

Social Enviromental Profit & Loss (SEP&L)



Scope

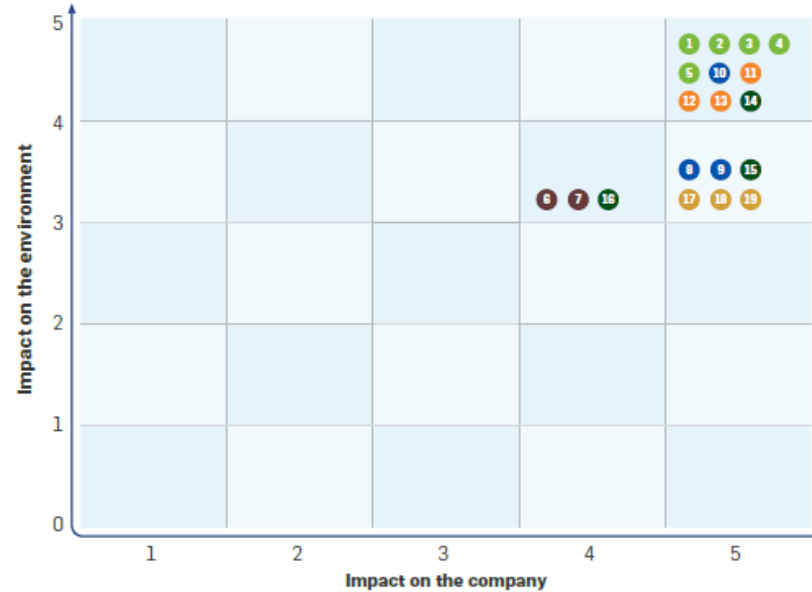
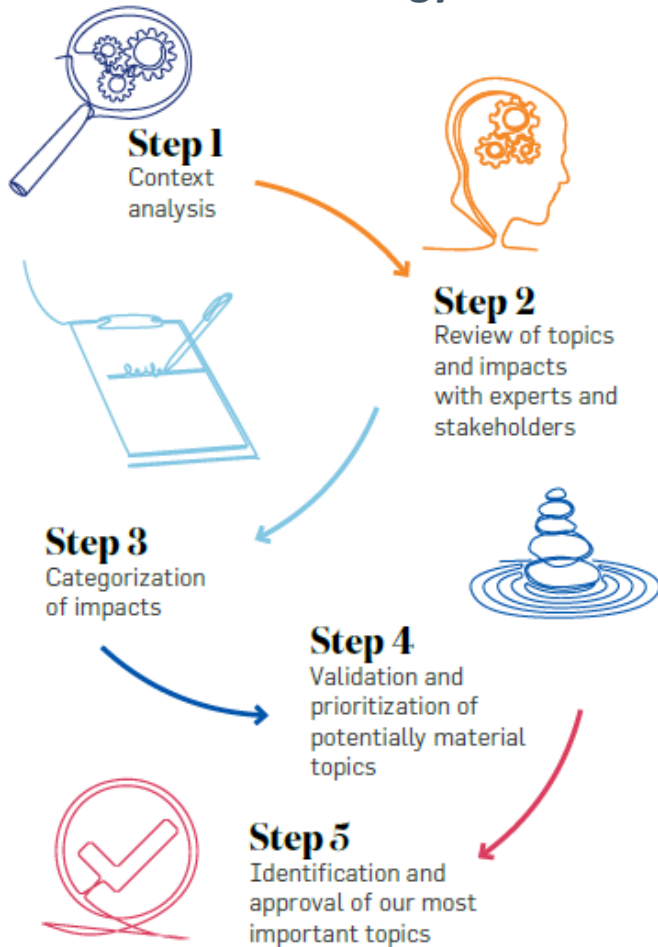
For Colombina S.A., sustainability means having an integrated and responsible management, aimed at ensuring long-term relationships with its stakeholders, minimizing and avoiding the potential impacts of its operation and contributing to the progress of society.

We understand that in order to continue advancing in this objective, it is important to develop a comprehensive measurement that, in addition to the economic value generated (traditional financial statements), allows us to quantify the impact generated by our operations on the environment and society.

When thinking about a sustainable business in the long term, it is important to economically evaluate its externalities (positive and negative) and include them appropriately in the income statement, and therefore in the decision-making process. This undoubtedly contributes to the generation of social value, consolidating the image of the company and its reputation.

MATERIALITY ANALYSIS

Methodology



	Stakeholders	Company
1 Efficient use of water	5	5
2 Energy efficiency	5	5
3 Climate change management	5	5
4 Waste management and reduction	5	5
5 Packaging strategy	5	5
6 Contribution to the growth of our communities	4	4
7 Promotion of education, culture, recreation and sports	4	4
8 Relationship with suppliers and contractors	4	5
9 Big Brother Program	4	5
10 Quality and safety in production processes	5	5

	Stakeholders	Company
11 Employee well-being and working conditions	5	5
12 Health and safety at work	5	5
13 Organizational development	5	5
14 Strengthening nutritional profile	5	5
15 Offering innovative products	4	5
16 Relationship with customers and consumers	4	4
17 Financial Sustainability	4	5
18 Corporate Governance	4	5
19 Risk Management	4	5



PRIORITIZED MATERIAL ISSUES

	Stakeholders	Company
1 Efficient use of water	5	5
2 Energy efficiency	5	5
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DEFINED MATERIAL ISSUES



Efficient
resource
management



Health and
Nutrition



Circular economy



Sustainable
value chain



Climate Change
Management



Contribution
to the growth
of our
communities



Employees



Innovate
products



Relationship
with clients
and
consumers



Main External Material Issues

What do we mean with SEP&L?



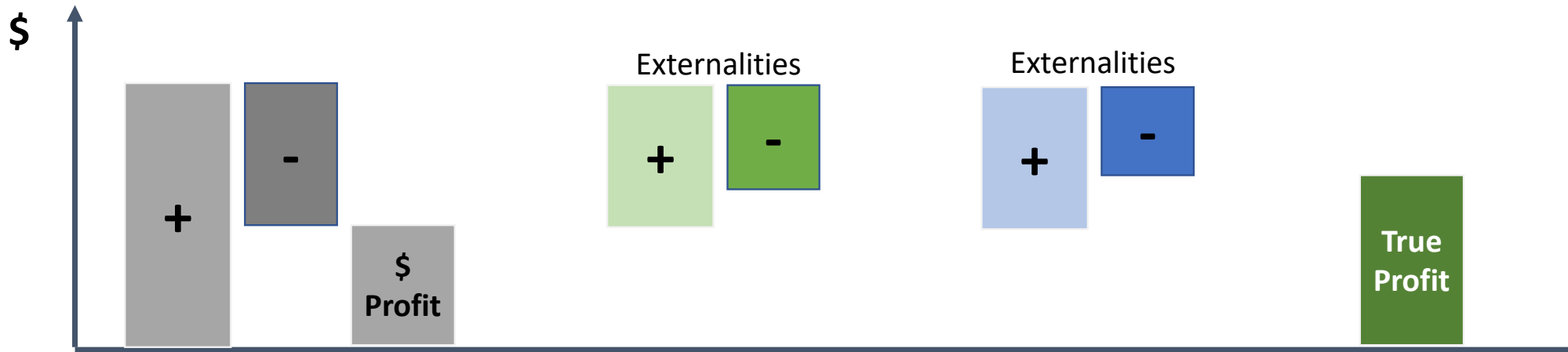
Financial P&L



Environmental P&L



Social P&L



This is a preliminary exercise and the figures are neither precise nor definitive, valuation methodologies are still not very conclusive, but it gives us an indication of the magnitude of the positive and negative impacts generated by our operations and it allows us to begin to manage them.

Environmental Externalities Examples



+ Positive

- Energy efficiency plan *
- Logistics efficiency plan *
- Land conservation *
- Waste management & reduction
- Water savings

- Negative

- Climate Change Management *
(Greenhouse gas emissions)
- Raw materials
- Water extraction
- Waste

*Measured



Material Issue - Climate Change Management

Climate Transition & Physical Risks



Colombina is exposed to significant climate change–related risks, both physical and transitional. These risks may compromise the stability of operations. Therefore, it is essential to implement adaptation and mitigation actions to reduce these impacts, ensure business continuity, and advance the company’s sustainability strategy.

➡ **Business Case:** For Colombina, climate change represents both a risk and an opportunity. On one hand, it poses operational and financial challenges that must be mitigated; on the other, it opens the door to connect with new consumer segments that are increasingly conscious of environmental issues. By advancing initiatives aimed at reducing our carbon footprint, Colombina not only strengthens its environmental performance but also enhances brand reputation and drives sales growth through products that align with sustainability-driven demand. In parallel, the company leverages energy efficiency, renewable energy adoption, and sustainable supply chain practices to reduce operational expenses and improve its financial cost structure.

➡ **Business Impact:** Physical, regulatory, and reputational risks. Climate change impacts the availability of raw materials, the stability of the supply chain, and energy and transportation costs. Likewise, managing physical and regulatory risks derived from climate change is essential to ensure business continuity.



Material Issue - Climate Change Management

Climate Transition & Physical Risks



➔ **Business Strategy:** Our approach combines operational initiatives, consumer engagement, and financial innovation to address both the risks and opportunities associated with this challenge.

- **Operational perspective:** we focus on carbon footprint mitigation through projects that drive efficiency in our production plants, the adoption of energy transition alternatives, and the optimization of logistics and transportation routes.
- **Market perspective:** our corporate sustainability campaign “Si el mundo es mejor, sabe mejor” amplifies the achievements of these initiatives and connects them with consumers who increasingly value responsible and sustainable practices. The impact of this campaign is measured through free press indicators, reinforcing the link between sustainability performance and brand reputation.
- **Financial perspective:** linking sustainability indicators to the structuring of sustainable loans, creating a direct connection between our environmental performance, financial efficiency, and long-term competitiveness.



Impact 1 - Climate Change Management

Climate Transition & Physical Risks



- ➔ **Cause of the impact:** Operations with >50% of business activity. Food production and processing involve the burning of fossil fuels, releasing CO₂ and other greenhouse gases that can affect agricultural yields, reducing the availability of raw materials.
- ➔ **Metric used:** The environmental impact related to this issue is measured by the Social Cost of Carbon (SCC) using climate models: tons of CO₂ avoided. The SCC is an estimate of the total economic cost that additional carbon dioxide (CO₂) emissions impose on society. It encompasses impacts on health, agriculture, ecosystems, and infrastructure due to climate change. This cost is expressed in monetary terms per ton of CO₂ emitted.
- ➔ **Topic relevance on external stakeholders:** We recognize the importance of managing GHG emissions to reduce our environmental footprint and strengthen long-term resilience. As our business grows, we are aware of the potential negative impacts of higher emissions, such as increased air pollutants and climate-related risks, as well as the positive impact of reducing the social cost of carbon. To address this, our target is to reduce GHG emission intensity (Scope 1 & 2) by 50% from our 2015 baseline. This commitment contributes to mitigating climate change, ensuring compliance with evolving regulations, and creating long-term value for both society and our stakeholders.
- ➔ **External Stakeholder Impact:** Society & Environment

Climate Change Management



Management of Material Issue: As part of our sustainability strategy, climate change is one of the material topics we address under the priority of environmental performance.

Our strategy focuses on managing risks and opportunities related to climate change and is oriented towards setting reduction targets for our carbon footprint indicator and working on initiatives that contribute to addressing the effects of climate change through mitigation programs.

These initiatives include:

- Implementing cleaner technologies in production processes.
- Reducing fuel consumption in manufacturing and logistics operations.
- Energy Transition Alternatives – Solar Energy.
- Renewable Energy Certificates (REC).
- Work with suppliers to promote sustainable agricultural practices.
- Minimize food waste in our production processes.

Target 2024:

Reduce our carbon footprint (KgCO₂/ ton produced) by 42% vs our base line year (2015).

Progress:

Since 2015, we have reduced our carbon footprint (KgCO₂/ton produced) by 45%.



Social Externalities Examples

Contribution to the growth of our communities



+ Positive

- Education
 - ✓ (Scholarships program) *
 - ✓ TIMMCA (music school) *
 - ✓ Dance school *
- Sports
 - ✓ Bon Bon Bum Cup (soccer) *
 - ✓ Jaime H. Caicedo sports club *
- Children's home *

- Negative

- Pollution *
- Health & safety *

*Measured



Contribution to the growth of our communities

Society & Community Relations



Contributing to the development of communities creates long-term opportunities by strengthening the social fabric and generating shared value. Investments in areas such as education and well-being help reduce crime rates, increase life expectancy, and improve household incomes, ultimately leading to safer, more prosperous, and resilient environments that benefit both society and business.

➡ **Business case:** Well-being, resilience, and local development are essential to ensuring stable environments, access to qualified talent, and solid supply chains. By promoting initiatives in education, health, infrastructure, and economic development, we strengthen our social license to operate, reduce risks of conflict or disruption, and create conditions that foster trust-based relationships with stakeholders. In addition, these efforts directly contribute to talent attraction and retention, reputation building, and the organization's long-term competitiveness.

➡ **Business impact:** These initiatives represent a significant opportunity for the company as they strengthen the long-term relationship with local communities and enhance our reputation as a socially responsible organization. By fostering education, culture, recreation, and sports, we help build stronger and healthier communities, which in turn creates a more supportive and stable environment for our operations. This creates a positive cycle where community development and business growth mutually reinforce each other.



Contribution to the growth of our communities



➔ **Business Strategy:** Through the Colombina Foundation, we manage programs that promote education, recreation, culture, and sports.

- We provide childcare facilities for the children of our employees and offer training for parents and teachers to support children in their educational journey.
- We also offer scholarships that allow employees' children to access quality higher education at accredited institutions. We currently have 10 beneficiaries in this program.
- Additionally, we encourage the proper use of leisure time through recreational and cultural activities.
- Through sports, we aim to create spaces that promote healthy lifestyles and strengthen values and skills such as teamwork. (Copa Bon Bon Bum Program).
- We create recreational and sports facilities for communities near our production plants, aiming to promote the well-being and quality of life of families and the community as a whole.

Target 2024:

To have approximately 35,000 beneficiaries in our social programs

Progress:

We directly reached 13,232 individuals (1,334 through Colombina Foundation programs and 11,898 through the Recreational and Sports Center), as well as 22,000 participants through the Copa Bon Bon Bum program.



Contribution to the growth of our communities



➔ Business Strategy: Copa Bon Bon Bum- Social Program

Since 2010, we have implemented the Copa Bon Bon Bum, a program led by our confectionery plant employees to promote sports development among children and youth in Zarzal, offering them healthy and productive alternatives away from social risks. The main objective of the tournament is to foster social development and encourage healthy lifestyles through sports.

- More than **22,000** children and young people have **participated in the program**.
- Over **1,300 teams** competing across six categories.
- Consolidated as the **largest youth and children's championship in Colombia**.
- Featured inspiring ambassadors whose stories have motivated thousands of players to pursue their dreams in football.



Contribution to the growth of our communities

Society & Community Relations



Topic relevance on external stakeholders : Among the benefits to society are the reduction in crime rates, increased life expectancy, and higher incomes, which are reflected in greater tax revenues for the country. Education plays a crucial role in these benefits as it significantly contributes to improving economic and social opportunities, promoting a safer and more prosperous environment for everyone.

Cause of the impact

- The communities in our areas of influence represent a key stakeholder group for our company. Therefore, being a relevant actor and a positive change agent that significantly contributes to their economic and social development is a priority.
- We have implemented strategies and programs that strengthen their social fabric and promote sustainable development.

Metric used

- The impact is directly linked to the economic benefit that graduates gain in terms of additional income over their working lives compared to those with only a secondary education, resulting in a significant improvement in their quality of life. According to Walker, I. & Zhu, Y., BIS in “The impact of university degrees on the lifecycle of earnings.”

External Stakeholder Impact

- Society
- External employees (children of company employees)



Health & Nutrition

Product Quality & Safety

Working on health and nutrition is essential as it contributes to people's well-being and the development of more sustainable communities. Promoting better diets, encouraging healthy habits, and ensuring clear and transparent information help prevent issues such as malnutrition and chronic diseases, while also creating positive impacts on quality of life and society as a whole.

➡ **Business Case:** Offering products with improved nutritional profiles and greater transparency enables the company to differentiate its portfolio, attract more conscious consumer segments, and capture value from growing market trends. This directly translates into new revenue streams and the consolidation of a more competitive and profitable portfolio.

➡ **Business Impact:** Health and nutrition trends influence consumer purchasing decisions and drive demand for healthier, more transparent, and diverse products. Addressing this material issue allows the company to expand its portfolio, capture new consumer segments, and access high-growth categories. In this way, health and nutrition directly impact revenue generation and long-term competitiveness.



Health & Nutrition

Product Quality & Safety

➔ **Business Strategy:** We focus on the nutritional evolution of our portfolio to offer better products and ingredients to our consumers through four major initiatives:

1

Reduction of critical nutrients (saturated fats, sugar, sodium).

2

Addition of positive nutrients.

3

Elimination of artificial additives.

4

Reduction of additives, allergens, and the number of ingredients.

Target 2024:

Sales of Products with Positive Social Impact will account for 80% of the company's total sales

Progress:

We have 1,438 references with Positive Social Impact, representing 80% of our own product sales.