



SUSTAINABLE
MANAGEMENT
REPORT

2016



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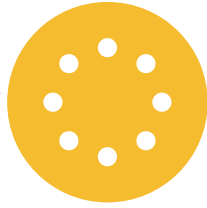
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ABOUT THIS REPORT



This report has been prepared under the **GRI Standard** according to the essential option, covering the 2016 calendar year. All the operations of **Team Foods in Colombia, Mexico and Chile** and **BredenMaster** are included, although the latter is still in the phase of alignment and standardization of processes. The operation of Panisimo is not yet considered for the environmental aspect.

This report has been verified by **Deloitte & Touche** with the aim of securing the transparency, quality and scope of the information reported.



1

NOURISHING A BETTER TOMORROW



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MESSAGE FROM THE PRESIDENT

[102-14/15]

During more than 65 years, we have worked with the solid conviction of nourishing a better tomorrow, a purpose that goes beyond fulfilling our business goals and which permits us to create well-being with our stakeholders, producing solutions according to their needs, friendlier with the environment, and that contribute to the development of the communities. In line with this purpose, I am pleased to present

our 2016 sustainable management report that ratifies our essence as a multi-Latin company, committed with the creation of dietary solutions that generate high value for our clients, allies, and consumers, promoting a balanced diet and the well-being of society.

During this period, in terms of business and with the objective of adjusting to the changes in the market and to the needs of our clients, we have kept a constant

search of products and services that respond thereto. Thanks to this conviction, Colciencias acknowledged Team —among more than 120 companies of all Colombian industrial sectors— as a Highly Innovating Company and our research team as Research Group with the Nation.

Likewise, our commitment to the Sustainable Development Goals of the United Nations was ratified during 2016, contributing with our operation to local, regional, and global development. Specifically, through the strategic development of talent, we contributed to the promotion of decent work and economic growth, reduction of inequalities and gender equality. In addition, we have worked based on operational processes respectful with the environment, with which we contributed to the

objective concentrated on action for climate, and in compliance with our purpose of nourishing a better tomorrow, we also contributed to the objectives of health and well-being and responsible consumption. We see with enthusiasm the opportunities and challenges we face in the future, working with conviction and perseverance to conquer new markets and geographies, strengthening our capacities and consolidating the different business activities already established.

I would like to thank all employees at Team because with their work and commitment, they bring to life our greater purpose of nourishing a better tomorrow, reflecting on all our actions and contributing to the consolidation of sustainable management.



Luis Alberto Botero
President



WHO WE ARE

We are a company expert in dietary solutions, and our commitment is to bring well-being to our stakeholders. We know that before our suppliers, clients and consumers, lies the constant search of persons that, as us, are committed to the well-being of human beings. Similarly, we are aware that the natural resources of our planet are limited, that the pressures of population growth and economic

development are greater and greater, and that the decisions and operations of the organization have a positive and negative impact on society and on the environment.

Therefore, we work to place in the industries, bakeries, restaurants, and homes in the countries where we are present innovative and reliable solutions with a high component of responsible nutrition and quality.

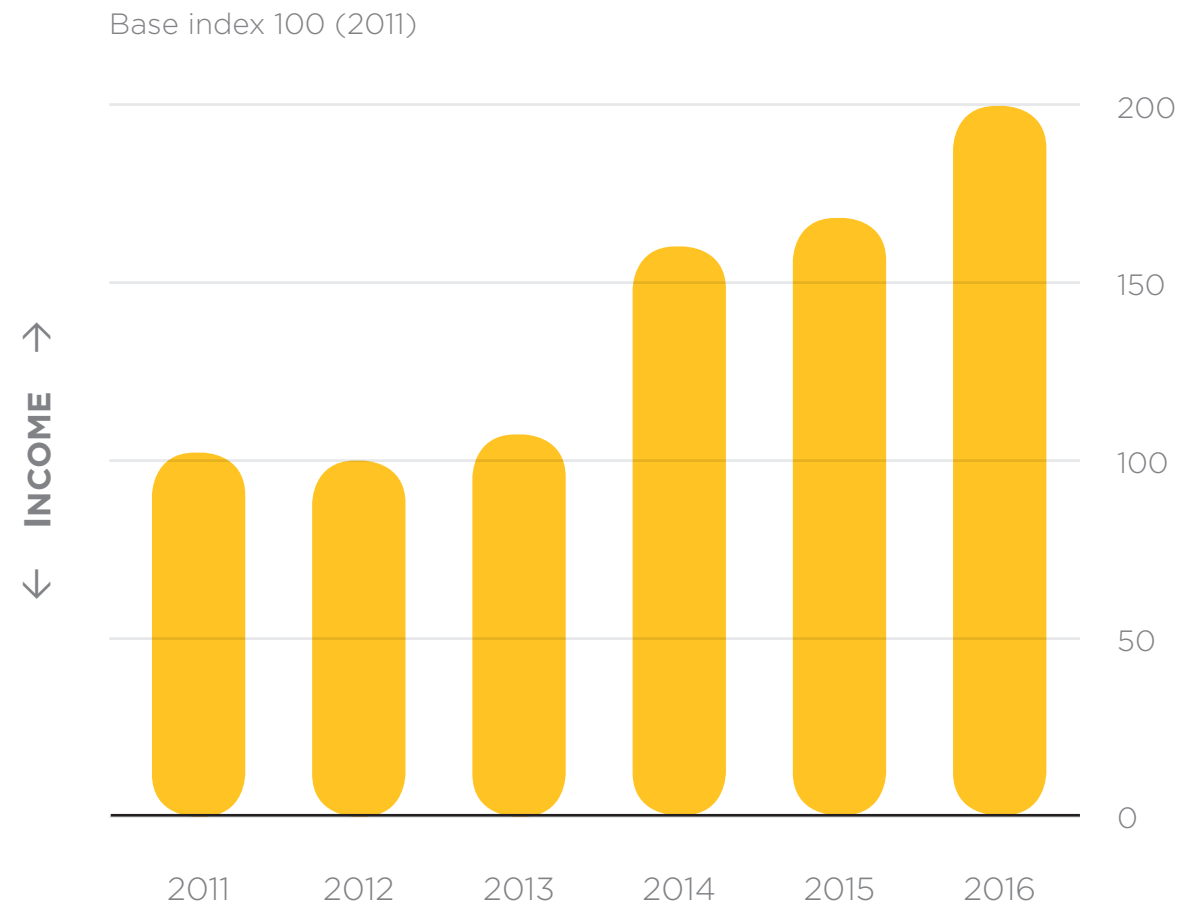
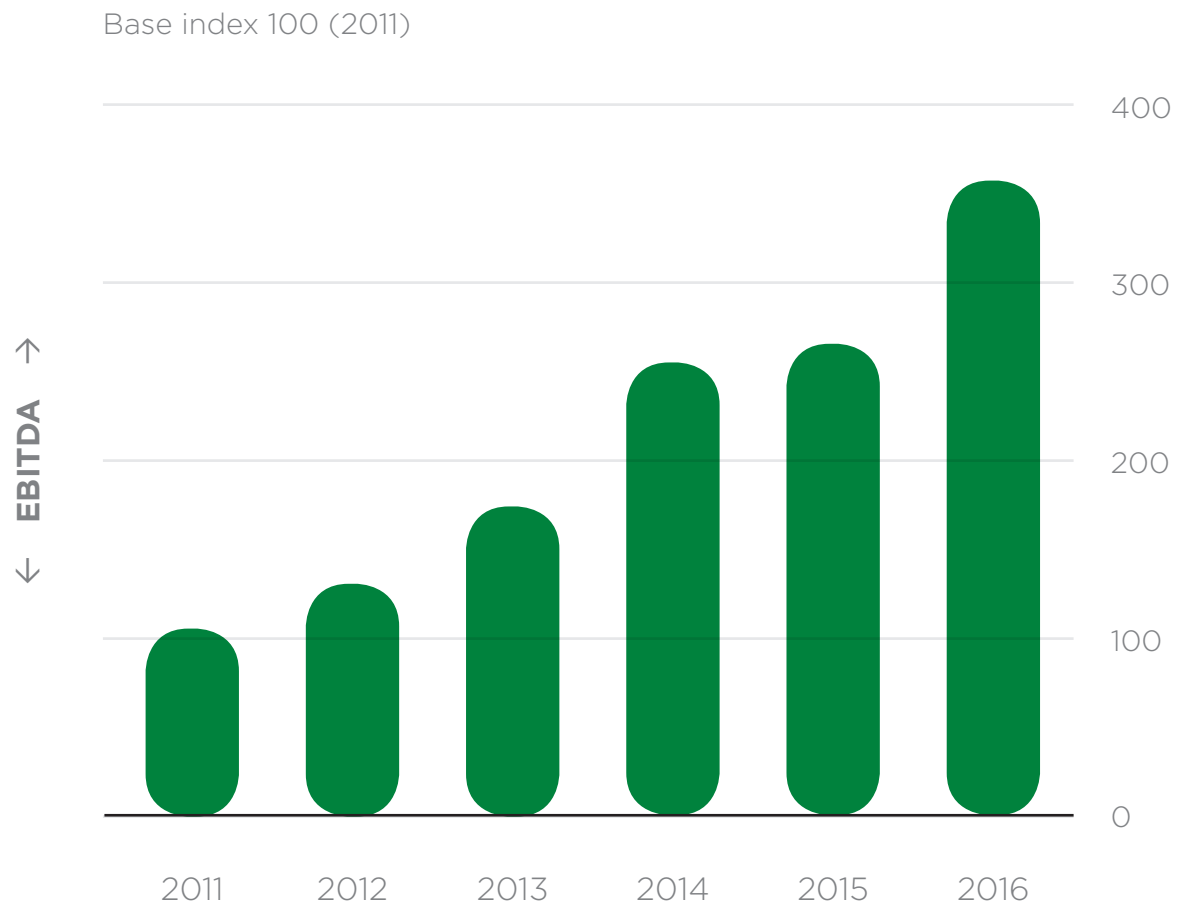


At Team, we nourish a better tomorrow.

Thus, we work to be our clients and consumers favorite option, the best place to work for our employees, an excellent investment for our shareholders and the ideal ally for the growth and development of our suppliers and communities.

Structure and Presence of the Organization

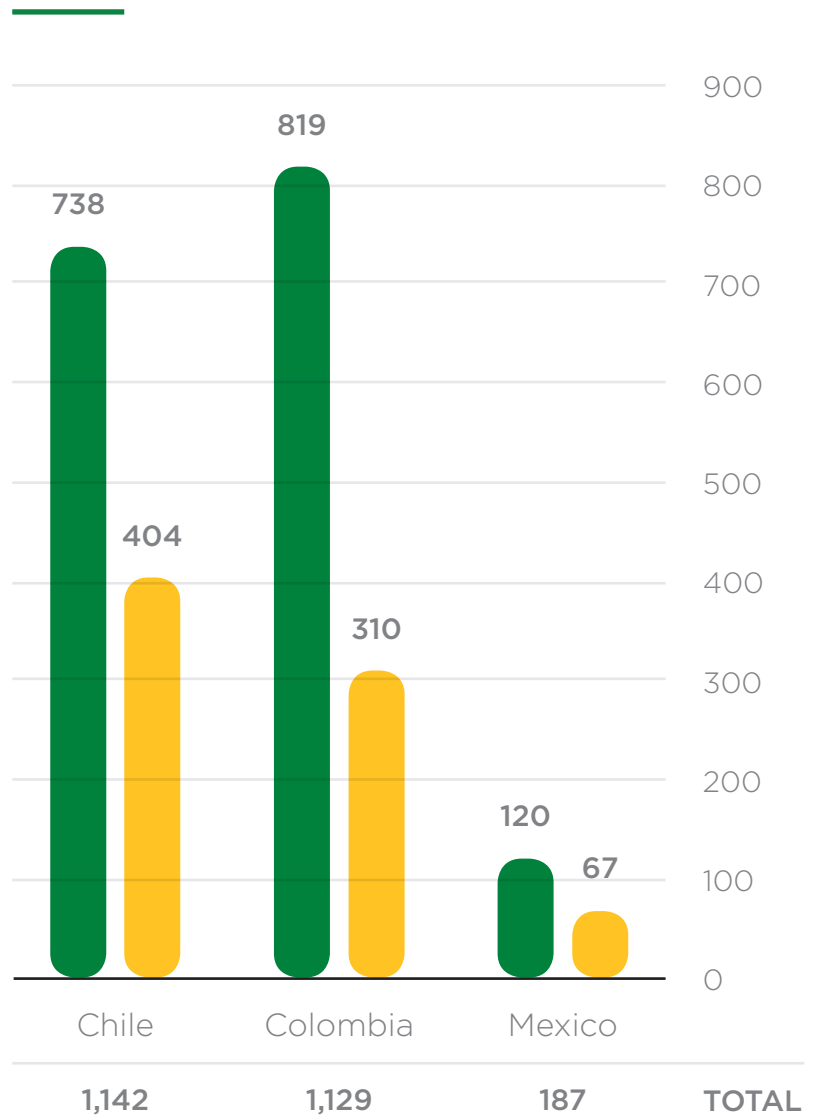
[102-3/4/7/8]





Direct employees

● Men ● Women





Business units and Brands

[102-2/6]



MASS CONSUMPTION

This unit focuses on understanding the consumers in general and making the difference with our trademarks and our business models leveraged on our knowledge of lipids but that transcend to other categories where we make the difference. It also offers products to the end consumer and his/her activities outside the home. This group includes the brands, channel brands, bakery, food service and export businesses.



TEAM SOLUTIONS

Concentrated on providing the industry with value added solutions, deeply understanding the client and the trademarks that reach the end consumer.

The main characteristic is the advisory sale model that understands the unresolved needs of the brands.



FROZEN BREAD

We offer bakery solutions that make it easier for our clients to deliver freshly baked bread to their consumers.

Based on our knowledge of lipids, we make the difference on the products that we offer to the segments we serve.



We have more than **200 registered trademarks** of bakery and home and industry products made from fats and vegetable proteins, of which we have in use more than **30 at present**, some acknowledged as **leading brands** in their categories.

Our most representative brands



We are present in the recipes of hundreds of chocolate, bakery, pastry products, snacks, sauces, preparations and more, in order to nourish a better tomorrow for millions of people.



OUR MANAGEMENT

[102-11]

We are convinced that to achieve a long-term profitable growth, transparent, responsible, and conscious management is necessary. Therefore, we are committed with our stakeholders in order to minimize risks,

optimize processes and costs, and construct value through trust in our products and services. To obtain the above, we base our actions on the fulfillment of our sustainable management approach, our principles, and capabilities.



+



+



=

Sustainability Approach

At Team, we create **economic, social, and environmental value** with our interest groups and we promote sustainability through a high degree of responsibility, management, and commitment.

Each individual that is a part of our team **makes the effort and looks for synergies** to manage efficiently the risks and maintain a perspective of continuous improvement with long-term vision.

Our commitment is based on the production of nutritious products with the **highest standards of quality and safety** for clients and consumers, and on the generation of economic capital in balance with an efficient management of resources, well-being, and development of stakeholders with whom we relate with along the value chain, within a transparent, ethical framework **respectful of human rights.**



Principles

[102-16]

HONESTY
ETHICS
RESPONSIBILITY
RESPECT
LOYALTY

Competencies

- ▶ **Effective work networks**
What is yours, what is mine, what is ours.
- ▶ **Innovation**
If you can dream, you can make it.
- ▶ **Flexibility and evolution**
The only constant is change.
- ▶ **Impact and influence**
Leave your mark.
- ▶ **Achievement oriented**
The best excuse is to get things done.
- ▶ **Focus on clients and consumers**
With pleasure.
- ▶ **Own it**
What is best for the business?



Materiality

[102-40/42/43/44/46; 103-1]

Being aware of the expectations and needs of our stakeholders is a priority for Team. We depend on different mechanisms that enable us to be updated and prioritize the most important topics for them and the organization and, thus, identify the management aspects on which we must concentrate.

During the years 2014-2015, a series of activities were conducted to identify the organization's stakeholders, and subsequently, their interests and priorities through dialog sessions

and feedback. Thanks to this exercise, we identified the eight management aspects included in the Sustainability Model and the promises for each one of the interested parties.

In the following years, we hope to prioritize the topics related to each aspect to focus our skills and resources adequately, evaluating the internal and external impacts and their scope. Similarly, we began to systematize and make visible the relationship and involvement scenarios within and outside the organization.





What are we looking for?

1.



Shareholders

Be an excellent investment in financial and reputational aspects in order to secure corporate sustainability and a positive impact on society.

2.



Employees

Be the best place to work, guaranteeing a healthy, safe and productive environment that fosters professional and personal development and growth.

3.



Clients and consumers

Solve the unmet needs of our clients and offer products that satisfy the needs in nutrition of our customers through innovation, quality, trust and support.

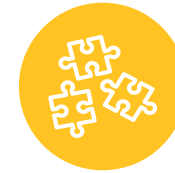
4.



Communities

To support the initiatives and programs aligned to our social investment strategy that contribute to social development.

5.



Suppliers

Contribute to the strengthening of the foods sector and society through our expertise and participation, generating mutual benefits.

6.



Special allies

Contribute to the strengthening of the foods sector and society through our expertise and participation, generating mutual benefits.

7.



Government

Be an ally for the country's development by complying responsibly with our obligations.

8.



Media and opinion leaders

Ensure long lasting relationships based on transparency, respect and trust in order to protect and strengthen our corporate reputation.



Sustainability Model

[102-47]

Long-term financial growth

Nutrition and healthy lifestyles

Environmental responsibility and natural resource conservation

Contribution to community development

Integrity, compliance, and transparency

Quality and client and consumer satisfaction

Responsible sourcing

Strategic talent development





We are committed with the promotion of the **United Nations Sustainability Development Goals (SDG)**, reason for which every one of these management aspects influences directly or indirectly these goals, **contributing to local, regional, and global development** throughout our operation.

RELATED SDG	MANAGEMENT ASPECT	SPECIFIC CONTRIBUTION
3. Good health and well-being	Nutrition and healthy lifestyles	<ul style="list-style-type: none"> • Research and development of products to influence the prevention of non-communicable diseases
5. Gender equality	Strategic talent development	<ul style="list-style-type: none"> • Guarantee of labor conditions, procedures and labor practices for equal opportunities
8. Decent work and economic growth	Strategic talent development	<ul style="list-style-type: none"> • Hiring with salary above the minimum legal salary in force • Well-being benefits and programs
12. Responsible consumption and production	<p>Quality and client and consumer satisfaction</p> <p>Environmental responsibility and natural resource conservation</p>	<ul style="list-style-type: none"> • Program for the recollection of used vegetable oil Manos Verdes, and post-consumption campaigns • Management and reuse of residues • Measurement and management of water and energy
13. Climate action	Environmental responsibility and natural resource conservation	<ul style="list-style-type: none"> • Measurement and management of atmospheric emissions
15. Life of land	Responsible sourcing	<ul style="list-style-type: none"> • Promotion and use of lipid raw materials produced under sustainability standards



ORGANIZATIONAL ADVANCES

[102-10]

In 2016 we continued with the consolidation of two new business activities dedicated to frozen bakery and pastry making —BredenMaster in Chile and Panlsimo in Colombia— to continue strengthening our presence in Latin-American homes and industries.

We reorganized and refocused the business activities to adjust to the changes in the market, being able to identify with greater clarity the differentiating factors of our clients and consumers to provide more and better solutions to their needs.





2

NUTRITION AND HEALTHY LIFESTYLES



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We intend to promote **nutrition, healthy lifestyles, and the welfare of our stakeholders** through research and development to nourish a better tomorrow.



We are aware that the products we eat have a direct impact on our health and well-being, reason why we depend on a team dedicated to improving efficiency, performance, and impact of our products and those of our clients through research and development. Studies demonstrate that in the future there will be a significant increase

of non-communicable diseases such as cancer, diabetes and chronic respiratory and cardiovascular diseases as a result of sedentary lifestyles and unhealthy food habits. Similarly, we now are a more conscious, urban, and informed society, and want to know in greater detail what we consume, how it was produced and where it comes from (World Economic

Forum, 2017). For Team, this aspect constitutes a challenge and —at the same time— an opportunity to offer our clients and consumers products that are much more adjusted to their needs and expectations.

Our developments are based on scientific research and are controlled with the highest quality standards in their evaluation and creation processes.





WE PROMOTE HEALTHY NUTRITION AND LIFE STYLES IN SOCIETY

Production of Healthy Food Products and Culture

Lipids are essential nutrients in the human diet because through fats, it is possible to carry out body functions necessary for well-being and health. We are called to demystify fats in society with our main

stakeholders through events, campaigns, and digital communication channels.

From the development team and working hand in hand with clients, we apply all our technical knowledge in lipids to produce healthy food products, optimizing processes, and improving the quality, performance,

and benefits thereof. Because of the growing demands, legal as well as from consumers for the reduction of sodium, sugars, trans and saturated fats of processed food products, we are a strategic ally for our clients in the reformulation of their products to answer these challenges of the

market. However, we do not ignore the benefits and the important properties that sodium and saturated facts fulfill in food products, influencing aspects such as color, taste, odor, and consistency, among others.

During the year 2016, we launched into the Colombian market fourteen (14) products for the consumer sector, more than one per month on average, generating dynamism and, obviously, new options for consumers. It is worth emphasizing within the products introduced during the year, products such as Gourmet® Control, an oil in spray, naturally free from cholesterol and trans fats, which provides

only five calories per each aspersion. Similarly, we penetrated the market with Gourmet® Coco oil, a product with multiple applications and benefits. The brand Olivetto® began this year with the sale of olives, olive oil in spray, extra virgin organic olive oil, Modena balsamic vinegar, bolognese sauce and pomodoro sauce, extending its portfolio of products based on the Mediterranean diet world-wide acknowledged for its benefits and the impact on the incidence of cardiovascular diseases. In addition, Bodega Olivetto® was developed, a new sales proposal that has generated versatility in the manner we reach our consumers.



We are called to **demystify fats in society** with our main stakeholders through events, campaigns, and digital communication channels.



FAT

IN THE HUMAN BODY

FAT IS AS IMPORTANT IN YOUR DIET AS IT IS IN YOUR BODY

* Perhaps you did not know that the brain, the eyes, and the skin are organs mainly composed of fat. *



Fats are an essential component of our body, so much that they are present in maternal milk.

Not all the fat that accumulates in your body as adipose tissue is a result of the fat you eat.

Fat is first distributed in the parts of the body that require it to function.

It is a source of muscular energy, for the immune system, and even for your mood.



MARGARINE

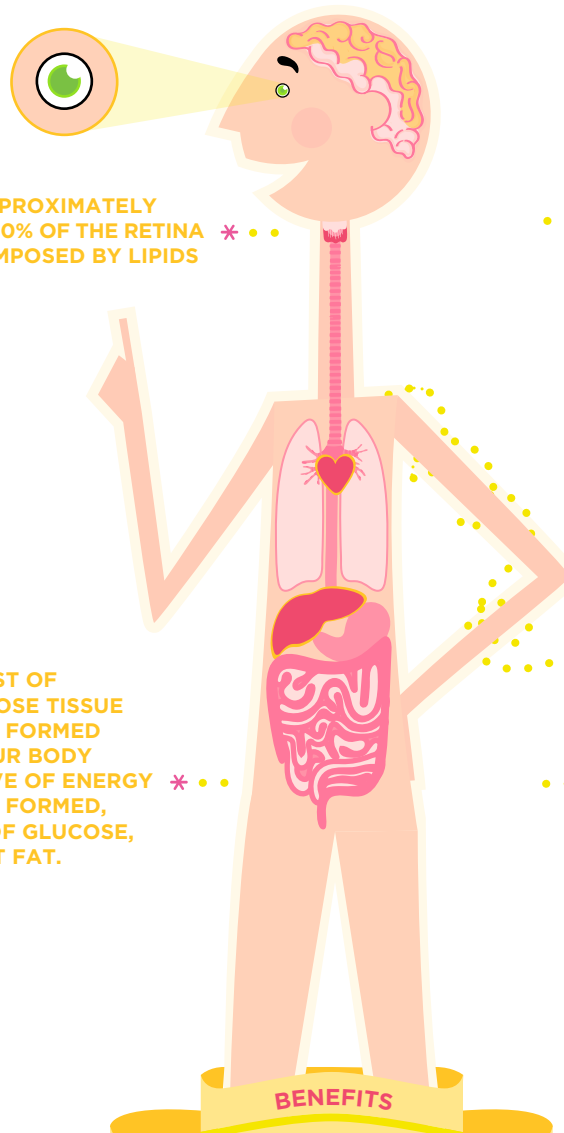


MARGARINE



SPREADABLE

We must eat different types of fat according to the need of each part of our body. Therefore, make sure to include different types for a balanced diet.



APPROXIMATELY 30% / 50% OF THE RETINA IS COMPOSED BY LIPIDS

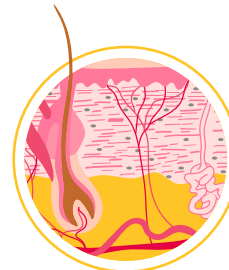
60% OF OUR BRAIN IS COMPOSED BY FAT

Unsaturated fats are the best ones to nurture you.

MOST OF THE ADIPOSE TISSUE THAT IS FORMED IN YOUR BODY

IS A RESERVE OF ENERGY THAT IS FORMED, MAINLY, OF GLUCOSE, NOT FAT.

THE SKIN HAS THREE (3) LAYERS. THE THIRD ONE IS CALLED HYPOTHERMIS AND 90% OF IT IS COMPOSED BY FAT.

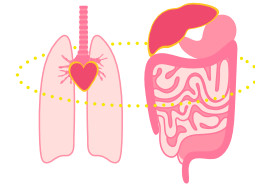


BENEFITS OF LIPIDS IN THE BODY

1

IT PROTECTS VITAL ORGANS

It surrounds and protects vital organs such as the heart and kidneys.



2

IT PROVIDES ENERGY

Vegetable oils go well with movement.



SOY OIL



GOURMET MARGARINE®



OLIVE OIL

3

IT ABSORBS VITAMINS

They depend on lipids to be absorbed, transported, and stored in your body.

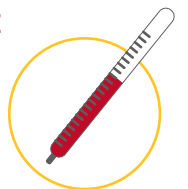


Butter, coconut oil or goat milk, for example, are of rapid absorption to nurture your body.

4

IT REGULATES BODY TEMPERATURE

By means of subcutaneous fat, the tissue that lies directly under the layers of skin.





Acknowledgements: Center for Technology of Nestlé Products

The Center of Technology of Nestlé Products has provided Team Mexico the status of reliable supplier for products reduced in pollutants, emphasizing management and corporate commitment with the quality of productive processes and measurement of components, as well as reliability itself in the delivery of products.

There are few companies in Latin America with this acknowledgment, reason why products are exported from Mexico to Colombia and Chile.





WE PROMOTE RESEARCH AND DEVELOPMENT AROUND THE UNSOLVED NEEDS REGARDING HEALTH, NUTRITION AND WELL BEING

[T1]

Team products are developed with a high component of innovation and constant understanding of the consumer, aligned with the responsibility for the well-being of society and care of the environment.

This knowledge permits the materialization of ideas thanks to the work of the Research and Development area, which was acknowledged by Colciencias (Administrative Department of

Science, Technology, and Innovation) as a Center of Technological Development in Colombia.

Similarly, Team has promoted an important modernization plan for its plants and strengthening

of research and development with the objective of supporting its accelerated growth. Thus, the company invests annually for this purpose 3% of its sales in the markets in which it is present.



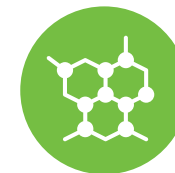
We have written **five scientific publications** (only large universities or scientists can do so).



We have **five granted patents**.



We research solutions for the **prevention and correction of diseases from the diet**.



We work with physicians of different specializations and research centers to form a **science network**.

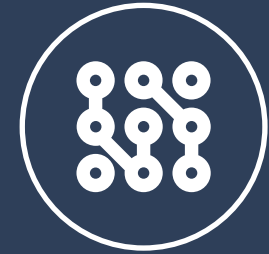


Research



During the year 2016, **Team's Connection Plan of the Research Laboratory** within the international environment began with the aim of securing assertiveness in our measurements and the accomplishment of value propositions of innovations with our consumers and clients. The plan included participation in **three events**:

- » AOCS Lab Proficiency Program.
- » 22nd DGF Proficiency Test 2016 (comparison between laboratories, organized by the German Society for Fat Science (DGF)).
- » NQAC (Food Chemistry and FA 2016 Proficiency Test), organized by Nestlé Proficiency Test Research Center in Switzerland.



A work plan was designed for 2017 establishing a **technological development schedule**, and strategies to access technologies through innovation.



Innovation

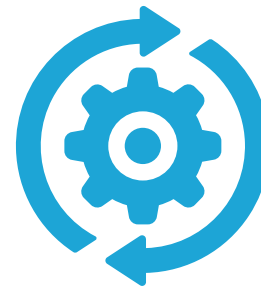


A unit within the Research area was created for disruptive innovation with the aim of solving technical problems derived from processing or using oils and fats for diet.

This team has progressed in the reduction of pollutants in refined oils to secure that the levels are always below the internationally accepted limits. Similarly, a project

for the revision of key emerging technologies for processing and refining vegetable oils such as the extraction of CO₂, molecular distillation, and structuring of triglycerides was initiated. These technologies will permit to secure that those lipids used in our future formulations maintain their integrity and biological activity with specific benefits on nutrition and human health.

Development



Work has been undergoing in the reformulation of products to adjust to the new legislative demands in the different countries of the region, oriented to discourage the consumption of food products with high contents of sugar, sodium, saturated fats and trans fats as a measure to control the growing rate of obesity

and diseases related with the excess consumption of these ingredients.

Similarly, the replacement of artificial ingredients by natural ingredients in categories such as coloring, flavoring, preservative, and antioxidant substances is being explored. In some developments, the impact on the performance and stability

of the final products has been verified, obtaining greater efficiencies and results. Similarly, work is being conducted from innovation for the elimination of pollutants and substitution of raw materials with a high content of saturated fats, without sacrificing the benefits of shelf life or organoleptic characteristic of the final products.



SUCCESS STORIES

Research, development and Innovation



In Colombia, a **pilot study was conducted with a line of oils, Cardiovascular Vidalia, Brain Vidalia and Rapid Energy Vidalia**, which depend on natural and bioactive ingredients for the benefit of consumers' health.



In Chile, from BredenMaster, a **healthier bakery product** with reduced sugar, sodium trans fats, and saturated fats was developed, without affecting the taste, texture and performance of the product. With this development, it is expected to commercialize it in channels where there was no access before because of the original properties of the product.



In Mexico, we developed a new technology for a **differentiated frying product as an oil with a low content of saturated fat** which provides the final products all the benefits thereof, contributing to improve stability during frying, taste and the shelf life of the finished product. In the year 2017, we expect to be able to use this development in other products worldwide, enabling our clients to commercialize products with low levels of saturated fats without having to sacrifice quality, stability, and shelf life of their products.



2017-2019

CHALLENGES

1.

Continue with the **development of custom-made products** for the **solution of unsolved needs** of clients.

2.

Reformulation of products for the reduction of sodium, artificial, and polluting ingredients.

3.

Increase the rate of development of functional and healthy products.



3

INTEGRITY, COMPLIANCE AND TRANSPARENCY



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The integrity of Team's People is an essential value of the organization.

Our word is our bond.

Therefore, we assure we have the strictest compliance with the applicable norms and of our own internal codes and policies within the complete operation. We depend on the internal structures and organisms necessary for a transparent, reliable, and responsible governance, promoting internal and external accountability. Thus, we can declare with full certainty that we are an ally for the development of our groups of interest in all the regions where we are present.





WE ARE TEAM PEOPLE

[205-1/3; 206-1; 406-1]

Corporate Integrity

We have implemented different policies, codes, and regulations applicable to any individual or company that has any type of contractual or labor relationship with Team. From the periodic revision of restrictive lists for the complete base of active suppliers, to training and training

campaigns regarding anti-fraud policies, conflict of interests, code of conduct, the prevention of money laundering and financing of terrorism, among others, we continuously manage the controls and programs concentrated on preventing actions or behaviors that infringe our principles and values on behalf of Team People.

For managing the prevention of acts of corruption, specifically in

the year 2016, we began to diagnose the risks to which we were exposed to as a company, related to the public and the private sector. This work, framed within the corporate project of corporate ethics, intends to promote and strengthen ethical management and behaviors. This project should be completed in Colombia in the year 2017, and then progress with its implementation in Mexico and Chile.





Web page

<https://teamfoods.alertline.com/>



Telephone Line



Colombia: 01800 911 0011



Mexico: 01800 288 2872



Chile: 800 360 312

After communicating, dial **888-265-9894** and select the language. The complainant receives a case number and pin to return to the system and receive feedback.

How to report?

The Integrity Call line is the report channel available to all stakeholders. Four cases related to labor discrimination were received, and these were duly investigated by the Integrity Committee, according to the procedure established

for any communication received by this channel and they were closed. Thanks to the internal control structures which we depend on, no verified cases of corruption or legal actions for unfair competition practices during the year were found.



SUCCESS STORIES

We set an example



[205-2]

In Colombia, a virtual program known as *We set an Example* was implemented to disclose and remind collaborators the main internal policies of the organization.

An average participation of collaborators above 88% has been possible in the following policies, with a participation goal of 90%.

Team's Code of Conduct

Conflict of interests

Integral management

Self-control and risk management of money laundering and financing terrorism (ML/FT)

Antifraud

Alcohol and other psychoactive substances



We expect to replicate this program in the other operations and continue with the **disclosure and certification** on behalf of all employees on the different internal policies of the organization, such as human rights, personal information handling and risk management, among others, programmed for the year 2017.



WE ARE COMMITTED TO TRANSPARENCY



[412-3]

Transparency at the corporate level is essential to achieve the objectives. All investments, commercial agreements, alliances or other similar projects, led by the Vice-presidency of Business

Development, fulfill a process that secures the strictest analysis regarding different criteria to warrant the protection of the investment and also the well-being of the employees affected,

the reputation of the related trademarks and compliance with the law in all aspects. Within the above, the revisions for compliance with labor, legal, environmental, and economic standards, among other, outstand.

For agreements related with the operation through the purchase of goods or services, revisions are also made of compliance regarding the aspects mentioned above, including respect and promotion of human

rights, clause that was introduced in 2015. In Colombia, 71% of the 152 existing contracts contain this clause; in Mexico, none of the three include it. The challenge in the future will be to secure that 100% of the commercial

agreements written by the organization include said clause considering that said agreements that do not include it are seniority agreements or because they are adhesion agreements prepared by third parties.



Corporate Governance, Accountability and Decision Making

[102-18]

As an organization, we depend on a structure of Corporate Government that enables us to timely monitor the progress of management in each one of the operations. For this, we depend on the Boards of Directors wherein executive members and shareholders of Team participate and which are the maximum governing bodies.

These meetings are held monthly to ensure continuous management analysis. Regarding Committees, we depend on a diversity of scenarios designed to facilitate and secure the flow of information among areas and operations, avoiding possible duplicate processes or information barriers. Within the corporate committees, the following stand out for their relevance and impact on the operation.

- **Board of Directors:** It is the body responsible for establishing and approving general corporate guidelines, monitoring their execution and budget, and taking decisions delegated by the by-laws and the law supervising at all times the correct direction of the organization.
- **Presidency Committee:** It is the main advisory body and, in some cases, the decisive body of the organization. It is held weekly with the President and those that directly report to him.
- **Executive Committee:** Here is where the monthly performance of business activities is reported and the conversations regarding the future thereof are held.
- **Internal Audit Committee:** It supports the Board of Directors in the evaluation and follow up of the effectiveness of accounting, financial, legal and operational systems of the organization and their continuous improvement, and supervises that internal improvement procedures adjust to the specific needs, objectives, goals, and strategies.
- **Integrity Committee:** It leads the investigations on fraud and other infringements of the Code of Conduct and is comprised by the Vice-presidents of Talent Development, Legal & Corporate Affairs, Finance & Supply Chain, and the President.
- **Risk Management Committee:** Different process leaders participate and their purpose is to monitor the level of risk, mitigation plans and handling of materialized risks. There are committees for the risks associated with financial, legal, supply, business development, talent development, information technologies and plant processes.
- **Crisis Committee:** It is activated according to the needs and its purpose is to timely and adequately manage situations of crisis to safeguard corporate reputation.
- **Labor Committee:** Every two months it reviews and makes sure policies, norms, and regulations are met in labor aspects associated with employees at the corporate level and monitors identified risks. It is comprised of the Vice-presidents of Talent Development, Finance & Supply Chain, Manufacturing, Presidency, the Director of Labor Relations and the external advisor.
- **Research Committee:** It is comprised of an interdisciplinary group. It monitors the evolution of research projects, presenting the last technical advances of each project in order to establish the action plans to follow.
- **Project Committee:** It reviews the status and specific needs of each project of the business units together with the different support areas, which contributes to secure the correct flow of information among areas.



2017-2019 CHALLENGES

1.

Implementation of the **company ethics** program at the corporate level, articulating it with the corporate risk management system to make it stronger.

2.

Consolidating the **corporate compliance management** through a team dedicated to its follow up and monitoring.



4

QUALITY AND CLIENT AND CONSUMER SATISFACTION



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We are proud to express that we deeply know and understand our clients and consumers, enabling us to offer custom-made solutions to be their preferred option. We depend on a wide portfolio of innovative products and of supreme quality designed to exceed the expectations of those who consume them. We depend on the best talent and technical knowledge necessary to apply it to productive processes certified under international quality standards to develop, produce, and deliver the best of us. We know that our clients and consumers

are increasingly more informed and more aware of what they are eating, regarding not only nutritional aspects, but also intending to influence with their consumption decisions on the ingredients, raw materials, production practices, and origin of the products. This challenges us day to day to look for new and better forms of working hand in hand with all the actors along our value chain to mitigate risks and reduce negative impacts.





WE ARE EXHAUSTIVE IN THE DEFINITION OF COMPREHENSIVE VALUE PROPOSALS

Our credentials

- ▶ **FSSC 22000: 2013 Food Safety System**
- ▶ **OHSAS 18001: 2007 Health and Safety Management System**
- ▶ **ISO 14001: 2004 Environmental Management System**
- ▶ **ISO 9001: 2008 Quality Assurance**
- ▶ **ISO 28000: 2007 Supply Chain Security Management**
- ▶ **RSPO MB Chain of Custody**
- ▶ **RTRS MB Chain of Custody**
- ▶ **OU Kosher.**

Quality and Good Manufacturing Practices (GMP)

We depend on the necessary process for the production and operation of the

highest quality, which enables us to satisfy and exceed our value promises, timely identify opportunities and potential situations of crisis. Our eight (8) operation plants are

certified under different international standards, providing access to international markets with our products and services, and continuously improving our production

processes achieving efficiencies along the value chain. In addition to having constant audits and verifications from third parties to secure the quality of our processes, we also

depend on preventive management in handling crisis situations through continuous drills led by the area of external quality and management of corporate affairs,

preparing us for any contingency which may arise. During the year, six crisis drills were conducted in Colombia at the different plants led by the area of external quality.



SUCCESS STORIES

Clients' Universe Campaign



The objective of the campaign was to reinforce the culture of **“We are all Quality”** as it promoted the relationship with clients and their products. Becoming aware of the universe of products that are manufactured with Team products makes it clear to all the employees the importance of doing their work with quality.

Assuring that our products are of the greatest possible quality, **we are impacting millions of consumers**, nourishing a better tomorrow.



Responsible Communication and Marketing

[417-1/2/3]

We are aware and understand the market, segments, and categories in which we compete, enabling us to define comprehensive value proposals, adjusted to the needs of our competitive environment. Starting from said strategic clarity, the different market and communication strategies unfold, securing total transparency and clarity in the information provided to clients and consumers.

During 2015 in Colombia, we adhered to the Commitment of Self-regulation on Frontal Labeling, promoted by the National Association of Entrepreneurs (ANDI), intensifying our management on labeling of products in a responsible manner, warranting compliance with the legislation in force and anticipating

possible future changes as cleaner and clearer world and regional label tendencies arise. As a result of the above, all our products introduced after the adhesion contain on the front labels the guideline daily amount (GDA) of calories, sugar, total fats, saturated fats, and sodium. There are several initiatives in

different countries in this sense and, as an industry—for us and for our clients—we must be prepared to secure the fulfillment of the new legal demands.

Similarly, in Colombia, we adhered to the Commitment of Self-regulation on Advertising Directed to Children Under the Age of Twelve, concentrated,

as its name indicates, to control advertising on television and educational institutions addressed to boys and girls. Advertising commercials of food products are prohibited on TV with the exception of the food products that satisfy the nutritional criteria agreed in the commitment. In primary schools, it is not

During the year 2015, in Colombia we adhered to the **Commitment of Self-regulation on Frontal Labeling**, promoted by the National Association of Entrepreneurs (ANDI).

permitted to advertise, with the exception of those ads requested by, or in agreement with, the school for educational or institutional purposes.

During 2016 we had no sanctions for infringing voluntary codes and/or existing regulation regarding labeling of food products or marketing communication.





WE AIM AT DELIVERING SOLUTIONS THAT SOLVE THE NEEDS OF OUR CLIENTS

■ The general satisfaction with the service offered by Team was **87.7%**, which presents an improvement regarding the prior evaluation of **86.2%**.

■ According to the answers received, our main improvement opportunity relates with the **logistics of delivery of products**.

■ **93.8%** of those who answered the survey **would recommend working with Team**.

■ **73%** of those who answered the survey indicated that they would **definitely continue working with Team**.

[T2/3]

Being aware of the opinion of clients and evaluating their satisfaction is an essential element and of vital importance, since it enables us to know our strengths and

opportunities, outline improvement strategies to strengthen the processes and adjust competitive strategies in case we consider it necessary.

At an industrial level, we depend on a survey

conducted by Ipsos each year where different key processes, as well as the company in general, are evaluated. A total of 378 evaluations were made, 68 companies surveyed and 5 key processes evaluated.



For our direct consumers, we have a **direct customer service line -Aló Team-** and a process to evaluate their satisfaction, based on the cases reported and analyzed:



Colombia: 018000127474 - Bogota 3073980 / ccenter@team.co



Mexico: 018002125300 / ccenter@team-foods.mx



Chile: 01800123333 / ccenter@teamfoods.cl

Thanks to the information gathered through this channel, it is possible to identify the main causes to improve and make the adjustments necessary to avoid repetition.

- **81 complaints** regarding products were received and solved, **68% less** than in the year 2015.
- **92%** of these complaints were answered in less than **10 days**, exceeding the established goal of **90%**.
- **98%** was the General Satisfaction Index for the Aló Team line, exceeding the goal of **90%**.
- **94%** of consumers answered that they would buy our products again.



2017-2019

CHALLENGES

1.

Improving the quality of the answers provided to consumers through the **'Aló Team' Customer Service Line.**

2.

Complete the implementation of the suggested recommendations to **improve the satisfaction of clients.**

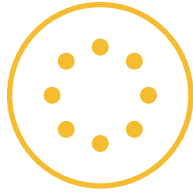


5

RESPONSIBLE SOURCING



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We work around responsible supply and within the frame of the main sustainability standards, securing the quality of all our supplies and raw materials, competitiveness of business activities and adequate management of commercial relations with our providers. To depend on close and reliable relationships to grow hand in hand with them is the best formula to satisfy the objectives and consolidate sustainable relationships (win-win) in the long term.

To be prepared for global supply schemes, volatility of prices of raw materials and supply risks as a result of climate factors is key to secure the continuity and competitiveness of the operation. Our challenges concentrate on the development of reliable suppliers that warrant the quality of we use for our operation, with levels of service in amount and opportunity adjusted to the high flexibility required for our operation to attend the needs of our clients.





WE BUY THROUGH TRANSPARENT AND FAIR NEGOTIATIONS

Identification, Evaluation, and Selection of Supplies

Managing efficiently the thousands of commercial relations existing between the organization and its suppliers is an organizational strength. The talent dedicated to this task, the structure and the processes and

procedures secure total transparency in the identification, selection, negotiation, and contracting of suppliers. Therefore, during 2016, we worked on the disclosure and declaration of compliance from our suppliers regarding the Code of Conduct and the Supply Policy, setting down the rules to achieve 100% coverage in 2017.





Responsible Purchases

[FP2; T4]

We promote the use of certified lipid raw materials under sustainable production practices, contributing to strengthening our supply chain and the food industry in general.

- 100% of the soy used has certification granted by the US Soybean Export Council (USSEC) that secures fulfillment of responsible practices regarding environmental, social, and operational aspects.
- We obtained certification in the chain of custody from the Roundtable on Sustainable Soy



(RTRS) in the second semester of the year warranting sustainable refinancing and production of products made from soy. However, we have not processed RTRS soy oil yet because of the lack of regional availability of certified soy.

- As of 2015, we have certification in the chain of custody of the Roundtable on Sustainable Palm Oil (RSPO), the most widely acknowledged sustainable certification standard for palm oil worldwide. In the year 2016, 17% of the palm oil used in our operation had said certification.

- We commercialized products made from olive and coconut certified as organic under international standards.

In addition to the certification, the demand from clients and consumers to become aware of the traceability of the raw material to its origin of production is increasingly more common. As a result of the nature of the commercialization thereof, it is only feasible to conduct this measurement for palm oil and palm kernel oil, obtaining a traceability to the mill above 95% for palm oil and 100% for palm kernel oil.



WE GROW HAND IN HAND WITH OUR SUPPLIERS

[T5; 102-9]

One hundred percent of the new critical suppliers were evaluated under human rights, compliance with labor standards and environmental criteria according to our selection, evaluation, and reevaluation of supplier's procedure at the corporate level. Just in Colombia, 57 suppliers were evaluated under international standards of operation

and quality. Similarly, we verified compliance with agreements through quality audits and constant monitoring of restrictive lists. This monitoring and joint growth processes is an opportunity to share good practices, improve performance and competitiveness and grow in the national and international markets. In 2017, we plan to measure management of suppliers

through indicators such as OTIF¹ to provide feedback to their level of service and timely improve performance.

We prioritize supply of local suppliers, favoring the growth of the local industry and company development, and facilitating logistics and inventory handling. Lipid raw materials produced locally for the case of Colombia and Mexico mainly correspond to palm oil and palm kernel oil, and for Chile, to olive oil.

It is important to emphasize that in this indicator, no percentage

goals of local purchases have been established because we look for competitive, reliable suppliers that add value through innovation in the co-creation of our Research and Development team, and compliance with the requirements of quality under international standards with which Team is measured. One of Team's strategies is directed to the permanent development of products; therefore, the innovation component is relevant in the selection of suppliers.



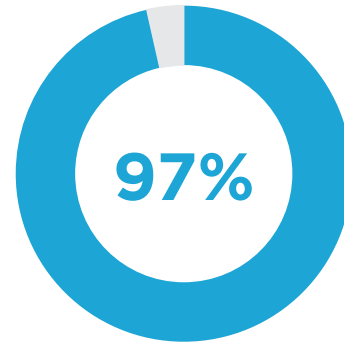
1. OTIF refers to *On Time In Full*, a logistics performance measurement which indicates how many deliveries are supplied on time without any article missing.

Local purchases

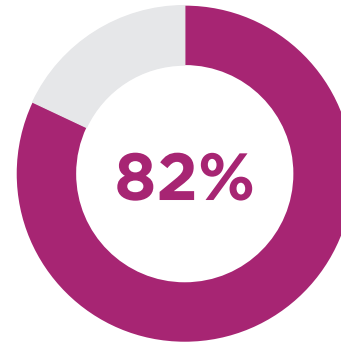
[204-1]

During the year 2016, Team consolidated an operation through the development of contracted factories as strategic allies for the development of new products and even new markets. This work, together with the contracted factories, has enabled their growth and development aligned to our standards of quality and business strategy.

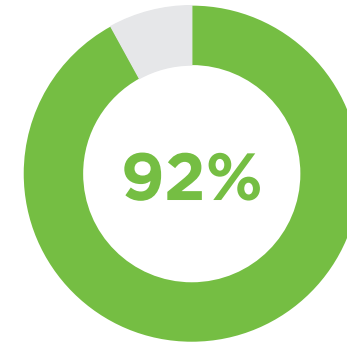
We expect to consolidate these operations to warrant compliance with Team's standards of quality regarding finished products in the years to come.



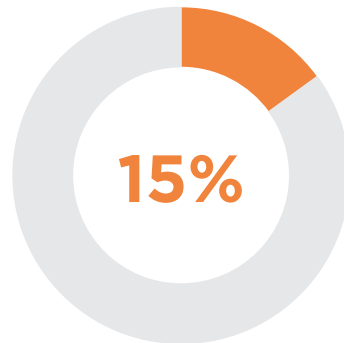
Packing material



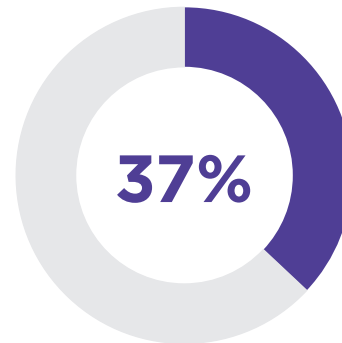
Supplies and ingredients



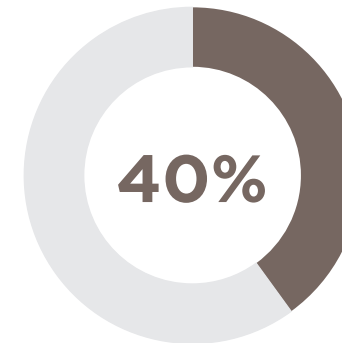
Non-productive elements (NPI)



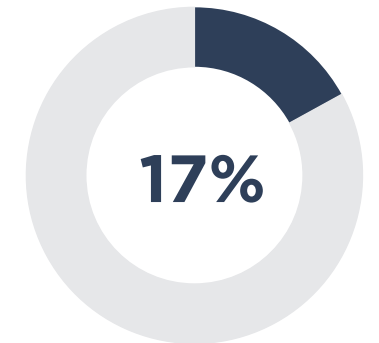
Plastic raw material



Colombia lipid raw material



Mexico lipid raw material



Chile lipid raw material



SUCCESS STORIES

Negotiations for Secondary Packaging



For assembling **offers and promotions** of our products in Colombia, **we have worked as of the year 2014 with two SME** (small and medium-sized enterprises) that support us in the manual labor of secondary packing (as contractors) and that were contracted sporadically according to requirements.

As of the year 2016, negotiations were consolidated through **medium-term agreements** providing stability to the business activities and enabling these small and medium-sized enterprises **to hire personnel with fixed-term labor contracts** and not through temporary agreements, benefitting their personnel in terms of **greater labor stability**. This management is even more relevant considering that these SME hire mostly women who are head of the family in the communities near the operation.



2017-2019

CHALLENGES

- 1.** Implement an **evaluation of the purchase and negotiation management** by critical suppliers towards Team.
- 2.** Development of **RTRS supply for Colombia.**
- 3.** Maintain **competitiveness of supply**, leveraging the objectives of the business.
- 4.** Have a **technological platform by the year 2018** that will allow us to engage with our suppliers, wherein they may conduct **self-management in their follow up proceedings at the level of service, quality claims, payments, and documentary updating.**



6

STRATEGIC TALENT DEVELOPMENT



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To be the best place to work and ensure the best talent required by the organization, is undoubtedly a factor of success for the achievement of goals. We are convinced that Team's talent is a differentiating element, reason for which we make caring, motivation, training, development, and the well-being of our people a priority.

Our main challenges are centered on the attraction, retention, and development of talent, influenced by migratory factors, generational changes and constant automation of processes, which force us to identify and design new strategies regarding these aspects, adjusted to the needs and expectations of the labor market and our employees.





WE ATTRACT, DEVELOP AND RETAIN THE TALENT NEEDED TO GROW

Selection and hiring

[202-1; T6/7]

We intend to attract, select, develop, and retain the best talent aligned with the requirements of the organization to secure a profitable growth in time. We make use of diverse sources of recruitment that enable us to reach more

persons and identify candidates with potential adjusted to present-day and future requirements of business activities. We monitor and verify the development and effectiveness of the selection process, showing proactivity and opening for

the development of new initiatives and continuous improvements regarding this aspect. As a policy, all personnel hired directly by the organization enter with a salary above the minimum legal salary in force. Then, we concentrate on accompanying the entrance process of new employees so that their adaptation to the organizational culture is as natural as possible, securing the quality of the process.

To evaluate the quality of selection, we structured an indicator that adapts to the context of the organization and that enables us to identify improvement opportunities in the process at the corporate level. We expect to report this indicator in the 2017 Report.

With the purpose of promoting the growth and development of talent for good performance, we intend that the greatest amount of vacancies are covered

with internal talent. For the levels of auxiliaries, technician, professionals, and coordinators, a result of 48.1% was obtained in this aspect. However, only 12% of the vacancies were published as internal calls at Team, evidencing a challenge for the year 2017 since we must undertake actions that enable us to continue increasing this percentage, securing the internal publication of vacancies for all our employees. As a goal for 2017, we aim to reach 50% in this indicator.



We intend to attract, select, develop, and retain the **best talent** aligned with the requirements of the organization to secure a **profitable growth in time.**



SUCCESS STORIES

I am Team Talent



The platform **I Am Talent** was implemented as an answer to the various needs of the vice-presidency: its objectives include having **greater follow up** in our processes of structural change, follow up to the management of those responsible of selection, our **own database of candidates**, promoting vacancies at internal level since every collaborator has access to the platform and with this follow up be able to **calculate more exact indicators** at the level of development of talent.



The step that must be taken **in 2017** is **to continue strengthening management in the platform**, continue **training leaders** and those responsible for selection regarding all the benefits thereof, generate **greater communication** at the internal and external levels to attract more talent and be able to have more exact indicators.



Once the system is consolidated in Colombia, we expect **to implement it in the other operations** for corporate management of talent and processes, promoting the **growth and development of Team People**, and the possibility of internal movements among countries.



Development of talent

[404-3]

We intend to deepen our knowledge of our employees to accompany them in their overall development through the definition of an individual development plan (IDP) and management of their performance. We support the employees in the identification of their strengths, talents, and areas of opportunity through assessments of their abilities with the aim of reinforcing self-

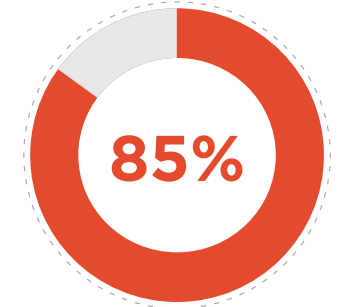
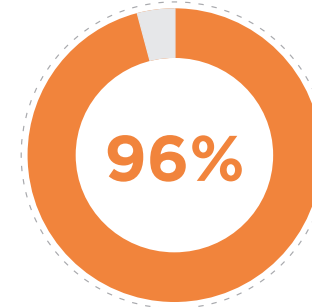
knowledge, and provide additional resources that enable them to close gaps and be successful regarding new challenges. Similarly, together with our employees, we define and/or update their individual development plans, their performance indicators, and their position descriptions regarding the needs of the business and the expectations regarding performance, with the objective of supporting

their development and growth in the organization at a comprehensive level. 76% of total employees, with the exception of the BredenMaster operation, were eligible for performance assessment in the year 2016. From these, 94% received their assessment, fulfilling the proposed goal in each of the countries. The compliance goal for the following years is 100% of the target population.

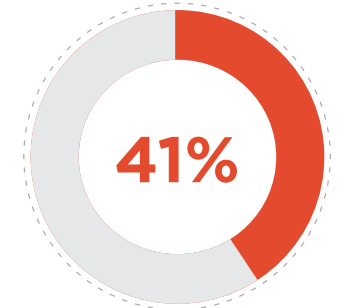
% Performance coverage

● 2016 Result ● 2016 Goal

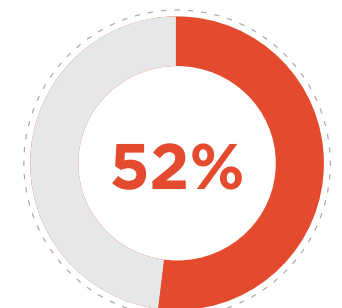
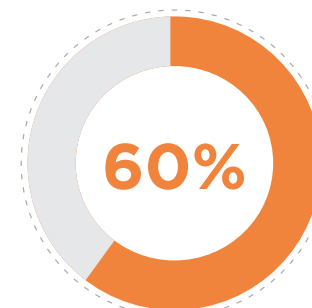
Colombia



Mexico



Chile



BredenMaster

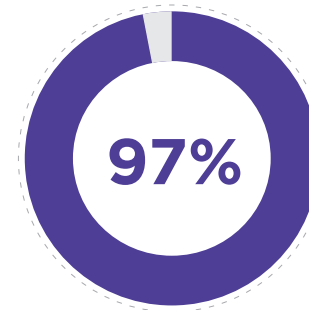
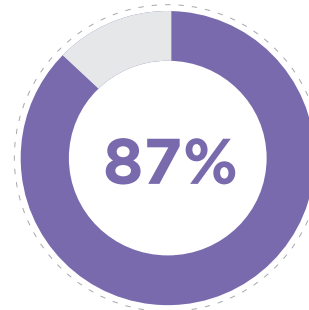
At present, it is in the stage of alignment, homologation, and implementation of this process reason for which there is no available information.

For the assessment of development, a more specific process than the performance appraisal is carried out, as a result of the in depth development of skills and capabilities. We achieved the participation of 88% of the target population regarding the proposed goal of 97%. The employees that participate in the process of development are less since they belong to specific levels to reach the desired depth in the exercise. It is expected in the following years to reach coverage of 100% of the target population.

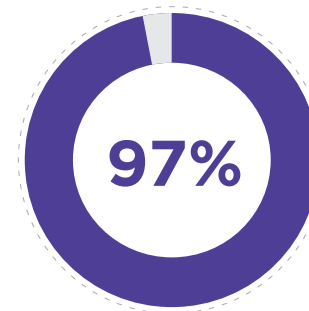
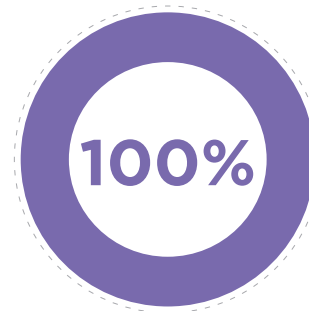
% Development coverage

● 2016 Result ● 2016 Goal

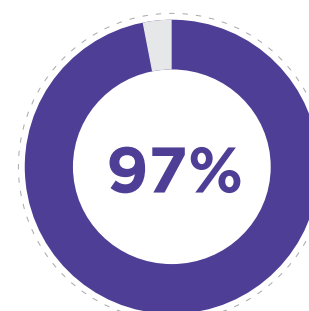
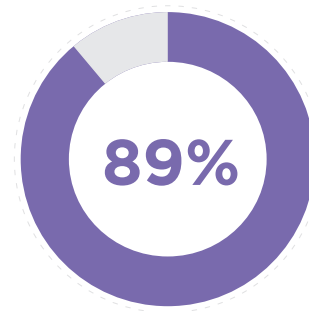
Colombia



Mexico



Chile



BredenMaster

At present, it is in the stage of alignment, homologation, and implementation of this process reason why there is no available information.



Last, as part of the agenda for accompanying the leaders in the management of talent, revision and updating of the position descriptions is contemplated. An alignment between the responsibilities of the role and performance indicators of collaborators is intended. This secures compliance with the expectations of the organization regarding the position and what is really being delivered.

For 2018, the alignment of Team's development model of talent at the corporate level is expected, with the aim of obtaining greater transparency and standardization in the process. This will enable us to approach processes related to the development of employees in a homogenous manner under only one vision of the organization and objectively and timely identify the adequate talent for replacements.



Training

[404-1/2]

Together with all the areas of the organization, a diagnostic was conducted of the needs regarding training talent and its corresponding training plan for the following year, in such a way that the activities can be estimated and planned, thus giving a solution to the requirements of the organization in this matter.

The average training hours for employees vary according to operation and country, considering

the needs in each area and the training plan proposed. In Colombia, Barranquilla leads with 5.3 hours per employee, while BredenMaster presents the lower rate with 1.4 hours per year on average per employee. Mexico and Team Chile are in the middle with 3 hours together with the other plants located in Colombia. This indicator does not present major variation between men and women, but does present

a substantial increase when discriminating per work level, evidencing on average more than one hundred (100) hours of training per year for employees in operational levels 5 and 6.

To complement professional training, Team also depends on agreements and programs for continued education, sometimes in alliance with educational institutions or through sponsorships and scholarships granted.

In 2016 the following programs stand out:

1.



2019 Manufacturing with Javeriana University, concentrated on the development of managerial and leadership skills.

2.



Master's degree in Innovation Management in Chile.

3.



Lean Manufacturing Green and Yellow Belt course with SENA for the Management Systems team.

4.



Harvard Manage Mentor Program in Mexico.



Succession

With the aim of securing identification, training, and preparation of future leaders of the organization, the objective is to identify all the critical positions and the most appropriate talent to occupy them in the future. Colombia already defined the key positions and established the talent plan, identifying 29 replacements for 26 critical positions. In Mexico, 29 critical positions were identified and the goal was to reach 70% of replacements identified, a goal that

was satisfied with a result of 71%. In the Chile and BredenMaster operations, the program is in the pilot phase, concentrated on administrative positions for the time being. During 2018, the objective is to reconfirm and present a talent pipeline at the corporate level.

With this, we intend to identify and understand the key talent, prepare them to assume leadership roles significantly greater and complex, and secure that the organization has the talent necessary to face the future challenges.





WE GENERATE WELL-BEING FOR ALL OUR EMPLOYEES

Benefits and well-being

[401-2; T8]

At Team, we generate well-being considering the balance between work, health, family, personal life, leisure, personal growth, and education. This is secured through activities, benefits

and agreements addressing the needs and aspirations of each employee. Similarly, by defining plans that secure acknowledgment, celebration of special dates, quality of life and interest of the company on the personal lives of all employees. Therefore, a slogan was created that identifies all the welfare activities to generate impact and recollection: "To be well is to be Team."

Four pillars that cover the topics considered as **valuable well-being** within the organization were defined:



Social Well-being

1. It refers to the role of each employee within society through his/her participation in cultural and recreational activities as well as in the celebration of special dates.



Physical Well-being

2. It refers to the performance of physical activities and a healthy diet so that employees may maintain an ideal physical condition and good health.



Financial Well-being

3. It refers to the well-being achieved through correct management of money. It is a balance between what we need and what we want, what we spend and what we have (savings, insurance, subsidies, loans).



Emotional Well-being

4. It refers to emotional health, including the balance between work and personal life, family relationships and development of employees within the organization (emotional salary and acknowledgments).



COP\$2.649.692.776

Total investment in benefits for direct employees covering benefits and assistance in topics related to:



We intend that monetary **benefits**, financial as well as emotional ones, are **visible, appreciated, and used by Team employees.**

Investment in benefits (COP):

\$1,495,054,776 COLOMBIA

\$302,658,000 MEXICO

\$851,980,000 CHILE



Compensation

[405-2]

We have a compensation policy that intends to ensure that salaries, the system of incentives, and the benefits granted by Team are fair within the company and attractive in the market, reason why we have a methodology of assessment of positions with which salaries are assigned. According to the experience and knowledge of the collaborator, his/her managerial skills, the level of responsibility in taking decisions and the impact on business results,

among others, a value is established that is then reviewed under the salary surveys of the market for the final determination of the corresponding salary. This process intends to secure that at all times we are compensating our employees in a competitive and fair manner. This methodology does not contemplate gender factors or other socioeconomic factors, reason why we secure salary equality based on capabilities in each one of the salary ranges or bands established.

Salaries are assigned following a **position assessment methodology**, to secure that at all times we are compensating our employees in a **competitive and fair** manner.



Culture, Environment and Labor Conditions

[401-1]

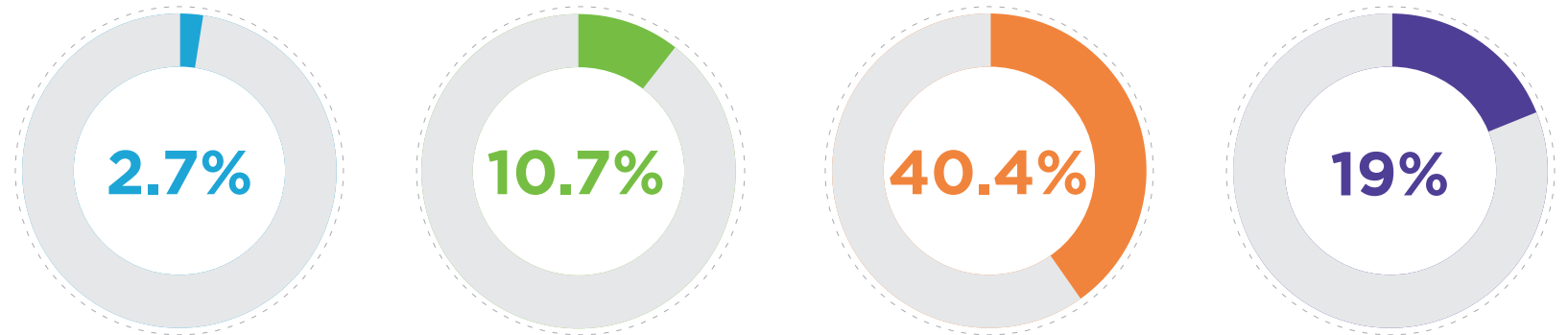
We want to be the best place to work, reason why we constantly work to improve the environment and labor climate, strengthening the commitment and the sense of belonging to the organization. We promote a homogeneous leadership style in all our operations that permits the construction of relationships of trust, development of organizational abilities and compliance with

corporate values, strengthening the personal and professional growth of all employees. We have a healthy rotation rate for the market and labor standards and a high level of labor satisfaction in the operations in Colombia and Mexico. However, Chile and BredenMaster present significant improvement opportunities in these aspects with initiatives that are already being implemented.

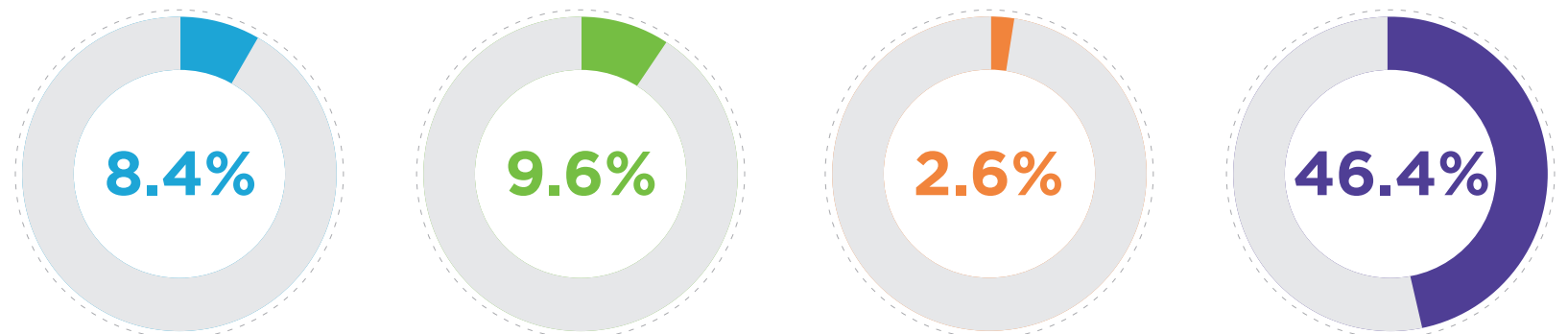
Direct Personnel Rotation Index

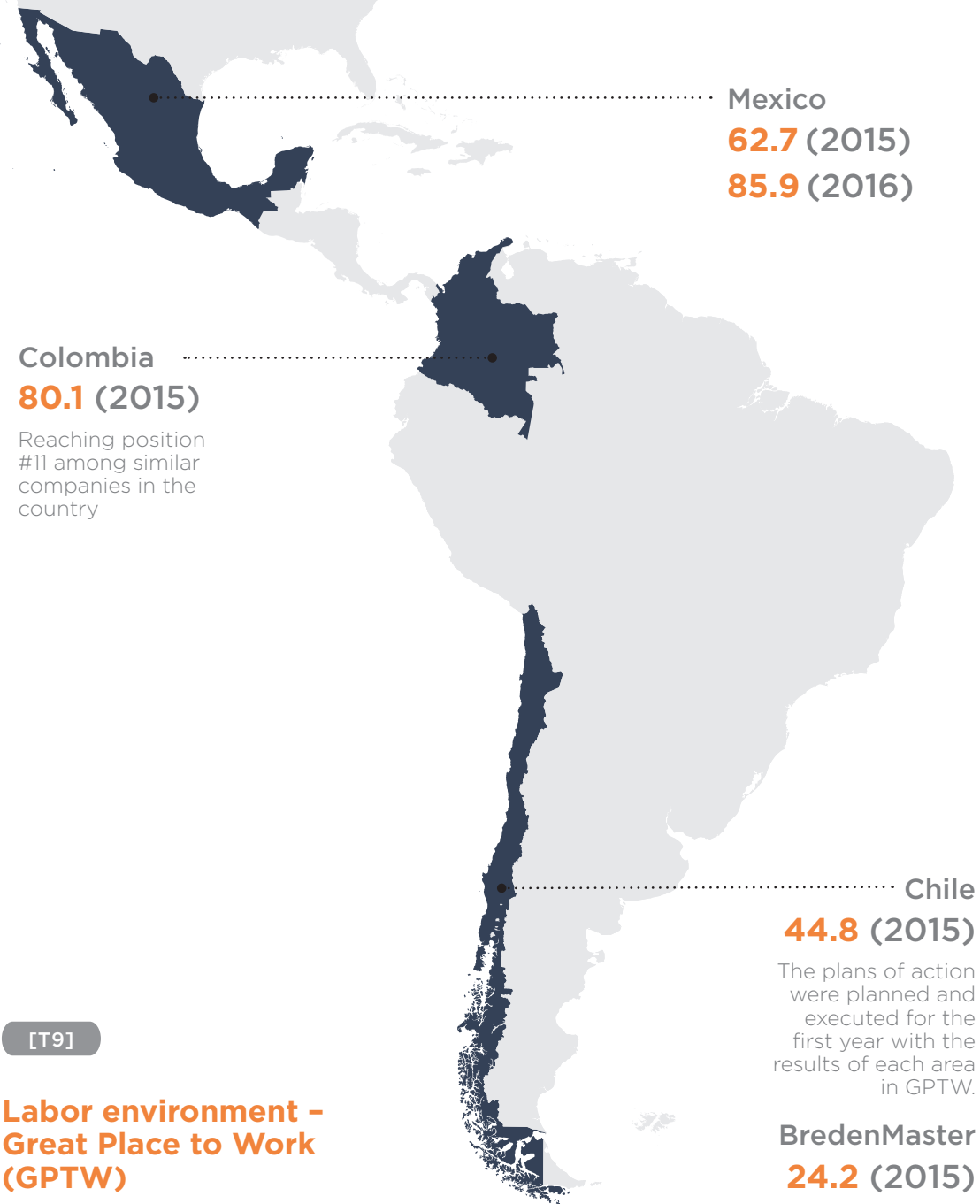


Involuntary



Voluntary





Colombia
80.1 (2015)

Reaching position #11 among similar companies in the country

Mexico
62.7 (2015)
85.9 (2016)

Chile
44.8 (2015)

The plans of action were planned and executed for the first year with the results of each area in GPTW.

BredenMaster
24.2 (2015)

In Mexico, the goal of the measurement result of the GPTW survey in the year 2016 is emphasized since it represents a significant improvement regarding the measurement of the year 2015, which had a result of 62.7% and exceeded the expected goal of 70.5%. In the following measurement for Chile, Colombia, and BredenMaster, we expect to continue increasing the labor environmental index regarding what has been suggested by GPTW as of the points defined by the measurement. Colombia and Chile will conduct their measurements in the year 2017 and BM and Mexico in the year 2018 to secure continuity of the exercise.

[102-41; T10; FP3]

We value and respect differences and diversity, forming part of our corporate values. We promote compliance with the duties on behalf of employees as well as the exercise of their rights as such. We have seven labor unions in our organization: two in Colombia, two in Mexico, and three in Chile, covering 30% of the total employees.

BredenMaster is the operation with the

greatest number, 47%, affiliated employees, followed by Mexico, Colombia and Team Chile with 27%, 18%, and 11% respectively.

Related to labor practices, a total of 14 claims were received in Chile, including BredenMaster, and six cases reported in Colombia.² At the corporate level, there were zero lost hours as a result of labor disputes, closures or strikes.

[T9]

Labor environment – Great Place to Work (GPTW)

Health and safety in the workplace

[403-2; T11/12]

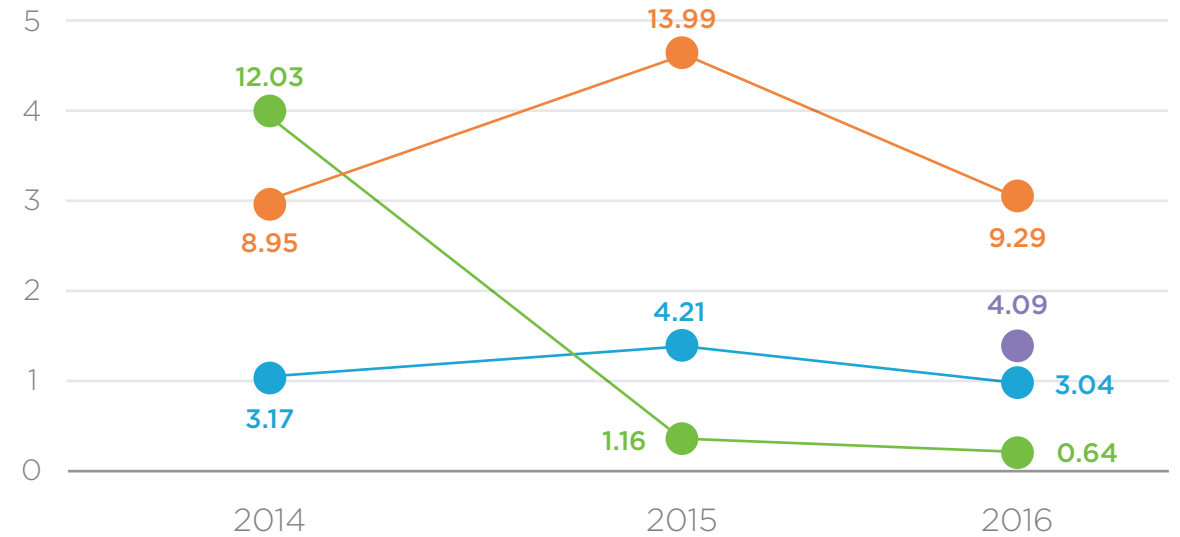
Guaranteeing the health and safety of employees is a priority for the organization, reason why we intend to generate safe, productive and healthy workplaces, minimizing labor risks through the implementation of effective actions for identifying and handling risks.

Compliance with the norms in force in each one of our operations is a priority, reason for which systematic follow up is conducted regarding to ensure ideal operations

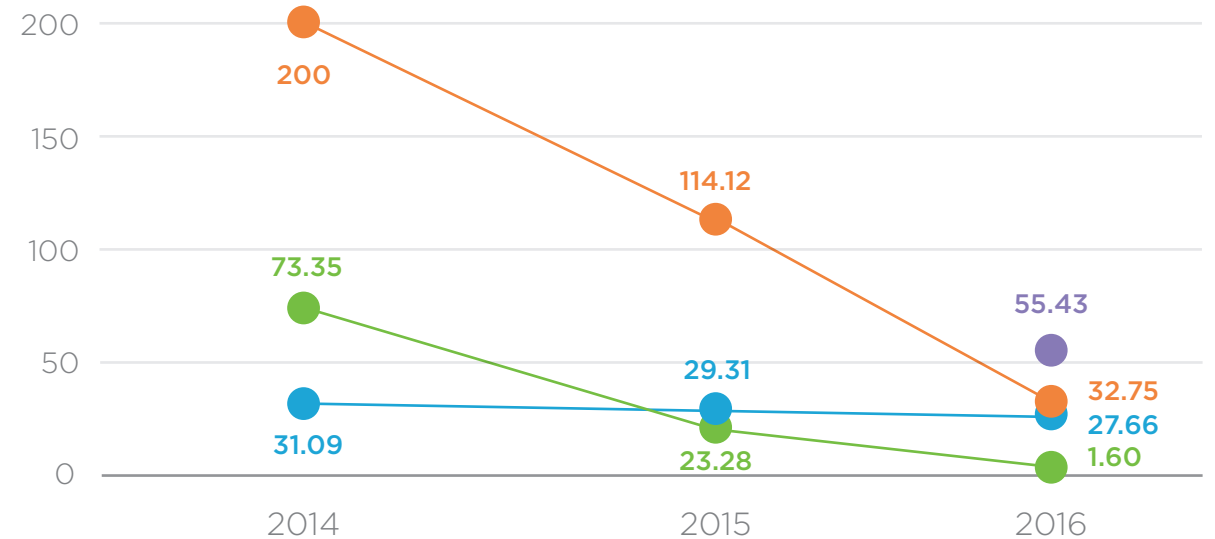
and an optimal functioning of the related actions and programs. We periodically measure our indexes of frequency and severity as a result of accidents, which indicates the number of total labor accidents and the number of lost days for them respectively for every 200,000 man-hours worked. These indicators not only include direct collaborators, but also those that work in our premises with temporary contracts and *outsourcing*.



Accident Frequency Index

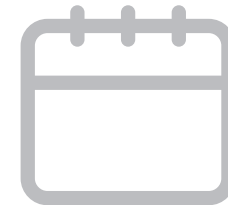
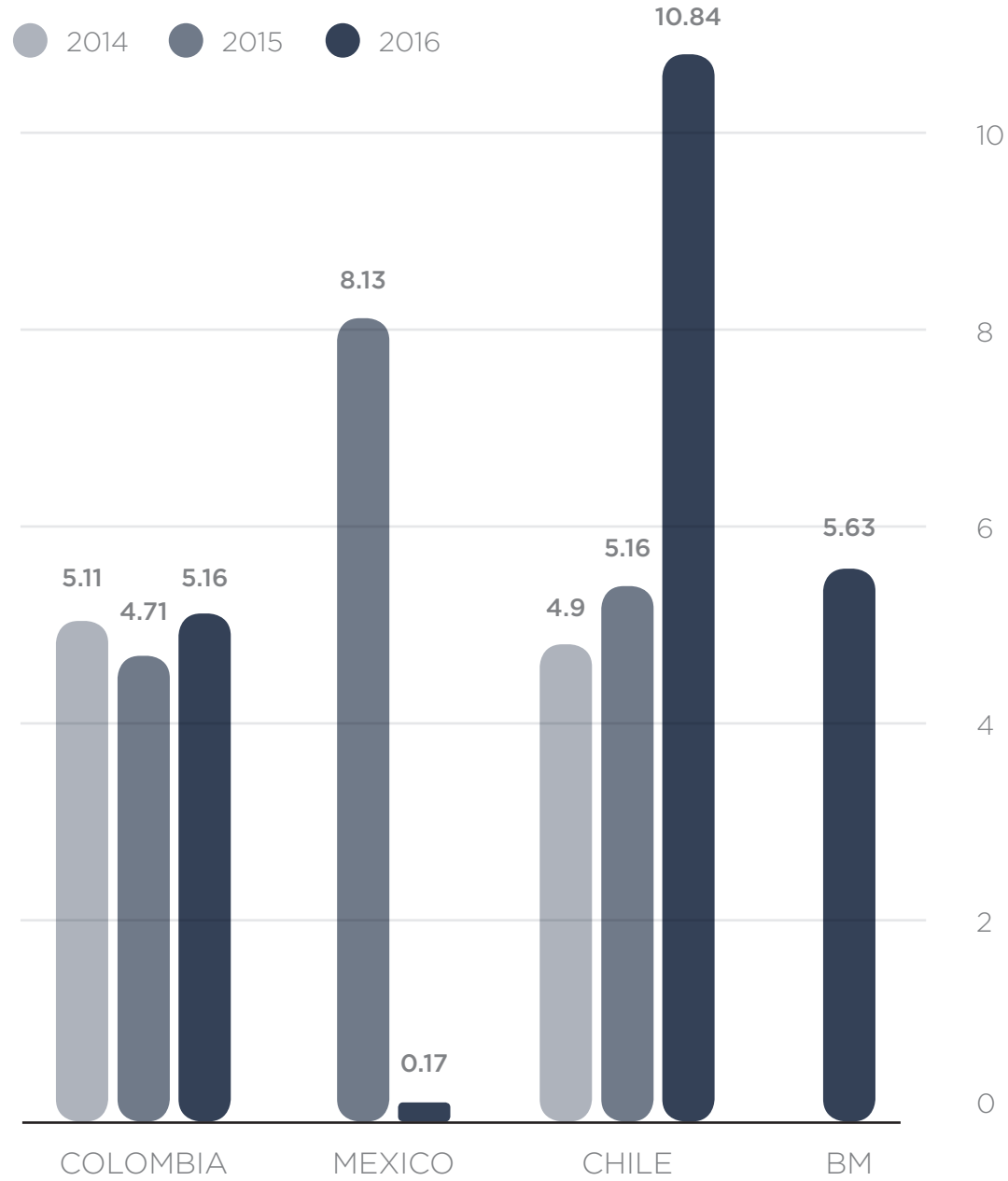


Accident Severity Index





Absenteeism



[T13]

The **indicator of absenteeism**, in turn, indicates the **average of days lost** per each case of disease or common accident.

In general, a year to year improvement in the indexes is observed, evidencing the positive impact of the actions implemented to control and improve the rate of accidents at work.

For the year 2017, a reduction is expected regarding the results of the year 2016 in all the operations, especially BredenMaster, where, since it is a new operation, the actions for standardization of processes in health and

safety at the workplace are being implemented to date.

Finally, we have epidemiologic supervision systems, with the purpose of systematically collecting, analyzing, interpreting, and sharing information for the prevention of disorders and injuries related to work. With these, we control and handle muscular, skeletal, respiratory, and auditory disorders.



2017-2019 CHALLENGES

1. COLOMBIA

- Strengthen the development of employees to extend coverage of positions with internal promotions and close the gaps at the level of recruitment of replacements.
- Build and strengthen a Team employer trademark.
- Reduce the level of evaluated risks as not acceptable and strengthening existing controls.
- Strengthen the security culture through safe habits and behaviors to reduce accident indexes.

2. MEXICO

- Leverage performance and development of talent in the management of knowledge.
- Establish the programs of working tools and leadership.

- Strengthen the culture of security through self-care to reduce the accident index.
- Obtain the security at work certification with the Secretary's Office for Work and Social Prediction (SWSP).

3. CHILE

- Strengthen safe and healthy habits in employees to reduce accident and absenteeism indexes.

4. BREDENMASTER

- Improve the labor climate and culture, generating a sense of belonging and commitment through practices where respect, impartiality, and friendship come first.
- Develop leaders.
- Reduce personnel turnover.



7

CONTRIBUTION TO COMMUNITY DEVELOPMENT



	PAGE
Social investment strategy	70
2017-2019 Challenges	72



We intend to be an ally for the development of communities near our centers of operation, understanding the responsibility we have with the environment without ignoring the presence and responsibility of other actors.

Although most plants are located in industrial parks or zones, we continue to impact the communities that are nearby for their development through our participation and contribution to community activities and initiatives.





SOCIAL INVESTMENT STRATEGY

[102-12]

In 2016, the social investment strategy was designed, establishing the foundations for a focalized, transparent and organized contribution, which will enable us to obtain the desired impact.

With the help of expert external advisors on the identification and definition of these strategies, and an

interdisciplinary group of employees, we selected the most relevant topics to work considering the corporate strategy, the priorities for local development established by the Government and the main needs of the communities that had been identified in the materiality analysis conducted in 2015.

From the **six topics** identified in previous years, and considering the **corporate purpose** of nourishing a better tomorrow, **two were chosen:**

1. Health, nutrition, and well being



Active, safe, and healthy diet habits and lifestyles.



Contribution to the nutritional development of the country.

2. Environment



Responsible protection and use of natural resources.



Adequate recycling and disposal of residues.

Framed within this strategy, **all the projects** with social impact, donations, and the corporate volunteering program will be able to obtain a genuine and lasting contribution in the **local development of the communities** that surround our operations.



Donations

[T14]

The **total monetary value** delivered in **donations during the year 2016** for activities related with or promoting national and regional competitiveness, entrepreneurial, education, health and well-being excellence **was COP \$181,487,110**, 51% less than the previous year as a result of budget restrictions.





2017-2019

CHALLENGES

1.

Structure and introduce the corporate volunteering program in Colombia and later in Mexico and Chile.

2.

Align 90% of the donations according to the social investment strategy.

3.

Implement at least one project with social impact in each axis of the strategy before the end of 2018.



8

ENVIRONMENTAL RESPONSIBILITY AND NATURAL RESOURCE CONSERVATION



	PAGE
Water	76
Emissions	78
Energy	80
Residues	81
Packaging	82
Environmental culture	84
2017-2019 Challenges	86



The protection and conservation of natural resources is an **essential foundation** in our operations.

We are aware of our impacts on the environment and we make the effort to continuously improve our environmental performance through optimization of processes, technological renewal, and promotion of an environmental culture, among others. Regarding this aspect, we not only manage our operations but also intend to promote and encourage in our value chain environmentally friendly practices.

The design of environmentally conscious and efficient strategies in the use of resources in areas of package engineering, manufacturing, and logistics is an opportunity and a challenge at the same time. We concentrate on the management of water, energy, emissions, residues, and packaging to be able to minimize our environmental impact.





WE TAKE CARE OF THE NATURAL RESOURCES IN OUR OPERATION³

Different studies show that in the year 2030 there will be a significant increase of up to 64.5% in the demand and use of water, 51.2% of energy, and 43.8% of soils, while it is estimated that the emissions of greenhouse gases must be reduced in at least 40% to avoid irreversible changes in ecosystems (Clarke, Modet & Co. Colombia, 2016). Similarly, in developing countries

more than three times the kilograms of materials per gross domestic product (GDP) are used, five times less income (USD) are produced per square kilometer of arable land, and six times less income per cubic meter of extracted water than the OECD countries, evidencing the high consumption of materials per unit of production and low

productivity in the use of resources (Council on Competitiveness, 2017). We are aware of these environmental pressures, reason why at the beginning of the year the result of the life cycle analysis was delivered for two of our consumer products, evidencing the areas of greater opportunity and impact regarding the use of natural resources. This will facilitate the

search for efficiencies along our value chain to reduce the environmental impact of our operations.

3. The operation of Panisimo in Colombia is not included in these results

2030

Increase in global demand



64.5%

WATER



51.2%

ENERGY



43.8%

SOILS

Water



[303-3; T15/T16]

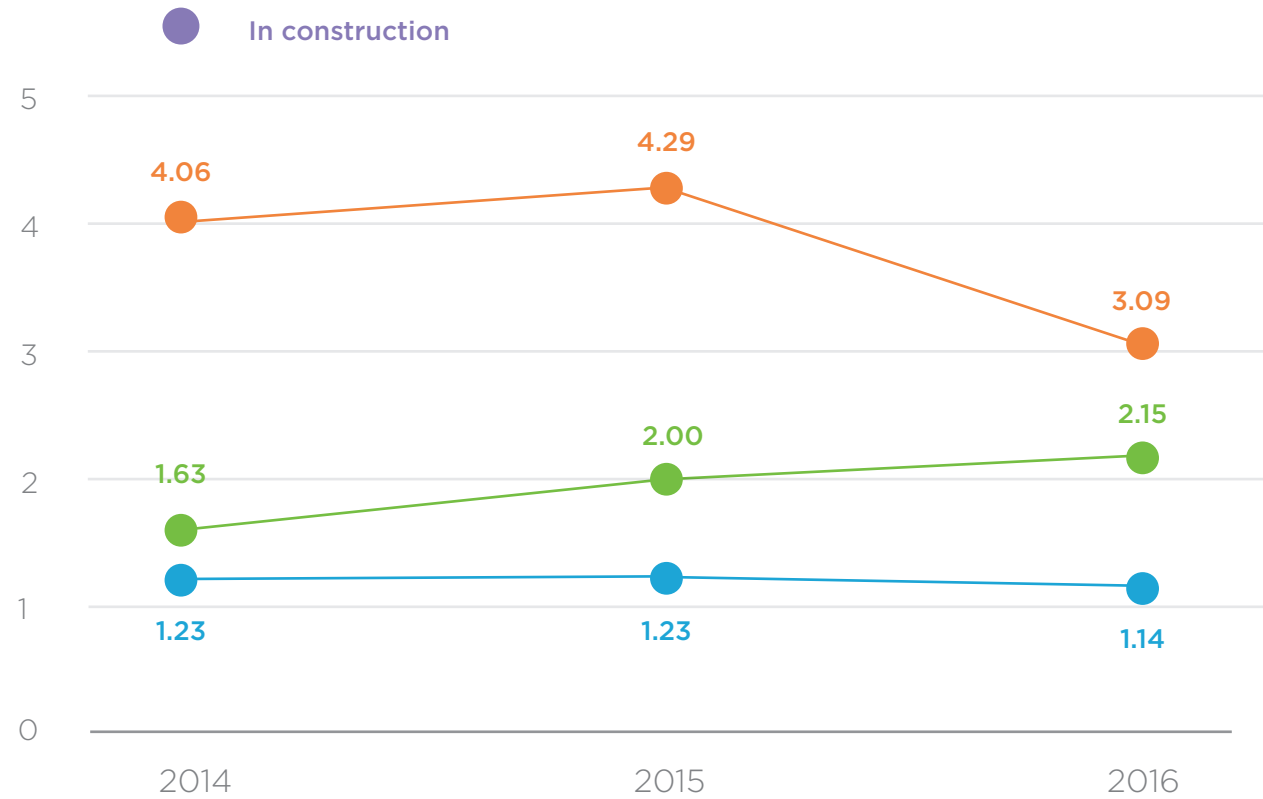
We continued managing the use of water, promoting savings in consumption through campaigns controlling with greater detail the consumption required for the operation.

During the year, we concentrated on the implementation of actions to improve the water and discharges treatment systems in all the operations, obtaining

important progress in terms of use of chemicals improving the quality of discharges. Similarly, updates of equipment and processes were made with the aim of reducing consumption and increasing recycling of water, obtaining reductions in consumption of up to 100 m3 per month in the plant in Bogota and a recycling rate of 3% in Colombia.

Water Consumption Intensity (m3 /p.t.)

- Colombia
- Chile
- Mexico
- BredenMaster



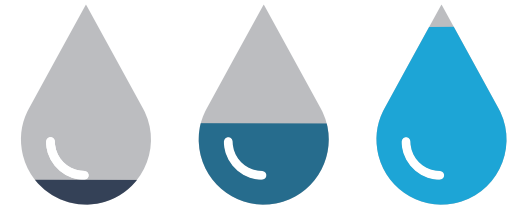


Total Water Footprint (m3)

- 2014
- 2015
- 2016



1,460,070 1,595,305 1,747,462



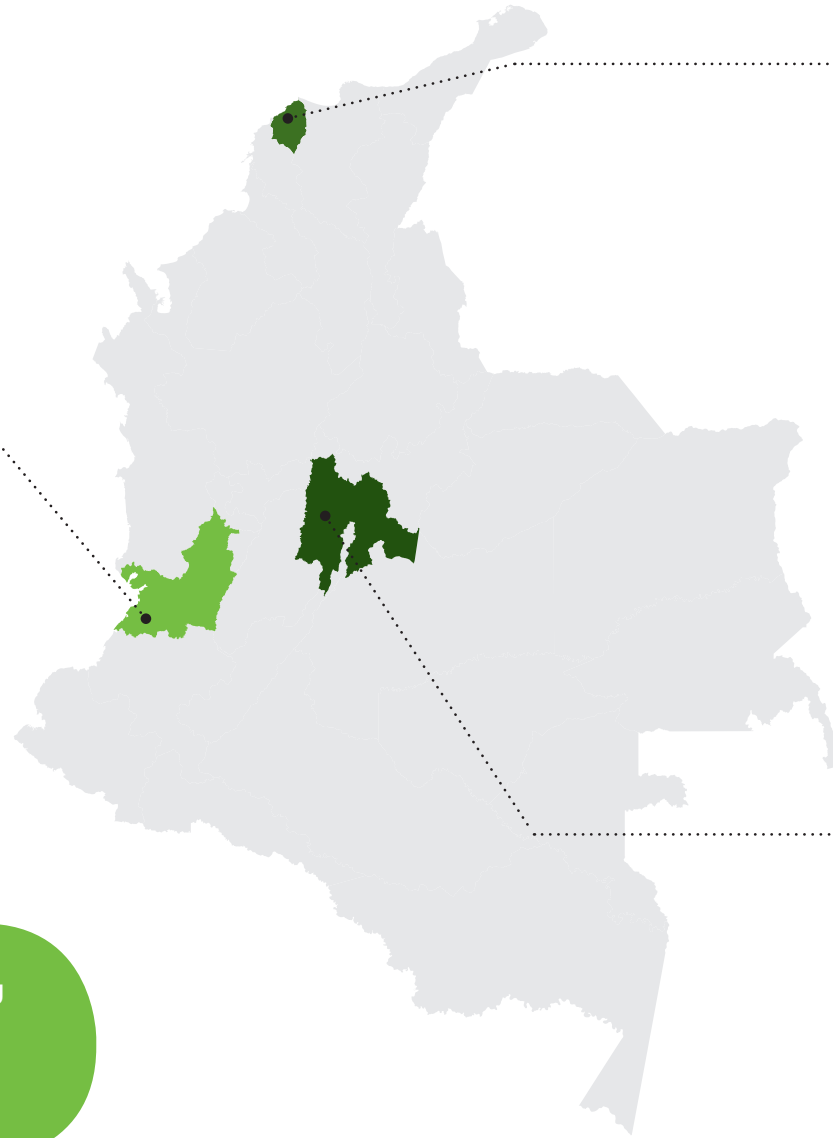
212,237 708,809 1,554,031



1,062,232 766,365 1,043,485

TOTAL COLOMBIA
2,734,539
3,070,479
4,433,978

We continue measuring the water footprint for all the operations.





Emisiones



[305-1/2/3/4]

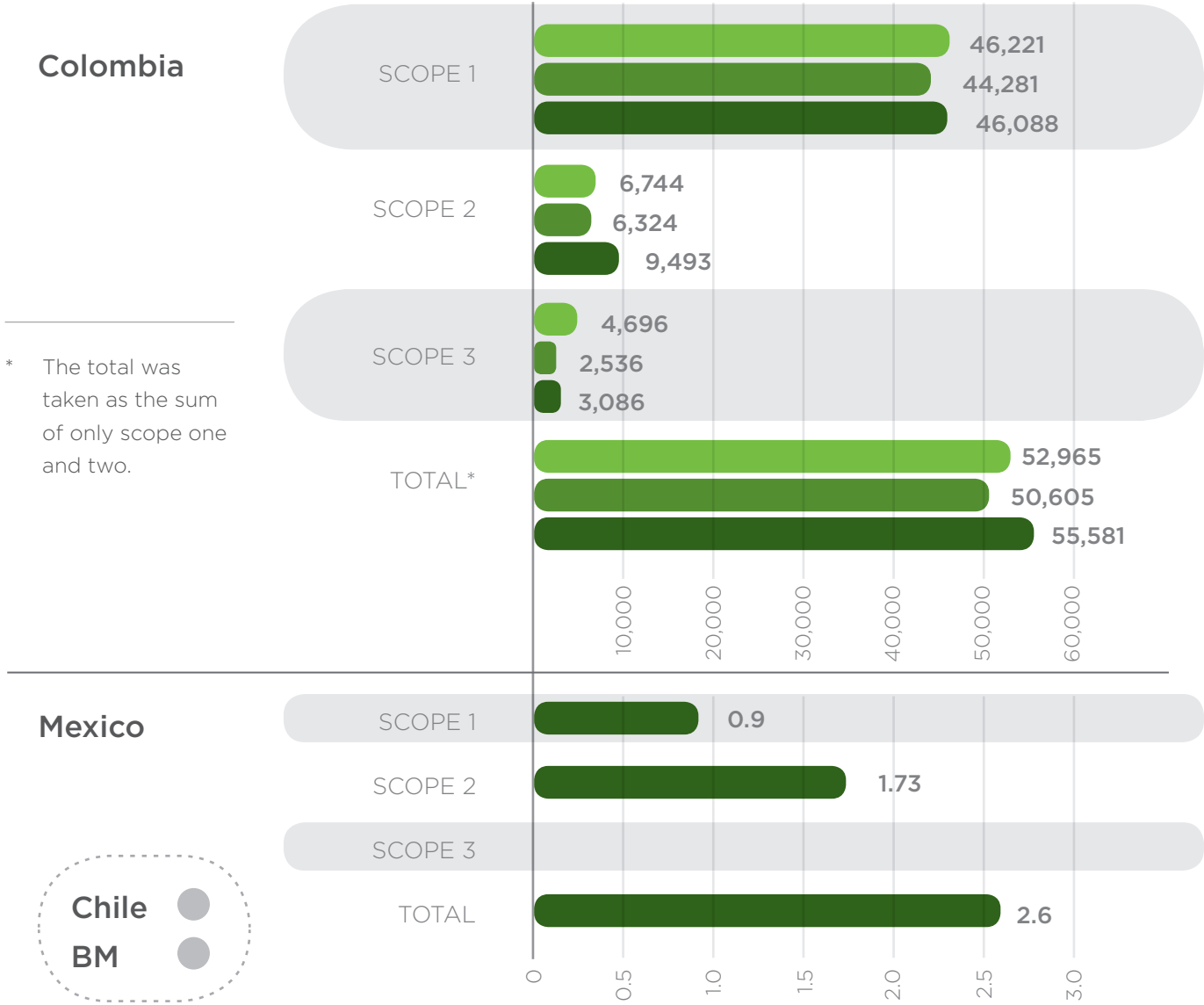
Compared to the previous year, we maintained our constant commitment with measuring particulate material, odors and atmospheric emissions caused by the operations, being able to consolidate the measurement of the carbon footprint in Mexico and adjusting the methodology in Chile, reason why the result for the present year is not available.

In Colombia, the main

achievements in this area of responsibility were adaptations in infrastructure at the plants with the renewal of some chillers, replacing the need to use R-22 as a coolant. In Mexico and Chile, activities concentrated on measuring atmospheric emissions and conduction of a study of odorant impact respectively, producing favorable results for both plants regarding the legal limits permitted.

Carbon Footprint (TON CO e)

2014 2016
2015 In construction

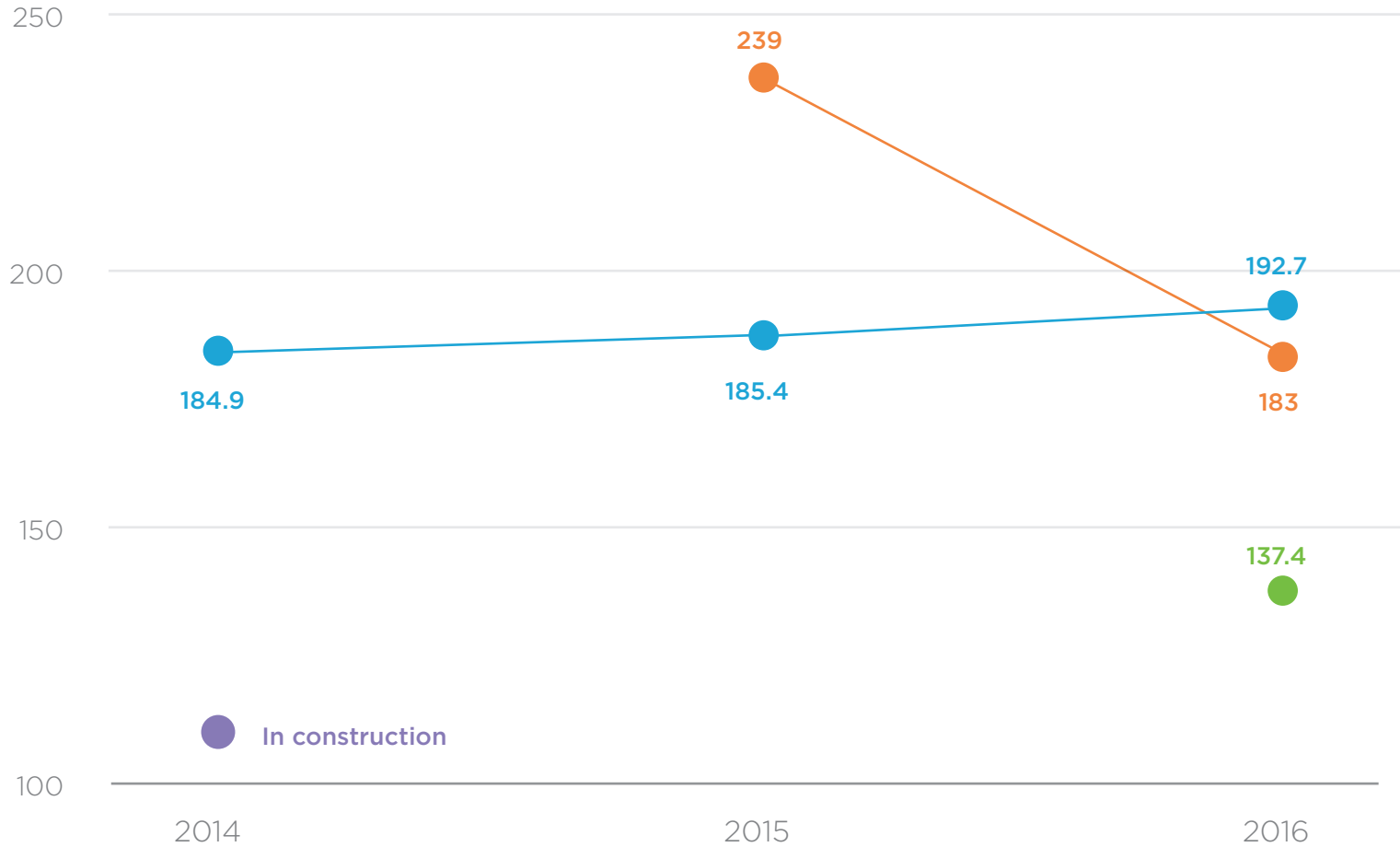


Chile
BM



Eco-indicator: Emissions Intensity (TON CO e/p.t.)

- Colombia ● Chile
- Mexico ● BredenMaster



As a result of the change of the emission factor for Colombia, the carbon footprint is increased from the year 2015 to the year 2016, affecting also the intensity of emissions, which prevents achieving the proposed goal of 185 Ton CO e/packaged ton (p.t).

In Chile, on the contrary, greater

refining efficiencies together with greater bulk sales and the change of the logistics operator permitted an important reduction in the emissions per packaged ton. In Mexico, the measurement methodology is under revision to identify specific action plans regarding this aspect.



Energy

[302-1/3/4]

Along with all the operations, more than 350 LED lamps were changed and replaced, substantially affecting the consumption of watts per hour. Similarly, more than 14 high-efficiency engines were installed, air conditioning equipment was changed for more efficient equipment and options of natural lighting were generated, reducing in more than 324 kWh/month the consumption of energy.



ENERGETIC INTENSITY (Gi/p.t.)	2014	2015	2016
Colombia	2.69	2.70	2.61
Mexico	0.45	0.42	0.39
Chile	-	3.97	3.37
BredenMaster	In construction		

Residues

[T17]

We maintain our practices regarding the separation and use of residues, securing adequate handling and final disposition of those considered dangerous and which require special management. Through the promotion of recycling and strict control of inventory, a

reduction of 67% square meters delivered to Barranquilla's landfill was possible, 14% less corresponding to packing materials in Buga and use of 93% of ordinary residues in Bogota contributing to the increase in the global exploitation rate in Colombia.



In **Chile** work is undertaken in a **recycling program for the plant**, which is expected to operate **at the end of 2018** and which is expected to increase the rate of **use of residues** up to **60%**.

67%



Barranquilla

m² REDUCTION delivered to the landfill

14%



Buga

REDUCTION Packing materials

93%



Bogota

USE Ordinary residues

% OF USE OF ORDINARY RESIDUES	2016
Colombia	80
Mexico	60.24
Chile	35
BredenMaster	In construction



Packaging

The area of packaging engineering is exclusively dedicated to improving the packages and bottles required for the different products. Work has been conducted as of several years in reductions in the plastic

weight on the preforms, obtaining reductions between 17% and 40% in different presentations, reducing the use of PET in more than one thousand tons and avoiding the emission of more than 5,000 tons of CO₂.



Reductions in plastic weight between

17% and 40%

1,000

Fewer TONS of PET

5,000

CO2 avoided

2,900

fewer Tons of PET resin



1,900

Tons in 2016

Together with the above, and because of **improvements in the processes** in the last four years, it has been possible **not to consume** 2,900 tons of PET resin in total, 1,900 of these in 2016.



Acknowledgement: District Entrepreneurial Environmental Program (PREAD) in Bogota, Colombia

In **2016**, and for the sixteenth time since the program began in 2000, Team obtained the **acknowledgment and classification in the District Entrepreneurial Environmental Program (PREAD)**, in the Elite category, which the District Secretary's Office grants to companies committed with **management and care of the environment.**

The program intends to acknowledge the companies that stand out for the implementation of environmental strategies through joint work between the academy, the enterprise, the government, and the community. This distinction represents our commitment to a culture of environmental improvement and with the future, as well as our respect for life and the planet. This contributes to increasing productivity, generating a healthy and friendly environment for employees and society, permitting in turn innovation, efficiency in the consumption of natural resources, and reduction in the generation of residues. As an additional benefit, a discount of 10% in the payment of the property tax is generated.





WE PROMOTE AN ENVIRONMENTAL CULTURE

Within the organization, and with some close stakeholders, we work to promote an environmental culture, promoting the responsible use of resources and the adequate disposition of residues, particularly concentrated on the correct disposition of used vegetable oil. Through campaigns addressed to employees and their families regarding these topics, raising awareness of the impacts and individual

responsibility, we have been able to consolidate this environmental culture. In Colombia, work was conducted in the promotion of recycling from environmental parks at different plants, particularly in Barranquilla which was inaugurated in the year 2015 and in Buga in the year 2016. These spaces intend to bring employees and their families closer to nature and make them aware of its importance and how elements of their daily life can be

used and recycled. In Mexico and Chile initiatives were centered on training employees with the company of governmental entities in more technical aspects such as handling chemicals and spillage control. Overall, we intend not only to encourage practices and habits respectful of the environment but also the skills necessary to remedy and handle situations that may affect natural resources as a result of the operation.



We intend to not only promote practices and habits

respectful of the environment but also ensure the skills necessary to **remedy and manage situations** that may affect natural resources.



SUCCESS STORIES

“Manos Verdes”

[301-3]



We have a **program concentrated on post-consumption —known as Manos Verdes (Green Hands)**, whose objective is the recollection of used vegetable oil which we sell to our industrial clients, such as hotels, restaurants, and clubs to secure the **adequate disposition and treatment of residues**.

2016

COLOMBIAN RECOLLECTION

From San Andrés to Amazonas



291.3

Tons of used vegetable oil



16,631

Plastic containers



Regarding the above, **two campaigns were initiated:** uan internal one that showed the **impact generated** by this type of residues, and an external one that promoted **correct use and disposition** of vegetable oil in the kitchen, led by Gourmet®.



At the administrative offices in Bogota and at the plant **a container** was arranged **for employees to deposit the bottles with used vegetable oil**, and thus be responsible of the due disposal process. In the following years, **we expect to extend the scope of the program and the number of industries connected**, strengthening our management in this aspect and avoiding contamination of bodies of water due to incorrect disposal of said residue.



2017-2019

CHALLENGES

1.

Consolidate the measurement of environmental indicators in Mexico and Chile to timely generate information that permits the continuous improvement of operational processes.

2.

Establish the foundations for measuring environmental indicators in BredenMaster's operation.

3.

Strengthen the environmental culture throughout all the operations, promoting savings practices and responsible use of resources.

4.

Implement the Recycling Plan in Chile before the end of 2018.

5.

Implement measures for a greater energetic efficiency according to the ISO 50001 standard.



9

LONG-TERM FINANCIAL GROWTH



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Planning and strategy	89
Corporate risk management	90
Business performance	92
Economic value generated and distributed	94
2017-2019 Challenges	95



At international level, the economic and political environment was marked by electoral uncertainty in the United States, instability of growth in Europe, low prices of oil, high volatility of the financial environment, labor reforms and threats of change within the regulatory frame of the food industry. In Colombia, uncertainty in the peace process, increase of the interest rates to contain the growth of inflation, the transport strike that affected the country (which intensified

even more its complex economic situation because prices kept rising), devaluation of the currency (peso) and the tributary reform marked the purchase capacity during the year 2016.

In the midst of all this, but subject to our long-term strategy and faithful to our value proposals, accompanied by our innovation and research and development process, we were able to grow in income, volume, and profitability.

During the year 2017, within a context of high volatility, permanent monitoring of the

behavior of our raw materials is necessary as well as control and rationalization expenses. We will continue to strengthen our value proposals with support from the areas of Research and Development and the innovation processes that will permit us to secure long-term sustainable growth.

The control of our processes, sustainable and profitable growth, and follow up of the business operation abroad will continue to be a priority in the year 2017.

WE WILL CONTINUE TO
STRENGTHEN OUR VALUE
PROPOSALS IN ORDER
TO SECURE LONG-TERM
SUSTAINABLE GROWTH





WE PROACTIVELY MANAGE RISKS

Strategy and Planning

We depend on a sales and operations planning scheme that permits us to adjust our projections according to the behavior of key macroeconomic and market variables

for the performance of the organization. Therefore, we timely control fulfillment of the budget, identifying possible deviations and establishing specific action plans to address them.





Corporate Risk Management

[T18]

We are aware of the possible risks that may affect medium and long-term objectives and goals, reason why we depend on a Corporate Risk Management System and a Policy of Management of Risks under the responsibility of the Internal Audit department with the aim of securing timely management.

In 2016 the Corporate Risk Management area was exclusively dedicated to coordinating the activities of identification, consolidation, analysis, assessment, monitoring, treatment and report of the Risk Management System, based on the AS/

NZS 4360 Risk Standard Management and on the COSO ERM Standard.

The risk maps at the five plants in Colombia, the corporate processes, and the BredenMaster plant were validated, extending the scope of the system to new processes, identifying new risks and defining action plans associated to said maps. This tool is a source for improving the processes and for the internal and external audits that reinforce the controls and strengthen the internal management structure.

The medium and short-term objective of risk management in the organization is to raise

awareness regarding the importance of an appropriate management and homologation of the information collected among processes, areas, and plants. Thus, we will be able to identify new risks and controls and replicate good practices for monitoring purposes. This must strengthen the strategic vision from the areas and communication at all levels of the organization. In the long-term, the objective is to improve the system in order to prevent threats, minimize the negative impacts of each risk, seize opportunities, and generate value for the organization.

We are aware of the possible **risks** that may affect **objectives and goals**.



2016 Negotiated Action Plans (per plant)

07

BUGA

17

BARRANQUILLA

07

BOGOTA

54

PANISIMO

95

BREDENMASTER

21

CORPORATE

00

TEAM CHILE

00

TEAM MEXICO

203 TOTAL

● 2016 Residual
Risk Level
Low

● 2016 Residual
Risk Level
Moderate



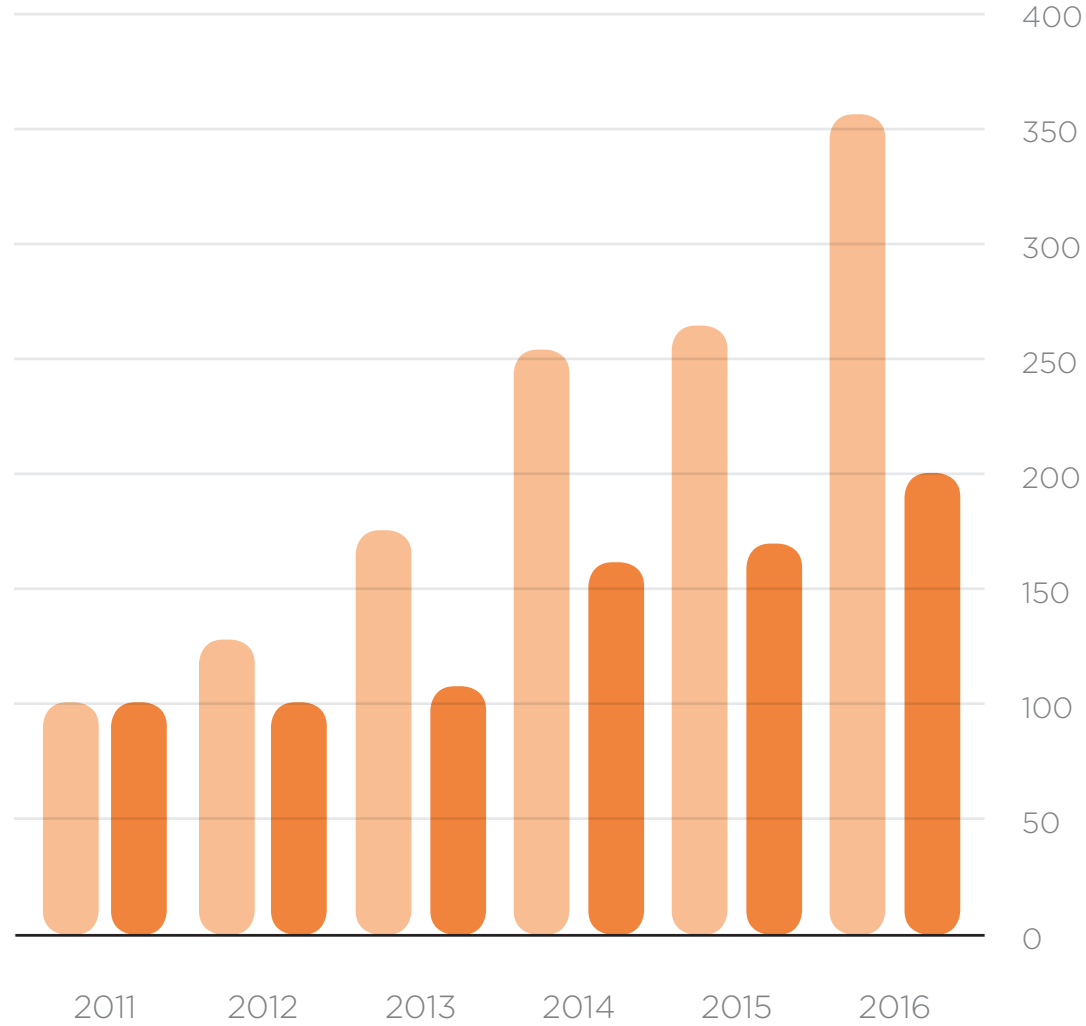
Source: 2016 Risk Maps



Business Performance

Income EBITDA

100 Base index (2011)



[T19/20]





During 2016 we had an important growth in production and sales, mainly as a result of consumer business growth in Colombia, which continues to strengthen its position

in the market and in the homes of our consumers

The diversity and quality of our portfolio of products was strengthened with more than 65 introductions oriented to:



Improve access of products through more economic presentations.



Complements for healthier preparations.



Solutions to control consumption.



More intelligent packing



Develop functional benefits of oils.



Healthier alternative solutions of lipid products



Innovative products that facilitate processes in the kitchen



Direct distribution channels

In industrial businesses, we had a growth in all regions, evolving our model of selling solutions for unsolved needs of our clients, although we maintain important challenges regarding market participation in Mexico and Chile. Through research and development, we will continue to strengthen the trademarks of our clients.

The bakery and food service business activities are stable, consolidating competitive strategies, consolidating value proposals and segmentation of the market. Similarly, work was undertaken in developing more efficient sales processes to provide a better

service and on the innovation of products for differentiated and superior results.

The frozen bakery business presented good financial results during the year, which reflected on important growth and consolidation within BredenMaster in Chile and in Colombia through the trademark Panisimo.

Finally, foreign business activities presented an important growth regarding their sales volume, consolidating our presence in the region. This was possible through a profound understanding of cultural traditions and customs of the countries where we arrive and the design of value proposals adjusted to realities.



WE GENERATE VALUE WITH OUR STAKEHOLDERS

Generated and distributed economic value

(million Colombian pesos)

[201-1]

1,233,813

Distributed Economic Value (DEV)

- **1. Operational costs:** Payment to suppliers.
- **2. Total salaries and social benefits for employees:** Total payments made to employees and social contributions. They do not include future payment commitments.
- **3. Payment to capital suppliers:** Dividends paid to any type of shareholder.
- **4. Payment to governments:** All taxes, contributions, and sanctions of the company. They include payments to regulating entities
- **5. Investments in the community:** Voluntary contributions and investment of funds in the community.

351,573

Retained Economic Value (REV)

181

CORPORATE

1,585,386

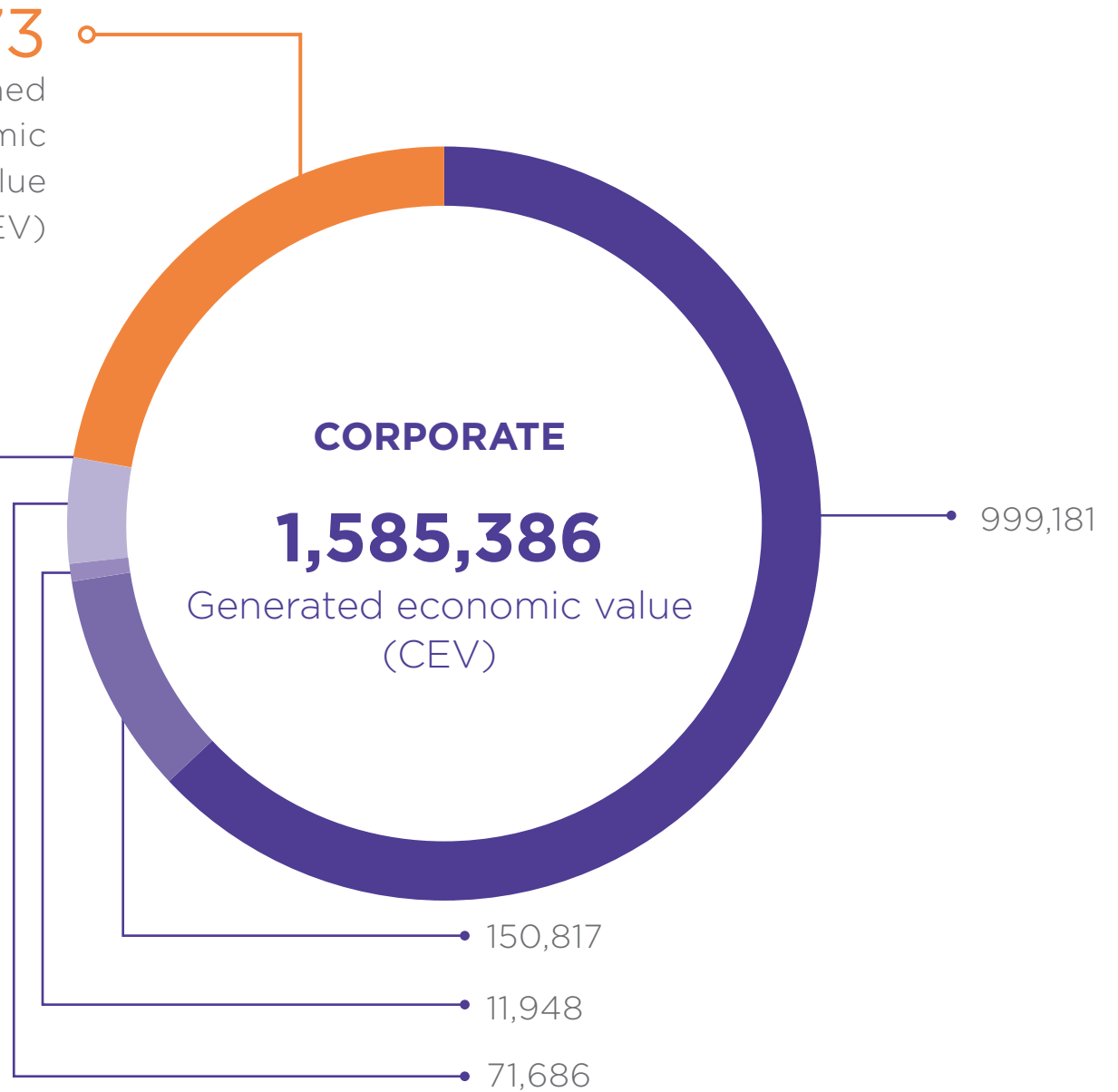
Generated economic value (CEV)

999,181

150,817

11,948

71,686





2017-2019

CHALLENGES

1. Continue **expanding the skills** we have acquired in other countries.
2. Consolidate our market participation as a **leading company in the sectors in which we participate.**
3. Obtain a **double-digit corporate** growth of **EBITDA**
4. Establish a base/indicator line that permits us to **to manage the working capital for profitable and sustainable growth in time.**
5. Develop a **technological information system** that permits reliability and opportunity of information in real time.



10

ANNEXES



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GRI Table	97
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Deloitte's verification memorandum	110



GRI TABLE



GENERAL CONTENTS

INDICATOR	2016 ANSWER	PAGE	EXTERNAL AUDIT	OBSERVATIONS
Strategy and analysis				
102-14. Declaration of the maximum responsible representative for taking decisions of the organization regarding the relevance of sustainability for the organization.	Nourishing a better tomorrow: Message from the President	5		
102-15. Description of the main impacts, risks, and opportunities.	Nourishing a better tomorrow: Message from the President	5		
Profile of the organization				
102-1. Report the name of the organization.	Team Foods	97		
102-2. Report the main trademarks, products, and services.	Nourishing a better tomorrow: Who we are	9		
102-3. Report the location of headquarters.	Nourishing a better tomorrow: Who we are	7		
102-4. Report the number of countries where the company operates and the name of the countries where the company has significant operations or that are relevant for topics of sustainability dealt in the report.	Nourishing a better tomorrow: Who we are	8		
102-5. Nature of the property and legal form.	Private	97		



INDICATOR	2016 ANSWER	PAGE	EXTERNAL AUDIT	OBSERVATIONS
102-6. Markets served (Including geographic itemizing, the sectors supplied, and type of clients).	Nourishing a better tomorrow: Who we are	8		
102-7. Report the scale of the organization, including: - Number of employees - Total number of operations - Net sales or income	Nourishing a better tomorrow: Who we are	7		
102-8. Report the following labor information: - Report the total number of employees according to contract and gender - Report the number of employees according to region and gender	Nourishing a better tomorrow: Who we are	8		It is not reported per type of agreement.
102-41. Report the percentage of employees covered by a collective agreement.	Strategic talent development: We generate well-being for our employees	64		
102 -9. Describe the chain of suppliers of the organization.	Responsible sourcing: We grow hand in hand with our suppliers	48		
102-10. Significant changes during the period covered by memory regarding size, structure, property or chain of suppliers of the organization.	Nourishing a better tomorrow: Organizational advances	17		
102-11. Description of how the organization has adopted a prevention approach or principle.	Nourishing a better tomorrow: Organizational advances	11		
102- 12. Social, environmental and economic principles or programs developed externally and any other initiative that the organization subscribes or supports.	Contribution to community development: Social investment strategy	70		
102-13. Main associations to which it belongs (such as sector associations) and/or domestic or foreign entities which the organization supports.	<ul style="list-style-type: none"> • Asociación Nacional de Empresarios de Colombia (ANDI) • Consejo Privado de Competitividad • Asograsas • Cecodes • Asociación Nacional de Comercio Exterior • Chileoliva • Corchiga • Defencarga • Aniname • Iseo • Cámara de Comercio Colombo Americana • Cámara de Comercio Colombo Venezolana • Cámara de Comercio Colombo Mexicana • Asograsas 	98		



INDICATOR	2016 ANSWER	PAGE	EXTERNAL AUDIT	OBSERVATIONS
Identification of material aspects and limits				
102-45. List the entities included in the consolidated financial statements and report whether there are any of these entities that have not been included in the sustainability report.	As a result of contractual reasons in the transactions of operations in recent years, this information is confidential and cannot be disclosed.	99		
102-46. Explain the process to define the content of the report and the aspects to be reported.	Nourishing a better tomorrow: Our management	13		
102-47. List all the material aspects identified in the process to define the content of the report.	Nourishing a better tomorrow: Our management	15		
103-1. For each material topic report whether it is for the complete organization. Otherwise, indicate what aspect is not material for any of the entities that make part of the organization.	The topics reported as material are considered for the complete organization, inside and outside.	13		
102 -48. Description of the effect that the restatement of information belonging to previous memories may have, together with the reasons that have motivated said restatement.	Some figures of environmental indicators as a result of changes in methodology measurement and source of information are restated	99		
102-49. Significant changes related to prior periods regarding scope, coverage or assessment methods applied to the report.	It is reported under the GRI Standard.	99		
Stakeholders				
102-40. List the stakeholders with which the organization relates.	Nourishing a better tomorrow: Our management	14		
102-42. Report the basis for identification and selection of groups of interest with which the organization relates.	Nourishing a better tomorrow: Our management	13		



INDICATOR	2016 ANSWER	PAGE	EXTERNAL AUDIT	OBSERVATIONS
102-43. Approaches adopted for the dialogue with groups of interest, including frequency of participation per type of groups of interest. Indicate whether any of the dialogues was conducted as part of the process of preparation of the report.	Nourishing a better tomorrow: Our management	13		Within the 2017-2019 period, we expect to systematize the scenarios of relationship and involvement with the groups of interest to incorporate in our management feedback and provide a timely answer.
102-44. Main concerns and topics of interest that have originated through dialogues with the groups of interest and the way in which the organization has responded to these topics in the preparation of the report. Report the groups of interest and topics identified as relevant.	Nourishing a better tomorrow: Our management	13		Within the 2017-2019 period, we expect to systematize the scenarios of relationship and involvement with the groups of interest to incorporate in our management feedback and provide a timely answer.
Profile of the report				
102-50. Period covered by the information included in the report.	2016	100		
102-51. Most recent date of prior report.	2015	100		
102-52. Cycle of the report (Annual-Biannual).	Annual	100		
102 -53. Point of contact for matters related to the report or its content.	Isabel Giraldo - isabel.giraldo@team.co	100		
102-54. Report the option "I agree" with the GRI methodology selected by the organization (Core-Comprehensive). Report the GRI table of content.	About this report	3		
102-55. GRI contents index.	Annexes; GRI Table	97-108		
102-56. Report the policy or approach of the company to look for external audit of the report.	There is no policy or approach that so demands. The partial content is validated externally with Deloitte.	100		



INDICATOR	2016 ANSWER	PAGE	EXTERNAL AUDIT	OBSERVATIONS
Gobierno				
102-18. The government structure of the organization, including committees of the maximum government body. Identify whether there is any committee responsible for supervision of economic, social and environmental topics.	Integrity, compliance, and transparency: We are committed to transparency	34		
102-20. Report whether the organization has selected an executive position or positions with responsibility regarding economic, environmental and social topics and whether this position directly reports to high management.	Whether the organization depends on a position responsible of economic, environmental and social topics directly reporting to high management.	101		
102-21. Report the enquiry processes that exist among the groups of interest and high management regarding economic, environmental and social topics. Whether the enquiries are delegated, describe to whom they are delegated and the feedback process with high management.	The enquiry processes are delegated by the Presidency Committee and then the Board of Directors.	101		
102-23. Indicate whether the president of the maximum government body also occupies an executive position (if so explain his/her function within the organization and the reasons that justify said position).	The president of the maximum government body does not occupy an executive position within the organization.	101		
102-32. Report the highest committee or position responsible of reviewing and approving the sustainability report and securing that all material topics are covered.	President	101		
102-33. Report the process to communicate critical topics to the maximum government body.	The weekly Presidency Committee determines what will be discussed in the following Board of Directors.	101		
Ethics and integrity				
102-16. Describe the values, principles, standards, and norms of behavior of the organization, such as codes of conduct and codes of ethics.	Nourishing a better tomorrow: Our management	12		



SPECIFIC CONTENTS

* Management approach of the management aspect (section, page where said approach is found)

MANAGEMENT ASPECT	GRI ASPECT	*	GRI AND/OR PARTICULAR INDICATOR	2016 ANSWER	EXTERNAL AUDIT	OMISSION
Nutrition and healthy lifestyles	N/A	23	11. Investment in R&D+I as sales percentage	Nutrition and healthy lifestyles: We promote research and development around unsolved needs regarding health, nutrition, and well-being		
Integrity, compliance, and transparency	Fight against corruption	30	205-1. # and % of evaluated risk operations related to identified corruption and risks.	100% Integrity, compliance, and transparency: We are Team People		Only the percentage of the operation, not the total number, is mentioned.
	Fight against corruption	30	205-2. Communication and training policies and procedures regarding the fight against corruption.	Integrity, compliance, and transparency: We are Team People: Success stories: We set an Example		Only the percentage of the operation, not the total number, is mentioned.
	Fight against corruption	30	205-3. Confirmed cases of measures adopted.	Integrity, compliance, and transparency: We are Team People		
	No discrimination	30	406-1. # of cases of discrimination and corrective measures adopted..	Integrity, compliance, and transparency: We are Team People		As a result of topics of confidentiality, the context of each case reported is not communicated.
	Evaluation of human rights	30	412-2. Hours of training of employees, policies, and procedures related to those aspects of human rights, their activities, including trained employees.	The HR Policy was prepared and published, disclosing it among all collaborators. It is not possible to report it in the Success Story We Set an Example because it is scheduled for 2017.		The total hours and employees are not reported as a result of the answer given in the Table.



MANAGEMENT ASPECT	GRI ASPECT	*	GRI AND/OR PARTICULAR INDICATOR	2016 ANSWER	EXTERNAL AUDIT	OMISSION
Integrity, compliance, and transparency	Evaluation of human rights.	33	412-3. # and % of significant contracts and investment agreements that include clauses on Human Rights or that have been subject of HR analysis.	Integrity, compliance, and transparency: We are committed to transparency.		Reference is made to the agreements reviewed by the legal & corporate affairs vice-presidency exceeding the amount of USD\$10,000. No information is reported from Chile.
	Unfair competition	30	206-1. # of claims for unfair competition, monopoly practices or against free competition and result thereof.	Integrity, compliance, and transparency: We are Team People.		
Quality and client and consumer satisfaction	Marketing and labeling	40	417-1. Type of information required per procedure related to information and products and services, and % of significant products and services subject to the said requirement.	Quality and client and consumer satisfaction: We are exhaustive in the definition of comprehensive value proposals.		It applies only to Colombia and to the products of all categories launched after adhesion.
	Marketing and labeling	40	417-2. # of noncompliance with the regulation of voluntary codes related to information and labeling of products and services, itemized according to the type of result.	Quality and client and consumer satisfaction: We are exhaustive in the definition of comprehensive value proposals.		
	Marketing and labeling	40	417-3. # of noncompliance cases of the regulation or voluntary codes related to marketing communications, such as advertising, promotion, and sponsorship, itemized according to the type of result.	Quality and client and consumer satisfaction: We are exhaustive in the definition of comprehensive value proposals.		
	N/A	41	T2. Survey of satisfaction of clients.	Quality and client and consumer satisfaction: We intend to deliver solutions that solve the needs of our clients.		Only the satisfaction of clients for industrial business and consumer activities is reported.
	N/A	41	T3. Claims per product received from consumers and solved.	Quality and client and consumer satisfaction: We intend to deliver solutions that solve the needs of our clients.	X	Only Colombia is reported.



MANAGEMENT ASPECT	GRI ASPECT	*	GRI AND/OR PARTICULAR INDICATOR	2016 ANSWER	EXTERNAL AUDIT	OMISSION
Responsible sourcing	Supply practices	45	FP1. % of volume bought to suppliers complying with Supply Policy of the company.	100% of the volume bought to our suppliers complies with the Policy of Supply and related procedures.		
	Supply practices	47	FP2. % of volume bought that is verified by some standard of production acknowledged internationally..	Responsible sourcing: We buy from responsible companies through transparent and fair negotiations.		The percentage volume corresponding to products certified as organic is not reported.
	N/A	47	T4. Traceability of palm.	Responsible sourcing: We buy through transparent and fair negotiations		
	N/A	48	T5. New critical suppliers evaluated with environmental, labor, HR and society criteria.	Responsible sourcing: We grow hand in hand with our suppliers.	X	Only criteria evaluated in Colombia is reported for suppliers.
	Acquisition practices	48	204-1. % of expense in places with significant operations corresponding to local suppliers.	Responsible sourcing: We grow hand in hand with our suppliers.		
Strategic talent development	Presence in the market	54	202-1. The relationship between itemized initial salary per gender and local minimum salary in places that develop significant operations.	Strategic talent development: We attract, develop and retain the talent necessary to grow.		A global result is reported; it is not itemized per gender or region and the proportion regarding the minimum legal salary in force (SMLV) is not reported.
	N/A	54	T6. Coverage of vacancies with internal personnel for levels 1-4.	Strategic talent development: We attract, develop and retain the talent necessary to grow.		It is not reported for Mexico and Chile.
	N/A	54	T7. Percentage of publications of vacancies as internal summons.	Strategic talent development: We attract, develop and retain the talent necessary to grow.		It is not reported for Mexico and Chile.



MANAGEMENT ASPECT	GRI ASPECT	*	GRI AND/OR PARTICULAR INDICATOR	2016 ANSWER	EXTERNAL AUDIT	OMISSION
Strategic talent development	Training and education	56	404-3. % of employees whose performance and profession are regularly evaluated, itemized per sex and professional category.	Strategic talent development: We attract, develop and retain the talent necessary to grow.	X	It is not itemized per gender or professional category. A global result is reported per country..
	Training and education	58	404-1. Average hours of training, itemized per labor category.	Strategic talent development: We attract, develop and retain the talent necessary to grow.		It is not itemized per gender or professional category. A global result is reported per plant.
	Training and education	58	404-2. Programs of management of skills and continuous training that promote the employability of workers and help them manage the end of their professional careers.	Strategic talent development: We attract, develop and retain the talent necessary to grow.		
	Employment	60	401-2. Social benefits for full-time employees not offered to part-time employees, itemized per significant locations of activity.	Strategic talent development: We generate well-being for all our employees.		It is not reported per zone and the general categories to which benefits correspond are reported.
	N/A	60	T8. Investment in benefits (COP)	Strategic talent development: We generate well-being for all our employees.		
	Diversity and equal opportunities	62	405-2. The relationship between the base salary of men and that of women, itemized per professional category and per significant location of activity.	The relationship between the base salary of men and women. Colombia. Vice-presidents, 0.79%; Managers, directors, coordinators, 1.11%; Professionals, 0.89%; Technicians and administrative auxiliaries, 0.84%; service assistants, 1.14% Mexico. Managers, directors, coordinators, 1.02%; Professionals, 1.12%; Technicians and administrative auxiliaries, 1.15%; service assistants, 1.01% Chile. Managers, directors, coordinators, 0.92%; Professionals, 1.4%; Technicians and administrative auxiliaries, 1.08%; service assistants, 0.94% BredenMaster. Managers, directors, coordinators, 0.99%; Professionals, 1.29%; Technicians and administrative auxiliaries, 1.08%; service assistants, 1.08%		



MANAGEMENT ASPECT	GRI ASPECT	*	GRI AND/OR PARTICULAR INDICATOR	2016 ANSWER	EXTERNAL AUDIT	OMISSION
Strategic talent development	Employment	63	401-1. # and rate of rotation and average hiring of employees, itemized per age, sex and region.	Strategic talent development: We generate well-being for all our employees.	X	Only rotation is reported, not the hiring rate. It is not reported either per age group or gender.
	N/A	64	T9. Labor climate score - GPTW.	Strategic talent development: We generate well-being for all our employees.		
	N/A	64	T10. # of formal PORs received and solved by labor practices.	Strategic talent development: We generate well-being for all our employees.	X	Only labor claims with legal implications are reported. It is not verified for BredenMaster.
	Labor relations management	64	FP3. % of operational time lost per country as a result of labor disputes, closures.	Strategic talent development: We generate well-being for all our employees.		
	Health and security at work	65	403-2. Type and rate of injuries, professional diseases, lost days, absenteeism and number of casualties related or work per region and sex.	Zero casualties	X	It is reported separately as IFA, ISA, and absenteeism, without itemizing per type of professional diseases, type or rate of injuries or time lost. It is not reported by gender.
	N/A	65	T11. IFA - Index of Accident Frequency	Strategic talent development: We generate well-being for all our employees.	X	No historic record is reported for BredenMaster; only the year 2016.
	N/A	65	T12. ISA - Index of Accident Severity	Strategic talent development: We generate well-being for all our employees.	X	No historic record is reported for BredenMaster; only the year 2016.
	N/A	65	T13. Absenteeism.	Strategic talent development: We generate well-being for all our employees.	X	No historic record is reported for BredenMaster; only the year 2016.
Contribution to community development	N/A	70	T14. Donations made (COP)	Contribution to community development: Social investment strategy		
Environmental responsibility and natural resource conservation	N/A	75	T15. Intensity of water consumption.	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.		The calculation of the information of the operation of Panisimo in Colombia or BredenMaster in Chile is not included.



MANAGEMENT ASPECT	GRI ASPECT	*	GRI AND/OR PARTICULAR INDICATOR	2016 ANSWER	EXTERNAL AUDIT	OMISSION
Environmental responsibility and natural resource conservation	N/A	75	T16. Total water footprint.	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.		The operation of Panisimo in Colombia is not included.
	Water	75	303-3. Total % and volume of recycled water.	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.		It is not reported for Mexico or Chile, only Colombia without considering the operation of Panisimo.
	Emissions	75/78	305-1. Direct emissions of GEI (scope 1).	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.	X	The result of Colombia does not include the operation of Panisimo.
	Emissions	75/78	305-2. Direct emissions of GEI (scope 1).	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.	X	The result of Colombia does not include the operation of Panisimo.
	Emissions	75/78	305-3. Other indirect emissions of GEI (scope 3).	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.	X	The result of Colombia does not include the operation of Panisimo.
	Emissions	75/78	305-4. Intensity of greenhouse emissions.	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.	X	The result of Colombia does not include the operation of Panisimo.
	Energy	80	302-1. Internal energetic consumption.	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.		The result of Colombia does not include the operation of Panisimo.
	Energy	80	302-3. Energetic intensity.	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.		The result of Colombia does not include the operation of Panisimo.



MANAGEMENT ASPECT	GRI ASPECT	*	GRI AND/OR PARTICULAR INDICATOR	2016 ANSWER	EXTERNAL AUDIT	OMISSION
Environmental responsibility and natural resource conservation	Energy	80	302-4. Reduction of energetic consumption.	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.		The operation of Panisimo in Colombia is not included.
	N/A	81	T17. Percentage of use of ordinary resources.	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation.	X	
	Materials	85	301-3. % of products sold and crating materials that are recovered at the end of their useful life, itemized per category.	Environmental responsibility and natural resource conservation: We take care of natural resources in our operation. Success stories. Manos Verdes.		Only the units sold of the FoodService business in Colombia are reported and the percentage is not reported.
Long-term financial growth	N/A	88	T18. Level of residual risk.	Long-term financial growth: We proactively manage risks.		
	N/A	88	T19. Income	Long-term financial growth: We proactively manage risks.		
	N/A	88	T20. EBITDA.	Long-term financial growth: We proactively manage risks.		
	Economic development	88	201-1. Direct economic value generated and distributed.	Long-term financial growth: We generate value with our stakeholders.		Only the consolidated indicator of the complete organization is reported.



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Clarke, Modet & Co. Colombia. (2016). Los alimentos y sus desafíos (Food and its Challenges). Bogota.

Consejo Privado de Competitividad. (2017). Uso de recursos en Colombia (Use of Resources in Colombia). Bogota

World Economic Forum (2017). The Global Risks Report 2017. Geneva: World Economic Forum.





DELOITTE'S VERIFICATION MEMORANDUM

Independent Review Report

Independent Review of the Annual Sustainable Management Report of the Team Foods (2016).

Scope of our work

We conducted our review of the adaptation of the contents of Annual Sustainable Management Report of Team Foods 2016 to the Guide for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).

Standards and verification processes.

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

Our review work consisted in formulating questions to the Directors and the various areas of Team Foods who

participated in the development of the Annual Sustainable Management Report and the application of certain analytical procedures and review testing sample described below:

- Interviews with staff members of Team Foods to know the principles, systems and management approaches used to develop the report and calculate the indicators.
- Analysis of how the process of definition of the content, structure and indicators was defined, based on the materiality exercise according to the GRI Standards.
- Evaluation of the process to collect and validate the data presented in the report.
- Visits to the different operations of Team, to verify the management of the indicators to be reported.

Confirmation that the Annual Sustainable Management Report is prepared in accordance with GRI Standards in its “Core” version.

General aspects

It was confirmed that the report meets the requirements of essential option of the general aspects of the GRI Standards

Specific aspects

We reviewed the management approach and GRI and internal indicators of the following material issues:

Responsibilities of the Management of Team Foods and Deloitte

- The preparation of the Annual Sustainable Management Report of Team Foods 2016 and its contents are the responsibility of the organization which is also responsible for defining, adapting and maintaining management systems and internal control, which information is obtained.

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

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MATERIAL ISSUES	GRI INDICATOR AND / OR OWN (T)
<p>Quality and satisfaction of customers and consumers</p>	<p>T3. Complaints for product received and resolved by consumers.</p>
<p>Responsible supply</p>	<p>T5. New critical suppliers evaluated with environmental, human rights, labor and society criteria.</p>
<p>Strategic development of talent</p>	<ul style="list-style-type: none"> • 404-3. Percentage of employees receiving regular performance and career development reviews • 401-1. New employee hires and employee turnover. • T10. # of formal PQRs received and resolved by labor practices. • 403-2. Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities • T11. IFA - Accident Frequency Index • T12. ISA - Accidentalness Severity Index • T13. Absenteeism
<p>Environmental responsibility and conservation of natural resources</p>	<ul style="list-style-type: none"> • 305-1. Direct (Scope 1) GHG emissions • 305-2. Energy indirect (Scope 2) GHG emissions • 305-3. Other indirect (Scope 3) GHG emissions • 305-4. GHG emissions intensity • T17. Percentage of ordinary waste uses

Responsibilities of the Management of Team Foods and Deloitte

- This report has been prepared exclusively in the interests of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the company Direction.
- We have performed our work in accordance with the Independence regulations required by the etic code of the International Federation of Accountants (IFAC).

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Conclusions

As a result of our review, there was nothing that make us believe that Annual Sustainable Management Report contains significant errors or has not been prepared in accordance with the GRI Standards.

Main remarks and recommendations about GRI and WBCSD's principles

General remarks:

- The evolution in the integration of sustainability issues as a strategic part of the company's management is highlighted, which demonstrates the development and critical analysis of the material issues and their measurement mechanisms.
- It highlights the interest of the areas to carry out a judicious exercise of reporting on the management of material issues in a cross-organizational manner.

Recommendations:

- It is suggested to strengthen the consolidation of the economic, social and environmental data of the different locations, seeking an alignment of the calculation methodologies that allow analysis of the data.
- It is advisable to establish goals in the short, medium and long term associated with management indicators, both their own and GRI, that allow to know the progress and potential environmental, social and governmental risks and opportunities to which the company may be exposed.

- It is suggested to continue strengthening the alignment and measurement of Team's contribution to the Sustainable Development Goals

ANEX 1 Declaration of Independence

Deloitte is one of the largest companies of professional services in audit, tax, consulting and financial and sustainability advisory to public and private clients in multiple industries. With a globally connected network of member firms in more than 185 countries, Deloitte brings world-class capabilities and high quality service to its customers. Approximately 250,000 professionals are committed to becoming the standard of excellence.

We confirm our independence from Team Foods. All our employees perform annual updates to the Ethics Policy which promptly declare that we have no conflicts of interest with Team Foods, its subsidiaries and its stakeholders.

Responsibilities of the Management of Team Foods and Deloitte

- The Scope of a limited Review is substantially less than an audit. Therefore we don't provide an audit opinion about the sustainability report.

Deloitte.

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Jorge Enrique Múnera D.
Partner

Bogota, March 2017

¹ World Business Council for Sustainable Development



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