



TASK FORCE ON CLIMATE – RELATED FINANCIAL DISCLOSURES (TCFD)

GRUPO EMPRESARIAL COLOMBINA



At Colombina we are committed to climate change management through the reduction of greenhouse gas emissions, adaptation to climate change, based on an implementation and management environment in accordance with national and international policies and standards.

Climate change is reorienting investments around the world and raising the need to assess transition and physical risks around policy, technology and market dynamics aimed at mitigation and adaptation. These risks may affect the financial and reputational risks of our organization.

Therefore, Colombina voluntarily decides to align itself with the Task Force on Climate-Related Financial Disclosures (TCFD) to disclose its risks related to climate change in its four dimensions: governance, strategy, risk management, and metrics and objectives.

Governance

Colombina's current structure allows climate change management to be addressed from the Board of Directors to the different organizational levels.

We are aware that we are co-responsible for Climate Change Management and that only an adequate articulation between governments, and citizens will allow us to achieve the global objectives related to this issue.

Board's oversight of climate related risks and opportunities.

Within the risk structure of Grupo Empresarial Colombina, the Risk Committee is made up of three independent and/or proprietary members of the Board of Directors, the Chief Executive Officer, the Chief Risk Officer and Senior Management. This committee is in charge of monitoring the (11) corporate risks with their respective action plans, which will be presented in detailed reports to the Board of Directors. Similarly, the committee submits a report to the General Assembly of Shareholders that is held annually. Within the corporate matrix that makes up the 11 risks, there is risk #7, which refers to the effects of climate change.

Additionally, there is a Sustainability Committee, made up of two members of the Board of Directors, the executive president and Senior Management, who are the leaders of the priorities of the Company's sustainability strategy. This Committee reviews the results of the indicators, main advances, sustainability management projects in its six management priorities, of which Environmental Performance is a part, contemplating the material issues of energy efficiency, efficient use of water, climate change management, waste management and reduction, and packaging strategy.



Lastly, the Company has the Environmental Performance Committee, from where the plans and actions related to climate change are addressed, as it is a material issue of this priority. This committee meets quarterly and monitors the monthly indicators of greenhouse gas emissions of Scopes 1, 2 and 3 for the 7 production plants, reaching 100% of the total production of the Company.

In this same committee, climate change strategies are reviewed that allow reducing the impacts and developing new alternatives to advance in the commitment to contribute to the reduction of the carbon footprint. This committee is attended by the Senior Management and the environmental coordinators of the production plants.

Management's role in assessing and managing climate-related risks and opportunities.

The Board of Directors provides strategic direction and monitors progress in climate change management. The governing body, led by the CEO, will give the necessary impetus for proper implementation, so that the deadlines and challenges are met in accordance with our commitments and those of the country.

At Colombina we are committed to measurement and transparency, to using the tools defined by the National Government to carry out reports on adaptation to climate change, mitigation and reduction of greenhouse gases.

Strategy

Climate-related risks and opportunities over the short, medium, and long term.

Physical Risks

- Flooding
- Drought
- Sea level rise
- Heat stress
- Wind

Transition Risks

- Regulatory
- Customer demands
- Failure to invest in technological innovations
- Increased stakeholder concerns/backlash



Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

The impact of the risks and opportunities related to the climate for the business and its value chain is assessed, considering the physical, regulatory, financial, interruption of the supply chain and changes in the demand for products (positive or negative).

Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

As a result of the Paris Agreement signed in 2015, it was defined that the goals adopted by the companies would be considered goals based on science, if they were aligned with the level of decarbonization necessary to maintain the increase in global temperature at less than 2°C described by the fifth report by the Intergovernmental Panel of Experts on Climate Change.

Based on this orientation, from Colombina we have decided to join this global initiative and present our objective based on science for the year 2030 in line with the National Contribution of Colombia, in this sense, our objective will be to reduce emissions by 21% Scope 1 and 2.

Risk Management

Organization's processes for identifying and assessing climate-related risks.

The process of identifying and assessing risks related to the climate is mapped through the corporate matrix where the causes, consequences, impacts, responsible parties, controls, action plans, periodicity for the execution of controls and effectiveness of the controls for each one of them. This matrix includes the 11 main risks for the achievement of business objectives. Risk #7 refers to effects related to climate change.

Organization's processes for managing climate-related risks.

The processes are oriented towards defining reduction objectives for the carbon footprint indicator and working on initiatives that contribute to the effects of climate change through mitigation programs such as the implementation of the use of cleaner technologies in processes and lower consumption of fuels in manufacturing and logistics operations.



Metrics and Targets

Metrics and targets used to assess climate-related risks and opportunities to manage them and measure performance against targets.

Likewise, we annually report the results of the carbon footprint indicator, which we always measure with respect to the base year 2015. Particularly, in 2022 we achieved a 35% reduction in the carbon footprint indicator (Scopes 1 and 2). KgCO₂/ ton produced. The goal for 2023 is to reduce the indicator by 19%.

The methodology used to calculate this indicator is carried out in accordance with the provisions of the NTC-ISO 14064-3:2006 standard. The emission factors are determined under the methodology of the GHG Protocol, Intergovernmental Panel on Climate Change (IPCC) and internal factors in Colombia of the Ministry of Mines and Energy. This indicator is validated by the external firm GAIA and verified by Deloitte & Touche Ltda, the firm in charge of issuing the limited assurance report of the sustainability report every year.

In 2020 Colombina carried out the first sustainable financing under the "Sustainability-Linked Loan Principles" for a company in the food sector in Latin America. In this case, the applicable interest rate for this credit is linked to the evolution of an environmental indicator such as the reduction of the carbon footprint. The operation is part of the "2025 commitment" expressed by BBVA to contribute to the fulfillment of the UN Sustainable Development Goals (SDG) and the fight against climate change.

Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Every year we report greenhouse gas emissions on the sustainability website and in the Company's Sustainability Report, accompanied by the different initiatives that are worked on during the year. Additionally, the initiatives that are worked on from logistics and transportation that help reduce the environmental impact for Scope 3 emissions are reported.