



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 and adaptation to climate change, based on an implementation and management environment in line with national and international policies and standards.

Climate change is reshaping investments worldwide and is raising the need to assess physical and transitional risks related to dynamics in policies, technologies, and markets, aimed at mitigation and adaptation. These risks can affect the financial and reputational risks of our organization.¹

Therefore, Colombina has decided to voluntarily adopt the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to disclose its climate change-related risks in its four dimensions: governance, strategy, risk management, and metrics and objectives.

Governance

The current structure of Colombina is designed to address climate change management from the Board of Directors down to all levels of the organization.

We recognize our shared responsibility in facing this challenge and understand that only through effective collaboration among governments, businesses, and citizens can we achieve global objectives related to climate change.

Board oversight of climate-related risks and opportunities

Within the risk structure of the Colombina Business Group, the Risk Committee is established, composed of three independent and/or equity directors of the Board of Directors, the CEO, the Chief Risk Officer, and senior management. This committee oversees the 11 corporate risks and their respective action plans, presenting detailed reports to the Board of Directors and the General Shareholders' Meeting annually. One of these risks, number 7, addresses the effects of climate change.

Additionally, there is the Sustainability Committee, composed of three members of the Board of Directors, the CEO, and senior management, who lead the priorities of the Company's sustainability strategy. In this Committee, the results of the indicators, key advances, sustainability management projects in its six management priorities are reviewed, of which Environmental Performance is part, considering material issues of energy efficiency, efficient water use, climate change management, waste management and reduction, and packaging strategy.

¹ TCFD, 2017. <https://www.fsb-tcfid.org/wp-content/uploads/2017/06/FINAL-TCFD-Report-062817.pdf>.



Lastly, the Company has the Environmental Performance Committee, which addresses plans and actions related to climate change as 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, covering 100% of the total production of the Company. In this same committee, climate change strategies are reviewed to reduce impacts and develop new alternatives to advance the commitment to contribute to carbon footprint reduction. Senior management and environmental coordinators from the production plants attend this committee.

Role of management in assessing and managing climate-related risks and opportunities

The Board of Directors provides strategic direction and monitors the progress of climate change management. Led by the Executive Presidency, the executive body will provide the necessary impetus for proper implementation, ensuring that timelines and challenges are addressed in line with our commitments and those of the country.

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

Strategy

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

Physical Risks

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

Transition Risks

- Regulatory
- Customer demands
- Lack of investment in technological innovations
- Increased stakeholder concerns/reactions



Impact of climate-related risks and opportunities on business, strategy, and financial planning

The impact of climate-related risks and opportunities on the business and its value chain is assessed, taking into account physical, regulatory, financial, supply chain disruption, and changes in product demand (positive or negative).

The organization's strategy considers different climate-related scenarios, including a scenario of 2°C or less. As a result of the Paris Agreement signed in 2015, it was defined that goals adopted by companies would be considered science-based if they were aligned with the decarbonization level necessary to keep the global temperature increase below 2°C as described by the fifth report of the Intergovernmental Panel on Climate Change (IPCC).

Based on this guidance, Colombina has decided to join this global initiative and set our science-based target for the year 2030 in line with Colombia's National Contribution. Accordingly, our goal is to reduce Scope 1 and 2 emissions by 21%.

Risk Management

Organizational processes to identify, assess, and manage climate-related risks within the organization's overall risk management

The process of identifying and evaluating climate-related risks is mapped through the corporate matrix, detailing the causes, consequences, impacts, responsibilities, controls, action plans, periodicity for control execution, and effectiveness of controls for each. It includes the 11 main risks for achieving business objectives. Risk #7 refers to climate change-related effects.

Organization Processes for Managing Climate-Related Risks

The organization's processes are oriented towards defining reduction objectives for the carbon footprint indicator and working on initiatives that contribute to addressing the effects of climate change through mitigation programs. These initiatives include the implementation of cleaner technologies in processes and reducing fuel consumption in manufacturing and logistics operations.

Metrics and Objectives

We report greenhouse gas (GHG) emissions for Scope 1, Scope 2, and, if applicable, Scope 3 annually on the sustainability webpage and in the Company's sustainability report, along with the various initiatives undertaken during the year. Additionally, initiatives from logistics and transportation that help reduce environmental impact for Scope 3 emissions are also reported.



Metrics and objectives used to assess climate-related risks and opportunities for managing them and measuring performance against goals are also reported annually. Furthermore, we report the results of the carbon footprint indicator annually, always measured against the 2015 baseline. Particularly, in 2023, we achieved a 41% reduction in the carbon footprint indicator (Scopes 1 and 2), measured in KgCO₂/ton of product. The target for 2023 was to reduce the indicator by 36%.

Currently, Colombina has undertaken several sustainable financings based on the Sustainability-Linked Loan Principles, which are linked to the evolution of specific sustainability goals, and their performance is evaluated through indicators associated with environmental, social, and governance (ESG) aspects. Specifically, in environmental matters, the applicable interest rate is linked to the evolution of the carbon footprint indicator. These operations aim to contribute to achieving the Sustainable Development Goals (SDGs) set by the UN and combating climate change.

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