS 17 not included), and other legal provisions, defined by the Financial Superintendence of Colombia.

2.1. BASIS OF MEASUREMENT

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the measurements at fair value of certain financial instruments, as described in the accounting policies, herewith. The book value of recognized assets and liabilities, that have been designated as hedged items, in fair value hedges, and which would otherwise be accounted for at amortized cost and are adjusted to record changes in the fair values, attributable to those risks that are covered under "Effective hedges".

2.2. FUNCTIONAL AND PRESENTATION CURRENCY

The Consolidated Financial Statements are presented in Colombian Pesos, which is both the functional and presentation currency of Grupo Nutresa. These figures are expressed in millions of Colombian Pesos, except for basic earnings per share and the representative market exchange rates, which are expressed in Colombian Pesos, as well as, other currencies (E.g. USD, Euros, Pounds Sterling, et al.), and which are expressed as monetary units.

2.3. CLASSIFICATION OF ITEMS INCURRENT AND NON-CURRENT

Grupo Nutresa presents assets and liabilities, in the Statement of Financial Position, classified as current and non-current. An asset is classified as current, when the entity: expects to realize the asset, or intends to sell or consume it, within its normal operating cycle, holds the asset primarily, for negotiating purposes, expects to realize the asset within twelve months, after the reporting period is reported, or the asset is cash or cash equivalent, unless the asset is restricted for a period of twelve months, after the close of the reporting period. All other assets are classified as non-current. A liability is classified as current when the entity expects to settle the liability, within its normal operating cycle, or holds the liability primarily for negotiating purposes.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

3.1. BASIS OF CONSOLIDATION

3.1.1. INVESTMENTS IN SUBSIDIARIES

The Consolidated Financial Statements, include Grupo Nutresa financial information, as well as, its subsidiaries, at December 31, 2018, as well as its corresponding comparative financial information. A subsidiary is an entity controlled by one of the companies that make up Grupo Nutresa. Control exists, when any of the Group companies, has the power to direct the relevant activities of the subsidiary, which are generally: the operating and financing activities, to obtain benefits from them, and is exposed, or has rights, to those variable yields.

The accounting policies and practices are applied homogeneously, by the Parent Company, and its subsidiary companies. In cases of subsidiaries, located abroad, the practices do not differ significantly from the accounting practices used in the countries of origin, and/or have been homologized to those that have a significant impact on the Consolidated Financial Statements.

All balances and transactions between subsidiaries, as well as, the unrealized profits or losses, were eliminated in the consolidation process.

The Financial Statements of the subsidiaries are included in the Consolidated Financial Statements, from the date of acquisition, until the date that Grupo Nutresa loses its control. Any residual interest that is retained is measured at fair value. The gains or losses arising from this measurement are recognized in the other comprehensive income.

The Annual Separate Financial Statements are the basis for the distribution of dividends and other appropriations by the Shareholders. The Consolidated Financial Statements at year, are presented at the Shareholders' Meeting, for informational purposes only.

Consolidation of companies in which Grupo Nutresa owns less than the majority of voting rights:
The Group considers exercising control of the relevant activities of Novaceites S.A., despite that their actual controlling shares are 50%, which does not give the majority of the voting rights. This conclusion is based on the composition of the Directive of Novaceites S.A., the Administration of TMLUC, as well as, the General Management of the Company, and the level of involvement of TMLUC, in its accounting and commercial processes.

Companies in which Grupo Nutresa holds the majority of the voting rights, but does not have the control:
The Group considers that it does not exercise control over the relevant activities of Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A., despite having a 100% interest. The changing conditions of the Venezuelan market, including regulation of the foreign exchange market and limited access to the purchase of foreign exchange, through official systems, combined with other governmental controls, such as price controls and profitability, importation, and labor laws, among others, limits the ability to maintain a normal level of production, reduces the ability of the Administration to make and execute operational decisions, restricts the possibility of access to the liquidity, resulting from these operations, and the realization of these benefits to its investors, in other Countries, through dividend payments. The Management, of Grupo Nutresa, considers that this situation will be maintained, in the foreseeable future, and therefore, a loss of control is established on said investment, according to the postulates established in IFRS 10, reasons that served to support, that as of October 1, 2016, these investments were classified as financial instruments measured at fair value with changes in other comprehensive income.

This accounting classification does not compromise the productive and commercial operation of Grupo Nutresa, in Venezuela, its team of collaborators, nor its relationships, with customers and suppliers.

3.1.2. NON-CONTROLLING INTEREST
Non-controlling interest, in net assets of the consolidated subsidiaries, are presented separately, within Grupo Nutresa's equity. Profit and loss, and "other comprehensive income", is also attributed to non-controlling and controlling interest.

Subsidiaries' purchases or sales, involving non-controlling ownership, that do not involve a loss of control, are recognized directly in equity.

Grupo Nutresa considers non-controlling interest transactions, as transactions with Shareholders of the Company. When realizing acquisitions of minority interest transactions, the difference between the consideration paid, and the interest acquired, over the book value of the subsidiary´s net assets, is recognized as an equity transaction, and therefore, goodwill for those acquisitions is not recognized.

3.2. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES
An associate is an entity over which Grupo Nutresa has significant influence, over its financial and operating policies, without having control or joint control. A joint venture is an entity that Grupo Nutresa controls jointly with other participants, where, together, they maintain a contractual agreement, that establishes joint control over the relevant activities of the entity.

At the date of acquisition, the excess acquisition cost over the net fair value of the identifiable assets, liabilities, and contingent liabilities, assumed by the associate or joint venture, is recognized as goodwill. Goodwill is included in the book value of the investment and is not amortized, nor is it individually tested for impairment.

The results, assets, and liabilities of the associate, or joint venture, are incorporated in the Consolidated Financial Statements, using *the Equity Method*, under which the investment is initially recorded at cost and is adjusted with changes of the participation of Grupo Nutresa, over the net assets of the associate or joint venture, after the date of acquisition, less any impairment loss on the investment. The losses of the associate or joint venture, that exceed Grupo Nutresa's shares in the investment, are recognized as a provision, only when it is probable that there will be an outflow of economic benefit, and there is a legal or implicit obligation.

Where *the Equity Method* is applicable, adjustments are made to homologize the accounting policies of the associate or joint venture with those of Grupo Nutresa. The portion that corresponds to Grupo Nutresa, of gains and losses, obtained from the measurement at fair value, at the date of acquisition, is incorporated into the Financial Statements, and unrealized gains and losses from transactions between Grupo Nutresa and the associate or joint venture are eliminated, to the extent of Grupo Nutresa´s participation in the associate or joint venture. *The Equity Method* is applied from the date of the acquisition, to the date that significant influence or joint control over the entity is lost.

The participation of profit and loss, of an associate or joint venture, is presented in the Comprehensive Income Statement, for the period, net of taxes, and non-controlling interest, of the subsidiaries of the associate or joint venture. The participation of changes recognized, directly in equity and "other comprehensive income" of the associate or joint venture, is presented in the Statement of Changes in Equity, and other consolidated comprehensive income. Cash dividends received, from the associate or joint ventures, are recognized, by reducing the book value of the investment.

Grupo Nutresa analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment, in the profit and loss.

When the significant influence over an associate or joint control is lost, Grupo Nutresa measures and recognizes, any retained residual investment at fair value. The difference between the book value of the associate or joint venture (taking into account, the relevant items of "other comprehensive income"), and the fair value of the retained residual investment, at its value from sale, is recognized in profit and loss, in that period.

3.3. SIGNIFICANT ACCOUNTING POLICIE
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 CURRENCIE

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 2019	December 2018
Panamanian Balboa	PAB	3.277,14	3.249,75
Costa Rican Colon	CRC	5,68	5,31
Nicaraguan Cordoba	NIO	96,85	100,52
Peruvian Sol	PEN	987,39	964,32
U,S, Dollar	USD	3.277,14	3.249,75
Mexican Peso	MXN	173,64	165,33
Guatemalan Quetzal	GTQ	425,67	420,03
Dominican Peso	DOP	61,88	64,64
Chilean Peso	CLP	4,38	4,68
Argentine Peso	ARS	54,71	85,95

Table 3

3.3.3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, in the Statement of Financial Position and Statement of Cash Flows, include cash on hand and banks, highly liquid investments easily convertible to a determined amount of cash and subject to an insignificant risk of changes in its value, with a maturity of three months or less, from the date of purchase. These items are initially recognized at historical cost, and are restated, to be recognized at its fair value, at the date of each annual accounting period.

3.3.4. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and, simultaneously, to a financial liability or equity instrument of another entity. Financial assets and liabilities are initially recognized at fair value, plus (minus) the transaction costs directly attributable, except for those who are subsequently measured at fair value.

At initial recognition, Grupo Nutresa classifies its financial assets for subsequent measurement, at amortized cost or fair value, depending on Grupo Nutresa's business model for the administration of financial assets, and the characteristics of the contractual cash flows of the instrument; or as derivatives designated as hedging instruments, in an effective hedge, accordingly.

(i) Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to keep the contractual cash flows, and the contractual terms of the same grants, on specific dates, cash flows that are solely for payments of principal and interest, on the value of outstanding capital. The carrying amount of these assets is adjusted by any estimate of expected and recognized credit loss. Income from interest of these financial assets is included in "interest and similar income", using the effective interest rate method.

Grupo Nutresa has determined that the business model for accounts receivable is to receive the contractual cash flows, which is why they are included in this category, the Group evaluates whether the cash flows of the financial instruments represent only capital and interest payments. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic loan agreement. That is, the interest includes only the consideration for the value of money over time, credit risk, other basic credit risks, and a profit margin consistent with a basic loan agreement. When the contractual terms introduce a risk, or volatility exposure, and are inconsistent with a basic loan agreement, the related financial asset is classified and measured at fair value, through profit or loss.

Accounts receivable, from sales are measured by the value of income, minus the value of the expected impairment losses, according to the model defined by the Group. These accounts receivable are recognized, when all the risks and benefits are transferred to the third party.

(ii) Financial assets measured at fair value with changes in other comprehensive income

The financial assets, held for the collection of contractual cash flows and for sales of the assets, where the cash flows of the assets represent only payments of principal and interest, and which are not designated at fair value, through profit or loss, are measured at fair value with changes in other comprehensive income.

For investments in equity instruments, that are not held for trading purposes, Grupo Nutresa chooses to irrevocably present gains or losses, from fair value measurement, in other comprehensive income. In the disposal of investments, at fair value, through other comprehensive income, the accumulated value of gains or losses is transferred directly to retained earnings and is not reclassified to profit or loss. Dividends received in cash, from these investments, are recognized in profit or loss for the period.

The fair values of share price investments are based on the valid quoted prices. If the market for a financial instrument is not active (or the instrument is not quoted on a stock exchange), the Group establishes its fair value using valuation techniques. These techniques include the use of the values observed in recent transactions, realized under the terms of free competition, the reference to other instruments that are substantially similar, analyses of discounted cash flows, and option models, making maximum use of market information, and giving the lesser degree of confidence possible, in internal information specific to the entity.

(iii) Financial assets measured at fair value

The financial assets, different from those measured at amortized cost or at fair value, with changes in other comprehensive income, are subsequently measured at fair value, with changes recognized in profit and loss. A loss or gain on a debt instrument, that is subsequently measured at fair value, through profit or loss and is not part of a hedging relationship, is recognized in the Income Statement, for the period in which it arises, unless it arises from instruments of debt that were designated at fair value, or that are not held for trading.

(iv) Impairment of financial assets at amortized cost
The Group evaluates, in a prospective manner, the expected credit losses associated with the debt instruments, recorded at amortized cost and at fair value, through changes in other comprehensive income, as well as with the exposure derived from loan commitments and financial guarantee contracts. The Group recognizes a provision for losses, at each presentation date. The measurement of the expected credit losses reflects:

- An unbiased and weighted probability quantity, that is determined by evaluating a range of possible outcomes;
- The value of money in time; and
- Reasonable and supported information, available without incurring undue costs or efforts, on the filing date, with regard to past events, current conditions, and future economic condition forecasts.

(v) Derecognition
A financial asset, or a part of it, is derecognized, from the Statement of Financial Position, when it is sold, transferred, expires, or Grupo Nutresa loses control over the contractual rights or the cash flows of the instrument. A financial liability, or a portion of it, is derecognized from the Statement of Financial Position, when the contractual obligation has been settled, or has expired. When an existing financial liability is replaced by another, from the same counterparty, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the recognition of a new liability, and the difference, in the respective book value, is recognized in the Comprehensive Income Statement.

(vi) Modification
In some circumstances, the renegotiation, or modification of the contractual cash flows, of a financial asset, may lead to the derecognition of an existing financial asset. When the modification of a financial asset results in the derecognition of an existing financial asset, and the subsequent recognition of a modified financial asset, it is considered a new financial asset. Accordingly, the date of the modification will be treated as the date of initial recognition, of that financial asset.

(vii) Financial liabilities
Financial liabilities are subsequently measured at amortized cost, using the effective interest rate. Financial liabilities include balances with suppliers and accounts payable, financial obligations, and other derivative financial liabilities. This category also includes those derivative financial instruments, taken by the Group, that are not designated as hedging instruments, in effective hedging.

Financial obligations are classified as such, for obligations that are obtained by resources, be it from credit institutions or other financial institutions, in the country or abroad.

Financial liabilities are written-off in accounts when they are canceled, that is, when the obligation specified in the contract is met, canceled, or expires.

(viii) Off-setting financial instruments
Financial assets and financial liabilities are offset, so that the net value is reported on the Statement of Financial Position of the Consolidated, only if (i) there is, at present, a legally enforceable right to offset the amounts recognized, and (ii) there is an intention to settle on a net basis, or to realize the assets and settle the liabilities, simultaneously.

(ix) Derivative instruments and hedge accounts
A financial derivative is a financial instrument, whose value changes, in response to changes in an observable market variable, (such as an interest rate, foreign exchange, the price of a financial instrument, or a market index, including credit ratings), and whose initial investment is very small compared to other financial instruments with similar changes, in response to market conditions, and are generally settled at a future date.

In the normal course of business, companies engage in transactions with derivative financial instruments, with the sole purpose of reducing its exposure to fluctuations in exchange rates, and interest rates on foreign currency obligations. These instruments include, among others, swaps, forwards, options, and futures over commodities traded for own-use.

Derivatives are classified, under the category of financial assets or liabilities, according to, the nature of the derivative, and are measured at fair value on the Income Statement, except those that are designated as hedging instruments.

Commodities contracts, with the purpose of receipt or delivery a non-financial item, in accordance with the purchase, sale, or usage requirements, expected by the entity, are considered "derivatives for own-use", and the impact is recognized as part of cost of the inventory.

Grupo Nutresa designates and documents certain derivatives as hedging instruments, to cover:

- Changes in the fair value of recognized assets and liabilities or in firm commitments (fair value hedges)
- Exposure to variations in cash flows of highly probable forecast transactions (cash flow hedges); and
- Hedges of net investments in foreign operations.

The Group expects that the hedges are highly effective in offsetting the changes in fair value or variations of cash flows. The Group continuously evaluates the coverage, at least quarterly, to determine that they have actually been highly effective throughout the periods for which they were designated.

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 - 60 years
Machinery (*)	10 - 40 years
Minor equipment – operating	2 - 10 years
Transport equipment	3 - 10 years
Communication and computer equipment	3 - 10 years
Furniture, fixtures, and office equipment	5 - 10 years

Table 4

(*) Some of the machinery, related to production, is depreciated using the Hours Produced Method, according to the most appropriate manner, in which the consumption of the economic benefits of the asset, is reflected.

The residual values, useful lives, and depreciation methods, are reviewed at each year-end, and are adjusted prospectively, if required. The factors that can influence the adjustment are: changes in the use of the asset, unexpected significant wear, technological advances, changes in market prices, et al.

A component of property, plant and equipment, or any substantial part of it, initially recognized, is derecognized upon sale or when no future economic benefit from its use or its sale is expected. Any gain or loss, at the time of derecognizing the asset, (calculated as the difference between the net income from the sale and the book value of the asset), is included in the Income Statement, for the period.

At each accounting close, Grupo Nutresa evaluates its assets, to identify indicators, both external and internal, of reductions of its recoverable values. If there is evidence of impairment, property, plant and equipment is tested, to assess whether their book values are fully recoverable. In accordance with IAS 36 "Impairment of Assets", losses due to a reduction in the recoverable value are recognized for the amount at which the book value of the asset, (or group of assets), exceeds its recoverable value (the greater between its fair value minus the disposal costs and their value in use), and is recognized in the Income Statement for the period, as impairment of other assets.

When the book value exceeds the recoverable value, the book value is adjusted to its recoverable value, modifying the future depreciation, in accordance with its new remaining useful life.

Plantations in development: are live Plants that: are used in the elaboration or supply of agricultural products, are expected to produce for more than one period, and have a remote probability of being sold as agricultural products, except for incidental sales of thinning and pruning.

3.3.8. RIGHT-OF-USE ASSETS AND LIABILITIES

Policies applicable as of January 1, 2019

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 - 17 years
Machinery	3 - 4 years
Transportation equipment	5 - 10 years

Table 5

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.

Policies applicable until December 31, 2018

Leases

Tenant accounting

Leases in which a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments under an operating lease (net of any incentive received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Property, plant and equipment leases in which the Group has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalized at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each payment under a finance lease is allocated between the liability and finance costs. The obligations of a finance lease, net of the finance charge, are presented as current or non-current liabilities (financial obligations) depending on whether or not the royalty payments are due within 12 months. Finance costs are charged to income over the lease period so as to provide a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under a financial lease is depreciated over the shorter of the asset's useful life and the lease term.

Lessor's accounting

A lease is an agreement whereby the lessor gives the lessee, in return for a payment or series of payments, the right to use an asset for a specified period of time.

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 100 years.

Intangible assets, with indefinite useful lives, are not amortized, but are tested annually to determine if they have suffered impairment, either individually, or at the level of the cash-generating unit. The assessment of indefinite life is reviewed annually, to determine whether the assessment remains valid. If not, the change in useful life from indefinite to finite is made prospectively against the results for the period.

Gains or losses, that arise when an intangible asset is written-off, are measured as the difference between the value obtained in the disposal, and the book value of the asset, and is recognized in profit and loss.

Research and development costs

Research costs are expensed as they are incurred. The expenditures, directly related to the development, in an individual project, are recognized as intangible assets, when the Grupo Nutresa can demonstrate:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;
- Its intention to complete the asset and its capacity to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to reliably measure the expenditure during development.

In the Statement of Financial Position, assets, arising from development expenditures, are stated at cost less accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future economic benefit. During the development period, the asset is subject to annual impairment tests, to determine if loss of value exists.

Research costs and development costs, not eligible for capitalization, are accounted as expenses, in profit and loss, for the period.

3.3.11. 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 contract:** a performance obligation is a promise in a contract with a customer, for the transfer of a good or service.

- **Determination of the price of the transaction:** the transaction price is the amount of the consideration to which the Group expects to be entitled, in exchange for the transfer of the goods or services promised to a client, excluding amounts received, on behalf of third parties.
- **Distribute the transaction price between the performance obligations of the contract:** in a contract that has more than one performance obligation, Grupo Nutresa distributes the price of the transaction between the performance obligations in amounts that represent the amount of consideration that the Group expects to have the right to change to meet each performance obligation.
- Recognition of income, when (or as) Grupo Nutresa fulfills a performance obligation.

Grupo Nutresa meets its performance obligations at a specific point in time.

The income is measured based on the consideration specified in the contract, with the customer, and excludes the amounts received on behalf of third parties. The Group recognizes income when it transfers control over an asset. The income is presented net of value added tax (VAT), reimbursements, discounts, and after eliminating sales, within the Group.

The Group evaluates its income plans, based on specific criteria, in order to determine whether it acts as principal or agent.

Income is recognized, to the extent that the economic benefits are likely to flow to the Group, and if it is possible to reliably measure revenues and costs, if any.

The specific recognition criteria, listed below, must also be met for revenue to be recognized.

a. Sale of goods

Revenue, from the sale of goods, is recognized when the control over the products has been transferred.

b. Services rendered

Revenue from providing services is recognized when these services are rendered, or according to the degree of completion (or percentage of completion) of contracts.

c. Customer loyalty

The Group awards points to its customers for purchases, under the loyalty plan program, which can be redeemed in the future, for prizes such as household products, travel, snacks, home decoration, and discounts, among others. The points are measured, at their fair value, which corresponds to the value of the point perceived by the client, considering the different redemption strategies. The fair value of the point is calculated at the end of each accounting period. The obligation to provide these points is recorded in liabilities, as a deferred income, and corresponds to the portion of benefits pending redemption, valued at their fair value.

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 2019 and 2018, is 460.123.458.

To calculate diluted earnings per share, profit for the period, attributable to holders of ordinary shares, and the weighted average number of shares outstanding, for all the inherent dilutive potential ordinary shares, is adjusted.

3.3.21. RELATIVE IMPORTANCE OR MATERIALITY

Information is material or has relative importance, if it can, individually, or collectively, influence the economic decisions taken by users, based on the Financial Statements. Materiality depends on the size and nature of error or inaccuracy and is prosecuted depending on the particular circumstances in which they are produced. The magnitude or nature of the item, or a combination of both, could be the determining factor.

3.4. CHANGES IN ACCOUNTING POLICIES

3.4.1. INCOME FROM ORDINARY ACTIVITIES FROM CONTRACTS WITH CLIENTS

Since 2018, The Group has adopted IFRS 15, which leads to changes in accounting policies and adjustments, in the amounts recognized in the Financial Statements. The main changes are as follows:

(i) Accounting of customer loyalty program

The Group awards points to its customers for purchases, under the loyalty plan program, which can be exchanged in the future, for prizes such as household products, travel, snacks, home decoration, discounts, among others. The points are measured at fair value, which corresponds to the value of the point, perceived by the client, taking into account the different redemption strategies. The fair value of the point is calculated at the end of each accounting period. The obligation, to provide these points, is recorded in liabilities, as deferred income, and corresponds to the portion of benefits pending redemption, valued at fair value.

In previous periods, the points were measured at fair value and were recorded as expenses, for the period. Under IFRS 15, the points are measured at fair value and are accounted for as lower-income, and do not generate an impact on the liabilities of the contract.

(ii) Presentation of contract liabilities

The Group has changed the presentation of the liabilities, related to the loyalty program, registering it as contract liabilities. Previously it was recognized, directly, as an expense.

The Group performed an analysis of the existence of incremental costs, or costs to comply with a contract, concluding that these are not incurred.

The Group does not currently incur significant costs, to comply with a contract.

3.4.2. FINANCIAL INSTRUMENTS

The Group has adopted IFRS 9, issued by the IASB in July 2014, considering the transition date as January 1, 2018, which resulted in changes in the accounting policies and adjustments to the amounts, previously recognized in the Financial Statements, primarily in the determination of the expected loss.

As permitted by the transitional provisions of IFRS 9, the Group decided not to restate the comparative figures. Any adjustments to the book values of financial assets and liabilities, at the transition date, were recognized in the accumulated earnings, at the opening of the current period. The Group also chose to continue to apply the hedge designation requirements of IAS 39, in the adoption of IFRS 9.

Consequently, for the disclosures of Notes, the amendments generated from the disclosures of IFRS 7, have only been applied to the current period. The period of comparative information discloses the revelations realized in the previous year.

The adoption of IFRS 9 in 2018 has resulted in changes in our accounting policies for the recognition and measurement of the impairment of financial assets, and generated an impact on equity, at January 1, 2018, in the amount of $5.277, composed of a re-measurement impact of impairment provisions in the amount of ($7.514) (See Note 10), an impact on deferred taxes in the amount of $2.190, and a difference in exchange of $47.

3.4.3. LEASES

The Group applied IFRS 16 on Leases from 2019. In accordance with the transition provisions of IFRS 16, the new standard was adopted retrospectively with the cumulative effect of the initial application of the new standard recognized on January 1st, 2019. Comparative figures for 2018 have not been restated.

Until 2018, property, plant and equipment leases where the Group, as lessee, did not have substantially all the risks and rewards of ownership were classified as operating leases and those where they were classified as finance leases.

On adoption of IFRS 16, the Group recognized lease liabilities relating to leases that were previously classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using each entity's incremental borrowing rate from January 1st, 2019. The weighted average of the lessee's incremental borrowing rate applied to the lease liabilities at January 1 was 6.89%.

Assets related to rights of use were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments recognized in the statement of financial position at December 31, 2018.

In applying IFRS 16 for the first time, the Group used the following practical options permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Accounting for operating leases with a remaining lease term of less than 12 months at 1 January 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of rights of use assets at the date of initial application, and
- The use of hindsight in determining the term of the lease where the lease contract contains options to extend or terminate the lease.

Quantitative impacts:

- On January 1, 2019, the Group recognized assets and liabilities for rights of use for a total value of $941,138, which represents 7.0% of total assets and 18.1% of total liabilities.
- As of December 31, 2019, operating income showed an increase of $32,744. Depreciation charges on

right-of-use assets were $118,523, interest expense on right-of-use liabilities was $61,511 and net income showed a decrease of $27,422.
- The cash flow does not present any impact due to the application of this standard.

Presentation impacts:
As a result of the application of this standard, changes were made to the structure of the following financial statements:
- Statement of financial position
- Comprehensive income statement
- Cash flow

The Group's activities as a lessor are not relevant and, therefore, do not have a significant impact on the financial statements.

3.5. NEW ACCOUNTING PRONOUNCEMENTS ON INTERNATIONAL FINANCIAL REPORTING STANDARDS: NEW STANDARDS, MODIFICATIONS AND INTERPRETATIONS INCORPORATED INTO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA, WHOSE APPLICATION MUST BE JANUARY 1, 2020

IFRIC 23 Uncertainty regarding the Treatment of Income Taxes
IFRIC 23 was issued in May 2017 and compiled in Decree 2270 of December 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.

The Group is evaluating the potential impacts of this interpretation, in its Financial Statements, without having identified situations that may require changes in the Financial Statements.

NOTE 4.
JUDGMENTS, ESTIMATES, AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparation of Grupo Nutresa's Consolidated Financial Statements requires that management must make judgments, accounting estimates, and assumptions that impact the amount of income and expenses, assets, and liabilities, and related disclosures, as well as, the disclosure of contingent liabilities, at the close of the reporting period. The Group bases its assumptions and estimates, considering all parameters available, at the time of preparation of these Consolidated Financial Statements. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the book amounts of the assets or liabilities impacted.

In applying Grupo Nutresa's accounting policies, Management has made the following judgments and estimates, which have significant impact on the amounts recognized in these Consolidated Financial Statements:

- Choose, appropriately, the models, and assumptions, for the measurement of the expected credit loss.
- Establish groups of similar financial assets, in order to measure the expected credit loss.
- Determination of the compliance time of performance obligations.
- Assessment of the existence of impairment indicators, for assets, goodwill, and asset valuation, to determine the existence of impairment losses (financial and non-financial assets).
- Assumptions used in the actuarial calculation of post-employment and long-term obligations with employees.
- Useful life and residual values of property, plant and equipment and intangibles.
- Suppositions used to calculate the fair value of financial instruments.
- Determination of the existence of financial or operating leases, based on the transfer of risks and benefits of the leased assets.
- Recoverability of deferred tax assets
- Determination of control, significant influence, or joint control over an investment.

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, 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 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.
BUSINESS COMBINATION

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. Sales in the last twelve months, with a cut-off date of July 31, 2019, amounted to USD 72 million. 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 capital gain of $249,333 is assigned to the Coffee segment and will not be deductible from income tax in accordance with the tax regulations in force in Colombia.

Atlantic Food Service 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 $47,124, 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.

The recognized capital gain of $34,830 is assigned to the "others" segment and will not be deductible from income tax in accordance with the tax regulations in force in Colombia.

Productos Naturela S. A. S.

On 30 August 2018, the Nutresa Group acquired 60% of the shares of the company Productos Naturela S. A. S. The negotiation was for a value of $3,221, used to leverage its growth.

The company is a Colombian company dedicated to the production and commercialization of healthy and functional foods. Naturela is a venture that originated in Colombia in 2005 from the deep knowledge of three women leaders and pioneers around the cultivation and application of microalgae of high nutritional value.

Currently the company has several lines of healthy foods, among which Spirulina stands out, added to infusions, snacks and supplements containing other natural ingredients such as chlorophyll, turmeric, chia and flaxseed. Its most recent addition to the portfolio is the handmade rice doughnuts with Spirulina, quinoa, maca and amaranth, a healthy snack of great acceptance in the market.

With this investment Grupo Nutresa incorporates new capacities, like the knowledge of the company in a functional ingredient of high potential and great nutritional value - the Spirulina - and at the same time it makes available to Nature the capacities in supplying, production, distribution, marketing and administration to accelerate its business plan. This investment strengthens the presence of Nutresa Group in the fast growing category of healthy snacks and is aligned with the purpose of expanding into innovative products that benefit the health and nutrition of its consumers.

The detail of the book value of the net assets initially incorporated as part of the business combination and the capital gain is, as follows:

			2019	2018
	CCDC OPCO Holding Corporation	**Atlantic Food Service S. A. S.**	**Total**	**Productos Naturela S. A. S.**
Current assets	52.622	55.592	108.214	3.140
Non-current assets	122.580	13.368	135.948	328
Identifiable assets	**175.202**	**68.960**	**244.162**	**3.468**
Current liabilities	5.880	30.333	36.213	180
Non-current liabilities	33.893	14.521	48.414	-
Liabilities assumed	**39.773**	**44.854**	**84.627**	**180**
Net assets incorporated	**135.429**	**24.106**	**159.535**	**3.288**
% Participation	100%	51%		60%
Share in net assets incorporated	**135.429**	**12.294**	**147.723**	**1.973**
Goodwill (Note 20)	249.333	34.830	284.163	1.248
Compensation	**384.762**	**38.745**	**423.507**	**3.221**
Balance payable (Note 25)	-	8.379	8.379	-
Trading value	**384.762**	**47.124**	**431.886**	**3.221**

Table 6

The income from ordinary activities and results included in the financial statements of Grupo Nutresa during 2019 is, as follows:

	2019	
	CCDC OPCO Holding Corporation	Atlantic Food Service S. A. S.
	Sep-Dec	Nov-Dec
Income from ordinary activities	87.972	43.833
Net income	9.673	1.554

Table 7

These figures shall be modified by measurements taken before 12 months after the business combination in accordance with IFRS 3.

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 1 and December 31st, 2019.

	NOTE	October-December 2019	October-December 2018
Continuing operations			
Operating revenue	**a**	**$ 2.758.815**	**$ 2.406.768**
Cost of goods sold	e	(1.555.543)	(1.328.192)
Gross profit		**$ 1.203.272**	**$ 1.078.576**
Administrative expenses	e	(142.476)	(106.615)
Sales expenses	e	(785.444)	(718.109)
Production expenses	e	(49.240)	(41.393)
Exchange differences on operating assets and liabilities		20.358	(3.782)
Other operating income, net	f	4.077	6.793
Operating profit		**$ 250.547**	**$ 215.470**
Financial income		6.443	4.398
Financial expenses	d	(78.525)	(55.864)
Portfolio dividends		-	292
Exchange differences on non-operating assets and liabilities		(11.203)	8.023
Share of profit of associates and joint ventures		(598)	(335)
Other income, net		625	(836)
Income before tax and non-controlling interest		**$ 167.289**	**$ 171.148**
Current income tax	c	(64.408)	(30.048)
Deferred income tax	c	(3.766)	(15.606)
Profit after taxes from continuous operations		**$ 99.115**	**$ 125.494**
Discontinued operations, after income tax		(1.902)	(4.869)
Net profit for the period		**$ 97.213**	**$ 120.625**
Profit for the period attributable to:			
Controlling interest		94.015	119.439
Non-controlling interest		3.198	1.186
Net profit for the period		**$ 97.213**	**$ 120.625**
EBITDA	**b**	**$ 354.777**	**$ 285.580**

Table 8

a. Income from ordinary activities

- Income from ordinary activities, by segments

	Fourth Quarter					
	External clients		Inter-segments		Total	
	2019	2018	2019	2018	2019	2018
Cold Cuts	552.052	511.381	12.197	10.229	**564.249**	**521.610**
Biscuits	546.970	496.348	2.532	2.493	**549.502**	**498.841**
Chocolate	461.758	428.851	8.225	6.723	**469.983**	**435.574**
TMLUC	246.989	243.882	367	386	**247.356**	**244.268**
Coffee	356.193	249.598	2.213	9.265	**358.406**	**258.863**
Retail Food	222.669	198.481	196	23	**222.865**	**198.504**
Ice Cream	126.593	113.942	623	718	**127.216**	**114.660**
Pasta	89.941	78.855	141	53	**90.082**	**78.908**
Others	155.650	85.430	-	-	**155.650**	**85.430**
Total segments	**2.758.815**	**2.406.768**	**26.494**	**29.890**	**2.785.309**	**2.436.658**
Adjustments and eliminations					**(26.494)**	**(29.890)**
Consolidated					**2.758.815**	**2.406.768**

Table 9

- Income from ordinary activities, by geographical locations

	Fourth Quarter	
	2019	2018
Colombia	1.722.297	1.523.510
Central America	270.714	239.808
United States	280.593	165.977
Chile	191.806	192.290
Mexico	75.416	78.808
Peru	75.703	70.282
Dominican Republic and the Caribbean	48.232	46.266
Ecuador	39.284	39.203
Others	54.770	50.624
Total	**2.758.815**	**2.406.768**

Table 10

- Income from ordinary activities, by type of product

	Fourth Quarter	
	2019	2018
Foods	1.457.584	1.337.656
Beverages	555.833	504.886
Candy and Snacks	452.350	418.446
Others	293.048	145.780
Total	**2.758.815**	**2.406.768**

Table 11

b. EBITDA

	Fourth Quarter	
	2019	2018
Operating earnings	**250.547**	**215.470**
Depreciation and amortization	77.470	68.008
Right-of-use assets, depreciation and amortization	31.365	-
Unrealized exchange differences from operating assets and liabilities	(4.605)	2.102
EBITDA	**354.777**	**285.580**

Table 12

- Ebitda, by operation segments

	Fourth Quarter							
	Operating earnings		Depreciation and amortization		Unrealized exchange differences from operating assets and liabilities		EBITDA	
	2019	2018	2019	2018	2019	2018	2019	2018
Cold Cuts	66.469	62.186	16.183	10.191	(2.090)	407	**80.562**	**72.784**
Biscuits	48.860	52.037	15.336	11.135	(1.244)	341	**62.952**	**63.513**
Chocolate	37.020	46.704	13.785	9.293	(1.155)	(94)	**49.650**	**55.903**
TMLUC	16.974	17.568	12.368	10.096	(483)	641	**28.859**	**28.305**
Coffee	22.905	11.895	11.265	6.043	1.658	(26)	**35.828**	**17.912**
Retail Food	33.287	16.344	22.560	9.421	(93)	22	**55.754**	**25.787**
Ice Cream	9.502	6.151	9.233	7.795	(218)	147	**18.517**	**14.093**
Pasta	11.061	5.560	3.066	1.876	(423)	55	**13.704**	**7.491**
Others	4.469	(2.975)	5.039	2.158	(557)	609	**8.951**	**(208)**
Total segments	**250.547**	**215.470**	**108.835**	**68.008**	**(4.605)**	**2.102**	**354.777**	**285.580**

Table 13

c. Income tax expenses

	Fourth Quarter	
	2019	2018
Income tax	64.408	28.141
Income tax surcharges	-	1.907
Total	**64.408**	**30.048**
Deferred taxes	3.766	15.606
Total tax expenses	**68.174**	**45.654**

Table 14

The current tax increases due to the good behavior of the fiscal profits in the fourth quarter of 2019, generated by non-deductible costs and expenses; the most representative concepts are 50% of the movement tax, the expense for donations and the industry and commerce tax taken as a tax discount, the fiscal limitations to foreign payments.

The variation in deferred tax is mainly due to tax losses from amortization and the decrease in the income tax rate in Colombia established in Law 1943 of 2018.

d. Financial expenses

	Fourth Quarter	
	2019	2018
Loans interest	44.812	37.632
Bonds interest	3.224	5.823
Interest from financial leases	28	151
Total interest expenses	**48.064**	**43.606**
Employee benefits	5.631	3.195
Right-of-use financial expenses	15.166	-
Other financial expenses	9.664	9.063
Total financial expenses	**78.525**	**55.864**

Table 15

e. Expenditure by nature

	Fourth Quarter	
	2019	2018
Inventory consumption and other costs	1.153.366	949.558
Employee benefits	444.451	387.103
Other services (1)	264.953	219.991
Other expenses (2)	148.349	141.104
Transport services	109.489	92.136
Depreciation and amortization	77.470	68.008
Manufacturing services	57.238	57.825
Seasonal services	50.082	55.714
Energy and gas	44.474	39.275
Fees	38.341	25.422
Advertising material	35.260	33.996
Maintenance	33.120	33.365
Right-of-use depreciations	31.365	-
Leases	17.389	56.310
Insurance	12.383	9.640
Taxes other than income tax	10.075	21.410
Impairment of assets	4.898	3.452
Total	**2.532.703**	**2.194.309**

Table 16

(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

	Fourth Quarter	
	2019	2018
Indemnities and recuperations	3.944	3.435
Other income and expenses	3.343	1.196
Government grants	1.015	964
Disposal and removal of right-of-use assets	577	-
Disposal and removal of property, plant and equipment and intangibles	481	6.412
Fines, penalties, litigation, and legal processes, net	(612)	(177)
Donations	(4.671)	(5.037)
Total	**4.077**	**6.793**

Table 17

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 products. The segments for which financial information are presented, as follows:

- **Cold Cuts**: Production and sale of processed meats (sausage, pepperoni, ham, bologna and burgers), matured meat (Serrano ham, Spanish chorizo, and salami), ready to eat meals, canned foods, and mushrooms.
- **Biscuits**: the production and commercialization of sweet flavored cookies lines, with crème and wafers, salty crackers, and snacks, and healthy and functional foods.
- **Chocolate**: Production and sale of chocolate bars, chocolate (bars and milk modifiers), chocolate candies, snacks, cereal bars, and nuts.
- **TMLUC**: Stands for Tresmontes Lucchetti, a business unit that produces and sells: instant cold drinks, pasta, coffee, snacks, edible oil, juices, soups, desserts, and teas.
- **Coffee**: Production and marketing of roasted and ground coffee, instant coffee (powdered, granulated, and freeze-dried), and coffee extracts.
- **Retail Foods**: Formats established for direct sale to consumers, like restaurants and ice cream parlors, hamburger products, prepared meats, pizza, ice cream, and yogurt are offered.
- **Ice Cream**: This segment includes desserts, water and milk-based ice cream pops, cones, Ice cream by the liter, as well as, ice cream cups and biscuits with ice cream.
- **Pasta**: Produced and sold in Colombia, as short, long, egg, with vegetables, with butter, and instant pasta.

The Board of Directors monitors the operating results of the Business Units separately, for the purposes, of making decisions about allocating resources and assessing financial performance. The financial performance of the segments is evaluated, on the basis of operating revenues and EBITDA generated, which are measured uniformly with the Consolidated Financial Statements. Financing operations, investment, and tax management are managed centrally, and are therefore, not allocated to operating segments.

The Management Reports, and the ones generated by accountancy of the Group, use the same policies, as described in the note of accounting criteria, and there are no differences, in totality, between the total measurements of results, with respect to the accounting policies applied.

Transactions between segments correspond mainly to sales of finished products, raw materials, and services. The sales price between segments corresponds to the cost of the product, plus a profit margin. These transactions are eliminated in the Consolidated Financial Statements.

Assets and liabilities are managed by the administration of each of the subsidiaries of Grupo Nutresa; no segment allocation is assigned.

There are no individual customers whose transactions represent more than 10% of Grupo Nutresa's income.

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 2019 and 2018, 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	
	2019	2018	2019	2018	2019	2018
Cold Cuts	1.912.022	1.849.752	43.062	36.699	**1.955.084**	**1.886.451**
Biscuits	2.029.125	1.823.381	11.002	10.689	**2.040.127**	**1.834.070**
Chocolate	1.676.711	1.552.792	34.529	30.186	**1.711.240**	**1.582.978**
TMLUC	1.041.956	994.596	2.584	1.472	**1.044.540**	**996.068**
Coffee	1.210.085	985.657	11.168	10.427	**1.221.253**	**996.084**
Retail Food	814.636	737.717	196	911	**814.832**	**738.628**
Ice Cream	475.583	444.361	1.224	1.596	**476.807**	**445.957**
Pastas	343.012	301.991	1.630	364	**344.642**	**302.355**
Others	455.721	325.819	-	-	**455.721**	**325.819**
Total segments	**9.958.851**	**9.016.066**	**105.395**	**92.344**	**10.064.246**	**9.108.410**
Adjustments and eliminations					**(105.395)**	**(92.344)**
Consolidated					**9.958.851**	**9.016.066**

Table 18

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:

	2019	2018
Colombia	6.203.824	5.737.388
Central America	978.337	863.619
United States	918.285	662.545
Chile	750.211	727.186
Mexico	343.573	320.752
Peru	227.141	205.686
Dominican Republic and the Caribbean	186.563	166.827
Ecuador	144.295	134.613
Others	206.622	197.450
Total	**9.958.851**	**9.016.066**

Table 19

Sales information is realized with consideration of the geographical location of the end-user customer.

c. Information by type of product

Given that some segments are also categorized by geographical location, sales to external customers are presented by product category, as follows:

	2019	2018
Foods	5.212.575	4.869.364
Beverages	2.244.602	2.048.641
Candy and Snacks	1.721.324	1.557.762
Others	780.350	540.299
Total	**9.958.851**	**9.016.066**

Table 20

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

	Operating Profit		Depreciation and Amortization (Note 32)		Unrealized Exchange Differences from Operating Assets and Liabilities (Note 34)		EBITDA	
	2019	2018	2019	2018	2019	2018	2019	2018
Cold Cuts	181.925	189.335	58.732	38.464	(3.075)	131	**237.582**	**227.930**
Biscuits	222.800	199.239	55.093	44.207	(1.311)	194	**276.582**	**243.640**
Chocolate	182.872	215.079	50.000	35.396	(884)	(970)	**231.988**	**249.505**
TMLUC	92.994	90.732	49.555	37.757	(946)	624	**141.603**	**129.113**
Coffee	105.937	74.854	34.561	24.063	879	(423)	**141.377**	**98.494**
Retail Foods	100.534	33.798	83.510	51.530	(47)	(35)	**183.997**	**85.293**
Ice Cream	34.222	24.210	33.727	29.911	(247)	41	**67.702**	**54.162**
Pasta	32.046	25.165	11.530	7.455	(300)	1	**43.276**	**32.621**
Others	6.291	(3.116)	16.766	7.689	65	1.091	**23.122**	**5.664**
Total segments	**959.621**	**849.296**	**393.474**	**276.472**	**(5.866)**	**654**	**1.347.229**	**1.126.422**

Table 21

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 Statements of the subsidiaries at December 31st, certified and audited, subject to prescribed legal norms, in each country, where they operate, which are homologized, in order to, apply, in a uniform manner, the accounting policies and practices of the Parent and translated to the Colombian peso for the purposes of consolidation.

	2019					2018				
	Assets	Liabilities	Equity	Profit for the Period	Other Comprehensive Income for The Period	Assets	Liabilities	Equity	Profit for the Period	Other Comprehensive Income for The Period
Subsidiaries directly or indirectly 100% owned by Grupo Nutresa										
Grupo Nutresa S. A.	8.843.438	100.357	8.743.081	513.898	-	8.483.352	85.763	8.397.589	510.161	(862.609)
Compañía de Galletas Noel S. A. S.	2.196.980	819.679	1.377.301	106.129	-	2.090.131	784.557	1.305.574	119.499	(27.909)
Alimentos Cárnicos S. A. S.	2.170.520	1.265.276	905.244	70.714	-	2.011.820	1.042.911	968.909	97.519	(23.984)
Compañía Nacional de Chocolates S. A. S.	1.797.136	634.166	1.162.970	104.592	-	1.675.073	489.813	1.185.260	145.819	197
Nutresa Chile S. A.	1.476.445	222	1.476.223	93.003	(5.097)	1.540.281	56.624	1.483.657	26.802	795
Industria Colombiana de Café S. A. S.	1.342.560	756.455	586.105	25.790	-	1.327.054	754.442	572.612	15.155	(5.241)
Tresmontes S. A.	1.285.528	317.429	968.099	(7.955)	96	1.473.950	432.093	1.041.857	23.997	63.106
American Franchising Corp. (AFC)	1.104.157	-	1.104.157	(9)	(633)	1.081.109	-	1.081.109	43	5
Compañía de Galletas Pozuelo DCR S. A.	850.712	120.976	729.736	32.702	111	768.408	117.145	651.263	44.812	(60.480)
Servicios Nutresa S. A. S.	771.637	771.395	242	1.207	-	628.944	629.245	(301)	(1.974)	116
Meals Mercadeo de Alimentos de Colombia S. A. S.	749.855	528.465	221.390	37.313	-	658.445	473.466	184.979	(31.403)	1.093
Abimar Foods Inc.	722.826	411.057	311.769	4.787	(1.990)	321.976	56.783	265.193	11.407	1.028
IRCC S. A. S. - Industria de Restaurantes Casuales S. A. S.	589.541	560.822	28.719	7.980	-	197.966	176.774	21.192	(5.627)	30
Lucchetti Chile S. A. (Newco)	586.833	67.247	519.586	10.396	(568)	601.426	56.780	544.646	6.509	2.558
Comercial Nutresa S. A. S.	457.773	432.036	25.737	(2.316)	-	249.035	220.783	28.252	5.263	62
Compañía Nacional de Chocolates del Perú S. A.	443.734	80.698	363.036	15.377	460	436.638	75.955	360.683	19.778	(3.982)
Novaventa S. A. S.	371.652	179.663	191.989	45.567	-	265.189	118.577	146.612	39.201	143
Tresmontes Lucchetti S. A.	355.599	195.655	159.944	16.722	(1.038)	497.189	343.652	153.537	(16.445)	1.295
Industria de Alimentos Zenú S. A. S.	335.908	127.480	208.428	7.887	-	328.561	126.304	202.257	20.323	(35)
Productos Alimenticios Doria S. A. S.	296.941	184.087	112.854	19.084	-	291.416	189.470	101.946	14.985	885
Other subsidiaries (*)	2.759.754	1.143.247	1.616.507	129.945	(270)	2.282.621	902.792	1.379.829	85.562	(110.406)
Subsidiaries with non-controlling interest										
La Recetta Soluciones Gastronómicas Integradas S. A. S.	84.843	83.605	1.238	(174)	-	61.660	60.248	1.412	(222)	-
Helados Bon	83.775	43.774	40.001	17.463	(464)	55.691	18.506	37.185	11.796	(665)
Atlantic FS S.A. S	70.876	43.245	27.631	3.016	-	-	-	-	-	-
Setas Colombianas S. A.	70.740	20.416	50.324	7.017	-	71.060	16.415	54.645	6.745	-
Fondo de Capital Privado "Cacao para el Futuro"	62.211	32.144	30.067	610	-	54.072	24.615	29.457	606	-
Novaceites S. A.	62.162	4.443	57.719	4.014	14	66.157	5.247	60.910	3.272	42
Schadel Ltda. Schalin del Vecchio Ltda.	18.307	10.253	8.054	526	-	11.696	3.681	8.015	1.082	-
Productos Naturela S. A. S.	4.165	506	3.659	456	-	3.395	120	3.275	(13)	-

Table 22

(*) Other subsidiaries include equity of $1.616.507 (2018: $1.379.829) for the following companies: Alimentos Cárnicos de Panamá S. A., Compañía Nacional de Chocolates DCR. S. A., Nutresa S. A. de C. V., Serer S. A. de C. V., Pastas Comarrico S. A. S., Industrias Aliadas S. A. S., Tropical Coffee Company S. A. S., Molinos Santa Marta S. A. S., Comercial Pozuelo Nicaragua S. A., Comercial Pozuelo Panamá 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., Comercializadora Tresmontes Lucchetti S. A. de C. V., Tresmontes Lucchetti México S. A. De C. V., Tresmontes Lucchetti Inversiones S.A., Tresmontes Lucchetti Servicios S. A., Fideicomiso Grupo Nutresa, Gestión Cargo Zona Franca S. A. S., 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., Aldage Inc., Inverlogy S. A. S. (antes Logypack 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., Gabon Capital LTD., Perlita Investments LTD., El Corral Capital INC (before El Corral Investments 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:

	2019	2018
Cash and banks	362.940	263.588
Short-term investments	135.007	83.932
Total	**497.947**	**347.520**

Table 23

Short-term collocations are realized for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and accrue interest at market rates of the respective short-term collocations. Balances with banks accrue interest at variable rates based on the return daily bank deposit rates. The average returns on cash and cash equivalents, in all currencies, is 2,9% (2018: 2,6%).

At the close of December, $9.780 (2018: $24.206) 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, 2019, the Group had $3.095.475 (2018: $3.371.974) available in committed unused credit lines.

NOTE 10.
TRADE AND OTHER ACCOUNTS RECEIVABLES, NET

Trade and other accounts receivables, are as follows:

	2019	2018
Customers	1.134.929	985.105
Accounts receivable from employees	35.219	39.619
Accounts receivable from related parties	16.548	15.395
Loans to third-parties	573	770
Dividends receivable (Note 16)	15.373	14.498
Other accounts receivable	10.868	12.051
Impairment	(21.853)	(18.794)
Total trade and accounts receivable	**1.191.657**	**1.048.644**
Current portion	1.166.248	**1.020.579**
Non-current portion	25.409	**28.065**

Table 24

At December 31st, accounts receivable from customers have the following stratifications:

	2019	2018
Not overdue	749.947	668.763
Up to 90 days	336.281	284.339
Between 91 and 180 days	25.841	16.341
Between 181 and 365 days	18.624	11.670
More than 365 days	4.236	3.992
Total	**1.134.929**	**985.105**

Table 25

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 2019, 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:

	2019	2018
Book value at December 31st 2018/2017	**18.794**	**9.239**
Remeasurement of impairment provision	-	7.514
Book value at January 1st	**18.794**	**16.753**
Impairment losses recognized during the period	18.604	15.778
Use during the period	(15.828)	(13.590)
Reversal of impairment losses for the period	(235)	(366)
Exchange differences	14	299
Increase due to acquisition of subsidiaries	392	-
Other changes	112	(80)
Book value at December 31st	**21.853**	**18.794**

Table 26

The book amount of accounts receivable from customers, is denominated in the following currencies:

	2019	2018
Colombian Pesos	564.692	429.424
US Dollars	236.826	205.255
Other currencies	333.411	350.426
Total	**1.134.929**	**985.105**

Table 27

NOTE 11.
INVENTORIES

The balance of inventories, at December 31st, includes the following:

	2019	2018
Raw materials	367.079	309.495
Works-in-progress	78.878	64.576
Finished products	454.612	398.119
Packing materials	112.270	108.516
Consumable materials and spare parts	91.465	89.767
Inventories in transit	146.158	141.686
Adjustments to the net realizable values	(2.334)	(2.281)
Total	**1.248.128**	**1.109.878**

Table 28

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 $5.287.158 (2018: $4.727.162).

Write-off inventories are recognized as expenses, in the amount of $57.814, during the period 2019 (2018: $63.952); these penalties are within the normal range expected by the Group, according to, the production process, and associated with factors of the type of product, such as expiration dates, rotation, and handling of food.

The impairment of inventories is determined based on an analysis of the conditions and the rotation of inventories. The estimate is recorded, against the results of the year 2018, in the amount of $416 (2018: $75).

As of December 31st of 2019 and 2018, 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:

	2019	2018
Biological assets – Cattle	44.554	50.033
Biological assets – Pig	48.378	41.226
Crops	3.700	3.310
Total	**96.632**	**94.569**

Table 29

The following are the amounts and principal locations of the biological assets:

	Quantities		
	2019	2018	Location
Biological assets – Cattle [(1)]	27.971 Units.	32.166 Units.	Antioquia, Cordoba, Cesar, Santander, Sucre and Caldas - Colombia
Biological assets – Pig [(1)]	95.319 Units.	97.325 Units.	Antioquia and Caldas - Colombia
	11.008 Units.	10.288 Units.	Provincia de Oeste - Panama
Crops			
Mushroom crops [(2)]	41.080 m^2	41.080 m^2	Yarumal – Colombia

Table 30

(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, 2019, the price per average kilo of the pig livestock used in the valuation was $5.894(*) (2018: $5.248(*)); for cattle a price per average kilo of $4.243(*) (2018: $4.098(*)) was used. The value of pigs that are produced in Panama, increased in December 2019, is $5.386(*) (2018: $4.399(*)), are measured upon initial recognition under the cost model, taking into account that there is no active market, in said country.
(*) 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, 2019 were $4.834 (2018: $3.882), 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:

	2019	2018
Current taxes (Note 22.2)	202.585	192.759
Prepaid expenses (1)	32.174	32.713
Financial derivative instruments (Note 23.6)	16.638	16.254
Total other current assets	**251.397**	**241.726**
Non-current taxes (Note 22.2)	11.054	11.768
Prepaid expenses	7.250	6.664
Other financial instruments measured at fair value(2)	62.132	54.039
Total other non-current assets	**80.436**	**72.471**
Total other assets	**331.833**	**314.197**

Table 31

(1) The expenses paid in advance, correspond mainly to insurance in the amount of $17.456 (2018: $13.039), leases in the amount of $192 (2018: $922) and contractors in the amount of $809 (2018: $452).

(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:

	2019	2018
Buildings	2.530	2.531
Land	80	80
Machinery and Production Equipment	-	4.166
	2.610	**6.777**

Table 32

NOTE 15.
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures, are as follows:

			Book Value		2019			2018	
	Country	% part.	2019	2018	Dividends received	Share of Profit and Loss for the Period	Share of Other Comprehensive Income	Share of Profit and Loss for the Period	Share of Other Comprehensive Income
Associates									
Bimbo de Colombia S.A.	Colombia	40%	139.121	139.918	-	(692)	(105)	509	(458)
Dan Kaffe Sdn. Bhd	Malasia	44%	31.291	30.068	(643)	1.226	640	1.339	1.742
Estrella Andina S.A.S.	Colombia	30%	10.924	10.688	-	(1.864)	-	(1.886)	-
Wellness Food Company S.A.S.	Colombia	20%	613	-	-	(17)	-	-	-
Joint ventures									
Oriental Coffee Alliance Sdn. Bhd	Malasia	50%	11.411	12.121	-	(921)	211	(362)	17
Total associates and joint ventures			**193.360**	**192.795**	**(643)**	**(2.268)**	**746**	**(400)**	**1.301**

Table 33

Bimbo de Colombia S.A. is a company domiciled in Tenjo, Colombia, dedicated primarily to the manufacturing of baked goods.

Dan Kaffe Sdn. Bhd. is a company domiciled in Johor Bahru, Malaysia, dedicated to the production of frozen coffee extract and dry instant coffee. It is a strategic partner for the coffee business, due to their high production standards, ideal location, and growth potential, as it allows for combination of the world-class Colcafé, soluble coffee experience, and with deep knowledge of the Japanese partner of the Asian market, the flavor, ingredients, and advanced technologies, provisioning capabilities of pending raw materials, and widespread commercial network, throughout the region.

Estrella Andina S.A.S. is a simplified joint stock company domiciled in Bogota, Colombia, engaged in the marketing of ready-made meals in coffee shops.

Oriental Coffee Alliance Sdn. Bhd. is a company domiciled in Kuala Lumpur, Malaysia, dedicated to the sale of Dan Kaffe Malaysia (DKM) products, as well as, some Colcafé products and also part of the Group, in Asia. This partnership with the Mitsubishi Corporation, allows Grupo Nutresa to advance their initially set objectives, with the acquisition of DKM, to expand its role in the global coffee industry, diversify production, and the origin of its soluble coffee, and break into the rapid growth market of coffee in Asia.

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.

The movements of the book value of the investments in associates and joint ventures, are as follows:

	2019	2018
Opening balance at January 1st	**192.795**	180.451
Increase of contributions [(1)]	2.730	12.094
Reclassification of investments [(3)]	-	(651)
Dividends received [(2)]	(643)	-
Participation in profit and loss, for the period	(2.268)	(400)
Participation in other comprehensive income	746	1.301
Balance at December 31st	**193.360**	**192.795**

Table 34

(1) In June 2019, Grupo Nutresa invested $630 in Wellness Food Company S.A.S. In February 2019, an extension of capitalization was realized, in Estrella Andina S.A.S., in which, Grupo Nutresa invested $2,100, without generating changes in the percentage of participation, and which were paid in its totality. In October 2018, an increase was made in the capital of Oriental Coffee Alliance Sdn., where Grupo Nutresa invested $9.094, without generating changes in the percentage of participation, and which were paid in full. In September 2018, a capitalization was realized, in Estrella Andina S.A.S., in which Grupo Nutresa invested $3,000, without generating changes in the percentage of participation.

(2) In April 2019, Grupo Nutresa received $643 in dividends from Dan Kaffe Sdn. Bhd, associated company. During 2018, no dividends were received from these investments.

(3) In March 2018, a change was realized, in the classification of other investments, to joint operations.

The following is a summary of financial information of associates and joint ventures:

	2019					2018				
	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.	686.195	338.393	347.802	(1.732)	(262)	643.271	293.475	349.796	2.725	459
Dan Kaffe Sdn. Bhd	90.984	18.958	72.026	2.777	-	87.321	18.078	69.243	2.154	5.682
Estrella Andina S.A.S.	41.694	5.110	36.584	(1.864)	-	43.913	8.115	35.798	(5.588)	-
Wellness Food Company S.A.S.	889	269	620	(83)	-	-	-	-	-	-
Joint Ventures										
Oriental Coffee Alliance Sdn. Bhd	21.648	825	20.823	(1.841)	-	22.543	300	22.243	(407)	-

Table 35

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	2019	2018
Grupo de Inversiones Suramericana S. A.	61.021.436 (2018: 61.386.550)	13,01% (2018: 13,09%)	2.074.729	1.971.736
Grupo Argos S. A.	79.804.628	12,36%	1.420.522	1.348.698
Other companies (*)			16.517	2.260
Total			**3.511.768**	**3.322.694**

Table 36

	2019		2018	
	Dividend Income	Loss on Fair Value Measurement	Dividend Income	Profit on Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	33.562	114.873	31.026	(485.543)
Grupo Argos S. A.	27.931	71.824	26.176	(317.622)
Other companies (*)	23		1.649	(68.151)
	61.516	**186.697**	**58.851**	**(871.316)**

Table 37

The value of the dividend per share, declared for 2019, by Grupo de Inversiones Suramericana S. A. was $550 (pesos), yearly per share. These paid quarterly, in the amount of $137,50. For its part, Grupo Argos S. A. declared, in the month of March 2019, dividends, in the amount of $350 (pesos), yearly, per share, to be paid quarterly, in the amount of $87,50.

For 2018, the annual value, per share, was $328 Pesos, ($82 Pesos per quarter), for Grupo Argos S. A., and $518 Pesos, (received in 129,50 preference shares) for Grupo de Inversiones Suramericana S. A.

Income from dividends, recognized for the first half of 2019, for portfolio investments, corresponds mainly to the total annual dividend, declared by the issuers.

At December 31, 2019, accounts receivable, from dividends of financial instruments, are $15.373 (2018: $14.498).

The dividends received generated an impact in cash flows of $60.641 (2018: $50.538).

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 26.686.846 (2018: 22.103.000) shares of Grupo de Inversiones Suramericana S. A., in favor of financial entities in Colombia, as collateral for obligations, contracted by Grupo Nutresa and its subsidiaries.

(*) Investments in financial instruments, held by Grupo Nutresa, in Venezuela, were updated at the official rate of the Central Bank of Venezuela Bs$49,73, generating a decrease in the investment of these financial assets, in the amount of $66,007, which were recognized in other comprehensive income, as of March 31, 2018. In addition to the volatility, and uncertainty, linked to the evolution of Bolívar, the remaining value of the investment was provisioned at $720.

NOTE 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 (*)	Total
Cost	786.484	929.129	2.630.897	26.697	43.347	61.115	145.627	134.808	11.943	**4.770.047**
Depreciation and/or impairment	(337)	(211.256)	(1.044.339)	(17.615)	(27.578)	(39.962)	(52.596)	-	-	**(1.393.683)**
Balance at 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)**
Depreciation	-	(33.535)	(190.903)	(3.955)	(5.249)	(5.986)	(17.586)	-	-	**(257.214)**
Transfers	(546)	1.833	164.471	1.276	(122)	2.905	1.897	(170.113)	-	**1.601**
Acquisition of subsidiaries	-	89	26.121	220	1.659	177	3.138	4.298	-	**35.702**
Currency translation impact	562	1.472	3.380	(4)	(176)	(268)	244	(236)	-	**4.974**
Capitalization and consumption	-	-	-	-	-	-	-	-	929	**929**
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 December 31st, 2019	**782.793**	**686.638**	**1.603.118**	**9.942**	**15.790**	**18.635**	**97.404**	**172.865**	**12.872**	**3.400.057**

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Plantations in development (*)	Total
Cost	790.239	911.066	2.442.413	23.645	39.833	61.512	142.000	138.515	9.129	**4.558.352**
Depreciation and/or impairment	(310)	(175.877)	(860.467)	(15.620)	(24.804)	(36.081)	(49.522)	-	-	**(1.162.681)**
Balance at January 1st, 2018	**789.929**	**735.189**	**1.581.946**	**8.025**	**15.029**	**25.431**	**92.478**	**138.515**	**9.129**	**3.395.671**
Acquisitions	-	17	16.563	1.640	5.266	1.743	20.715	186.022	-	**231.966**
Disposals	(5.134)	(2.203)	(7.456)	(173)	(13)	(29)	-	361	-	**(14.647)**
Depreciation	-	(34.086)	(194.102)	(2.892)	(5.215)	(5.875)	(22.750)	-	-	**(264.920)**
Impairment	-	-	(474)		-	-	-	-	-	**(474)**
Transfers	(2.543)	11.152	172.042	2.275	700	(189)	2.282	(190.991)	-	**(5.272)**
Acquisition of subsidiaries	-	-	255	-	52	21	-	-	-	**328**
Currency translation impact	3.895	7.804	17.784	207	(50)	51	306	901	-	**30.898**
Capitalization and consumption	-	-	-	-	-	-	-	-	2.814	**2.814**
Cost	786.484	929.129	2.630.897	26.697	43.347	61.115	145.627	134.808	11.943	**4.770.047**
Depreciation and/or impairment	(337)	(211.256)	(1.044.339)	(17.615)	(27.578)	(39.962)	(52.596)	-	-	**(1.393.683)**
Balance at December 31st, 2018	**786.147**	**717.873**	**1.586.558**	**9.082**	**15.769**	**21.153**	**93.031**	**134.808**	**11.943**	**3.376.364**

Table 38

(*) 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, 2019, there was not collateral of property, plant and equipment. At December 31st, 2018, there was collateral of property, plant and equipment of $150.413, to cover financial obligations or credit quotas.

The main acquisitions, during 2019, correspond to the purchase of dispensing machines, store openings for the consumer food business, and the replacement of assets in all businesses. In 2018, correspond to the purchase of dispensing machines, store openings for the consumer food business, adjustments of wastewater treatment plants, in the biscuits, coffee, and ice cream businesses, and the replacement of assets in all businesses.

Grupo Nutresa, at the end of each year, evaluates the useful lives of its properties, plant and equipment. During the year, it was determined that there are no significant changes in the estimate of useful lives.

NOTE 18. RIGHT-OF-USE ASSESTS

The movement of right-of-use assets during 2019, is as follows (see accounting policy 3.3.8):

	Buildings	Machinery and Production Equipment	Transportation Equipment	Total
First-time Adoption	864.691	56.468	19.979	**941.138**
Balance at January 1st, 2019	**864.691**	**56.468**	**19.979**	**941.138**
New contracts	39.865	8.808	4.142	**52.815**
Acquisition of subsidiaries	25.533	163	696	**26.392**
Disposals	(22.030)	(1.030)	(917)	**(23.977)**
Depreciation	(93.578)	17.650	(7.295)	**(118.523)**
Exchange translation impact	472	(8)	243	**707**
Balance at December 31st, 2019	**814.953**	**46.557**	**17.042**	**878.552**

Table 39

*Includes updating of variable lease fees based on an index or rate.

NOTE 19. INVESTMENT PROPERTIES

The movement of investment properties during 2019 and 2018, is as follows:

	Land	Buildings	Total
Cost	72.283	6.591	**78.874**
Depreciation and impairment	-	(1.812)	**(1.812)**
Balance at January 1st, 2019	**72.283**	**4.779**	**77.062**
Depreciation	-	(351)	**(351)**
Transfers	2.044	734	**2.778**
Cost	74.327	6.593	**80.920**
Depreciation and impairment	-	(1.431)	**(1.431)**
Balance at December 31st, 2019	**74.327**	**5.162**	**79.489**
Cost	68.983	4.041	**73.024**
Depreciation and impairment	-	(718)	**(718)**
Balance at January 1st, 2018	**68.983**	**3.323**	**72.306**
Depreciation	-	(320)	**(320)**
Transfers	3.300	1.776	**5.076**
Cost	72.283	6.591	**78.874**
Depreciation and impairment	-	(1.812)	**(1.812)**
Balance at December 31st, 2018	**72.283**	**4.779**	**77.062**

Table 40

At December 31st of 2019 and 2018, 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 $3.179 (2018: $2.576).

The fair value, of the most significant investment properties, amounted to $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 1st, 2019	Additions	Exchange Differences	Balance at December 31st, 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 [1]	-	249.333	-	249.333
	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
Others	Atlantic FS S.A.S. [1]	-	34.830	-	34.830
TMLUC	Grupo TMLUC	1.006.076	-	(64.651)	941.425
		2.085.908	**284.163**	**(60.332)**	**2.309.739**

Reportable Segment	CGU	Balance at January 1st, 2018	Additions	Exchange Differences	Balance at December 31st, 2018
Retail Foods	Grupo Alimentos al Consumidor	534.811	-	-	534.811
	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	Industrias Aliadas S. A. S.	4.313	-	-	4.313
Cold Cuts	Setas Colombianas S. A.	906	-	-	906
Chocolate	Nutresa de México	182.302	-	3.768	186.070
Biscuits	Abimar Foods Inc.	96.546	-	-	96.546
	Galletas Pozuelo	33.272	-	642	33.914
	Productos Naturela S.A.S. [2]	-	1.248	-	1.248
TMLUC	Grupo TMLUC	1.044.052	-	(37.976)	1.006.076
		2.118.226	**1.248**	**(33.566)**	**2.085.908**

Table 41

(1) In 2019, the additions correspond to the acquisition of 100% of shares, of CCDC OPCO Holding Corporation and the acquisition of 51% of shares, of Atlantic FS S.A.S. (Note 5).
(2) In 2018, the addition, correspond to the acquisition of 60% of shares, of Productos Naturela S.A S.

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 8,5% and 10,2% (2018: between 7,8% and 11,1%).

Cash flows have been projected for a period of 10 years, which includes 5 years of explicit plans and 5 additional years, where a stabilization period is projected, with a decreasing convergence equivalent to the expected nominal economic performance and long-term growth in perpetuity, giving more consistency to the normal evolution of business and its projections. These flows have been established based upon the Group's experience and using the best estimates by the Administration and adjusting them, based on historical results. These projections include those projects that are currently authorized.

The operating income included in the future flows corresponds to the revenues of the businesses that make up the CGU or Group of CGUs, and the projected comportment takes into account, the expected evolution of the market and the growth strategies approved by the Management, for the 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	1.162.138	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 1st, 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)**
Impact of currency translation	(9.012)	(140)	14	(2)	**(9.140)**
Acquisition of subsidiaries	-	2.723	-	69.980	**72.703**
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 December 31st, 2019	**1.082.940**	**18.924**	**35.585**	**111.524**	**1.248.973**
Cost	1.170.638	40.847	54.951	13.931	**1.280.367**
Amortization and impairment	(62.294)	(25.969)	(9.997)	(757)	**(99.017)**
Balance at January 1st, 2018	**1.108.344**	**14.878**	**44.954**	**13.174**	**1.181.350**
Acquisitions	-	3.284	107	10.489	**13.880**
Amortization	(3.851)	(4.360)	(9.610)	(1.305)	**(19.126)**
Transfers	-	708	(7)	(693)	**8**
Impact of currency translation	(8.688)	(94)	139	67	**(8.576)**
Cost	1.162.138	43.469	53.641	23.811	**1.283.059**
Amortization and impairment	(66.333)	(29.053)	(18.058)	(2.079)	**(115.523)**
Balance at December 31st, 2018	**1.095.805**	**14.416**	**35.583**	**21.732**	**1.167.536**

Table 42

Brands
This corresponds to the brands acquired through business combinations or transactions with third parties.

The following table shows the allocation of brands to each business segment and the classification by useful life at December 31, 2018:

Reportable Segment	2019		
	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Foods	-	266.498	**266.498**
Cold Cuts	990	-	**990**
Chocolate	-	18.629	**18.629**
Biscuits	-	195.076	**195.076**
Ice Cream	277.715	-	**277.715**
TMLUC	-	324.032	**324.032**
Total	**278.705**	**804.235**	**1.082.940**

Reportable Segment	2018		
	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Foods	-	267.177	**267.177**
Cold Cuts	982	-	**982**
Chocolate	-	18.190	**18.190**
Biscuits	-	182.296	**182.296**
Ice Cream	280.875	-	**280.875**
TMLUC	-	346.285	**346.285**
Total	**281.857**	**813.948**	**1.095.805**

Table 43

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 $804.235 (2018: $813.948).

Impairment of the value of brands with indefinite useful lives

The brands that have indefinite useful lives are subject, annually, to an assessment of impairment, using the projection of future cash flows, to determine its fair value; in this assessment, such variables, as: the discounted rate, the increased rate of long-term, among other variables, similar to those used in the impairment assessment of goodwill (See Note 20), are taken into account. During 2019 and 2018, no losses from impairment of brands were not recognized.

In relation to intangible assets with finite useful lives, Grupo Nutresa considers that there are no situations that can impact the projections of expected results, in the remainder of the useful life, and in whose opinion, to December 31st of 2019 and 2018, 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 %	2018	2019	2020	2021	2022
Colombia (*)	37,0	33,0	32,0	31,0	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
United States	21,0	21,0	21,0	21,0	21,0
Guatemala	25,0	25,0	25,0	25,0	25,0
Mexico	30,0	30,0	30,0	30,0	30,0
Nicaragua	30,0	30,0	30,0	30,0	30,0
Panama	25,0	25,0	25,0	25,0	25,0
Peru	29,5	29,5	29,5	29,5	29,5
Dominican Republic	27,0	27,0	27,0	27,0	27,0

Table 44

(*) 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 2019 is 1.5% (2018: 3.5%).

The firmness of the tax returns is 3 years, however, for companies' subject to the transfer pricing regime, the firmness is 6 years and the returns that originate or compensate tax losses will become firm in 12 years.

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 provisions for taxes on income accounts includes, in addition, taxable income tax for the year, the tax effect applicable to temporary differences between accounting and tax items, used for calculation of income tax. The rate of income tax is 30%. Tax losses can be offset in the 3 years following their generation.

Payment of the tax is made in 3 quarterly installments, in March, June and September. The payment is made taking an average of the last 3 fiscal periods.

In July 2019, the changes incorporated by Law 9635 on the strengthening of public finances, which introduced reforms to the income tax law and incorporated value added tax, came into effect. The main changes to the law:

- It changed from a sales tax (applicable to the sale and import of goods and exceptionally to some services) to a value added tax (applicable to the sale of goods and the provision of services), with a general rate of 13%.
- Increased the rate of withholding of remittances abroad to 25% for fees, commissions and other independent personal services.
- Included a limitation on the deduction of non-bank interest, establishing a maximum deductibility limit of 20% of profit before interests, taxes, depreciations and amortizations (UAIIDA) for each taxable period.
- Defined that exchange rate gains and losses are subject to income tax on an accrual basis.
- An income and capital gains tax was created. The rate applicable to taxable income in this area is 15%.

e. 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.

f. 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.

g. 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 rules applicable from the year 2019

Colombia

In Colombia, the 2010 Economic Growth Law of December 27, 2019, ratified many of the changes established in Law 1943 of 2018, among which are, as follows:

- Reduction in the rental rate to 32% by 2020, 31% by 2021 and 30% by 2022 and beyond.
- Gradual limitation to the origin of discountable taxes and deduction of costs and expenses, in transactions not supported by electronic invoicing (year 2020 maximum 30%).
- Deduction of 100% of taxes, rates and contributions paid in the year and 50% of the tax on financial movement.
- Tax discount of 50% of the industry and commerce paid (100% from year 2022).
- Exempt income established in Law 1943 of 2018 is maintained, which includes orange economy and development of the Colombian countryside.
- The regime applicable to the indirect transfer of companies or assets located in Colombia through the sale of shares is maintained.
- Conditions for limiting interest on debts with related parties (under-capitalization) are maintained.
- The audit benefit for the taxable year 2020 continues and includes benefit for the year 2021, due to an increase in the net tax of 30% (6 months) or 20% (12 months).
- A tax discount of 100% of VAT is maintained on the acquisition, construction or formation and import of real productive fixed assets.
- The general rate of retention of foreign payments of 20% is maintained. Additionally, the withholding at source for payments for administrative services or management treated in Article 124 of the Tax Statute is 33%.

- The Colombian Holding Company (CHC) regime is included, which is a special tax regime for national companies that have as one of their main activities the holding of securities, investment or holding of shares or participations in Colombian and/or foreign companies or entities.
- Among the considerations that the CHC Regime brings are, as follows:
  - Dividends distributed by non-resident entities to CHC, will be exempt from the payment of income tax, as will the income, derived from the sale, or transmission, of their participation in non-resident entities.
  - When the holding company distributes the dividends, these will be considered taxed, and taxes paid abroad cannot be discounted. When they are distributed to non-residents, they are understood to be foreign-source income.

Additionally, Law 2010 of 2019, modified and/or added the following:

- Presumptive rent rate at 0.5% for year 2020 (previously 1.5%) and 0% for year 2021 and following.
- Deduction of 120% of the payments they make for salary, for employees under 28 years of age, as long as it is their first job, limited to 115 UVT per month and only for the year in which they are hired.
- Change in the term of finality of the declarations of the companies' subject to transfer pricing from 6 to 5 years.
- Exemption from VAT for 3 days in the year, for items sold in the national territory and under the conditions established by law.

Mexico

On October 31, 2019, Congress approved various reforms, including the Federal Revenue Law, the Income Tax Law (LISR) and the Value Added Tax Law, which are intended to implement international guidelines and trends issued by the OECD and to control the tax administration.

The changes include among others:

Federation Income Act

- Additional deduction of 5% of the cost for the donation of food and medicine to authorized.

Income Tax Act (LISR)

- Amendments to the provisions on Permanent Establishment.
- New rules to restrict the deduction of payments to low tax jurisdictions.
- Limitation to the deduction of interest, when it exceeds 30% of the adjusted taxable income.
- Administrative simplification in the application of tax incentives for Technology Research and Development and High Performance Sports.
- A general anti-abuse rule has been incorporated, aimed at ignoring the tax effects of legal acts that (1) lack a business reason and (2) generate a tax benefit to the taxpayer.
- A disclosure regime is established for reportable schemes on issues identified as high risk by the tax authorities, for which the obligated parties will be the tax advisors who must file an information return.

Value Added Tax Act

- The universal compensation is definitively eliminated, so that the balances in favor of VAT can only be credited against the VAT payable in the following months until it is exhausted or a refund is requested.
- With regard to VAT withholding, legal entities or individuals with business activities must withhold 6% of the value of the consideration paid for labor subcontracting.

Ecuador

The Tax Simplicity and Progressive Law approved by the Assembly in December 2019, included amendments to the Income Tax Law, among which are, as follows:

- Elimination of the advance income tax, will be paid when profits are generated and voluntarily.
- Includes limitation of deduction of interest on debts to related or independent parties as long as it does not exceed 20% of the profit before labor participation, interest, depreciation and amortization corresponding to the respective fiscal year.
- Deduction of eviction provisions and retirement pensions actuarially formulated by specialized companies.
- Any distribution to all types of taxpayers (except Ecuadorian residents) will be taxed, on the basis of 40% of the distributed dividend.

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:

	2019	2018
Income tax and complementaries (1)	154.840	148.889
Tax on wealth (interest) (2)	6.407	6.033
Sales tax	39.609	35.389
Other taxes	1.729	2.448
Total current tax assets	**202.585**	**192.759**
Claims in process (2)	11.054	11.768
Total non-current tax assets	**11.054**	**11.768**
Total tax assets	**213.639**	**204.527**

Table 45

(1) Income tax assets and complementaries, include auto-withholdings of $15.474 (2018: $9.894), credit balances of $78.413 (2018: $104.332), tax advances of $33.148 (2018: $26.404), tax rebates for $23.819 (2018: $1.252), and income tax withheld $3.986 (2018: $7.007).

(2) Grupo Nutresa has six (6) subsidiaries that signed legal stability contracts in 2009, with the Colombian government. One of the stabilized taxes was the equity tax, which, due to the tax authority's disposition, had to be declared and paid. However, there is a legal right to request a refund for the payment of the un-owed, in the amount of $49.486. Protected by Article 594-2 of the Tax Statute, which indicates that the tax obligations presented by those not obliged to declare, do not produce legal effects, in Judgment 05001-23-31-000-2012-00612-01 [21012], and 18636 of August 30, 2016. The claims for the payment of the not owed are advanced, remain pending to be resolved the value of $9.866 (2018: 46.435), value classified as non-current assets, as it is

expected to be resolved in a term superior to twelve months following the date of this report. On March 31, 2017, after the rejection of the first 2 installments of the equity tax, a decision was made to go to judicial proceedings, before the Administrative Litigation, in an effort to seek a resolution rights claimed. For the property tax installments from the third to the eighth, having obtained the admission of some refund requests, admission for all the applications corresponding to said quotas, is expected to obtain. During 2018, Grupo Nutresa has recognized claims in the amount of $36.569.

Consequently, in 2018 a request was made for current interest derived from this payment of what is not due in the amount of $6,033. During 2019, the tax administration has recognized in favor of the total $2,034, which is pending payment.

The current taxes payable balances include:

	2019	2018
Income tax and complementaries (*)	69.810	72.970
Sales tax payable	91.297	103.845
Withholding taxes, payable	33.152	28.782
Other taxes	20.283	23.244
Total	**214.542**	**228.841**

Table 46

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.

* Includes reduction of income tax payable from 2018, realized, through Works Taxes of Compañía Nacional De Chocolates S.A.S., which on May 13, 2019 received resolution of assignment of the project called "Improvement of educational quality, through the endowment of Educational Institutions of the Municipality of Quibdó" in the amount of $ 1,197 million. The estimated project settlement date according to the schedule approved by the Ministry of Education is February 29, 2020.

22.3. INCOME TAX EXPENSES

Current income tax expenses are as follows:

	2019	2018
Income tax	207.877	159.438
Income tax surcharges	-	4.985
Total	**207.877**	**164.423**
Deferred taxes (*) (Note 22.4)	(2.656)	24.901
Total income tax expenses	**205.221**	**189.324**

Table 47

(*) The variation is mainly due to the recalculation effect, due to rate changes, which went from 33% to 30%, a change introduced by Law 1943 of 2018. In 2019 it is due to the recognition of deferred tax on movements generated in the items of amortization of intangible assets, employee benefits and property, plant and equipment.

22.4. DEFERRED INCOME TAX

The breakdown of the deferred tax assets and liabilities, are as follows:

	2019	2018
Deferred tax assets		
Goodwill tax, TMLUC	89.605	133.723
Employee benefits	46.245	37.313
Accounts payable	9.357	9.153
Tax losses	185.716	134.380
Tax credits	6.197	7.306
Debtors	20.671	23.155
Right-of-use assets(3)	254.961	-
Other assets	41.744	34.723
Total deferred tax assets (1)	**654.496**	**379.753**
Deferred tax liabilities		
Property, plant and equipment	356.985	331.247
Intangibles (2)	345.796	316.726
Investments	7.039	7.220
Inventories	4.341	2.721
Right-of-use liabilities(3)	251.047	-
Other liabilities	18.827	46.849
Total income tax liabilities(2)	**984.035**	**704.763**
Net deferred tax liabilities	**329.539**	**325.010**

Table 48

(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.
(3) The recognition of the difference between the accounting and tax aspects derived from the entry into force in 2019 of the accounting standard for financial leases, IFRS 16, generates a net asset effect.

The movement of deferred tax, during the period, was as follows:

	2019	2018
Opening balance, net liabilities	**325.010**	**287.895**
Deferred tax expenses (income), recognized in income for the period	(2.656)	24.901
Income tax relating to components, of other comprehensive income, net (Note 27)	(8.227)	4.872
Increase by business combination	3.510	-
Impact of variation in rates of foreign exchange	11.483	9.532
Other impacts	419	(2.190)
Final balance, net liabilities	**329.539**	**325.010**

Table 49

The income tax, relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of -$6.574 (2018: $1.874), the participation in associates and joint ventures, accounted for by using the Equity Method, in the amount of $224 (2018: -$1.434), and the financial assets, measured at fair value, in the amount of -$2 (2018: -$11) and cash-flow hedges of -$1.875 (2018: $1.575).

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 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 4.44% (2018 - 4.28%). This effect is counterbalanced in 2019 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 2.17% (2018 - 1.05%) on the effective rate. 2018 is affected by the accelerated amortization of intangibles and by the change in the rental rate approved in Law 1943 of 2018, which was decreased as of 2022 by 3 percentage points. This necessarily implied that temporary differences that revert in the future and that were recognized at 33%, were adjusted to the new 30% rate. This had an impact of (1.57%) on the effective rate.

The following is the reconciliation of the applicable tax rate and the effective tax rate:

	2019		2018	
	Value	%	Value	%
Accounting profit, before income taxes(*)	**718.662**		**698.080**	
Applicable tax rate expenses	**221.575**	**30,83%**	221.002	31.66%
Untaxed portfolio dividends	(20.459)	-2,85%	(19.380)	-2.78%
Special deductions for real productive fixed assets	(11.403)	-1,59%	(10.809)	-1.55%
ICA and non-deductible donations	7.640	1,06%	-	0.00%
Amortizations	-	0,00%	24.537	3.51%
Current tax from entities controlled abroad	4.177	0,58%	3.006	0.43%
Change in deferred taxes (USA-Colombia)	-	0,00%	(35.597)	-5.10%
Other tax impact	3.691	0,51%	6.565	0.94%
Total tax expenses	**205.221**	**28,56%**	**189.324**	**27.12%**

Table 50

(*) Includes discontinued operations.

22.6. PRESUMPTIVE INCOME TAX EXCESS AND LOSSES

At December 31, 2019, the tax losses of the Group amounted to $663.597 (2018: $498.225). As of the expedition of Law 1819 of 2016, the compensation of tax losses in Colombia is limited to 12 taxable periods, following the year that they were generated. Tax losses are recognized in deferred tax assets, corresponding to Chile, they do not expire.

The excess presumptive tax on ordinary income of the Group, outstanding amount of $20.657 (2018: $24.353). 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
2020	-	2.935
2021	-	7.362
2022	-	5.625
2023	-	4.206
2024	-	529
2030	27.903	-
No expiration date	635.584	-
	663.487	**20.657**

Table 51

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. The process in the Administrative Chamber has already been exhausted, therefore, the respective lawsuits were brought before the contentious administrative courts of Antioquia, and del Valle, respectively. The requests for monies in favor of the tax returns for the taxable year 2011, of these two companies, on the occasion of this discussion, were considered undue, by the DIAN, which generated a process for Industria de Alimentos Zenú S.A.S., in discussion in the administrative chamber, as well as for, Alimentos Cárnicos S.A.S., in judicial proceedings.
- Grupo Nutresa S.A. files a lawsuit for the lack of knowledge of deductions and compensation for tax losses, in tax returns for the taxable years 2008 and 2009. Due to lack of knowledge, the Administration rejected the rebates, in favor of those taxable years, which made the necessary lawsuit against the resolutions that decided the rejection.

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:

	2019	2018
Loans	3.061.465	2.503.609
Bonds	135.585	272.255
Leases	10.160	12.181
Total	**3.207.210**	**2.788.045**
Current	527.196	522.302
Non-current	2.680.014	2.265.743

Table 52

The financial obligations, mainly loans, taken out by Colombian companies, in dollars, incorporates adjustments, that increase the amortized cost, in the amount of $1.637, increasing the value of the financial obligation (2018: $10.198), 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. In 2019, interest expenses were incurred in the amount of $19.261 (2018: $23.633). The emission has a balance at December 2019, including accrued interest in the amount of $135.585 (2018: $272.255), and has the following characteristics:

Maturity	Interest rate	2019	2018
2019	IPC + 5,33%	-	136.783
2021	IPC + 5,75%	135.585	135.472
Total		**135.585**	**272.255**

Table 53

23.3 MATURITY

Period	2019	2018
1 year (including payable interest)	527.196	522.302
2 to 5 years	1.989.351	2.251.476
More than 5 years	690.663	14.267
Total	**3.207.210**	**2.788.045**

Table 54

23.3.1. BALANCE BY CURRENCY

Currency	2019		2018	
	Original Currency	COP	Original Currency	COP
COP	2.709.556	2.709.556	2.579.945	2.579.945
CLP	33.851.554.561	148.164	43.542.011.182	203.665
USD	106.644.672	349.490	1.364.871	4.435
Total		**3.207.210**	**189.324**	**2.788.045**

Table 55

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, 2019, that are in currencies other than the Colombian peso and that do not have cash flow hedges, are taken. A 10% increase in exchange rates, in reference to the dollar (COP/USD), would generate an increase of $408 (2018: $249), in the final balance.

23.4. INTEREST RATES

Changes in interest rates may impact the interest expense, for financial liabilities that are tied to a variable interest rate. For the Group, the interest rate risk is primarily attributable to operational debt, which includes debt securities, the issuance of bank loans, and leases. These are susceptible to changes in base rates, (CPI - IBR- DTF - TAB [Chile] - LIBOR), that are used to determine the applicable rates on bonds and loans.

The following table shows the structure of the financial risk due to exchange rates:

Rate	2019	2018
Variable interest rate debt	3.160.436	2.622.443
Fixed interest rate debt	46.774	165.602
Total	**3.207.210**	**2.788.045**
Average rate	**5,93%**	**6,33%**

Table 56

Rate	2019	2018
CPI indexed debt	1.197.093	979.505
DTF indexed debt	1.119.859	943.347
IBR indexed debt	345.427	495.809
TAB (Chile) indexed debt	146.904	203.710
LIBOR indexed debt	351.153	72
Total debt at variable interest rate	**3.160.436**	**2.622.443**
Debt at a fixed interest rate	46.774	165.602
Total debt	**3.207.210**	**2.788.045**
Average rate	**5,93%**	**6,33%**

Table 57

To provide an idea of the sensitivity of financial expenses to interest rates, an increase of +100bp has been supposed, a scenario in which the annual interest expense, of the Group, would increase by $31.821 (2018: $27.657).

Following is information on the main reference rates, at the close of the period:

Close Rate	2019	2018
CPI	3,80%	3,18%
IBR (3 Months)	4,13%	4,14%
DTF EA (3 Months)	4,48%	4,54%
DTF TA (3 Months)	4,36%	4,42%
TAB (3 Months)	2,28%	3,24%
LIBOR (3 Months)	1,91%	2,81%

Table 58

23.5. 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, 2019, hedged debt amounted to USD$11.341.542 (2018: USD$50.341.542).

In addition, Grupo Nutresa uses financial derivatives to manage and cover the cash flow positions against the

US Dollar, in the different geographies, where it operates. These derivatives are not designated as hedge accounting, and are measured at fair value, and are included in the Statement of Financial Position, under the category of "other current assets" and "other current liabilities", respectively.

The Group does not use derivative financial instruments for speculative purposes.

The following is a breakdown of the assets and liabilities from financial derivative instruments:

	2019		2018	
	Asset	Liability	Asset	Liability
Hedges	**718.662**		**698.080**	
Fair value of exchange rates on financial obligations	-	1.637	-	10.198
Fair value of exchange rates on suppliers	-	(368)	-	430
Fair value of types of exchange rates on cash flows	10.750	(11.140)	13.209	(3.940)
Total hedge derivatives	**10.750**	**(9.871)**	**13.209**	**6.688**
Non-designated derivatives	**718.662**		**698.080**	
Forwards and options on currencies	-	(50)	-	-
Forwards and options on interest rates	-	(44)	-	(780)
Forwards and options on commodities	5.888	(1.075)	3.045	(858)
Total non-designated derivatives	**5.888**	**(1.169)**	**3.045**	**(1.638)**
Total derivate financial instruments	**16.638**	**(11.040)**	**16.254**	**5.050**
Net value of financial derivatives		***5.598***		***21.304***

Table 59

The valuation of non-designated derivative financial instruments, generated a loss in the Income Statement, in the amount of $1.023 (2018: $798), registered as part of the exchange difference of financial assets and liabilities.

The valuation of derivatives, to cover cash flow positions, generated an adjustment in OCI, in the amount of $9.096 (2018: $7.960). See Note 31.

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):

	2019
First-time adoption	**927.493**
New contracts(*)	52.815
Acquisition of subsidiaries	26.842
Disposals	(24.154)
Interests	61.511
Exchange translation impact	660
Exchange differences	(1.513)
Payments	(151.099)
Balance at December 31st, 2019	**892.555**
Current	147.242
Non-current	745.313

Table 60

*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:

	2019	2018
Suppliers	662.435	625.349
Cost and expenses payable	440.848	354.654
Purchase of shares to be paid	8.379	-
Dividends payable (Note 30.3)	79.565	73.598
Payroll deductions and contributions	44.064	41.517
Total	**1.235.291**	**1.095.118**
Current	1.235.133	1.094.960
Non-current	158	158

Table 61

NOTE 26.
EMPLOYEE BENEFITS

The balance of liabilities, due to employee benefits, is as follows:

	2019	2018
Short-term benefits	**108.917**	**102.443**
Post-Employment benefits	**127.862**	**123.850**
Defined benefit plans (Note 26.2)	39.057	36.464
Defined contribution plans	88.805	87.386
Other long-term benefits (Note 26.3)	**144.380**	**114.576**
Total liabilities for employee benefits	**381.159**	**340.869**
Current portion	191.864	165.833
Non-current portion	189.295	175.036

Table 62

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 severance 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 count on and which allow for economic stability in old age. The contribution to the pension fund is 16% of the employee's base contribution rate. This is divided into 12%, contributed by the employer, and 4% by the worker. Currently, Colombia has two modalities under which you can contribute for retirement: Individual Savings Solidarity System (RAIS) and Average Premium System (APS). The first is managed by private funds and the second by Colpensiones, a public entity.

Defined benefits:

Pensions: Grupo Nutresa have for the year 2019, with 222 beneficiaries (2018: 232) from the defined pension plan benefits, according to legal regulations (Former Model of Regime for defined pension payouts). The plan consists that it is legally established that the employee at retirement will receive a monthly amount from the pension, pension adjustments according to the legal norms, survivor' benefits, funeral assistance, and additional allowances, in June and December. These values depend on factors such as: employee's age, years of service, and salary. There are no current employees, who can access this benefit.

Retroactive Severance: According to Colombian labor laws, employees hired before the entry into force of Law 50 of 1990, are entitled to receive one month's salary, in effect for each year or services, and proportionally, a fraction of year or as aid of severance, for any reason the end of employment, including: retirement, disability, death, el al. The benefit is liquidated, at the time of retirement of an employee, based on the last salary earned. There may be distributions before the date of retirement, at the request of the worker, which are not compulsory distributable. Severance is retroactive settled for of 445 workers belonging to the labor force, before the Law 50 of 1990 (2018: 541 works).

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Present value of obligations at January 1st	**19.138**	**24.917**	**14.507**	**16.005**	**53.741**	**92.428**	**87.386**	**133.350**
(+) Cost of services	227	180	413	481	6.709	5.015	**7.349**	**5.676**
(+) Interest expenses	1.113	1.416	858	949	6.243	5.748	**8.214**	**8.113**
(-) Plan performances	-	-	-	-	(5.971)	-	**(5.971)**	**-**
(+/-) Actuarial losses and/or gains	1.166	(143)	2.873	3.203	15.156	(1.573)	**19.195**	**1.487**
(-) Contributions to the fund	-	-	-	-	(12.882)	-	**(12.882)**	**-**
(+/-) Other movements	1	(4.889)	-	-	(356)	(399)	**(354)**	**(5.288)**
(-) Payments	(2.248)	(2.454)	(5.753)	(6.131)	(4.213)	(47.235)	**(12.214)**	**(55.820)**
(+/-) Difference in exchange rate	30	111	-	-	(1.948)	(243)	**(1.918)**	**(132)**
Present value of obligations at December 31st	**19.427**	**19.138**	**12.898**	**14.507**	**56.480**	**53.741**	**88.805**	**87.386**

Table 63

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
2020	11.196
2021	8.411
2022	7.317
2023	8.737
2024	9.263
Following years	191.460
Total	**236.384**

Table 64

The estimated time for termination of benefits is 41 years. (2018: 42 years).

In accordance with the tax regulations applicable in Colombia, the pension liability is calculated using variables established by the regulator. The difference between the calculations of the pension liabilities, in accordance with the accounting and financial information standards accepted in Colombia, and the tax regulations is detailed below:

	IFRS Liability	Fiscal Liability
Calculated actuary pension liability	18.431	15.690
Discount rate	6,25%	4,80%
Salary adjustment rate	3,20%	3,91%

Table 65

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 $82.435 (2018: $78.904); and expenses for contributions to severance from Law 50, during the period, in the amount of $45.426 (2018: $42.954).

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	
	2019	2018	2019	2018	2019	2018
Present value of obligations at January 1st	**74.305**	**75.403**	**40.271**	**60.124**	**114.576**	**135.527**
(+) Cost of services	7.614	6.874	57.048	41.430	64.662	**48.304**
(+) Interest expense	5.189	5.503	2.062	2.371	7.251	**7.874**
(+/-) Actuarial gains or losses	4.617	(4.595)	(2.947)	(10.433)	1.670	**(15.028)**
(+/-) Others	(1)	-	-	(5)	(1)	**(5)**
(-) Payments	(8.373)	(8.940)	(34.867)	(53.672)	(43.240)	**(62.612)**
(+/-) Exchange rate differences	22	60	(560)	456	(538)	**516**
Present value of obligation at December 31st	**83.373**	**74.305**	**61.007**	**40.271**	**144.380**	**114.576**

Table 66

26.4. EXPENSES FOR EMPLOYEE BENEFITS

The amounts recognized, as expenses for employee benefits, were:

	2019	2018
Short-term benefits	**1.448.674**	**1.354.279**
Post-employment benefits	**135.210**	**127.534**
Defined contribution plans	127.861	121.858
Defined benefit plans	7.349	5.676
Other long-term employee benefits	**60.551**	**34.792**
Termination benefits	**26.474**	**17.744**
Total	**1.670.909**	**1.534.349**

Table 67

26.5. ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used in the actuarial measurement of the defined and long-term plans are:

	2019	2018
Discount rates	4,8– 10,5%	2,5 – 11%
Salary increase rates	1,5% - 6,3%	2,3% - 6,3%
Employee turn-over rates	1% -24%	1% -23%

Table 68

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, 2018, would generate the following impact on the obligation for defined benefits, as well as, long-term:

	Pensions	Retroactive Severance	Seniority Premiums	Retirement Bonus
Discount rate + 1%	(1.301)	(530)	(5.905)	(10.056)
Discount rate -1%	1.343	573	6.730	7.848
Salary increase rate + 1%	1.462	1.844	6.732	8.600
Salary increase rate -1%	(1.451)	(1.750)	(6.003)	(9.862)

Table 69

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:

	2019	2018
Restauration and dismantling - First-time adoption (*)	13.645	-
Restauration and dismantling - New contracts	(407)	-
Restauration and dismantling	**13.238**	**-**
Legal contingencies	1.731	1.895
Bonuses and incentives	217	2.223
Total	**15.186**	**4.118**
Current	1.948	4.118
Non-current	13.238	-

Table 70

(*) Corresponds to the provision originated by the adoption of IFRS 16.

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 2019 and 2018.

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 2019 and 2018.

NOTE 28.
OTHER LIABILITIES

	2019	2018
Derivative financial instruments (Note 20.6)	12.309	5.578
Pre-payments and advances received	9.986	13.784
Liabilities from customer loyalty programs (*)	6.710	5.495
Return of goods	-	1.300
Other	1.394	1.055
Total other liabilities	**30.399**	**27.212**
Current	29.912	26.676
Non-current	487	536

Table 71

(*) Corresponds to liabilities, from contracts with clients. During 2019, there were no significant variations with respect to 2018.

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 2019 is composed as follows:

	Low-value leases	Short-term leases	Variable fee leases	Total
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 72

29.2. GRUPO NUTRESA AS LESSOR

Grupo Nutresa has properties under operating leases, (primarily buildings) with a book value of $11.548 (2018: 10.438), upon which income of $3.624 (2018: $2.576), with a duration period between 1 to 10 years.

NOTE 30.
EQUITY

30.1. SUBSCRIBED AND PAID SHARES

As of December 31st, of 2019 and 2018, 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, 2019, and its value was $25.400, per share (2018: $23.500).

At December 31, 2019, the common shares are held by 11.037 Shareholders (2018: 11.288 Shareholders). The Corporate Structure, of the Grupo Nutresa, at December 31, 2019 and 2018, is as follows:

Group of Investors	2019		2018	
	Number of shares	% Participation	Number of shares	% Participation
Grupo de Inversiones Suramericana S.A.	162.246.520	35,3%	162.358.829	35,3%
Grupo Argos S.A.	45.243.781	9,8%	45.243.781	9,8%
Colombian Funds	90.797.456	19,7%	80.729.691	17,5%
International Funds	37.045.213	8,1%	37.788.090	8,2%
Other investors	124.790.488	27,1%	134.003.067	29,2%
Total outstanding shares	**460.123.458**	**100,0%**	**460.123.458**	**100,0%**

Table 73

30.2. RESERVES AND RETAINED EARNINGS

Of the accounts that make up the equity reserves at December 31st of 2019 and 2018, are as follows:

	2019	2018
Legal reserves	81.149	80.332
Non-distributable occasional reserves	1.558.597	1.558.597
Other reserves	2.180.597	1.924.690
Total Reserves	**3.820.343**	**3.563.619**
Retained earnings	(17.941)	(10.792)
Total	**3.802.402**	**3.552.827**

Table 74

Legal reserves: In accordance with Colombian Commercial Law, 10% of the net income each year should be appropriated as a legal reserve, until the balance is equivalent to at least 50% of the subscribed capital. The reserve is not distributable before the liquidation of the Company, but must be used to absorb losses. The excess over the minimum required by law is freely available to the Shareholders.

Occasional non-distributable reserves: corresponds to the voluntary reserve approved by the Shareholders in a meeting on March 18, 2016, about the retained earnings, generated in the process of First-time adoption of IFRS.

Other reserves: corresponds to voluntary reserves, substantially unrestricted by the Shareholders.

Retained earnings: in 2019 corresponds to the effect of the liquidation of Sociedad Colectiva Civil Inmobiliaria and Rentas Tresmontes 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. In 2018, corresponds mainly to the impact of First-time adoption of IFRS 9 Financial instruments, in the amount of -$5,217, and for the liquidation impact of TMLUC Peru in the amount of -$2,488.

30.3 DISTRIBUTION OF DIVIDENDS

The ordinary Shareholders of Grupo Nutresa S.A., at the meeting, held on March 26, 2019, declared ordinary share dividends of $51(*) per-share and per-month, equivalent to $612(*) annually per share (2018: $566.40(*) annually per share), over 460.123.458 outstanding shares, during the months from April 2019 to March 2020, inclusive, for a total of $281.596 (2018: $260.614). In addition, dividends were issued to non-controlling interest in the amount of $4.031 (2018: $2.025). See Note 30.4.

This dividend was declared by taking untaxed earnings, before 2018, in the amount of $281.596, and from profit in 2017, in the amount of $196.396.

This dividend was declared by taking from 2018 non-taxed profits in the amount of $281,596, equally 2018 was taken from profits generated before 2017 $64,218 and from 2017 profits $196,396.

During 2019, dividends were paid in the amount of $279.660 (2018: $247.668), which include dividends paid to non-controlling interest owners, in the amount of $4.031 (2018: $2.025).

At December 31, 2019, accounts payable pending, are in the amount of $79.565 (2018: $73.598).

(*) In Colombian Pesos.

30.4. NON-CONTROLLING INTEREST

Participation of non-controlling interest at December 31st of 2019 and 2018 is as follows:

Subsidiary	Country of Origin	% Non-controlling interest 2019	% Non-controlling interest 2018	2019 Non-controlling Interest in Equity	2019 Gains or (Losses) Attributable to Non-controlling Interest	2018 Non-controlling Interest in Equity	2018 Gains or (Losses) Attributable to Non-controlling Interest
Novaceites S. A.	Chile	50,00%	50,00%	28.645	2.007	30.328	1.636
La Recetta Soluciones Gastronómicas Integradas S. A. S.	Colombia	30,00%	30,00%	414	(52)	466	(67)
Setas Colombianas S. A.	Colombia	0,50%	0,50%	250	35	272	34
Helados Bon S. A.	Dominican Republic	18,82%	18,82%	7.606	3.286	7.031	1.766
Fondo de Capital Privado "Cacao para el Futuro" – Level A	Colombia	16,59%	16,59%	4.971	101	4.870	83
Schadel Ltda. Schalin del Vecchio Ltda.	Colombia	0,12%	0,12%	11	1	11	1
Productos Naturela S. A. S		40,00%	40%	1.463	182	1.310	(5)
Atlantic FS S. A. S.	Colombia	49,00%	-	13.554	1.493	-	-
Total				**56.914**	**7.053**	**44.288**	**3.448**

Table 75

During 2019, Setas Colombianas S.A. distributed dividends in the amount of $11.338 (2018: $3.136), of which $57 was paid to non-controlling interests (2018: $16). Helados Bon S.A. distributed dividends in the amount of $12.338 (2018: $10.674), of which $2.322, were paid to the non-controlling interest (2018: $2.009), Novaceites distributed dividends of $3,304, of which $1,652 were paid to non-controlling interests and Shadel Ltda Shalin del Vecchio Ltda. distributed dividends in the amount of $487 (2018: $148), of which $1 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 Results (31.1)	Financial Instruments (31.2)	Associates and Joint Ventures (31.3)	Reserves for Translations (31.4)	Cash flow hedges	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 from translation for the period	-	-	-	(56.199)	-	**(56.199)**	-	**(56.199)**
Associated deferred tax	6.574	2	(224)	-	1.875	**8.227**	-	**8.227**
Reclassifications	-	-	-	(26.748)	-	**(26.748)**	-	**(26.748)**
Participation of non-controlling in OCI for the period	-	(5)	-	-	-	**(5)**	2.425	**2.420**
Balance at December 31st, 2019	**(35.946)**	**3.213.293**	**7.068**	**589.432**	**(836)**	**3.773.011**	**(2.984)**	**3.770.027**

	Actuarial Results (31.1)	Financial Instruments (31.2)	Associates and Joint Ventures (31.3)	Reserves for Translations (31.4)	Cash flow hedges	Total Accumulated Other Comprehensive Income	Non-controlling Interest	Total OCI Attributed to Controlling Interest
Balance at January 1st, 2018	**(19.964)**	**3.897.904**	**6.679**	**663.598**	**-**	**4.548.217**	**(6.363)**	**4.541.854**
Losses/gains from new measurements	(1.487)	(871.316)	1.301	-	7.960	**(863.542)**	-	**(863.542)**
Impact from translation for the period	-	-	-	8.781	-	**8.781**	-	**8.781**
Associated income tax	(1.874)	11	(1.434)	-	(1.575)	**(4.872)**	-	**(4.872)**
Participation of non-controlling in OCI for the period	-	-	-	-	-	**-**	954	**954**
Balance at December 31st, 2018	**(23.325)**	**3.026.599**	**6.546**	**672.379**	**6.385**	**3.688.584**	**(5.409)**	**3.683.175**

Table 76

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 26.1, 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 15 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 30,30% to 30,41% of total consolidated assets in December 2019 and 2018, 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:

		2019	2018
Chile	CLP	(117.783)	**(65.821)**
Costa Rica	CRC	40.253	**8.552**
United States	USD	317	**22.155**
Mexico	MXN	13.167	**20.231**
Peru	PEN	7.783	**10.787**
Panama	PAB	855	**7.514**
Others		(791)	**5.363**
Impact of exchange translation for the period		**(56.199)**	**8.781**
Equity reclassifications		(26.748)	**-**
Reserves for exchange translation at the opening balance		672.379	**663.598**
Reserves for exchange translation at the closing balance		**589.432**	**672.379**

Table 77

The translation of Financial Statements in the preparation of the Consolidated Financial Statements does not generate a tax impact.

The accumulated translation differences are reclassified to current earnings, partially or totally, when the operation is available abroad.

See Note 3.3.2 for information on the main exchange rates used in the translation of the Financial Statements of foreign companies.

NOTE 32.
EXPENDITURE BY NATURE

Below is a detailed breakdown of cost and expenditures, by nature, for the period:

	2019	2018
Inventory consumption and other costs	4.057.615	3.548.118
Employee benefits (Note 26.4)	1.670.909	1.534.349
Other services [(1)]	879.586	745.846
Other expenses [(2)]	540.197	508.523
Transport services	381.463	336.391
Depreciation and amortization [(4)]	274.951	276.472
Manufacturing services	210.726	196.627
Seasonal services	181.229	209.861
Energy and gas	164.672	148.255
Advertising material	132.600	120.552
Maintenance	119.671	116.494
Right-of-use depreciations [(4)]	118.523	-
Fees	94.903	77.020
Taxes other than income tax	77.720	79.343
Leases (Note 29) [(3)]	60.520	223.598
Insurance	41.094	35.604
Impairment of assets	19.017	16.259
Total	**9.025.396**	**8.173.312**

Table 78

(1) Other services include: marketing, cleaning and surveillance, shelving and displays, food, public services, commercial plan of action, software, and storage.
(2) Other expenses include: spare parts, travel expenses, containers and packaging, fuels and lubricants, contributions and affiliations, commissions, taxis and buses, building supplies, stationery and office supplies, cleaning and laboratory supplies, legal expenses and licenses and prizes.
(3) This expense includes, in 2019, a lease that does not meet the criteria, established in IFRS 16, for recognition as a right-of-use asset, such as a short-term leases and smaller amounts.
(4) Expenses for depreciation and amortization, impacted profit and loss, for the period, is as follows:

	2019	2018
Cost of sales	167.298	158.632
Sales expenses	198.274	101.424
Administration expenses	24.271	13.824
Production expenses	3.631	2.592
Total	**393.474**	**276.472**

Table 79

NOTE 33.
OTHER OPERATING INCOME (EXPENSES), NET

The following is a breakdown of other operating income (expenses), net:

	2019	2018
Indemnities and recuperations [(1)]	8.693	12.853
Disposal and removal of property, plant and equipment and intangibles[(2)]	3.345	14.477
Other income and expenses	1.630	867
Government grants	1.015	964
Disposal and removal of right-of-use assets	587	-
Fines, penalties, litigation, and legal processes	(1.842)	(2.360)
Donations	(10.923)	(15.999)
Total	**2.505**	**10.802**

Table 80

(1) For 2019 and 2018, correspond mainly to other recoveries of bad debts and indemnities.
(2) In 2019, corresponds mainly to income generated from the sale of real estate, in the amount of $5.571, withdrawals of machine and equipment in the amount of $1.344, and transportation equipment, in the amount of $117. In 2018, Corresponds mainly to income generated from the sale of real estate, in the amount of $9.931, machinery and equipment, in the amount of $2.704, withdrawals of machine and equipment in the amount of $1.256, and removal of transportation equipment, in the amount of $271.

NOTE 34.
EXCHANGE RATE VARIATION IMPACT

The differences in exchange rates of assets and liabilities, recognized in profit and loss, are as follows:

	2019	2018
Realized	17.795	(3.606)
Unrealized	5.866	(654)
Operating exchange differences	**23.661**	**(4.260)**
Non-operating exchange differences	**(4.460)**	**23.113**
Total income (expenses) from exchange differences	**19.201**	**18.853**

Table 81

The difference in operating exchange rate is distributed among customers $3,453 (2018: $7,350), suppliers $4,145 (2018: -$14,076), raw materials $1,134 (2018: $2,466) and cash flow hedges of $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:

	2019	2018
Interest	17.207	11.030
Valuation of other financial instruments (*)	4.008	3.367
Others	1.079	1.060
Total	**22.294**	**15.457**

Table 82

(*) 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:

	2019	2018
Loans interest	162.534	169.955
Bonds interest	19.261	28.211
Interest from financial leases	230	250
Total interest expenses	**182.025**	**198.416**
Employee benefits	21.246	14.471
Right-of-use financial expenses	61.511	-
Other financial expenses	37.521	34.417
Total financial expenses	**302.303**	**247.304**

Table 83

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

2019: The business Alimentos al Consumidor, once the evaluation of the same, is realized, determined that the focus of the operation in the owned-brands, and it the operations with the Krispy Kreme and Taco Bell franchises, were terminated, in the subsidiaries IRCC Ltda. S.A.S - Industria de Restaurantes Casuales S.A.S., and Tabelco S.A.S., respectively, as of December 1st. At the end of the fiscal year, the settlement of Tabelco S.A.S., has not been defined.

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.

2018: The management of Abimar Foods Inc., made the decision to close the Marietta Plant after analyzing the operation’s progress and future perspectives. The closing was realized within the first four months of the year, involving expenses, mainly due to the dismissal of personnel.

The following, is a breakdown of the principal income and expenses, incurred in this project.

	2019	2018
Income	487	1.540
Costs	(288)	(1.343)
Expenses	(16.648)	(7.077)
Operational losses	**(16.449)**	**(6.880)**
Costs	-	5
Financial expenses	(3)	(65)
Loss before taxes	**(16.452)**	**(6.940)**
Deferred tax	-	805
Net loss	**(16.452)**	**(6.135)**

Table 84

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:

	2019	2018
Net income attributable to holders of ordinary instruments of the Parent	506.388	505.308
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest(*)	**1.100,55**	**1.098,20**

Table 85

(*) 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, 2019 and 2018.

	2019	2018
Net profit	513.898	510.161
Earnings per share	1.116,87	1.108,75

Table 86

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.

	2019		2018	
Currency	USD	COP	USD	COP
Current assets	401.123.253	1.314.537	351.848.572	1.143.420
Non-current assets	1.045.201.557	3.425.272	913.812.276	2.969.661
Total assets	**1.446.324.810**	**4.739.809**	**1.265.660.848**	**4.113.081**
Current liabilities	(158.559.216)	(519.621)	(146.225.218)	(475.195)
Non-current liabilities	(248.917.904)	(815.739)	(103.367.486)	(335.918)
Total liabilities	**(407.477.120)**	**(1.335.360)**	**(249.592.704)**	**(811.113)**
Net assets	**1.038.847.690**	**3.404.449**	**1.016.068.144**	**3.301.968**

Table 87

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, 2019, 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 $408 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 $31.821, by the end of 2019, 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 11,2% of the total production cost, wheat which is 5,8%, beef and pork which are 10,0%, and cocoa which is 5,2%.

The Company has equity instruments (shares), in the amount of $3.495.251 (2018: $3.320.434), 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 $497.947 (2018: $347.520) in cash and investments classified as cash equivalents, in entities of the financial sector with AAA risk rating. None of these investments present a delay in the payment of cash flows, nor have they been subject to impairment.

With regard to the credit risk in sales to third parties, the Company carries out procedures for the evaluation of customers, which include the allocation of credit quotas and the credit assessment of the third party, among others. Note 10 discloses information on impairment losses and portfolio maturity.

38.5. LIQUIDITY RISK

The Group are able to finance their liquidity requirements and capital resources, through various sources, including:

- Cash generated from operations
- Lines of short and long-term credits
- Debt emissions for medium and long-term
- Issuance of treasury shares

The Administration supervises the Company's liquidity projections, based on the expected cash flows. The Group's liquidity management contemplates, among others: i) the projections of the cash flows and assessment of the level of liquid assets necessary to comply with these projections; ii) the monitoring of the composition of working capital in the statement of financial position; and iii) the maintenance of debt financing plans.

The following table presents the summary of free cash flow:

	2019	2018
EBITDA	**1.196.130**	**1.126.422**
+ (–) items that do not generate cash movement	(2.325)	(11.391)
Investment in working capital	(113.520)	(159.164)
CAPEX (*)	(280.837)	(227.541)
Discontinued operations	(8.776)	(1.087)
Cash tax coverage	(199.044)	(112.855)
Operating cash flows	**591.628**	**614.384**

Table 88

(*) 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:

2019

Type of asset	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Assets whose fair value is revealed in the Notes of the Financial Statements	**-**	**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	**3.495.251**	**242.796**	**16.517**	**3.754.564**

2018

Type of asset	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Assets whose fair value is revealed in the Notes of the Financial Statements	**-**	**87.520**	**-**	**87.520**
Investment properties (Note 19)	-	87.520	-	87.520
Assets/Liabilities measured at fair value	**3.320.434**	**162.203**	**2.260**	**3.484.897**
*** Recurrent**	**3.320.434**	**162.203**	**-**	**3.482.637**
Investments in quoted shares (Note 16)	3.320.434	-	-	3.320.434
Other financial instruments (Note 13)	-	54.039	-	54.039
Financial derivatives, net (Note 23.6)	-	21.304	-	21.304
Biological assets (Note 12)	-	86.860	-	86.860
***Non-recurrent**	**-**	**-**	**2.260**	**2.260**
Investments in non-quoted shares (Note 16)	-	-	2.260	2.260
Total	**3.320.434**	**249.723**	**2.260**	**3.572.417**

Table 89

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 $186.697 (2018: loss $871.316), 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)	2019	2018
Grupo de Inversiones Suramericana S. A.	34.000	32.120
Grupo Argos S. A.	17.800	16.900

Table 90

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 (2018: $6/ton), an average productivity of 1.800 – 1.900 tons per hectare, cost of the debt of 9,72% (2018: 9,84%), 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 $4.001 (2018: $3.368).

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 $1.023 (2018: $798), 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 $5.894(*) (2018: $5.248(*)); for cattle a price per average kilo of $4.243(*) (2018: $4.098(*)) was used.

The gain for the period, due to changes in fair value, less the cost of sale of biological assets in 2019, was $4.834(*) (2018: $3.882(*)), 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:

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 Andina 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	-	-	-	-	-

2018

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.	4.498	9.933	7.853	45.453	-	-	-	-
Dan Kaffe (Malaysia) Sdn. Bhd	1.014	52	988	18	-	-	-	-
Oriental Coffee Alliance (OCA)	-	16	111	2	-	-	-	-
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	15.132	12.341	70.499	38.374	31.026	90.337	-	-
Other related parties								
Grupo Bancolombia	609	1.275.363	62.380	3.019	-	-	226	71.878
Grupo Argos	6.674	-	-	696	26.176	25.260	-	-
Fundación Nutresa	-	290	7.566	-	-	-	-	-
Corporación Vidarium	418	-	4.088	-	-	-	-	-
Alpina Productos Alimenticios S.A.	1.548	17.732	23.654	1.785	-	-	-	-
Members, Board of Directors	-	13	909	-	-	-	-	-

Table 91

(*) Includes accounts receivable from related parties of $16.548 (2018: $15.395) and accounts receivable for dividends from financial instruments, in the amount of $15.373 (2018: $14.498).

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 $125.451 (2018: $99.600) for 145 (2018: 119) key personnel were realized.

NOTE 41.
EVENTS AFTER THE REPORTING PERIOD

These Consolidated Financial Statements were authorized for issuance, by the Board of Grupo Nutresa, on February 21, 2020. 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, 2019.

SEPARATE FINANCIAL STATEMENTS

Statutory auditor's
report on the separate financial statements

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, 2019, 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

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

Statutory auditor's responsibility in relation to the audit of the separate financial statements
My objectives are 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.

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 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, as well as for the implementation of a System to Prevent and Control the Risk of Money Laundering and Terrorism Financing. 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, 2019 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, 2019, 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.

pwc

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 21, 2020.

Other matters

The Entity's separate financial statements for the year ended December 31, 2018 were audited by a different statutory auditor, appointed by PwC Contadores y Auditores Ltda., whom in a report dated February 22, 2019 issued an unqualified opinion on such statements. My opinion on this matter is unqualified.

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
February 21, 2020

Certification of the Financial Statements

The undersigned Legal Representative and the General Counsel of Grupo Nutresa S. A.

CERTIFY:

21 of February of 2020

We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31, 2019 and 2018, 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.

CIGP.

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Jaime León Montoya Vásquez
General Accountant T.P. 45056-T
(See attached certification)

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:

21 of February of 2020

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2019 and 2018, do not contain any defects, differences, inaccuracies, or errors that impede the knowledge of the true and fair presentation, of the financial situation, of the same.
The foregoing, is stated, for purposes of compliance with Article 46 of Law 964 of 2005. And is signed, as a record, on the 21st day of the month of February of 2020.

CIGP.

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Separate Financial Position Statement

At December 31st, 2019 and 2018 (values expressed in millions of Colombian Pesos)

	Notes	2019	2018
ASSETS			
Current assets			
Cash and cash equivalents		$ 54	$ 1.086
Trade and other accounts receivables	5	25.733	14.608
Other assets	6	150	1.131
Total current assets		**$ 25.937**	**$ 16.825**
Non-current assets			
Trade and other accounts receivables	5	565	567
Investments in subsidiaries	7	5.167.033	4.991.464
Investments in associated	8	150.658	150.606
Other financial non-current assets	9	3.497.287	3.322.470
Deferred tax assets	10.4	1.847	1.412
Right-of-use assets		104	-
Other assets	6	6	9
Total non-current assets		**$ 8.817.500**	**$ 8.466.528**
TOTAL ASSETS		**$ 8.843.437**	**$ 8.483.353**
LIABILITIES			
Current liabilities			
Trade and other account payables	11	89.014	74.322
Income tax and other taxes, payable	10.2	877	495
Employee benefits liabilities	12	1.880	745
Right-of-use liabilities		98	-
Total current liabilities		**$ 91.869**	**$ 75.562**
Non-current liabilities			
Trade and other accounts payables	11	158	158
Employee benefits liabilities	12	1.737	1.503
Deferred tax liabilities	10.4	6.582	8.239
Other liabilities		-	301
Right-of-use liabilities		10	-
Total non-current liabilities		**$ 8.487**	**$ 10.201**
TOTAL LIABILITIES		**$ 100.356**	**$ 85.763**
EQUITY			
Share capital issued	13.1	2.301	2.301
Paid-in-capital	13.1	546.832	546.832
Reserves	13.2	4.144.250	3.915.685
Retained earnings	13.2	3	3
Other comprehensive income, accumulated	14	3.535.797	3.422.608
Earnings for the period		513.898	510.161
TOTAL EQUITY		**$ 8.743.081**	**$ 8.397.590**
TOTAL LIABILITIES AND EQUITY		**$ 8.843.437**	**$ 8.483.353**

The Notes are an integral part of the Separate Financial Statements.

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Jaime León Montoya Vásquez
General Accountant T.P. 45056-T
(See attached certification)

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Separate Comprehensive Income Statement

From January 1st to December 31st (values expressed in millions of Colombian Pesos)

	Notes	2019	2018
Operating Income		$ 515.139	$ 515.387
Portfolio dividends	9	61.493	57.649
Share of profit, for the period of subsidiaries	7	456.219	459.115
Share of profit, for the period of associates	8	(2.573)	(1.377)
Gross profit		$ 515.139	$ 515.387
Administrative expenses	15	(5.085)	(3.771)
Exchange differences on operating assets and liabilities		1	(3)
Other operating income, net		2.744	2.094
Operating profit		$ 512.799	$ 513.707
Financial income		2.601	4
Financial expenses		(1.257)	(1.152)
Exchange differences on non-operating assets and liabilities		19	-
Income before tax		$ 514.162	$ 512.559
Current income tax	10.3	(561)	(181)
Deferred income tax	10.3	297	(2.217)
Net profit for the period		$ 513.898	$ 510.161
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian Pesos)	16	1.116,87	1.108,75
(*) Calculated on 460,123,458 shares, which have not been modified during the period covered by these Financial Statements.			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit or loss:			
Actuarial (losses)/gains of defined benefit plans	12.1	(5.879)	1.102
Equity investments measured at fair value	9	186.697	(803.165)
Income tax from items that will not be reclassified		1.764	(523)
Total items that are not subsequently reclassified to profit or loss		$ 182.582	$ (802.586)
Items that may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of subsidiaries	7	(69.319)	(59.701)
Share of other comprehensive income of associates	8	(105)	(458)
Income tax from items that will be reclassified		31	137
Total items that are or may be subsequently reclassified to profit and loss:		$ (69.393)	$ (60.022)
Other comprehensive income, net taxes		$ 113.189	$ (862.608)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$ 627.087	$ (352.447)

The Notes are an integral part of the Separate Financial Statements

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Jaime León Montoya Vásquez
General Accountant T.P. 45056-T
(See attached certification)

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Separate Change in Equity Statement

From January 1st to December 31st (values expressed in millions of Colombian Pesos)

	Share capital issued	Paid-in-capital	Reserves	Retained earnings	Profit for the period	Other comprehensive income, accumulated	Total
Balance at December 31st, 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 income, in prior years	-	-	-	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**
Balance at December 31st, 2017	**2.301**	**546.832**	**3.746.020**	**3**	**430.279**	**4.285.216**	**9.010.651**
Profit for the period	-	-	-	-	510.161	-	**510.161**
Other comprehensive income for the period	-	-	-	-	-	(862.608)	**(862.608)**
Comprehensive income for the period	**-**	**-**	**-**	**-**	**510.161**	**(862.608)**	**(352.447)**
Transfer to accumulated results	-	-	-	430.279	(430.279)	-	**-**
Cash dividends (Note 13.3)	-	-	(64.218)	(196.396)	-	-	**(260.614)**
Appropriation of reserves	-	-	233.883	(233.883)	-	-	**-**
Balance at December 31st, 2018	**2.301**	**546.832**	**3.915.685**	**3**	**510.161**	**3.422.608**	**8.397.590**

The Notes are an integral part of the Separate Financial Statements.

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Jaime León Montoya Vásquez
General Accountant T.P. 45056-T
(See attached certification)

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Separate Cash-flow Statement

From January 1st to December 31st (values expressed in millions of Colombian Pesos)

	2019		2018
Cash flow from operating activities			
Dividends received (Note 7 – 9)	314.594		332.996
Dividends paid (Note 13.3)	(275.537)		(256.194)
Collection from goods and services	2.750		2.073
Payments to suppliers for goods and services	(1.253)		(2.042)
Payments to and on behalf of employees	(11.673)		(21.257)
Income taxes on reimbursed (paid) gains	7		(317)
Other cash inflows	4.002		15.627
Net cash flow from operating activities	**32.890**	**$**	**70.886**
Cash flows from investing activities			
Purchases of equity of associates and joint ventures (Note 8)	(2.730)		(3.000)
Payments to third parties, to obtain control of subsidiaries (Note 7)	(42.952)		(3.221)
Purchases and sales of other equity instruments (Note 9)	11.880		(63.950)
Other cash inflows	7		35
Net cash flows used in investment activities	**(33.795)**	**$**	**(70.136)**
Cash flow from financing activities			
Leases paid	(99)		-
Interest paid	(1)		(46)
Other cash outflows	(46)		(82)
Net cash flow used in financing activities	**(146)**	**$**	**(128)**
Increase in cash and cash equivalents from activities	**(1.051)**	**$**	**622**
Net foreign exchange differences	19		(1)
Net increase in cash and cash equivalents	**(1.032)**	**$**	**621**
Cash and cash equivalents, at the beginning of the period	1.086		465
Cash and cash equivalents at the end of the period	**54**	**$**	**1.086**

The Notes are an integral part of the Separate Financial Statements.

Carlos Ignacio Gallego Palacio
President
(See attached certification)

Jaime León Montoya Vásquez
General Accountant T.P. 45056-T
(See attached certification)

Juber Ernesto Carrión
External Auditor – Professional Card No. 86122-T
Designed by PwC Contadores y Auditores Ltda.
(See attached opinion)

Notes for the Separate Financial Statements

For the period between January 1st and December 31st of 2019 and 2018
(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, 2019, 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 2017 (IFRIC 23 and 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.

The portion of profit and loss, of an associate or joint venture, is presented in the Statement of Comprehensive Income, for the period, net of taxes and non-controlling interest in the subsidiaries of the associate or joint venture. The portion of changes, recognized directly in equity and other comprehensive income of the associate or joint venture, is presented in the Statement of Changes in Equity and other comprehensive income. Cash dividends received, from the associate or joint ventures, are recognized by reducing the book value of the investment.

Grupo Nutresa periodically analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment. Impairment losses are recognized in profit and loss and are calculated as the difference between the recoverable amount of the associate or joint venture, (which is the higher of the two values, between the value in use and its fair value minus cost to sell), and the book value.

When the significant influence over an associate or joint control is lost, Grupo Nutresa measures and recognizes any retained residual investment, at fair value. The difference between the book amount of the associate or joint venture, (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment at its value from sale is recognized in profit and loss, for the period.

3.3 FOREIGN CURRENCY

Transactions made in a currency other than the functional currency of the Company are translated, using the exchange rate at the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated, using the exchange rates at the closing of the Financial Statements and taken from the information published by the official body responsible for certifying this information. Non-monetary items, that are measured at fair value, are translated, using the exchange rates on the date when its fair value is determined, and non-monetary items that are measured at historical cost, are translated using the exchange rates determined on the date of the original transaction.

All exchange differences, arising from operating assets and liabilities, are recognized on the Income Statement, as part of income and operating expenses. Exchange differences in other assets and liabilities are recognized as income or expense, except for, monetary items that provide an effective hedge, for a net investment in a foreign operation, and from investments in shares classified as fair value through equity. These items and their tax impact are recognized in "Other comprehensive income", until disposal of the net investment, at which time are recognized in profit and loss.

3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents, in the Statement of Financial Position and Statement of Cash Flows, include cash on hand and banks, highly liquid investments readily convertible to a known amount of cash, and subject to an insignificant risk of changes in its value, with a maturity of three months or less from the date of purchase. These items are initially recognized at historical cost and are restated to recognize its fair value at the date of each accounting year.

3.5 FINANCIAL INSTRUMENTS

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 costo

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to keep the contractual cash flows, and the contractual terms of the same grants, on specific dates, cash flows that are solely for payments of principal and interest, on the value of outstanding capital. The carrying amount of these assets is adjusted by any estimate of expected and recognized credit loss. Income from interest of these financial assets is included in "interest and similar income", using the effective interest rate method.

Grupo Nutresa has determined that the business model for accounts receivable is to receive the contractual cash flows, which is why they are included in this category, the Group evaluates whether the cash flows of the financial instruments represent only capital and interest payments. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic loan agreement. That is, the interest includes only the consideration for the value of money over time, credit risk, other basic credit risks, and a profit margin consistent with a basic loan agreement. When the contractual terms introduce a risk, or volatility exposure, and are inconsistent with a basic loan agreement, the related financial asset is classified and measured at fair value, through profit or loss.

Accounts receivable, from sales are measured by the value of income, minus the value of the expected impairment losses, according to the model defined by the Group. These accounts receivable are recognized, when all the risks and benefits are transferred to the third party.

(ii) Financial assets measured at fair value with changes in other comprehensive income

The financial assets, held for the collection of contractual cash flows and for sales of the assets, where the cash flows of the assets represent only payments of principal and interest, and which are not designated at fair value, through profit or loss, are measured at fair value with changes in other comprehensive income.

For investments in equity instruments, that are not held for trading purposes, Grupo Nutresa chooses to irrevocably present gains or losses, from fair value measurement, in other comprehensive income. In the disposal of investments, at fair value, through other comprehensive income, the accumulated value of gains or losses is transferred directly to retained earnings and is not reclassified to profit or loss. Dividends received in cash, from these investments, are recognized in profit or loss for the period.

The fair values of share price investments are based on the valid quoted prices. If the market for a financial instrument is not active (or the instrument is not quoted on a stock exchange), the Group establishes its fair value using valuation techniques. These techniques include the use of the values observed in recent transactions, realized under the terms of free competition, the reference to other instruments that are substantially similar, analyses of discounted cash flows, and option models, making maximum use of market information, and giving the lesser degree of confidence possible, in internal information specific to the entity.

(iii) Financial assets measured at fair value

The financial assets, different from those measured at amortized cost or at fair value, with changes in other comprehensive income, are subsequently measured at fair value, with changes recognized in profit and loss. A loss or gain on a debt instrument, that is subsequently measured at fair value, through profit or loss and is not part of a hedging relationship, is recognized in the Income Statement, for the period in which it arises, unless it arises from instruments of debt that were designated at fair value, or that are not held for trading.

(iv) Impairment of financial assets at amortized cost

The Group evaluates, in a prospective manner, the expected credit losses associated with the debt instruments, recorded at amortized cost and at fair value, through changes in other comprehensive income, as well as with the exposure derived from loan commitments and financial guarantee contracts. The Group recognizes a provision for losses, at each presentation date. The measurement of the expected credit losses reflects:

- An unbiased and weighted probability quantity, that is determined by evaluating a range of possible outcomes;
- The value of money in time; and
- Reasonable and supported information, available without incurring undue costs or efforts, on the filing date, with regard to past events, current conditions, and future economic condition forecasts.

(v) Derecognition

A financial asset, or a part of it, is derecognized, from the Statement of Financial Position, when it is sold, transferred, expires, or Grupo Nutresa loses control over the contractual rights or the cash flows of the instrument. A financial liability, or a portion of it, is derecognized from the Statement of Financial Position, when the contractual obligation has been settled, or has expired. When an existing financial liability is replaced by another, from the same counterparty, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the recognition of a new liability, and the difference, in the respective book value, is recognized in the Comprehensive Income Statement.

(vi) Modification

In some circumstances, the renegotiation, or modification of the contractual cash flows, of a financial asset, may lead to the derecognition of an existing financial asset. When the modification of a financial asset results in the derecognition of an existing financial asset, and the subsequent recognition of a modified financial asset, it is considered a new financial asset. Accordingly, the date of the modification will be treated as the date of initial recognition, of that financial asset.

(vii) Financial liabilities

Financial liabilities are subsequently measured at amortized cost, using the effective interest rate. Financial liabilities include balances with suppliers and accounts payable, financial obligations, and other derivative financial liabilities. This category also includes those derivative financial instruments, taken by the Group, that are not designated as hedging instruments, in effective hedging.

Financial obligations are classified as such, for obligations that are obtained by resources, be it from credit institutions or other financial institutions, in the country or abroad.

Financial liabilities are written-off in accounts when they are canceled, that is, when the obligation specified in the contract is met, canceled, or expires.

(viii) Off-setting financial instruments

Financial assets and financial liabilities are offset, so that the net value is reported on the Statement of Financial Position of the Separate, only if (i) there is, at present, a legally enforceable right to offset the amounts recognized, and (ii) there is an intention to settle on a net basis, or to realize the assets and settle the liabilities, simultaneously.

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

Policies applicable as of January 1, 2019

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:

- 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:

Policies applicable until December 31, 2018

Leases

Tenant accounting

Leases in which a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments under an operating lease (net of any incentive received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Property, plant and equipment leases in which the Group has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalized at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each payment under a finance lease is allocated between the liability and finance costs. The obligations of a finance lease, net of the finance charge, are presented as current or non-current liabilities (financial obligations) depending on whether or not the royalty payments are due within 12 months. Finance costs are charged to income over the lease period so as to provide a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under a financial lease is depreciated over the shorter of the asset's useful life and the lease term.

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, interest income, or expense, is recognized with the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments, or those received through the expected life of the financial instrument, or in a shorter period, in the net book value of the financial asset or financial liability.

3.11 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, 2019 and 2018, 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 or has relative importance, if it can, individually, or collectively, influence the economic decisions taken by users, based on the Financial Statements. Materiality depends on the size and nature of error or inaccuracy and is prosecuted depending on the particular circumstances in which they are produced. The size or nature of the item, or a combination of both, could be the determining factor.

3.14 CHANGES IN ACCOUNTING POLICIES

LEASES

The Group applied IFRS 16 on Leases from 2019. In accordance with the transition provisions of IFRS 16, the new standard was adopted retrospectively with the cumulative effect of the initial application of the new standard recognized on 1 January 2019. Comparative figures for 2018 have not been restated.

Until 2018, property, plant and equipment leases where the Group, as lessee, did not have substantially all the risks and rewards of ownership were classified as operating leases and those where they were classified as finance leases.

On adoption of IFRS 16, the Group recognized lease liabilities relating to leases that were previously classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using each entity's incremental borrowing rate from 1 January 2019. The weighted average of the lessee's incremental borrowing rate applied to the lease liabilities at January 1 was 5,3%.

Assets related to rights of use were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments recognized in the statement of financial position at December 31, 2018.

In applying IFRS 16 for the first time, the Group used the following practical options permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Accounting for operating leases with a remaining lease term of less than 12 months at 1 January 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of rights of use assets at the date of initial application, and
- The use of hindsight in determining the term of the lease where the lease contract contains options to extend or terminate the lease.

Quantitative impacts:

- On January 1, 2019, the Group recognized assets and liabilities for rights of use for a total value of $201, which represents 0.0024% of total assets and 0.23% of total liabilities.
- As of December 31, 2019, operating income showed an increase of $5. Depreciation charges on right-of-use assets were $94 and the interest expense on right-of-use liabilities was $9.
- The cash flow does not present any impact due to the application of this standard.

Presentation impacts:

As a result of the application of this standard, changes were made to the structure of the following financial statements:

- Statement of financial position
- Comprehensive income statement.
- Comprehensive income statement
- Cash flow

The Group's activities as a lessor are not relevant and, therefore, do not have a significant impact on the financial statements.

3.15 NEW ACCOUNTING PRONOUNCEMENTS ON INTERNATIONAL FINANCIAL REPORTING STANDARDS: NEW STANDARDS, MODIFICATIONS AND INTERPRETATIONS INCORPORATED INTO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA, WHOSE APPLICATION MUST BE JANUARY 1, 2020.

IFRIC 23 Uncertainty regarding the Treatment of Income Taxes

IFRIC 23 was issued in May 2017. This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12, when there is uncertainty regarding the treatment of income tax. In this circumstance, an entity recognizes and measures its asset or liability, for deferred or current taxes, by applying the requirements of IAS 12, on the basis of taxable profit (tax loss), tax bases, unused fiscal losses, unused tax credits, and tax rates determined by applying this interpretation.

The Company will evaluate the potential impacts of this interpretation, in its Financial Statements, without having identified situations that may require changes in the Financial Statements.

NOTE 4. JUDGMENTS, ESTIMATES AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparation of Grupo Nutresa's Financial Statements requires that management must make judgments, accounting estimates, and assumptions that impact the amount of revenue and expenses, assets and liabilities, and related disclosures, as well as, the disclosure of contingent liabilities, at the close of the reporting period. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the carrying amounts recorded in books of the assets or liabilities impacted.

In applying Grupo Nutresa's accounting policies, Management has made the following judgments and estimates, which have significant impact on the amounts recognized in these Separate Financial Statements:

- Assessment of the existence of impairment indicators for assets
- 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, 2019, do not differ significantly from those realized at the year-end close, of the previous period, that is, December 31, 2018.

In the process of applying IFRS 16, the Group considered the following relevant judgements:

The Companie'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.

NOTE 5. TRADE AND OTHER ACCOUNTS RECEIVABLES

The balance of trade receivables and other accounts receivable comprised the following items:

	2019	2018
Accounts receivable from employees	17	18
Dividends receivable from third parties (Note 9)	15.374	14.498
Related dividends receivable	8.384	-
Other accounts receivable, related parties	2.478	600
Other accounts receivable from third parties	45	59
Total debtors and accounts receivable	**26.298**	**15.175**
Current portion	**25.733**	**14.608**
Non-current portion	**565**	**567**

Table 1

NOTE 6. OTHER ASSETS

Other assets are comprised of the following:

	2019	2018
Other current assets		
Taxes (Note 10.2)	92	566
Prepaid expenses (1)	58	565
Total other current assets	**150**	**1.131**
Other non-current assets		
Prepaid expenses (*)	6	9
Total other assets	**156**	**1.140**

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 2019	Book Value 2018
Compañía de Galletas Noel S. A. S.	100%	1.403.658	1.302.208
Compañía Nacional de Chocolates S. A. S.	100%	1.136.705	1.157.439
Tropical Coffee Company S. A. S.	100%	18.174	20.089
Industria Colombiana de Café S. A. S.	100%	581.541	568.716
Industria de Alimentos Zenú S. A. S.	100%	207.012	203.266
Inverlogy S. A. S. (before Litoempaques S. A. S.) (3)	100%	27.184	26.566
Meals Mercadeo de Alimentos de Colombia S. A. S.	100%	192.316	184.911
Molino Santa Marta S. A. S.	100%	78.144	73.157
Novaventa S. A. S.	93%	177.942	135.662
Pastas Comarrico S. A. S.	100%	32.052	29.280
Productos Alimenticios Doria S. A. S.	100%	112.671	101.848
Alimentos Cárnicos S. A. S.	100%	905.267	969.119
Setas Colombianas S. A.	94%	47.078	51.102
Compañía Nacional de Chocolates Perú S. A.	0,0%	11	10
La Recetta Soluciones Gastronómicas Integradas S. A. S.	70%	789	962
Gestión Cargo Zona Franca S. A. S.	100%	95.896	73.850
Comercial Nutresa S. A. S.	100%	26.037	28.252
Industrias Aliadas S. A. S.	83%	70.087	60.229
Opperar Colombia S. A. S.	100%	1.561	1.342
Servicios Nutresa S. A. S.	100%	514	-
Fideicomiso Grupo Nutresa	100%	288	243
Productos Naturela S. A. S. (1)	60%	3.444	3.213
Atlantic FS S. A. S.	51%	48.662	-
Sub total		5.167.033	4.991.464
Servicios Nutresa S. A. S.(2)	100%	-	(301)
Total		**5.167.033**	**4.991.163**

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:

	2019 Dividends received	2019 Share of Income for the Period	2019 Share of Other Comprehensive Income	2018 Dividends received	2018 Share of Income for The Period	2018 Share of Other Comprehensive Income
Compañía de Galletas Noel S. A. S.	(32.725)	132.745	1.430	(45.815)	119.271	(27.906)
Compañía Nacional de Chocolates S. A. S.	(129.811)	106.148	2.929	(96.458)	143.183	178
Tropical Coffee Company S. A. S.	-	(1.844)	(71)	-	1.853	(119)
Industria Colombiana de Café S. A. S.	-	25.122	(12.297)	-	14.494	(5.243)
Industria de Alimentos Zenú S. A. S.	-	5.463	(1.717)	(23.463)	20.199	(36)
Inverlogy S. A. S. (antes Litoempaques S. A. S.) (1)	-	618	-	-	4.476	43
Meals Mercadeo de Alimentos de Colombia S. A. S.	-	8.308	(903)	-	(31.463)	1.088
Molino Santa Marta S. A. S.	(4.207)	9.201	(7)	(20.130)	8.555	(5)
Novaventa S. A. S.	-	42.456	(176)	(30.334)	36.274	(3.877)
Pastas Comarrico S. A. S.	-	2.772	-	-	2.565	-
Productos Alimenticios Doria S. A. S.	(7.550)	19.000	(627)	(50.309)	15.063	885
Alimentos Cárnicos S. A. S.	(77.409)	70.528	(56.971)	-	97.753	(23.994)
Setas Colombianas S. A.	(10.658)	6.634	-	(2.948)	6.365	(4)
Compañía Nacional de Chocolates Perú S. A.	(1)	2	-	(2)	1	-
La Recetta Soluciones Gastronómicas Integradas S. A. S.	-	(173)	-	-	(177)	(126)
Gestión Cargo Zona Franca S. A. S(4)	-	17.839	-	-	11.831	-
Comercial Nutresa S. A. S.	-	(2.016)	199	-	5.263	(706)
Industrias Aliadas S. A. S.	-	9.861	(3)	(14.201)	5.332	5
Opperar Colombia S. A. S.	-	219	-	-	268	-
Servicios Nutresa S. A. S.(3)	-	1.479	(664)	-	(1.974)	116
Fideicomiso Grupo Nutresa	-	45	-	-	(9)	-
Productos Naturela S. A. S.	-	274	(43)	-	(8)	-
Atlantic FS S. A. S. (5)	-	1.538	-	-	-	-
Total	**(262.361)**	**456.219**	**(69.319)**	**(283.660)**	**459.115**	**(59.701)**

Table 4

(1) As of March 2018, Litoempaques S.A.S., changed its corporate name to Servicios Logypack S.A.S., and in November of 2018, the latter changed its corporate name to Inverlogy S. A. S.
(2) In September 2018, a 60% stake, was obtained, via the acquisition of shares (capitalization), in the amount of $3.221, of Productos Naturela S. A. S., a company dedicated to the production and commercialization of healthy and functional foods. This acquisition is aligned with the purpose of expansion towards innovative products, that benefit the health and nutrition of its consumers.
(3) Corresponds to the investment with negative equity which is provisioned, and is presented in the Statement of Financial Position in other provisions.
(4) In July 2019 Grupo Nutresa capitalized *Gestión Cargo* Zona Franca S. A. S. in the amount of of $4,207.
(5) 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 "center of the plate". At the end of the year there is a balance payable of $8,379 for the purchase of this investment.

There are no variations in the participation of Shareholders between December 2018 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, 2019, dividend receivables were $8,384. (2018: $0).

Dividends received, from subsidiaries, generate an impact on cash flow in the amount of $253.977 (2018: $283.660).

NOTE 8.
INVESTMENTS IN ASSOCIATES

The following is a breakdown of the investments over which Grupo Nutresa has significant influence, and which are classified as associates:

			Book Value		2019		2018	
Associates	Country	% participation	2019	2018	Share of Income for the Period	Share of Other Comprehensive Income	Share of Income for the Period	Share of Other Comprehensive Income
Bimbo de Colombia S. A.	Colombia	40%	139.121	139.918	(692)	(105)	509	(458)
Estrella Andina S. A. S.	Colombia	30%	10.924	10.688	(1.864)	-	(1.886)	-
Wellness Food Company S. A. S.	Colombia	20%	613	-	(17)	-	-	-
Total associates			**150.658**	**150.606**	**(2.573)**	**(105)**	**(1.377)**	**(458)**

Table 5

Bimbo de Colombia S. A.
Bimbo de Colombia S.A. is a company domiciled in Tenjo, Colombia, and is dedicated primarily, to the manufacturing of baked goods.

Estrella Andina S. A. S.
Estrella Andina S.A.S. is a simplified joint stock company, engaged in the marketing of ready-made meals in the cafeterias, in which Nutresa has a 30% stake, having as its majority Shareholder, Grupo Alsea, with an interest of 70%.

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:

	2019	2018
Opening balance	**150.606**	149.441
Increased of contributions(*)	2.730	3.000
Participation in profit and loss	(2.573)	(1.377)
Participation comprehensive income	(105)	(458)
Ending balance	**150.658**	**150.606**

Table 6

Increase in contributions in associates and joint ventures

(*) In February 2019, a capitalization was realized, in Estrella Andina S.A.S., in which Grupo Nutresa invested $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. In September 2018, a capitalization was realized, in Estrella Andina S.A.S., in which Grupo Nutresa invested $3,000, without generating changes in the percentage of participation.

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:

	2019					2018				
	Assets	Liabilities	Equity	Profit for the Period	Comprehensive Income for the Period	Assets	Liabilities	Equity	Profit for the Period	Comprehensive Income for the Period
Asociadas										
Bimbo de Colombia S. A.	686.195	338.393	347.802	(1.732)	(262)	643.271	293.475	349.796	2.725	459
Estrella Andina S. A. S.	41.694	5.110	36.584	(1.864)	-	43.913	8.116	35.797	(5.588)	-
Wellness Food Company S. A. S.	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	2019	2018
Grupo de Inversiones Suramericana S. A.	61.021.436	13,01%(2018:13,09%)	2.074.729	1.971.736
Grupo Argos S. A.	79.804.628	12,36%	1.420.522	1.348.698
Other companies			2.036	2.036
Total			**3.497.287**	**3.322.470**

Table 8

	2019		2018	
	Dividend income	Losses of Fair Value Measurement	Dividend income	Profit of Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	33.562	114.873	31.026	(485.543)
Grupo Argos S. A.	27.931	71.824	26.176	(317.622)
Other companies	-	-	447	-
	61.493	**186.697**	**57.649**	**(803.165)**

Table 9

The value of the dividend per share, declared for 2019, by Grupo de Inversiones Suramericana S. A. was $550 (pesos), yearly per share. These will be paid quarterly, in the amount of $137,50. For its part, Grupo Argos S. A. declared, in the month of April, dividends, in the amount of $350 (pesos), yearly, per share, to be paid quarterly, in the amount of $87,50.

For 2018, the annual value, per share, was $328 Pesos, ($82 Pesos per quarter), for Grupo Argos S. A., and $518 Pesos, (received in $129,50 preference shares) for Grupo de Inversiones Suramericana S. A.

Income from dividends, recognized for the first half of 2018, for portfolio investments, corresponds mainly to the total annual dividend, declared by the issuers, and no similar income for the remainder of the year is expected. In addition, in October 2018, dividend shares were received, from part of Grupo de Inversiones Suramericana S. A., in the amount of $263, equivalent to the investment realized in financial equity instruments in the amount of $63.950.

In January of 2019, 365,114 shares of equity instruments, of Grupo de Inversiones Suramericana S.A., were sold for $11,880.

The dividends received generated an impact in cashflows of $60.617 (2018: 49.336), which corresponds to those actually received in cash as of December 2019.

At December 31, 2019, accounts receivable, from dividends of financial instruments, are $15.374 (2018: $14.498).

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 $186.697 (2018: loss $803.165), 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)	2019	2018
Grupo de Inversiones Suramericana S. A.	34.000	32.120
Grupo Argos S. A.	17.800	16.900

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, 2019, there were pledges of 26.686.846 (2018: 22.103.000) shares of Grupo de Inversiones Suramericana S. A., in favor of financial entities in Colombia, as collateral for obligations, contracted by Grupo Nutresa and its subsidiaries.

NOTE 10. INCOME TAXES AND TAXES PAYABLE

10.1 APPLICABLE NORMS

The current tax provisions applicable to the Company establish a nominal income tax rate of 33% (2018-33% and 4% surcharge).

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 2019 is 1.5% (2018: 3.5%).

The firmness of the tax returns is 3 years, however, for companies' subject to the transfer pricing regime, the firmness is 6 years and the returns that originate or compensate tax losses will become firm in 12 years.

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:

	2019	2018
VAT	5	-
ICA	87	-
Income tax and complementaries (1)	-	360
Other taxes	-	206
Total current tax assets	**92**	**566**

Table 11

(1) Income tax assets and complementaries, corresponds to credit balances of $0 (2018: $360).

The current taxes payable balances include:

	2019	2018
Income tax and complementaries	194	-
Sales tax payable	-	61
Withholding taxes, payable	291	112
Other taxes	392	322
Total	**877**	**495**

Table 12

The Company applies the laws with professional judgment, to determine and recognize the provision for current tax and deferred income, on its Separate Financial Statements. The final tax determination depends on the new regulatory requirements, the existence of sufficient taxable profit for the use of fiscal benefits, as the treatment of untaxed income, and special deductions, according to the current regulations and applicable, and the analysis of favorability probability of expert opinions. The Company recognizes liabilities, for anticipated tax audits, observed based on estimates, if correspondent to payment of additional taxes. When the final tax outcome of these situations is different, from the amounts that were initially recorded, the differences are charged to tax on current and deferred assets and liabilities, in the period in which this is determined.

10.3 INCOME TAX EXPENSES

Current income tax expenses and deferred tax are as follows:

	2019	2018
Income tax	561	181
Total	**561**	**181**
Deferred taxes (*)	(297)	2.217
Total income tax expenses	**264**	**2.398**

Table 13

(*) The composition of the deferred income tax arises primarily from the recognition of labor and investment obligations.

10.4 DEFERRED INCOME TAX

	2019	2018
Deferred tax assets		
Employee benefits	1.797	437
Debtors	2	718
Right-of-use assets	32	-
Other assets	16	46
Tax losses	-	17
Tax credits	-	194
Total deferred tax assets	**1.847**	**1.412**
Deferred tax liabilities		
Investments	6.395	7.212
Right-of-use liabilities	31	-
Other liabilities	156	1.027
Total income tax liabilities	**6.582**	**8.239**
Net deferred tax liabilities	**4.735**	**6.827**

Table 14

Temporary differences, related to investments in subsidiaries, associates, and interest in joint ventures, for which deferred tax liabilities have not been recognized, are $8.734.230 (2018: $5.615.529), whose deferred tax liability would be $2.620.269 (2018: $1.684.658).

The movement of deferred tax, during the period, was as follows:

	2019	2018
Opening balance, net liabilities	**6.827**	**4.222**
Deferred income tax expenses recognized in profit and loss	(297)	2.217
Income tax relating to components of other comprehensive income	(1.795)	388
Ending balance, deferred tax net liabilities	**4.735**	**6.827**

Table 15

The income tax, relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of $-1.764 (2018: $523), the participation in associates and joint ventures, accounted for by using the Equity Method, in the amount of $-31 (2018: $137).

10.5 EFFECTIVE TAX RATES

In 2019 and 2018, the effective rate is significantly below the theoretical rate, due mainly to untaxed income. Income received by Grupo Nutresa, corresponds primarily to dividends of non-taxed portfolios and the recognition of the profits obtained by the subsidiary companies, and are recognized, in the Company's Separate Financial Statements, through the equity method. 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:

	2019		2018	
	Value	%	Value	%
Accounting profit	**514.162**		**512.559**	
Tax expenses at applicable tax rates	**169.674**	**33.00%**	169.145	33.00%
Non-taxed portfolio dividends	(20.293)	(3.95%)	(19.024)	(3.71%)
Untaxed income from the Equity Method	(149.703)	(29.12%)	(151.054)	(29.47%)
Other tax effects	586	0,11%	3.331	0.65%
Total tax expenses, net (Note 10.3)	**264**	**0.05%**	**2.398**	**0.47%**

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 and 2009. Due to lack of knowledge, the Administration rejected the rebates, in favor of those taxable years, which made the necessary lawsuit against the resolutions that decided the rejection.

10.7 TAX RULES APPLICABLE FROM THE YEAR 2020

Colombia

In Colombia, the 2010 Economic Growth Law of December 27, 2019, ratified many of the changes established in Law 1943 of 2018, among which are, as follows:

- Reduction in the rental rate to 32% by 2020, 31% by 2021 and 30% by 2022 and beyond
- Gradual limitation to the origin of discountable taxes and deduction of costs and expenses, in transactions not supported by electronic invoicing (year 2020 maximum 30%).
- Deduction of 100% of taxes, rates and contributions paid in the year and 50% of the tax on financial movement.
- Tax discount of 50% of the industry and commerce paid (100% from year 2022).
- Exempt income established in Law 1943 of 2018 is maintained, which includes orange economy and development of the Colombian countryside.
- The regime applicable to the indirect transfer of companies or assets located in Colombia through the sale of shares is maintained.
- Conditions for limiting interest on debts with related parties (under-capitalization) are maintained.
- The audit benefit for the taxable year 2020 continues and includes benefit for the year 2021, due to an increase in the net tax of 30% (6 months) or 20% (12 months).
- A tax discount of 100% of VAT is maintained on the acquisition, construction or formation and import of real productive fixed assets.
- The general rate of retention of foreign payments of 20% is maintained. Additionally, the withholding at source for payments for administrative services or management treated in Article 124 of the Tax Statute is 33%.
- The Colombian Holding Company (CHC) regime is included, which is a special tax regime for national companies that have as one of their main activities the holding of securities, investment or holding of shares or participations in Colombian and/or foreign companies or entities.

Among the considerations that the CHC Regime brings are, as follows:

- Dividends distributed by non-resident entities to CHC, will be exempt from the payment of income tax, as will the income, derived from the sale, or transmission, of their participation in non-resident entities.
- When the holding company distributes the dividends, these will be considered taxed, and taxes paid abroad cannot be discounted. When they are distributed to non-residents, they are understood to be foreign-source income.

Additionally, Law 2010 of 2019, modified and/or added the following:

- Presumptive rent rate at 0.5% for year 2020 (previously 1.5%) and 0% for year 2021 and following.
- Deduction of 120% of the payments they make for salary, for employees under 28 years of age, as long as it is their first job, limited to 115 UVT per month and only for the year in which they are hired.
- Change in the term of finality of the declarations of the companies' subject to transfer pricing from 6 to 5 years.
- Exemption from VAT for 3 days in the year, for items sold in the national territory and under the conditions established by law.

NOTE 11.
TRADE AND OTHER ACCOUNT PAYABLES

The balances of trade and other accounts payable, are as follows:

	2019	2018
Suppliers	44	-
Cost and expenses payable	945	549
Dividends payable (See note 13.3)	79.473	73.415
Payroll deductions and contributions	251	500
Loans and accounts payable to related parties (Note 17)	80	16
Total	**89.172**	**74.480**
Current	**89.014**	**74.322**
Non-current	**158**	**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 at December 31, 2019 and December 2018, is as follows:

	2019	2018
Short-term benefits	923	774
Post-employment benefits - Defined benefit plans (12.1)	-	-
Other long-term benefits (12.2)	2.694	1.474
Total liabilities for employee benefits	**3.617**	**2.248**
Current portion	**1.880**	**745**
Non-current portion	**1.737**	**1.503**

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:

	2019			2018
	Plan Liability	Plan Asset	Net benefit	Plan Liability
Present value of obligations at January 1st	**-**	**-**	**-**	**13.492**
(+) Cost of service	804	-	**804**	**536**
(+) Interest expenses	1.019	-	**1.019**	**919**
(-) Plan performances		2.594	**(2.594)**	**-**
(-) Actuarial gains or losses	5.879		**5.879**	**(1.102)**
(-) Contributions to the fund of the plan	-	5.108	**(5.108)**	**-**
(-) Payments	-	-	**-**	**(5.949)**
(+/-) Others	6.166	6.166	**-**	**(7.896)**
Present value of obligations at December 31st (*)	**13.868**	**13.868**	**-**	**-**

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 (2018: 20 years).

(*) During 2018, a fund was established to administer this benefit.

12.2 LONG-TERM BENEFITS

The long-term benefits include mainly seniority premiums and variable remuneration systems.

Seniority premiums is paid to the employee for every five years of service. The liability is recognized gradually, as the employee renders the services, that will make it creditor. Its measurement is realized annually, through the use of actuarial techniques. Current gains and losses, arising from experience, and changes in actuarial assumptions, are charged or credited to income for the period in which they arise.

The Company does not have specific assets to support the long-term benefits. The liability from long-term benefits, is determined separately for each plan, using the actuarial valuation method of the projected credit unit, using actuarial assumptions, as of the date of the reporting period. The current service cost, past service cost, interest cost, actuarial gains and losses, as well as, any liquidation or reduction of the plan is recognized in the profit and loss.

The following is the reconciliation of movements of other long-term employee benefits:

	2019	2018
Present value of obligations at January 1st	**1.474**	**2.190**
(+) Cost of services	1.432	889
(+) Interest expenses	123	122
(+/-) Actuarial losses and/or gains	80	(334)
(-) Payments	(415)	(1.393)
Present value of obligations at December 31st	**2.694**	**1.474**

Table 20

12.3 EXPENSES FOR EMPLOYEE BENEFITS

Amounts recognized as expenses for employee benefits, are as follows:

	2019	2018
Short-term benefits	6.153	6.002
Post-Employment benefits	952	678
Other long-term benefits	1.452	572
Sub Total	**8.557**	**7.252**
Reimbursement for contracts of mandate (*)	**(7.187)**	**(6.565)**
Total	**1.370**	**687**

Table 21

(*) By virtue of the mandated agreement, Grupo Nutresa S.A. transfers to the subsidiary companies, the cost for employee benefits, corresponding to the corporate services provided to each of them.

12.4 ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used in the actuarial measurement of the defined and long-term plans are:

	2019	2018
Discount rates	6,55%	7,45%
Salary increase rates	4,20%	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, 2019, would generate the following impact on the obligation for other long-term benefits, as well as, senior premium:

	Others defined benefits	Seniority Premium
Discount rate +1%	(50)	(1.449)
Discount rate -1%	55	1.605
Rate of salary increases +1%	55	1.898
Rate of salary increases -1%	(52)	(1.749)

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, 2018: Projected Credit Unit. Sensitivity has no limitations, nor changes in the methods and assumptions used to prepare the analysis of the current period.

NOTE 13.
EQUITY

13.1 ISSUED SHARE CAPITAL

As of December 31st of 2019 and 2018, 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, 2018, and its market value was $25.400 per share ($23.500 as of December 31, 2018).

The corporate structure of the company, as of December 31, is as follows:

Investor Group	2019		2018	
	Number of Shares	% Participation	Number of Shares	% Participation
Grupo de Inversiones Suramericana S. A.	162.246.520	35,3%	162.358.829	35,3%
Grupo Argos S. A.	45.243.781	9,8%	45.243.781	9,8%
Colombian Funds	90.797.456	19,7%	78.111.104	17,0%
International Funds	37.045.213	8,1%	37.788.090	8,2%
Other Investors	124.790.488	27,1%	136.621.654	29.7%
Total outstanding shares	**460.123.458**	**100%**	**460.123.458**	**100%**

Table 24

According to the register of shareholders, at December 31, 2019, there are 11.037 shareholders (2018: 11.288).

13.2 RESERVES AND RETAINED EARNINGS

Of the accounts that make up the equity, reserves at December 31st of 2019 and 2018 are as follows:

	2019	2018
Legal reserves	3.787	3.787
Occasional non-distributed reserves	1.558.597	1.558.597
Other reserves	2.581.866	2.353.301
Total Reserves	**4.144.250**	**3.915.685**
Retained earnings	3	3
Total	**4.144.253**	**3.915.688**

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 Meeting, held on March 26, 2019, decreed ordinary share dividends of $51 (*) per-share and per-month, equivalent to $612 (*) annually per share (2018: $566,40 (*) per share) over 460.123.458 outstanding shares, during the months between April 2019 and March 2020, inclusive, for a total of $281.596 (2018: $260.614).

This dividend was declared by taking untaxed earnings, before 2018, in the amount of $281.596. In, 2018 the dividend was declared by taking the untaxed profits generated before the year 2017, in the amount of $64,218 and from the profits of the year 2017 in the amount of $196,396.

At December 31, 2019, dividends have been paid in the amount of $275.537 (2018: $256.194), and $73.415, are payable for this concept (2017: $68.995).

Accounts payable at December 31, 2019 of $89,172 (December 2018: $74,480) include mainly dividends payable of $79,473 (December 2018: $73,415) for this concept.

Appropriations authorized by the General Meeting of Shareholders, are recorded as reserves, charged to profit and loss, of the year, for compliance with legal provisions or to cover expansion plans, or financing needs. The Company carries the profits of the year to accumulated profits, and these to reserves. The value of appropriations is $228.566 (2018: $233.883).

(*) In Colombian Pesos.

NOTE 14.
OTHER COMPREHENSIVE INCOME, ACCUMULATED

Below is a breakdown of each of the components of accumulated other comprehensive results, in the Separate Financial Statements:

	Actuarial Losses (14.1)	Financial Instruments (14.2)	Investments in Associates (14.3)	Subsidiaries (14.4)	Total Other Comprehensive Income, Accumulated
Balance at January 1, 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**

	Actuarial Losses (14.1)	Financial Instruments (14.2)	Investments in Associates (14.3)	Subsidiaries (14.4)	Total Other Comprehensive Income, Accumulated
Balance at January 1, 2018	**(4.295)**	**3.885.288**	**(31)**	**404.254**	**4.285.216**
Losses/Gains for new measurements	1.102	(803.165)	(458)	(59.701)	(862.222)
Associated income tax	(523)	-	137	-	(386)
Balance at December 31, 2018	**(3.716)**	**3.082.123**	**(352)**	**344.553**	**3.422.608**

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 NVESTMENTS IN ASSOCIATES - INTEREST IN OTHER COMPREHENSIVE INCOME, ACCUMULATED

The component of other comprehensive income from investments in associates and joint ventures, represents the accumulated value of gains or losses, from the participation in other comprehensive income of the investee. These accumulated profits may be transferred to profit or loss for the period in the cases provided by accounting standards.

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:

	2019	2018
Taxes other than income tax	1.778	1.686
Employee benefits (Note 12.3)	1.370	687
Fees	1.290	1.071
Other expenses	374	200
Other services	159	67
Insurance	56	51
Contributions and memberships	53	-
Travel expenses	5	9
Total	**5.085**	**3.771**

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 integral management. Under this contract, the expenses, associated with the services provided to each of them, are transferred to the subsidiary companies.

NOTE 16.
EARNINGS PER SHARE

The amount of basic earnings per share is calculated by dividing net profit for the year attributable to holders of ordinary equity of the Parent, by the weighted average number of ordinary outstanding shares during the year.

Below is the information about earnings and number of shares used in the computations of basic earnings per share:

	2019	2018
Net income attributable to holders of ordinary equity of the Parent	513.898	510.161
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest	**1.116,87**	**1.108,75**

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:

2019

Company	Purchases of Goods and Services	2019 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	-	-		-

2018

Company	Purchases of Goods and Services	2019 Sales of Goods and Services	Receivables Balance	Payables Balance	Dividend Income	Dividends Paid	Interest incomes	Interest expenses
Subsidiaries								
Alimentos Cárnicos S.A.S.	-	534	-	-	-	-		-
Compañía de Galletas Noel S.A.S.	-	525	-	-	45.815	-		-
Compañía de Galletas Pozuelo DCR, S.A.	-	-	-	-	-	-		-
Compañía Nacional de Chocolates S.A.S.	-	486	510	-	96.458	-		-
Compañía Nacional de Chocolates del Perú S.A.	-	-	-	-	2	-		-
Industria Colombiana de Café S.A.S.	-	285	-	-	-	-		-
Industria de Alimentos Zenú S.A.S.	-	-	-	-	23.463	-		-
Industrias Aliadas S.A.S.	-	-	-	-	14.201	-		-
IRCC S.A.S. Industria de Restaurantes Casuales S.A.S.	-	48	90	16	-	-	-	-
Meals Mercadeo de Alimentos de Colombia S.A.S.	-	119	-	-	20.130	-	-	-
Productos Alimenticios Doria S.A.S.	-	76	-	-	50.309	-	-	-
Novaventa S.A.S.	-	-	-	-	30.334	-	-	-
Servicios Nutresa S.A.S.	12	-	-	-	-	-	-	46
Setas Colombianas S.A.	-	-	-	-	2.948	-	-	-
Productos Naturela S.A.S.	3.221	-	-	-	-	-	-	-
Entities with joint control or significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	65	-	7.954	62	31.026	90.337	-	-
Other related parties							-	
Grupo Bancolombia	177	-	2	28	-	-	-	-
Grupo Argos S.A.	-	-	6.544	-	26.176	25.260	-	-
Members, Board of Directors	909	-	-	13	-	-	-	

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 $6.719 (2018: $5.702) for 2 key personnel (2018: 2 employees) were made.

NOTE 18. EVENTS AFTER THE REPORTING PERIOD

These Separate Financial Statements were prepared for purposes of supervision and were authorized for issue, by the Board of Grupo Nutresa S.A., on February 21, 2020. No significant events, after the close of the Financial Statements, and until the date of approval, that may significantly affect the financial position of Grupo Nutresa S.A., reflected in the Financial Statement.

pwc

Statutory auditor's report on the management's compliance with the bylaws, orders and instructions of the Shareholders' Meeting, and on the existence of proper measures for internal control, safekeeping and custody of the Company's assets or those of third parties in its possession
(Free translation from the original in Spanish)

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

February 21, 2020

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, 2019, 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.

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

February 21, 2020

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, 2019, 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.

TO THE SHAREHOLDERS OF GRUPO NUTRESA S. A.

February 21, 2020

- 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 2019, 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 Ltda.