RISK MANAGEMENT SYSTEM

1. RISK GOVERNANCE

2. RISK MANAGEMENT PROCESS

2.1 TRAINING

3. RISK CULTURE

4. RISK PROCESS AUDIT

5. EMERGING RISKS

RISK MANAGEMENT SYSTEM OBJECTIVE

Establish risk policies and procedures that encompass identification, assessment, prevention, management, and monitoring in alignment with corporate objectives, aiming to strengthen Colombina's risk-prevention culture at every level and ensure effective coordination across all relevant areas.

1. RISK GOVERNANCE

Risk Governance

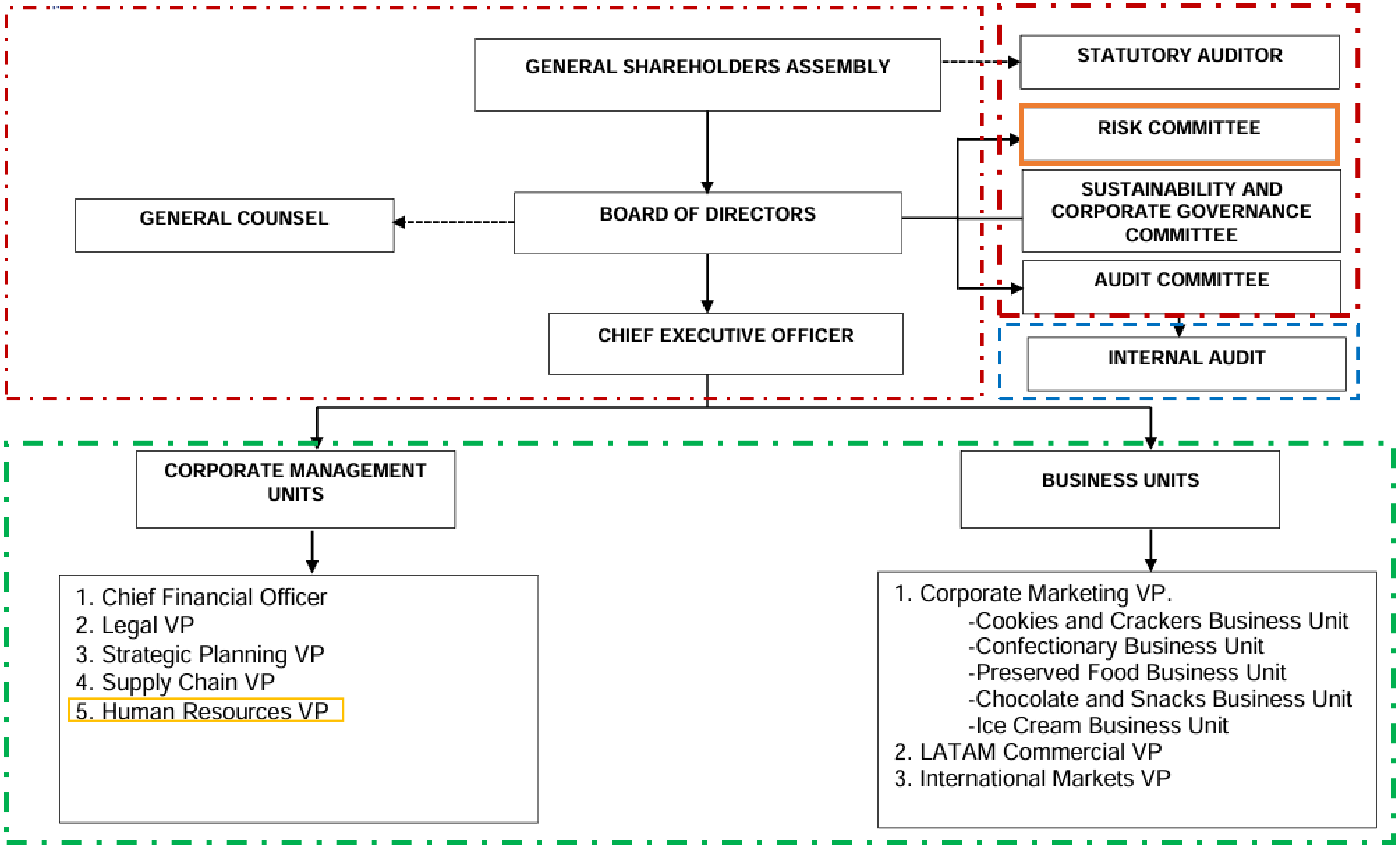
Corporate Governance

First line

Second line
Chief Risk Officer

Third line

GRUPO COLOMBINA



Risk Governance

Corporate Governance

Ensures the company's management is conducted ethically, transparently, and in alignment with the interests of shareholders, stakeholders, and the long-term sustainability of the business.

First line

Responsible for ensuring the effectiveness of the controls established for the proper management of the company's risks within each business unit under their responsibility.

Second line Chief Risk Officer

In charge of overseeing and managing the company's risks, ensuring they are effectively identified, assessed, controlled, and monitored, while protecting long-term objectives.

Third line

Provides independent and objective assurance to the Board of Directors and Senior Management on the effectiveness of the Risk Management System, evaluating the efficiency of controls, compliance with corporate policies and procedures, and the consistency of the company's risk culture.

1. RISK MANAGEMENT PROCESS

Risk Management System

Colombina has an approved Risk Management System by the Board of Directors, which manages risks and identifies opportunities inherent in internal and external factors of the organization. This system serves as the input for decision-making and the development of prevention and mitigation strategies, enabling the achievement of business objectives in conjunction with all its Stakeholder Groups.

Risk Management Process

- Colombina monitors industry risks, fluctuations in the economic environment of its main operating markets, and its financial solvency, as well as those risks that, if materialized, could hinder the achievement of the company’s Big, Hairy, Audacious Goal (BHAG).

- These risk factors encompass all dimensions, including financial and non-financial aspects, environmental, social, and governance (ESG) matters, as well as emerging risks the sector may face.

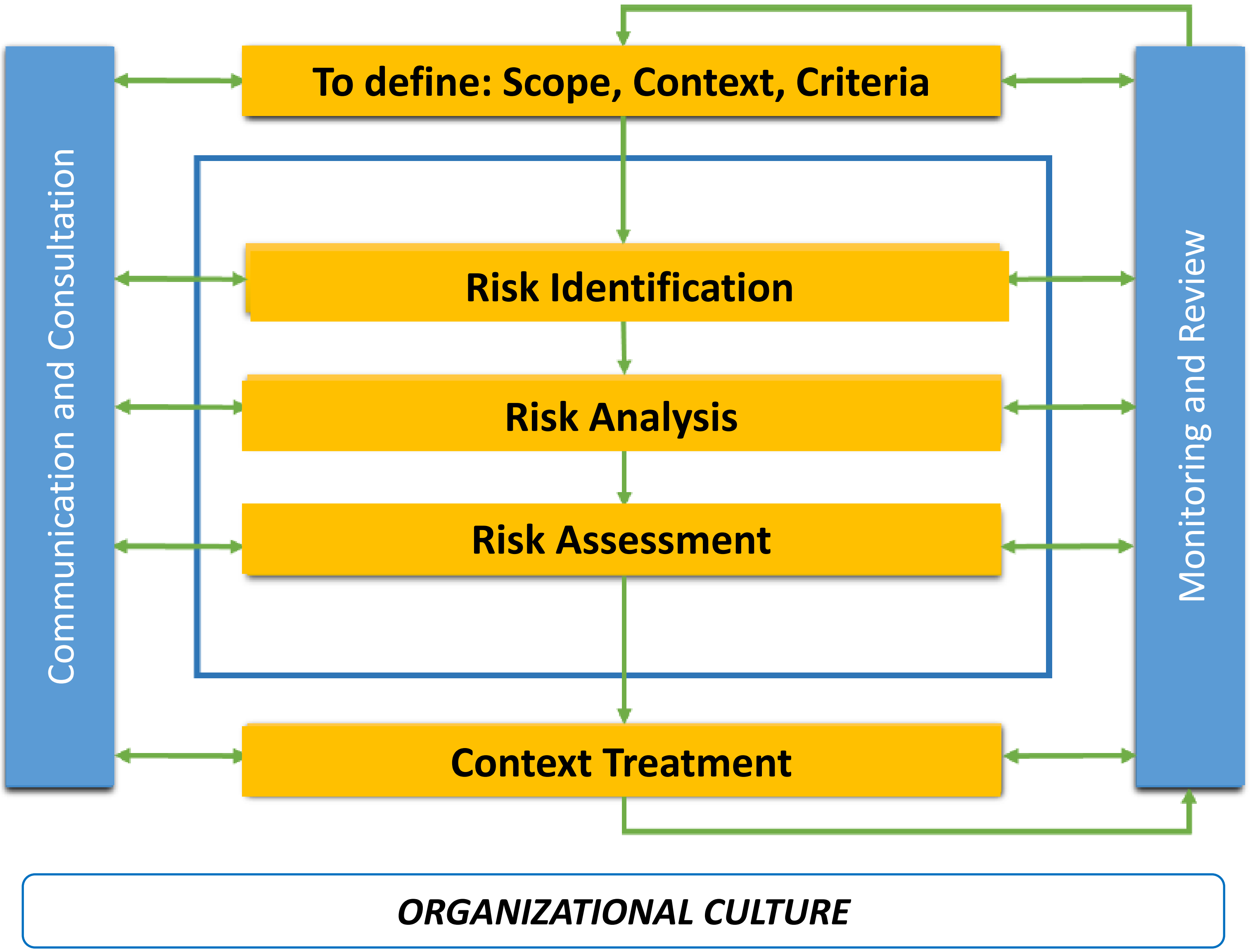
- The Company's risk management must be consistent, rigorous, and aligned with good Corporate Governance and best business practices.

- Industry risks are continuously monitored and reviewed in the Risk Committee.

- Risks are prioritized based on their impact and likelihood of occurrence, and the top twelve (12) risks are selected and visualized through a conceptual map.

- The risks and the controls adopted to mitigate them are detailed in the Corporate Risk Map.

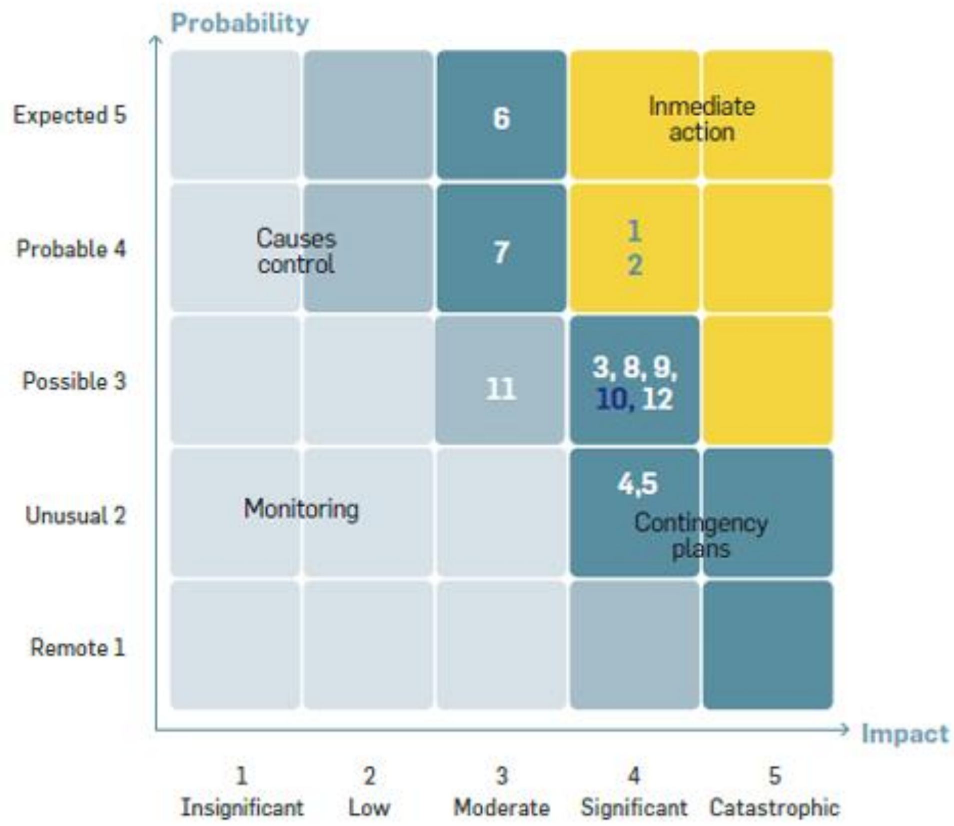
Risk Management Process



Colombina's risk management is guided by the standards established in the international norm ISO 31000:2018, which provides principles, a framework, and a systematic process to identify, assess, treat, and monitor risks. This international guideline ensures that risk management is consistent, comprehensive, and adaptable across all levels of the organization, strengthening decision-making and business resilience.

Source: NTC-ISO31000: 2018

Corporate Risk Map



	Risk	Responsible Party
1	Instability in the regulatory framework for labeling and nutritional profiles	Legal and Coporate Affairs VP
2	Financial risk due to volatility in commodity prices and exchange rates	Administrative and Financial VP
3	Non-compliance with the regulatory framework and/or stock market regulations	Corporate Marketing VP/Corporate Affairs VP
4	Failure in food safety control	Supply Chain VP
5	Supply chain disruption	Supply Chain VP
6	High competitive environment	Supply Chain VP
7	Effects of climate change	Supply Chain VP
8	Changes in consumption trends driven by new lifestyles and demographic diversification	Corporate Marketing VP
9	Impact on sales growth caused by changes in channel dynamics and structure of distribution channels	Sales VP
10	Information Security Risk	Administrative and Financial VP
11	Difficulty in acquiring key talent	Human Resources VP
12	New protectionist measures	Supply Chain VP-Corporate Marketing VP
Emerging Risks*	*Food Geopolitics	Legal and Coporate Affairs VP
	*Inappropriate use of artificial intelligence applied to food	Supply Chain VP

Risk Exposure

Corporate Risk	Exposure	Magnitude/Risk	Probability	Action Plans
Supply Chain Disruption	Supply chain disruptions can occur due to natural disasters, logistical issues, or supplier failures.	Significant: Loss of market share, loss of competitiveness, reputation damage.	The probability is low.	-Business Continuity Plans for key plants and critical raw materials -Strategic sourcing (supplier diversification) - Inventory policy
Financial Risk Due to Commodity Price Volatility and Exchange Rates	Fluctuations in the prices of key raw materials and exchange rate fluctuations in the various countries where we operate	Significant: Increase in production costs and impact on profit due to exchange rate losses.	The probability is high.	-The Company has established mechanisms (hedging policies and specialized consulting) to reduce the negative impact that could arise from unpredictable changes in raw material prices, with the aim of stabilizing the operating margin.

Risk Appetite

The risk appetite that the Company is willing to assume to achieve its long-term objectives is low, and therefore the following dimensions have been implemented to manage risk.

- **Coverage policy for raw materials and exchange rates:** We have a coverage methodology for the main raw materials such as sugar, corn, wheat, soybean oil, palm oil, and the exchange rate, which allows us to mitigate the impact of exchange rate fluctuations and these commodities.

Business Continuity Management (BCM):

- **Emergency Response Plan:** focused on saving people, company assets, and the environment.
- **Crisis Management Plan:** focused on managing problems and implications, communication, reputation, and humanitarian assistance.
- **Disaster Recovery Plan:** technological services (DRP).
- **Business Continuity Plan (BCP):** focused on the rapid stabilization, restoration, and recovery of critical business processes.

Risk Exposure

- The Risk Committee is a support body for the Board of Directors, assisting in fulfilling its supervisory responsibilities in relation to the Company's risk management.
- The Risk Committee will meet at least once (1) each year. Their decisions will be adopted by simple majority and will be recorded in the corresponding minutes.
- By virtue of the outlined organizational structure, it is relevant to indicate that the Board of Directors is ultimately responsible for maintaining a robust control environment within the Company.

2. RISK CULTURE

Financial Incentives

For senior executives

There is an overall sustainability indicator that affects the variable compensation of the CEO, vice presidents, and business unit managers.

The sustainability KPI is based on consolidated results and reflects the percentile achieved in the Corporate Sustainability Assessment (CSA) score.

PERSPECTIVE	KEY INDICATORS	UNIT
FINANCIAL	1 ROIC (Retorn On Invested Capital)	%
	2 Sales Growth Sales	% COP $MM
	3 Contribution Margin	%
	4 EBITDA Margin EBITDA	% COP $MM
	5 Working Capital / Sales	%
MARKETS	6 Share of Market (Nielsen) Colombia	%
	7 Plan 50 Success	%
	8 # SKUS with Clean & Clear improvements	#
	9 Perfect Orders	%
PROCESSES	10 Cost of Serving / Sales	%
	11 Colombina 100% Sales - COP$MM	COP $MM
	12 Cost of Transport / Sales	%
	13 Labor Productivity ($ Direct Labor / Kg Produced)	$MOD/Kg
	14 EGP (Global Efficiency - Production Plants)	%
HUMAN CAPITAL	15 Working Environment	Score
	16 Total Payroll / Sales	%
SUSTAINABILITY	17 Sustainability Assessment Scorecard	Percentile

2.1 TRAINING ON RISK MANAGEMENT PRINCIPLES

Regular Risk Management Education – Board of Directors

- **Governance Practice:** Risk committee sessions twice a year with participation of Board Directors.

- **Risk Oversight & Education:** Comittee sessions combine:

- Progress review of the company's risk management framework.
- Training by external consultants on critical and emerging risk topics.

Some key topics covered

Human Rights in supply chain and labor practices

Emerging Risks relevant to the food industry

Information Security & Cybersecurity

Regulatory compliance (labeling, new regulations – food industry)

- **Outcome**

- Ensures continuous education of non-executive directors.
- Strengthens the Board's capacity to oversee strategic risks in the food industry.
- Positions the company to anticipate and respond to global ESG expectations.

Colombina Corporate University

It is a virtual learning campus that allows enriching the professional profile of employees, strengthening their skills and knowledge, and achieving the goals set in each area and management regarding the contribution of each position or role to the strategy.

Universidad Corporativa Colombina

Within the Colombina Corporate University, we offer a wide range of courses related to various risks accessible to all employees, contractors, suppliers and customers.

4.800 CONTENTS
in various formats

Universidad Corporativa
Colombina


Podcast

Bits



Books

Book Ideas



Programs

Nanobits


Occupational Health and Safety Management System Course

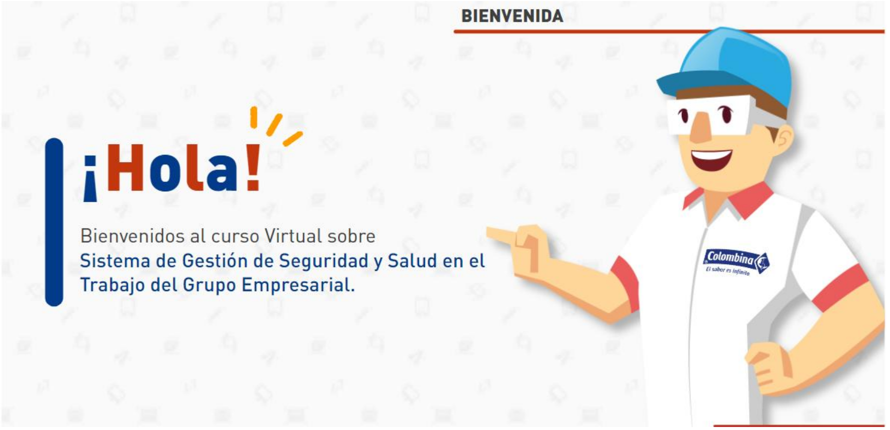
Overall Course Objective: To familiarize participants with the components and characteristics of the Occupational Health and Safety Management System implemented within the Colombina Business Group.

Specific Course Objectives:

- Acquire knowledge about key concepts and definitions related to the Occupational Health and Safety Management System.
- Provide employees with a general understanding of the policy, regulatory aspects, risks, and emergency procedures.
- Communicate tools that facilitate self-care in preventing work-related accidents and occupational diseases.
- Understand and identify certain legal aspects of the Management System.

In 2025:

- 3.500 hours of training were provided.
- Over 5.800 employees were trained.
- More than 5.300 contractors completed the course.



Universidad Corporativa Colombina

MENÚ

WELCOME
GENERAL OBJECTIVE
SPECIFIC OBJECTIVES
CONCEPTS AND DEFINITIONS
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
OHS POLICY
ORGANIZATION
PLANNING

- Hazard Identification and Risk Control
- Hazard Classification

APPLICATION

- Risk Control
- Preventive Medicine
- Occupational Medicine
- Emergency Plan
- In case of a workplace accident

RESPONSIBILITIES REGARDING THE OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
AUDIT AND REVIEW BY TOP MANAGEMENT
CLOSURE

Self-Control System and Comprehensive Risk Management of Money Laundering and Terrorism Financing (SAGRILAFT)

More than 4.600 employees completed this virtual course.

Self-Control System and Comprehensive Risk Management of Money Laundering and Terrorism Financing (SAGRILAFT)

At the end of this course, employees will be able to:

- Understand the importance of the Self-Control System and Comprehensive Risk Management of Money Laundering and Terrorism Financing.
- Identify the risk control mechanisms for Money Laundering, Terrorism Financing, and Financing of the Proliferation of Weapons of Mass Destruction.
- Comprehend the consequences of non-compliance with the Self-Control System and Comprehensive Risk Management of Money Laundering and Terrorism Financing.

Information Security and Cibersecurity

At the end of this course, employees will be able to:

- Recognize the main risks, threats, and vulnerabilities affecting information systems.
- Differentiate the concepts of information security and cybersecurity.
- Assess company information as a strategic asset.
- Explain the principles of confidentiality, integrity, and availability of information.
- Implement preventive measures at work to protect information.

More than 40 cybersecurity training courses delivered to employees, with over 580 employees participating.

Corporate Transparency and Ethics Program

Universidad Corporativa Colombina

Training program designed to provide a deep understanding of the importance of transparency and business ethics in the current environment.

During the course, the various challenges that companies currently face in terms of business integrity are explored.

Additionally, some of the best practices that companies have adopted to minimize risk and vulnerabilities are presented.

More tan 2,500 employees completed this virtual course

Incorporation of Risk Criteria in Product Development

Risk criteria are integrated transversally into the design and development of products and packaging, from the initial concept to commercialization. This approach involves R&D, regulatory, sustainability, quality, and marketing teams, and allows for the assessment of:

- **Operational risks:** technical feasibility, safety, and continuity of supply.
- **Regulatory risks:** compliance with current regulations and anticipation of new nutritional and labeling requirements.
- **Social risks:** respect for human rights and labor conditions across the supply chain.
- **Environmental risks:** efficient use of water and energy, reduction of the carbon footprint, and promotion of circularity.
- **Market risks:** adaptation to consumer trends in health, transparency, and nutrition.
- **Reputational risks:** alignment with stakeholder expectations and responsible marketing practices.

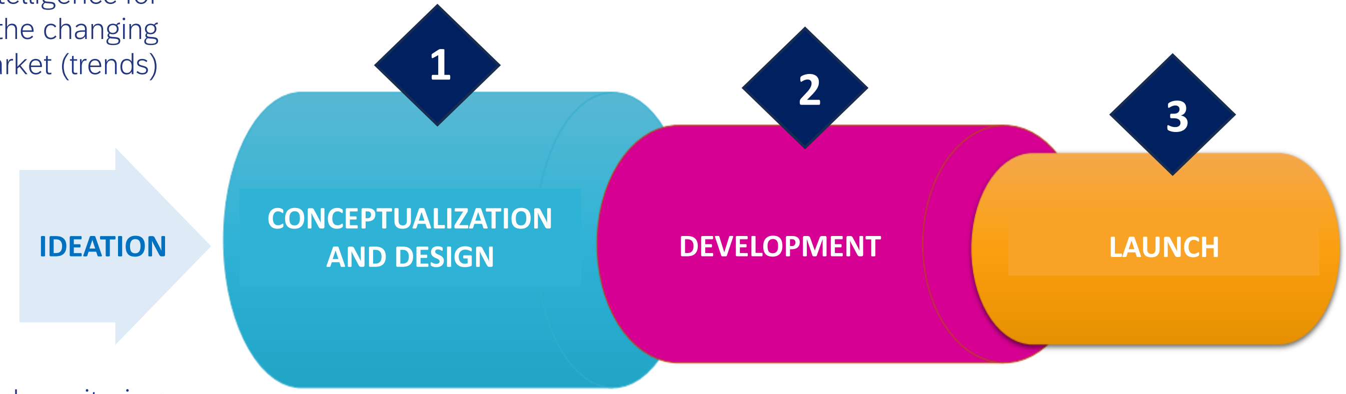
Incorporation of Risk Criteria in Product Development

1 Risk at IDEA level

- Assessment of regulatory compliance and potential changes for the destination country
- Assessment of potential nutritional profile vs. standards and policy
- Assessment of potential environmental impact of proposed packaging
- Technical and financial prefeasibility

Technological and competitive intelligence for understanding the changing market (trends)

Global regulatory monitoring and early warnings



Technological monitoring at the level of equipment, processes, and raw materials

HELATH & NUTRITION POLICY

VOLUNTARY MARKETING AGREEMENT

SUSTAINABLE PACKAGING POLICY

CROSS-FUNCTIONAL SUPPORT

2 Risk Management at PRODUCT IN DEVELOPMENT level

- Assessment of nutritional profile and legal texts
- Final regulatory approval for definitive destinations
- Final technical feasibility approval
- Final financial feasibility

3 Risk Management at LAUNCH level

- Consistency of launch vs. assessed risk
- Monitoring of compliance during commercialization (regulatory, reputational, and technical)

3. RISK MANAGEMENT PROCESS AUDIT

Risk Management System Process Audit

1 **Planning:** Define the scope and objectives of the audit, including the specific areas and processes to be examined.

2 **Risk Assessment:** Evaluate the risks associated with the audited processes and identify potential areas of concern.

3 **Review:** Examine the effectiveness of risk identification, assessment, and mitigation measures implemented by the organization

4 **Recommendations:** Offer suggestions and recommendations to enhance the efficiency and effectiveness of the Risk Management System.

5 **Follow-up:** Monitor the implementation of corrective actions and improvements based on the audit recommendations.

6 **Continuous Improvement:** Encourage the organization to continuously improve its Risk Management processes to adapt to changing risk landscapes and business environments.

Internal Audit Functions and Responsibilities

- The role of Internal Audit is to enhance and protect the company's value through an independent and objective risk-based assurance and consulting activity.

- It helps the company achieve its objectives by providing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, internal control, and corporate governance processes.

- It evaluates the Group’s internal control system, focusing on the most significant and relevant risks.It generates recommendations/opportunities for improvement regarding control processes that management should consider.

- It annually presents to the Audit Committee for approval the work plan to be developed throughout the year, with a risk-based approach.

- It periodically presents to the Audit Committee in meetings the most significant internal control deviations (opportunities for improvement) and possible recommendations to mitigate the identified risks, along with responsible parties and implementation deadlines.

Internal Audit – Enterprise Risk Management System

➢ **Objective**

Evaluate the **design and effectiveness of the Enterprise Risk Management System (ERMS)** and identify opportunities for improvement.

➢ **Scope of the Internal Audit**

The assessment included a review of the Risk Management Policy and the design and operation of the Enterprise Risk Management System, covering:

- **ERM System Design:** Assessment of the structure and key components of the risk management system.
- **Policy Compliance:** Evaluation of compliance with the requirements established in the Risk Management Policy.
- **Process Governance:** Assessment of governance mechanisms, roles and responsibilities, and the functioning of the risk management process.

Internal Audit – Enterprise Risk Management System

- **Evaluation Criteria**

To identify improvement opportunities, Internal Audit used internationally recognized good practices as reference criteria:

- **ISO 31000:2018 – Risk Management Guidelines:** Principles, framework and systematic risk management process.
- **COSO Enterprise Risk Management (ERM) 2017:** Integration of risk management with strategy, performance and value creation.
- **IIA Three Lines Model 2020:** Governance and accountability framework for managing risks and strengthening internal control.

- **Audit Outcome:** The internal audit resulted in **documented findings and opportunities for improvement**, providing input to strengthen the design, governance and effectiveness of the Enterprise Risk Management System.

4. EMERGING RISKS

Emerging Risks

NEW RISK

Risk that can be generated from new conditions orexposures arising from trends and changes in thearound.

TRANSFORMATION OF KNOWN RISKS

Known risk that begins to present a transformation in their behavior and can bring consequences that have not yet are predictable or fully understood.

TREND AND RISK MANAGEMENT SYSTEM

IDENTIFICATION

Environment observation

Trends-phenomena

Strategic and operational risks

ASSESSMENT

Prospective scenarios

Transmission mechanisms and indicators

Understanding risks Characteristics and factorsrisk

MANAGEMENT AND FINANCING

Visibility Financing Opportunities

Monitoring and control

Emerging Risks

Methodology – Phase 1

FUNDAMENTALS OF THE SECTOR	ENVIRONMENT OBSERVATION	INTERACTION WITH THE ENVIRONMENT	CONVERGENCE	PRIORIZATION OF EMERGING RISKS
Industry essentials	*Signs of change in the environment applied to the industry*	*Megatrends Industry trends*	*Patterns, disruptions, sources of new risks or transformations*	*Selection of emerging risks with the greatest impact for the organization*
Fundamentals identified with its descriptive narrative	Trend radar for the food industry	Interconnections megatrends and sectoral trends	Radar of emerging risks with a focus on the sector	Prioritized emerging risks

Emerging Risks

Methodology – Phase 2

CHARACTERIZATION

Prioritized emerging risks

Fact sheets with characterization of prioritized emerging risks

VARIABLE MODELING

Projections key variables prioritized risks

Set of modeled indicators that will be monitored

FUTURE SCENARIOS

Identification of trend and desirable scenarios on risks

Future scenarios for prioritized emerging risks

BACKCASTING

Definition of milestones and actions from the company

Key milestones for the construction of the prioritized scenario for the company

PRIORIZATION OF EMERGING RISKS

Emerging Risks

Economic

- Fragility in supply chains
- Price volatility and abrupt shocks in raw materials and energy
- Deterioration of the regional and domestic economy

Social

- Deterioration epidemiological profile
- Changes in consumer preferences and demand fornew demographic structures and ways of being family

Geopolitical

- Food geopolitics
- New forms of protecctionism

Technological

- Inappropriate use of artificial intelligence applied to food
- Increase in the regional technological gap throughout the agri-food value chain
- Development of new food products and substitutes

Environmental

- Transition to a sustainable economy
- Biodiversity loss and ecosystem collapse
- Energy, water and food insecurity

3. Emerging Risks

FOOD GEOPOLITICS

It refers to the risk that arises at the intersection between global and domestic politics and food security, as well as the distribution of food resources at the global level, where political, economic, and social factors converge to influence food production, trade, and distribution.

The current highly volatile context of international relations, geopolitical conflicts, trade restrictions, and other global dynamics could have a significant and lasting impact on the availability and affordability of food.

As a result, transformations are emerging in valued resources and strategic food-related strongholds, paving the way for the rise of new relevant actors, along with new global political and economic alliances.

➢ **Potential Impacts:**

- Disruptions in global supply chains leading to raw material shortages or product unavailability as a result of trade restrictions, tariffs, and political barriers.
- Increased exposure to trade restrictions or tariffs affecting import/export flows.
- Greater dependency on regional or alternative suppliers with variable quality standards.
- Reputational and operational risks if unable to guarantee food security and affordability for consumers..

Emerging Risks

Principal Strategies- Mitigating actions

- **Strategic sourcing and supplier diversification:** We maintain a diversified and resilient supplier network to reduce dependency on specific suppliers, countries, or sourcing regions and strengthen the continuity of critical raw material supplies.

- **Alternative sourcing and supplier qualification:** We work to identify and evaluate alternative suppliers and sourcing options for critical inputs, including the assessment of quality, regulatory, sustainability, and supply continuity requirements.

- **Supplier monitoring and compliance:** We monitor supplier performance and require compliance with applicable quality, food safety, legal, and sustainability requirements to support the resilience and reliability of the supply chain.

- **Extensive distribution network:** Our distribution network and commercial presence across more than 90 countries allow us to serve a broad and diversified customer base and support our ability to adapt to changes in individual markets and trade conditions. We currently reach more than 750,000 customers.

- **Geographical diversification:** Colombina operates and markets its products across multiple countries and regions. This geographical diversification reduces exposure to disruptions affecting a single market and provides greater flexibility to respond to changes in international trade conditions. International markets currently represent approximately 40% of our sales.

- **Commodity Price Mitigation Model:** We have implemented a band model through the purchase of futures for essential raw materials, which allows us to manage and mitigate the volatility of commodity prices. This approach helps stabilize production costs by setting prices in advance for critical inputs, protecting the company from unexpected fluctuations in raw material prices.

- **Business Continuity Plans:** We have implemented Business Continuity Plans (BCPs) to strengthen preparedness and response to internal and external disruptions, including supply chain interruptions and other events that could affect the continuity of critical operations.

3. Emerging Risks

INAPPROPRIATE USE OF ARTIFICIAL INTELLIGENCE APPLIED TO FOOD

The possibility that decisions, strategies, and processes driven by Artificial Intelligence may create an excessive dependence on highly complex information and technological systems used throughout the extended value chain of the food industry, in the pursuit of innovation, better customer understanding, improved efficiency, enhanced quality, and reduced waste in the food production chain.

The lack of full understanding of AI algorithms and decision-making processes could undermine food security and crop diversity, compromising the ability to adapt to changing climate conditions and unpredictable factors.

➢ **Potential Impacts:**

- The use of artificial intelligence in the food industry entails risks such as failures in integration with existing processes, lack of transparency in data management, biases in commercial strategies, and excessive dependence on automated systems from both internal and third-party operations. These risks may lead to operational disruptions, cyberattacks, product safety failures, loss of trust due to misinformation or unethical practices, and technological adoption gaps across the value chain, ultimately undermining resilience and the ability to adapt to unexpected changes or crises.

Emerging Risks

Principal Strategies- Mitigating actions

- **Information Security Governance Framework:** Led by a dedicated committee that establishes clear guidelines for the ethical use of information and oversees their implementation across the organization. This governance structure ensures accountability, strengthens monitoring, and enhances our capacity to mitigate risks such as data breaches, misuse of information, and cybersecurity threats.

- **Information Security Policy:** We have a comprehensive Information Security Policy that sets out the principles of confidentiality, integrity, availability, privacy, and auditability of information. This policy provides a common framework for all employees and stakeholders, ensuring consistent practices and reducing vulnerabilities across the company.

- **Business Continuity and Disaster Recovery Plan (DRP):** procedures designed to ensure the preservation and timely restoration of critical IT systems that support the organization's essential business processes in the event of a contingency. These plans include specific measures to effectively respond to technical failures, supply chain disruptions, and cyberattacks, ensuring operational continuity, information protection, and the minimization of business impacts.

- **Training and awareness programs**: We regularly conduct training and awareness programs for employees to reinforce the importance of ethical information use, cybersecurity practices, and adherence to internal protocols. This proactive approach strengthens the first line of defense against emerging risks.