

2017 Sustainable Management Report Strengthening our bases to transcend.









This report has been prepared based on the **GRI Standard** in accordance with the core option, covering the period of the 2017 calendar year. It includes all the operations of **Team Foods in Colombia, Mexico, Chile and BredenMaster**, which is still in the process alignment and standardization phase. The operation of BredenMaster Colombia is not taken into account yet on the environmental front.

This report has been verified by **Deloitte & Touche** in order to ensure the transparency, quality and scope of the information reported.

2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.

Nourishing a Better Tomorrow

- Message from the President
 Who We Are
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SOY RESPONSABLE DE MI SEGURIDAD Y DE LA TRANQUILIDAD DE MI FAMILIA

Eliécer Manuel Noble Guerra Water Treatment Plant Operator at the Barranquilla Plant

2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.

Message from the President

[102-14/15]

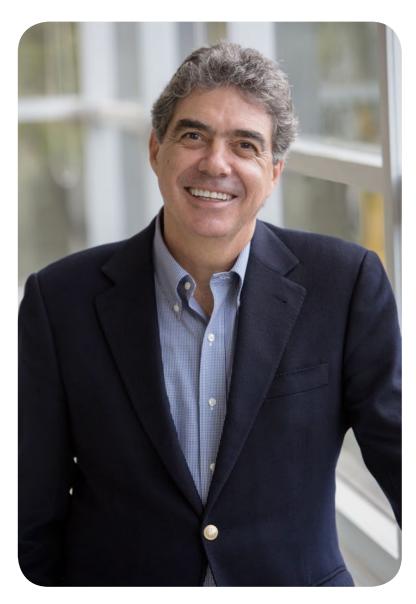
Throughout our history, we have focused on working to nourishing a better tomorrow. In this tireless work, which is the very essence of our business, we have been in permanent innovation, in the search for new products and different ways of doing things, that respond to the challenges imposed by the market. That is precisely what has made us a company that sells solutions in lipids and fats that generate well-being for our customers and consumers.

In line with this higher purpose that governs our actions, I am very proud to present you with our 2017 Sustainable Management Report, in which we can see that at Team we work to go above and beyond with each and every one of our stakeholders, in order to become the best place to work, the preferred option for our customers and consumers, the best investment for our shareholders and an ally for the development and growth of the suppliers, communities and governments with which we interact. We also stand out for our responsible management of the natural resources in our operational processes in order to minimize any negative impacts on the environment, in strict observance of the applicable legal and regulatory framework to ensure our profitable growth in the long term.

As you can see in this report, thanks to our knowledge and ability to leverage brands, we are exploring new products and solutions for customers and consumers, and we are exploring new categories such as vegetable drinks, nutraceutical products and frozen breads, which has allowed us to bring our operation to other countries, as well as export our products and solutions to other regions of South America, Central America and the Caribbean.

We are very optimistic about our future and we are upholding our commitment to continue taking actions in favor of our stakeholders, in order to continue generating value. We have also kept our firm intention to provide proper and balanced nutrition that is part of an optimum lifestyle.

I would like to thank every one of the people who day by day allow us to fulfill our purpose of nourishing a better tomorrow, especially our employees who have made these results possible and I invite them to stay with us on the same path that has made us a company that is responsible toward people, the planet and productivity.



Luis Alberto Botero President and CEO

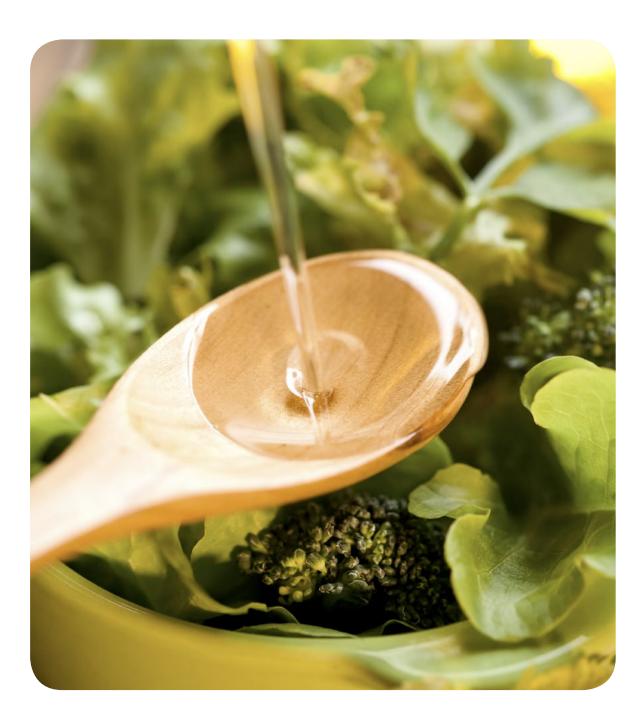
Who We Are

[102-2/3/4/6/7/8/41]

We are a solid multilatino group with recognized expertise in lipids and fats, aspects on which we base our commitment to creating solutions and products that generate high value for customers, partners and consumers, and accompany the establishment of balanced lifestyles.

For all of these reasons, we are working to place quality, innovative and reliable solutions with a major component of responsible nutrition in the industries, bakeries, restaurants and homes of the countries in which we operate. The development of our business is based on sustainability, which includes processes that are respectful of the environmental, social and economic settings to ensure growth and profitability. In addition, the intrinsic innovation in all our processes, enables us to always be one step ahead, and offer customers and consumers products and solutions of the highest quality that satisfy their needs.

To Team, people come first, so our employees are at the heart of our business, to continue providing a suitable environment for their personal and professional growth.

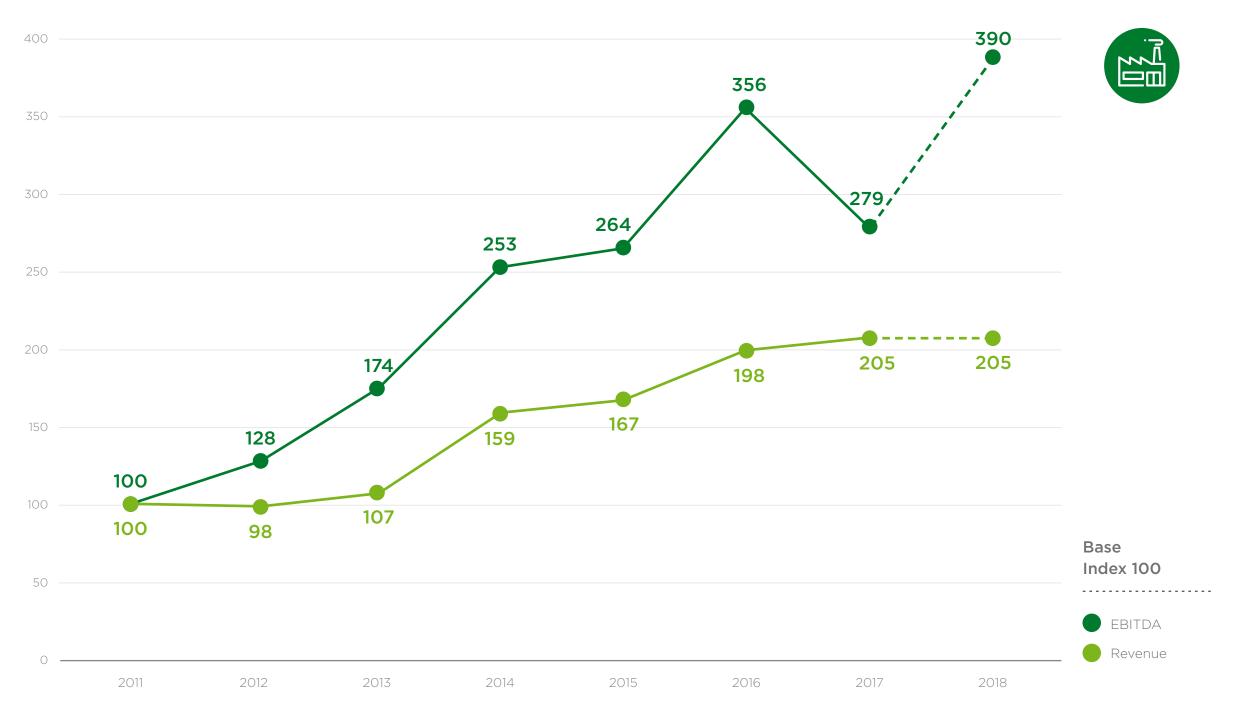


CHAPTER 1

WE ARE BUILDING A BETTER TOMORROW

2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.





Direct

Operational structure: exporting presence

8

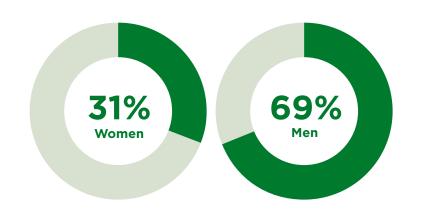


Covered by collective bargaining agreements

employees 2017

2,470

26.32%



Colombia: 1,073 **Mexico: 183** Chile: 1,214







Strategic Business Groups





Consumption

Where all our product lines are located to meet market needs and direct consumers, always based on the highest quality standards to ensure products that are part of a balanced diet.



Serves the industry.



BredenMaster

It is defined as a global business that delivers baked goods solutions to our customers, providing consumers with freshly baked bread any time of day.

Our Management



QR for 2016 Report



Our People

Attracting and developing the best talent to make Team a great place to work.

Our Customers and Consumers

We are their top choice because we provide them with value for their brands through products and solutions that generate significant and different benefits.

[102-11/46]

Today, we are a company that sells solutions in lipids and fats that generate well-being for our customers and consumers.

Based on the corporate Sustainability Model, and guided by the international development agenda and the 17 Sustainable Development Goals of the United Nations, we are working on 8 different fronts in order to respond to the expectations of our various Stakeholders, creating value for all in the process.

We are now working under new realities, new consumers, new products, new channels, but above all, under new expectations. That is why we have defined the four strategic priorities in response to those new market requirements and the desire to innovate, to be disruptive and to go beyond the status quo, which has characterized us from the very beginning.



Our Shareholders

As their best investment, we are ensuring profitable growth for them.



Sustainability

We manage our resources to ensure the achievement of the strategic objectives based on the economic, environmental and social pillars.

Organizational Advances

[102-10]

The year 2017 was marked by many challenges that led us to reinvent ourselves, as we have done throughout the company's history of more than 65 years. This has enabled us to understand and meet market and consumer needs, which are in a constant state of evolution. We realized that we are an Organization that has grown rapidly, and we have taken on the task of strengthening our solid foundations for the future.

In corporate matters, we are carrying out a series of organizational changes focused on continuing tomove forward in our objectives and in the generation of added value for our stakeholders. We understand that our processes have room for improvements that will provide us with greater mobility and agility in our operation, without losing the strength in the activities that comprise them.

We can reaffirm that Team is currently living the most important moment in its history and we are working on a new vision and position in a clearly different world.

We are building a new Team in which our commitment is to excel with all our stakeholders.







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	RELATED SGO		MANAGEMENT AREA	SPECIFIC CONTRIBUTION
	3 GOOD HEALTH AND WELL-BEING	Good Health and Well-Being	Nutrition and Healthy Lifestyles	• Research and development of products to contribute to the prevention of non-communicable diseases
	5 GENDER EQUIALITY	Gender Equality	Strategic Development of Talent	• Ensuring working conditions, procedures and practices for equal opportunities
	8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth	Strategic Development of Talent	Hiring with a salary above the current minimum wageBenefits and wellbeing programs
We are committed to promoting the United Nations Sustainable Development Goals (SDGs), so each of these fronts has a direct or indirect impact on these goals, thus contributing to local, regional and global development through our operation.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production	 Quality and Customer and Consumer Satisfaction Environmental responsibility and conservation of natural resources 	 Manos Verdes [Green Hands] used vegetable oil collection program, and post-consumer campaigns Waste management and use Measurement and management of water and energy consumption
	13 climate	Climate Action	Environmental responsibility and conservation of natural resources	• Measurement and management of environmental emissions
	15 LIFE DI LAND	Life on Land	Environmental responsibility and conservation of natural resources	 Promotion and use of lipid feedstock produced according to sustainability standards





Nutrition and Healthy Lifestyles

- 15 Production of Healthy Food Products and Healthy Lifestyles
- ¹⁶ Research, Development and Innovation
- 17 Awards
- 19 2018-2020 Challenges

María Angélica Parra Manager of International Businesses

team

- 3.-





We have continued our commitment to build a better tomorrow driven by our scientific knowledge in lipids that, through research, innovation and development, has enabled us to produce healthy food and promote a healthy culture. We aim to ensure the profitable growth of the Organization in the medium and long term through this strategy.

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We are confident that we can directly impact the lives of our consumers through the production of foods that meet their needs in nutrition and enjoyment, based on the awareness that eating habits and lifestyles have changed in recent decades.

Overweight and obesity rates in the population have soared, along with the rise of other diseases closely related to food. That is why we believe in the important role of lipids as a macronutrient in healthy diets and we are committed to the pursuit and realization of related benefits to build a better tomorrow.

Production of Healthy Food Products and Healthy Lifestyles





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By exploring high-impact technologies, expanding the customer and product portfolio and exploring new categories and business models, we aim to have a positive impact on society through the important role of lipids in the body in order to influence their increasingly healthy lifestyles and habits.

The demystification of fats in society continues to be one of the causes that we are actively promoting through our networks, based on scientific information to demonstrate their benefits at different times in our lives.

Follow us on Facebook to stay up to date with our latest news

We would like to highlight the launch of **Jappi** in Colombia, a vegetable drink especially designed to solve a need for a growing segment of the population in our region: lactose intolerance. This drink, which comes in natural flavor and vanilla flavor, is an excellent alternative for all preparations at any time of the day because of its easy digestion. More information about this product at **www.jappi.com.co**



Research, Development and Innovation

[T1]

T eam consolidated its Research Department, and its Applied Research Group in Lipids, is recognized by Colciencias at level D¹. This group has professionals who hold a PhD and/or Master's degree with expertise in life sciences, chemistry and food science, which qualifies them for conducting research related to nutrition and health.

The work plan was fulfilled as required for three priority research projects based on the strategy of new products focused on the functionality of lipids, health and nutrition, through the leveraging and strengthening our capacities by signing two agreement with research centers of universities in Holland and Colombia.

Investment in R&D as a percentage of corporate revenue remained at 1% for the fifth consecutive year, highlighting its continuity and relevance to the Organization.

^{1.} Colciencias levels (A, B, C and D) are based on the volume of scientific research and production, where level A is for those who conduct the largest volume of scientific research.



CHAPTER 2

Awards



Through the applied science projects carried out by the Team Applied Research Group in Lipids, the research and development team was recognized by the Colombian Government's Administrative Department of Science, Technology and Innovation (Colciencias) as a R+D+i Business Unit, which provides us with special benefits when submitting our project proposals in terms of deadlines, scores, and access to funds.



Colciencias highlighted Team as a pioneer of Bioeconomics, which is the science of sustainability management, whose objective is to achieve lasting socio-economic development through the efficient, intelligent and responsible use of natural resources.









In development, we are aware of the fact that our role goes beyond delivering products and ingredients with health and nutritional benefits, providing our customers with solutions that, by working together with them and identifying synergies with our applied knowledge and, will result in benefits for consumers.

In 2017, our work was focused on developing alternatives and modifications of products in response to the new regulatory requirements related to the nutritional profiles of products. Not only was support provided for the regulatory debates on these aspects in Chile and Colombia, but assistance was offered to our customers in order to comply with these requirements.



We innovated presentations and products to provide our consumers with more alternatives to make life easy in their preparations, highlighting the spray presentations of Olivetto Extra Virgin Olive Oil, Control **Gourmet Oil, Gourmet Coconut Oil** and La Buena Butter-flavored Oil. This presentation is intended to help control consumption and facilitate its use for different applications. We also continued to explore different categories, increasing our presence in regional markets to consolidate our objective of nourishing a better tomorrow.

2018-2020 Challenges





- **Breaking the stigma of fats as a harmful nutrient,** a paradigm that creates a conceptual distortion in consumers and customers, through education for the creation of eating, health and lifestyle habits regarding fats and the foods that contain them
- 2
- **Consolidating the portfolio of products and proposals** reflected in our participation in new brands, categories and businesses that will make us a relevant player in health and nutrition on the market



Developing innovative and competitive products with high quality standards, according to the new trends in legislation and consumer requirements



Strengthening our R&D capacities to increase product launches





Integrity, Compliance and Transparency

- 22 Corporate Integrity
- ²³ What is the Ethics and Compliance Program?
- 25 Team Group Integrity Hotline
- Corporate Governance, Accountability and Decision-making
- 27 Human Rights
- 28 2018-2020 Challenges

Claudia Barrera Director of Food Service & Bakery

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team







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Integrity, compliance and transparency are fundamental values at the Organization, which provide us with the internal bodies and structures required for transparent, reliable and responsible governance and to be an ally for local and regional development. This is how we promote a culture of accountability, both internal and external, by mitigating negative impacts that may affect the Organization's reputation or integrity and protecting the interests of our stakeholders. In view of recent risks related to anti-competitive behavior, corruption and business ethics, there is a clear need to strengthen internal controls and processes to ensure the Organization's integrity and compliance at all times.

Corporate Integrity

CHAPTER 3 • • • • • • • 22



[102-17; 205-2]

The Ethics and Compliance Program was implemented in Colombia after a detailed process of review, analysis and diagnosis of our internal processes and documents, and interviews of different positions for the design of the program, with the assistance of a third-party expert in these matters. It consists of 12 policies and its objective is to strengthen the Organization's management in ethics and compliance, by identifying areas of opportunity, risks and processes that require Special attention within this context. We are confident that this program will ensure our management for the proper protection and mitigation of related risks.

This program will be the basis of management for the newly created Compliance Department, which has been a long-time challenge and, by the end of 2017, it became a reality. As a complement to the strengthening process, we would also like to highlight the procurement of a tool to screen third parties on more than 100 restricted lists.



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What is the Ethics and Compliance Program?

The program is a tool that centralizes all matters related to the fundamental values of Team.

This is where the policies procedures and areas of responsibility are defined for use by Team to run the company's business in an ethical manner and in compliance with the law.

In order to nourishing a better tomorrow, we have to be transparent and be certain that we are doing our job in the best possible way.







Success Story Training in Corporate Integrity

In 2017, employees in Colombia were certified in different policies that make up the Business Ethics Program, including the Personal Data Policy, the Code of Conduct, the Policy on Self-control and Management of the Risk of Money Laundering and Terrorism Financing (SARGLAFT for the Spanish original), Risk Prevention of Fraud and Conflict of Interest, through the Somos Ejemplo [We set an example] virtual platform. These certifications had an average employee attendance of more than **92%** Altogether, exceeding proposed goal of

90% Except for Personal Data, which reached an attendance of

80% de participación.





Team Group Integrity Hotline



In order to achieve the highest level of stakeholder satisfaction, Team has set up an Integrity Hotline that allows anyone to report irregular behavior or inappropriate practices related to the Organization's operation, administration, control and governance. The procedure in place for this purpose guarantees confidentiality, as it is managed by a third party outside T eam, who processes complaints or reports to managers appointed by the Company, thus ensuring the anonymity of the complainant.

The purpose of Team's Integrity Hotline is to provide employees, suppliers, customs and other people related to T eam with the opportunity to:

 Report any incident that may violate the law or the code of conduct set out in the Organization.

2 Get an answer after investigating the event reported.

This hotline is available 24/7 for all stakeholders to report their cases confidentially and anonymously if they wish, through the following channels:

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Website https//teamfoods.alertline.com/



Once connected, enter **888-265-9894** and select the language. Each complainant will get a PIN to go back into the system and receive feedback on the case reported.

Corporate Governance, Accountability and Decision- making





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Committed to transparency, in the process of institutional strengthening, we redefined the corporate governance structure in decision- making forums, ensuring that each of the 12 forums would address all relevant issues of the Organization and the efficient and effective monitoring

of all critical business processes. We also defined the decision rights according to the RACI methodology (responsible, accountable, consulted and informed) that formalizes the critical activities of the Company and ensures transparency and timeliness in the related processes.



Human Rights

At Team, we carry out all our manufacturing and commercial activities in strict compliance with the law. In this context, and as a necessary condition to achieve our objective of Nourishing a better tomorrow, we are commitment to promoting and protecting human rights, which must be respected by our employees, contractors and suppliers.

Accordingly, at Team we make our best efforts for the contracts signed with our contractors and suppliers of goods and services to include provisions that reflect our absolute commitment to the promotion and protection of human rights. We also have a 24-hour hotline, operated by a specialized independent third party, through which complaints related to violation of human rights can be filed, which makes us aware of this type of situations, in order to investigate and establish action plans to prevent future violations of human rights in our operations.





2018-2020 Challenges





- **Implement the processes of the Compliance Department** and its integration with the Risk Department.
- **Refine the existing policies in the Organization** based on processes rather than departments.
 - **Sustain the channels of service and complaints** of noncompliance or acts that go against the Organization's policies, such as the Business Ethics Policy.
- Ensure that the Directorate of Corporate Affairs, as the new organizational structure will hereinafter be referred to, adopts it and continues to be an area of support for all the strategic business groups and other corporate areas.
- 5

Follow up on the implementation of the Organization's decision-making forums, remembering the implementation of the principles and guidelines for the development of such forums.

2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.

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Quality and Client and Consumer Satisfaction

- ³¹ Quality and Good Manufacturing Practices
- 32 Responsible Communication and Marketing
- ³³ Client and Consumer Satisfaction
- 35 Awards
- 36 2018-2020 Challenges

Juan Carlos Vargas Managing Director of Consumption (left) Jesús Jaimes Managing Director of Team Solutions and Research and Héctor Sandoval Managing Director of Breden-Master (right)

team



ne of the Organization's four strategic priorities is - customers and consumers - so we maintain our focus on the quality and safety of our production processes in order to be at the forefront in best global industry practices and strengthen our relations with stakeholders. Based on our scientific knowledge in lipids and our deep understanding of the needs and expectations of our customers and consumers, we will continue to build a better tomorrow in the regions where we operate, through products manufactured according to the strictest controls and international quality standards.







Quality and Good Manufacturing Practices

Our permanent interaction with customers, suppliers, employees and government entities allows us to set up spaces for feedback and improvement through surveys and evaluations, which ultimately provide us with detailed knowledge of their needs and expectations.

We have continued to strengthen the culture of quality throughout our Organization, by formalizing processes and establishing formal mechanisms of monitoring and control, such as the Food Safety Committee, for example, which is a space that effectively integrates all related processes and areas led by the Vice President of Operations. Representatives from all the plants in Colombia members of this committee, along with the Vice Presidents and 14 different processes, who aim to ensure safe processes. In addition, during the year, we trained more than 679 people engaged with our customers, in aspects of product management and good manufacturing practices, thus validating our value proposition. Our Certifications



- **FSSC22000:** Food Safety.
- Authorized Economic Operator: (AEO) Exports..
- Supply Chain Security.
- OHSAS 18001: Occupational Health
 - and Safety.
- So 14001: Environment.
- SO9001: Quality.
- **RSPO:** MB Chain of Custody.
- **RTRS:** MB Chain of Custody.
- **OU:** Kosher Foods

2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.

CHAPTER 4 QUALITY AND CUSTOMER AND CONSUMER SATISFACTION

Responsible Communication and Marketing

[417-1/2/3]

We have maintained our two self- regulation commitments in our communications related to information on our finished products in advertising and marketing and the front label, aligned with our objective to nourishing a better tomorrow.

We believe that we have an obligation to be careful when it comes to advertising our finished products, because we understand the impact it can have on the audience under age twelve that we may have. As a result, we have limited the scope of these strategies to certain audiences. In relation to the labeling, we have a coverage of

100% of the products from the Brands Unit and

55%

of the products from the Channel Brands Unit covered, for a total of

59%

of the products from these businesses, where we have included the recommended daily amounts on the label to guide consumers regarding sodium, sugars, total fat and saturated fat, based on a standard diet. Our challenge for the coming years is to continue expanding the product base with this information until we reach

100%

of the mass consumption products.





Client and Consumer Satisfaction

We are proud to have been recognized by several of our customers throughout the year in different regions for our excellent management and service, which validates that our products do create value for our customers and meet their needs. By using IPSOS polling methodology and assessment to find out our customers' satisfaction and through our internal consumer service center, taking the reports from our Aló T eam customer service hotline as input, we monitored satisfaction and opportunities for improvement in different processes and aspects.



QUALITY AND CUSTOMER AND CONSUMER SATISFACTIO

CHAPTER



Customers Overall satisfaction in 2017 87.8% (87.7 in 2016)

1 The aspect highlighted most by our customers is effectiveness in terms of on- time deliveries, product quality and resolving needs.

2 The main area of opportunity is marketing and working to show the cost-benefit ratio in a positive light.

Consumers Overall satisfaction in 2017 **91%**

33

Consumer Response time 13% reduction.

There was training for the call center team focused on improving responses to consumer queries and the management of nonconformities of new products in order to continuously improve the levels of customer service.





Success Story

Our sustainable management is highly relevant

We took advantage of the satisfaction survey to inquire about the relevance and importance of Team's sustainable management approach to our customers confirming that more than

77% of the respondents considered the

progress in this regard highly relevant,

39.7% prioritized people,

34.3% prioritized the environment, **26%**

prioritized productivity

We also identified a major opportunity since only 8% stated they were aware of the progress of our management available on our website.



www.team.co/sostenibilidad







Awards





We are proud to know that we are nourishing a better tomorrow through the products and kitchens of our customers who value our efforts.

- 1 Nutresa's Exemplary Supplier award in the agro-industry category: This distinction is awarded for contributions in the field of sustainability, innovation and service level of suppliers who are assessed by our policies, indicators and projects, from among 11,000 applicants.
- Bimbo Chile Supplier of Excellence and Bimbo Colombia Best Supplier: These two distinctions highlight the level of maturity of our quality management system, our human resources and multidisciplinary teams, which led Grupo Bimbo to consider us a strategic ally at the regional level for understanding its brands and needs and allowing us to play an important role in its value chain.
- Best KFC supplier due to our commitment to quality, safety and supply of products, which drives us day after day to improve our business relationship through the innovation and improvement of processes and products that create value for our customers.



2018-2020 Challenges



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Optimization and strengthening of customer management in aspects related to quality.

Quantification of non-quality costs in order to eliminate recurring causes.







Responsible Sourcing

- ³⁹ Identification, Evaluation and Selection of Suppliers
- 40 Responsible Purchases
- ⁴² Business Alignment
- 44 2018-2020 Challenges



Juan Sebastián Niño Vice President of Corporate Affairs



A ware of the increasingly evident challenges in aspects of stability, security and quality in the supply chain, and growing risks due to the weakening of the global system of trade, increased by protectionist pressures, we are committed to our stakeholders to minimize these risks, by streamlining costs and processes and building value through trust. Having close relationships in order to grow hand in hand with suppliers, ensuring product quality with levels of service in quantity and timing tailored to the high flexibility required by our operation is the key to achieving the objectives and consolidating lasting relationships. We have also continued promoting good practices throughout our supply chain, including the use of lipid feedstock with international sustainability standards such as RSPO and RTRS, thus contributing to the economic, social and environmental development of the different links of the industry.



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CHAPTER

RESPONSIBLE PROCUREMEN



Identification, Evaluation and Selection of Suppliers

[T5]

O ur suppliers are our main allies for the performance of our activities, so we have taken painstaking efforts in the search for, assessment and selection of the best available suppliers and the development of new ones to achieve our objectives.

As a measure of risk management in the supply chain and considering the large number of suppliers that we have, we made sure that

100%

of the new suppliers in 2017 were assessed according to sustainability criteria² and over a period of three years, we managed to reassess approximately

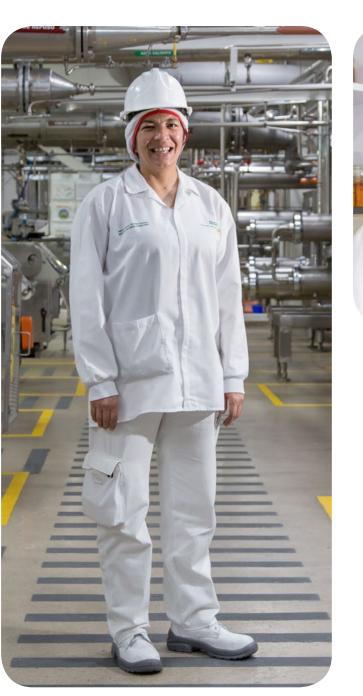
53%

of the total number of critical suppliers, among which

14%

of the suppliers assessed improved their performance in sustainability in 2017. They have been classified as the suppliers that impact the safety, quality or security of the supply chain and end products.

2. At the corporate level for lipid feedstock and in Colombia only in the categories of packaging materials, inputs and non-productive items and ingredients.



Responsible Purchases



40

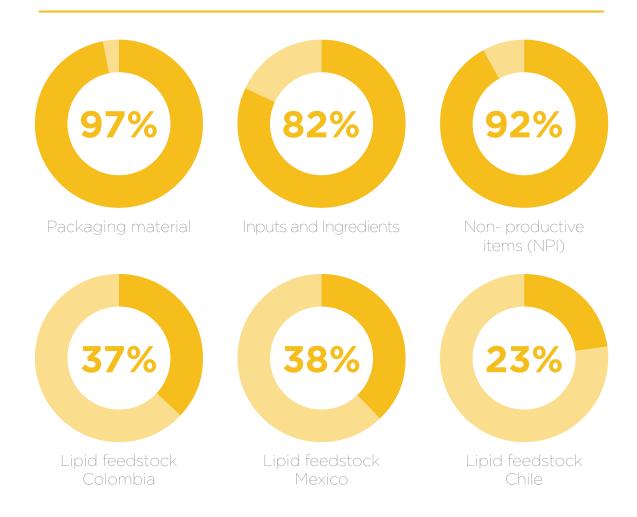
[204-1; T4; FP2]

We maintained the percentages of local purchasing compared to 2016 for categories of packaging materials, inputs and non-productive items and ingredients and lipid feedstock in Colombia, and there were slight variations in the local purchasing of lipid feedstock, **increasing from 17% to 23% in Chile and decreasing from 40% to 38% in Mexico vs. the year 2016.**

As for palm, palm oil and soy, the feedstock with sustainable production standards at the international level and for which we are certified in the category of chain of custody, we maintained the levels of purchasing close to those of 2016. The RSP03 certified palm oil and palm kernel oil corresponds to the 12% of the total consumed in the year, while the RTRS4 certified soy stood at zero, due to the lack of supply and demand for this product. In terms of traceability for palm oil and palm kernel oil, it remained at levels above 95% up to the extraction plant and the identification of traceability up to plantation began, thus achieving a range of 33% and 4% respectively. This level of detail poses a challenge to the palm chain due to the nature of local production, which depends on a high percentage of independent producers.

 Roundtable on Sustainable Palm Oil (www.rspo.org)
 Roundtable on Responsible Soy (www.responsiblesoy.org)

Local Purchasing



Success Story

∧ /e ended the year with the for-

different parts of the Colombian palm

value chain for the certification of 40

independent producers according to

RSPO standards in the department of

Cesar in Colombia. The project has a

range of 1,500 hectares of cultivated palm, a total estimated cost of COP

1,200,000,000 and is expected to

develop within a period from three

to five years.

malization of a project between

Project for the RSPO certification of independent producers

Through the participation of one actor at each link of the chain, one of which is an international non-profit organization, good practices will be promoted in the region for the development of local palm production, also impacting the protection of natural resources and relevant social aspects. This is how Team is nourishing a better tomorrow, committed to its allies for local, regional and national development.



CHAPTER

RESPONSIBLE PROCUREMEN



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Business Alignment



The **AEO** (Authorized Economic Operator) certification was achieved in the plants of Colombia for the export of finished products



This certification is the result of the Organization's commitment through countless efforts to ensure security throughout the entire supply chain, by means of compliance with requirements, established rules and a satisfactory record of customs and tax obligations. This also responds to our corporate vision to be in constant evolution and expansion, through the search for new markets in the country and in the region (Chile, Mexico, Panama, Bolivia, Puerto Rico, Curacao and Aruba). In Mexico, we highlighted the efforts made in the dissemination and statement of compliance with the Code of Conduct and the Supply Policy by suppliers, thus strengthening the risk management and controls in these aspects. Also, negotiations were consolidated through contracts in the medium term, providing economic stability and other benefits for both parties of the chain. In Chile, we highlighted the savings of nearly COP 323 million vs. 2016, through an adjustment in the hedge process of packaging materials, inputs and ingredients. In terms of our opportunities, we have continued to develop the digital platform to bring us closer to our suppliers, improving communication and strengthening relations based on transparency and confidence. We are also aware of the risks and gaps in our chain that could affect the continuity of the supply of critical items and therefore, we have prepared an action plan for the review, adjustment and strengthening of all related internal processes and procedures.



Success Story

Concurrence of Wills for Zero Deforestation in the Palm Oil Chain



A t the end of 2017, after several months of cross-cutting discussion, **Team was officially engaged in the initiative led by the Colombian Ministry of the Environment to avoid deforestation in the palm chain** at the national level by 2030 within the framework of the Tropical Forest Alliance (TFA) 2020. There are **27 companies from** the palm sector and civil society organizations participating in this agreement, including Manuellta, Pollgrow,

Palmar de Altamira, Palmar del Oriente, Extractora Sur de Casanare, Unilever, WWF and Proforest, among others.

This agreement will make it possible to quantitatively measure the level of commitment of its signatories through monitoring instruments, evidence of contribution to the conservation and restoration of natural forests and support in the promotion of the covenant so that more parties join the initiative in the future.

"At Team, we are committed to working on the permanent creation of food solutions that create value for consumers. In addition, we run our operation with respect and in complete harmony with the environment, which is why we saw an invaluable opportunity in this **covenant** to continue to contribute to the consolidation of sustainable practices in the national industry."

Luis Alberto Botero Team President and CEO

2018-2020 Challenges





Have a technological platform in Mexico by 2018 that will bring us closer to our suppliers, where they can selfmanage their follow-up procedures in terms of service, quality claims, payments and document updates.



Implement an assessment of purchase and negotiation management on the part of critical suppliers in their relations with Team.



Establish a baseline/indicator that will allow us to manage working capital for profitable and sustainable growth over time.





Strategic Talent Development

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Ana María Forero Director of Talent and Development

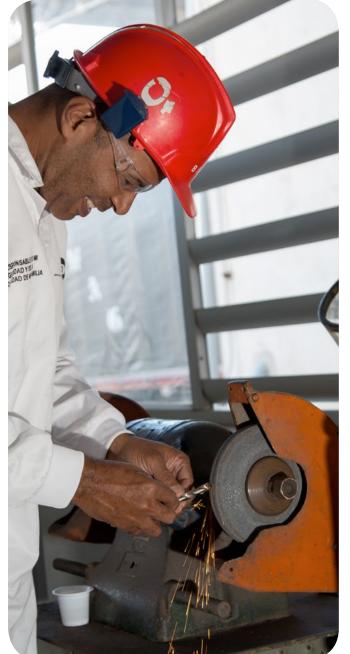




Our talent is one of the four aspects that we care most about, as a strategic priority for the Organization, because employees themselves are the ones who continually transform it. We ensure the best talent by finding strategies to motivate and retain it, through the promotion of a good working environment and a culture of values that contributes to growth in order to build a better tomorrow.

We continue to face the growing challenges posed by generational

changes and what they represent in terms of motivation, commitment and development and retention strategies, not only on the internal, but also on the external level. For this purpose, we have various engagement scenarios to identify the needs and expectations of our employees and ensure their appropriation of the culture, credibility, commitment and wellbeing of our people for their proper performance within the Organization and the attraction of new talent.





Selection and Hiring





Filling vacancies with internal talent for levels 4- 6: **2017: 48%** (2016: 48.1%)

[T6/7]

A ttract and select the best talent to fill existing vacancies, ensuring the candidate's adaptation through a process of comprehensive assessment is essential in order to achieve the effectiveness of attracting and retaining talent. This is possible thanks to the comprehensive assessment of candidates, support during their adaptation in the first three to six months to align expectations, the continuous review of process indicators and the promotion of internal talent.

Internal talent. Also, the Soy Talento [I am talent] tool was optimized during the year to improve the user experience and the agility of actions, thus ensuring the traceability and formalization of the processes managed. 100% of the processes related to 189 new hires and 176 dismissals in 2017 were managed through the Soy Talento platform, thus providing greater traceability and monitoring of the area's different needs.



Efforts will continue in order to fill 50%

of vacancies with internal talent in 2018



of vacancies with internal talent in 2018 The analysis of employee turnover, managed to control the growth of Head Count covering the needs of the business.



We would like to emphasize **the reduction in times from 52 to 32 days to fill and replace vacancies**, optimizing times to be more effective and efficient in accordance with the pace of business, by being a strategic ally at all times. We have also continued to increase our candidate database by facilitating the selection process through our selection team in order not to incur in additional expenses with third parties and allowing use to have an impact by attracting the right talent for the Organization.





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CHAPTER 6

STRATEGIC DEVELOPMENT OF TALEN



2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.

Talent Development



[404-3]

We have an ongoing process of providing comprehensive support for the development of our employees through our in-depth knowledge of their strengths and areas of opportunity, that consists of promoting spaces for feedback with a view to strengthen their self-awareness and provide additional resources to enable them to be successful in facing new challenges. This will provide the Organization with the talent it requires and will allow it to make the business sustainable in the future.

The implementation of the Talent Agenda and its various stages ensures the milesto-

A corporate result of

89%

was achieved on Individual performance assessments nes in the accompaniment between leaders and employees, by aligning expectations on performance, permanent talks and the correct development of the self- awareness process through the application of ratings and different tools focused on providing information based on being and doing that enrich the development of the individual development plan. Along with these tools, we have also continued to conduct the different tests that allow us to assess the competencies of work teams in order to establish action plans to strengthen them, such the tools of Gallup, Korn/Ferry, DISC and others.

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With a reduction in coverage compared to 2016, where we managed to reach

94%

of the target population.

5. This does not include people on sick leave for more than 180 days; employees on maternity leave, union members and employees hired after September 1, 2017.

Success Story

Participation in research to characterize Colombian millennials We were invited by the Universidad EAFIT to participate in a study for the characterization of the organizational profile of Colombian millennials along with ten other companies in Colombia. Team provided quantitative and qualitative information regarding its employees for this purpose, **contributing to the information of the total of 3,113 people, 2,516 surveys and 225 interviews of this research.**

The results reveal social and occupational characteristics and interesting habits about Colombian millennials, affirming that the age

of this group is not a differentiating factor, while the salary level, family obligations and level of training are. This generation behaves the same as the previous generation (X) in terms of labor aspects and can be classified into four different categories.

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STRATEGIC DEVELOPMENT OF TALEN

We believe our participation in this project is relevant because it provided us with a deeper understanding of the motivations, differences and characteristics of our employees in the different regions, in order to be able to adjust our development strategies according to the findings.



We received the GAN Seal from the Global Apprenticeship Network, together with 15 other companies, for our contribution to narrowing the gap of youth unemployment in Colombia. The Network, which was created in 2013 and in 2016 in Colombia, is a partnership of public entities and private companies with the aim of reducing youth unemployment, as young people between 16 and 24 years represent approximately 16% of the world's population, the largest generation in history and also, the generation with the highest unemployment rates.

We are proud to be working with the new generations to build a better tomorrow! The Corporate Reputation Monitor, MERCO recognized Team in three of its six **rankings** - Merco Talent, Merco Responsibility and Corporate Governance and Merco Leaders - as one of the top 100 companies in Colombia in terms of reputation due to its excellent talent, corporate reputation and leadership of Luis Alberto Botero. In the food and beverage sector, Team climbed 11 positions compared to 2016, reaching position 13 in the **ranking**.



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In the future, we must strengthen the system of development in the Organization through a comprehensive technology platform for Development that will allow the Organization and its employees to experience feedback processes in real time, enabling the follow-up, support and management of talent.

Training

[404-2]

We are examining the impact of training by defining plans focused on target groups and supporting the areas in response to their needs through the following initiatives: **Somos Ejemplo [We set an example] Training Plan:** By the end of 2017, we achieved a coverage greater than 195% in the certification of SA-GRLAFT policies, Prevention of Fraud, Conflict of Interest, Comprehensive Management, Alcohol and Substance Abuse. Team Code of Con-

Program for the Development of Management Skills: In conjuln conjunction with the Universidad Javeriana, the management skills program with emphasis on leadership was implemented in the year 2017 with the participation of 29 employees.

duct and Human Rights.

Source Program: Leaders with potential for the Organization received support for the evolution and development of their leadership style. Joint work was carried out for the construction of programs such as onboarding, the consultative sales model and knowledge transfer.

Leadership Workshop: The objective of this program was to provide a group of 25 people with self-awareness tools to reduce gaps in leadership.

Training in sales, time management, communication skills through the area of talent and organization for the areas that require it.



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In 2018, we must design and implement a leadership (Team Leader) program, to support the development of specific cross-cutting skills, in line with the Organization's needs in to ensure the impact of crosscutting actions and training programs. Alongside this program, we must ensure the delivery of tools (soft skills and techniques) to our leaders in order for them to understand the Leadership Model.

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Succession

We have continued to review and update the talent pipeline to ensure the transfer of knowledge and coverage of key positions, ensuring that we have the talent required and the leaders needed for the future by capitalizing on the experience and knowledge that is strengthened within the Organization. We have identified key positions and critical talents, regarding employees who have specific knowledge, high performance and are hard to replace as critical.

The Pre-talent Committee meeting was held in October 2017, with leaders at the Vice President and Managing Director levels, whose purpose was to review and update information on key positions and talents, to prepare for the Organization's talent planning session in the year 2018.

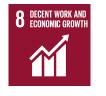
There is also a constant review of the Talent Map using the updated individual development plans to detect talent beforehand in order to fill key positions, and in turn, increase the loyalty of the best in terms of potential and performance, to cover any future successions that arise in the Organization.

Although we highlight the definition of key position and talent with potential, the goal for next year is to complete their identification in the short, medium and long term based on the defined action plans for presentation at the calibration session of the Talent Planning phase of the Talent Agenda.





Benefits and Well-being



[401-2; T8]



The internal campaign to promote a culture based on employee wellbeing was maintained to strengthen the work environment, identity and stability in the Organization.

During the 2017, apart from the objective of administering benefits, agreements, collective insurance, etc., we have refocused the purpose of the Wellbeing area, with the main objective of boosting employee engagement and developing a greater identity with the company through activities that improve our employees' standards of living.

We aim to strategically focus management on wellbeing in order to have a greater impact.

The focus of the activities remained on the four wellbeing pillars: Emotional, social, physical and financial. Throughout 2017, we intensified the celebration of special occasions and employee recognition in accordance with their values, skills and competencies.

We also launched a Pilot Project of the Team Store, whose aim is to make the company's products accessible to employees in good time and at the best price.





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Social Wellbeing

Pursues the employee's work- life balance.

- 1
- Children's Month: Coupons for movies
- 2 Gifts for newborns
- 3 Support in difficult times (illness or mourning)
- 4 Happiness and the Team Family Conference conducted by Dr. John Prada
- 5 Family Day
- 6 Women's Race
- Team Family Event
- Emotional Salary: Coupons +, birthday off, daylight savings time from December to February for management staff (in Chile)

Aims to promote the employee's social participation in the celebration of special occasions, cultural and recreational activities.

Birthdays

- Women's Day
- Secretary's Day
- Mother's Day
- Father's Day

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- Love and Friendship Day
- 7 Five-year Anniversaries (5,10,15,20,25,30,35 and 40 years)
- 8 Employee of the month: Picnic for two or Gift card.
 - Team New Year's Eve Party





Sporting or recreational activities intended to integrate employees and their families and coworkers.

- Half Marathon - Yoga

- Bowling Tournament

- Fishing Tournament -

Integration Activity.

Classes - Rumba Therapy

Recreational Events: Sweet

Month - Beginning of Lent -

Month of the Team Craving

Hollywood Month - Theater

Month - Carnival Breakfast.

- Healthy Habits Month -

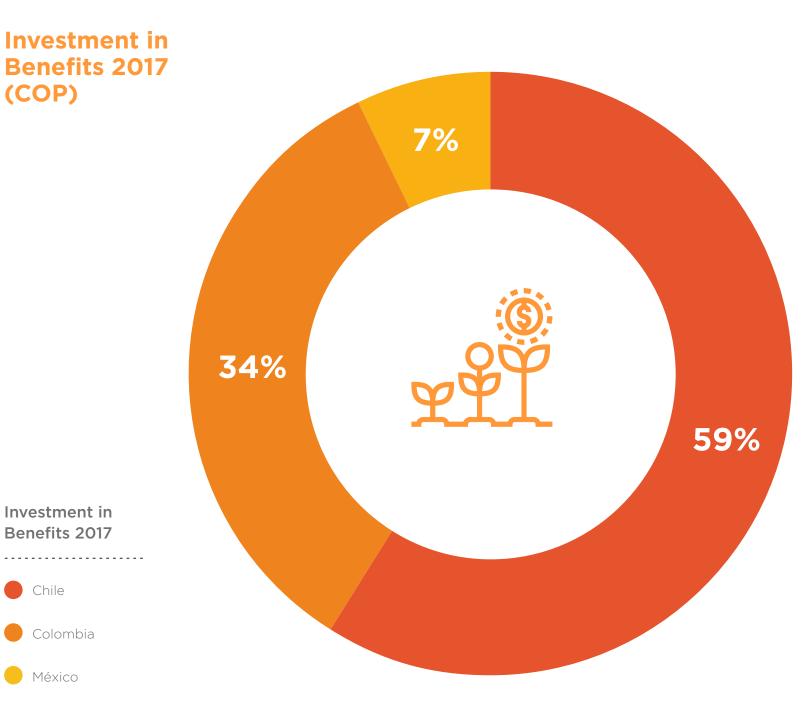
Spaces created to generate new income for families and the proper use of money.

Sporting events: Ping- Pong - Bowling - 5-man Soccer

Christmas Decoration Workshop - Wives of the Meat Product Plant Workers - SENA (National Apprenticeship Service)

2

Access to agreements with financial entities for home, educational or free investment loans



Chile COP 2,861,448,620 Colombia COP 1,643,863,960 México COP 337,799,443 Total COP 4,843,112,037

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In 2018, we will work on optimizing channels of communication to provide information regarding the current benefits and carry out activities, agreements and additional benefits to meet the needs and aspirations of each profile identified within the Company, leveraged on the pillars of wellbeing.

Compensation



Updating career assessments at the corporate level.



Participation in the compensation competitiveness surveys in Colombia, Mexico and Chile, of the consulting firm Korn/Ferry (formerly Hay Group). The results of the studies listed above show a marked improvement in terms of internal equality.

[405-2]

We focused on the process of compensation and remuneration to be more competitive and equitable, as we are facing an increasingly demanding job market for both current employees and candidates. We accomplished this by using methodologies that provide us with comparative parameters that enable the analysis and assessment of our competitiveness in terms of salaries.



Redefinition of the results-based annual bonus program for executives, according to market practices and Team's strategic focuses for the 2017 - 2020 period.



Definition of a salary equalization budget for the year 2018, based on the positioning of each employee vs. the target salary curve defined by the Team compensation policy.



Assessment survey of the benefits Team offers its employees in Colombia, to measure their satisfaction, importance and use. It also provides information regarding expectations and possible changes in current benefits in the short term



In relation to gender equity, our internal policies ensure that there is no significant gap in terms of salary, whereas the average salaries of women at the executive level are even

5% higher than those of the men.

As for management and non- management positions, the difference between the basic salaries of men and women is insignificant, and with the inclusion of other incentives, such as bonuses, they are equal. In aspects of female participation, we have opportunities as an organization with a total of 30.97%

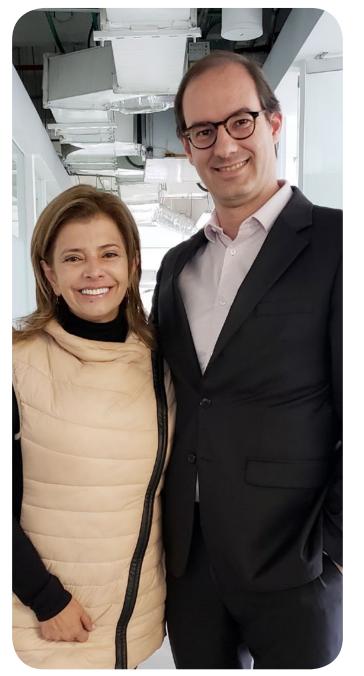
female employees.

There is greater participation at the middle-management level, accounting for

36.11%

while at the management level, there is only a share of







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Success Story

Payroll outsourcing for the three countries: Implementation of a new payroll system

or the purpose of refocusing our capabilities in our real area of expertise, we made the decision to outsource the payroll service at the Group level in order to strengthen the mitigation of labor and reputational risks. This highly operational responsibility was transferred to an independent, external third party that is an expert in this type of processes. It has been a long process that began in April 2017 with the understanding phase, and in the month of August, the first payment was made to employees through the selected provider. We believe this process will lead to greater transparency, efficiency and opportunity throughout payroll management that will be reflected in a higher degree of trust and satisfaction on the part of our employees, by providing a series of additional services through a self-managed interactive platform.







Culture, Environment and Labor Conditions

[Т9; 401-1]

Our People matter to us, and we strive every day to make Team a **GREAT PLACE TO WORK**. We have a structured process to measure the work environment that enables us to define

the strengths and opportunities for improvement and thus, define action plans based on the Organization's cross- cutting needs according to the Great Place to Work (GPTW) methodology.

Work Environment -GPTW

In **Colombia**, we had the participation of

95%

and we achieved a result of

75

managing to maintain the previous assessment level of very satisfactory, with a goal for 2018 of

80

In **Mexico**, there was a participation of

94%

achieving a result of

85.9

We are preparing GPTW action plans with the leaders to continue building the best place to work and, on the next measurement, achieve a result of In **Chile**, there was a participation of

97%

achieving a score of

39

We are currently working on the definition of an action plan to improve this indicator, to achieve a result in 2018 of

63

At **BredenMaster**, there was a participation of

91.6%

achieving a score of

26.1

We are currently defining a 12- month action plan that will be submitted to the Organization in March 2018 to achieve a result of

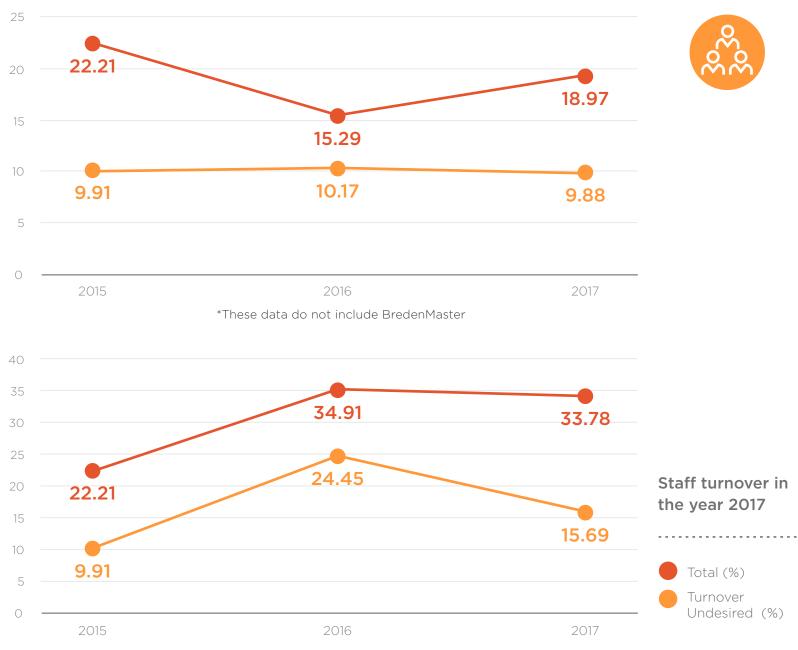


Staff turnover

The **I am happy working at Team** program continued, with activities focused on 7 topics: gratitude, positivism, smile, awareness, you choose where to look, surround yourself with happy, positive people, and choose to be happy every day. The goal of this program is to inspire a culture based on happiness, so that every one of our employees conveys happiness, passion and pride in what they do, contributing through each one of the roles of the Organization.

Through the design of a graphic concept on the Estar bien es estar Team [Being well is being Team] umbrella campaign that will accompany the program objectives, especially those relating to strengthening the good work environment and welfare, we aimed to discover the reasons why people are happy to work at Team. The internal communication survey reflects a high degree of satisfaction with the campaign by employees, with a result of 84%.





*These data include all the operations

Activities were promoted throughout the Organization focused on identifying and showing why Team is a great place to work, among which the following stood out:



Audits: Through customer audits, the working conditions of our employees were assessed throughout the year with excellent results.



Labor Relations Committee: There is a space open for unionized staff to express their concerns.



Psychosocial risk survey n Chile to measure the magnitude of psychosocial factors in the Organization in accordance with the Psychosocial Screening Protocol.



Innovation Survey (Great culture to

innovate) to find out how innovative the Organization's culture is, which pointed out the confidence and linguistic skills of our people as strengths and showing the need to work on resilience, creativity and adaptation to change. Demographically speaking, it also showed the need for more diversity, which is a challenge that we will be working on over the next few years.



Working Conditions - Talks: Spa-

ces for conversation and listening between Talent, Organization and Manufacturing with the employees of the different areas with the aim of identifying positive aspects, opportunities for improvement and staff needs in order to improve working conditions for our employees. This activity had a positive impact on the Organization, because the staff felt heard and recognized when the action plans that were established after such meetings were implemented.



Leader Training: Training spaces based on staff treatment, contracting, payroll and legal aspects. The objective of this activity was to improve employee satisfaction toward their leaders and improve the management and responsibilities of leaders in handling labor procedures in order to identify positive aspects, opportunities for improvement and staff needs, among others.



Culture Week: Promotion of topics that are part of the organizational culture, such as Human Rights, self-care, product safety, healthy eating and risk control.

Health and Safety in the Workplace



Promoting the commitment to comprehensive risk management, self-care and the prevention of occupational accidents and diseases is a priority for the Organization. We aim to protect the physical and moral integrity of our employees through a culture of safety, training and the development of healthy lifestyles.

We know that safer work environments and employees who are more committed to their self-care generate a positive impact on the operation's productivity and efficiency, so we are constantly working on involving our interest groups in these processes through communication campaigns and activities to strengthen this culture. Colombia: Decrease in workplace risks through their identification and inspections by the Occupational Health and Safety group to check conditions.

Mexico: Safe staff, better efficiency productivity. and greater.

Chile: Reduction in accidents and achieving the best place to work.

BredenMaster: Healthy comfortable employees who are happy with their job and work environment for a direct impact on productivity.



Accident Rate

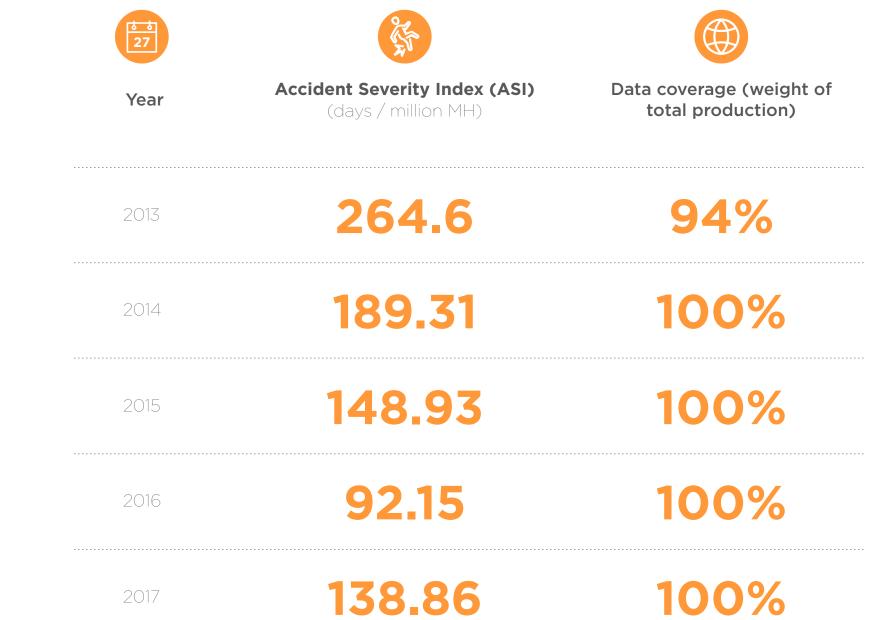
[403-2; T11/12]

The commitment of leaders and management to ensure the proper investigation, follow-up and closing of incident reports is essential in the process. Focus is kept on strengthening planned and unplanned inspections of habits and behaviors by support teams, such as brigades, the occupational health and safety peer committee (COPASST, for the Spanish original) and the emergency committees, along with the updated risk assessment matrix, identification of controls and definition of action plans. This has enabled us to achieve zero employee fatalities throughout the operation over the past five years. In Chile, the important investments in the structural improvement of the plant stand out, along with the recording of incidents and the safety routes with area leaders, which will no doubt have a positive impact on accident rates.

We would like to emphasize the installation of the new firefighting system at the Bogotá Plant, which aims to reduce the impact on people, infrastructure and the environment that can be generated by the occurrence of an emergency.

Accident Frequency Rate (IFA, Data coverage Year for the Spanish original) (weighted production) (cases / million MH) 15.1 94% 2013 17.6 100% 2014 18.4 100% 13.9 00% 2016

15.7 100%



Recognition:

Reduction of consecutive accident rates during all the periods of assessment at BredenMaster, formal recognition awarded by the occupational risk management organization (equivalent to the ARL in Colombia). Absenteeism

[T13]

In this regard, we have advanced the strategies for the prevention of common traffic accidents (auto, motorcycle, pedestrian and bicycle education) and working together external medical advisers and health insurance entities for preventive medicine campaigns (health week, scheduled monthly workshops, occupational medical examinations) and the promotion of healthy lifestyles.

Week of Health, Wellbeing and Pollution Prevention: These activities are intended to highlight and strengthen the Organization's principles, habits and behavior related to the management systems of quality, safety, occupational health and safety and protection of resources and development of talent through games and recreational activities and by offering different health and wellbeing services. The week had a great impact on the Organization, with the participation of the entire plant in the activities scheduled for the different spaces..

Culture: We have weekly spaces to strengthen the education and training of employees focused on occupational health and safety, 2013 contributing to their commitment to self-care. However, the expected results of these spaces have not been achieved due to the resistance to changing habits and behaviors, although we will continue to work hard on this aspect. In Chile, work was done on this front by engaging employees' families at the plant under the slogan "Security at Team is Everyone's Responsibility" and in Colombia, we maintained the strategy of the 5-minute Safety Talks during the cleaning and disinfection sessions. thus strengthening the culture of self-care.

I protect myself and I protect others

CHAPTER 6 • STRATEGIC DEVELOPMENT OF TALENT



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Absenteeism (%) Data coverage (weight of (Lost time of the total scheduled Year total production) work days due to occupational accident and common illness) 77% 2013 1.61 1.46 85% 2014 2.38 100% 2.55 100% 2.50100% 2017

2018-2020 Challenges

- Implement the Employer Brand plan to **at**tract the best talent.
- 2 Implement the onboarding program designed to facilitate the processes of adaptation to the culture and the role of the talent brought to the organization.
- 3
- Strengthen internal selection through an innovative and efficient selection model to **select the right profiles** by ensuring timely coverage in quality and time.
 - **Close the leadership gaps** identified in the climate surveys conducted in 2017.
 - Strengthen the pillars of Wellbeing Social, Financial, Emotional and Physical - and their specific campaigns and activities aiming to **improve the quality of life of our employees** and their family and satisfy their needs.

Define a benefits program that best fits the different needs of the population of each group of Team employees, thus ensuring an optimal investment and distribution of resources for the benefits program, as well as **mproving the perception, valuation and use rate of the benefits** offered by the Company.

6

- Strengthen the institutional development project in order to, based on the knowledge of the Organization and its purpose, **we will generate a sense of belonging to be Team ambassadors,** who know the models of governance, structures, management systems, and understand the business and live the culture.
- 8 Review the compensation model in order to **optimize the competitiveness cost ratio,** and the variable compensation program in order to improve the competitiveness and performance of the roles with the most impact on the business.



OHS Challenges

Colombia

- Strengthen inspections of habits and behaviors, the identification, reporting and resolution of unsafe conditions and actions with the follow-ups that demonstrate employees' change in behavior and a reduction in the number of occupational accidents.
- Reduce lost time due to absenteeism by generating spaces that allow the active participation of employees in activities focused on health and promotion of healthy lifestyles, eating habits, and sporting events, and the early identification of diseases through Promotion and Prevention programs.

BredenMaster

- Reduce our accident rate by 10% every year, compared to the previous year.
- **Develop a visible leadership model** to step up the culture of prevention and improve health andsafe-ty standards.

Chile

- Establish an indicator greater than 80% for the resolution of conditions and actions occurred at the plant.
- Establish a Health Program in the Organization.
- Increase awareness of self-care by carrying out
- campaigns and providing training.

2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.



Social Investment Strategy 69 Our Areas of Influence 70 74

2018-2020 Challenges

Catalina Contreras Management Secretary Barranquilla Plant

team

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Social Investment Strategy

[T14; 102-12]

Contributing to the development of the communities adjacent to the operation centers is one of the eight priorities in Team's sustainable management. We are allies in the development of neighboring communities of our operation centers through transparent and open communication, based on our corporate social investment strategy.

By focusing our external social management on two fronts: nutrition, health and wellbeing and the environment, we are promoting social awareness at corporate level and individually in each of our employees by showing them one of the many ways we are nourishing a better tomorrow. We maintained our support for more than 15 non-profit foundations at the national level, directly impacting more than

2,000 children and seniors in conditions of vulnerability, and indirectly reaching more than

58,000 people.



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Our Areas of Influence.



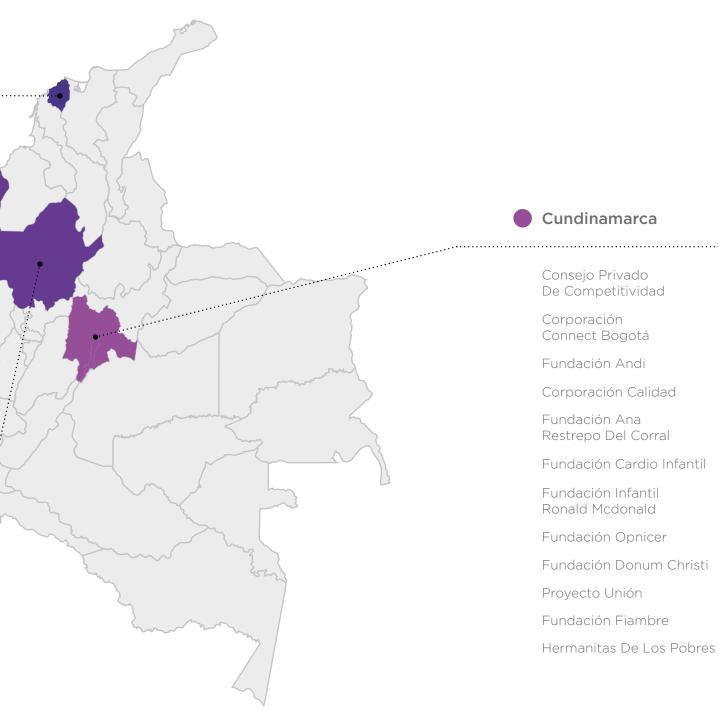
Atlántico

Fundación Probarranquilla

Antioquia

Asociación de antiguos alumnos Jesuitas

Hermanitas de los pobres



We are contributing as follows: 28.5% 71.5% **Total donated** in 2017 Nutrition, Health and Wellbeing Others

Nutrition, Health and Wellbeing COP 86,103,906

71

Nutrition

Fundación Fiambre Proyecto Unión Hermanitas De Los Pobres Fundación Donum Christi

Education

Fundación Ana Restrepo Del Corral Asociación de antiguos alumnos Jesuitas

Health

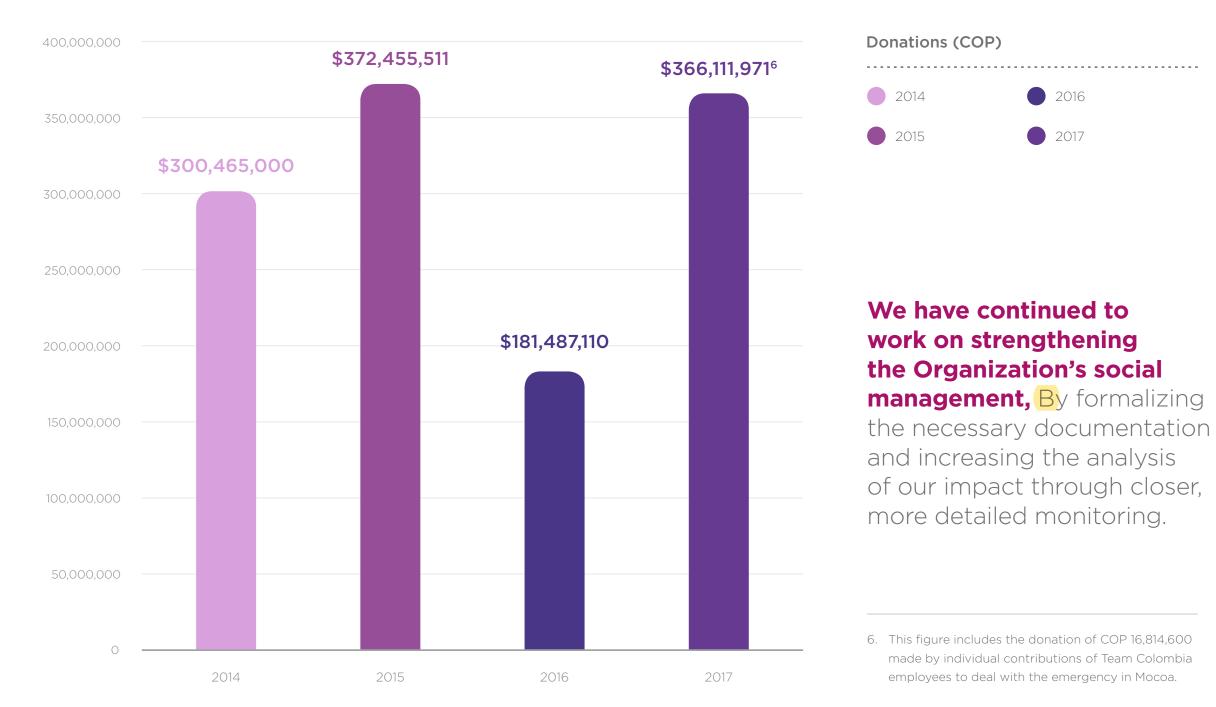
Fundación Infantil Ronald Mcdonald Fundación Opnicer Fundación Cardio Infantil

Others **\$ 216,429,600 COP**

Consejo Privado De Competitividad Fundación Andi Corporación Calidad Fundación Probarranquilla Corporación Connect Bogotá

2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.

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Success Stories



1

Team Solutions Colombia sponsors

a foundation: At Christmas time, the best gift that Team Solutions can give its customers is bringing joy to those most in need, so for the second consecutive year, the entire team shared a very special day full of happiness and care with the children of the Tierra Nueva Kids Foundation in Cazucá.

The foundation, which is located in the Villa Mercedes district of Loma Linda Cazucá, has more than 70 children to whom it provides a healthy and friendly space for their scholastic reinforcement and other recreation and leisure activities. December 7 was the day selected for sharing smiles through recreation and food, accompanied by the delivery of 73 gifts and a Christmas tree for the Foundation.

The events of the day are illustrated on a 2018 calendar that 120 customers will receive in January, where they will find the content of this beautiful event and a special thanks to for making a Merry Christmas possible for these children.

2

Team Solidarity: In 2017, there were major natural disasters in each of the countries where we are operating; in Colombia, there was the emergency in Mocoa, forest fires in Chile and a major earthquake shook the country in Mexico. The solidarity of Team's People and the Organization was felt in each of the countries with different displays of generosity. Medicines and bandages were contributed to Mexico and Chile to heal the wounded and the people affected by the disasters, and in Colombia, approximately seven tons of products were donated to the area. along with money for the reconstruction of the city.

We would like to thank all the employees who voluntarily contributed to these causes and showed the strong values and solidarity of Team People!



2018-2020 Challenges



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Consolidate corporate volunteering in Colombia through strategic allies.



Environmental Responsibility and Natural Resource Conservation



Rafael Piedrahita Vice President of Operations







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Environmental responsability and the conservation of natural resources is the fundamental basis of the culture that identifies us and encourages us to have more and more eco-friendly processes, aware of the positive, but also the negative impacts that may be generated and the implementation of the necessary controls and improvements from the planning stage onward.

Focusing on the management of the efficient use of natural resources, waste and packaging materials and containers, and the promotion of an environmental culture challenges us day by day to prepare for future risks related to climate change and the use of resources. Rising temperatures and levels of pollution, extreme changes in weather patterns and the loss of biodiversity at an unprecedented rate compels us as an organization to be more demanding and go beyond what is expected from our performance in this aspect.







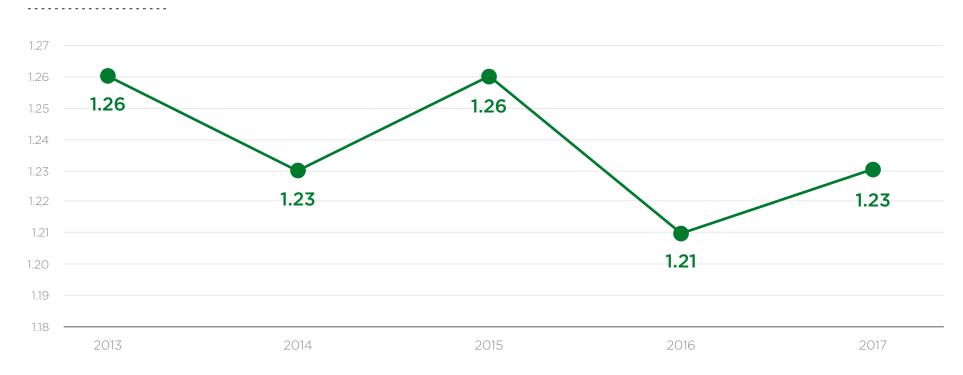


CHAPTER 8 ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES • • • • • • • 🔂 • • 77

Water

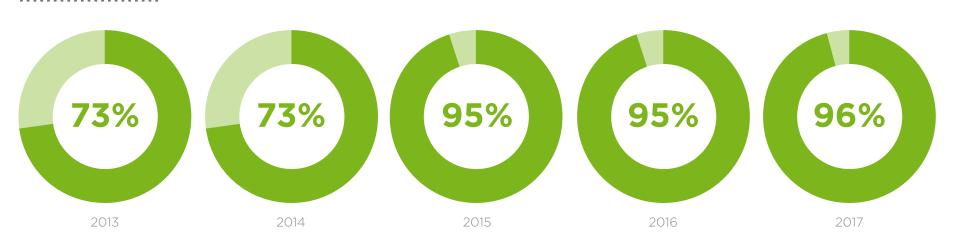
[T15; 303-3]

A chieving a continued reduction in the use of water per packed ton is one of the main objectives of the Vice President of Operations. To do so, work was done in awareness and rationalization campaigns by employees, and effluent treatment processes were intervened in order to reduce the pollutant load of fats, oils and solids in sewage. In Mexico, meters were replaced to improve control and measurement in strategic areas of the plants.



Data coverage (weight of total production)

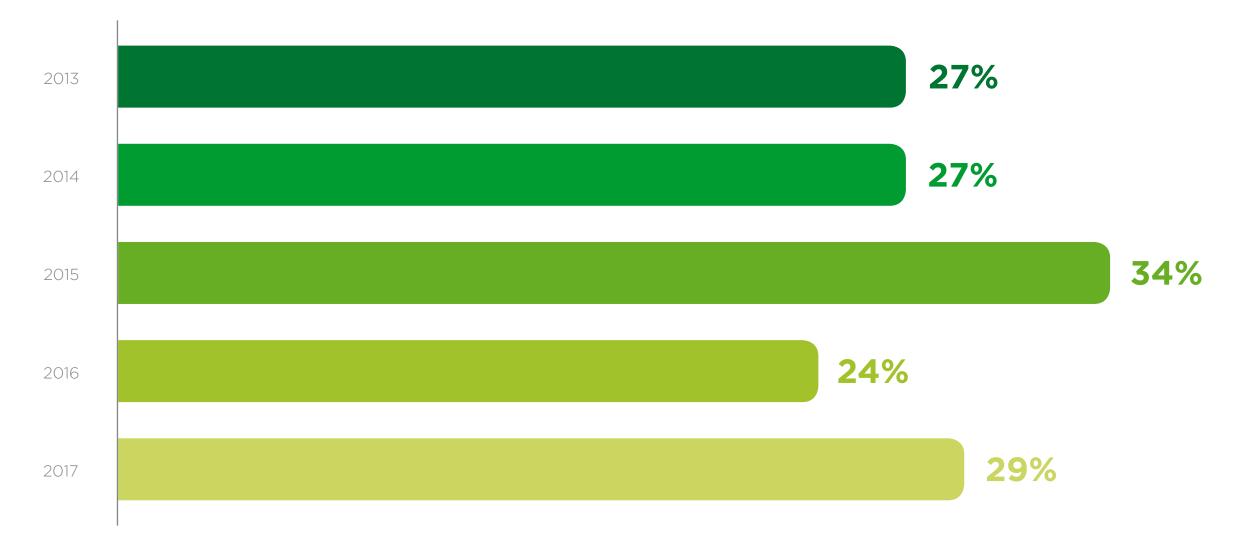
Intensity of water consumption (m3/t.e)





Percentage of recycled and reused water (only Colombia)









Emissions⁷

	2013	2014	2015	2016	2017
Scope 1 (direct emissions ton CO2 eq.)	39.901	46.037.4	45.059.08	46.717.37	51.675.83
Scope 2 (indirect emissions ton CO2 eq.)	4.949.2	6.117.1	6.770.09	9.327.65	8.806.96
Carbon Footprint (ton CO2 eq.)	44.848.6	51.771	51.829.17	56.040.02	60.561.79
Data coverage (weight of total production)	73%	73%	80%	81%	84%
Scope 3 (indirect emissions of logistics ton CO2 eq.)	7.966.5	6.617.2	2.536.5	3.806.6	4.591.1
Data coverage (weight of total production)	73%	73%	75%	76%	78%

[305-1/2/3/4]

ompared to 2016, the corporate carbon footprint fell by 13% thanks to the continuing efforts to improve the management of the different processes. In Barranquilla, the use of fuel was reduced and in Medico, studies were conducted in the flues to check the levels of emissions, showing satisfactory results.

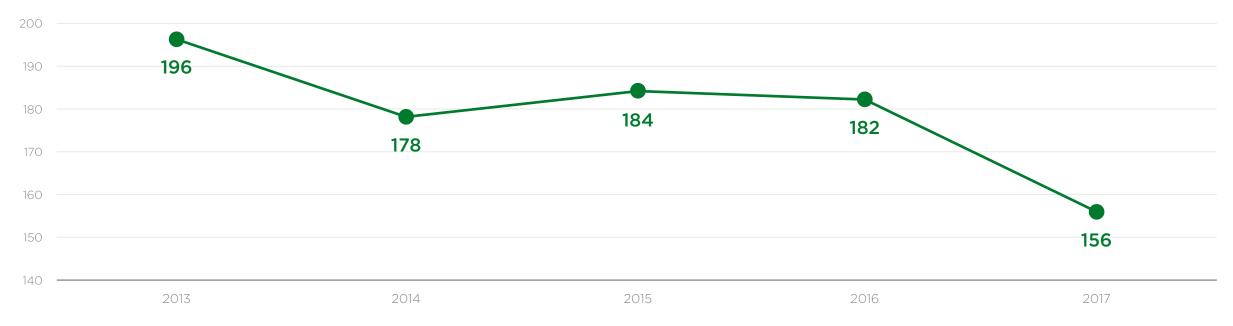
7. Data from 2013 and 2014 for Colombia, including Mexico as of 2015. No information was included for Chile or BredenMaster..



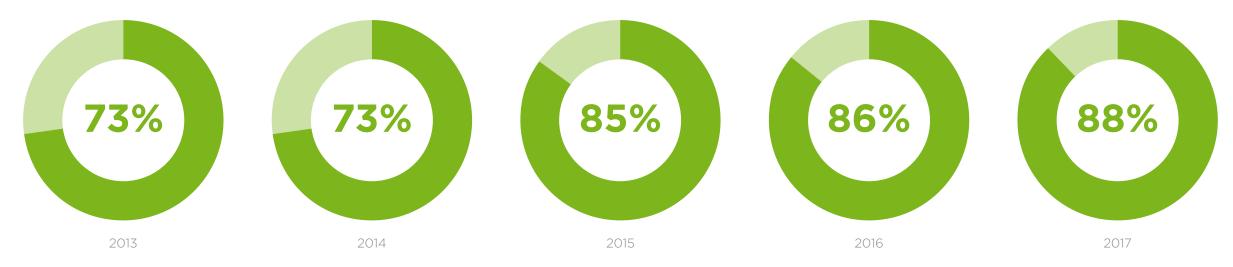
• • • • • • • 😓 • • 80

Ecoindicator (kg CO2 eq. / t.e)





Data coverage (weight of total production)



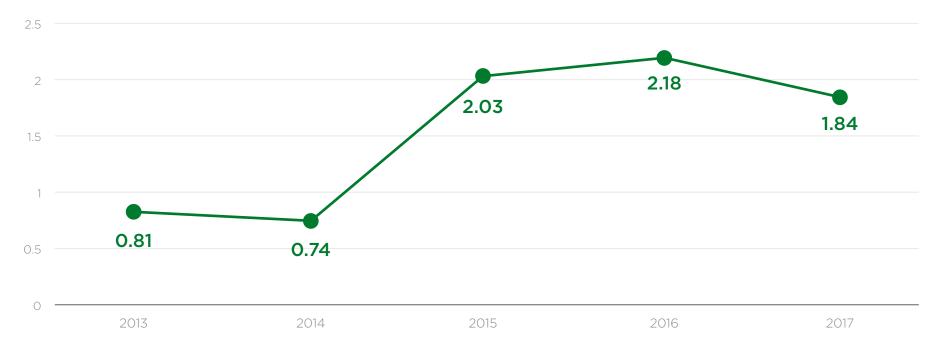


CHAPTER 8 ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES

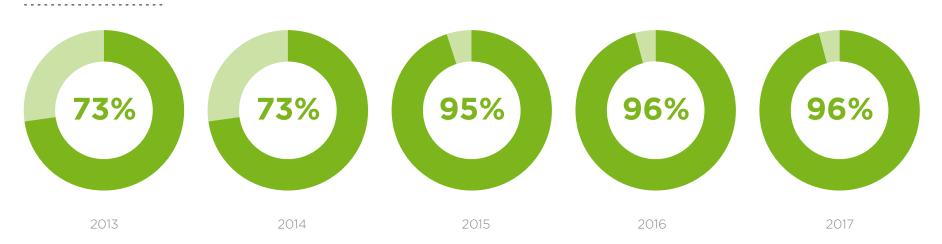


Energy





Data coverage (weight of total production)



302-3

A reduction in the use of energy in different spaces was achieved through system adjustments and optimization. In Barranquilla, we achieved savings of COP **187,000,000** by optimizing the use of the equipment, and in Bogotá, by adjusting the cooling system in margarine production in order to improve compressor consumption. Also, efforts have continued for the technological upgrading of engines and lighting fixtures to the latest LED at the different facilities, in line with the intention to implement ISO 50001 for the consolidation of the energy management system.

The Bogotá plant was taken as a sample for verification.

Residues

We know that we have a great responsibility and an opportunity in the possibility of using the waste generated by the operation. Finding additional uses based on a circular economy approach is everyone's responsibility. This is why we are constantly looking for new ways to reduce the volume of waste generated and, at the same time, increase the use rate thereof.

For example, we are exploring the possibility of reducing the use of filter lands at the physical refinery and finding a secondary use for them in soap manufacturing. Also, the change in the classification of the sludge from the treatment plant from hazardous to non-hazardous waste is positive news, because it increases the possibility of its use in the future. We are also impacting the habits of our people to improve their performance through training and campaigns focused on improving the separation of ordinary waste at the source. CHAPTER 8 ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES

Use of ordinary waste (%) 78% 76% 74% 72% 72 70% 71 68% 69 69 66% 2013 2014 2015 2016 2017

82

Data coverage (weight of total production)

 73%
 77%
 85%
 100%
 100%

 2013
 2014
 2015
 2016
 2017

In 2016, the waste of BredenMaster was included, so there is a lower use rate, but a higher scope of coverage.

2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.







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Recognition: Ecopositiva highlights our management of conventional waste

Ecopositiva S.A.S E.S.P awarded Team Foods Colombia Bogotá Plant with a recognition for its work and commitment to environmental protection and the improvement of its quality standards by using conventional waste at its facilities in 2017.

Packaging

We have the constant challenge of contributing to the development of packaging and containers that respond to the needs of the market, our customers and consumers and, at the same time, reduce the impact on the environment. Reducing the use of materials in general, increasing the recycling rate and the use of recycled materials, and improving productivity in manufacturing in order to achieve a spread in the Organization's brands is the focus of the packaging engineering area.

In 2017, projects were carried out to modify packaging materials, focused on optimizing natural resources, consisting of the modification of labels and the substitution of materials.

The PET container of the Gourmet Oliva portfolio was replaced with a glass container, in order to align this product with the Olive Oil category and contribute to the eco-friendly container strategy, in which the Gourmet brand has been working, even though it represents a cost overrun of more than 30% compared to the previous material. Also, by changing the size of the labels of certain references, we achieved savings of more than 50% and optimized the use of the plant's labeling line.









Success Story

Increase in recycled material for packaging material





85

In 2017, the folding cardboard for margarine packaging, which was a mix of virgin and recycled fiber, was replaced by 100% recycled material, thus generating a positive impact on the use of materials by not using virgin fibers in the manufacturing thereof, but rather using post-consumer recycled cellulose.

This also resulted in savings of approximately 16% on the cost, showing the win-win opportunities through this type of initiatives.

• • • • • • • 🔁 • • 86

Environmental culture

In 2017, Manos Verdes [Green Hands] managed to



Collect more than **1.100 Tons**

of used vegetable oil, at more than 1,600 points of sale



Avoid the contamination of 1'235,533 m³ of water



Reduce the emission of 2'552,394 kg de CO₂ (by converting UVO into biodiesel)

Recover **3.7%** of the containers placed on the market



Contribute to the reduction of illegality on the oil and fat market



Execute more than **20 pilot projects** for the collection of UVO in homes

Participate in **3 events** of open innovation

[301-3]

Engaging our stakeholders in the Organization's environmental management is a way to strengthen and promote the environmental culture around us. Identifying impacts, establishing open and timely communication channels and conducting both internal and external awareness-raising activities allows us to achieve the objectives. These activities cover topics such as washing your hands, proper waste management and safety.

Our Manos Verdes [Green Hands] program, focused on generating a cul-

ture for the proper disposal of used vegetable oil (UVO), continues to be our leading initiative in relation to responsible consumption and production and extended producer responsibility. In 2017, its scope doubled in volume and in the share of revenue from the Food Service business under which it has operated since it was created. Also, its scope of collection went from 12% to 25% of the possible universe among customers of the business, demonstrating that Manos Verdes' still has potential for growth.



Success Story Team is Green at Heart

We continued to work on the Team is Green at Heart campaign to create a culture and internal awareness focused on promoting the rational use and savings of natural resources, specifically water and waste, reaching

1,244 employees

at all the plants and offices in Colombia. A campaign was carried out to reconnect to nature at the beginning of the year, which was the starting point for the internal contest "Ideas, Green at Heart" that was launched, in which employees in Colombia could come up with ideas on how to save and use water efficiently in the Organization The contest took place with 19 participants on 8 teams, and the objective of the winning proposal was to reduce water consumption in washing the protein line equipment at the Buga plant, proposed by Germán Estrada Ríos. This idea is expected to generate annual savings of more than

\$840,000

And the investments necessary to implement the proposal would be recovered in three months.

Through this campaign, we hope to continue promoting the environmental culture within the organization through recreational-theoretical spaces that promote the remembrance and modification of behaviors in order to reduce impacts within the Organization, as well as at the homes of each of the employees.



Recognition: PREAD 2017 Elite Category, Generating Sustainable Development

On December 6, 2017, the award ceremony of the District Environmental Excellence program of the District Environmental Department was held, where the Bogotá Plant of Team Foods Colombia received the recognition once again in the Elite Category of Generating Sustainable Development for the fifth consecutive time, thanks to the score achieved on the PREAD audit that year and the performance of its activities based on the sustainability approach. It has set an example for the rest of the Organization's operations in terms of the maturity of its environmental management standards.



2018-2020

Challenges

A

88



Increase the percentage of water reuse and recycling in production processes.

Continue optimizing processes to reduce the use of energy and water and the generation of emissions.



6

Ensure the conditions necessary to **consolidate the measurement of environmental indicators** in all operations under the same methodology.

Increase the use of ordinary waste to 80% in all operations.

Strengthen the post-consumer strategy for closing the cycle of used vegetable oil at the plants.

Implementation of 3-filter system at the Triclear refinery in Bogotá and launch the project to save on the consumption of land and decrease erosion in Bogotá.

Identify projects to improve, update or renew technologies through the engineering of packaging with a proactive approach to reduce the use of materials.



Long-term Financial Growth

- 91 Planning and Strategy
- 92 Corporate Risk Management
- 94 Business Performance
- 95 Economic Value Generated and Distributed
- 96 2018 2020 Challenge

Isabel Giraldo Pérez Sustainability and CSR Coordinator

89

team

A t the international level, the year 2017 was characterized by a recovery in the global economy; growth went from

2.4% in the year 2016 to

3.0%

in 2017, when Latin America _{ii} managed to grow

0.9%

coming from a slowdown in 2016 of

1.5%

This growth was concentrated in some countries in the area, but in other countries, there was a slowdown, as is the case of Colombia, which went from growing

2.0% in 2016 to **1.6%** in the year 2017.

This situation in Colombia is attributed to several factors such as: low oil prices, the increase in the VAT rate, the lowest growth in employee income, political uncertainty, low consumer confidence and the decline in the creation of jobs, which led to the limited growth of household demand. Household spending, understood as all the purchases and payments made by families on utilities and new and used products, ended the year 2017 with a moderate growth of

and, with respect to the place of

purchase, we found that the hard discount has gained importance and has begun to oust other places

of purchase, such as corner stores.

Supermarkets have regained par-

ticipation with the appearance of

0.5%

compared 2016.

smaller volumes and price reductions. In terms of inflation, the year was marked by a sharp correction in food prices, going from an inflation rate of

90

5.75% at the end of 2016, to

4.09% at the end of 2017.

As a result of the decrease in inflation, the Central Bank of Colombia reduced its intervention rate of 7.5% at the beginning of the year to 4.75%.





2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.

Planning and Strategy

n 2017, we designed a mechanism that allowed us to quantify, analyze and manage working capital by business unit in order to achieve the profitable and sustainable growth of all our businesses, thus meeting one of the challenges posed in the previous year.





Success Story Sale of Team Plastics

In 2017, we concluded the divestment process of a plant dedicated to the production of plastic containers in order to focus our resources on more strategic activities for the Organization in the long term, thus strengthening our capabilities in other regions and activities.

One of the conditions for evaluating potential buyers, in addition to finding a fit with our corporate values, was the guarantee of transferring 100% of the facility's staff, thus ensuring job stability of the employees in this process. That is why the entire operation was sold to Amcor Rigid Plastics, world leaders in rigid plastic containers, with the certainty that our people would be in the best of hands.

2017 SUSTAINABLE MANAGEMENT REPORT STRENGTHENING OUR BASES TO TRANSCEND.

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Corporate Risk Management

[T18]

•orporate risk management at Team is focused on guiding actions for improvement toward prevention and mitigation, which establishes a logical and systematic methodology under the context of: identifying, analyzing, assessing, controlling, monitoring and effectively communicating the risks associated with an activity, function or process, in order to achieve the strategic objectives in an effective and efficient manner. This is how we protect resources, make better decisions and prepare the Organization to deal with contingencies, thus ensuring the continuity of the business over time.

In 2017, management was focused on strengthening the definition of controls to improve risk monitoring, update the maps at all the plants and design the internal certification in risk management to promote a culture of prevention among the Organization's employees. The latter was reinforced on different occasions at the management levels with workshops on trends and risks in order to identify strategic risks and strengthen the identification process at the management level. In 2017, we kept the level of residual risk for Corporate stable at moderate.





Level of Residual Risk Corporate: 2017- Moderate

(2016: Moderate)



[412-1]

In line with the Organization's clear commitment to the respect and promotion of Human Rights (HR), we have highlighted the due diligence or risk analysis of our direct processes conducted with the assistance of a third-party expert in this type of assessments. The ten primary processes were assessed through leader interviews, including safety, environmental management, talent management, procurement and legal compliance, among others, and the real and potential negative consequences of each were identified.

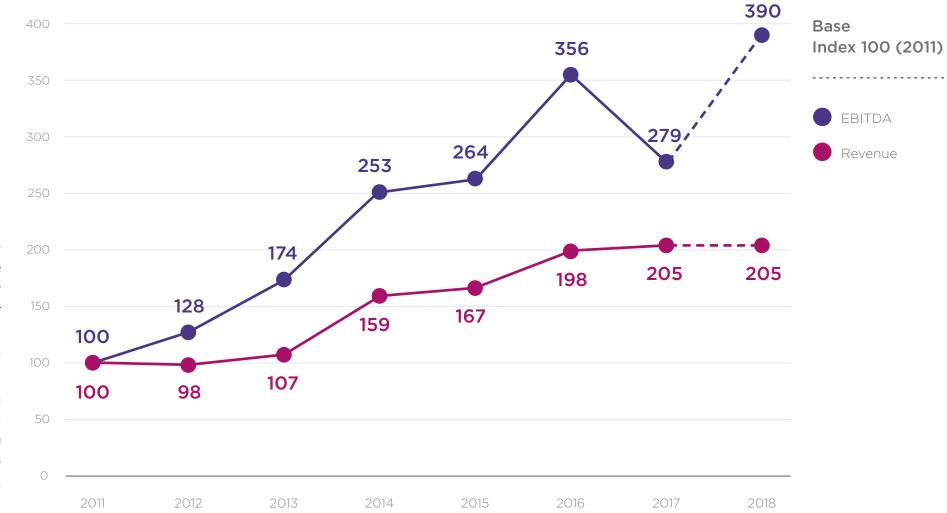
No critical risks in HR were identified for the Organization, although the risks related to occupational accidents and diseases and negative environmental impacts were identified as areas that required attention due to their magnitude and likelihood of occurrence. Other topics identified as priorities at the intermediate intervention level were those related to education and training for special tasks. With regard to indirect impacts, the processes of transport, logistics and procurement were identified as the highest priority due to their real and potential impacts.

93

The goal of this exercise is to be able to internalize this assessment methodology and integrate it in our corporate management process internalize this assessment methodology and integrate it in our corporate management processs.

94

Business Performance



[T19/20]

A midst this adverse environment, with a high price pressure, we managed to grow in volume, and consolidated our leadership in the oil market.

However, strong control on spending, working capital and cash optimization was required, in addition to careful management of feedstock purchases in order to withstand the volatilities of palm, palm kernel, sunflower, soy and canola oil.

• • • • **(**) • 95

Economic value generated and distributed

[201-1]

Economic Value Distributed (EVD) (in millions of COP)

(EVD) Operating costs: payments to suppliers, royalties and facilitation payments.

1,323,760

(EVD) Total salaries and benefits for employees: total payments made to employees and social security. Does not include future payment commitments.

162,728

(EVD) Payments to capital providers: dividends paid to all shareholders.

42,040

(EVD) Payments to governments: all taxes, contributions and penalties. Includes payment to regulatory authorities.

17,057

218

(EVD) Investments in the commu: voluntary contributions and investment of funds in the community.

Total Revenue (EVC) **1,615,963**

net sales plus revenue from financial investments and sale of assets

Total EVD 1,545,802 (does not include revenue)

> Economic Value Retained (EVR) 70,160 EVC - EVD



Challenges 2018-2020



Maintain an optimum capital structure (adequate balance between debt and equity) to **maximize the value of the Organization and profitable growth over time.**

Prepare for an electronic billing system in Colombia, requiring us to **modernize our information systems.**

Strengthen the risk measurement, monitoring and reporting system within the organization.

Consolidate the area of compliance to strengthen compliance with internal and external standards and policies.





Annexes

98 GRI Table

Deloitte's Verification Memorandum

NSABLE DE MI SAD Y DE LA DE MI FAMILIA .2

Tean

Nelson Hernández Supervisor of the blowing area

97

team

GRI Table



General Content

INDICATOR	2016 RESPONSE	PAGE	EXTERNAL AUDIT	COMMENTS
Strategy and Analysis				
102-14. Statement from the most senior decision- maker of the organization about the relevance of sustainability to the organization.	We are nourishing a better tomo- rrow; Message from the CEO	5		
102-15. Description of the key impacts, risks and opportunities.	We are nourishing a better tomorrow; Mes- sage from the CEO; Who We Are	5		
Organizational Profile				
102-1. Name of the organization.	Team Foods	98		
102-2. Primary brands, products and services.	We are nourishing a better tomorrow; Who We Are	6		"See 2016 Sustainable Ma- nagement Report for fur- ther information: www. team.co/sostenibilidad"
102-3. Location of headquarters.	We are nourishing a better tomorrow; Who We Are	6		
102-4. Number of countries where the organization operates, and the names of countries where it has significant operations or that are relevant to the sustainability topics covered in the report.	We are nourishing a better tomorrow; Who We Are	6		
102-5. Nature of ownership and legal form.	Private	98		



INDICATOR	2016 RESPONSE	PAGE	EXTERNAL AUDIT	COMMENTS
102-6. Markets served (including geographic loca- tions, sectors served and types of customers).	We are nourishing a better tomorrow; Who We Are	6		
102-7. Scale of the organization, including: - Number of employees: - Total number of operations. - Net sales or net revenues."	We are nourishing a better tomo- rrow; Message from the CEO.	6		
102-8. Information on employees and other workers: - Total number of employees by employment contract and gender. -Total number of employees by region and gender.	We are nourishing a better tomorrow; Mes- sage from the CEO; Who We Are	6		Type of contract is not re- ported, and gender is repor- ted in consolidated form.
102-41. Percentage of employees covered by collective bargaining agreements.	We are nourishing a better tomorrow; Who We Are	6		
102 -9. Supply chain of the Organization's suppliers.	Responsible procurement; Responsible purchasing	99		
102-10. Significant changes during the reporting period regarding size, structure, ownership, or supply chain of the organization.	We are nourishing a better tomorrow;	11		
102-11. How the organization applies the precautionary approach or principle.	We are nourishing a better tomo- rrow; Organizational Progress	10		
102-12. Externally developed economic, environmental and social charters, principles or other initiatives.	Contribution to Community Develop- ment; Social Investment Strategy	69		
102-13. Main memberships in associations (such as sector associations) and/or national/international advocacy organizations supported by the organization.	 Asociación Nacional de Empresarios de Colombia (ANDI) Consejo Privado de Competitividad Asograsas Cecodes Asociación Nacional de Comercio Exterior (ANALDEX) Asociación Nacional de Anunciantes (ANDA) Corporación Calidad Chileoliva Defencarga Aniame 	99		

INDICATOR	2016 RESPONSE	PAGE	EXTERNAL AUDIT	COMMENTS
Identification of material aspects and limits				
102-46. Explain the process for defining the report content and the topic boundaries.	We are nourishing a better tomorrow; How We Manage	10		"See 2016 Sustainable Ma- nagement Report for fur- ther information: www. team.co/sostenibilidad"
102-47. List all the material topics identified in the process for defining report content.	 Nutrition and Healthy Lifestyles Integrity, Compliance and Transparency Responsible Procurement Strategic Development of Talent Contribution to Community Development Environmental responsibility and conservation of natural resources Long-term Economic and Financial Viability 	100		
103-1. For each material topic, report whether it is for the entire organization. Otherwise, indicate which aspect is not material for any of the entities that are part of the organization.	The topics reported as material are considered as such for the entire organization, inside and out.	100		
103 -1. For each material topic, report whether it is for outside the organization.	The topics reported as material are considered as such for the entire organization, inside and out.			
102 -48. Explanation of the effect of any restatements of information given in previous reports, and the reasons for such restatements.	 Some of the indicator figures are restated due to changes in the measurement methodology and data sources. The environmental indicators are recalculated after removing the Team Plastics operation and adjusting units of measure in some cases. The unit of measurement of the Carbon Footprint Ecoindicator has been corrected to kg of CO2e / t.e. Occupational health and safety indicators have been recalculated due to change in the unit of measure. The indicator of R&D investment is restated vs. the figure reported in 2016 after taking all the Organization's revenues into account 	100		
102-49. Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Consolidated results are reported for the Team Group, considering the organizational chan- ges that occurred during the year that invol- ve adjusting the scope of information.	100		

INDICATOR	2016 RESPONSE	PAGE	EXTERNAL AUDIT	COMMENTS
Interest Groups				
102-40. List the stakeholders engaged by the organization.	www.team.co/sostenibilidad	101		See 2016 Sustainable Ma- nagement Report for fur- ther information (p 14)
102-42. Report the basis for identifying and selecting stakeholders with whom to engage.	www.team.co/sostenibilidad	101		
102-43. Approaches adopted for stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken as part of the report preparation process.	There are several scenarios of engagement with the different stakeholders, led by those who have a closer relationship with them. The con- tent of the Report provides the most represen- tative examples of these dialogs, which allow us, as a company to maintain our materiality.	101		
102-44. Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns through its reporting. List the stakeholders and topics identified as relevant.	There are several scenarios of engagement with the different stakeholders, led by those who have a clo- ser relationship with them. The content of the Report provides the most representative examples of these dialogs, which allow us, as a company to maintain our materiality, based on the analysis validated in 2016.	101		See the 2016 Sustainable Ma- nagement Report (pp 13-16) for further information on the process of materiality and ob- jectives of engagement with each of the stakeholders.
Support Profile				
102-50. Reporting period.	2017	101		
102-51. Date of most recent report.	2016	101		
102-52. Reporting cycle (annual-biennial).	Annual	101		
102 -53. Contact point for questions regarding the report or its contents.	Isabel Giraldo - isabel.giraldo@team.co	101		

INDICATOR	2016 RESPONSE	PAGE	EXTERNAL AUDIT	COMMENTS
102-54. Report the "Agree" option with the GRI methodology selected by the organization (Core-Comprehensive). Report the GRI table of contents.	About This Report	3		
102-55. GRI content index.	Annexes; GRI Table	98-109		
102-56. Describe the organization's policy or approach with regard to seeking external assurance for the report.	There is no policy or approach that requires it. The partial content is validated externally with Deloitte.	102		
Government				
102-18 . The governance structure of the organization, including committees of the highest governance body. Identify whether there is a committee responsible for overseeing economic, environmental and social topics.	Corporate Committees: Board of Directors; Group Committee; Corporate Committee; Business Commit- tee; Financial Risk and Feedstock; Labor Risk; Corpora- te Finance; Talent; Operational Excellence; Operational Business Excellence; Crisis; Strategy and Budget	102		"See 2016 Sustainable Ma- nagement Report for fur- ther information: www. team.co/sostenibilidad"
102-20. Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics, and whether this position reports directly to the highest governance body.	Yes, the organization has a position with responsibili- ty for economic, environmental and social topics and it reports directly to the highest governance body.	102		
102-21. Report the processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	Processes for consultation are delegated through the Group Committee and then the Board of Directors.	102		
102-54. Report the "Agree" option with the GRI methodology selected by the organization (Core-Comprehensive). Report the GRI table of contents.	About This Report	3		
102-23. Indicate whether the chair of the highest governance body is also an executive officer (if so, explain his/her function within the organization and the reasons for this arrangement).	The chair of the highest governance body is not an executive officer within the organization.	102		



INDICATOR	2016 RESPONSE	PAGE	EXTERNAL AUDIT	COMMENTS
102-32. Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	Chairman	103		
102-33. Report the process for communicating critical concerns to the highest governance body.	The Group Committee determines the concer- ns to be taken to the next Board of Directors.	103		
Ethics and Integrity				
102-16. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	www.team.co	103		"See 2016 Sustainable Ma- nagement Report for fur- ther information: www. team.co/sostenibilidad"
102-17. Report the internal and external mechanisms for seeking advice about ethical behavior and organizational integrity, as well as help or counseling hotlines.	Integrity, Compliance and Transpa- rency; Corporate Integrity	22		



2016 Specific Content

MANAGEMENT AREA	GRI ASPECT	*	GRI AND/OR OWN INDICATOR	2016 RESPONSE	EXTERNAL AUDIT	OMISSION
Nutrition and Healthy Lifestyles	N/A	16	T1. Investment in R&D&i as a % of revenue	Nutrition and Healthy Lifestyles; Research, Development and Innovation	Х	
	Anti-corruption	22	205-1. Number and percentage of operations assessed for risks related to corruption and risks identified	There are 79 significant risks related to corruption that have been identified		Only the total number of significant risks is mentioned.
	Anti-corruption	22	205-2. Communication and training on anti- corruption policies and procedures.	Integrity, Compliance and Transparency; Corporate Integrity		The percentage trained is mentioned, not the total number.W
Integrity, Com- pliance and Transparency	Anti-corruption	24	205-3. Confirmed incidents of corruption and actions taken	In the last four fiscal years, we have not had any confirmed cases of corruption or bribery, and we are not involved in any ongoing investigation.		
	Anti-competi- tive Behavior	26	206-1. Number of legal actions regarding anti-competitive behavior, anti-trust or monopoly practices and the results thereof	We have not been fined due to anti- competitive behavior or monopoly practices in the last four fiscal years.	Х	
	Anti- competitive Behavior		419-1. Monetary value of fines and penalties and number of non-monetary fines and penalties for non-compliance with laws and regulations	In 2017, we had no significant fines or penalties for non-compliance with laws and regulations.		

MANAGEMENT AREA	GRI ASPECT		GRI AND/OR OWN INDICATOR	2016 RESPONSE	EXTERNAL AUDIT	OMISSION
	Marketing and Labeling	32	417-1. Type of information required by the organization's procedure for product and service information and labeling, and percentage of significant product and service categories that are subject to these requirements.	Quality and Customer and Consumer Satisfaction; Responsible Marketing and Communication	Х	
	Marketing and Labeling	32	417-2. Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Quality and Customer and Consumer Satisfaction; Responsible Marketing and Communication		
Quality and Customer and Consumer Sa- tisfactions	Marketing and Labeling	32	417-3. Number of incidents of non- compliance with regulations or voluntary codes concerning marketing communications, such as advertising, promotion and sponsorship, by type of outcomes.	We have not been notified of any violations of the voluntary codes relating to commercial communications.		The percentage trained is mentioned, not the total number.
	N/A	34	T2. Customer Satisfaction Survey	Quality and Customer and Consumer Satisfaction; We aim to deliver solutions that meet the needs of our customers.		Only customer satisfaction for the Team Solutions Colombia business is reported.
	N/A	34	T3. Product complaints received and resolved from consumers	Quality and Customer and Consumer Satisfaction; We aim to deliver solutions that meet the needs of our customers.	Х	Only data for Colombia is reported
	Procurement practices	40	FP1. Percentage of purchased volume from suppliers compliant with the company's Procurement Policy.	100% of the purchased volume from our suppliers is compliant with the Procurement Policy and related procedures.		
Responsible Procurement	Procurement practices	40	FP2. Percentage of purchased volume which is verified as being in accordance with internationally recognized responsible production standards, broken down by standard	Responsible procurement; Responsible purchasing		

6

MANAGEMENT AREA	GRI ASPECT		GRI AND/OR OWN INDICATOR	2016 RESPONSE	EXTERNAL AUDIT	OMISSION
	N/A	40	T4. Palm traceability	Responsible procurement; Responsible purchasing		
Responsible Procurement	N/A	39	T5. Critical new suppliers assessed according to environmental, Human Rights, Labor and society criteria	Abastecimiento responsable; Identificación, evaluación y selección de proveedores	×	Only reported for suppliers of Packaging Materials, Inputs and Ingredients (MEIIs) in Colombia and Lipid Feedstock (MPL) at the corporate level.
	Procurement Practices	40	204-1. Proportion of spending on local suppliers at significant locations of operation.	Responsible procurement; Responsible purchasing		
	Market Presence		202-1. Ratios of standard entry level wage by gender compared to local minimum wage at locations of significant operations	All our employees are hired at wages above the minimum wage in the respective areas of operation.		
	N/A	47	T6. Filling vacancies with internal talent for levels 4-6:	Strategic Development of Talent; Selection and Contracting		Not reported for Mexico and Chile
Strategic Development	N/A	47	T7. Percentage of vacancies advertised as internal calls for applications	Strategic Development of Talent; Selection and Contracting		Not reported for Mexico and Chile
of Talent	Training and Education	49	404-3. Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Strategic Development of Talent; Development of Talent	Х	It is not broken down by gender or employee category.
	Training and Education	50	404-1. Average hours of training per year per employee by gender and by employment category.	There was an average 17 hours of training per employee for education and development.		It is not broken down by gender or employee category.

MANAGEMENT AREA	GRI ASPECT		GRI AND/OR OWN INDICATOR	2016 RESPONSE	EXTERNAL AUDIT	OMISSION
	Training and Education	52	404-2. Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Strategic Development of Talent; Training and Education		
	Employment	54	401-2. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of activity.	Strategic Development of Talent; Benefits and Wellbeing		Not reported by area.
	N/A	54	T8. Investment in Benefits (COP)	Strategic Development of Talent; Benefits and Wellbeing		The consolidated value for the organization is reported.
Strategic De- velopment of Talent	Diversity and Equal Oppor- tunities	57	405-2. Ratio of basic salary and remuneration of women to men by employee category, by significant locations of activity.	Strategic Development of Talent; Compensation and Remuneration		Not reported by location.
	Employment	60	401-1. Number and rates of new employee hires and employee turnover by age group, gender and region.	Strategic Development of Talent; Culture, Atmosphere and Working Conditions	Х	Only turnover is reported, not the new hire rate. It is not reported age group or gender.
	N/A	60	T9. Work Environment Score - GPTW	Strategic Development of Talent; Culture, Atmosphere and Working Conditions	×	
	N/A	107	T10. Percentage of formal complaints and claims received and resolved by labor practices	In the year 2017, 34 formal cases were processed.	X	Only the labor claims with legal implications were reported.
	Management of labor relations	107	FP3. Percentage of working time lost due to strikes, labor disputes or lockouts by country	There was no time lost during the year due to lockouts, strikes or labor disputes.		

MANAGEMENT AREA	GRI ASPECT		GRI AND/OR OWN INDICATOR	2016 RESPONSE	EXTERNAL AUDIT	OMISSION
Strategic De- velopment of Talent	Occupatio- nal Health and Safety	64	403-2. Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Zero fatalities	Х	They are reported separately as IFA, ISA and Absenteeism, but not broken down by type of occupational disease, type or rate of injury or the time lost.Not reported by gender.
	N/A	64	T11. IFA - Accident Frequency Rate	Strategic Development of Talent; Occupational Health and Safety	Х	
	N/A	64	T12. ISA - Accident Severity Index	Strategic Development of Talent; Occupational Health and Safety	Х	
	N/A	66	T13 . Absenteeism	Strategic Development of Talent; Occupational Health and Safety	X	
Contribution to Community Development	N/A	69	T14. Donations made (COP)	Contribution to Community Development; Social Investment Strategy	×	
	N/A	77	T15. Intensity of water consumption	Environmental Responsibility and Conservation of Natural Resources	×	
Environmental Responsibility	Water	77	303-3. Percentage and total volume of water recycled and reused.	Environmental Responsibility and Conservation of Natural Resources		
and Conserva- tion of Natural Resources	Emissions	79	305-1. Direct (Scope 1) GHG emissions	Environmental Responsibility and Conservation of Natural Resources; Emissions	Х	Scope Bogotá
	Emissions	79	305-2 . Indirect (Scope 2) GHG emissions	Environmental Responsibility and Conservation of Natural Resources; Emissions	Х	Scope Bogotá

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MANAGEMENT AREA	GRI ASPECT		GRI AND/OR OWN INDICATOR	2016 RESPONSE	EXTERNAL AUDIT	OMISSION
Environmental Responsibility and Conserva- tion of Natural Resources	Emissions	79	305-3. Other indirect (Scope 3) GHG emissions	Environmental Responsibility and Conservation of Natural Resources; Emissions	Х	Scope Bogotá
	Emissions	79	305-4. GHG emissions intensity	Environmental Responsibility and Conservation of Natural Resources; Emissions	Х	Scope Bogotá
	Energy	81	302-3. Energy intensity	Environmental Responsibility and Conservation of Natural Resources; Energy	Х	Scope Bogotá
	N/A	81	T17. Percentage of use of ordinary waste	Environmental Responsibility and Conservation of Natural Resources; Energy	Х	Scope Bogotá
	Materials	86	301-3. Percentage of products sold and their packaging materials that are reclaimed at the end of their useful life, by category.			It is reported only for packaging reclaimed from the Food Service business in Colombia.
Long-term Economic and Finan- cial Viability	N/A	92	T18. Level of Residual Risk	Long-term Economic and Financial Viability; Corporate Risk Management		
		93	412-1. Operations that have been subject to human rights reviews	Long-term Economic and Financial Viability; Corporate Risk Management		
	N/A	94	T19. Base 100 income (2011)	Long-term Economic and Financial Viability; Corporate Risk Management		
	N/A	94	T20. EBITDA base 100 (2011)	Long-term Economic and Financial Viability; Business Performance		
	Economic Performance	95	201-1. Direct Economic Value Generated and Distributed	Long-term Economic and Financial Viability; Economic Value Created and Distributed		

Deloitte's Verification Memorandum



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Responsibilities of Deloitte and Team Management

- The preparation of Team Foods' 2017 Sustainable Management Report, as well as the content thereof, is the responsibility of the Organization, which is also responsible for defining, adapting and maintaining the internal control and management systems from which the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- This Report has been prepared solely in the interest of the Organization in accordance with the terms of our service proposal. We will not be held responsible by third parties other than Company Management.

Memorandum of Independent Review

Independent Verification of Team Foods' 2017 Sustainable Management Report

Scope of Our Work

We have reviewed the adaptation of the content of Team Foods' 2017 Sustainable Management Report to the Guidelines for Sustainability Reporting of the Global Reporting Initiative (GRI Standards).

Standards and Verification Processes

We have conducted our work in accordance with the ISAE 3000 - International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accounts (IFAC). Our review work has consisted of the formulation of questions to Management, as well as the various areas of Team Foods that have participated in the preparation of the 2017 Sustainable Management Report and in the application of certain analytical procedures and screening tests by sampling as described below:

CHAPTER 10

ANNEXE

- Interviews with Team employees to find out the management principles, systems and approaches used to prepare the Report.
- Analysis of how the content, structure and indicators of the report are defined based on materiality according to the suggestions of the GRI Standard.
- Analysis of processes to collect and validate the data provided in the report.
- Verification, through screening tests based on the selection of a sample of the qualitative and quantitative information corresponding to the GRI contents and our own indicators included in the Sustainable Management Report and their correct compilation using the data provided by information sources at Team Foods.





	MATERIAL ASPECTS	GRI AND/OR TEAM FOODS CONTENT	
Responsibilities of Deloitte and Team Management	Nutrition and Healthy Lifestyles	T1. Investment in R&D&i as a % of revenue	
• We have done our work in accordance with the independence standards requi- red by the Code of Ethics of the Interna-	Integrity, Complian- ce and Transparency	206-1. # de demandas por competencia desleal, prácticas monopolís- ticas o contra la libre competencia y resultado de las mismas.	
 tional Federation of Accountants (IFAC). The scope of a limited review is substantially narrower than that of an audit. Therefore, we do not provide an audit opinion 	Quality and Customer and Consumer Satisfaction	417-1. Type of information required by the organization's procedure for pro- duct and service information and labeling, and percentage of significant pro- duct and service categories that are subject to these requirements.	
on the Integrated Report.		T3. Product complaints received and resolved from consumers	
	Responsible Procurement	T5. Critical new suppliers assessed according to environmen- tal, Human Rights, Labor and society criteria	
		404-3. Percentage of employees receiving regular performance and ca- reer development reviews, by gender and by employee category	
ecific basic content: e reviewed the management approach and GRI		401-1. Number and rates of new employee hires and emplo- yee turnover by age group, gender and region.	
ntents of the following material aspects.		T9. Work Environment Score - GPTW	
	Strategic Development of Talent	T10. Percentage of formal complaints and claims received and resolved by labor practices	
		403-2. Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender	
		T11. IFA - Accident Frequency Rate	
		T12. ISA - Accident Severity Index	
		T13. Absenteeism	

Conclusions

Our review has not revealed any aspect that would lead us to believe that Team Foods' 2017 Sustainable Management Report contains significant errors or has not been prepared in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative, according to the "in accordance" (Core) option.

Main Comments & Recommendations Regarding the GRI and WBCSD Principles*

Context of Sustainability/ Materiality

General Comments

It is important to mention the appropriation and integration of the sustainability topics as a strategic part of the Company's management. It is also important to point out the analysis of these topics in the international, national and local context in economic, social and environmental terms, which provides stakeholders with a holistic perspective of the Organization's management and reality.

Recommendations

This good practice must continue to be developed by strengthening the indicators identifies as part of the update of Team Foods' materiality in 2017. In this sense, the establishment of Environmental Responsibility and Conservation of Natural Resources Short, medium and long-term goals regarding the

T14. Donations made (COP)		
nsumption (Bogotá Scope)		
HG emissions (Bogotá Scope)		
cope 2) GHG emissions (Bogotá Scope)		
ope 3) GHG emissions (Bogotá Scope)		
tensity (Bogotá Scope)		
Bogotá Scope)		
ordinary waste (Bogotá Scope)		

management of material aspects is suggested, in order to measure the Organization's performance and progress in terms of sustainability management and to carry out an annual assessment of the goals surpassed or not achieved and define action plans for the continuous improvement of processes.

Process for Collecting Information Regarding Management

General Comments

For the vast majority of the indicators, a robust process of collecting information was observed, as well as the appropriation of those responsible for the information, which allows the traceability of the different figures and evidence provided during the verification process. Some indicators, especially the environmental and occupational health and safety indicators, the sources for the consolidation of information come from several responsible individuals, which represents a difficulty when it comes to collecting and integrating information.

Recommendations

As for the indicators that undergo a process to collect information from various sources, communication between the different teams must be strengthened along with the appropriation of the entire process, which would empower those responsible for the management of the economic, social and environmental indicators, thus making collection and traceability easier.

ANNEX 1. Statement of Independence

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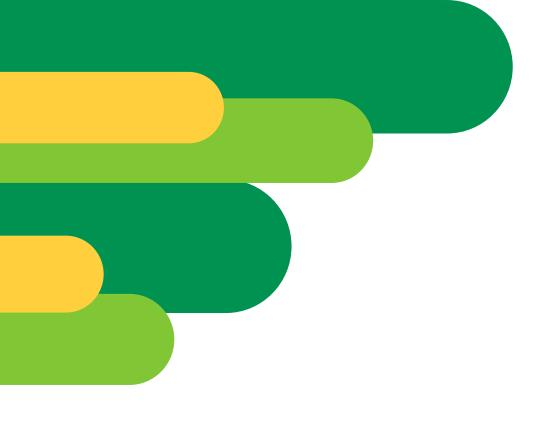
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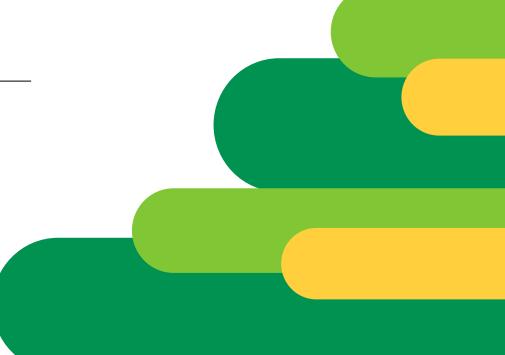


*In English: "World Business Council for Sustainable Development"





Strengthening our bases to transcend www.team.co



Diagramming: .Puntoaparte / / Report Manager: Isabel Giraldo