



2017 Sustainability Report

Grupo Colombina

Editorial Direction

Primary Sustainability Committee

Pierangelo Marchetti
Strategic Planning
Vicepresident

Ana María Vélez
Strategic Planning Executive

Isabella Henao
Communications Director

good;)
Design and layout

Contact GRI 102-3,102-53

Jose Fernando Ochoa
Corporate Marketing Vicepresident
jfochoa@colombina.com

Pierangelo Marchetti
Strategic Planning Vicepresident
pmarchetti@colombina.com

Colombina S.A.
Carrera 1 # 24 – 56
Edificio Belmonte
Phone (57 2) 886 1999
Fax (57 2) 885 1811
Cali, Colombia

About the report

(GRI 102-50, 102-51, 102-52, 102-54)

**This document is our ninth sustainability report,
which has been prepared in accordance with
GRI Standards in its Core option.**

The information presented covers the period from January 1 to December 31, 2017, giving an account of how our management efforts are advancing in our 6 sustainability priorities.

In terms of scope, it includes the operations at our international subsidiaries, production plants, and sales districts.

In an effort to guarantee the veracity of the information contained herein, the Company hired an outside entity to conduct a verification audit.

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Message from the CEO

(GRI 102-1, 102-14, 102-15)

Colombina was born 90 years ago as a result of its founder, Hernando Caicedo's, dream.

He created a company that only produced candy at first. As the years passed, it grew and diversified until it became a food company with a direct presence in 14 countries, and exports to over 80.

When somebody asks me what the keys to achieving this growth are, I undoubtedly point them to the words of our founder: *"Companies today can only be conceived on the basis of mutual and friendly understanding between its stakeholders"*. This philosophy has been the essence of our endeavor, understanding that in order to be sustainable, we need to create transparent, trustworthy relationships and seek mutual development with our stakeholders. That is the starting point of our commitment to each one of them, and that which we share with you year after year in this sustainability report.

2017 was filled with important activities as we continued with our goal to strengthen our presence in our strategic markets. Acquiring 100% of CAPSA's stock in Guatemala enabled us to consolidate our operation in Central America and reach sales of nearly 64 million USD. In addition, we acquired the operational bases of our distributor in the Dominican Republic, creating a new subsidiary that serves over 500 customers directly and 15,000 indirectly.

Another significant event was launching the third phase of Colombina 100% line, which continued to yield excellent results, in addition to allowing us to offer our customers and consumers more options to care for their nutrition without sacrificing the characteristic flavor of all our products.

Developing strategic allies has been a key factor of our success in meeting our goal of promoting competitiveness. I am pleased to say that in 2017, one of our Big Brother suppliers became the first to join the group of companies certified by Colombina and SGS in recognition of their quality and safety management system. This is undoubtedly a very important achievement, because in addition to placing them at a superior level in our suppliers group, this is a result of collaborative work and evidence of their growing operations.

Finally, we were included in RobecoSAM's Sustainability Yearbook for the fifth consecutive year. This achievement places us as one of the companies with best sustainability practices in the food industry, but also challenges us to continue consolidating a culture of sustainable development with our 7,800 employees who have been the driving engine of important recognitions like this one.



César A. Caicedo J.
Chief Executive Officer
Grupo Colombina



Organization Profile

GRI 102-2, 102-4, 102-6, 102-7, 102-9

90 years moving taste forward

A lifetime of demonstrating that flavor is endless, with revolutionary products, exploring new markets that broke boundaries and taking the taste of Colombia to the world.

→ 1918

Hernando Caicedo began grinding sugarcane to produce panela, an unrefined, whole cane sugar product. He worked very hard until he turned his small property into a full sugar mill: the Riopaila Sugar Mill.

→ 1927

Mr. Hernando saw the chance to give the sugar he produced added value and decided to create a new company. That was the birth of Colombina S.A.



← 1935

The most innovative candies to date were introduced to the market. Imbued with a variety of tropical fruit flavors, they became popularly known as "Colombinas."



→ 1946

Mr. Hernando Caicedo's son, Mr. Jaime Hernando Caicedo, was renowned for his entrepreneurial drive, and upon assuming the Company's leadership, he developed strategies that helped it evolve rapidly, growing in national and international markets.

→ The 60's

Colombina's manufacturing process incorporated European techniques in a move to replace artificial flavoring and use fillings and marmalades made from the region's own rich tropical fruit assortment.

The first exports to the United States began at that time, making us the first plant in South America to compete with European candy in the world's largest confectionery market.

That same decade, construction of a plant in the township of **La Paila**, Valle del Cauca, allowed the Company to meet its growing international demand.



→ The 70's

The emergence of the iconic **Bon Bon Bum** revolutionized the Colombian confectioneries market and tripled sales in just one year. Being the first gum-filled lollipop in the market, it quickly became Colombina's star product and a favorite of consumers of all ages.

Around the same time, Colombina launched its **Coffee Delight** coffee candy, which rapidly became a Colombian icon, as well as the **Nucita** chocolate cream. Combining two colors and two flavors, it became Colombian kids' favorite.

→ The 80's

Major international alliances were forged by joining forces with companies like the famous chocolate-filling producer Peter Paul, Japanese food manufacturer Meiji Seika Kaisha, and beverage producer and exporter General Foods.

Around the same time, Colombina formed an alliance with Seatech International for the exclusive distribution rights to **Van Camp's** tuna and sardines. This alliance continues today.

Acquiring **Splendid** helped us enter the biscuits category.



In the 90's, the Company fully acquired **La Constancia** brand. That leads us to the category of sauces and preserves.

← The 90's

2000 - 2017

Major investments - transition to a food company

→ 2001

Colombina created an alliance with the Colombian Coffee Growers Federation to distribute the Café Buendía brand.

Colombina's CAPSA plant in Guatemala began operating, in partnership with Pantaleon Concepcion Group, to meet the Central American market's demands.

Colombina del Cauca factory was inaugurated.



→ 2004

Colombina entered the ice cream category by acquiring Inalac Helados LIS.



→ 2006

Colombina purchased the Robin Hood Ice Cream company.



→ 2007

Colombina entered the saltine crackers category by launching the Crakeñas brand soda crackers.

→ 2010

Colombina del Cauca free trade zone was inaugurated

→ 2013

Colombina acquired C.I. COMEXA S.A., the Amazon brand hot sauce and raw chili pepper manufacturing company.

Colombina established a historic strategic alliance with LivSmart, a leading company in healthy drinks in the Americas to develop, produce, sell and distribute drinks in Colombia.



→ 2015

Colombina launched Colombina 100%, an ample portfolio of over 60 products in 8 categories, free of artificial colors and flavors, with special ingredients and qualities in each product.



→ 2016

In keeping with its internationalization strategy, Colombina acquired Fiesta S.A.'s assets, one of the leading confectionery brands in Spain, seeking to build a strong presence in the European market. Colombina also acquired all of CAPSA's stock, aiming to be more competitive in the Central American market.



With our brands

we offer taste experiences that enrich every moment of consumers' lives.

As per the CompassBranding and Raddar 16th edition study, "The most valuable Colombian brands for 2017", 10 of Colombina's brands made the list, and the Company ranked second in the number of mentions.



Global Presence and Value Chain

(GRI 102-3, GRI 102-4, GRI 102-6, GRI 102-9)

1,672
Raw material and packing suppliers

2,644
Service suppliers

Payments to suppliers worth **1,148,332**
Million pesos in 2017

7 manufacturing facilities:

Colombia
La Paila Plant: **2,224** employees
Colombina del Cauca Plant: **1,094** employees
Bogota and Medellin Ice Cream Plants: **511** employees
Preserves Plant: **404** employees

Spain
Fiesta Plant: **122** employees

Guatemala
CAPSA Plant: **1,016** employees

20 distribution centers:
7 Colombia
13 international

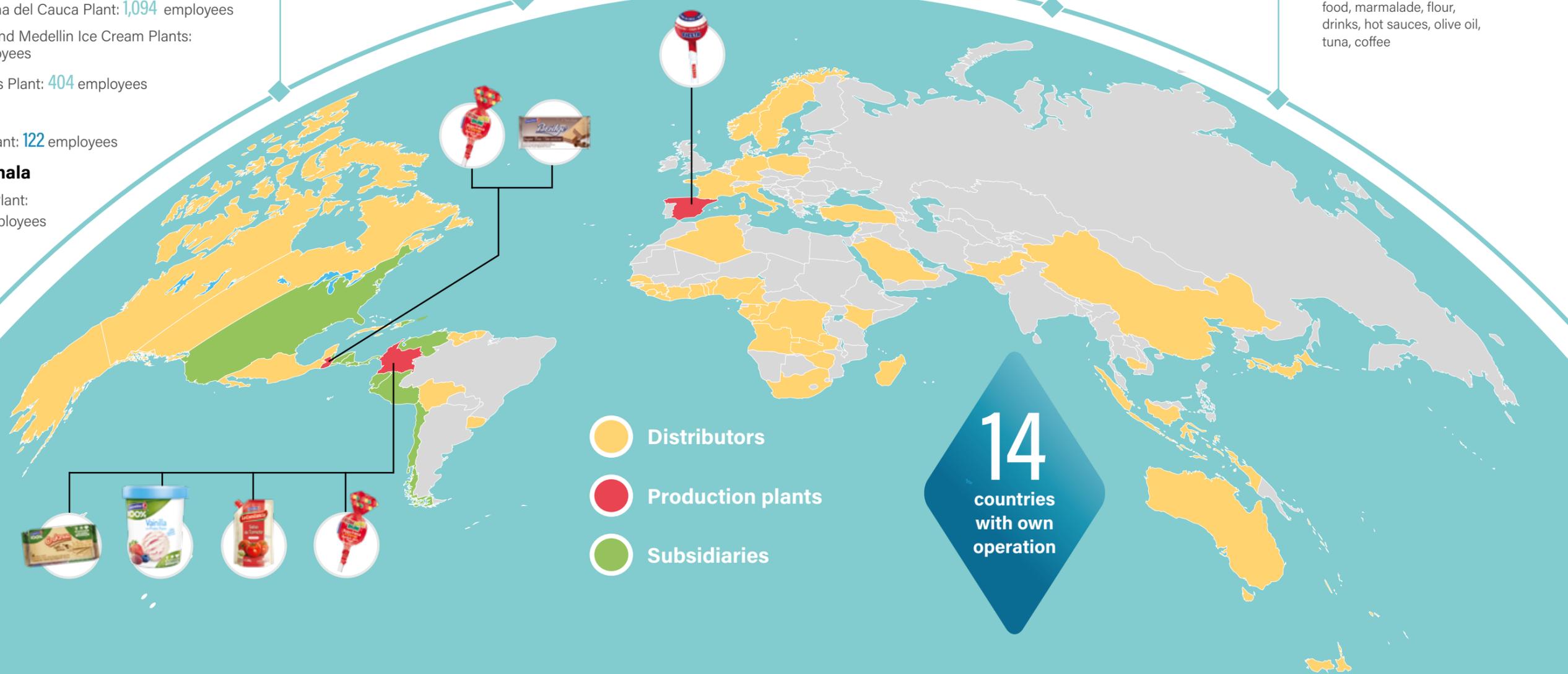
406 vehicles for primary transportation
9 shipping lines
19 cargo agents

750,000 clients around the world
183,000 Colombia
567,000 international

Consumers in **100** countries around the world

20 categories of food

Candy, gum, chocolate, snacks, cookies, crackers, pastries, ice cream, ketchup, mayonnaise, mayonnaise-based sauces, milk-based desserts, baby food, marmalade, flour, drinks, hot sauces, olive oil, tuna, coffee



Highlights



For the fifth consecutive year, Colombina was recognized and included in RobecoSAM's

Sustainability Yearbook, coming in at number six on the list of food companies with best sustainability practices in the world. This ranking is carried out using the Dow Jones Sustainability Index methodology.



The National Association of Industrialists of Colombia recognized César Caicedo at the ANDI Valle Sectional Affiliates Meeting

for bringing progress to different regions through his leadership in the Company. Similarly, the Valle del Cauca Departmental Assembly awarded him the Vallecaucana Order of Independence, Commander Grade, for his track record and years of community service and contributions to the region's social and economic development, and especially for his work through Colombina.



Colombina ranked number two on the list of companies with the best "goodwill"

in September 2017, according to the annual report issued by 2WAY Goodwill Consulting firm.



Colombina ranked number two in the chocolates and candies category,

according to Dinero magazine's ranking of "The 500 biggest companies in Colombia".



La República newspaper put Colombina

in the top five Ranking of the "300 top-selling companies in Valle del Cauca".



The Valle del Cauca's Governor's Office and Departmental Assembly recognized Colombina

as the Great Innovating Company in September 2017 as part of the Innovation Awards, which showcased the Company's impact in the region.



SAP recognized Colombina for its innovation

with the "Innovation of the Year" Award at the 18th ASUG Colombia (Association of SAP Users) for its project to automate sales force management indicators, which allows employees and managers to monitor sales levels and the Company's progress in real time.



Sustainability Management

GRI 102-40, 102-43, 102-44, 102-4, 102-47

Corporate Strategy

Sustainability is in our DNA and it is the foundation of our corporate strategy. It is part of the business definition and variable compensation indicators, tied to employee performance assessment.

Each priority has a manager responsible for designing action plans and establishing goals, which are periodically reviewed with the Strategic Planning VP, who is in charge of coordinating the Organization's Sustainability Committee.

Our Business Definition frames our strategy

Global food company that endeavors to delight consumers with its winning combination of innovation and great-tasting products. It is supported by its strong umbrella brand and well known and highly regarded product brands that are effectively marketed so that they're accessible to all. Committed to a **sustainability** strategy that engages all stakeholders.

This definition produces the pillars of our Strategic Map, in which sustainability is the focal point.



Sustainability Strategy

We have 17 KPI tied to employee performance evaluation and variable compensation to monitor these strategic pillars:

Financial Outlook

1. ROIC
2. Sales Growth
3. Contribution Margin
4. EBITDA Margin
5. Working capital/sales

Processes

10. Cost of service/sales
11. Colombina 100% Sales
12. Transportation costs/sales
13. Work productivity
14. Global Plant Efficiency (EGP)

Markets

6. Market share Colombia (Nielsen basket)
7. Brand Recall (RAC) Colombia
8. Success in innovation
9. Perfect order rate

Strategic Capital

15. Organizational Climate
16. Total payroll/sales

Sustainability

Score **17. RobecoSAM's**

Our Sustainability Strategy is based on 6 priorities



In 2017, our investment in sustainability totaled 10 million dollars

Generate long-term value for all stakeholders

**Sustainability
Committee**



- César Caicedo**
Chief Executive Officer
- Carlos Andrés Ospina**
Board Member
- Juan Guillermo Salazar**
Board Member
- Pierangelo Marchetti**
Strategic Planning VP
- Eduardo Parra**
Supply Chain VP
- Ana María Rojas**
Colombina Foundation Director
- Jose Fernando Ochoa**
Corporate Marketing VP
- Luis Eugenio Cucalón**
Human Resources VP
- Ana María Vélez**
Strategic Planning Executive
- Isabella Henao**
Communications Director

Five-year sustainability plan



Part of the management model is to be able to forecast our short and long-term results and know what resources we need to invest to that end.

For that reason, in 2017 we developed a Five-Year Sustainability Plan spanning from 2018 to 2022. We established annual goals for all the main indicators in each major topic. This plan is aligned with the fixed asset investments the Company will be making in coming years, as well as the Organization's strategic planning.

These are our goals for 2018 and 2022:

** Beginning in 2015, the minimum coverage of the main environmental indicators has been 98% of the operation (by production volume). For that reason, it is used as the reference year for the 2022 goal.*

Environmental Performance

By 2022, reduce water consumption by 31% compared to 2015.



By 2022, reduce carbon footprint scope 1 and 2, by 21% compared to 2015.



By 2022, reduce energy consumption by 3% compared to 2015.



By 2022, increase the percentage of recovered waste by +10 percentage points compared to 2015.





Promoting Competitiveness

- ➔ Increase the number of certified suppliers | **2022/62**
- ➔ Increase the number of Big Brother companies | **2022/43**



Employees

- ➔ Increase the number of employees with their own households
2018/937 | 2022/1,437

- ➔ Reduce the occupational accident rate
2018/8.2% | 2022/7.8%

- ➔ Organizational Development
2018 | Provide training on human rights to 800 people (commercial and logistics departments)
2022 | Corporate University in place



Transparency and Nutrition

- ➔ Increase the percentage of new product sales
2018/6.5% | 2022/15%

- ➔ Increase the percentage of sales from product innovations with a positive social impact
2018/6% | 2022/81%



Economic Efficiency and Continued Growth

- ➔ Increase consolidated net sales
2022: 1 billion dollars



Stakeholder Relationships

The main objective of building strong relationships with our stakeholders is to generate trust and forge relationships that allow us to respond in an adequate and timely manner to their needs.

For that reason, we move on principles of relevance and thoroughness in order to understand what they really care about and determine how our management impacts them.

1

Shareholders



Dialogue's objective:

Provide reliable information about the organization's performance, this being the main input used to make decisions.

Channels and frequency:

- ➔ Shareholders Meeting - annual
- ➔ Financial report - annual
- ➔ Sustainability Report - annual
- ➔ Email - as needed
- ➔ Website - permanent

2

Employees



Dialogue's objective:

Promote spaces for communication in order to align employees with corporate objectives, find out their perception of the organizational environment, and promote their participation in creating new initiatives that will allow us to consolidate as an attractive place to work that offers opportunities for growth and performance.

Channels and frequency:

- ➔ Organizational climate survey - semi-annual
- ➔ Colombina ethics hotline - permanent
- ➔ Collective bargaining - every three years
- ➔ Trade union meetings - as needed
- ➔ Intranet, billboard, bulletins, news releases - permanent
- ➔ Colombina newscast - monthly
- ➔ Primary groups - monthly
- ➔ Community committees - periodic
- ➔ Occupational health committees - periodic
- ➔ Psychosocial risk survey - annual
- ➔ Taste fans platform - permanent
- ➔ Sustainability training - as needed

3

Communities



Dialogue's objective:

Find out how the community perceives Colombina Foundation's programs, their vulnerable situations and classification based on socio-demographic variables. All of this with the aim of guiding strategies optimally to contribute to their development.

Channels and frequency:

- Interview with program beneficiaries - annual
- Parent training - monthly
- Meetings with beneficiaries - periodic
- Apply perception surveys - every two years
- Workshops / spaces to exchange knowledge - periodic

4

Suppliers



Dialogue's objective:

Strengthen our supply chain and forge relations of trust with our strategic partners.

Channels and frequency:

- Supplier certification and re-certification program - permanent
- Big Brother Program - permanent
- Crece Award Event - annual
- Supplier portal - permanent
- Assessment audits and visits - periodic
- Meetings with suppliers - periodic
- Supplier survey - annual
- Email - permanent
- Sustainability Report - annual

5

Customers



Dialogue's objective:

Respond to their needs in a timely manner, and establish strategies to satisfactorily address the final consumer, thereby generating a mutual benefit.

Channels and frequency:

- Meetings with customers - periodic
- Satisfaction survey - annual
- Meetings and trainings for wholesale clients - periodic
- Digital platforms: corporate portal, Facebook, Instagram - permanent

6

Consumers



Dialogue's objective:

Reach out and find out their likes, needs and habits, in order to offer the best experiences through our product portfolio.

Channels and frequency:

- Website - permanent
- El Sabor es Infinito (Endless Taste) Portal - permanent
- Social media - permanent
- Focus Groups - as needed

Materiality analysis

In 2017 we conducted a materiality analysis that revealed 20 relevant issues, which were classified into our 6 sustainability priorities.

As part of the analysis we considered various inputs, including criteria that assess the methodology used by the Dow Jones Sustainability Index, the Carbon Disclosure Project questionnaire, and dialogs with suppliers, consumers and employees.

The analysis conducted in 2017 revealed a new material issue in the Environmental Performance priority: Packaging strategy. Although we have made significant progress in using recyclable and biodegradable materials, we still need to strengthen our material reduction processes, as well as the implementation of collection systems. For that reason, it is important to focus more efforts into ensuring packaging with less environmental impact.

The topics in which we decided to place greater emphasis, according to the exercise completed, are energy efficiency, improving the nutritional profile, and logistics and transportation.



In 2017, in addition to the materiality analysis, we included new elements that enabled us to strength it, such as:



Supplier survey



Psychosocial risk survey applied to employees



Sustainability workshops for employees

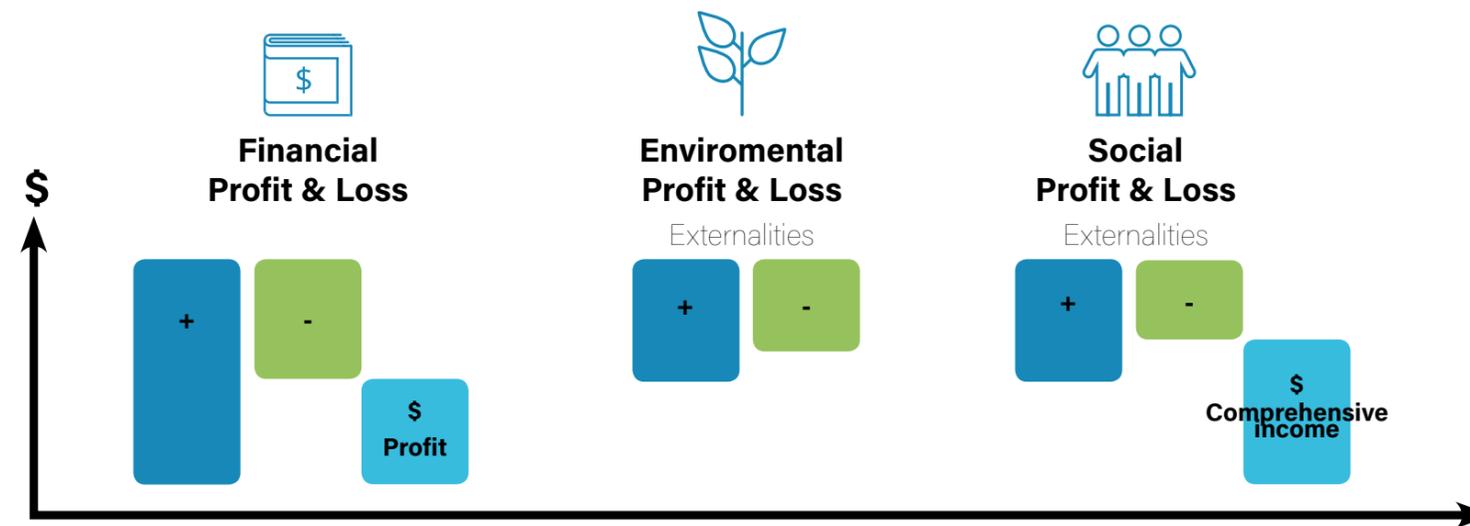
Integral Value Generation

For Colombina, sustainability means having a comprehensive and responsible management, focused on ensuring long-term relations with stakeholders, minimizing potential operational impacts, and contributing to society's progress.

We understand the importance of developing a measurement that includes the economic profits (traditional financial statements) and also allows us to quantify the positive and negative impact generated by our operations on the environment and society.

Thus we expand our vision for the decision-making process, and undoubtedly generate value for the Company.

What is comprehensive income to us (SE P&L)?



From an environmental perspective, we measure our carbon footprint impact, but we also take into account the favorable impact of our plans involving energy efficiency, logistics optimization, reusing waste products, water savings and river basin conservation at Bugalagrande and La Paila Rivers.

In 2017 we conducted a study to evaluate the impact of our social programs, measured as the return

on investments such as the Jaime H. Caicedo Scholarship Program, TIMCCA music school, dance school, Children's Homes, and Bon Bon Bum Cup.

Although the measurements are neither precise nor definitive, they allow us to quantify the magnitude of the positive or negative impact of our operations and help us determine the route to managing it.



Colombina Foundation's beneficiaries.



Jaime H. Caicedo Scholarship Program

Scholarships for children of company employees enrolled in professional careers.

Quantification of impact:

1. Every peso invested in the program generates 3.8 pesos, measured as the average return for society of 25 people with professional degrees, compared to the scenario in which they only complete high school. This analysis is associated to crime reduction, longer life expectancy and higher revenue, reflected in more tax collection for the country, and thereby for its own development.

Musical group and Dance school

Youth trained in Colombia's musical traditions and folklore.

Quantification of impact:

2. Return on investment in these programs is 1.1 peso, based on the study of the willingness to pay for a quality adjusted life year (QALY), which increases by 0.1 with participation in a music/artistic program for 20 months.

Bon Bon Bum Cup

National soccer tournament that promotes comprehensive development and healthy recreational activities for 20,000 participating boys and girls (2016).

Quantification of impact:

3. Every peso invested in the program generates 1.7 pesos, based on the study of the willingness to pay for expanding coverage for youth sports and recreation programs.

Children's Homes

Early childhood development homes for children of plant employees.

Quantification of impact:

4. Return on investment in these programs is 1.2 pesos, measured as the present value of a rise in revenue (x152) of adults who received a pre-school education.

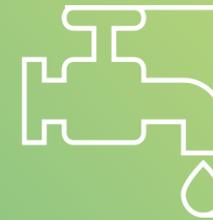


Environmental Performance

GRI 303-1, 306-1, 305-4, 305-1, 305-2, 302-1, 302-3, 302-4, 306-2

We value our limited natural resources and make every effort to use them efficiently and responsibly, endeavoring to leave a legacy for future generations and contribute to economic development sustainably.

In this sense, we focus our environmental actions on 5 material issues:



Efficient use of water



Climate change management



Energy efficiency



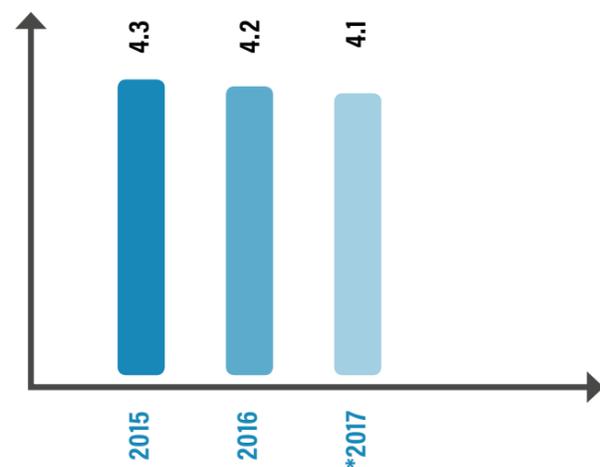
Waste management and reduction



Packaging strategy

Efficient use of water

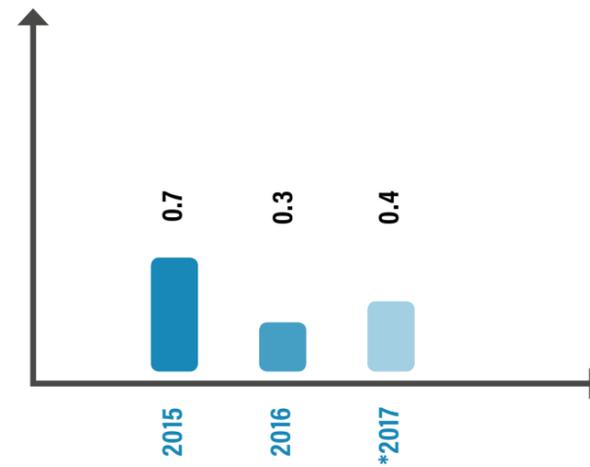
Water consumption (m³/ton)



*Covers 100% of production

Target **2017/4.2**

Discharge (DQO/ton)

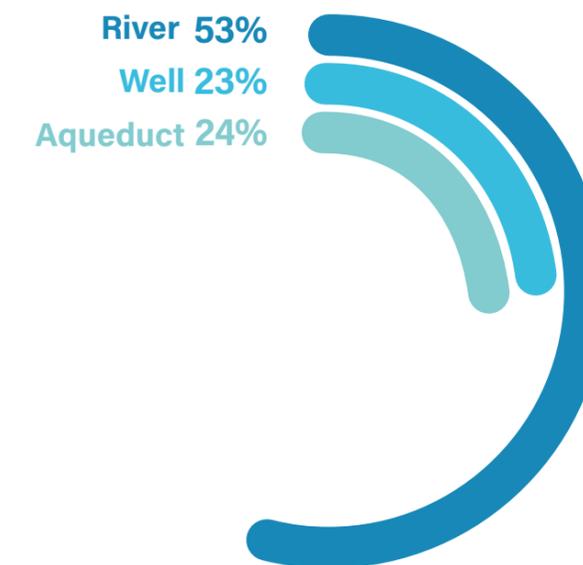


*Covers 100% of production

Target **2017/1.2**

Brining this indicator to such low levels was accomplished because we upgraded the wastewater treatment plants at our production facilities. This required an investment of nearly 5 million dollars from 2012 to 2017.

Drinking water consumption by source



Total water consumption in 2017 was **822,647m³**



In 2017 we carried out the following actions in order to reduce water consumption per production ton:

La Paila Plant:

- ➔ Reduced water consumption by 44,544 m3 over the previous year, thanks to initiatives such as:
 - ➔ Control measures, monitoring and audits to identify and correct leaks.
 - ➔ Monthly audits of water recovery systems, identifying water leaks and waste.
 - ➔ Dry cleaning of the cooling tunnels in the candy area helped reduce water consumption and in turn, organic waste in the liquid discharges.
 - ➔ Raise awareness of water saving and efficient water use plan for employees, contractors and operators. The purpose of this activity is for people to identify the major environmental impacts caused by inadequate use of the water resource, and to create an environmental culture to mitigate water waste and contamination.
 - ➔ Classification of liquid discharges conducted by outside IDEAM-accredited lab, showing optimal compliance of the limits established by regulations.
- ➔ Maintenance and repair of the water conduction structures at the Bugalagrande River.

Colcauca Plant:

- ➔ Changed the drinking water dispensers for better precision and increased process control.
- ➔ Underwent a clean technology conversion aimed at reducing drinking water consumption and organic load discharged into the wastewater treatment plant.

Preserves Plant:

- ➔ Design and implement water savings and efficient use program, which has the description of all processes of water supply, storage, efficient use, savings, report of leaks, correction of damages, and description of both surface industrial and domestic water concessions issued by the environmental authority.
- ➔ Installed water-saving nozzles and spray systems on all the hoses in the production, bottling, pickling, industrial pepper and UARS areas at the preserves plant helped to improve the washing processes.

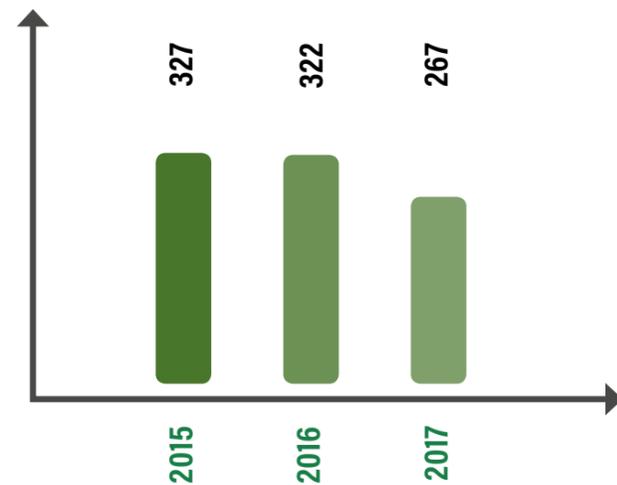
CAPSA Plant:

- ➔ Installed water transfer pumps with intelligent control which resulted in reasonable consumption control and suspension during system shut-downs.
- ➔ Improved water recovery system at the confectionery kitchens with level and control sensors that avoid spills.



Climate Change Management

 Carbon footprint (scopes 1 and 2) kg CO₂/ton



*Covers 98% of production

Target **2017/320**

 Total emissions (tons of CO₂)

Scope 1/44,483 Kg CO₂/ton | Scope 2/10,728 Kg CO₂/ton | Scope 3/6,985 Kg CO₂/ton

In 2017 we worked on the following initiatives to reduce greenhouse gas emissions per ton of production:

La Paila Plant:

-  We planted 1,600 trees upstream from La Paila River, contributing to reducing gas concentrations through carbon compensation.
-  Study of air emissions from the combustion furnace.

Preserves Plant:

-  Measured the furnace's air emissions, which uses natural gas as its supply.
-  264 trees were planted around the plant's perimeter.

Colcauca Plant:

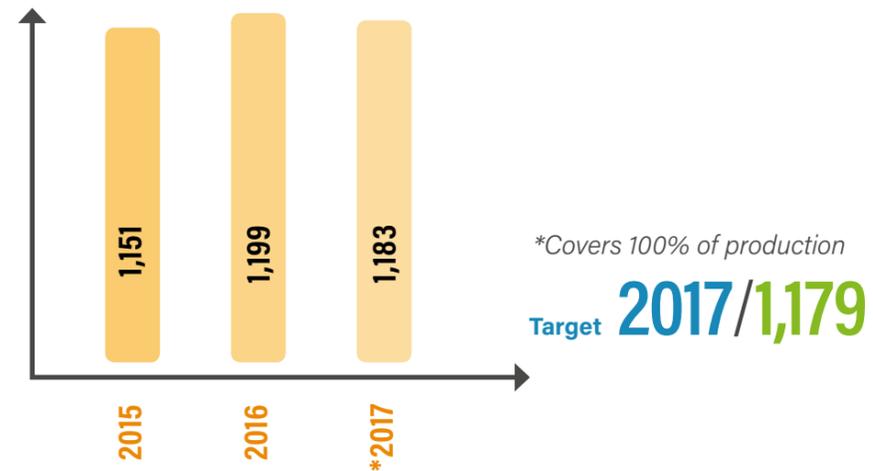
-  Installation of real-time gas consumption meters.

Ice cream Plants

-  Implemented a fleet fuel supply control program to correlate consumption and kilometers used.

Energy efficiency

⚡ Total Energy consumption (KWh/ton)



🔧 Direct energy consumption by primary sources 2017

Gas 77%
Coal 13%
Crude 10%

Total energy consumption in 2017 was 235,560,246 KWh

In 2017 we developed the following actions in order to use energy more efficiently:

La Paila Plant:

- ➔ Reduced energy consumption by 13% compared to 2016.
- ➔ Purchased equipment to dry dies at the confectionery plant. In the past, compressed air was used for drying, which uses a lot of electricity.
- ➔ Implementing the SAM system, which provides total control of compressed air generation at the plant. This system makes it possible to turn on equipment by air demand and captures information in real time.
- ➔ Internal audits focused on identifying possible energy waste.
- ➔ External audits to identify compressed air leaks.

CAPSA Plant:

- ➔ Efficiency in transferring thermal energy (heat) in production equipment.

Colcauca Plant:

- ➔ Installation of 212 LED light bulbs and pyramid-type lighting with LED linear modules.
- ➔ Awareness-raising campaigns for employees aimed at encouraging energy savings, both at home and at work.

Ice cream Plants:

- ➔ Reduced electricity consumption at the Bogota plant by 6%, which represented 34 KWh less per ton produced.
- ➔ Awareness-raising campaigns for employees by implementing CCM (Colombina World Class).

Waste Management and Reduction

Use of waste

2015/61% | 2016/61% | 2017/66%

Target 2017/66%

Total waste generated (in tons)



In 2017 we promoted initiatives to cut down waste levels, both at the production plants and in offices and sales districts.

La Paila Plant:

- 22% less waste generated compared to the previous year, avoiding the disposal of 1,000 tons of solid waste deposited at the landfill.
- Launching the extruder system, which helped us recover discarded gummies and marshmallows. This project helped us recover 212 tons of the product.

Colcauca Plant:

- Recycling campaigns helped us collect over 2,000 plastic bottles and cut down the consumption of 1,200 plastic cups per day.
- Recovering 48 tons of usable waste.
- Ecological batteries used on forklifts helped reduce the amount of hazardous waste to dispose.
- Leveraging organic waste in preparing raw materials for animal concentrates.

Preserves Plant:

- Reducing ordinary waste by approximately 11,000 kilos.
- We launched a plastic recycling program in the second half of the year, which will be used as the main material in producing plastic lumber.

Ice Cream Plants:

- ➔ At the ice cream plants we reduced the product cuts by 17%, moving from 507.7 tons in 2016 to 422.1 tons in 2017.
- ➔ Environmental campaigns for raising production personnel's awareness by implementing CCM at the plant.

CAPSA Plant:

- ➔ Purchasing consignment material
- ➔ Eliminating re-labeling.
- ➔ Eliminating 100% of overstocked packaging material.
- ➔ Acquiring equipment to process solid waste.
- ➔ Improving the clear syrup production process by cutting back on the confectionery product.

Offices and Districts:

- ➔ We also launched a program to cut printing at offices and sales districts, and managed to save 9 tons of paper.



Packaging Strategy

Our Packaging Strategy is managed from four perspectives:



- ➔ **Reducing materials:** we constantly seek to cut down on packaging and to use more environmentally friendly materials.
- ➔ **Recycled/recyclable materials:** Our Colombina 100% portfolio uses packaging materials that are manufactured by suppliers with FSC certifications.
- ➔ **Biodegradable material:** We ventured into using Earth Pact material, which is made from sugar cane bagasse. These fibers are 100% recyclable and have no bleaching chemicals. The packages made from this ecological material are printed with messages promoting environmental protection and commitment.



- ➔ **Package recovery system:**
 - With the Recovering program, we managed to reuse over 800,000 corrugated cardboards per year, maintaining the specified quality standards.
 - In 2017 we collected over 600,000 candy wrappers from boys and girls who participated in the Bon Bon Bum Cup. The children compete to see who collects the most in order to enter the tournament.



- Colombina markets:**
 - Implemented the use of biodegradable bags and sale of cloth bags with environmental messages at Colombina's 61 stores.
 - Reduced plastic bag consumption by 50%.





Social Development

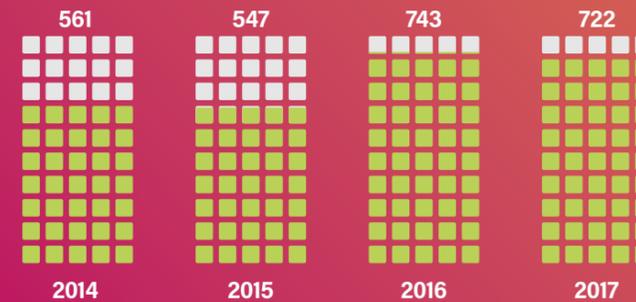
Our social development strategy is primarily materialized through Colombina Foundation's educational, cultural and sports programs, which are recognized as major drivers of social progress in the communities.

In 2017, 673 children and youth benefited directly; of these, 60% were children of employees at our production plants in La Paila, Valle del Cauca and Santander de Quilichao, Cauca, and the other 40% were members of those communities.

Additionally, we directly impacted over 2,900 people, all members of beneficiary families.

During this same year, the Foundation raised the baseline of its beneficiaries, which was an important input in helping to better focus its intervention. This line included 47 aspects related to sociodemographic conditions, context data, the beneficiary's relation to Colombina, information about the family and relation between the family and the program.

➔ **Active Program Beneficiaries**



In 2017, we included 49 employees who received an economic benefit from Colombina Foundation to repair their homes.

In order to better focus our Social Development priority, we have divided Colombina Foundation's actions into two material issues:



Creating opportunities for young people in the communities where we operate



Early childhood development

Total social development investment in 2017 was 4,243 million pesos, distributed as follows:

Charitable donations
COP 2,283

Investment in the community
COP 1,627

Business initiatives (cultural and sports sponsorships)
COP 333

Creating opportunities for young people in the communities where we operate



In this topic, we refer to developing cultural, educational and sports programs.



Culture

Priority areas where the Foundation has been working are ethnically and culturally diverse, which can become an important element in triggering opportunities for children and youth, based on self-recognition and recovering native practices and traditions.

For this reason, cultural programs and projects supported by Colombina Foundation have become a space for healthy coexistence and exchange for its participants, promoting the development of social skills and positive values.

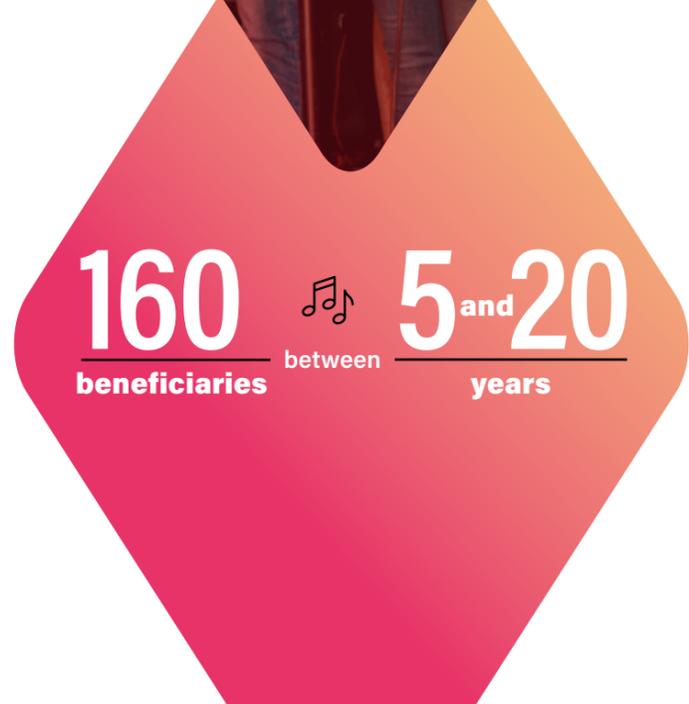
TIMCCA, a Comprehensive Workshop on Colombian Music

Aware that musical sensitivity not only helps to learn how to play an instrument, but also contributes to developing multiple cognitive skills and learning about values, TIMCCA came about as a pedagogical formula to teach how to play musical instruments used in traditional music from the department of Cauca and around the country. This initiative has imbued its participants with respect, discipline and socialization, and helped them overcome fears and manage their free time, as well as fostered personal growth, friendships and family ties.



"Thank you for the great support you've given us, for the great things you've done for us, for creating these workshops in which young people can participate and engage in the best way."

Xiomara Bolaños
TIMCCA program beneficiary



In 2017, TIMCCA hosted over 28 presentations with the representative musical groups, on local and regional stages, and at social and corporate events, as well as for the domestic cultural market.

**Sonidos de Paz -
San Antonio District**

This is a band made up of boys and girls from the town of San Antonio in Santander de Quilichao.

In addition to the different cultural presentations by the band in 2017, there were activities aimed at strengthening and motivating the groups:



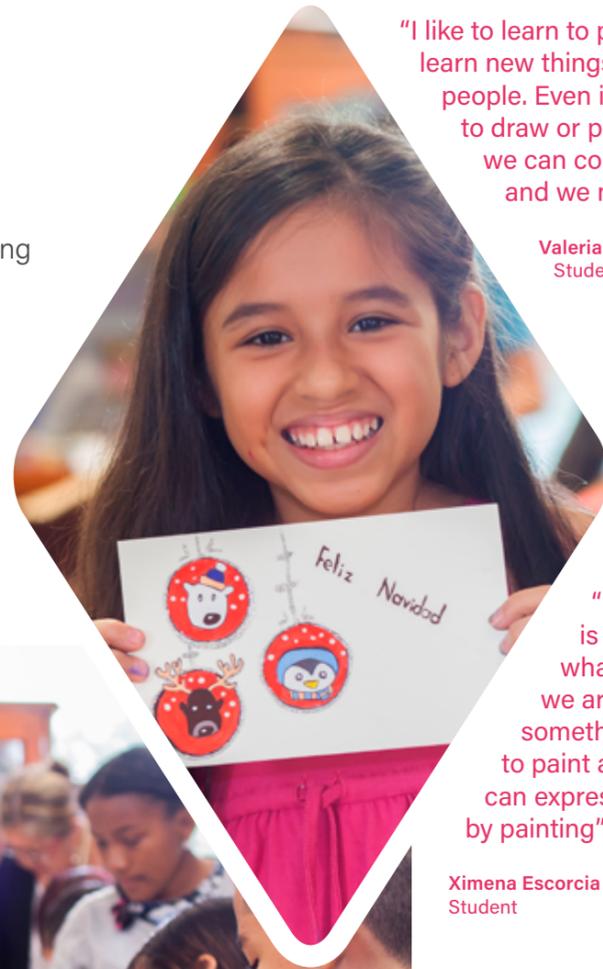
- ➔ Participation in the Opportunities Mapping and Cultural Gatherings workshop.
- ➔ Motivational workshop with relatives and guardians of the band's children.
- ➔ Motivational workshop with children who have dropped out of the program.



Painting Workshop

The painting workshop fosters creativity in young participants and opens their minds to new ways of looking at life through art.

42 participants between **5 and 20** years



"I like to learn to paint, to draw, to learn new things and share with people. Even if we don't know how to draw or paint in these classes, we can count on their support and we never give up."

Valeria Méndez Navia
Student

"What I like best is that we can paint whatever we want, and we are free to draw or do something creative. It's fun to paint a picture because we can express ourselves by painting".

Ximena Escorcía
Student

Dance Group

Group participants work with the cultural components of Valle del Cauca and Colombia's folklore, as well as with their cultural identities.

In 2017, the dance group participated in several cultural national events and activities to strengthen its cohesiveness and skills as an artistic and cultural collective.


36
beneficiaries
under
15
years



14 new scholarships were awarded in 2017, and 11 students continued to receive support, totaling 25 beneficiaries.

Education

Jaime H. Caicedo Scholarships

Individual scholarships help the employees' children who want to continue their higher education in technical, technological or professional fields, giving them the possibility to enroll in renowned institutions and finish with excellent academic levels, which enhances their future employability.

"Even before I became a beneficiary of Colombina Foundation's scholarship program, I have always appreciated the Company because my mom works there, and that has been a great help for me and my brother. Receiving a scholarship to a university that is recognized for its high-quality education was a significant milestone for my professional development".

*Victor Hugo Campo,
Industrial Engineering ICESI - 9th Semester*

Reading Club

Reading and writing helps boys and girls strengthen their communication and interaction skills. This fosters personal growth and increases their levels of culture.

Sports

Jaime H. Caicedo Sports Club

The Sports Club aims at promoting habits for a healthy life and helps to reduce situations related to the various psychosocial problems that currently affect children and youth in La Paila, Zarzal and neighboring areas of influence.

In line with the Company's goal of reducing the gender gap, a female category was created in 2017, encouraging all the girls in these communities to participate at this sports institution.

Aiming to strengthen bonds, encourage participation and recognize the values inherent in each person at the club, we ended the year with an activity called "Ser Héroe (Being a Hero)"; participants included the mayor of Zarzal, the Imderez director, the Deportivo Cali team director, the subsidiary schools coordinator, representatives from Colombina Foundation, trainers and many parents. Over 400 attendees participated.



Outstanding sports achievements include:

- ➔ One of the participants enrolled with the Deportivo Cali soccer team. Other participants also stood out in the professional team's scouting of the children.
- ➔ Participation in 12 soccer tournaments, giving team players the opportunity to exchange learning experiences with institutions from other Valle de Cauca municipalities.





Over 600 thousand wrappers collected at the 8th Bon Bon Bum Cup. These wrappers are used to manufacture plastic wood, and have a positive impact on the environment.

Bon Bon Bum Cup

The Bon Bon Bum Cup has been played for 7 years at Paila Zarzal, aimed at providing children and youth with opportunities to practice a sport that promotes values such as teamwork, respect and discipline.

The Bon Bon Bum Cup continues to be the largest children and youth soccer tournament in the country, expanding to more regions and looking to become a world-class sporting event in the medium-term. In this way, Colombina will be able to benefit more children and youth by creating spaces for recreation and sports in vulnerable regions.

The 8th edition of the Bon Bon Bum Cup was held in 2017. Over 1,400 teams from around the country enrolled, and qualifiers were held in 15 Colombian departments, with nearly 30,000 participants.

The final phase took pace in La Paila, Valle del Cauca, with over 700 games played and over 2,000 goals scored.

Moreover, FC Porto agents were present at various games during the final rounds, scouting for talent among the young players, and selecting only the best, who will go on to become part of the FC Porto soccer team in Bogotá, and eventually travel to the European country. Some players have already been picked to show off their talent in front of the Portuguese team.



In 2017:



Over 104,000 boys and girls have participated in the Bon Bon Bum Cup since its inception in 2010.

Early Childhood Development

Children's Homes

These centers provide comprehensive care for employees' children or other parties related to the Organization, promoting family integration and basic values.

In 2017, early childhood education quality standards were assessed at two Colombina Foundation children's homes pursuant to Law 1804 of August 2, 2016: "Which establishes the State policy for early childhood comprehensive development from birth, and other provisions."

According to the results, strengthening plans were implemented each Home in order to align them further with the early childhood care policies established by law. This plan required a lot of training in each of the care components, aimed at the training teams at the homes. One of the most significant results of this process was strengthening relationships with families and the community.



"I thank God for allowing a Colombina Foundation home to be created, and for the teachers who have been an integral part of our children's development. I thank them for being part of their daily lives and for all the love they give them. I am really happy that my daughter is part of you, and you are a part of her, and I feel good about entrusting you with my greatest treasure. Thank you so much for this valuable effort".

Luisa Amparo Ospina
Head of Household Mother
La Paila Children's Home



In 2017, the homes provided services to 73 children in La Paila and 71 children in Santander de Quilichao. Participants ranged in 2 to 5 year olds.



Other Colombina Foundation Activities

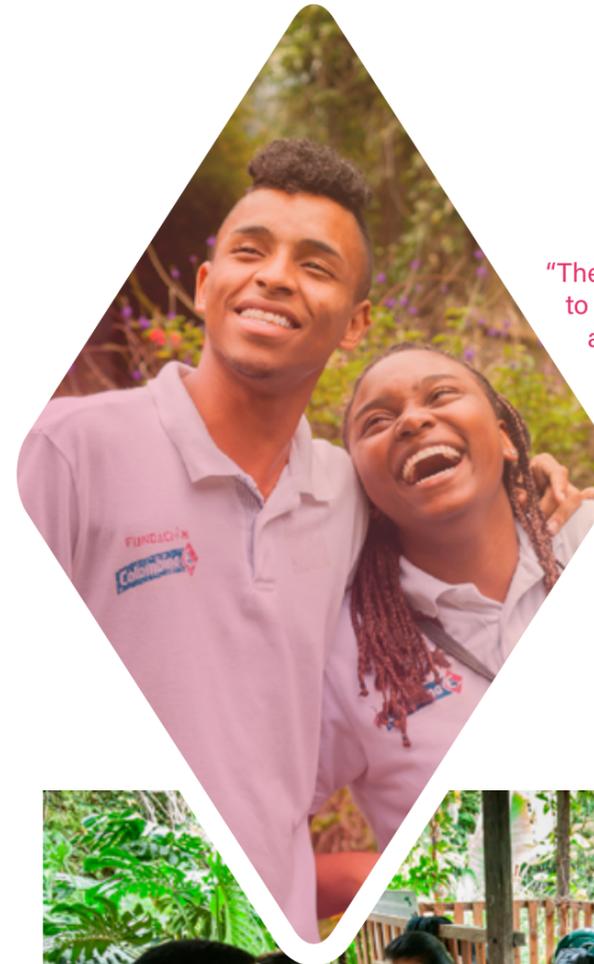
Help for Families with “Vivienda para Todos” (Housing for All)

Colombina Foundation supports this program by providing financial assistance for employees who purchased homes through the program and needed to make specific repairs.

49 people received assistance in 2017.

Colombina Foundation Network of Reporters

A network of reporters was created in 2017, made up of teenagers, youth and adults who take part in Foundation programs, to shine the spotlight on processes in their respective areas of influence through communicative actions and products. To that end, they conducted workshops to strengthen communication and active listening skills and the collective sense, and to frame literary narrative pieces that enable them to learn about and transmit participant experiences with the programs in different settings.



“The reporters group allows us to become cultural promoters, and to show the world how to experience culture, sports, reading and painting”

Network of Reporters Participant





Promoting Competitiveness

GRI 102-9, 404-2, 308-2, FP5

Establishing a reliable and highly competitive supply network is one of our major achievements, since we know that it translates into creating progress in the regions of influence.

Creating strategies for joint growth facilitates processes, ensures high quality standards, and contributes in a sustainable manner to economic development.



➔ **Raw material and packing suppliers**

National /83%

International /17%



In order to manage this priority, we have defined 4 material issues that reflect our dealings with raw materials, packaging and transportation suppliers, relations with contractors, and quality assurance in every production process.



Relationships with suppliers and contractors



Big Brother



Logistics and Transportation



Quality and safety in production processes

Relationships with Suppliers and Contractors

In Colombina we maintain relationships with our business partners that are based on respect and trust. Similarly, we focus on developing small and medium-size suppliers, and we recognize the efforts of all those who have been faithfully complying with the required quality standards for one or more years.

In 2017 we identified strengths and opportunities for improvement in our relationships with small and large suppliers by means of a dialog exercise which focused primarily on the importance of sustainability. 85% of our surveyed suppliers believe that it is very important for their company to be assessed under sustainability criteria, yet only 45% claim to have environmental management practices in their logistics and transportation operations. This represents one of the greatest challenges for Colombina, since our goal is to make sure that we reduce environmental impacts along the supply chain.



Supplier Certification Program

With this program we conduct yearly assessments and certify a growing number of suppliers for complying with standardized processes and ensuring the quality of the products and services provided.

In 2017, 2 transportation, 1 packaging and 3 raw materials suppliers joined the group of certified companies.

-  We reached a total of **43 certified suppliers** that began the 15-month process in 2016
-  **11 re-certified companies** that have been complying with the indicators and goals stipulated in the program for 3, 6 and 9 consecutive years.
-  The certified suppliers' quality indicator was 99.6%. This result significantly contributed to the corporate indicator of perfect orders.
-  The first Big Brother supplier was certified as a result of its commitment and continued improvement.
-  The Certification is given with a shared Colombina/SGS seal. SGS is an agency that specializes in quality management and safety systems.
-  Between 2016 and 2017, 16 companies had their quality management systems audited.

Supplier Assessment

Given the importance of ensuring sustainability not only in our operation but also throughout the entire chain, we have assessed our suppliers on environmental, social and governance issues for the last 4 years, which allows us to identify strengths and weaknesses and establish mandatory action plans.

339 companies assessed for sustainability, of which 44 of them are critical suppliers.

4 companies recognized for obtaining excellent scores in social sustainability assessments.

 This assessment represents an important part of deciding between two or more raw materials suppliers with similar quality and price conditions.

Supplier Policy

Our supplier policy includes topics such as the environment, working conditions and corporate ethics. It is published on the website and is also sent directly to the suppliers to ensure that they agree to comply with it, and with the implications of failing to do so.

Relationships with Contractors



In order to ensure adequate management of this cycle, we created a Contractors Committee in which these areas come into play: industrial safety, quality, environment, procurement and administrative management. It works on managing high-risk tasks, conducting inspections and internal audits, implementing prevention using tools such as the ATS and requiring contractors to have SISO staff.

In 2017 we trained 2,120 contractors from 542 firms at the confectionery and cookie plants.

Accident frequency rate (number of accidents per million hours worked)

2016/7.6

2017/5.9



Agricultural Raw Materials

In seeking to integrate the various links of the supply chain, production and distribution, Colombina has been working on developing good agricultural practices (clean crop handling) that contributes to mitigating or offsetting environmental impacts derived from our own operation, or that of third parties related to agricultural production. For that reason, in 2017 we developed activities that involved farmers from Valle del Cauca who grow the most important agricultural raw material for the Company: the chili pepper.

Colombina exports 95% of the hot sauces produced in its preserves plant in Valle del Cauca to over 28 countries, and the remaining 5% is sold in Colombia. Due to the growing demand for this type of product in food production, we have directly assisted local farmers in several fields:



Specialized agricultural division that provides technical advice to the growers.



Training for farmers on how to handle the crops, focused on good agricultural practices, clean handling and efficient water use through drip irrigation techniques. In addition, we control weeds and diseases with mechanical techniques to reduce the use of chemical substances such as herbicides and pesticides. This prevents soil contamination and erosion.



Monitoring visits to farmers to ensure that recommendations and good practices are adopted.





Big Brother

We have contributed to strengthening the business and social fabric for the past 8 years with the Big Brother program. The program consists of sponsoring small companies in order to support them in terms of their administrative and financial growth, providing them with the tools to increase their competitiveness and become export companies.

In 2017:

5 new companies joined the program

18 companies have benefited

Transferring the model from Big Brother beneficiaries to small suppliers:

7 Little Brother companies

In total we have generated:

76 direct jobs **60** indirect jobs



6 Big Brother companies were able to begin their exports thanks to the program. They are: Polietilenos del Valle, Plasmega, La Valle, Alimentos Angelita, Agraf and Confelásticos.

- ➔ **Over 350 hours of corporate consulting volunteer work** provided by Colombina employees.
- ➔ Monitoring indicators and goals set for the suppliers group.
- ➔ Strengthening the quality management, safety and environmental system for each supplier through audits, permanent support in developing action plans, and compliance assessments.
- ➔ Guidance by SIDECOMEX on imports and exports, generating initiatives to import raw materials that will enable them to be more competitive and find markets to export their products. Guidance on international business is complemented with a visit to the port of Buenaventura.
- ➔ Issue the joint Colombina/Icontec certification seal as support of their quality management systems.
- ➔ Colombina joined the **Score Program** to benefit 4 Big Brother companies by implementing their methodology, specifically the workplace cooperation and cleaner production modules. Each received a total of **60 hours of training and technical assistance, with an average of 25% productivity improvement.**



Logistics and Transportation

In 2017 we carried out the measurement of carbon footprint scope 3 for the main plants' primary transportation (84% of production).

Among other initiatives to control and reduce the impact of the logistics operation on the environment, we have:

 **8** electric vehicles, which led to the reduction of **11.3 tons** of CO₂.

 **8%** decrease in fuel consumption for the ice cream fleet, equivalent to **22,892 gallons** of Diesel.

 **19,8 tons** Reduction of CO₂ emissions on primary transportation due to a change from trucks to vehicles.

 **2,799 unharvested trees** Continued with the Eco-logistics Program (return packing and packaging material to the supplier) by reusing corrugated cardboard. In 2017, the savings generated by this initiative were equivalent to keeping **2,799 trees** from being cut down.

 **330 trips** Implementation of type 2s3 and 3s3 high cubic vehicles. This reduced the equivalent of 330 trips in standard vehicles.

Through the Continuous Improvement Teams program, a group of employees from the Logistics department launched a project to cut back on vehicle use by optimizing how products are loaded at the confectionery and preserves plants.

The project consists of transporting products from both plants on the same truck, taking advantage of their geographical proximity. This way, we were able to cut back on 29 tons of CO₂ emissions.



70,633
kilometers traveled
with electric vehicles



Quality and Safety in Production Processes

Quality and safety in production processes are imperative for Colombina, so we have established strict quality management, safety and food safety systems.

Certifications

100% of our production is manufactured in plants with safety certifications that comply with quality standards.

Safety		
 BPM	 HACCP	 ISO 22000
 BRC GRADO AA	 FSMA	 FSSC22000
 BRC	 ISO 9001:2008	 ISO 14001:2008
 OEA-BASC	Corporate responsibility	
 BSCI	 WPCA	

Quality Certifications by Plant

 Certification underway

La Paila Confectionery Plant	        
Guatemala Confectionery Plant	       
Santander de Quilichao Cookie Plant	      
Tulua Preserves Plant	      
Bogota Ice Cream Plant	  
Medellin Ice Cream Plant	   
Spain Fiesta Plant	   

TIER TREE Rating for Colombina Candy

Colombina Candy received the TIER TREE certification from the C-TPAT, the highest given by the program to reliable companies with high safety levels and standards.

Experts validated the facilities, processes and plant safety, and granted the recertification for another four years.

The executive summary of the certification states that "the Company has shown effective safety in its own organization, as well as a dedication to work with business partners to deal with any safety vulnerabilities that may exist in the supply chain."



FSMA International Implementation:

We complied with the FSMA requirements and have Company members who are certified with the FDA to meet the requirements for companies that export to the United States.

Creation of the corporate safety and quality synergy table:

To align issues of corporate quality and safety, we created the corporate safety and quality synergy table, in which all plants in Colombia participated.



Our Employees

(GRI 102-7, 102-8, 102-17, 401-1, 403-2, 404-1, 404-3)

Our employees are undoubtedly our greatest strength and most important asset. For that reason, we are convinced that one of the main contributions to building progress is job creation, allowing those who work with us to improve their quality of life and obtain greater stability.



To develop our actions, we have three material issues in this priority:



Well-being at work and working conditions

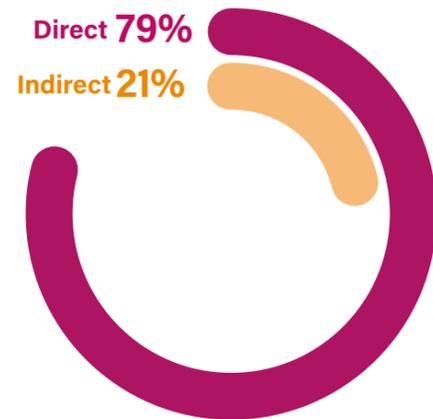


Health and safety of our employees

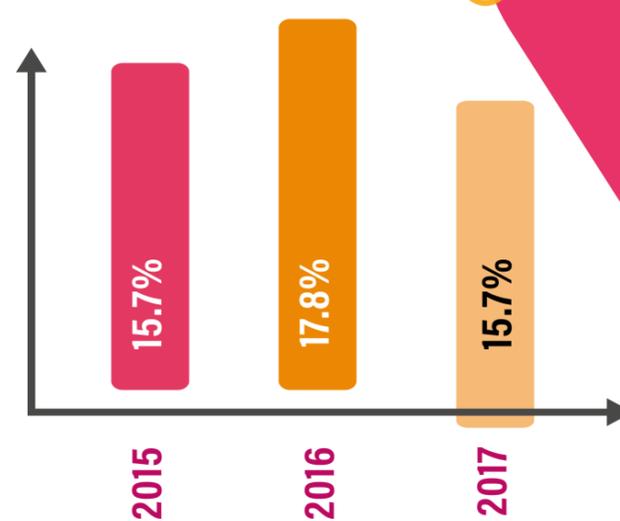


Organizational Development

➔ **Employee participation by contract type**



➔ **Turnover rate**



➔ **Turnover rate in key positions**

2015/9.16% | 2016/7.03% | 2017/9.92%

Well-being at Work and Working Conditions

Our wage has been to grow with people and guarantee that all employees have decent work with benefits that also cover their families.

Social Mega

This program constitutes a set of benefits aimed at improving the life quality of those who work with the Company, offering solutions for housing, health and sports.

Housing for All



Between 2013 and 2017:

More than

COP 5,400

million

have been delivered for household loans

842

people

have acquired housing through Company-driven initiatives.

150 acquired them in 2017.

The Human Resources Department provides employees with assistance and financial consultation to purchase their houses, present housing projects within their reach, visit projects of interest, documentation processes to obtain subsidies with the compensation funds and/or the government, loans processes with financial institutions and assistance with the home delivery to finish any pending refurbishments.

➔ The Colombina Foundation has donated over

COP 275

million

to housing program beneficiaries, for their home repairs.

254

beneficiaries





Health and Sports

In 2017, we carried out over 107 activities aimed at health and sports that included employees' families.

Corporate Benefits

In order to offer a full package of benefits to our employees and their families, we work together with family compensation funds, SENA, EPS, ARL and others.

Similarly, we have over 30 agreements with different institutions aimed at providing health, educational, financial and automotive services, etc.

Every year we host 30 Colombiferias: well-being fairs to show our employees the benefits and partnerships they can obtain through the Company.

➔ In 2017 we invested **COP 1,800 million** in well-being activities

These include special celebrations (five-year anniversaries, mother's and father's Day, salesperson Day, transporter Day, etc.), recognition programs, cafeteria subsidies, recreational activities, health sessions with specialists and gifts for employees' children.

PAyS Program: Pension, Support and Insurance

This program seeks to make employees feel supported by the Company in building their future pension, sustained by regulations and creating a savings culture to maintain their life quality and have a new option for a competitive life.



What motivates us?

- ➔ It is one way to recognize employees for their contribution to the Company's development.
- ➔ We are convinced that a company's progress is not measured merely by its economic results or by the quality of its products, but also by the life quality of those who work there, and that of their families.

In 2017, we impacted 1,341 people by providing pension counseling, work history reviews, etc.

Human rights

As signatories of the Global Compact, our commitment to Human Rights has been a fundamental principle in the development of our business since 2009. For that reason, we promote fair and equitable employment relations, giving our employees the opportunity to access comprehensive development in an organizational climate of mutual respect, through mechanisms of communication, motivation, teaching, leadership and teamwork.

Code of Responsible Conduct:

In 2017, the Code of Responsible Conduct was updated. This document defines and establishes the guidelines to be followed by Company employees for optimal development of their employment relations.

The guarantee of Human Rights is an important chapter in this document, and it is reflected through the "Employment Relations and Non-Discrimination" policy, which defines the guidelines for employee selection, hiring, promotion and development, as well as control and monitoring measures.



Reporting Mechanisms

- ➔ **Work Environment Committee:** It is in charge of preventing and dealing with cases of Human Rights violations, especially harassment. In 2017, 15 meetings were conducted to deal with 4 cases, all of which were resolved.
- ➔ **Ethics Hotline:** The Colombina Ethics Hotline can be used by employees to report cases related to discrimination and harassment, corruption and violation of the Code of Responsible Conduct. In 2017, we resolved 100% of the cases submitted for review.

Freedom of Association

Colombina has been recognized by the ILO and National Trade Union School for maintaining good labor relations with its employees, highlighting social dialog and collective bargaining.

A Collective Agreement was held in 2017 with the Sintracolombina Trade Union in La Paila, which has existed for 58 years. The Company has maintained relations with this trade union that are characterized by active listening and constructive dialog. In addition, we held the first Collective Agreement with the Sintracolombina Regional Board this year at the preserves plant, which increased the organization's number of employees affiliated with a trade union.

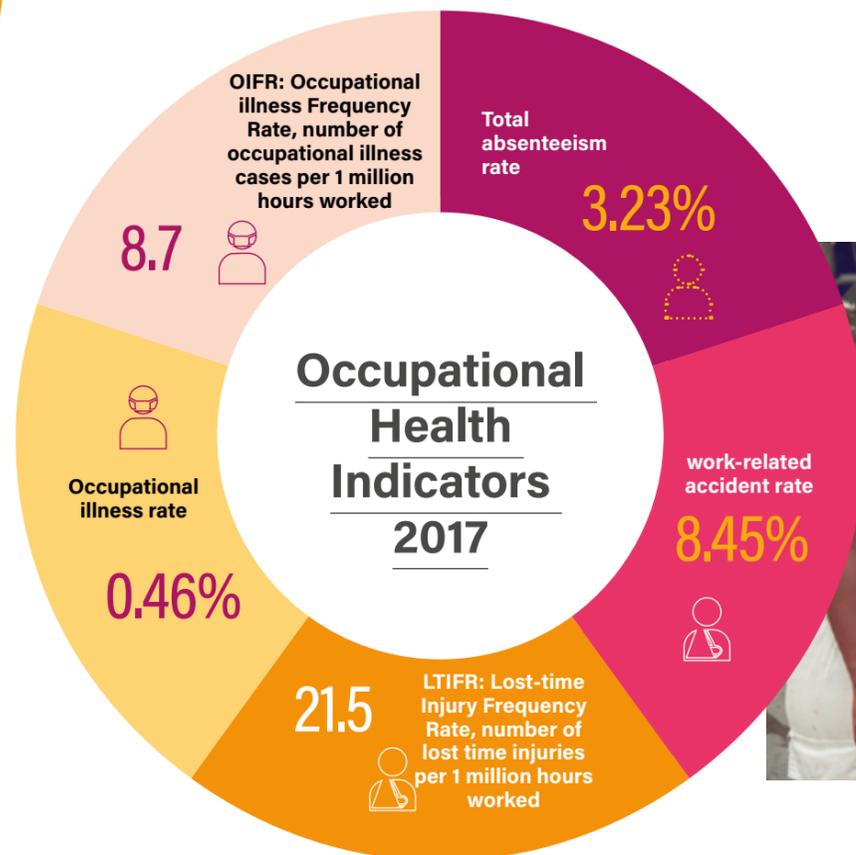
Finally, we also conducted negotiations with the Trade Union at the Fiesta plant in Spain.

Number of employees in trade unions



Health and Safety of our Employees

For Colombina, it is a priority to maintain an adequate work environment in which employees can perform their tasks efficiently and effectively, under optimum conditions of health and safety. For that reason, we manage this material issue from criteria of prevention in all our processes.



Occupational Safety and Health Management System (OSHMS)

We have an Occupational Safety and Health Management System whose objective is to improve work conditions and environment at each site, in addition to the health of our employees, promoting their physical, mental and social well-being.

In 2017 we can highlight the following:

- Systematizing indicators and updating all system documentation.
- Implementing the Management System Promoters Program, which is comprised of 87 employees from our sales and logistics districts who are tasked with being facilitators in creating a self-care culture, and in turn, pro-actively identifying risk conditions.



Launching the OSHMS Virtual academy:

introduction module to
4,429
people

Sura modules
1,535
people

- Setting up a breastfeeding room in our main office.
- Updating Industrial Hygiene and Safety Regulations
- Applying the psychosocial risk survey to 4,141 employees in order to identify aspects of managing the work and its social and organizational context, which could trigger somatic or psychic damage to the employee.
- Defining the care and support structure in medical cases to improve the quality of life of our employees and their families.
- 66 health sessions.
- Participating in 18 inter-institutional round tables in an effort to expedite medical definition processes for employees that need them, in order to help them obtain more timely care from health providers.

Moreover, we continued having Occupational Safety and Health Peer Committee meetings, which consistently monitor compliance of indicators and detect risks related to the system.

In 2017, we implemented an indicators compliance incentive program consisting of points that can be exchanged for rewards for logistics operators who meet the zero occupational accident every quarter.

Organizational Development

We seek to empower our employees' knowledge, work methodologies and practices in such a way that they are reflected during times of interaction with customers and consumers, while consolidating their leadership skills and developing their potential in the organization.

➔ Average Training Hours Every Year per Employee and Gender, Broken Down by Employee Category

Direct employees		
Female	Male	
4.8	11.9	*Management positions
8.1	11.3	*Administrative positions
6.1	12.1	*Operational positions
Temporary employees		
Female	Male	
1.4	3.2	*Administrative
10.4	11.3	*Operational

In 2017, we invested over COP 1,760 million in employee training, of which COP 659 million was awarded as educational assistance.

7,434
People trained

Talent Map

In 2017, we constructed a talent map for 64 people in the Ice Cream Business Unit, which made it possible to identify a person's training, experience and level of performance in order to be promoted to positions of greater responsibility, thereby enabling replacement charts.

Colombina Brand Leader Program

We continued to implement this program, working with 33 administrative members at the Preserves plant who participated in a 360° leader assessment and a coaching activity for groups and individuals. Over the past 4 years the program has impacted 334 leaders.

Sales Force Professionalization

Training facilitators whose main objective is to ensure that all items established in the Point of Sale Execution methodology are complied for the different channels. Basic content multiplied through the work done by the facilitators, impacting 2000 people in 2017.

"Yo soy Colombina" (I am Colombina) Organizational Culture Program

This program launched in 2016 with the goal of strengthening cultural behaviors through the appropriation of the following corporate attributes: Taste, Proximity and Sustainability.

A total of 2,265 people participated in internalization workshops in Colombia in 2016 and 2017.



Performance Alignment Program

A fundamental factor in complying with the corporate strategy is to measure the individual performance of our employees through indicators related to the corporate KPIs.



Colombina, World Class

Being a World Class company is a challenge we launched in 2013, implementing a philosophy of empowering all employees at our confectionery and cookie production plants, aimed at adopting world-class best practices in operational excellence.

At this time, the program has reached the ice cream, preserves and confectionery and cookie plants in Guatemala, with the following results to show for 2017:

 **60,000** hours of training

 **2,109** People trained

COP 4,645 million
in benefits from reductions in cutbacks, down times, discharges, waste and retention

Similarly, we began to replicate the model in administrative areas to imbue our processes with world-class practices that enable us to be more efficient and have a more strategic focus.

In 2017 the first teams to start with CCM Administrative Excellence were from supply chain, with a total of 70 training hours.





Transparency and Nutrition

In order to offer the best taste experience, we have identified the most significant motivations and concerns that drive consumers. This gives us a clear direction for a product innovation strategy and to define food platforms.

Similarly, our labels provide the information needed to help them make purchase decisions responsibly.



We focus this sustainable priority in three material issues:



Improving the Nutritional Profile



Offering Innovative Products



Relationships with Customers and Consumers

Improving Nutritional Profile

We are a company that has always been on the cutting edge of the market, with a track record of indulgent and delicious products, and now with a new offer for those who pay special attention to their well-being.

In 2017, we continued adjusting the nutritional profile with 90 references that have a positive social impact ("free from", "added with", etc.), which generated 6.5% of sales in Colombia. It is estimated that by 2022, these products will generate 81% of sales.

Moreover, 519 references contain the Guideline Daily Amounts (GDA) seal, which represent 44% of sales in Colombia.

Colombina 100%

In 2017, we launched the third phase of our Colombina 100% line, an ample portfolio that enhances the different daily events of our consumers with products in quinoa, cookies, ice creams, cereal bars, children's food, preserves, confectionery and snacks categories.

All the products under Colombina 100% umbrella brand are free from artificial colors and flavors, and each one has nutritional benefits. With this new launch, the 100% portfolio reaches a total of 61 line references, offering a great variety of nutritional products.



Starting in 2018, Colombina 100% launches must include packaging with at least one environmentally friendly characteristic.

Offering innovative products

We highlight the following from among 2017 launches:



RED MEXICAN SAUCE



GREEN MEXICAN SAUCE



CHOCOBREAK MINI BAR STD



BON BON BUM CLEAR2



PONKY MINI BROWNIE



GREEK YOGURT SANDWICH CRACKER



POPSICLE WITH NATURAL PINEAPPLE CHUNKS



HONEY FIBER CRAKEÑAS



MUUU CREMADA MAX



SWEET CHILI SAUCE



OATMEAL AND GRANOLA COOKIES



GRISSELY COLLAGEN



BRIDGE SELECT HAZELNUT



PIAZZA ORANGE GIRAFFE



PONKY MINI PONKE VANILLA



BRIDGE SELECT CAPPUCCINO

In 2017, our Research and Development investment totaled 1.6 million dollars.

In 2017, the new products generated 5,7% of sales.





Relationships with Customers and Consumers

Digital Platforms

In 2017, we made significant progress in our relationships with our consumers through our digital platforms:

- 

 More than **325,000** users
- 

 We increased by **40%** the content offered to consumers
- 

 We increased visits to our websites by **18%**
- 

 Campaign reach through influencers is **11.5** Million users
- 

 We are the Colombian food company with the second-largest following on Instagram.

Customers

Sustainability applied to our customers relations invites us to understand changing business needs and to work on making everything that strengthens the relation of trust, generates value and sustainable growth for both parties.

In 2016 we implemented the SIGMA project, which consists of segmenting all our customers in order to develop differentiated and specialized value propositions for each one.

Since its implementation, SIGMA has allowed us to focus on other sources beyond transactions, such as:

- 
 Delivering clear, timely information.
- 
 Offering services and advice to improve productivity and profitability.
- 
 Strengthening the capacity for innovation and differentiation.
- 
 Developing new business opportunities.



Some of the most significant progress made in 2017 includes:



Consultancy in managing categories for 21 independent supermarkets and regional chains, and 3 drugstore chains, attaining improvements in the assortment and linear displays, and consequently, increased sales.



Consolidating of the new point of sale execution model (Merchandisers and Executives points of sale), improving the assortment service, implementing activities and team productivity.

Ice Cream Academy

We continued training our ice cream channel clients in all of Colombia on techniques to manage points of sale, image and new recipes. The objective is to generate profitable and sustainable businesses over time.

 **1,000**
customers
trained



This training effort allows our customers to grow and be job creators in their areas of influence at the same time.



Economic Efficiency and Continued Growth

GRI 102-7,102-18

Achieving economic efficiency and sustained growth is the foundation of our corporate strategy. We have the clear objective of maximizing profitability, but above all, conducting business ethically and managing internal and external risks to consolidate opportunities.

The Company's financial sustainability is reflected in the



According to the firm:

“Colombina shows a robustly competitive position supported by its diversified line of food products and outstanding market position that benefits from the strength of its brands and distribution logistics.”



In this chapter we define three material issues:



Financial Sustainability



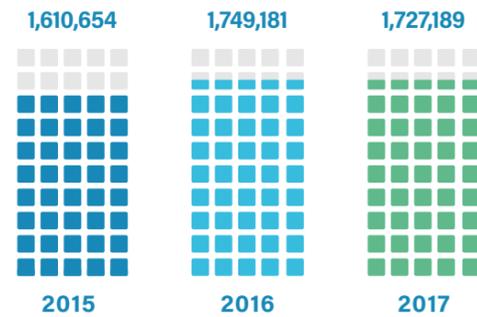
Risk Management



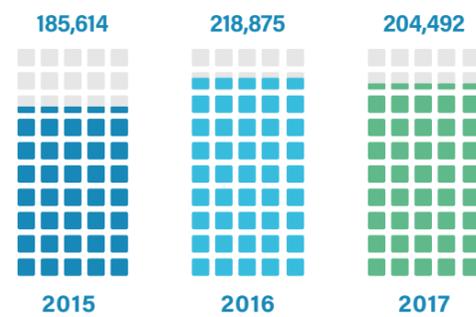
Corporate Governance

Financial Sustainability

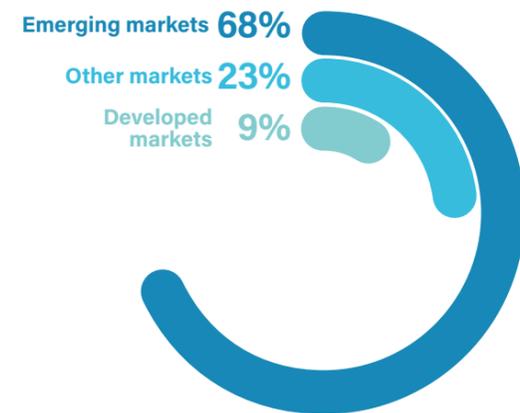
Net sales COP MM



EBITDA COP MM

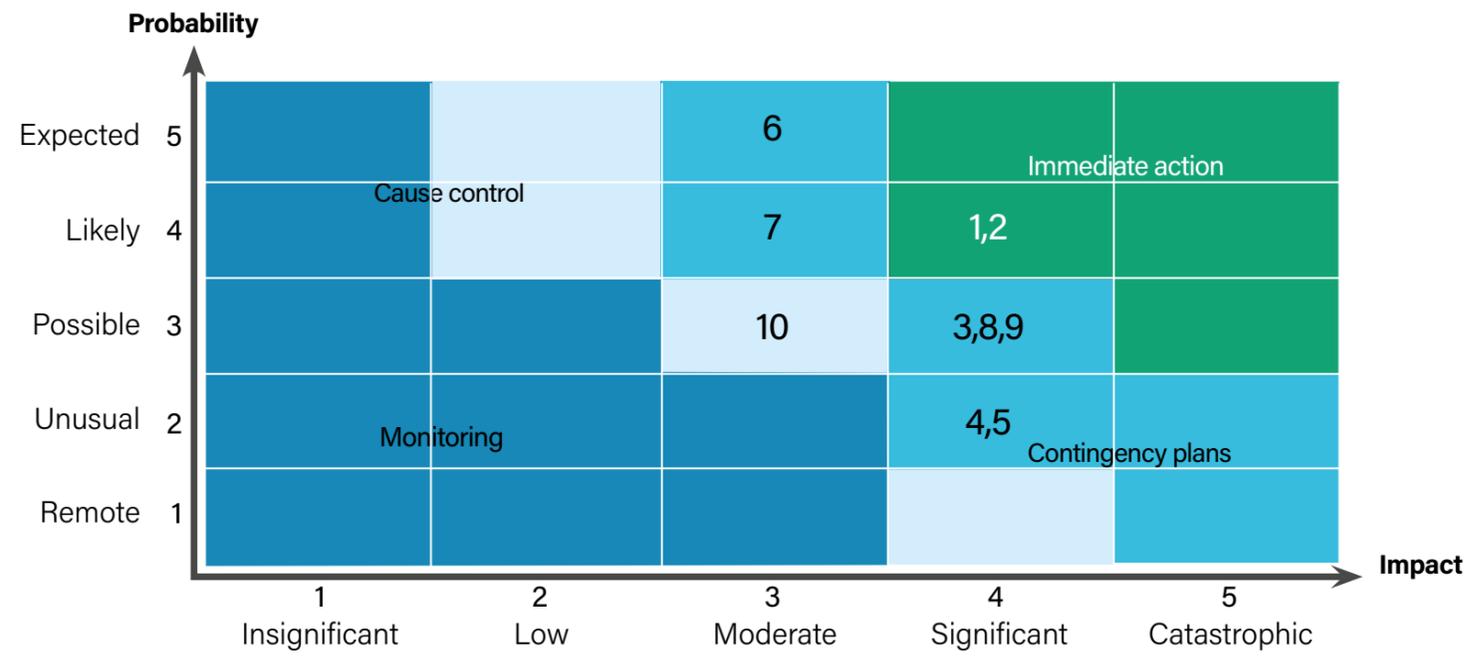


Sales by Markets



Risk Management

Under the coordination of the Strategic Planning VP, we manage risks and identify opportunities inherent to internal and external factors of the organization. This is how we define our Corporate Risk Map, which is reviewed every six months with all the Company VPs.



Risk	Responsible party
1. Instability in the regulatory framework for labeling and nutritional profiles	Legal and Corporate Affairs VP
2. Financial risk due to volatility in commodity prices and exchange rates	Administration and Finance VP
3. Non-compliance of the regulatory framework	Corporate Marketing VP
4. Failure in food safety control	Supply Chain VP
5. Supply chain disruption	Supply Chain VP
6. Highly competitive environment	Corp Marketing VP/Supply Chain VP
7. Effects of climate change	Supply Chain VP
8. Changes in consumer trends	VP Corporate Marketing
9. Impact on sales growth caused by changes in the dynamics and structure of distribution channels	Sales VP's
10. Difficulty achieving key talent	Human Resources VP

Corporate Governance

Good governance practices are fundamental in guaranteeing business sustainability.

Board of Directors

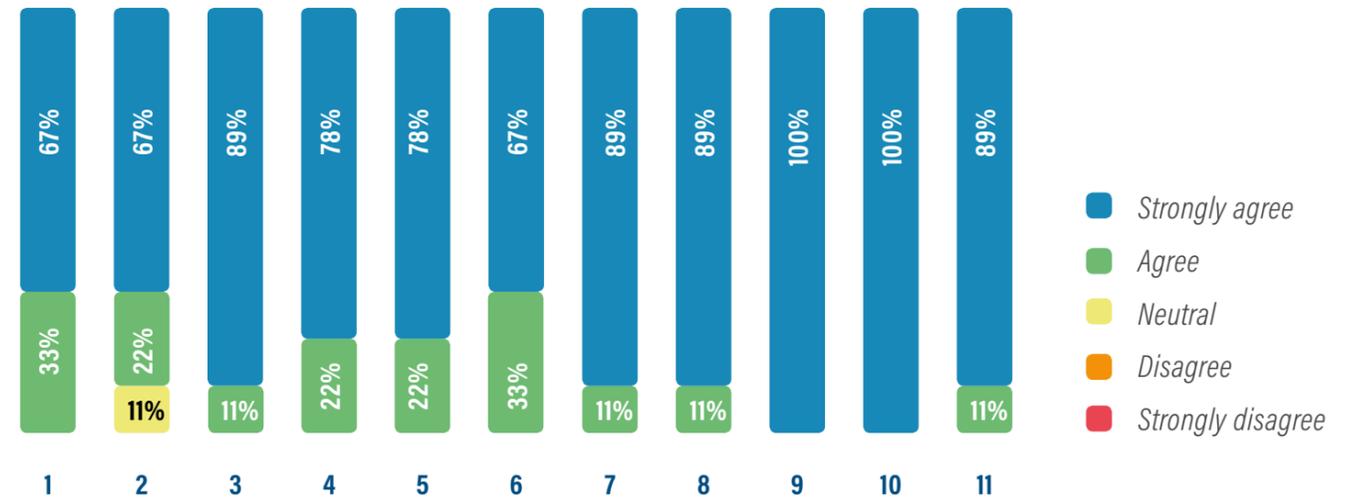
The Board of Directors is comprised of 9 principal and independent members and 9 alternates.



Principal	Alternate
Hernando Caicedo T. (Chairman)	Hernando Caicedo R.
Juan Manuel Caicedo C.	Mauricio Caicedo A.
Belisario Caicedo C.	Jorge A. Ogliastrri M.
Jacobo Tovar D.	Jacobo Tovar C.
Arturo Gómez G.	Juliana Gómez C.
Marco A. Caicedo J.	María Elvira Domínguez L.
Carlos Andrés Ospina C.	Juan Ramón Guzmán S.
Eduardo Salazar V.	Juan Guillermo Salazar V.
Sebastián Álvarez C.	Ernesto De Lima B.

In 2017, average attendance to Board Meetings was 89%.

An annual self-assessment of the directors was conducted, with the following results:



1. I faithfully attend Board Meetings
2. I get informed and prepare adequately for meetings
3. I am fully aware of Colombina's strategic vision and businesses
4. I participate actively, objectively and constructively at Board Meetings
5. I am impartial in expressing my points of view
6. I act independently from the Administration
7. I act with the best interest of the Company in mind
8. I promote and transmit ethical behaviors
9. I guard the confidentiality of privileged information
10. I guard the confidentiality of the Company's business and industrial information
11. I have enough time to fulfill my duties as a Board Member

10

Financial Statements

COLOMBINA S.A. AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION
As at December 31, 2017 and 2016
(Figures in million pesos)

ASSETS	2017	2016
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	\$ 39,447	\$ 20,841
Trade receivables and other receivables (Note 5)	195,173	186,520
Inventories (Note 9)	195,173	236,058
Tax assets (Note 6)	46,412	56,045
Other financial assets (Note 7)	1,676	1,753
Total current assets	501,290	501,217
NON-CURRENT ASSETS		
Investments in related parties (Note 9)	158	297
Property, plant and equipment (Note 10)	696,197	735,143
Investment properties (Note 11)	42,726	30,993
Goodwill (Note 12)	9,953	9,953
Other intangible assets (Note 13)	74,667	60,577
Deferred tax assets (Note 20)	3,079	6,528
Other financial assets (Note 7)	90,183	7,608
Total non-current assets	916,963	915,099
TOTAL ASSETS	\$ 1,427,253	\$ 1,416,316

LIABILITIES AND EQUITY	2017	2016
CURRENT LIABILITY		
Financial Obligations (Note 15)	\$ 117,918	\$ 144,121
Trade payables and other payables (Note 16)	297,794	280,633
Accounts payable to related parties (Note 17)	13,987	13,256
Liabilities for employee benefits and others (Note 18)	18,973	17,324
Tax liabilities (Note 19)	32,454	22,152
Other financial liabilities (Note 21)	15,755	51,641
Total current liabilities	496,881	529,127
NON-CURRENT LIABILITY		
Financial Obligations (Note 15)	690,752	608,558
Trade payables and other non-current payables	0	0
Accounts payable to related parties (Note 21)	0	0
Liabilities for employee benefits and others (Note 18)	10,537	11,136
Deferred tax liability (Note 20)	19,634	29,243
Other financial liabilities (Note 21)	753	1,700
Total non-current liabilities	721,676	650,637
TOTAL LIABILITIES	1,218,557	1,179,764
EQUITY		
Capital	18,705	18,705
Issue premium	0	0
Profit for the period	33,196	57,214
Retained earnings (Note 22)	65,304	71,438
Other equity interests (Note 23)	87,844	85,513
Equity attributable to owners of the parent company	205,049	232,870
Non-controlling interests (Note 9)	3,647	3,682
Total equity	208,696	236,552
TOTAL LIABILITIES AND EQUITY	1,427,253	1,416,316



Alfredo Fernández
De Soto S.
Chief Executive
Officer



Luis Fernando Calle M.
Statutory Auditor
Professional License No. 11.002-T
See report dated
February 14, 2018



Carlos A. Jurado B.
Accountant -
Professional
License No. 3713-T



Alfredo Fernández
De Soto S.
Chief Executive
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Luis Fernando Calle M.
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See report dated
February 14, 2018



Carlos A. Jurado B.
Accountant -
Professional
License No. 3713-T

COLOMBINA S.A. AND SUBSIDIARIES
INCOME STATEMENT

For the years ended December 31, 2017 and 2016
(Figures in million pesos)

	<u>2017</u>	<u>2016</u>
Revenue from ordinary activities (Note 24)	\$ 1,727,189	\$ 1,749,181
Cost of Sales	1,124,077	1,160,993
Gross profit	<u>603,112</u>	<u>588,188</u>
Sales expenses (Note 25)	(444,032)	(426,705)
Administrative expenses (Note 26)	(66,947)	(67,232)
Other revenue and operating expenses - net (Note 27)	31,842	58,908
Operating profit	<u>123,975</u>	<u>153,159</u>
Financial expenses (Note 28)	(76,934)	(78,061)
Financial revenue (Note 30)	736	2,167
(Losses) earnings from non-operating exchange rate differences (Note 29)	(174)	5,223
(Losses) from net monetary position (Note 29)	(771)	(818)
Profit before taxes	<u>46,832</u>	<u>81,670</u>
Expense from current income tax (Note 20)	(22,384)	(18,598)
Revenue (expense) from deferred current income tax (Note 20)	8,798	(5,824)
Total (expense) income tax	<u>(13,586)</u>	<u>(24,422)</u>
NET INCOME FOR THE YEAR	<u>33,246</u>	<u>57,248</u>
Result attributable to owners of the parent company	<u>33,196</u>	<u>57,214</u>
Result attributable to non-controlling interests	<u>50</u>	<u>34</u>
NET INCOME FOR THE YEAR	<u>\$ 33,246</u>	<u>\$ 57,248</u>



Alfredo Fernández
De Soto S.
Chief Executive
Officer



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Deloitte.

Deloitte & Touche Ltda.
 Calle 64 No. 5B - 146
 Sector C. Piso 3
 Centroempresa
 A.A. 4445/3645
 Nit. 860.005.813-4
 Cali
 Colombia

Tel: +57 (2) 524 7027
 Fax: +57 (2) 524 4836
www.deloitte.com/co

INDEPENDENT AUDITORS' REPORT

To COLOMBINA S.A. shareholders
 REPORT ON THE FINANCIAL STATEMENTS

We have audited the attached consolidated financial statements of COLOMBINA S.A. and subsidiaries, which include the statement of financial position as at December 31, 2017, the statements of income and other comprehensive income, the statement of changes in net equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility Regarding the Financial Statements

Management is responsible for preparing and correctly presenting these consolidated financial statements in accordance with Colombia's Generally Accepted Accounting and Financial Reporting Principles, and for the internal controls that management deems relevant for the preparation and correct presentation of financial statements that are free from material misstatement, either by fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under the circumstances.

Responsibility of the External Auditor

Our responsibility is to express an opinion on said consolidated financial statements based on our audit. We have carried out our audit in accordance with the International Standards on Auditing accepted in Colombia. Such standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. An audit consists in carrying out procedures to obtain audit evidence on the amounts and disclosures of the financial statements. The audit procedures selected depend on the auditor's professional judgment, including an assessment of the risk of material misstatement in the financial statements. In the risk assessment, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances. An audit also includes evaluating the accounting policies used and the material accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained provides a reasonable basis for the opinion we express below.

Opinion

In our opinion, in all material aspects, the financial position of COLOMBINA S.A. and subsidiaries, as at December 31, 2017 and the results of its operations and cash flows for the year then ended, in accordance with Colombia's Generally Accepted Accounting and Financial Reporting Principles.

DELOITTE & TOUCHE LTDA.

Juan Carlos Gutiérrez G.
 Partner

March 16, 2018

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Deloitte For Colombia, and its Deloitte Touche Tohmatsu limited

Deloitte.

Independent review report

Independent review of the 2017 Sustainability Report of the Colombina Corporate Group (Colombina)

Scope of our work

We completed the review of the compliance of the 2017 Sustainability Report contents with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines under the GRI Standard version

Standards and Procedures for Assurance

We have conducted our work in accordance with ISAE 3000 - *International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the *International Auditing and Assurance Standard Board (IAASB)* of the *International Federation of Accountants (IFAC)*.

Our review work consisted of posing questions to Management and the various areas of Colombina that participated in preparing the Sustainability Report, and also included the application of certain analytical procedures and review tests via sampling, as described below:

- Interviews with Colombina in order to understand the management principles, systems and approaches used in preparing the report.
- Analysis of how the content, structure and indicators of the report are defined, based on the materiality assessments as per the provisions of the GRI Standard methodology.
- Analysis of the processes for collecting and validating the data presented in the report.
- Verification, achieved through review tests based on the selection of a sample of quantitative and qualitative information corresponding to GRI and their own indicators included in the sustainability report and its adequate compilation based on data provided by Colombina information sources.

Confirmation that the Integrated Report has been prepared in accordance with the GRI Standard methodology in its "Essential" version.

General aspects

We have confirmed that the report aligns with the requirements of the essential option of the general aspects of the GRI Standard version

Specific aspects

We reviewed the management approach (103-1, 103-2 and 103-3) and GRI indicators and Material Issues indicators.

Deloitte & Touche Ltda. Edificio
Car. Colombiana
Calle 16 Sur 43 A-49 Piso 9 y 10
AA 404
Tax ID number 860.005.813-4
Medellin,
Colombia

Tel : 57(4) 313 88 99
Fax : 57(4) 313 32 25
www.deloitte.com.co

Responsibilities of both Colombina and Deloitte's Management

Preparing the 2017 Sustainability Report and its content is the organization's responsibility, which is also responsible for defining, adapting and maintaining the management and internal control systems from which it obtains the information.

Our responsibility is to issue an independent report based on the procedures applied in our review.

This report has been prepared exclusively for the organization in accordance with the terms of our service proposition. We assume no liability to third parties other than the Company's Management.

We have performed our work in accordance with the independence standards required by the Ethics Code of the International Federation of Accountants (IFAC).

The scope of a limited review is substantially less than that of an audit.

Therefore we are not issuing an audit opinion on the Sustainability Report.

DELOITTE & TOUCHE LTDA.
Jorge Enrique Múnera D.
Partner

Cali, March 2018

A firm member of
Deloitte Touche Tohmatsu

General GRI indicators

Content that changed from version G4 to Standard	General aspects of the report	Page/Response	Omission	External Audit
Strategy and Analysis				
	102-14. Statement by the maximum authority of the organization's decisions made pertaining to the relevance of sustainability for the organization.	*Message from the CEO	Not applicable.	x
	102-15. Description of key impacts, risks, and opportunities.	*Message from the CEO	Not applicable.	x
Organizational Profile				
	102-1. Name of the organization.	*Message from the CEO	Not applicable.	x
G4.4 Report main brands, products and services.	102-2. Activities, brands, products, and services	* Organization profile / Main brands	Not applicable.	x
	102-3. Location of headquarters	* Contact	Not applicable.	x
	102-4. Location of operations	* Organization profile / global presence and value chain	Not applicable.	x
	102-5. Nature of ownership and legal form.	* Contact	Not applicable.	x
	102-6. Markets served (including geographic breakdown, sectors served, and types of customers).	* Organization profile / global presence and value chain	Not applicable.	x
	102-7. Report the organization's scale, including: - Number of employees. - Total number of operations. - Net sales or revenue. - Number of products or services offered.	* Our Employees * Economic Efficiency and Continuous Growth / Financial Sustainability	Not applicable.	x

Content that changed from version G4 to Standard	General aspects of the report	Page/Response	Omission	External Audit
G4.10 Report the following employment information: - Report total number of employees by contract and gender. - Report total number of employees by region and gender.	Information about employees and other workers	* Our Employees	Not applicable.	x
	102-41. Report the percentage of employees covered by collective bargaining agreements.	* Our Employees / Well-being at work and working conditions	Not applicable.	x
G4.12 Describe the organization's suppliers' chain.	102-9. Describe the organization's suppliers' chain.	Promoting Competitiveness * Organization profile / global presence and value chain	Not applicable.	x
	102-10. Significant changes during the reporting period regarding size, structure, or ownership or in the organization's suppliers' chain.	* Message from the CEO	Not applicable.	x
	102-11. Explanation of whether the precautionary approach or principle has been addressed by the organization.	We have an Enterprise Risk Management process (ERM), each business Unit's risk map is monitored periodically, as well as all enterprise risks related to the company's strategy, operations, governance and regulatory compliance.	Not applicable.	x
	102-12. Externally developed economic, environmental, and social principles to which the organization subscribes or endorses.	* Social Development	Not applicable.	x
	102-13. Memberships in associations (such as industry associations) and/or national/international advocacy organizations the organization supports.	Guilds and Associations we participate in: ANDI, AMCHAM, ICONTEC, LOGyCA, FENALCO, Chamber of Commerce, Colombian-Chilean Industry, ANALDEX, BASC, CUEEV, IDLA (La Paila Development Institute).	Not applicable.	x

Content that changed from version G4 to Standard	General aspects of the report	Page/Response	Omission	External Audit
Identification of material aspects and limits				
102-45. List the entities described in the consolidated financial statements and report if any of them were not included in the sustainability report.	<ul style="list-style-type: none"> *Colombina del Cauca *CAPSA *Productora Centroamericana de Alimentos *Productos Lacteos Robin Hood *Conservas Colombina *Chicles Colombina *Colombina S.A. *Colombina de Venezuela *Distribuidora Colombina S.A. *Arlequin Comercial S.A. *Colombina USA Inc *Distribuidora Colombina del Ecuador *Productora Andina de Dulces *Colombina de Puerto Rico LLC. *Colombina de Chile Ltda. *Distribuidora ColdisC.A *Representaciones Dulces Colombina S.A *Colombina Z.F A.A. *Colombina del Perú S.A.C *Colcandt C.A. *Coldis S.A *Pierrot Ltda. *Dispierrot S.L *Colombina HK Limited - Hong Kong 	Not applicable	x	
*Of these legal entities, only the ones that have a production plant are included in this report, with the exception of Comexa.				
102-46. Explain the process to define the report's content and aspects reported.	*Sustainability Strategy/Materiality Analysis	Not applicable.	x	
G4.19 List all the material aspects identified in the process to define the report's content.	102-47. List of material topics	* Sustainability Strategy/Materiality Analysis	Not applicable.	x
G4.20 Report if each material topic affects the entire organization. Otherwise, indicate which aspect is not material for any of the entities that are part of the organization.	103-1. Explanation of the material topic and its coverage	*All topics are material for the entire organization.	Not applicable.	x
103-1. Report if each material topic is material outside the organization.	*All topics are material outside the organization.	Not applicable.	x	
102-48. Description of the effect of restatements from previous reports, along with the reasons that motivated said restatement.	*No restatements were noted.	Not applicable.	x	

Content that changed from version G4 to Standard	General aspects of the report	Page/Response	Omission	External Audit
	102-49. Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	*Changes in the Sustainability Strategy: A new priority and restatements of 3 material issues (Customer and Consumer Relationships, Risk Management and Financial Sustainability). *Change in the way the launch indicator associated to the "Offer of innovative products" material topic is calculated	Not applicable	x
	Stakeholders			
	102-40. List of stakeholder groups.	*Sustainability Strategy/Stakeholders	Not applicable	x
	102-42. Identifying and selecting stakeholders.	In 2009, Colombina took part in a consultation offered by AxisRSE through Comfandi Family Welfare Fund for the construction of the RSE Regional System in Valle del Cauca. A workshop was conducted with Colombina's management group as part of the consultation to determine the Company's Stakeholders, with the following results: customers and consumers, society, the government, employees, shareholders, suppliers and the environment.	Not applicable	x
	102-43. Approach to stakeholder engagement.	*Sustainability Strategy / Stakeholders	Not applicable	x
	102-44. Key topics and concerns raised.	* Sustainability Strategy	Not applicable	x
	Report profile			
	102-50. Period covered by the information contained in the report.	*About the report	Not applicable	x
	102-51. Most recent date of previous report.	*About the report	Not applicable	x
	102-52. Report cycle (Annual - Semi-annual).	*About the report	Not applicable	x
	102-53. Contact point for questions regarding the report or its contents.	* Contact	Not applicable	x
G4.32 Report the option according to the GRI methodology selected by the organization (Core-Comprehensive). Report the GRI table of contents.	102-54. Claims of reporting in accordance with the GRI Standards i. This report has been prepared in accordance with GRI Standards: Essential option; ii. This report has been prepared in accordance with GRI Standards: Comprehensive option.	*About the report	Not applicable	x
	102-55 GRI content index			
	102-56 External assurance			
	102-56. Report the company's policy or approach to obtain and external audit for the report.	*About the report	Not applicable	x
	Governance			
	102-18. The organization's governance structure, including the highest governing body's committees. Identify if there is any type of committee responsible for supervising economic, environmental and social issues.	*Economic efficiency and continuous growth/Corporate Governance *There is a Board of Directors in charge of directing the organization's performance. There is an Audit Committee, it is the only one part of the Board of Directors at this time. The creation of other committees has not been deemed necessary thus far. The Audit Committee is a requirement of Article 45 of Law 964/2005.	Not applicable	x

Content that changed from version G4 to Standard	General aspects of the report	Page/Response	Omission	External Audit
102-19. Report the process for Upper Management to delegate authority on economic, environmental and social issues to senior executives and other employees.	*Authority is delegated to the Sustainability Committee			x
102-20. Report if the organization has selected an executive position or positions with responsibility over economic, environmental and social issues, and if said position reports directly to Upper Management.	*Strategic Planning Vicepresident			x
102-21. Consulting stakeholders on economic, environmental, and social topics	*Authority is delegated to the Sustainability Committee. The Sustainability Committee meets periodically with the CEO to go over the company's sustainability management results.			x
102-22. Report the composition of Upper Management and its committees: - Executives and non-executives. - Self-employed workers. - Duration of the term. - Gender. - Members of minorities. - Skills related to economic, environmental and social issues.	*About Colombina/Corporate Governance/Structure *Executive and non-executive members: 0 - Independent members: 18 - Gender: two (2) members are women, the remaining sixteen (16) are men - Duration of the term: 1 year Total Board of Directors size: 18 Board Members Colombina's Board of Directors is comprised of 9 principal members and 9 alternates. Colombina's Board of Directors' principal members and alternates are considered independent as long as they abide by the provisions of Paragraph Two of Article 44, Law 964/2005.	No information reported on how long they serve, whether they are minority members, or if they have competencies related to managing economic, environmental and social issues.		x
102-23. Indicate if the Chairman of the highest governing body also holds an executive position (if so, explain his/her function in the organizations and the reasons that justify it).	*The Chairman of the Board does not hold an executive position in the company.			x
102-24. Nominating and selecting the highest governance body: - Diversity. - Independence. - Experience on economic, environmental and social topics. - Shareholders are involved.	With regard to senior executives, all candidates are submitted to the full Board of Directors for consideration. Board Member candidates are submitted to the Meeting of Shareholders for election.			x
102-25. Processes in place for the highest governance body to ensure conflicts of interest are avoided.	When a director finds that he/she may be involved in a conflict of interest in the exercise of his/her duties, he/she must immediately report it to the other Board Members. Moreover, he/she shall abstain from participating in the discussion and decision of the issue that generated the conflict of interest.			x

Content that changed from version G4 to Standard	General aspects of the report	Page/Response	Omission	External Audit
		In the event that the majority of the directors are involved in a situation that could potentially present a conflict of interest, said body shall abstain from carrying out the operation or entering into the act or contract that generated said situation, unless expressly authorized by the Meeting of Shareholders under the terms of Law 222/1995.		
	102-25. Processes in place for the highest governance body to ensure conflicts of interest are avoided.	When the individual involved in a conflict of interest is a company administrator or official, he/she shall immediately inform his/her immediate supervisor, who in turn will bring the matter to the CEO so that he/she can determine in each specific case how to avoid or resolve the conflict.		x
		In every case, if the CEO feels that the Board of Directors must be apprised of the potential conflict of interest, he/she shall submit all the information on the particular to the Board so that it can decide on the mechanisms to avoid or resolve the conflict.		
	102-26. Report the role of the highest governing body and senior executives in the development, approval and renewal of the purpose, values, mission, strategies, policies and goals related to economic, environmental and social issues.	There is a sustainability committee in the Company, headed by the CEO, who is in charge of approving initiatives submitted by the various committees under which the Sustainability Committee is divided. Each committee is headed by the company's senior executives and Board Members.		x
	102-27. Report measures taken to develop and strengthen the knowledge of the members of the highest governing body on economic, environmental and social issues.	In 2014 the company implemented an Orientation Manual for new Board Members.		x
	102-29. Report the role of the highest governing body in identifying and managing economic, environmental and social impacts, risks and opportunities.	There is a sustainability committee in the Company, headed by the CEO, who is in charge of approving initiatives submitted by the various committees under which the Sustainability Committee is divided. Each committee is headed by the company's senior executives and Board Members.		x
	102-30. Report the role of the highest governing body in reviewing the effectiveness of the risk management for economic, environmental and social issues.	The work is based on the risk map approved and reviewed by the Board of Directors		x
	102-32. Report the highest committee or position responsible for reviewing and approving the sustainability report and ensuring that all material topics are covered.	The sustainability report is approved by the Company's Chief Executive Officer		x
	Ethics and Integrity		Not applicable	
	102-16. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Organization profile		x
G4.57 Report the internal and external mechanisms available to request assistance on issues of ethical behavior and organizational integrity, including hot lines and help lines.	102-17. Report internal and external mechanisms available to report concerns about unethical or improper behaviors by means of a report to upper management, help line or ethics hot line.	*Our employees / Human Rights		x

Specific GRI Indicators

Pillar	Topics/Relevant Issues	GRI Indicators/Own	Page/Response	Omission	External Verification
Environmental Performance	Efficient Water Use	DMA Efficient water use	23		x
		*303-1. Total water consumption by source.	23		x
		*306-1. Total water discharge by quality and destination.	23	Figure not reported by quality and destination	x
		*Own. Water consumption (M3/ton produced)	23		x
	Climate Change Management	DMA Climate Change Management	25		x
		*305-4. Greenhouse Gas Intensity: Co2 emissions (Ton Co2/Ton).	25		x
		*305-1. Co2 emissions Scope 1	25		x
		305-2 Co2 emissions Scope 2	25		x
	Energy Efficiency	DMA Energy efficiency	26		x
		*302-1. Energy consumption at the organization.	26	Energy consumption figure not reported in kWh	x
		*302-3. Energy intensity.	26		x
		*302-4. Reductions in energy consumption.	26		x
	Creating opportunities for young people in the	DMA Waste Management and Reduction	27		x
		*306-2. Total weight of waste by type and disposal method.	27		x
		*Own. Use of waste	27		x
*Own. Total weight of waste (Kg/Ton produced)		27		x	

Pillar	Topics/Relevant Issues	GRI Indicators/Own	Page/Response	Omission	External Verification	
Social Development	Early Childhood Development	DMA Early Childhood Development	38		x	
		*Own. Number of children benefited by children's homes	38		x	
	Creating opportunities for young people in the communities where we operate	DMA Creating opportunities for young people in the communities where we operate	32		x	
		*Own. Number of persons benefited by programs that create opportunities for young people in the communities where we operate	32 - 37		x	
Promoting Competitiveness	Relations with suppliers and contractors	DMA Relations with suppliers and contractors	42		x	
		*414-2. Percentage of current suppliers who have been assessed using social criteria		71% of suppliers of raw materials, packaging and logistics (level 1) have been assessed on social and environmental issues.	x	
		*308-2. Percentage of current suppliers who have been assessed using environmental criteria			71% of suppliers of raw materials, packaging and logistics (level 1) have been assessed on social and environmental issues.	x
		*Own. Number of suppliers certified and re-certified	42		x	
	Logistics and Transportation		*Own. Accident frequency rate indicator for contractors.	43		x
			DMA Logistics and transportation	46		x
			*Own. Implementation statistics electric car initiative	46		x
			*Own. Implementation statistics high cubic vehicle program	46		x
	Fostering Big Brother competitiveness		DMA Fostering Big Brother competitiveness	45		x
			*Own. Big Brother volunteer hours	45		x
		*Own. Monetary value Big Brother volunteer hours.	GRI Content Index		x	
		*Own. # of companies benefiting from Big Brother program	45		x	
Our Employees	Well-being at work and working conditions	*Own. # of Big Brother replicas	45		x	
		DMA Well-being at work and working conditions	51		x	
		*Own. Result of organizational climate survey		Not measured in 2017. Will be measured in 2018.	x	
		*Own. Number of employees that purchased a home or received supplement for repairs.	51		x	
		*Own. Key position turnover	50		x	
		* 401-1. Total number of employees, rate of new employee hires and employee turnover by age group, gender, and region.	50	Information not broken down by age, gender and region.	x	

Pillar	Topics/Relevant Issues	GRI Indicators/Own	Page/Response	Omission	External Verification
	Health and safety of employees	DMA Employee health and safety	54		x
		*403-2. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender.	54	Not reported by gender.	x
Organizational Development		DMA Organizational Development	54		x
		*404-1. Average training hours every year per employee and gender, and broken down by employee category	55		x
		*404-3. Percentage of employees receiving regular performance and career development reviews, by gender.	56		x
		*Own. Value of educational assistance	55		x
		*Own. Investment in training.	55		x
		*Own. Total number of employees trained.	55		x
Relationships with customers and consumers		DMA Relationships with customers and consumers	61		x
		Own. Description of initiatives developed for customer and consumer relationships	61		x
Quality and safety in production processes		DMA Quality and safety in production processes			x
		FP5. Percentage of production volume manufactured at plants certified by an independent third party following international food safety standards.	47		x
Quality, transparency and nutrition	Improving the nutritional profile	DMA: Improving the nutritional profile	59		x
		*Own. Number of references and % of sales with GDA label.	59		x
		*Own. Number of references and % of sales of new products with positive social impact	59		x
		*Own. Number of references Colombina 100%	59		x
Offer innovative products		DMA Offer innovative products	60		x
		*Own. Description of new product launches	60		x
		*Own. % of revenue from new products launched over the last 2 years	60		x
Risk Management		DMA Risk Management	66		x
		*Own. Description of initiatives developed for adequate risk management.	66		x
Economic Efficiency and Continued Growth	Financial Sustainability	*Own. Amount and value of penalties paid	No penalties were paid in 2017		x
		DMA Financial Sustainability	65		x
		*Own. Net sales.	65		x
		*Own. Sales by markets	65		x
		*Own. EBITDA.	65		x
		*Own. Net profit	65		x



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