



# **SUPPLY CHAIN MANAGEMENT STRATEGY**



# STRATEGIC SOURCING MODEL

## Vision

**1.1 From the area's perspective:** To be leaders in corporate negotiations, applying world-class practices within an innovative context and with a permanent commitment to ethics, food safety, and corporate social responsibility; focused on ensuring the sustainability of the business.

## ESG Measurement:

**1.3 Suppliers are evaluated on their ESG commitment** through the "Measure What Matters" program (Sistema B). All new suppliers must complete the ESG assessment before starting the commercial relationship.

## Creation of suppliers

**1.2** In the creation process, we ensure compliance with the responsible code of conduct, involving our partners to continue fulfilling our objective of developing business networks and generating social, economic, and environmental value.

## Collaborative Programs with Suppliers:

**1.4** We define projects with suppliers focused on packaging sustainability and manage an indicator to help drive this process. We conducted **14 Workshops** in 2023 and materialized 4 projects.



From Strategic Sourcing, we are working on a **supplier relationship model based on developing and managing collaborative relationships with suppliers at all levels** to achieve the required commercial objectives and the overall strategy of the Supply Chain. Our goal is to strengthen communication with suppliers, share methodologies, projects, commercial terms, and information with them, and to achieve greater proximity and process optimization.

## Our model comprises 4 phases:

### 1. DEFINITION OF THE SRM STRATEGY

We establish objectives focused on productivity, innovation, risk management, and sustainability. Additionally, **we segment suppliers** based on these objectives.

### 2. PERFORMANCE MANAGEMENT

We define the **performance management model through KPIs** shared with suppliers and set compliance goals.

### 3. CONTINUOUS IMPROVEMENT

We increasingly drive **continuous improvement and work together to achieve supplier commitment** and strengthen relationships by ensuring transparency.

### 4. COLLABORATIVE WORK WITH SUPPLIERS

We will generate collaboration and create value by implementing and promoting collaborative innovation processes and developing *cross-functional* projects.



## COMPLIANCE WITH THE SUPPLY PROCESS



All of our plants hold various types of Management System certifications, which are audited by different certification and/or legal inspection bodies such as INVIMA and the FDA.

**These audits comprehensively verify the supply process,** which is a fundamental part of the supply chain for production.

In the high-level structure of ISO standards, **the supply process is framed within the requirements of clause 8.4,** which pertains to the control of externally provided products and services.

According to the results of all the audits received for the supply process, it **FULLY COMPLIES** with the criteria established in the various standards and requirements, thereby meeting the global standards required for this process.



# ESG INTEGRATION IN SUPPLY MANAGEMENT STRATEGY

Board of Directors

CEO



ENVIRONMENTAL  
PERFORMANCE



Supply Chain VP



SOCIAL  
DEVELOPMENT



Colombina  
Foundation



PROMOTING  
COMPETITIVENESS



Supply Chain VP



OUR EMPLOYEES



Human Resources  
VP



TRANSPARENCY AND  
NUTRITION



Corporate Marketing  
VP



ECONOMIC EFFICIENCY



Strategic Planning  
VP - Sustainability  
Leader

- The Vice Presidency of Supply Chain is responsible for environmental indicators (KPI) and supplier relations, leading the sustainability priorities of environmental performance and promoting competitiveness.



# Value chain

[GRI 2-6, 2-7]

## 1. SUPPLIERS

We have over 6,723 active suppliers

92% are local. 8% are international.

Our main ingredients and packaging materials are distributed as follows:

66% in ingredients. 23% in packaging.

10% in plant services, spare parts, and POP materials.



## 2. THE MANUFACTURING PROCESS

We have 7 production plants: [FB-PF-000.B]

Five of these plants are located in Colombia, one in Guatemala, and one in Spain. All of these plants hold certifications in food safety.

+ 8.200 employees contributing to the production process.

### Purchase Analysis [FB-PF-440a.2]

#### Ingredients

Sugar	28%
Glucose	14%
Fats/Oils	11%
Grains/Cereals	9%
Dairy Products	7%
Cocoa Derivates	4%
Essences/Extracts	3%
Others	24%

#### Packaging

Flexible material	56%
Cardboard	20%
Folding/boxes	6%
Rigid containers	2%
Others	16%

## 7. CIRCULARITY AND UTILIZATION

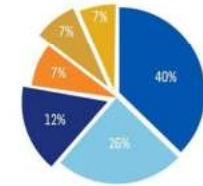
Articulation with the National Association of Industrialists (ANDI) for the implementation of the 30/30 vision project.

**2030 Goal:** Achieve the utilization of 30% of the packaging and containers placed in the national market.

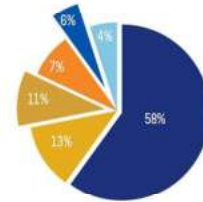
Alliance with "Botellas de Amor" Foundation

## 3. PORTFOLIO

We have a wide and diverse portfolio of products that allow us to participate in 18 food categories: Candies, Chewing Gum, Chocolates, Snacks, Salted Crackers, Sweet Cookies, Cakes, Ice Creams, Tomato Sauce, Mayonnaise, Mayonnaise-based sauces, Milk Desserts, Baby Food, Jams, Spicy Sauces, Olive Oil, Canned Fish, and Coffee.



Sales mix by business segment



Sales mix by region

## 4. LOGISTICS AND DISTRIBUTION

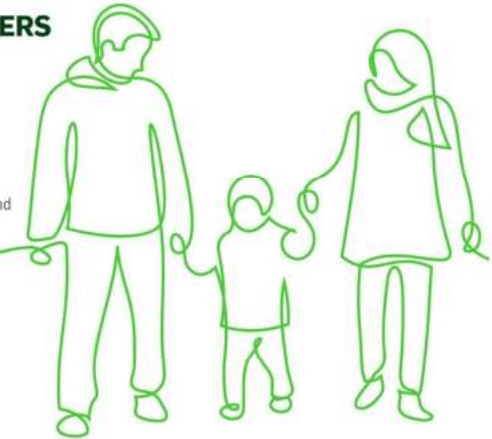
39 distribution centers. 47 primary transportation companies. 9 shipping companies.  
 1.030 logistics personnel. +421 secondary transportation vehicles. 12 electric cars and 10 gas-powered ones.

## 5. CUSTOMERS

With a sales force of over 2,000 sellers, we distribute our products to more than 750,000 customers around the world.

76 own points of sale, 73 in Colombia and 3 in Guatemala: Markets Colombia.

10 countries where Bon Bon Bum is a leader and sold in more than 70 countries.



## 6. CONSUMER

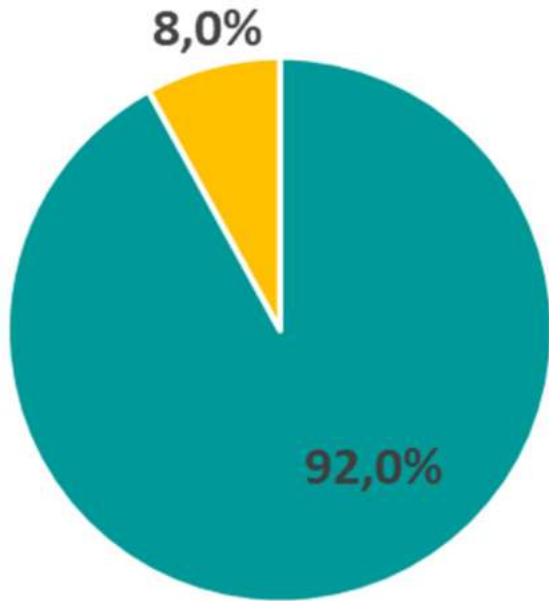
Millions of consumers in over 90 countries around the world enjoy our infinite flavor.





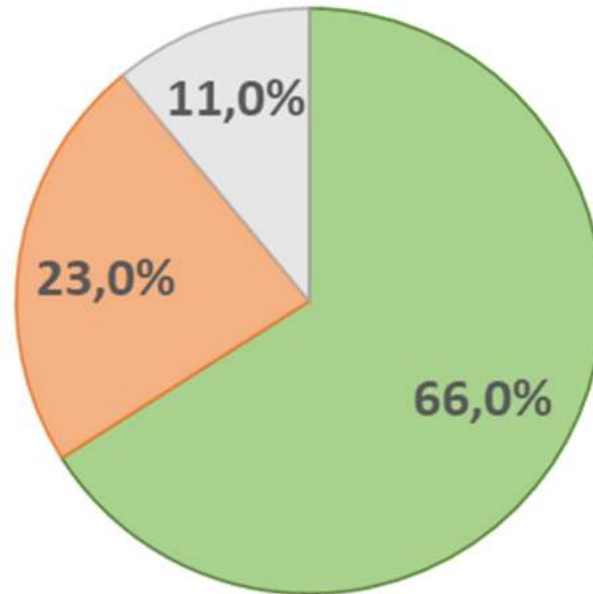
# SUPPLY CHAIN SPEND ANALYSIS

## GEOGRAPHICAL SPREAD



■ National Suppliers   ■ International Suppliers

## SPEND VALUE



■ Ingredients   ■ Packaging   ■ Others

## PACKAGING MATERIAL

Packaging material	FY2023	
	Tons	%Recycled
Wood/paper fiber packaging	16.804	30%
Metal packaging	54	30%
Glass packaging	957	40%
Plastic packaging	12.569	5,8%

- Ingredients (edible material): sugar, fats/oils, corn derivates, grains/cereals, dairy products, essences/extracts, cocoa derivates, fruit pulp, others.
- Packaging: flexible material, cardboard, foldable/cases, rigid containers, others.



# SUPPLY CHAIN MANAGEMENT STRATEGY

Top 5	Supply Chain Priorities	Scope	Corporate KPI
1	<b>Best practices in the supply chain</b>	Process standarization, improve customer/client service, automation of key manufacturing processes	Labor productivity, Contribution Margin, Overall Plant Efficiency
2	<b>Logistics Efficiency Plan</b>	Freight optimization, online sales platform (B2C), highcubic capacity vehicles, review logistics network	Transport cost/sales
3	<b>Energy efficiency Plan</b>	Implement a corporate plan to use renewable sources	Sustainability assesment rating
4	<b>Optimization of Working Capital</b>	Plan to reduce number of SKUs, crossdocking platforms, inventory levels optimization	Working Capital/sales
5	<b>Innovation platforms (R&amp;D team)</b>	Work with the marketing team in the development of products aligned with consumer trends	Revenues from new products (24 months) /total sales





# SUPPLIER SCREENING



## SIGNIFICANT SUPPLIER IDENTIFICATION

We classify and measure our significant suppliers through the Kraljic matrix. This methodology allows us to classify our suppliers under the following premises:

- High-volume suppliers
- Critical component suppliers
- Non-substitutable suppliers
- High performance in sustainability assessment (Sistema B)

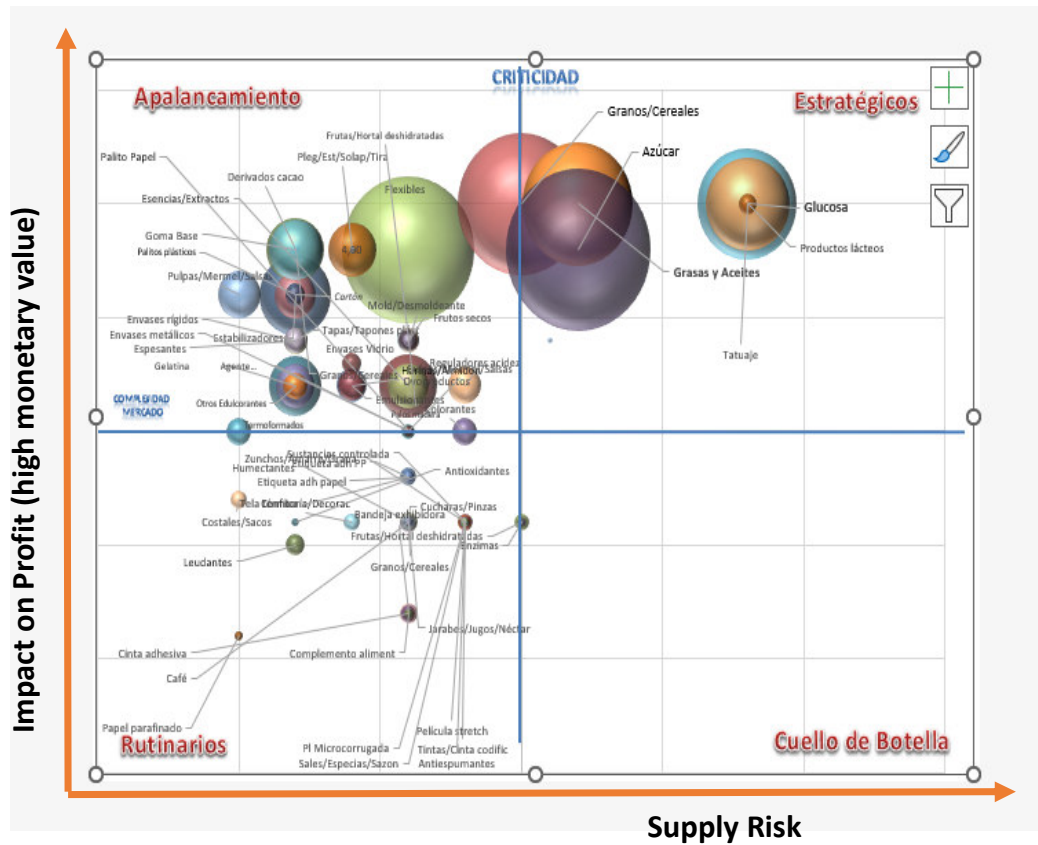
The **Kraljic Matrix** is a tool used in purchasing management that allows materials, services and suppliers to be classified, **considering the risks they have for the company and their impact on the income statements.**

Kraljic allows to locate suppliers according to the complexity of the market and the impact on the business in any of the 4 quadrants, classifying them as leveraged, strategic, routine or bottlenecks. And for each one it has defined characteristics that differentiate them and likewise a strategy to establish a relationship with them depending on the quadrant. . The methodology is based on commodity-specific risk.



# SIGNIFICANT SUPPLIER IDENTIFICATION

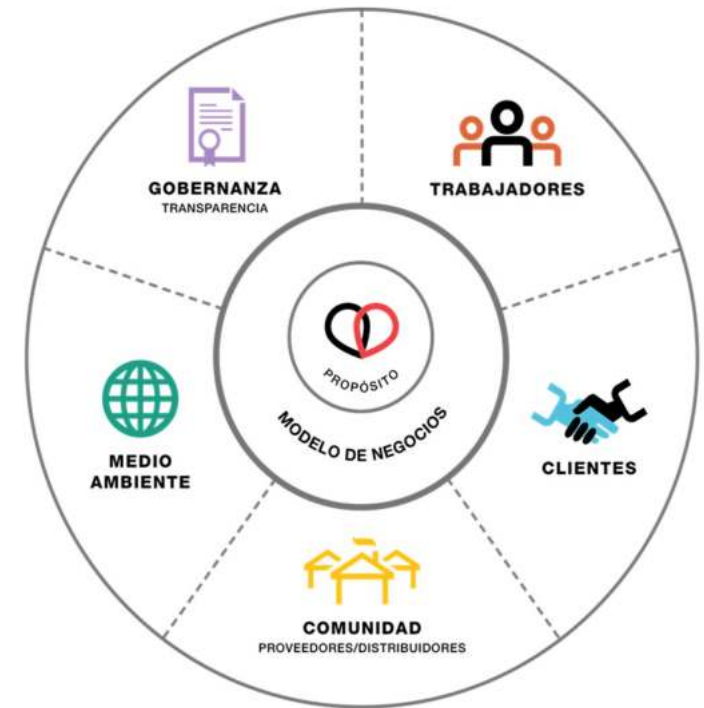
- Supplier segmentation Kraljic matrix category direct and indirect"



- Segmentation by social and environmental practices (ESG)

The B Impact Assessment is a management and impact measurement tool that evaluates a company's operations and business model in five impact areas:

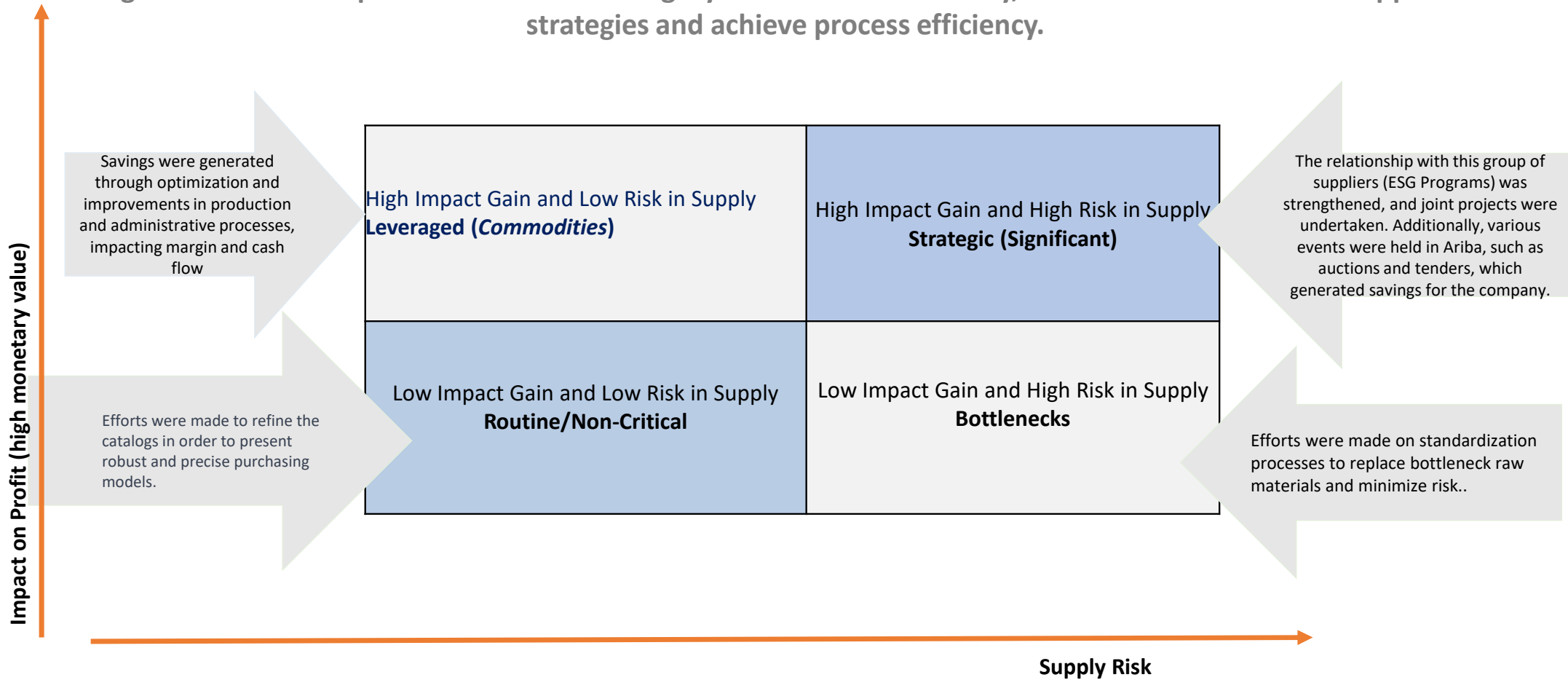
- Governance
- Community
- Workers
- Environment
- Customers





# KRALJIC MATRIX

Supplier segmentation according to the Kraljic category matrix enables the procurement team to establish different strategies based on the quadrant where the category is located. Additionally, the ARIBA tool is used to support these strategies and achieve process efficiency.





## KPI FOR SUPPLIER SCREENING

Supplier Screening	FY 2023
Total raw material suppliers, point of sale material, packaging suppliers, supply providers and some plant services (Tier - 1)	1.143
Total number of significant suppliers in Tier-1	55
Total purchases	COP\$1.259MM
Total purchase year – Significant suppliers	COP\$897MM
% of total spend on significant suppliers in Tier-1	71%
Total significant suppliers in non-tier 1 suppliers	46



## ASSESSMENT PROGRESS

Supplier Assessment	Significant suppliers	Target 2023
% of significant suppliers assessed	98%	100% of significant suppliers evaluated
Number of significant suppliers assessed with potential negative impacts	2	
% of significant suppliers with potential impacts with corrective action	100%	
Number of significant suppliers with potential impacts that were terminated	0	

Corrective action plan support	Significant suppliers	Target 2023
Number of suppliers supported in corrective action plan implementation	2	100% of significant suppliers
% of suppliers assessed with potential negative impacts supported in corrective action plan implementation	100%	
% of significant suppliers in capacity building programs (40 suppliers)	73%	50% of significant suppliers



# THIRD-PARTY VERIFICATION

The ESG programs of the suppliers are audited annually by Deloitte & Touche Ltda, the same external firm that verifies the sustainability report. This audit is conducted in accordance with GRI indicators, specifically including GRI 308-2, which addresses negative environmental impacts in the supply chain and actions taken.

## Deloitte.

### Annex A

The GRI Standards, defined by the Administration of Colombina S.A., are detailed below as information subject to limited assurance.

These evaluation criteria form an integral part of our limited assurance report, independent of the information subject to assurance included in the 2023 Sustainability Report of Colombina S.A. for the year ended December 31, 2023:

GRI Standard	Description
GRI 2-27	Compliance with laws and regulations
GRI 2-9	Governance structure and composition
GRI 401-1	New employee hires and employee turnover
GRI 403-9	Work-related injuries
GRI 403-10	Work-related ill health
GRI 404-1	Average hours of training per year per employee
GRI 404-2	Programs for upgrading employee skills and transition assistance programs
GRI 404-3	Percentage of employees receiving regular performance and career development reviews
GRI 416-1	Assessment of the health and safety impacts of product and service categories
GRI 302-1	Energy consumption within the organization
GRI 302-3	Energy intensity
GRI 302-4	Reduction of energy consumption
GRI 303-3	Water withdrawal
GRI 305-1	Direct (Scope 1) GHG emissions
GRI 305-2	Energy indirect (Scope 2) GHG emissions
GRI 305-3	Other indirect (Scope 3) GHG emissions
GRI 305-4	GHG emissions intensity
GRI 305-5	Reduction of GHG emissions
GRI 306-3	Waste generated
GRI 308-2	Negative environmental impacts in the supply chain and actions taken



# SUPPLIER ESG PROGRAMS





## SUPPLIER ESG PROGRAMS

- Within our relationship model, we aim to permanently strengthen communication with suppliers, share best practices, methodologies, and programs that allow us to be closer and optimize processes.
- **The Board of Directors is in charge of overseeing the implementation and progress of the ESG programs for suppliers.** The main programs are reviewed every six months by the Sustainability and Corporate Governance committee with senior management.
- **We have implemented functionality in SAP Ariba that ensures that each supplier that partners with our company is fully aware of, and in compliance with, the Code of Conduct.** In addition to this, the Code of Conduct is sent to them periodically, ensuring that these principles are always kept in mind. When an update is made to the Code, it is communicated through a mass distribution.
- **We manage a sustainable approach to Supply where we mention that Colombina prefers to work with suppliers that manage their social, environmental and corporate governance factors,** for which it continuously measures its value chain with the sole objective that supplier companies have a tool that allows them to know results of governance, community, workers, environment, customers and can strengthen these areas of impact.
- For suppliers that do not meet the minimum ESG requirements according to the results of the B Impact Assessment, we train them in training workshops so that they can strengthen the areas of impact where they have the lowest score in their evaluation gaps we found in the evaluation.



# SUPPLIER ASSESSMENT - DASHBOARD

Archivo Inicio Insertar Modelado Ver Optimizar Ayuda Formato Datos y detalles

Inicio: Cortar, Pegar, Copia, Copiar formato, Portapapeles

Insertar: Obtener Libro de datos, Excel, Centro de datos, SQL Server, Especificar Datawarehouse, Origenes recientes

Formato: Transformar datos, Actualizar datos, Nuevo objeto visual, Cuadro de texto, Más objetos visuales

Datos y detalles: Nueva Medida, Medida rápida, Confidencialidad, Publicar

Datos: Visualizaciones, Filtros

### DASHBOARD EVALUACION DE PROVEEDORES

Ingredion

PROVEEDORES: CP Ingredion Mexico, INGREDION COLOMBIA S.A.

EVALUACION PROVEEDORES DIRECTOS				EVALUACION PROVEEDORES INDIRECTOS				
99	100	99	Excelente	>=95% META	0	0	>=95% META	
Calidad 2023	Entregas 2023	Total General 2023	Concepto Final 2023		Total General 2023	Concepto Final 2023		
EVALUACION SISTEMA B			EVALUACION PROVEEDORES SIGNIFICATIVOS					
119	SOBRESALIENTE	Sistema B	>= 50 Ptos META	49 %	61 %	40 %	77 %	SB
Puntaje Total	Concepto	Herramienta	Gobernanza	Trabajadores	Comunidad	Medio ambiente	Método	
BIG BROTHER	CERTIFICADO	CLASIFICACION KRALJIC	% ENT JUNIO 2024	% ENT AÑO 2024	METAS % ENTREGAS			
NO	SI	Estrategicos	86.15 %	85.20 %	82%	75 %		
BIG BROTHER	Certificado				META DIRECTOS	META INDIRECTOS		

DASHBOARD: EVALUACION GENERAL DIR, CALIFICACION REP Y SUM, BIG BROTHER, SISTEMA B

In 2023, we developed a dashboard that allows visualization of supplier performance in service, quality, and social responsibility. This tool supports negotiators by providing insights into various aspects of the supplier, not just pricing, but also quality, delivery, and social and environmental compliance. This way, shared indicators can be used to establish long-term relationships focused on continuous improvement.



# SUSTAINABLE SOURCING STRATEGY

## SUPPLIER DEVELOPMENT

## AGRICULTURAL DEVELOPMENT

## SOCIAL DEVELOPMENT OF THE VALUE CHAIN

## COLLABORATIVE DEVELOPMENT WITH SUPPLIERS

1



Big Brother small or medium sized business  
Big Brother Entrepreneurs

2



Suppliers of Raw Materials, Packaging, Services, POP, Spare Parts, and Supplies

Implementation of Good Agricultural Practices



Technical Support

Agricultural Loyalty

Measure What Matters Program:

1. Awareness
2. Evaluation
3. Comparison
4. Improvement Plan
5. Reevaluation



Sustainability

Productivity

Innovation

Collaborative projects with suppliers

## ENVIRONMENTAL DEVELOPMENT OF THE VALUE CHAIN

- ❖ Search for materials with greater recyclability and less environmental impact (Vision30/30)
- ❖ Promote the reduction of single-use plastic under the framework of Law 2232 of 2022 (July 2024)
- ❖ Develop a carbon footprint measurement tool for suppliers
- ❖ Encourage circular economy strategies among suppliers through training and zero waste implementation.

Promote, demand, and monitor suppliers in:

- ❖ Animal Welfare Policies
- ❖ Biodiversity Policies
- ❖ Water Stress
- ❖ Zero Deforestation
- ❖ Agricultural and Animal Certifications



### Promoting Competitiveness





# ESG PROGRAMS FOR SUPPLIERS

## Measure What Matters - MQI+Colombina.



Since 2018, we have had a program

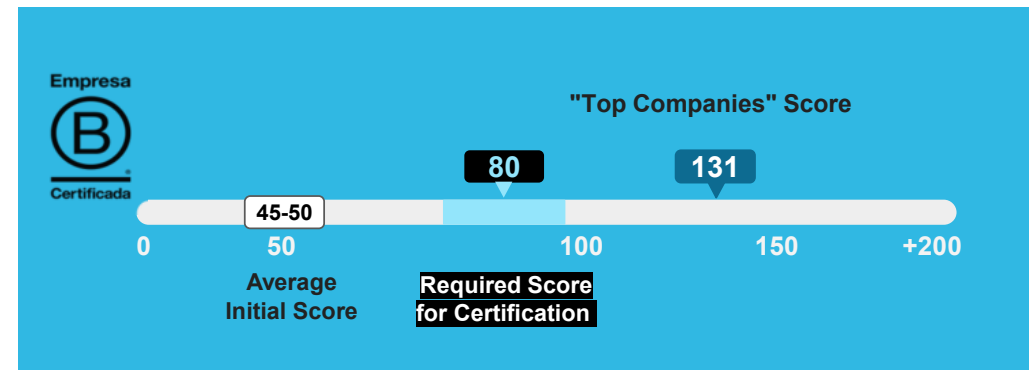
This program ensures the effective implementation of our suppliers' sustainability programs to identify and address material risks and impacts within the supply chain. The supervision of these programs and their progress is reviewed **in the Sustainability and Corporate Governance Committee, which includes Board members and senior management.**

It is important to mention that procurement negotiators and the team in general support the program in each cohort, encouraging their suppliers to participate, self-assess, and strengthen social and environmental practices, which has led to commitment from various companies.

It is conducted through a series of customized questions that reflect impact indicators, best practices, and outcomes.

\*The Assessment is adaptive to the sector and size of the company, and as a result, companies answer a varying number and type of questions.

A company receives a composite score on a scale of 200 points.



# ESG PROGRAMS FOR SUPPLIERS

## Measure What Matters - MQI+Colombina

The MQI program evaluates the ESG performance of Colombina's supplier network. Our code of conduct affirms that Colombina prefers to work with suppliers who manage their social, environmental, and corporate governance factors. To strengthen our suppliers, we use the program "Measure What Matters+Colombina" through an impact assessment tool known as B Impact Assessment. The impact areas measured in this scheme are:



### GOVERNANCE

The "Governance" impact area assesses the company's mission, ethics, responsibility and transparency and addresses issues such as integrating social and environmental goals into employee performance appraisals, impact disclosure and transparency, and the participation of interested parties, among others.

- **Mission and Commitment**
- **Ethics and Transparency**
- **Governance Metrics**
- **Mission Protection**



### WORKERS

The "Workers" impact area assesses the extent to which the company contributes to the financial, physical, professional and social well-being of its employees and addresses topics such as compensation, employee benefits, employee health and safety and opportunities professional development, among others.

- **Financial Security**
- **Health, Wellness and Safety**
- **Professional development**
- **Satisfaction and Commitment**



### COMMUNITY

The "Community" impact area assesses external stakeholders, including suppliers, distributors, the economy, and the local community. It also discusses employee diversity, job creation, civic engagement, and charitable giving.

- **Diversity, Equity and Inclusion**
- **Economic impact**
- **Civic Engagement and Donations**
- **Supply chain management**



### ENVIRONMENT

The "Environment" impact area assesses the company's overall environmental management and addresses issues such as how the company manages environmental impact in general and more specific issues such as climate change, water consumption, sustainability and the impact on the earth and on life.

- **Environmental management**
- **Air and Climate**
- **Waterlife and earth**



### CUSTOMERS

The "Customers" impact area assesses the value that the company brings to consumers and direct customers of its products or services and covers topics such as ethical and positive marketing practices, guarantees and quality control of products and services, data privacy and security, among others.

- **Customer management**

**Support website specifically** designed for **Colombina's supplier network**, with the aim of accompanying and guiding them throughout the development of the Measure **What Matters Program**.

## It contains:

- Context and objective information of the Program
- Timeline and step-by-step execution of the Program
- Explanatory videos and recordings of past sessions
- Channels for resolving doubts
- Topics of interest (podcasts, events, etc.)



[Programa MQI + Colombina - ¿Cómo iniciar? \(google.com\)](https://www.google.com/search?q=Programa+MQI+Colombina+-+¿C%C3%B3mo+iniciar?&rlz=C501C1C1_1418738234_1000000000_1000000000&oeq=ae)



# ESG PROGRAMS FOR SUPPLIERS

## Measure What Matters - MQI+Colombina



### Program Steps:

#### 1. Raise Awareness

This is the first approach with the group of suppliers to be evaluated, aiming to inform them about the importance of triple impact, introduce them to the B Impact Assessment tool, and explain how to work with it so that companies can register and start managing their self-assessment.

#### 2. Evaluate

The social and environmental performance, risks, and improvement opportunities are measured through the B Impact Assessment, with the support of the Sistema B Colombia Programs team. This stage includes constant support for suppliers and Office Hour sessions to clarify questions and concerns..

#### 3. Compare and Improve

In this stage, suppliers who have completed the evaluation are gathered to teach them how to read their results and identify weaknesses that require an improvement plan. Useful materials are shared with the companies to help them delve deeper into best practices and the impact of their business model.

#### 4. Support and Train

In the evaluation, suppliers obtain overall results and results for each impact area. At Colombina, we have defined that suppliers with a total score below 50 points must be supported or trained to strengthen their social and environmental practices. Similarly, suppliers with a compliance rate below 40% in any impact area must be supported or trained.

We have two modalities to strengthen suppliers based on the results:

**Support Modality:** For small groups of up to 8 companies, we provide a more personalized support process.

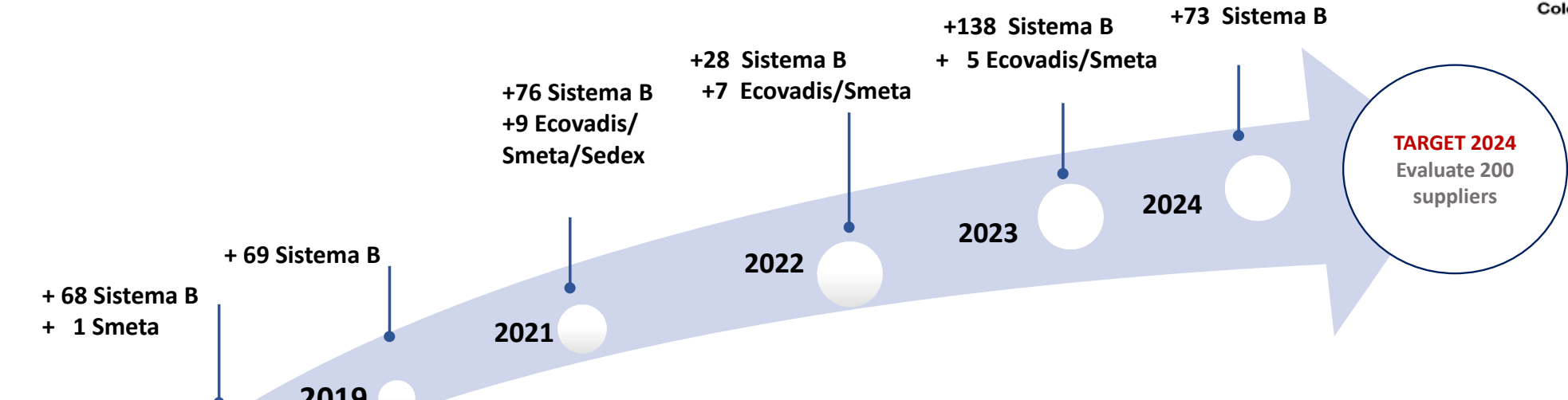
**Workshop Modality:** We conduct workshops with a larger number of participants focused on the impact areas that need strengthening according to the partial and total results.

#### 5. Reevaluate

Reevaluation is a second review conducted by the companies based on their initial results. Each company logs into the platform, updates the fiscal year, reviews their previous responses, and updates information or answers regarding practices they have implemented or strengthened.



# MEASURE WHAT MATTERS - MQI+COLOMBINA EVOLUTION



**TARGET 2024**  
Evaluate 200 suppliers

We have evaluated **474 suppliers** in social and environmental practices.

We have supported and trained **186 companies** that need to strengthen their social and environmental practices.

We have reevaluated **46 suppliers**.





# CERTIFICATE OF PARTICIPATION



## Certificado de Participación Programa Mide lo que Importa+Colombina S.A.

**Este documento certifica a:**

**Empresa**

NIT: XXXXXXXXXXXX

*Por su asistencia y compromiso en el proceso de sensibilización y medición de su triple impacto en el año 2024.*

¡Gracias por seguir creyendo que  
si el mundo es mejor, sabe mejor!



Suppliers who complete their B Impact Assessment at 100% will receive a certificate of participation from Sistema B Colombia for measuring the triple impact of their companies.



# ESG PROGRAMS FOR SUPPLIERS

## IMPROVEMENT PLAN

We developed an improvement plan for suppliers who scored below 50 points in their ESG evaluation.

A total of 78 companies attended in a virtual modality, bringing the total number of supported and/or trained companies to 186.

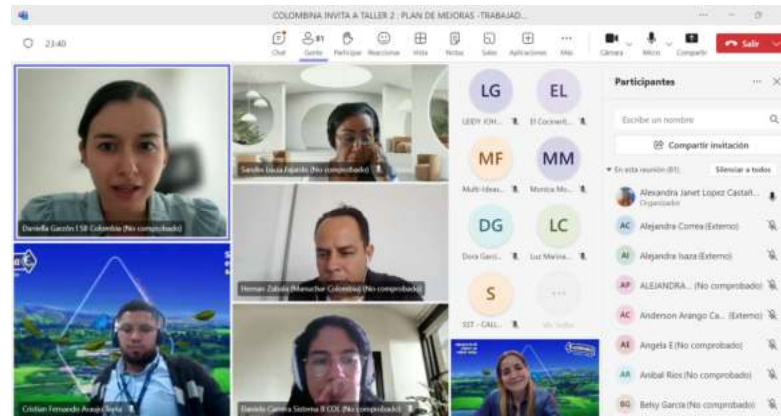
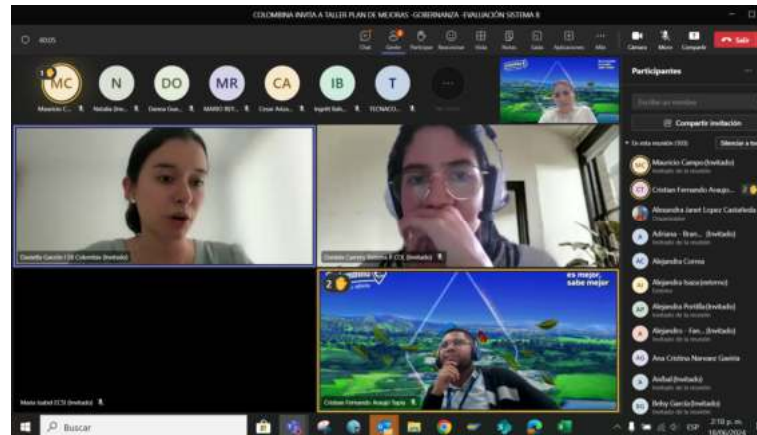
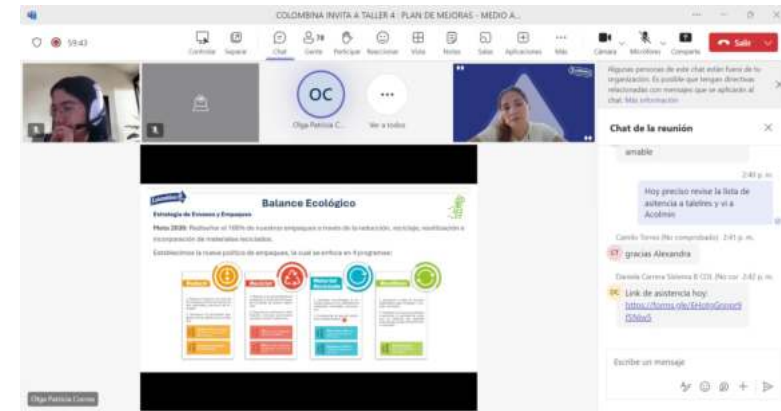
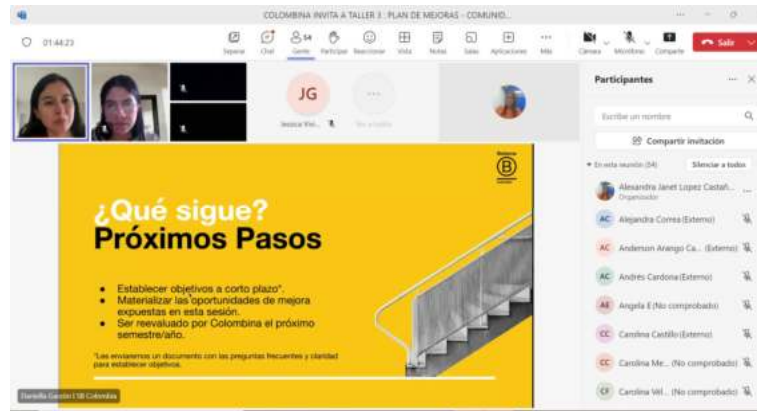




# IMPROVEMENT PLAN

ESG

Governance  
Community  
Workers  
Customers  
Environment





## HUMAN RESOURCE DEVELOPMENT



- Training workshops are held for the team of company's buyers on different topics according to the diagnosis made.
- We formed the Supply team in the Measure what Matters program, with the leaders of Sistema B Colombia.
- The specific objective is that the entire team knows the importance of evaluating the value chain in social and environmental practices and that they can have an indicator of great importance for when they are negotiating or making purchase decisions.
- Bearing in mind that each company buyer has its suppliers segmented through the Kraljic matrix, we are also evaluating the significant suppliers and we have the support of the team to ask their group of suppliers to develop all the steps of the program.



## ESG PROGRAMS FOR SUPPLIERS - TESTIMONY



“My name is Carlos Bonilla. I represent the company Dimensiones Únicas, which is located in the city of Bello, Antioquia. Dimensiones Únicas is a company dedicated to the production of advertising projects. Our main clients are the Éxito group, Leonisa, Arturo Calle, Medipiel, among others.

We carried out the evaluation and for us it was a very good experience, an important experience, because it gave us the opportunity to realize that sustainability is not only about worrying about using inputs and raw materials that are environmentally friendly. It is not only about producing under environmental protection parameters, but it also has a lot to do with governance, with the impact we can have on the communities around us, with the involvement of the different actors within our entire supply chain. So, this program allowed us to understand that there is much more. We were able to see that we have significant opportunities to grow and improve our performance and thus be able to contribute in a much more appropriate way to the care of the planet.

We plan to implement these changes initially through the implementation of policies, establishing guidelines that we do not currently have in place and that we can very quickly and easily apply. From another point of view, there are some controls in the waste management that we can also carry out, which can help us have better control over our process and ensure that we can take better care of the environment.

We give the greatest thanks to Colombina because they allowed us to be part of this whole process, made us participants in this knowledge, and it is something we greatly appreciate. Thank you very much”.

**Carlos Bonilla**

**Dimensiones Únicas**

### DIMENSIONES UNICAS COMPANY





## ESG PROGRAMS FOR SUPPLIERS – TESTIMONY MULTI-IDEAS SAS

“Multi-Ideas SAS is dedicated to the production and commercialization of promotional items for business clients. From 2010 to 2012, we provided our services to Colombina, and in 2023 we reactivated as suppliers.

Being part of the Sistema B program has been an excellent opportunity for us as a microenterprise to internally evaluate improvement opportunities beyond the production and commercialization processes.

This evaluation allows us, once these improvement opportunities are identified, to work as a starting point on corporate policies in environmental, community, and worker-related matters, for which we have already initiated strategic meetings with our support teams.

Many thanks to Colombina and Sistema B for allowing us to improve our ongoing growth process”.

**Luis Fernando**

**Multi Ideas SAS**



# SUPPLIERS SATISFACTION MEASUREMENT



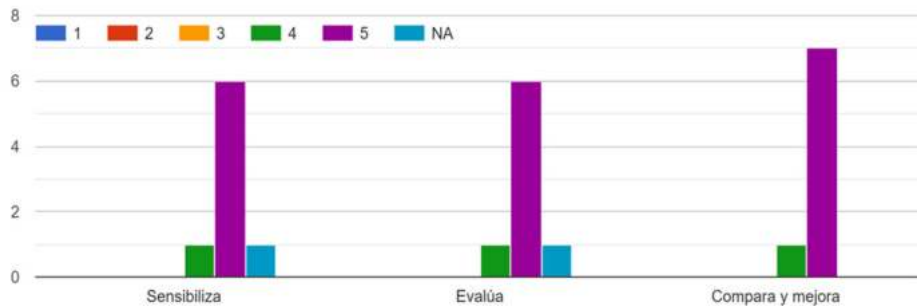
At the end of the process, we conduct a satisfaction survey with Sistema B for each evaluated group. The objective is to gather feedback for both Sistema B and Colombina, in preparation for the upcoming groups to be evaluated.

The survey aims to rate the supplier's experience in different stages, the methodology, the support (reserved by Sistema B Colombia and shared with Colombina), and the value it adds (or not) to the companies in the value chain.

## 1. How was your experience in each of the stages of the "Mide lo Que Importa + Colombina" program? Rate from 1 to 5 (with 1 being the lowest rating and 5 being the highest).

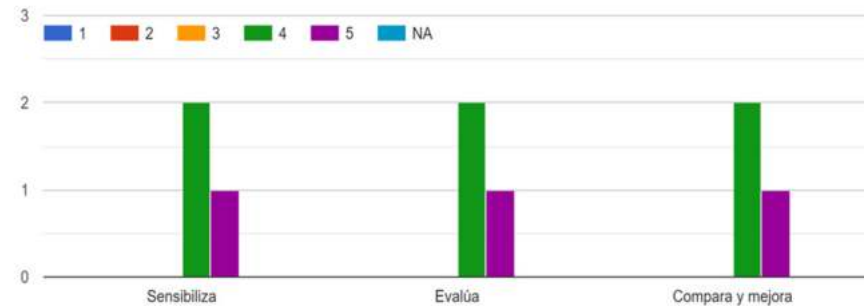
### Group # 1

1. ¿Cómo fue tu experiencia en cada una de las etapas del programa "Mide lo Que Importa+ Colombina"? Califica de 1 a 5 (siendo 1 la calific...na de las etapas, es válido que tu respuesta sea NA).



### Group # 2

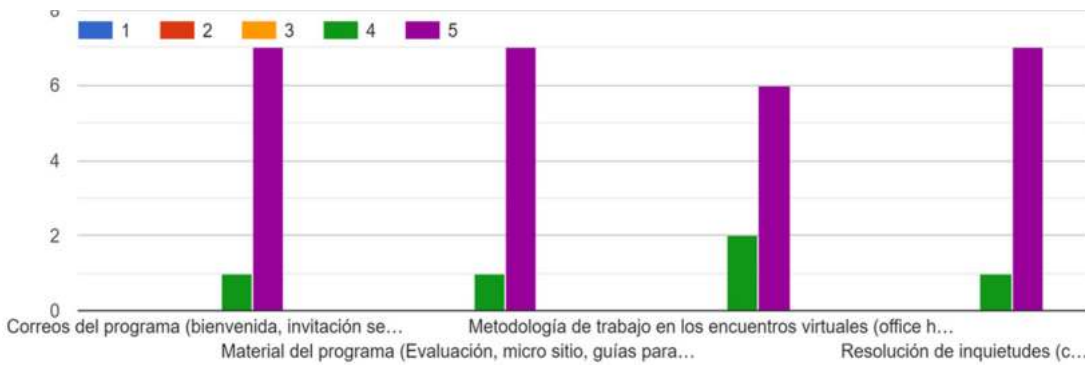
1. ¿Cómo fue tu experiencia en cada una de las etapas del programa "Mide lo Que Importa+ Colombina"? Califica de 1 a 5 (siendo 1 la calific...na de las etapas, es válido que tu respuesta sea NA).



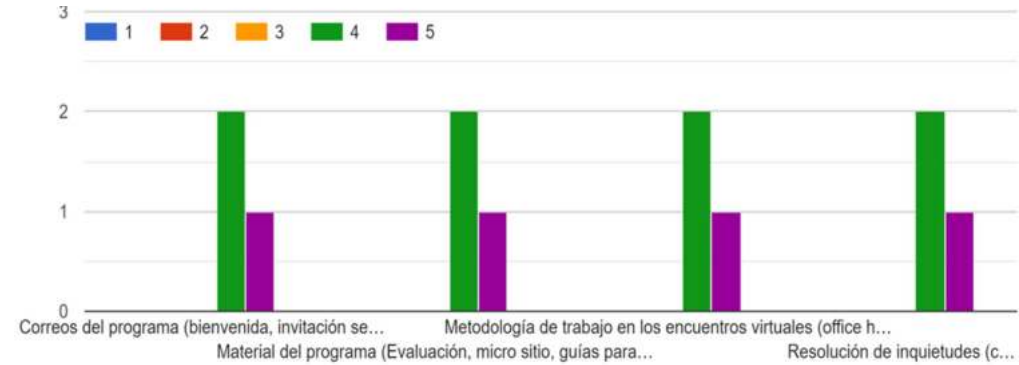
# SUPPLIERS SATISFACTION MEASUREMENT

2. How would you rate the following aspects of the program?  
Rate from 1 to 5 (with 1 being the lowest rating and 5 being the highest)

Group # 1



Group # 2



The evaluated aspects are: invitation to the program, program materials (evaluation, microsite, guides, etc.), methodology of work in virtual meetings (office hours), and resolution of questions and concerns.





## SUPPLIERS SATISFACTION MEASUREMENT



In what way did this program add value to your company or the area you lead?

- “Being able to recognize which areas of the company we can focus on for improvements”.
- “Bringing ESG importance onto our radar and setting goals to be more competitive and responsible with our actions”.
- “Allowed us to evaluate each of the processes we currently have”.
- “Expanded knowledge about the program (very good experience). It gives us parameters for good performance in areas of corporate responsibility, environment, how to benefit the community, and safety in the use of our products”.
- “Thank you in advance to Colombina for this initiative that allows us to recognize our current status on sustainability issues. We are very satisfied with the process because it enabled us to identify opportunities for improvement and prioritization regarding our company's sustainability”.
- “It helped us realize the gaps we need to close, especially in environmental management”.
- "Highlighting the importance of a sustainable world."

A large graphic for 'BIG BROTHER'. The word 'BIG' is in large blue letters, with a globe of the Americas behind it. The word 'BROTHER' is in large green letters below it. A blue wave-like shape is on the left. A smaller Colombina logo with the slogan 'El sabor es infinito' is positioned to the right of 'BIG'.

**BIG**  
**BROTHER**

Colombina  
El sabor es infinito



# Big Brother: An Initiative that Promotes Business Competitiveness

*Capacity building program*



The Big Brother Program of the Colombina Company was born in 2008 as an initiative to contribute to the development and growth of our suppliers in the regions where we operate.

Its purpose is to contribute to the growth of our suppliers through the transfer of knowledge and best practices.

In 2022, Big Brother expanded its scope and launched the Big Brother Entrepreneurs call, which was aimed at micro-enterprises in Zarzal.

In 2024, through the Colombina Foundation and within the framework of the alliance with Compromiso Valle and the Chamber of Commerce, Big Brother Entrepreneurs was replicated in Tuluá.



# Big Brother: An Initiative that Promotes Business Competitiveness



*Capacity building program*

## Program Modalities of Big Brother:

1

Big Brother SMEs  
(small and medium-sized companies)



Aimed at small and medium-sized companies offering goods or services, we transfer knowledge and best practices to aid in productive, administrative, financial, commercial, and quality growth, among other areas, for our suppliers. Additionally, our main objective is for suppliers to be able to export.

2

Big Brother  
Entrepreneurs



We contribute to the growth and strengthening of micro-enterprises in the region. We provide entrepreneurs with the necessary tools to develop a business idea and offer seed capital to boost their development.



# Big Brother: An Initiative that Promotes Business Competitiveness



## Methodology

We strengthen the quality, safety, environmental, and security aspects of the supplier. External audit process (Icontec) with a shared seal. Strengthening of social and environmental practices (Measure What Matters).



Suppliers replicate the model to a smaller company and form an extension of Big Brother.

Suppliers receive export advice through Sidecomex in Colombia and CGW in Guatemala.

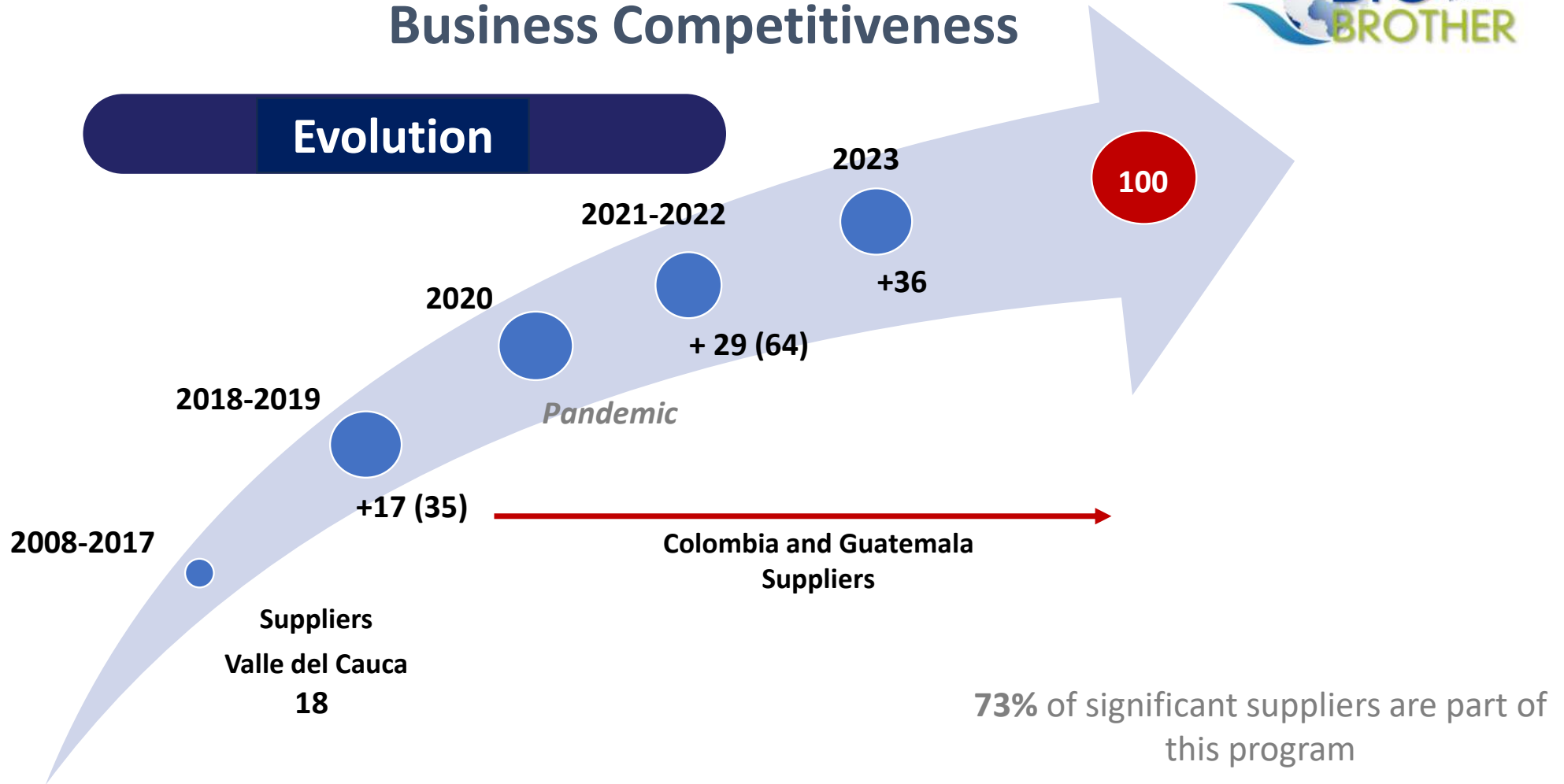
We have an internal volunteer program that advises companies on:

- Strategic Planning
- Financial Management
- Innovation
- Process Optimization
- Quality Management
- Food Safety
- Personnel Selection
- Strategic Sourcing
- Logistics Management
- Storage Management
- Planning
- Marketing
- Physical Security
- Commercial Management
- International Business
- Human Rights
- Import Processes
- Sustainability
- Environment

• **Universidad Corporativa Colombina**



# Big Brother: An Initiative that Promotes Business Competitiveness





# 2023 Results

# 100

## Big Brother

\*CAGR 20% in Sales

\*CAGR 27%  
Number of customers

\*CAGR 9%  
Number of jobs

65 volunteers in  
Colombia and Guatemala

25  
Model Replicas

33%  
Big Brother Exporting

\*CAGR calculated from the period 2008-2023



# Certificación de Proveedores

## *Capacity building program*



The program was established in 2005 with the aim of building a cohesive team and creating lasting bonds to develop a genuine business partnership between the company and its suppliers.

The program allows raw materials or packaging supplied by the vendor to enter the plant with a quality certificate as proof of compliance. This occurs once all the steps defined in the program are approved.

## The program aims to:

- Recognize the commitment of our suppliers.
- Standardize processes.
- Promote closeness.
- Promote collaboration.
- Strengthen trust in the total quality of the materials provided.





# General Scheme of the Program

*Capacity building program*



Once the supplier is certified after having the standardized, evaluated, and approved process, lot validation is conducted randomly, and the results are based on the certificate sent by the supplier via email. The supplier is certified for the first time and then recertified every three years.





# General Scheme of the Program



We completed the different phases of the program with a group of 11 companies in Colombia and Guatemala. These 11 companies, supplying raw materials and packaging, help us reach the goal of 71 certified companies.

**The companies will receive their graduation at the Crece Colombina 2024 Awards event.**

## We have reached 71 companies

We are certifying 11 domestic and imported companies in Colombia and Guatemala.

This group has an outstanding performance in meeting their indicators:



**73%** of significant suppliers are part of this program



# AGRICULTURAL DEVELOPMENT

## SUSTAINABILITY – AGRICULTURAL RAW MATERIALS SUPPLIERS

The programs worked on in 2023 with chili pepper suppliers included:

- ✓ Training in Good Agricultural Practices
- ✓ Training in Human Rights
- ✓ Water Consumption Reduction Programs
- ✓ Environmental Pollution Reduction
- ✓ Soil Health Protection
- ✓ Ecosystem Destruction Prevention



## AGRICULTURAL DEVELOPMENT

In October 2023, we conducted training in Good Agricultural Practices for 30 chili pepper farmers.

The training consisted of 3 modules:

**Module I:** Training on BPA Regulations, ICA Resolution 082394 of 12/29/2020, with a duration of 4 hours.

**Module II:** Application of the BPA Checklist and technical guidance on compliance with facilities and field practices, with a duration of 6 hours.

**Module III:** Training on storage, safe handling, use of PPE/spraying equipment calibration, and field practices, with a duration of 6 hours.



# AGRICULTURAL DEVELOPMENT



# AGRICULTURAL DEVELOPMENT



**Module III:** Training on storage, safe handling, use of PPE, calibration of spraying equipment, and field practices, with a duration of 6 hours.



## HUMAN RIGHTS TRAINING

### AGRICULTURAL RAW MATERIALS SUPPLIERS



In October, training was organized for 30 chili pepper suppliers. During this training, the BPA session was used to provide a human rights seminar with the collaboration of Sauces and Preserves Planta and Human Resources department.

## AGRICULTURAL DEVELOPMENT



- ✓ **Water Consumption Reduction Programs:** Encouragement of modular irrigation and installation of drip irrigation systems to optimize water resources during fertigation.
- ✓ **Soil Health Protection:** Implementation of mulch or cover crops, and application of amendments (phosphate rock) and substrates (microorganisms, compost) before planting.





## AGRICULTURAL DEVELOPMENT



✓ **Reduction of Environmental Pollution:**  
Promotion of proper storage and handling of containers and packaging to avoid spills and burning.

Mechanical control and management of weeds, reducing the use of synthetic chemicals.



**Application of MIPE (Integrated Pest Management)** for pest and disease control.

✓ **Ecosystem Destruction Prevention:**  
All practices and programs we are working on have the primary goal of prevention.



## AGRICULTURAL DEVELOPMENT



### ✓ Reduction of Greenhouse Gas Emissions:

Encouragement of planting using greenhouse or mesh house techniques to reduce the use of synthetic chemicals that impact the environment. Additionally, the preparation of bio-inputs and equipment calibration programs have been implemented to optimize and use resources efficiently. This includes avoiding plastic burning through collection and proper disposal.

# AGRICULTURAL DEVELOPMENT



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## SUSTAINABILITY - AGRICULTURAL RAW MATERIALS SUPPLIERS

### ✓ Reduction of Environmental Pollution:

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### ✓ Ecosystem Destruction Prevention:

All practices and programs we are working on aim primarily at prevention.





## AGRICULTURAL DEVELOPMENT

<b>Challenges 2023</b>	<b>Achievements 2023</b>
La Niña Phenomenon	Trials of planting in mesh houses and greenhouses, and sourcing new seeds resistant to climate change factors.
Increase in Agricultural Inputs	Updated the cost matrix for bringing crops to production and adjusted purchase prices to ensure farmers received appropriate profitability under the premise of always fair prices.
Labor Shortage	Conducted activities with farmers to retain harvesters in the regions where we have crops planted.



# AGRICULTURAL DEVELOPMENT

## STRATEGY 2024-2030

- Agricultural Loyalty Program
- Big Brother Program for Agricultural Suppliers
- Human Rights and Environmental Practices Measurement Program in Agriculture
- Technological Monitoring Program for Crops.