



Juan Valdez®



SUSTAINABILITY

REPORT 2021

We captivate the world with premium Colombian coffees, generating shared value for Colombian coffee growers

[102-53] For any questions or to share comments or opinions about this impact report, please write to us at: sostenibilidad.jv@juanvaldezcafe.com
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Have a cup of **coffee** while
browsing the menu





We are Procafecol and our brand Juan Valdez®

01



Juan Valdez.



Dear shareholders, members of the Board of Directors, team of collaborators, coffee growers, customers, consumers and other stakeholders.

For Procafecol, the year 2021 was still a year of uncertainty, in a global environment that was fragile and difficult to predict due to the pandemic, but the results achieved by the company made it an unforgettable year, once again leaving a legacy of great learning and very important achievements. The economy reacted favorably in commercial activity, exceeding expectations thanks to monetary stimulus from central banks and the reactivation of consumption, activities that made the last quarter of 2021 the most relevant and important period of the year, in line with the performance of Procafecol's turnover.

Words from our CEO

Procafecol navigated this wave and materialized in results the efforts, as well as the resilience of the last months of the year, through a business model in which shared value has been the key objective of our strategy. We were able to expand our production plant in terms of capacity and product portfolio; we strengthened our group of collaborators, which grew again as the operation was reestablished; and we strengthened our Diversity, Equity and Inclusion (DEI) Program by establishing an Internal DEI Policy, thus reinforcing our empowerment purposes with our stakeholders. We also achieved major commercial goals: we obtained record sales in all our channels, we ventured into the neighborhood store channel, exceeding our goals, we renewed our packaging to reflect the modernization of the brand, we improved the profitability of our stores both in Colombia and around the world, we entered the soft discounters channel in Colombia, we announced our arrival in distant regions, such as Oceania, Qatar and Turkey, and codified in new geographies and important customers worldwide such as CVS and Wholefoods in the United States, vibrating with pride and excitement with the achievements of our beloved Juan Valdez® brand.

Our results would not be comprehensive if our exceptional sales performance did not translate into profits. Profit from consolidated operating activities reached COP \$24.05 billion in 2021, COP \$44.92 billion more than in 2020. This was mainly due to cost and expense management efficiencies, despite increases in input costs and challenges in logistics operation. The consolidated fiscal year result of COP \$21.99 billion improved by COP \$50.91 billion from the 2020

loss of COP \$28.91 billion. Despite the immense challenges, we closed 2021 surpassing expectations and laying a good foundation for the years to come.

Moreover, in 2021 we maintained our purpose of integrating sustainability into the business model through the different fronts of the company, reaffirming our commitment to develop good social and environmental practices, both in our operation and throughout the value chain.

This commitment was materialized when we obtained the certification as a B Corporation in February 2021, joining the movement of 5,000 companies in the world that aspire to be not only the best in the world, but the best for the world. This certification validates our impact business model, in which we respond to more than 540,000 coffee growing families, through a competitive business that responds to the needs of all our stakeholders in three areas: economic, social and environmental.

As a result of the actions developed through the comprehensive execution of our sustainability strategy, we would like to highlight below some important achievements in each of our pillars:

Plan Amigo Caficultor (Coffee Grower Friend Plan)

- Launching of the product line 'Mujeres Cafeteras' (Women Coffee Growers), which gives visibility to women as rural entrepreneurs and strengthens our purpose of promoting empowerment,

through the purchase of 69,517 kg of dry parchment coffee to 8 associations and a cooperative of women coffee growers in 6 departments of the country.

- More than 39,000 units of 'Mujeres Cafeteras' packaged coffee were sold in Juan Valdez stores.
- More than 432,000 beverages prepared with 'Mujeres Cafeteras' coffee were ordered by consumers in our stores.
- More than 170 women have benefited by the multidimensional strengthening platform 'Mujeres Cafeteras', in different aspects, since 2020 (153 women in 2021 and 22 women in 2020).
- We implemented our plan to purchase coffee from investors (Plan Amigo Inversionista), where we had 598 coffee grower shareholders registered, coming from 14 departments of the country, and we purchased 79,557.6 kg of dry parchment coffee.

Sustainable Procurement

700 branded articles purchased from entrepreneurial women in the country, achieving 300 candle kits and 400 planting kits in our stores, manufactured by communities in vulnerable situations, as part of the launching of the product line 'Mujeres Cafeteras'.

Climate Change and Circular Economy

- After overcoming the challenges of the pandemic, we reactivated the 'Vaso Reúso' program, achieving 2,591 reuses in stores, with which we stopped emitting 101.32 kg of CO₂ equivalent, the same as would be generated by a diesel truck traveling from Bogotá to Medellín.



- As part of our “We reuse as much as possible” program, 86 chairs were redesigned and included in the operation of our stores, thus we stopped emitting 4.16 tons of CO₂ equivalent. In addition, we avoided the extraction of 1,722 kg of virgin materials for their manufacture.
- Thanks to our “Don’t Break the Cycle” program, 72 tons of waste were recovered, for a total of 1,515 tons of waste used since 2014, between organic and recyclable waste, the equivalent weight of approximately 253 male elephants.

Donations

- Nationwide, 221,767 product units were donated, equivalent to COP \$195,432,069 and 10 tons of food.

The company’s great performance and results have been recognized by third parties who validate our work. Thanks to all the effort to achieve the list of goals mentioned throughout this message, we have been deserving of recognition, qualifications and certifications:

- We were part of the 5 finalists of the Portafolio Awards in the Corporate Social Responsibility category.
- We were part of the 10 finalists of the Emprender Paz award, with the shared value generation program ‘Mujeres Cafeteras’.

- We were recertified as an ‘Inclusive Company’, a recognition given by the ANDI Foundation, in the category of inclusive purchases, thanks to the shared value programs with coffee growers (Mujeres Cafeteras and Jóvenes RENACER) and for the program of Inclusive Procurement from suppliers in vulnerable situations.
- We achieved second place in the restaurant and coffee category and 14th place in the TOP 100 of the ranking Merco Responsabilidad ESG Colombia 2021.
- We signed the Agreement Coffee Forest Climate, together with the main actors of the coffee sector, assuming the commitment to support the suppliers of the coffee value chain in the mitigation and adaptation to climate change, as well as in the protection and restoration of forests.

This is how we ended a year with resolved challenges that bring to the company many lessons learned, achievements, but also new challenges. Therefore, we have established new sustainability goals for 2022 that will be focused on:

1. Strengthening our sustainable supply model, achieving a differential value in the market (including coffee and all other inputs).
2. Consolidating our Net Zero goal and climate action strategy, as well as strengthening our sustainable packaging strategy.

3. Starting the internationalization of the sustainability strategy, aligned with the global expansion plan of the brand, in such a way that it becomes a competitive advantage in the local and global market.

To achieve this, we have the support of more than 1,900 employees, whom I thank for their work in 2021 and invite them to remain committed in 2022 with the growth and fulfillment of new goals. I would also like to thank all of our external stakeholders for their support in the management of the previous year, and I also call upon them to continue representing together the interests of the more than 540,000 families that derive their livelihood from the coffee industry in Colombia. Thanks to this joint work, in the 20 years of our operation that will be completed in 2022, we have generated more than \$150 billion pesos in royalties to the National Coffee Fund delivered to the coffee growing community in the country. This means that, year after year, our commitment to grow and have better fruits, reaffirms our responsibility to continue making visible the work of our coffee growing families, who are the essence of our brand.

Camila Escobar

Procafecol CEO

Figures and History

[GRI 102-7]

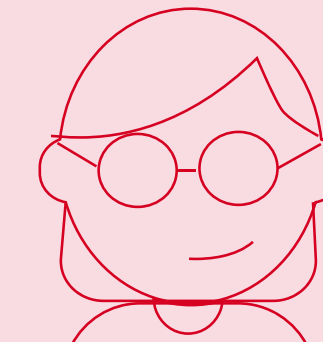


We work for the welfare of more than **540,000** coffee growing families in Colombia

Procafecol, a certified B Corporation

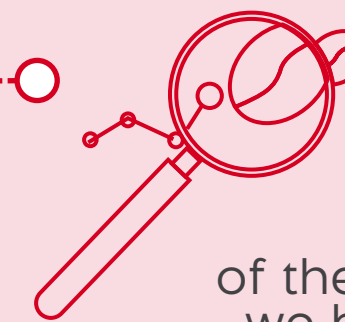


We have impacted a universe of almost **1,000** beneficiaries with our programs for the generation of shared value



Our Board of Directors is made up of

40%
women



12% of the coffee that we buy is 100% traceable



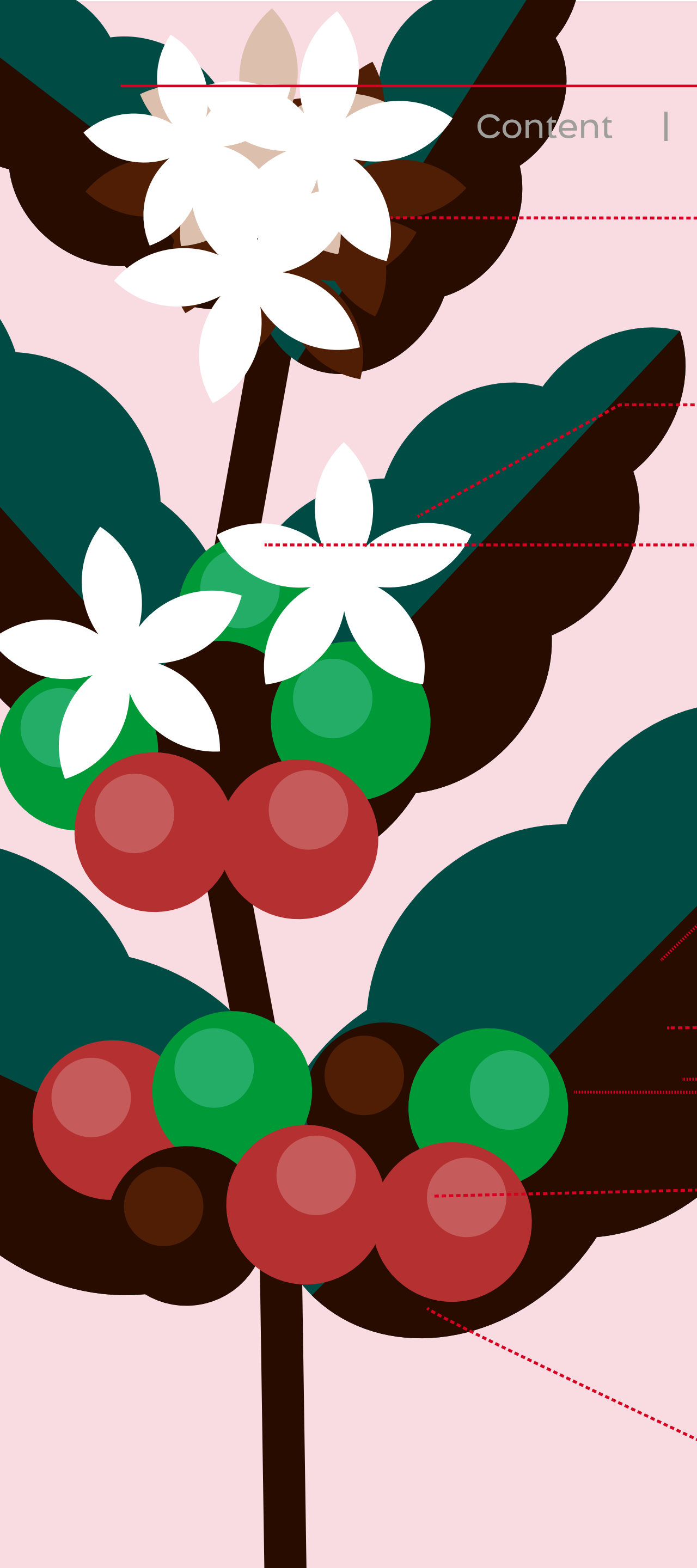
The **Mujeres Cafeteras** program has positioned its product as the second most sold reference of the family of Origin and Specialty coffees in stores, and the fourth in supermarkets, in the second semester of 2021, proving the generation of shared value for our Colombian coffee growers



We are committed to buying locally

100% of our coffee is Colombian

We buy coffee from more than 10 regions of the country



December 2021 was the highest sales month in the history of stores in Colombia



The International channel grew **24.2%** with regard to 2020. Recorded the highest net sales in history



Sales record in Juan Valdez® App. **2nd best-selling store** in the country



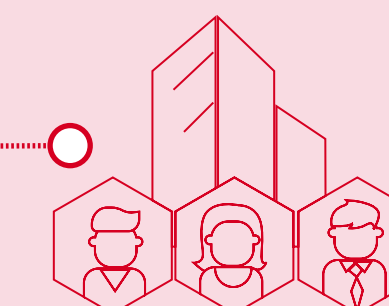
The Mass Consumption channel accounted for 17.3% of sales in 2021, reporting growth of **25.8%** versus 2019



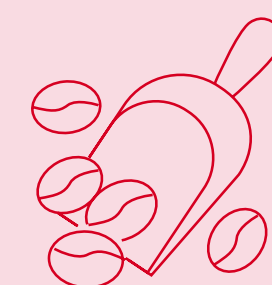
334 stores in Colombia



In 2021, the online store grew **179%** over the previous year



The Institutional channel exceeded expectations with 21 new clients, the reactivation of key corporate clients, the opening of 4 bars and the codification of a new distributor



18 million coffee-based beverages served in Colombia

Opening of the Traditional trade in less than a year:

1 out of every **2** stores in Colombia has Juan Valdez® coffee

The Modern trade grew **46%** compared to 2020 at year-end

About this report

[GRI 102-10, 102-50, 102-51, 102-52, 102-54] This document represents our first reporting exercise in accordance with GRI standards. It describes the activities related to the sustainability management of Promotora de Café de Colombia S.A. Procafecol and its brand Juan Valdez®. The report includes the activities carried out between January 1st and December 31st, 2021. During this period the company has not suffered relevant organizational changes that affect comparability. The company established an annual periodicity for its sustainability reports, which will be presented to the different stakeholders in the first half of the following fiscal period.

[GRI 102-1, 102-2] Procafecol S.A. was founded in 2002 with the objective of generating value-added business for coffee growers and for its Juan Valdez® brand.

[GRI 102-5] We are a company and an issuer of securities, whose main shareholders are the National Federation of Coffee Growers of Colombia, the Manuel Mejía Foundation and Almacafé S.A., together with more than 18,000 minority shareholders, most of which are coffee growers (12,302).

Our close relationship with Colombian coffee growers is our greatest commitment, for which we work on three fronts:

1. We recognize and value the quality of their coffee through the payment of a premium price for quality.
2. We work every day for the positioning of Colombian Coffee in the world.
3. We assume the permanent commitment to create value hand in hand with the National Coffee Fund (FoNC) for the generation of public goods and for the Sostenibilidad en Acción® projects of the Colombian Coffee Growers Federation.

Throughout twenty years, assuming great challenges and making important investments, we have been able to form a synergic team with knowledge and experience; we have 334 stores operating in Colombia and more than 144 in the world, and we are leaders in the big-box retailer category. Juan Valdez® 100% premium Colombian coffee has positioned us as the most recognized and admired brand in our country, which consolidates our expansion model to new markets in the world.

Our product portfolio includes:

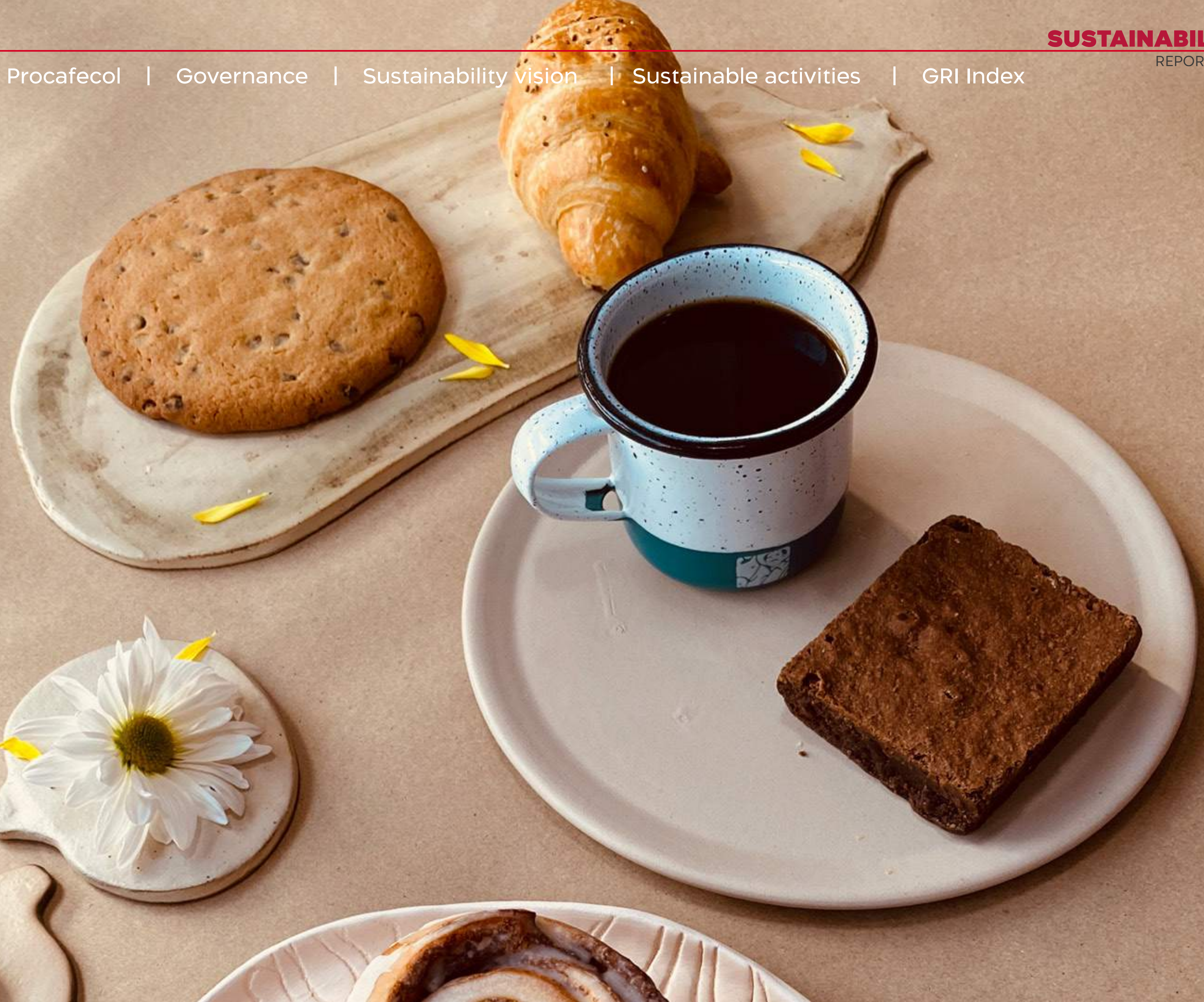


- ☉ More than 15 espresso-based beverages.
- ☉ Bottled beverages in our own brand Fresquísimos and other brands.
- ☉ Filtered beverages.
- ☉ Coffee-free beverages.
- ☉ Cold drinks such as frappes, milkshakes, slushies and nevados





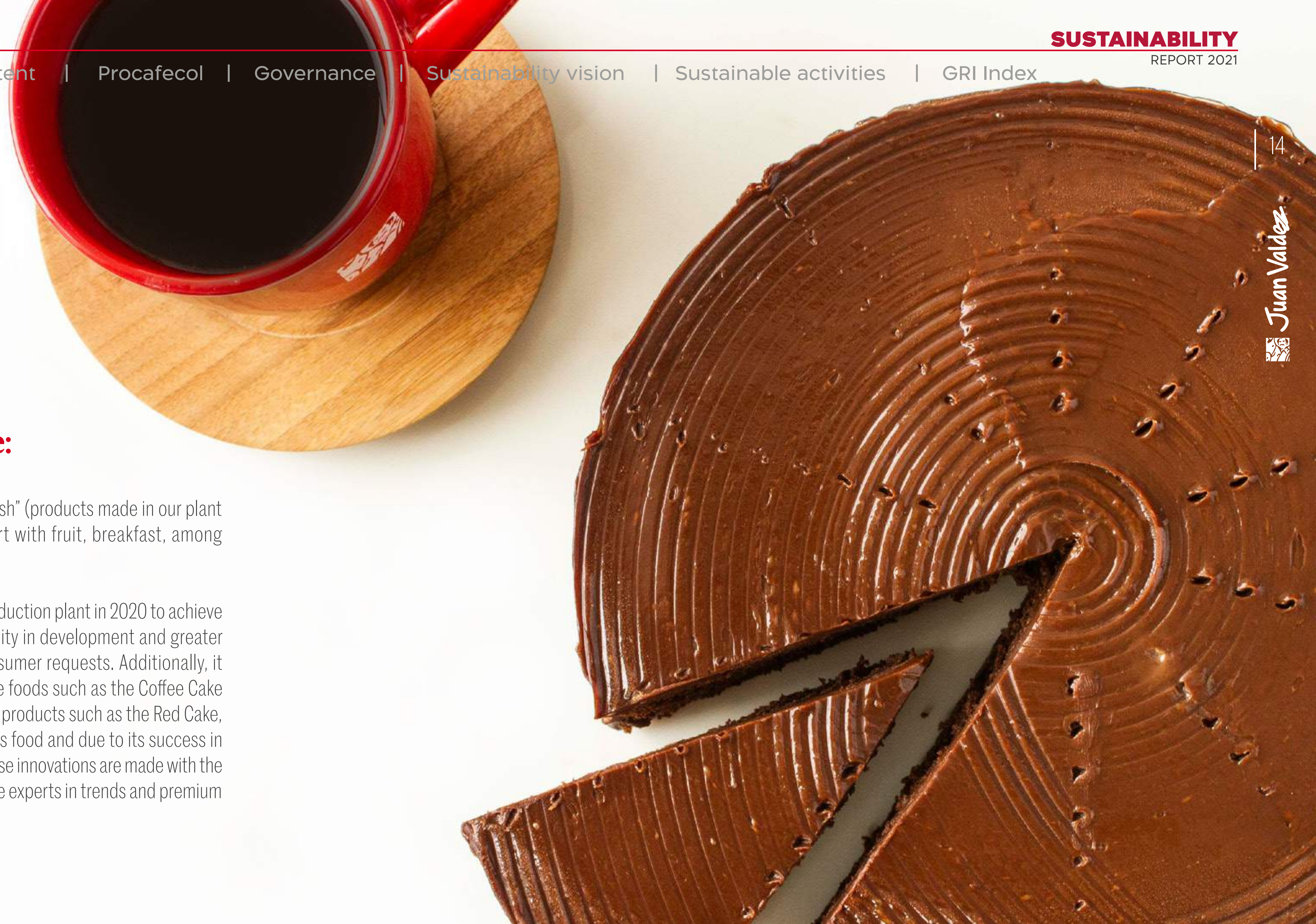
Category focused on the development of foods aligned with market trends and consumer studies. It consists of a variety of products that seek to supply different consumption moments such as, for example, accompanying a coffee (pairing), consuming a snack at some time of the day or having light lunches/dinners.



The main lines are:

Savory pastries, sweet pastries, “fresh” (products made in our plant such as sandwiches, salads, yogurt with fruit, breakfast, among others) and impulse products.

Juan Valdez® launched its pastry production plant in 2020 to achieve greater product profitability, flexibility in development and greater responsiveness to market and consumer requests. Additionally, it has been able to produce iconic line foods such as the Coffee Cake (launching April 2022) and seasonal products such as the Red Cake, which started as the 2020 Christmas food and due to its success in sales remained as a line product. These innovations are made with the support of strategic partners who are experts in trends and premium pastry elaboration.





Their strategic role is to expand the visibility of the Juan Valdez® brand and connect with consumers through different accessories, articles or souvenirs that are characteristic of the coffee world and Colombia.

With branded items we work with Colombian entrepreneurs through stories that connect and accompany the moments of the brand.





1. Premium Selection Coffees

The Juan Valdez® premium selection coffees are original recipes developed for Juan Valdez® by coffee experts. These coffees have a wide variety of strong points and flavors such as COLINA, CUMBRE, CUMBRE DESCAFEINADO, VOLCÁN, MACIZO and LADERA coffees.

2. Single Origin Coffees

The Juan Valdez® Single Origin Coffees, as their name indicates, are produced with carefully selected beans that are grown exclusively in a specific region of Colombia. Each one of them pays homage to its origins and offers the opportunity to savor a unique flavor profile from a particular region.

3. Sustainable Coffees

Juan Valdez® Sustainable Coffees are Café Finca and Café Orgánico. Each of these coffees has a special certification that guarantees that the product offered has good social and environmental practices.

Organic Coffee

This 100% organic coffee is cultivated and selected by Colombian coffee growers following the principles of environmentally responsible agriculture. The respect for nature is reflected in this specialty coffee that offers fresh notes and an aroma that evokes walking through the forest and the sensation of humidity that prevails after the rain.

Farm Coffee

Its name is a true recognition to the Colombian coffee farms that comply with the requirements of the prestigious international UTZ seal, which recognizes the social, economic and environmental principles of coffee growers to produce and distribute coffee with high standards. This coffee is widely recognized for its strong, herbaceous and residual notes with long lasting effects.

4. Mujeres Cafeteras Coffee

A 100% traceable coffee that honors the work, effort, passion and dedication of women coffee growers from 6 regions of the country, most of them associates, who build a better society grain by grain.

5. Freeze-dried soluble coffees

Juan Valdez® freeze-dried coffee is created through a special process of dehydration of the coffee extract at low temperatures, which allows it to recover all its flavor and aroma once it is added to water.

Elaborated with the best Colombian coffee beans, Juan Valdez® instant coffee is the closest thing to enjoying an excellent cup of freshly roasted and ground Juan Valdez® coffee.

6. Single Use Coffee Drips

Juan Valdez® Drips allow you to enjoy 100% premium Colombian coffee in an artisanal brewing experience that requires no preparation equipment.

7. Institutional Line Coffee

At Juan Valdez® we want to have options for every moment or form of consumption. For this reason, we have designed an institutional line of packaging for those who want to serve the best quality coffee to their customers at their tables, meeting rooms and other business spaces.

8. Roasted Institutional Coffee

This is a blend of roasted coffee beans that has been especially designed for the needs of the institutional channel.

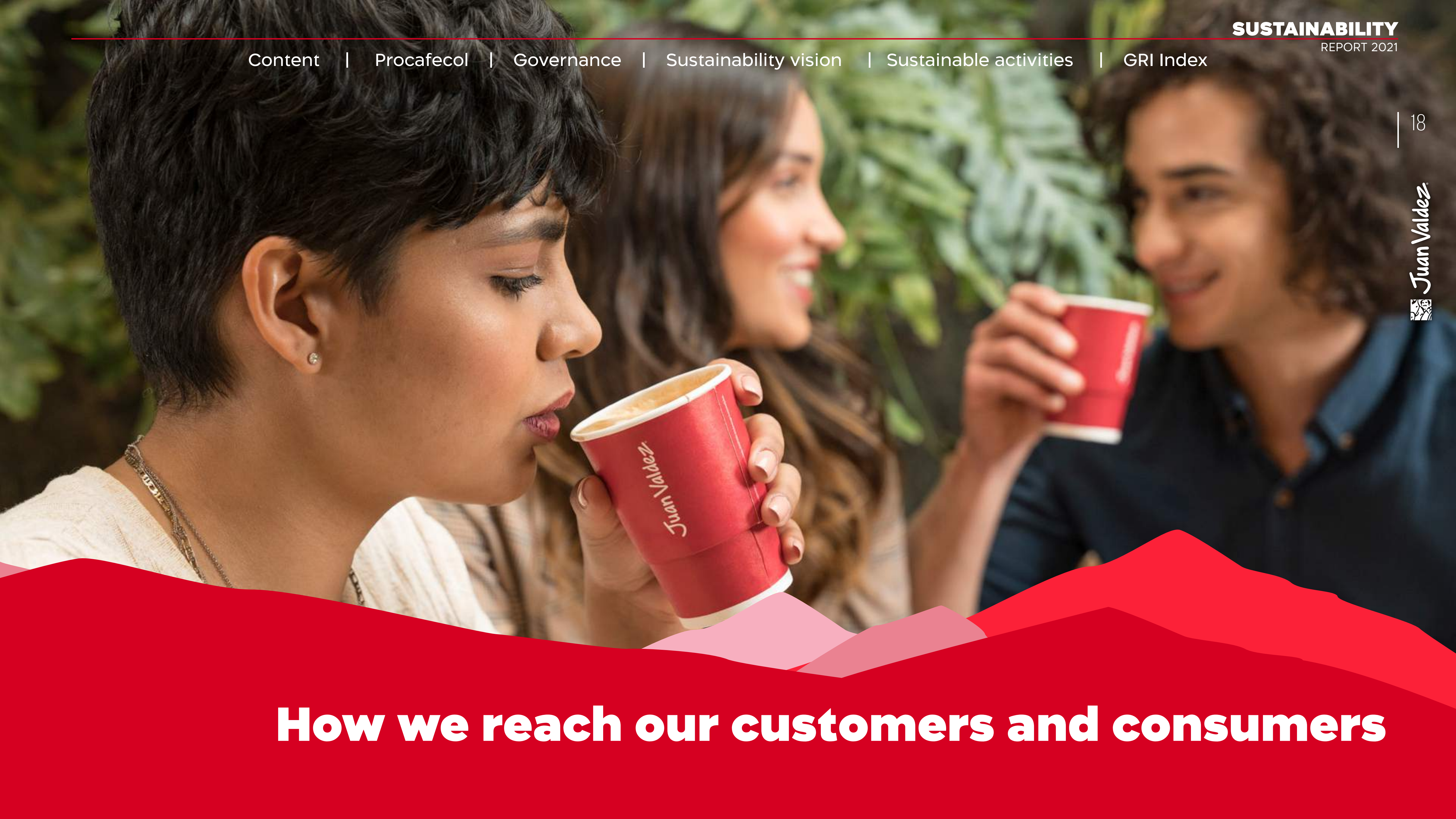
9. Freeze-dried Institutional Coffee

Our classic freeze-dried coffee in presentations above 250 grams is perfect for the needs of institutional coffee.

10. Freeze-dried Single Use Coffee Sticks

The Juan Valdez® Sticks allow you to enjoy 100% premium Colombian coffee in an artisanal elaboration experience that does not require preparation equipment.



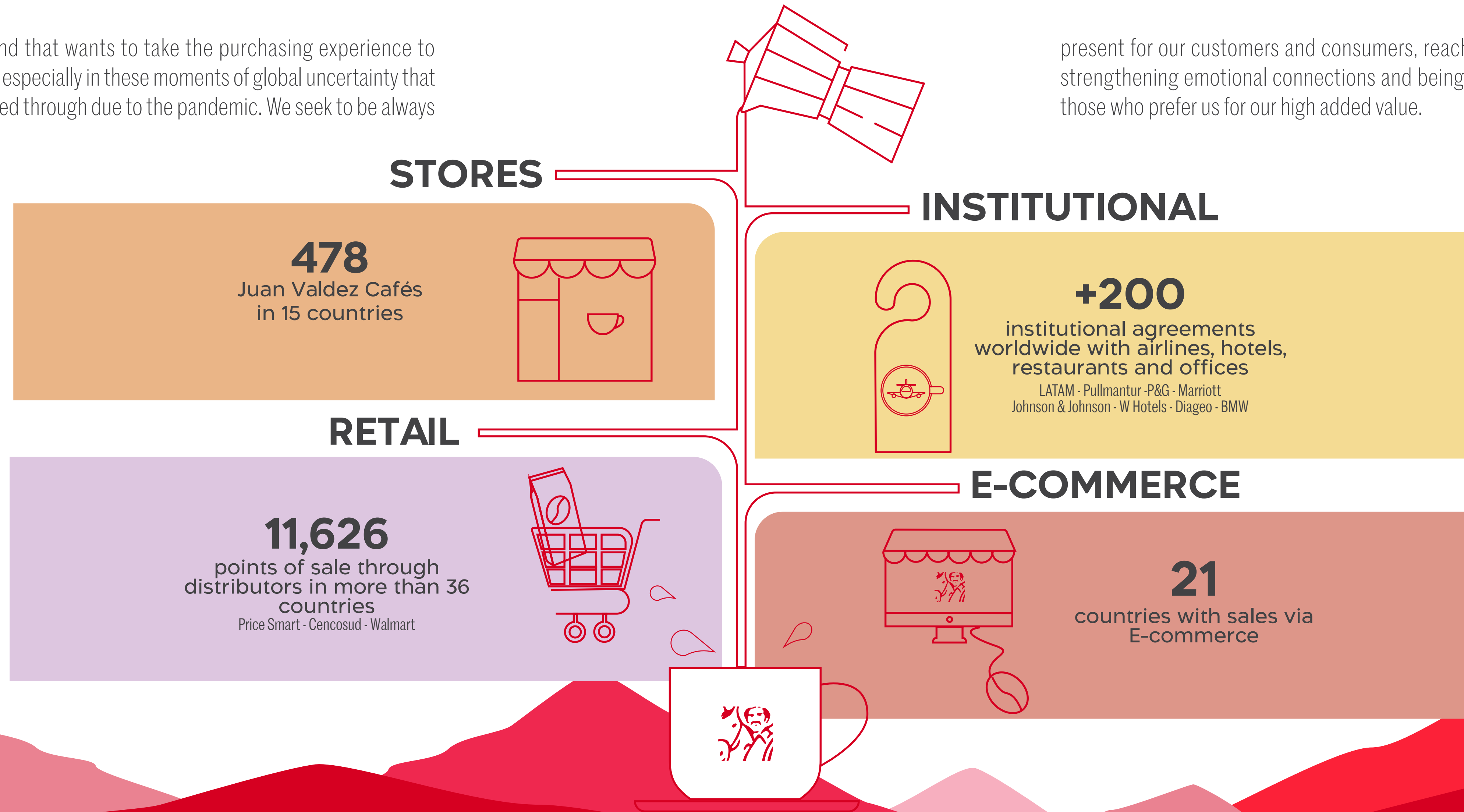


How we reach our customers and consumers

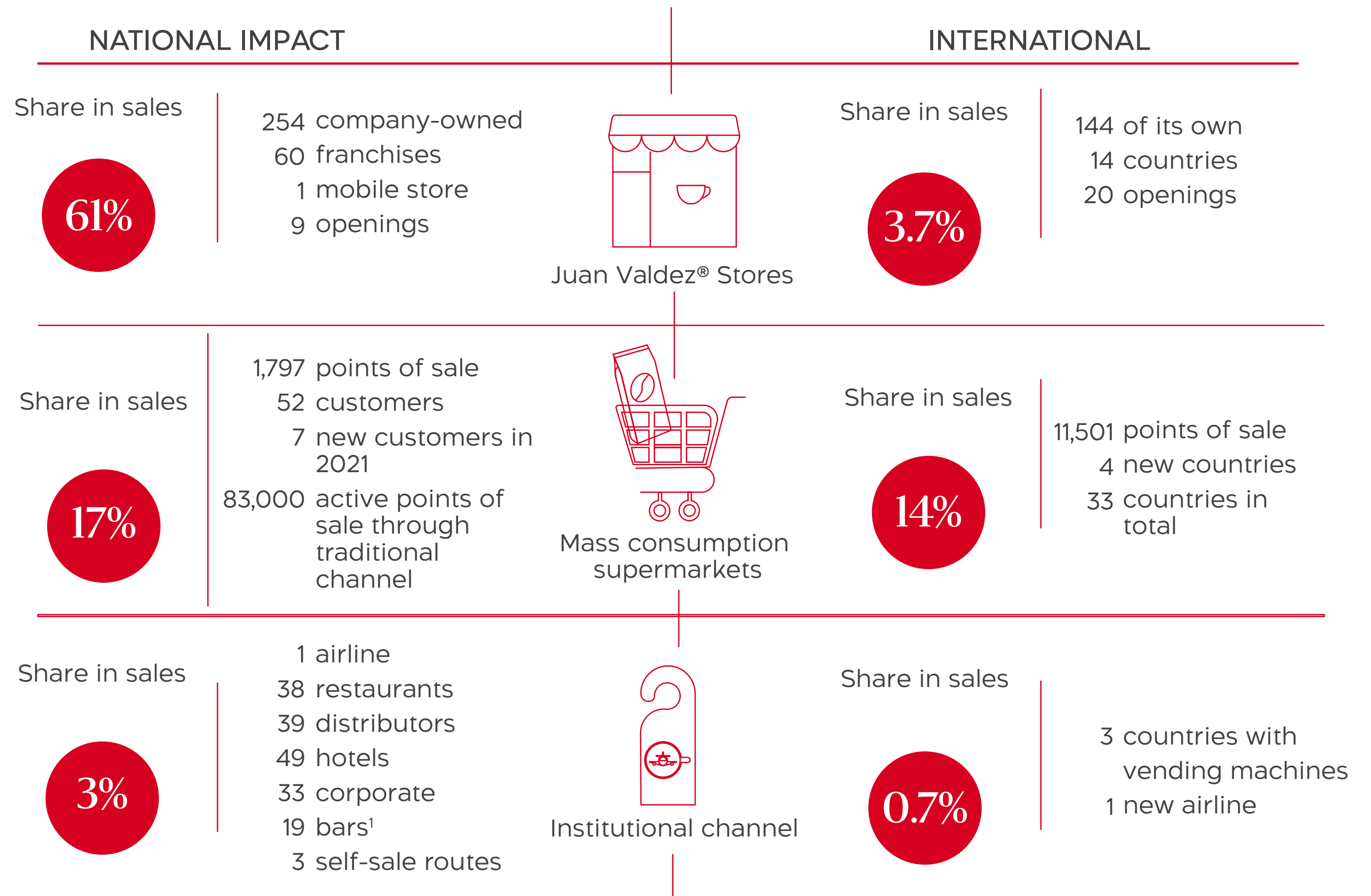
Our distribution channels

We are a brand that wants to take the purchasing experience to another level, especially in these moments of global uncertainty that we have all lived through due to the pandemic. We seek to be always

present for our customers and consumers, reaching their homes, strengthening emotional connections and being ever closer to all those who prefer us for our high added value.



In 2021 we achieved great results in all our channels: we developed actions at the commercial level and brand and positioning strategies, as well as product innovation that contributed to the growth of our brand indicators at various levels; we expanded our presence; we grew and deepened in the digital channels in which we had ventured; and we managed to continue connecting emotionally with the values of purpose, experience and country brand in Colombia and the world.



¹ The institutional bars are part of the 334 Juan Valdez® stores in Colombia.



At the channel level, these are the biggest bets and results:

The E-commerce channel, which with our [Juan Valdez® ONLINE STORE](#) in Colombia expanded its coverage nationwide in January 2021, maintained the positive trend in sales, growing 179% over the previous year. This growth was due to the incorporation of new features to the website, such as the Coffee Quiz and the subscription plan, along with the launch of gift cards, the content developed around the different preparations and methods, and the activation of special dates such as the Juan Valdez® Store Anniversary, VAT-free days and Black Friday.

Worldwide, through our franchises and distributors, we have presence in 57 E-commerce portals in 28 countries. We developed a strategy for each country, understanding the consumer profile, competition and customer needs, which helped us to strengthen the brand internationally and have a presence in the most important E-commerce platforms such as Amazon US, Amazon Mexico, Mercado Libre Chile and Jumbo Holland. Additionally, this channel has had a very important

impact in countries such as Chile, since sales through E-commerce represent 23% of the country's total sales.

On the other hand, in order to expand coverage in the digital ecosystem in Colombia, in 2021 we strengthened our presence in the Rappi and Ifood home delivery platforms. Product strategies, communication and promotional tactics have allowed us to strengthen the brand and make it increasingly relevant for consumers of these platforms, as well as achieving 100% of the established objectives.

We seek to bring Juan Valdez® to people's doorsteps. For this reason, we implemented a strategy for our institutional channel, implementing 3 self-sale routes and 1 residential complex route in Bogota. Thus, it was possible to bring customers packaged coffee and frozen pastries with the warmth that characterizes the company's personnel.

Additionally, on April 15, 2021, the coffee of an entire country ventured into the traditional channel with the objective of continuing to bring 100% premium Colombian coffee to more Colombian homes. We had a successful opening of this channel –consisting of neighborhood stores, mini-markets and wholesalers– in partnership with Altipal, one of the most important players in the distribution of consumer products in the country. The entry was made with a new portfolio of ground and soluble coffee that was specially developed and with which we seek to promote the consumption of 100% premium Colombian coffee, in all corners of Colombia. At year-end, we reached 83,794 points, reaching a coverage of 90% of the Colombian departments.

With a specialized portfolio strategy for the channel, we were able to capitalize on self-service stores, wholesalers, distributors and neighborhood stores.

We reached neighborhood stores in Colombia with a 100% Colombian export quality product, so that all Colombians could enjoy the coffee that they deserve.



We invite you to watch our video





New Coffee Mujeres Cafeteras



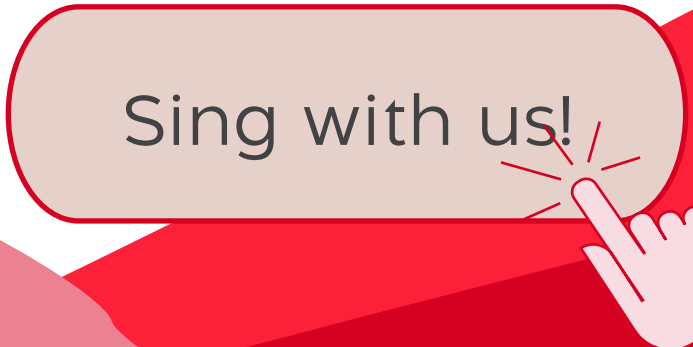
With the objective of making visible the work of women in the field, we launched the coffee line **Mujeres Cafeteras** (Women Coffee Growers), leveraged on the program of the same name, which promotes the empowerment of women coffee growers.

We developed the new image and structure of our coffee packaging, which are inspired in the mountains of Colombia and, besides being aligned with the premium brand positioning, they fulfill an educational role.

We made big bets that allowed us to diversify the formats and media through which we approach our consumers.



Through our communication platform, we are committed to continue building and contributing to the creation of links and connections between our brand and our audiences through different initiatives to celebrate Christmas. We created a **song** song that invites us to move forward and a coffee loaded with good wishes.



Positioning in the national market

[GRI 102-3, 102-4, 102-6] Our headquarters are in Colombia, and with our operations we reach a worldwide level.

In Colombia we are betting with new openings on a unique experience in the new context of the pandemic. We proposed formats that would allow us to offer a premium, agile and safe service to our customers, so that they could socialize, study or work while enjoying the excellent quality of Juan Valdez® products in spaces created to maintain distance and biosafety.

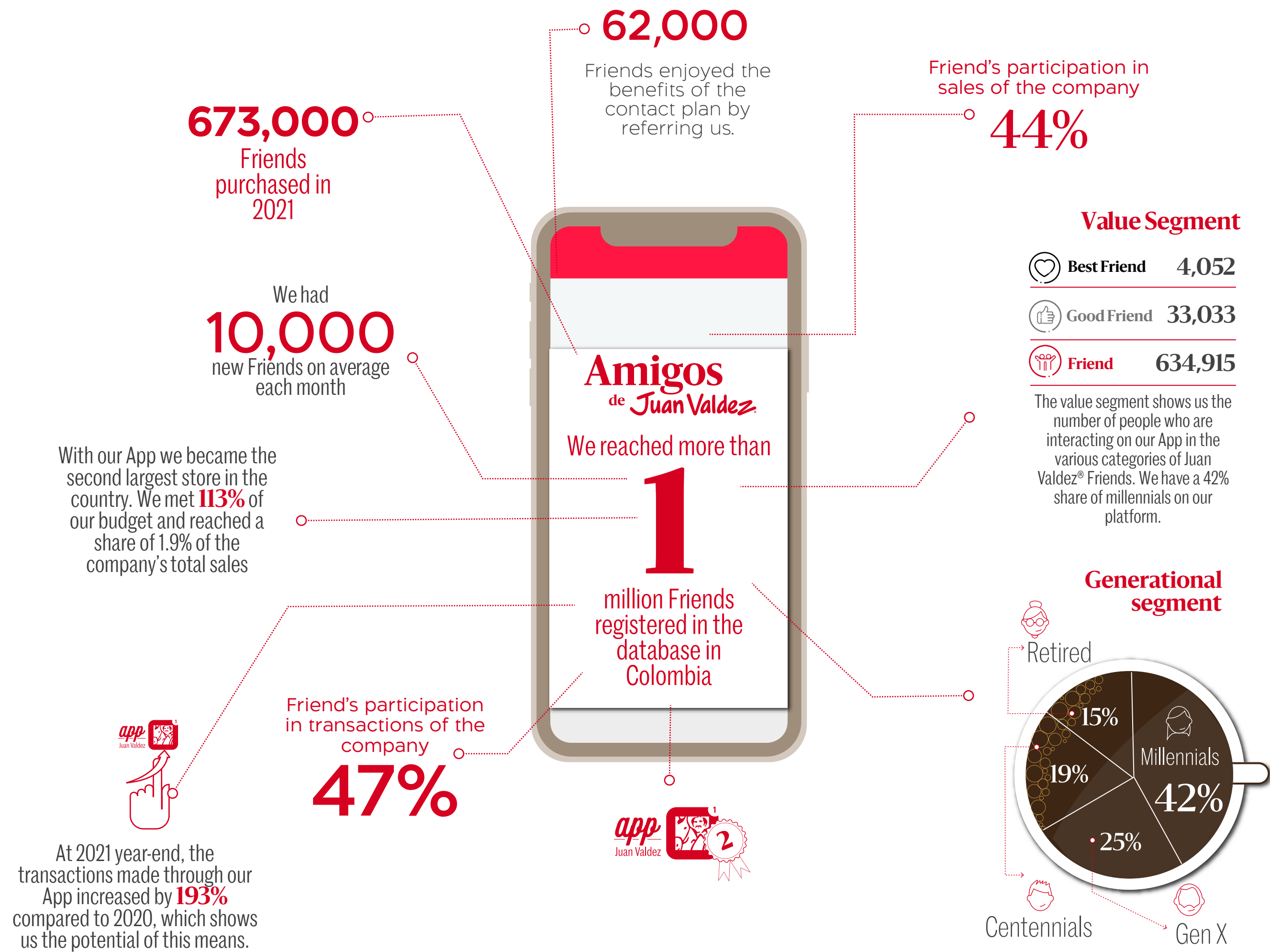
- By the end of 2021, Juan Valdez® has 334 stores nationwide, which are divided into 254 company-owned stores, 60 franchises, and 20 institutional stores.
- By 2021 we achieved 105% compliance with the annual budget; the channel became profitable; we served 18,955,132 coffee-based beverages in our stores; and we centralized security processes in our stores with 24/7 monitoring, achieving a national coverage of 95%. This has allowed us to optimize resources, streamline processes and increase efficiency.
- By 2022, we plan to open 30 stores nationwide.





Everyone can be a Juan Valdez® Friend

An important vehicle for loyalty and relationship building has been our App, through which we have generated Amigos Juan Valdez®, a community that in 2021 became an outstanding alternative channel, quadrupling its sales compared to 2020, which is equivalent to generating the same volume of the second highest-selling store in the country. Key factors in achieving this result were: the promotional activity associated with points; the combo and exclusive product; special dates and actions on experience Wednesdays; and Saturdays for sharing. With this program we have managed to generate emotional and transactional bonds with our consumers, thus obtaining profitable and long-term relationships.



Captivating the world with our Juan Valdez® brand

The brand is present in 40 countries (as of January 2022) through different channels.

The countries where we have the most significant operations in terms of sales are:

- Chile
- Ecuador
- Salvador
- Peru
- USA
- Paraguay
- Mexico



Other international achievements

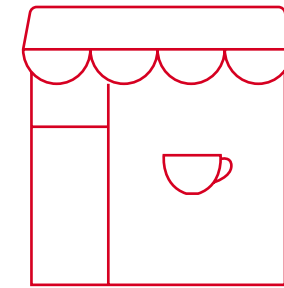


- Reach more countries in the world:
- 🚩 The Netherlands in the mass market channel
- 🚩 New Zealand in the mass market channel
- 🚩 Australia in the mass market channel
- 🚩 Spirit Airlines in the institutional channel
- 🚩 Signed contract to operate stores and FMCG in Qatar and Turkey
- 🚩 Seasonal Store in United Arab Emirates (Expo Dubai)



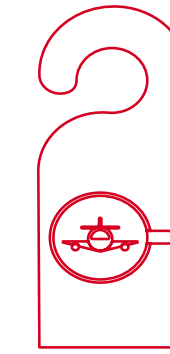
Worldwide presence in big-box stores:

- | | |
|---------------------|--------------------|
| USA | HONDURAS |
| COSTA RICA | BRAZIL |
| CUBA | FRANCE |
| SPAIN | NICARAGUA |
| MEXICO | GUYANA |
| EL SALVADOR | DOMINICAN REPUBLIC |
| QATAR | ROMANIA |
| PANAMA | PUERTO RICO |
| PERU | ARGENTINA |
| MALAYSIA | ARUBA |
| CHILE | CURAÇAO |
| ECUADOR | GUATEMALA |
| TAIWAN | JAPAN |
| CHINA | KUWAIT |
| URUGUAY | NEW ZEALAND |
| TRINIDAD AND TOBAGO | POLAND |
| PARAGUAY | UNITED KINGDOM |
| BOLIVIA | RUSSIA |
| BULGARIA | TURKEY |
| GERMANY | THE NETHERLANDS |
| | KOREA |



Stores:

- | | |
|-----------------------------|----------------------------------|
| VPT USA (OWN) | JV FRANCHISES QATAR |
| VPT CHILE (OWN) | JV FRANCHISES EL SALVADOR |
| VPT SPAIN (OWN) | JV FRANCHISES MALAYSIA |
| VPT ECUADOR (OWN) | JV FRANCHISES BOLIVIA |
| JV FRANCHISES PANAMA | JV FRANCHISES FLORIDA USA |
| JV FRANCHISES MEXICO | JV FRANCHISES PARAGUAY |
| JV FRANCHISES PERU | JV FRANCHISES COSTA RICA |
| JV FRANCHISES ARUBA | JV FRANCHISES CURAÇAO |
| JV FRANCHISES KUWAIT | JV FRANCHISES ARGENTINA |



Institutional:

- Chile - **Promotora Chilena**
- Chile - **Latam Airlines Group**

By the end of 2021, Procafecol presented a 111.2% growth in revenues compared to the previous year. This growth was driven by the good performance of all its channels, obtaining record sales.



Partnerships, certifications and recognitions

[GRI 102-12, 102-13] As part of the relationship strategy, we were able to position a company with a track record, committed to Colombian coffee growers and the country. This is evidenced in the partnerships, certifications and recognitions obtained during 2021. We also participated as a brand interested in contributing its point of view in the midst of the health emergency, generating relevant content on sustainability, corporate reputation, internationalization, gender equity and value creation for coffee growers. This was reflected in 353 publications and 40 interviews with our spokespersons.

Procafecol participates as an active partner in different initiatives. In addition, it has more than 5 product certifications and 3 company certifications.

Agreement Coffee, Forest, Climate

With the signing of this agreement in October 2021, Procafecol joined the main actors of the coffee sector, assuming the commitment to support the suppliers of the coffee value chain in the mitigation and adaptation to climate change, as well as in the protection and restoration of forests. This is detailed in the chapter on our social and environmental commitment, where we go into more detail on the subject of “Mitigation and adaptation to climate change”.



Inclusive Company Seal

During the 5th ANDI (National Business Association) Social Market Place held in November 2021, Procafecol was recertified as an Inclusive Company. This is a recognition granted by the ANDI Foundation –in partnership with USAID and ACDI-VOCA, and with the support of Deloitte– in order to highlight the practices of inclusion of vulnerable populations and reconciliation in the value chain, such as our Inclusive Procurement and Coffee Grower Friend Plan programs.

In 2019, Procafecol was recognized for its inclusive purchasing processes, which aimed to have products whose suppliers were communities in vulnerable situations. For 2021, the company was able to demonstrate that it remains committed to these inclusive practices and decided to present and certify together with them the programs for the generation of shared value for youth and women coffee growers. This led to the company’s recertification as an Inclusive Company in the category of Inclusive Procurement.

Certified B Corporation

In 2021, Procafecol was certified as a B Corporation. This achievement came after two years of traveling along a path it embarked on in 2019, when it decided to begin the process of evaluating the route that would lead to generating increasingly greater positive impact from its business model. As a natural consequence, it



became certified as a B Corporation with a score of 86.7 out of the 80 points required for the certification.

The fact that the coffee growers are the *raison d’être* of the business, occupying a leading role as owners of the brand and suppliers of 100% of the coffee, became one of the most important reasons for achieving certification. By forming part of the National Federation of Coffee Growers, the company watches over the interests of all the coffee growing families in the country that are, in their majority (96%), small and medium-sized producers.

In this way Procafecol was able to certify its purpose of generating shared value beyond the financial aspect, since it is conceived as a company that has not only worked to have a traceable supply chain with the entire coffee growing community, but also complies with a transparent corporate governance and constantly watches over the well-being

of its producers and collaborators. In addition, it is committed to achieving the best social and environmental practices in each link of its chain of operation.

The following were our results in each of the dimensions evaluated, which reflect that purpose at the core of the business model:

1. Community: 41%

This is the center of the impact business model of Procafecol S.A., which is based on the relationship with the Colombian coffee growers, who are the owners of the brand, the suppliers of 100% of its coffee and the *raison d’être* in the creation of Procafecol S.A.

The company has made a permanent effort to include suppliers from vulnerable populations in the company’s supply chain. This has been achieved through an inclusive procurement policy for the acquisition of operating supplies or branded articles and through the programs of shared value: *Mujeres Cafeteras*, *Renacer* and *Plan Amigo Inversionista*.

2. Workers: 22%

Their role is essential to the organization, which is reflected in the following practices:

- 100% of employees covered by life insurance.
- 100% affiliated to a private complementary health insurance.
- Additional days for maternity and paternity leave.
- A robust Occupational Health and Safety System that ensures optimal conditions to perform each job.
- General training and coaching focused on role-specific development, soft skills and career plans.
- Labor Inclusion Program.

3. Governance: 19%

Relevant highlights:

- Positive impacts from the generation of shared value for coffee growers, shareholders, consumers, employees and suppliers as a strategic objective of the organization. Visibility of the organization's actions in terms of ethics and transparency in governing bodies.

- Auditing and financial controls that ensure legitimacy and protection of the entire business.

4. Environment: 14%

This component highlights the integration of monitoring and control strategies relevant to the climate change mitigation strategy, which aims to chart a concrete path towards reducing the impacts of the operation and the supply chain. These strategies include:

- The circular economy platform called "Don't Break the Cycle."
- Waste management and reuse of materials such as glass, plastic, paper and cardboard, thus avoiding their final disposal in landfills.
- The design of a tool that allows traceability of the significant social and environmental impacts of suppliers, with the purpose of achieving a more sustainable supply chain.

5. Customers: 3%

Highlights of this component:

- Evidence of 100% coverage of a formal guarantee against all products in the portfolio.

- Use of methodologies created by a third party to manage the quality assurance of all products or services.
- Monitoring of customer outcomes and well-being, including a formal program to incorporate customer studies and feedback into product design to reduce negative effects or increase perceived positive effects.

With these results, and as a B Corporation, Procafecol is committed to continue contributing to the construction of a new economy, turning global challenges into opportunities to create value in society and the environment. Procafecol is also committed to continue honoring the name of an entire country and the name of Colombian coffee in the world.

BASC Certification and OAS Accreditation:

Through the implementation of the BASC security and control management system, in Procafecol S.A. we seek that the experience around coffee and Juan Valdez® brand products are recognized for their quality, image and safety. Since 2013, Procafecol has had this certification, granted by an international non-profit business alliance that promotes safe trade in cooperation with governments, customs and international organizations.

We guarantee the integrity of processes, products, cargo and cargo units to prevent our operations from illegal activities such as corruption and bribery, money laundering, terrorist financing, terrorism, smuggling, cargo contamination and arms trafficking.



Authorized Economic Operator (AEO):

In August 2013, Procafecol received accreditation as an Authorized Economic Operator (AEO), which ratifies the reliability and high security standards in its supply chain.

This accreditation is an authorization granted by the Colombian Tax and Customs Authority (DIAN) to companies that guarantee security in all their commercial processes and operations. The AEO program is present in 91 countries and there are close to 70,000 certified companies internationally.

Procafecol is now one of the almost 400 companies accredited as an Authorized Economic Operator in Colombia, making it one of the companies qualified to self-manage the security of its supply chain through knowledge of business partners, control of document and operational processes, and transparent management of customs operations.

Product certifications

Halal Certification:

Our Juan Valdez® Coffee has the Halal certification that guarantees that our products comply with the requirements of Islamic Law. This means that we make sure that our raw material purchases are Halal products and we verify that the production lines and systems of Juan Valdez® roasted coffee are free of non-Halal ingredients, such as pork or any of its by-products, alcoholic beverages, etc.

Consuming halal is a commandment in the Koran. Therefore, as a company we ensure that production destined for the Islamic market is covered by this certificate granted by LPPOM MUI.

Kosher Certification:

We have Kosher certification for our entire roasted coffee portfolio, which guarantees that we comply with the requirements for the Jewish religion. We are certified with the Orthodox Union organization.

Organic Seal Certification:

Our Juan Valdez® Organic coffee is grown and produced by Colombian farms under a series of standards and with methods, practices and inputs that include strict compliance on issues such as:

- Use of renewable resources.
- Soil and water quality conservation through the control of chemicals, artificial pesticides, fertilizers made with artificial ingredients or sewage sludge.
- Limiting the use of genetically modified plants and animals.
- Guaranteeing transparency in labeling.
- Monitoring and auditing up to the transportation link.

These guidelines allow us to maintain a guarantee of trust in the production of coffee that goes from the farm to its industrial processing, which ensures that only organic inputs have been used in the process.

At Juan Valdez®, we have the certification of the following seals in their respective markets:

- Organic Food (Colombian Market).
 - USDA (American Market)
 - UE (European Community Market)
 - JAS (Japanese market)







UTZ Seal Certification

Finca Juan Valdez® coffee has responsible sourcing and agricultural production through a global program that verifies that the products have been produced in accordance with the UTZ certified code of conduct criteria and that they meet the Chain of Custody standard.

The code of conduct criteria are based on the following dimensions:

People: UTZ certified farms are safer places to live and work, and where human rights are respected.

Reward-profit: UTZ farming methods result in higher quality and more efficient crops at lower prices.

Planet: UTZ certified producers use land, water and energy carefully, protecting natural resources.

In addition, the Code of Conduct sets out the requirements that are at the heart of the program, encompassing better farming practices and working conditions, as well as better care for nature and the next generations. This contributes to the brand's farmer-suppliers having better harvests and generating a higher income from them, increasing their social and economic adaptation, and preserving natural resources.

[GRI 102-13] At Procafecol we are convinced that collaborative work with unions and associations provides great value and strengthens the company and its stakeholders. We are currently affiliated with ANDI, ANDA, ACODRES, the Colombian-Japanese Chamber of Commerce and the B Corporation Movement.

Recognitions and awards

In 2021 our CEO Camila Escobar was proclaimed **Best Business Leader** in the Premios Portafolio awards, the country's most important recognition of leadership



14th place in MERCO's measurement of the most responsible companies in terms of ESG in Colombia for 2021, second in the Restaurants and Coffees' sector.



17th place in the evaluation conducted by MERCO in 2021 to identify the companies and leaders with the best reputation in the country, climbing 10 positions with respect to 2020.



30th place in the MERCO evaluation focused on measuring the ability to attract and retain talent in companies, climbing 34 positions with respect to the previous year.



We are the first company in the coffee sector to receive a guarantee from the Fondo Nacional de Garantías (National Guarantees Fund) to back **bond issues** in the stock market.



Award nominees TOP 10 P&M as **brand of The Year, and Best Marketing Leader.**

We won the award brand action with purpose of the P&M awards, for **Mujeres Cafeteras.**



Nominations

Procafecol's program **Mujeres Cafeteras** was a finalist in two of the most important awards in our country:

Premios Portafolio in the category of **Corporate Social Responsibility** and Emprender Paz, which is an **initiative of the Fundación Grupo Social.**

Both have been dedicated to identifying and recognizing sustainable business initiatives that provide concrete solutions to improve the conditions of populations in territories affected by violence.





Our Governance

| 02

Governance is fundamental to the operation of our organization, insofar as it promotes a series of principles, values and good business practices that allow us to enhance performance, value generation, competitiveness and sustainability. Representing more than 540,000 coffee-growing families in Colombia, Procafecol has the duty to shape its organization in a way that enhances the Juan Valdez® values.

[GRI 102-11] From the legal area, we permanently monitor and follow up on all laws, decrees, resolutions, circulars, jurisprudence and, in general, any type of regulation that may be required of the organization, taking into account its modifications over time. Based on this regulatory monitoring, a matrix of legal requirements is prepared,

grouping the applicable and relevant rules for Procafecol, which is shared with the areas and business units concerned to ensure that they act in accordance with the standards and requirements of these regulations.

To comply with this purpose, the Legal Management conducts training and appoints a representative from each department, who will be in charge of the strict control of the activities that are the responsibility of his unit and the observance of the legal requirements that apply to them. All of the above is put into practice with a focus on prevention and through the promotion of a culture of compliance in all areas of the company.





Values, principles, standards and norms of conduct

[GRI 102-16] Based on its strategic approach, Procafecol defined the following values that guide its employees and the company:

- **Colombianity:** Beyond being Colombian or not, it is about identity and pride in believing and living the most positive elements that characterize us Colombians: passion for what we do, kindness, spontaneity, joy, sincerity, hospitality, creativity, drive and hard work.
- **Integrity:** To direct all our actions under the principles of honesty, truth, justice and cooperation, both in dealing with others and with ourselves. It is doing the right thing, even without anyone seeing us, and not doing the wrong thing, even if everyone else does it.
- **Service:** A permanent attitude of collaboration and the search for opportunities to create memorable moments that bring joy to other people's lives. At Juan Valdez®, service is expressed through quality, experience and connection to our purpose.

[GRI 103-1, 103-2] Governance is a tool that frames our actions within our bylaws and the law, which implies Procafecol's commitment to transparency and corporate responsibility. The company has a group of policies and guidelines to govern the standards and conduct of people in the organization, among which the most relevant are:

- Hiring and purchasing policy.
- Personal data processing policies.
- Corporate governance code.
- Compliance with the matrix of legal requirements.
- Code of Ethics and Conduct.
- Bribery and Corruption Prevention Policy.
- Risk Management Policy.
- Confidentiality and Confidential Information Policy.
- Information Technology Security Policy.
- Integral Security and Control Policy for the Supply Chain.
- Self-Control and ML/FT Risk Management Manual.



We also created a comprehensive personal data management system for the company, with a personal data officer who assigns roles and responsibilities to the different areas involved in data management. In addition, we have strengthened the personal data protection committee, which acts as an instance of analysis, follow-up and construction of actions for continuous improvement.

We permanently seek to comply with the law and to enhance the work of all areas through comprehensive and strategic legal advice, in order to generate greater value for the company and ensure its growth.

Thanks to our code of good governance, we are in the index of Best Corporate Practices of the Financial Superintendence of Colombia. By 2022 we have as a goal the construction and issuance of the first Corporate Governance Report, which is presented to shareholders and the general public.

Our legal area supports the growth of the Juan Valdez® brand through

international franchises; alliances and partnerships; and other legal schemes for business expansion. This with the purpose of taking Colombian coffee to the top of the international market. In our internationalization process we are implementing the processing of personal data with the project of international scaling of the “Amigos Juan Valdez®” program, a relevant task for the harmonization of the program with the regulations of the different countries.

[GRI 103-3] Our legal department carries out an annual evaluation to analyze whether the different areas of the organization are complying with the Legal Requirements Matrix, and thus ensure that all activities carried out in the company are in order and in accordance with the standard.

The Legal Requirements Matrix includes the regulations that apply to the company on various fronts, such as commercial, corporate, advertising, environmental, labor, health, tax, exchange, customs, consumer protection, import and export, personal data and copyright.





Governance structure and committees

[GRI 102-18] The company's governance structure is composed of the General Shareholders' Meeting, the Board of Directors, the Support Committees and Senior Management, headed by the CEO. Our decision-making bodies are:

General Shareholders' Meeting: This is the supreme governing body of Procafecol. It is composed of the holders of shares that appear registered in the Shareholder Register, who act by themselves or represented by their proxies or their legal representatives.

Board of Directors: This is a collective body of administration and governance that is responsible for the company's management and, therefore, has the power to order the execution of any act or contract

included within the corporate purpose and to adopt the necessary determinations in compliance with the corporate purposes and strategic objectives of the company.

Compensation Committee: Responsible for supervising and recommending Procafecol's compensation and talent management policies, plans and actions, as well as submitting the corresponding reports to the Board of Directors for decision-making on the matter.

Audit Committee: Its main purpose is to support the Board of Directors in making decisions regarding Procafecol's internal control and auditing systems, and the improvement of such processes, ensuring that they are in line with the needs, strategies and financial, administrative and operational objectives established by the Company.

Financial Committee: Responsible for making a detailed study of the Company's financial structure and reviewing strategies for strengthening its equity.

Equity and Diversity Committee: Contributes to optimizing the performance of employees in terms of inclusion, gender equity and diversity, as part of an organizational culture that permeates all processes and stakeholders of the company.

RENACER Committee: Develops the company's entire strategy.

Risk management

[GRI 102-15] During 2021 we strengthened the Risk Management guidelines by raising this topic to the level of policy and implementing the management culture in the company.

The policy and procedure define the guidelines and methodology for the identification, analysis, assessment, treatment and monitoring of operational and strategic risks to which we are exposed in the development of the different activities included in the corporate purpose and in the fulfillment of the established strategic objectives. In 2021, about 177 operational risks and 13 strategic risks were managed, grouped as follows:

- **Environmental & Sustainability:** Generation of shared value; non-compliance with goals established for the circular economy and climate change mitigation; non-compliance with commitments adopted regarding best social and environmental practices.
- **Human Resources:** Employee relations; Occupational Health and Safety; training and coaching.
- **Environment & Market:** Knowledge of markets; low supply or lack of supply of coffee and competitors; conditions of political, economic and social stability and change at the global level.

- **Financial:** Deviations in compliance with indicators; insufficient coverage; inaccuracy and/or untimeliness in the provision of financial and tax information; absence and/or weaknesses in the definition of tax planning; fiscal impact or negative effects of tax policy; limited access to resources.
- **Legal:** Compliance with internal and external regulations by the Issuer. Additionally, the Legal Management sub-process generates, for all other processes of the Issuer, guidelines to identify, update, implement and communicate the Company's requirements in terms of law, regulations and bylaws.
- **Supply Chain:** Interruptions; compliance with contracts (Customers-Suppliers); business continuity.
- **Commercial:** Selection of third parties; market conditions; competition; portfolio.
- **Operations:** Associated with the provision of service in Juan Valdez Café® stores.
- **Reputational:** Situations that affect or erode the brand, product or perception that stakeholders have of the Issuer. Non-compliance with agreements for inclusive purchases or for the Plan Amigo Caficultor® program.

- **Security:** Associated with the prevention of Illicit Activities, Money Laundering and Financing of Terrorism.
- **Technology:** Disarticulation of the IT strategy and the business strategy, and associated with IT architecture, transformation.

Risk management allows Procafecol, through the cycle and guidelines described, to mitigate risks to reduce their potential impact, without implying their total elimination (going from inherent to residual risk).

For 2021, none of the materialized risks affected the continuity of the company and, in general, correspond to risks associated with the ordinary course of business with non-material impacts.

Delegation of authority

[GRI 102-19] In our organization, the delegation of authority is in the Board of Directors, to the extent that it has the authority to order the execution of any act or contract included in the corporate purpose and to adopt the necessary determinations in compliance with the corporate purposes. The Board of Directors is responsible for deciding on economic, environmental and social matters.



Executive-level responsibility for economic, environmental and social topics

[GRI 102 -20] The sustainability strategy is inserted in the company's core strategy as one of the enabling drivers, together with digital transformation and human talent. In this sense, it has a measurement system with initiatives, action plans and KPIs.

The sustainability area and specifically the sustainability manager is in charge of the strategy, reporting directly to the CEO. Sustainability department is also part of the RENACER committee, from which the company's entire strategy is developed.

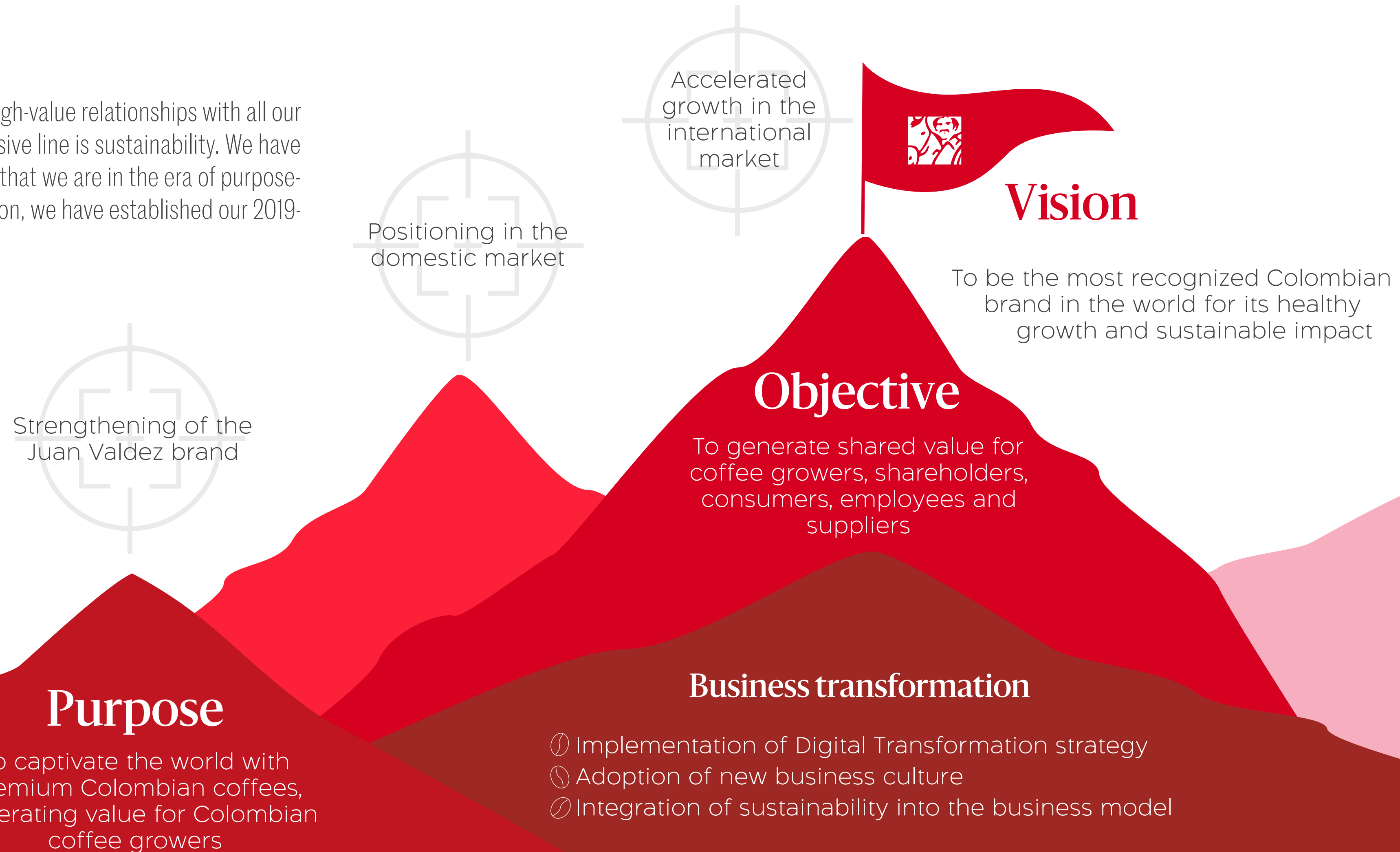
All employee relations and labor inclusion issues are handled by the Human Resources Department, which also reports to the CEO.



Our sustainability vision

03

We envision ourselves fostering high-value relationships with all our stakeholders and our comprehensive line is sustainability. We have reviewed future trends and know that we are in the era of purpose-driven organizations. For this reason, we have established our 2019-2021 strategic roadmap:



Strategy evolution 2019 - 2021

Initiative	KPI	2019	2020	Expected target in 2021	Compliance 2021
Implementing a sustainable procurement plan	% Suppliers evaluated	N/A	N/A* *During 2020, the Social and Environmental Performance Tool for suppliers was designed.	20%	29%
Implementing a Coffee grower's plan	% of specialty coffees	12%	15.37% *As a result of the pandemic, the volume of total company purchases decreased to a greater extent than the volume of specialty coffee.	12%	12%
	# Beneficiaries of shared value programs*	21	31	100	153
Implementing a path towards climate change mitigation and a circular economy strategy	Carbon footprint calculation	N/A	33.33% (Scope 1)	66.66% (Scope 1 and 2)	66.66% (Scope 1 and 2)

*Women Coffee Growers, Renacer and Plan Amigo Inversionista.



Dialogues with stakeholders

[GRI 102-40, 102-41] As part of a collaborative construction, in which we wanted to listen to our stakeholders and share with them the trends in sustainability and our vision as Procafecol, 8 virtual spaces were generated that we named Café con visión sostenible de Procafecol (Coffee with sustainable vision of Procafecol). These meetings were held with the support of a consulting firm specializing in sustainability and were aimed at identifying the key issues for each stakeholder group.

Initially, a strategic meeting was held with the sustainability team, as a result of which key issues were identified for Procafecol's current and future management. Another meeting was held with employees representing internal areas, and with these internal exercises, a space was created with the management team to validate the topics from the sustainability vision of the corporate governance headed by its directors.

Among the tools applied in these internal conversations, surveys were generated for the prioritization of the groups, taking into account the influence and dependence of the stakeholders on Procafecol and its activities.

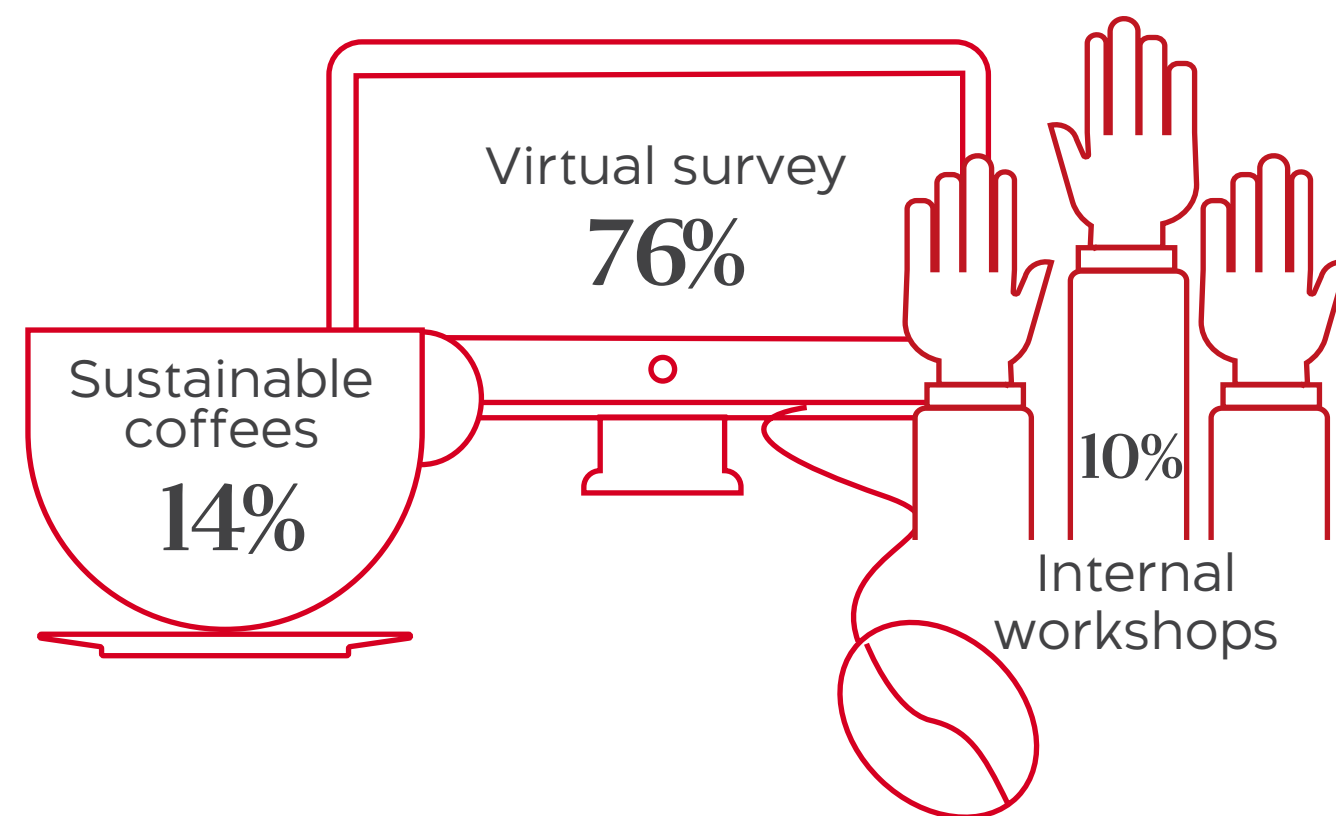
The stakeholders with the highest weighting selected were: Employees, Franchisees, Final Consumers, Customers, Shareholders, National Federation of Coffee Growers, Certifying Entities, Coffee Growers and Suppliers.

At an external level we met with national and international franchisees, companies, customers, suppliers and coffee growers with the objective of generating focus groups to discuss the issues of material impact –economic, social and environmental– in relation to the goals that we have set as an organization and the trends that impact these specific groups.



The consultations that we carried out counted had wide participation from stakeholders. 1,137 participants in total: 115 from among the sustainability team, managers and employees attended the internal workshops; 153 connected to a sustainable coffee; and 869 answered the virtual survey.

Additionally, the issues were analyzed qualitatively and quantitatively, according to the responses.





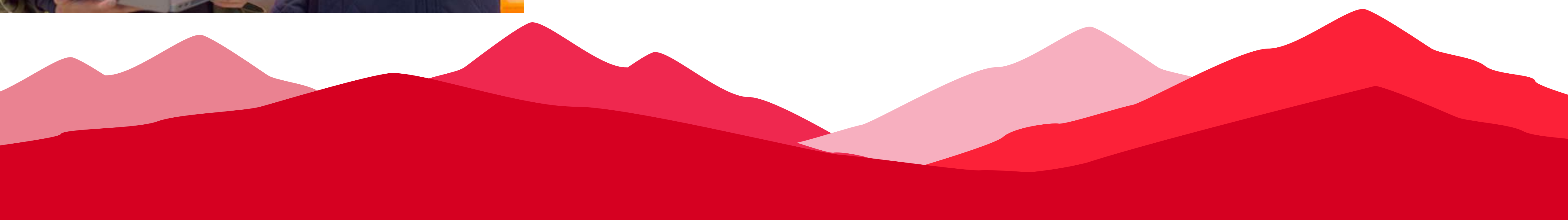
Materiality analysis

[GRI 102-42, 102-43] In the materiality exercise carried out with the sustainability team, 49 topics were selected from the sustainability context, taking into account references of trends in the agriculture and food sector, as well as the current strategy. Since it is a priority to analyze the issues of greatest impact, an open forum was held with Procafecol's employees to learn their point of view on the most relevant issues and, as a final filter, a validation was made by the organization's leading team. Thus, 21 topics were left to discuss in the consultations with the selected stakeholders. 15 topics were consulted with all stakeholders.

[GRI 102-46, 102-47] With the advice of an external consulting firm, we carried out the materiality exercise. All possible sustainability topics

that are relevant to the organization were prioritized, and from this, 15 topics were selected with an average rating of 4, which means medium-high level. These topics were identified as relevant according to the materiality analysis required by the GRI standard, which takes into account the ratings received by stakeholders and the strategic vision of our organization.

The graph resulting from this analysis shows us the topics that are of very high relevance to our sustainability vision, considering that the 15 topics selected to be consulted with our stakeholders obtained a higher rating from medium to very high in terms of the importance of their impact.



Materiality graph

According to the results of our materiality analysis, the 15 topics consulted are presented below in order of relevance:



Very High relevance

1. Women coffee growers
2. Investor relations
3. Quality and safety
4. Fair trade²

High relevance

5. Reputation
6. Generation of value to coffee growers
7. Innovation
8. Anti-corruption policies and procedures
9. Evaluation of best environmental and social practices in the supply chain
10. Sustainable investment
11. Regenerative agriculture

Moderate relevance

12. Circular economy
13. Responsible purchasing criteria
14. Adaptation to climate change
15. Corporate governance

This analysis gives us an overview of the challenges that have a high impact on our sustainability strategy, which we will continue to strengthen with a view of what we dream of building in the future.

² A commercial system that promotes transparent and fair conditions based on social and environmental criteria that benefit producers.

Key issues mentioned

[GRI 102-44] An open-ended question was included in the consultation form, in which stakeholders listed other issues they considered important for the organization to consider. These issues are presented below:

- Affordable price
- Involve more practices with producers
- Payment for coffee above the baseline
- Training
- Responsible production and consumption
- Sustainable development
- Maintaining quality
- Eco-design
- Healthy food
- Safety certifications





Women coffee growers



"This program is giving us a new way to see ourselves capable of sustaining our families, bringing out, despite challenges such as climate change, our coffee production. As women in the field, we feel happy with all the knowledge that they are sharing with us about finances and other topics that we did not know about".

Asomucavit Association (Viotá, Cundinamarca)



Franchisees great allies



"A great challenge that we have is taking the lessons of sustainability to each store, so that we can train more and more of our staff who is facing the customer on these issues."

Coffee Experts

Procafecol Employees

"It's an honor to work in a company where our boss is the coffee grower; being able to get to know their farms, be inspired by their daily challenges and support them makes a difference."



**Maria Paula Dulcey
International Marketing**

Suppliers



"Count on us to generate synergies in solutions for the recyclability of packaging. We have a great challenge in common and it is the circular economy"

MICROPLAST AND COLDEPLAST

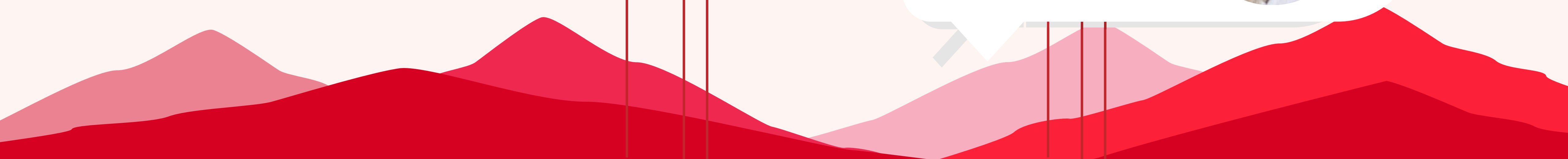


Consumer Juan Valdez® Friend App



"I think the job opportunities offered to people with Down syndrome are very good, a nice way to encourage inclusion."

Anonymous response





Sustainable activities that generate shared value

Creating economic value with innovation, ethics, quality and safety

[GRI 200] 2021 was for Procafecol a year of exceptional results and records in several indicators that were achieved thanks to the work and commitment of an aligned and cohesive team that was always clear about its vision and its north, despite the changing conditions, uncertainty and complexity of the market.

We applied conscious and empathetic leadership, and deepened those skills that generate true connections and bring out the best in people. Flexibility and agility were key elements to face the challenges, so we continued to bet on organizational transformation. We adjusted quickly, maintained productivity and achieved efficiency, while continuously learning.

The company promoted several initiatives that contribute to our economic sustainability, quality and innovation. All of them are based on ethical actions that help stabilize the operation and make it profitable, which has led us to achieve sales levels that are even above pre-pandemic levels. We have connected to consumers in different ways.





Value for our supply chain

[GRI 102-9] The supply chain process is part of the strategy and finance area, and its objective is to manage and guarantee the supply of raw materials, inputs and products requested by the organization's internal customers to meet our customers' orders with the timeliness, quality, price and safety standards established by the company.

Within the supply chain area are the processes of planning, purchasing, production and logistics both nationally and internationally. Our activities include:

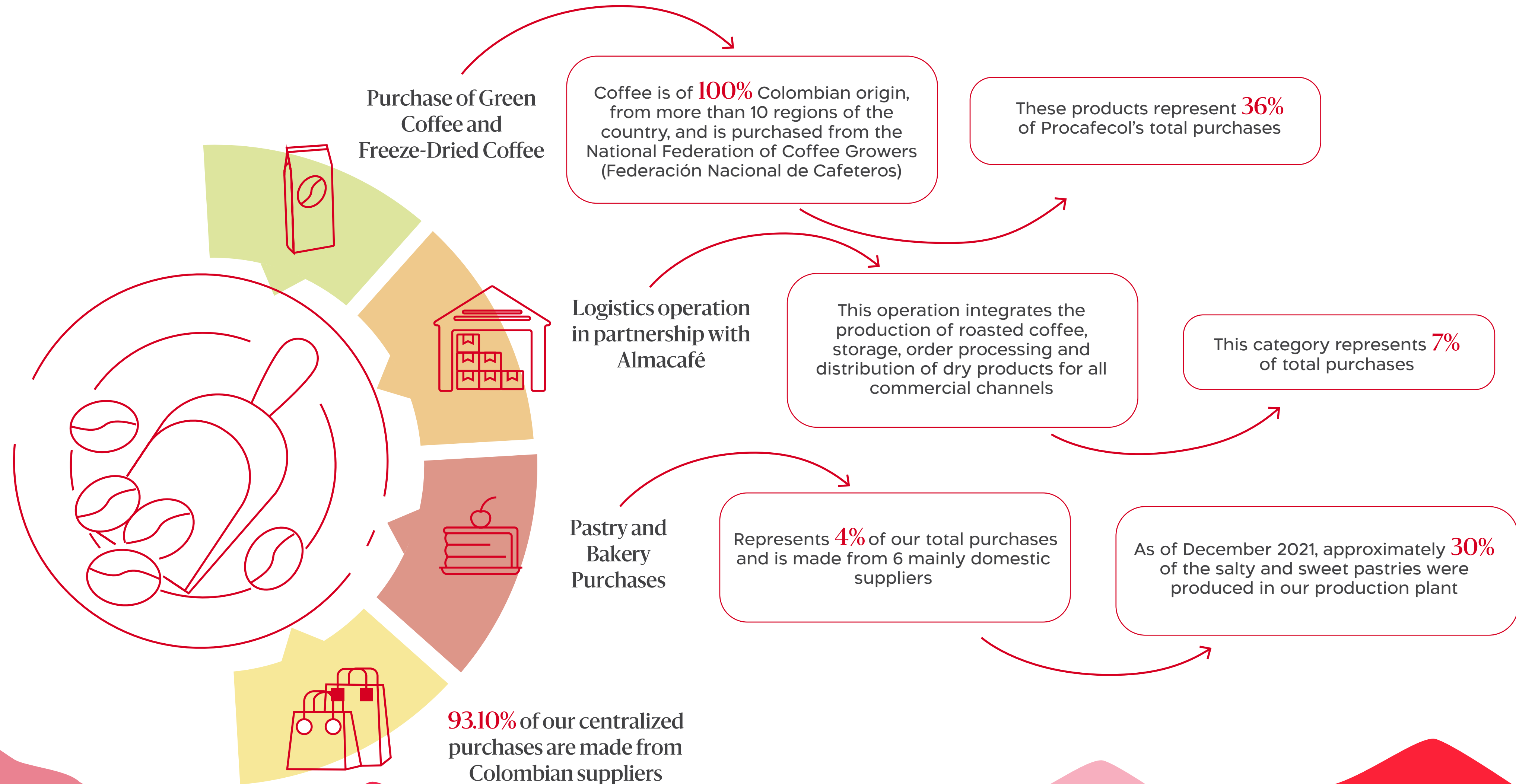
Supply planning process. Integrates the demand planning processes of the commercial channels, as well as the supply and inventory management processes of the logistics and production centers.

Purchasing process. Performs the search, development and selection of suppliers under the parameters established in the contracting policy and the purchasing procedure, seeking to ensure sustainable supply.

Production process. Manages the operation of the food production plant where fresh products are manufactured for distribution to stores in Bogota and its surroundings, as well as frozen bakery and pastries that are distributed to the company's own stores, franchises and institutional channel bars nationwide.

National and international logistics process. Manages the sub-processes of storage, transportation, imports and exports of products to the different markets and commercial channels.

Main nodes of our supply chain







Quality and safety

[GRI 103-1, 103-2, 103-3] We seek to keep satisfied, trusting and loyal customers through a safe and consistent product offering, and by ensuring that quality standards are met in our food products by our suppliers and in our operations, thus ensuring legal and sanitary compliance. We have a quality management team that supports this process at the national and regional levels. The objectives we have as a company at the level of our quality management are:

- To keep satisfied, trusting and loyal customers through a safe product offering consistent with the company's strategy to consolidate the national and international market.
- Guarantee quality standards in the products offered in Juan Valdez® Café, ensuring compliance with sanitary regulations and the safety of these through validation during all stages: reception, preparation, exhibition, storage and sale to customers.
- Validate the capacity of suppliers to produce, store and distribute food in compliance with sanitary regulations. According to the annual global evaluation, the frequency is prioritized and audits of food plants and new suppliers are planned.
- Ensure regulatory compliance for labeling and primary packaging of our products.

The highlight achievements in Procafecol's quality management include:

- Virtualization of the Good Manufacturing Practices (GMP) course for personnel certification. Creation and development of GMP courses with coverage of 100% of the staff through the Virtual University and articulated with the Training area for legal compliance.
- Standardization and updating of SSOP (Sanitation Standard Operating Procedures) for machinery and operating equipment.
- Articulation of action plans and projects for legal compliance and product validations to ensure quality standards evidenced in supplier audits.
- Support and validation with the areas involved in the traceability exercise through a drill that is necessary to test the efficiency of the controls associated with the security systems of the supply chain, HALAL assurance system, product and FDA certifications.



The initiatives in which we are making progress are:

- Systematization of the complaints and claims management program, improvement plans and supplier audits.
- Progress in regulatory compliance with Resolution 810 of 2021, which establishes the technical regulation on nutritional and front labeling requirements that must be met by packaged foods for human consumption.
- Support in the development of operational processes and definition of new packaging that will lead us to have competitive advantages in terms of sustainability, ensuring sanitary compliance and product quality characteristics.
- Through quarterly internal audits, we evaluate compliance with the procedures established by the company in Juan Valdez® stores, controlling, validating and identifying risks in order to ensure quality standards.
- Microbiological analyses are audited every six months by accredited external laboratories to ensure safety and compliance with procedures, and suppliers are visited periodically for follow-up.



Innovation

[GRI 103-1, 103-2, 103-3] Product innovation seeks primarily to strengthen existing business categories in current channels or to identify opportunities to improve the brand's competitive position in a specific or new channel, given an identified opportunity.

It is a macro of the way of operating that describes the steps and stages to be followed for the development of a product. More than a process, we want it to be seen as a tool that allows us to appropriate the constant learning of the company in the process of developing new products, since it records processes and learning and is built with our experiences and best practices.

This macro is designed to manage the launch of new products and/or projects when more discussion and definition of the most relevant aspects related to sales, production, supply, investments, consumer and strategic priority, among others, is required. It applies to:

- Launching of new products in existing categories or in new categories.
- Launching of line extensions of existing brands, whether new varieties or presentations.
- Development of special portfolios for new channels and formats.



Innovation in Procafecol applies to all the channels and categories of the business, from beverages and food in the retail channel, to new editions and formats of coffee in mass consumption. All of this articulated under the strategic optics of the brand, in accordance with our purpose and thinking of our consumers.

Innovation for Procafecol is a strategic area and a vehicle to continue strengthening the brand and the business in the different markets. We seek to continually strengthen all lines of business and channels through new product and portfolio concepts, but we also continually seek to capitalize on opportunities in the short and medium term that will allow us to continue to grow and achieve the goals proposed in the company's growth strategy and the purpose of being the brand that represents Colombian coffee growers in the world.

During 2021, Juan Valdez® had several innovations at the product level, in order to meet the current needs of consumers and accommodate new routines. Some of the main launches were:

- Frozen products that offer consumers the opportunity to purchase, for home consumption and in packages for the whole family, the main pastry products found in stores.
- New offering in pastries with creamy coffee-based desserts.
- New 454 gr references that contributed to sales growth in the supermarket channel; the special portfolio for the traditional channel consumer; and discounters.
- Launching of the mass consumption expansion project, new portfolio for the traditional channel and self-service stores nationwide. We took the coffee of an entire country to many more Colombian homes, with a 143% increase in sales in the first year of launching.



- Renewal of the image of the packaged coffee portfolio in line with the new brand architecture. We were able to present a new line of graphic design in packaging that has a more educational and differentiating role in the portfolio, projecting everything that inspires us in the coffee world: our mountains, our origins, our diversity. More vivid and striking colors have been introduced to evoke our landscapes and the Colombian mountains where our coffees are grown.

The initiatives on which we are making progress are:

With the 2027 strategic vision as a reference, we continue to work on transformational projects that allow us to connect products in line with the needs of the consumer. We also continue working on presentations and formats related to coffee that can be established as differentiated proposals in the packaged coffee portfolio, mainly, and in new proposals in beverages and food to meet current consumer needs.

We evaluated the process considering:

- Consumer acceptance of the new concepts, reflected in purchase, repurchase and incremental sales indicators in the participating categories.
- Incremental sales in strategic projects.



Ethical and Anti-Corruption Management

[GRI 103-1, 103-2, 103-3] At Procafecol we have stated in our Code of Ethics and Conduct that “We believe that when we work together as an organization, we create an environment of respect and responsibility. Our expectations of behavior are always framed by our Code of Ethics and Conduct and the positive relationships that are generated through consistent and permanent compliance throughout the company.” We have also included Integrity in our values, defined as “to direct all our actions under the principles of honesty, truth, justice and cooperation, both in dealing with others and with ourselves. It is doing the right thing, even without anyone seeing us, and not doing the wrong thing, even if everyone else does it.”

Additionally, in the Bribery and Corruption Prevention Policy we are committed to “Normatively and institutionally develop the ethical principles that govern the company and that are in line with international agreements and treaties signed by Colombia to contribute to the preservation of global public order in the prevention and fight against bribery and corruption.” Among other objectives we aim to:

- Strengthen the culture of zero tolerance to corruption and bribery.
- Establish high standards of ethical behavior and transparency.
- Strengthen the company in the fight against bribery and corruption.
- Protect and consolidate the good reputation of Procafecol, its subsidiaries and the Juan Valdez® Café brand.
- Establish guidelines and procedures in the company to identify, monitor and correct situations of bribery and corruption.

In compliance with this policy, annual trainings are conducted on the policy, basic concepts and general guidelines that are directed to both the Back and Front Office. Also, the collection or updating of conflicts of interest of all employees is conducted annually. The declaration of gifts is also made and prevention tips are periodically sent via e-mail.

We believe that when we work together as an organization, we create an environment of respect and responsibility. These principles must be applied every day, in every act or conduct deployed, within the framework of a collective and corporate awareness of the adverse impact of wrongdoing and social rejection and the fight against any form of expression of discrimination or acts of corruption.

[GRI 205-1, 205-2] Among the achievements we wish to highlight in Procafecol's ethics and anti-corruption management are:

- During 2021, different field work was carried out focused on the evaluation of the company's controls, where comparisons were made with Internal Control Models (COSO - COSO ERM) that allowed us to propose improvements to existing processes and procedures.
- The annual training on prevention of bribery, corruption, internal conspiracies and suspicious activities, aimed at approximately 1,400 employees, had an attendance rate of 80% and an approval level of 81%.

The initiatives on which we are making progress are:

- Strengthening communication to employees through strategies and training.

- Updating the whistleblowing processes in the Ethics Line, as well as its communication to collaborators.
- Strengthening of the company's culture and employees around Business Ethics.

Follow-up on anti-corruption approach:

[GRI 205- 3] 1,748 Conflict of Interest declarations were collected by 2021. In cases where a situation was identified that required a decision for the elimination of the conflict, the corresponding actions were taken. None of the statements involved a situation relevant to the company.

The information gathering process was carried out during the year for all employees, explaining what a real or apparent conflict of interest is. New employees filled out the declaration upon joining the company.

For the onboarding of the Board of Directors for the period 2021 - 2022, the declaration of Conflicts of Interest was collected from both patrimonial and independent members. None of the statements involved a situation relevant to the company.

Advisory mechanisms and ethical concerns

[GRI 102-17] We have internal and external mechanisms for seeking advice on the ethical and legal conduct and integrity of the organization. The Code of Ethics defines guidelines for handling stakeholder conflicts of interest and our channel for reporting such situations is the Ethics Line:

etica@juanvaldezcafe.com.





Contributing to our employees' quality of life

[GRI 103-1, 103-2] By 2021, we have defined the objective of the “Passion for our people” wellness program as generating emotional ties and connections that facilitate the retention of the organization's human talent. This objective is composed of three pillars:

+Benefits: monetary and time.

- Free Day for birthdays
- 1 Family Day
- 8 additional days for maternity and paternity leave
- 100% prepaid health insurance
- Minimum salary with differential value above 1.5%
- 100% Life Insurance Policy with Seguro SURA
- Fondesarrollo employee fund
- Payroll deduction loan agreements (preferential rates)
- Flex Time / time bands (Back Office)
- Juan Valdez® baby gift
- Condolences



+ Wellness: activities aimed at promoting work/life balance. They are managed for all the company's employees and their execution is established under an annual work plan that is prepared considering the results of the previous year, the diagnosis of needs and the alignment with projects and organizational issues. These activities can be carried out both in virtual and face-to-face environments, and the coverage is for 100% of the employees.

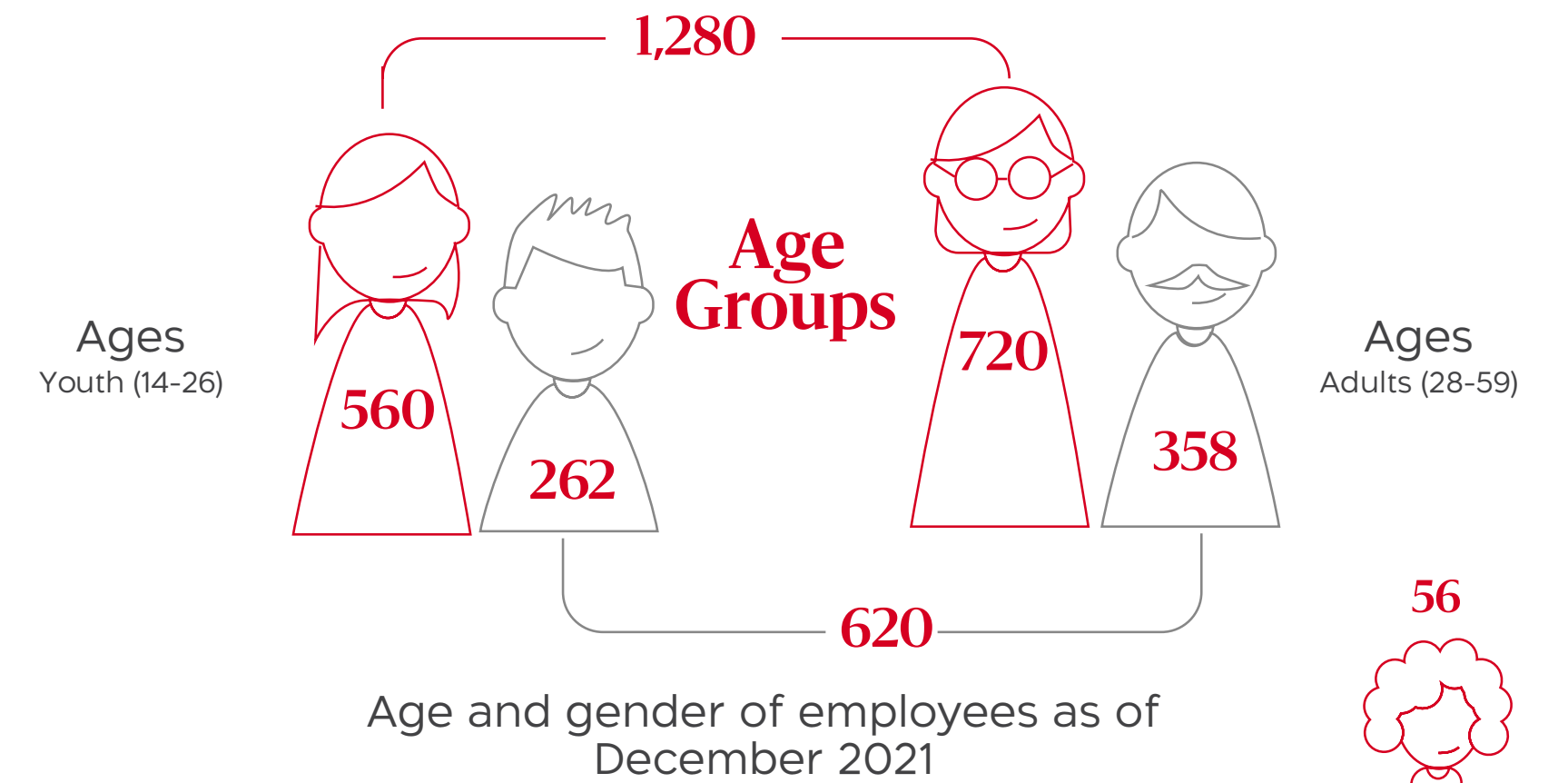
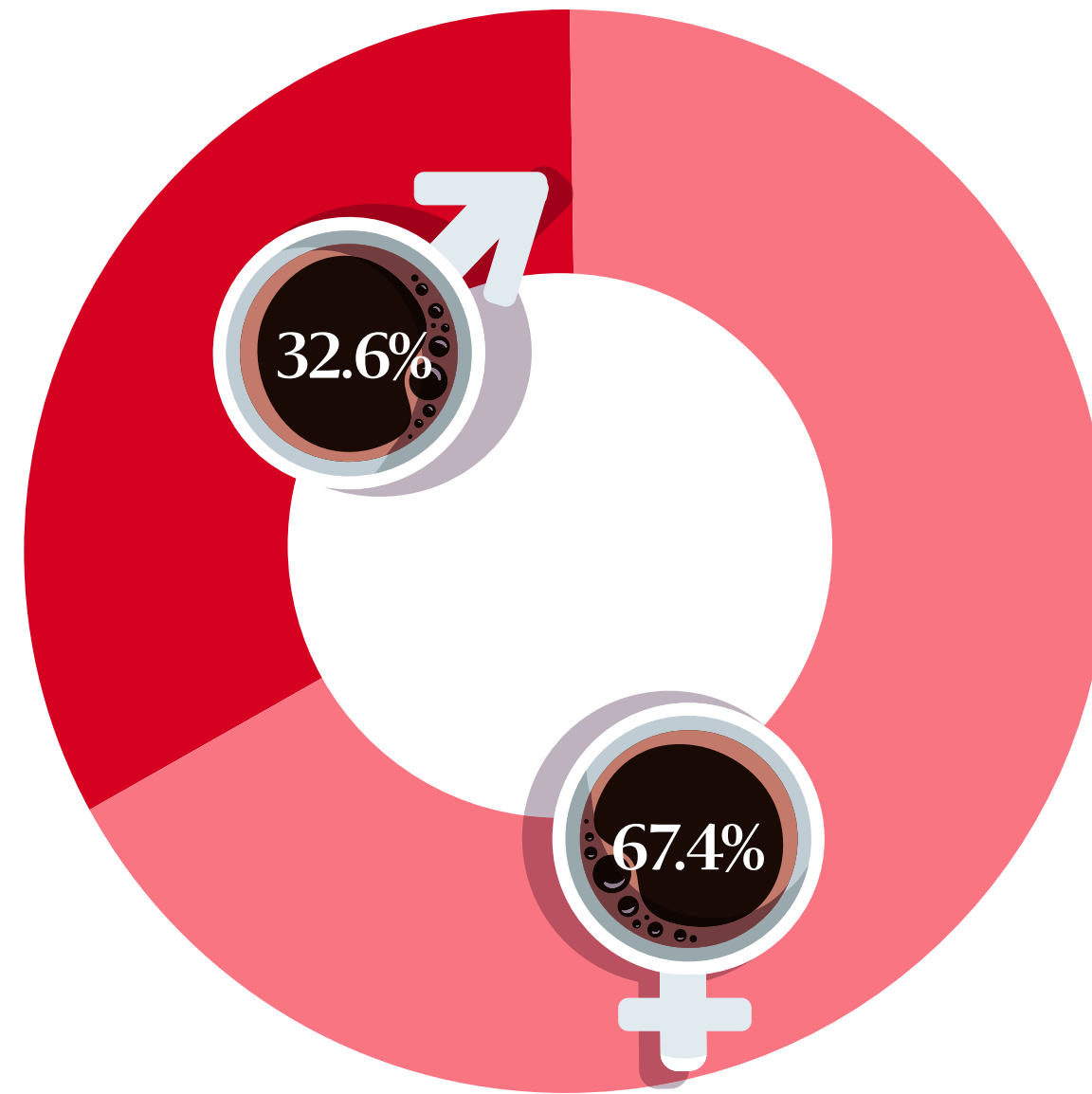
+Training: corresponds to the promotion of partnerships with higher education institutions. In 2021 we consolidated 2 partnerships with universities and 3 with language education institutions, especially English. Since we are interested in promoting self-development, we encourage the participation and execution of virtual courses on the Ubits platform, which is initially intended for Back Office. In addition to these partnerships, we have an annual training plan that covers all the company's training needs.

One of our most relevant programs designed to improve and enhance leadership skills, is the **incubator program**, which is aimed at the population of the store channel and has the objective of training and developing coffee technicians as store leaders in the role of administrative assistant. This is a strategy for the development and mobility of internal talent (promotions).

We also highlight our Onboarding program, which has the objective of evaluating and following up on the process of adaptability of the employees that join the organization, promoting their permanence and alignment with the corporate strategy. The results of this program allow us to identify early resignation alerts and establish actions to improve and align both the processes and the role of the leader in the adaptation of the new employee.

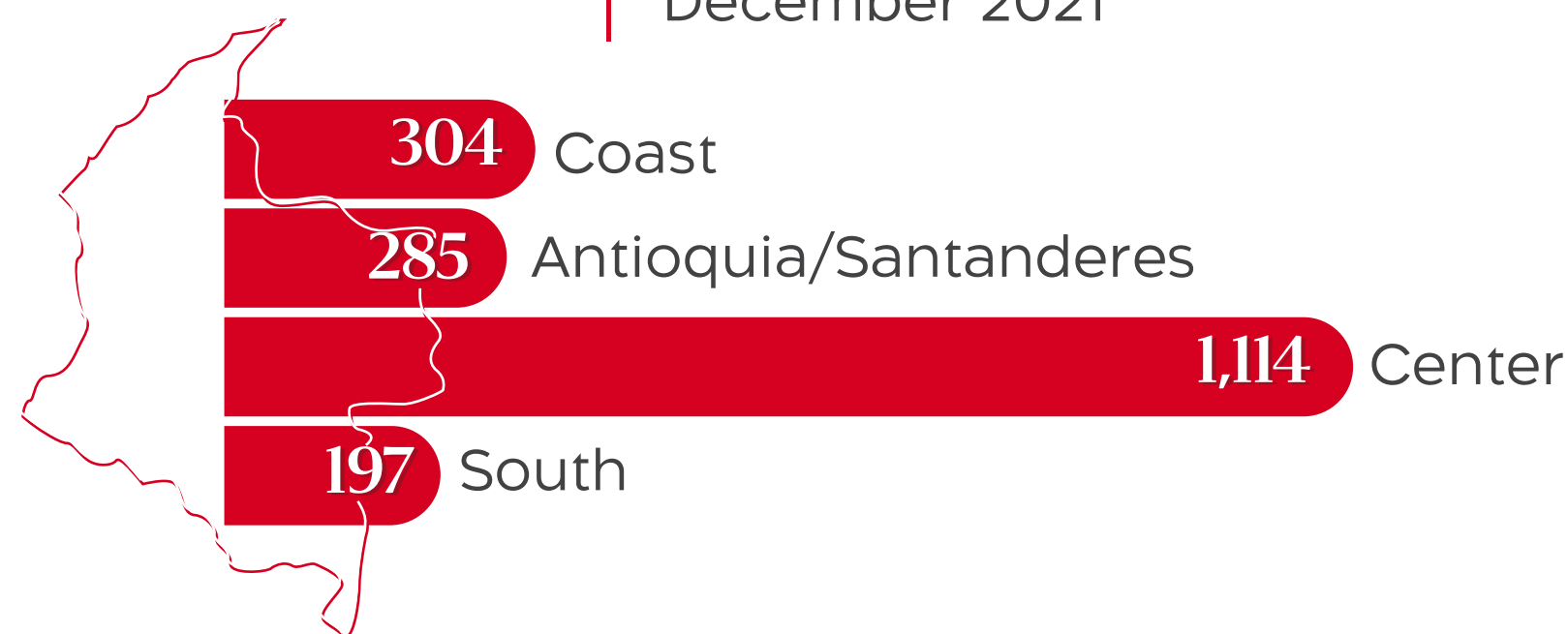
Our People

[GRI 102-7, 102-8] By December 2021, we had a total of 1,900 employees, of which 48% were hired under indefinite-term contracts and 67% were women. The employees were distributed in the 4 regions of the country in which our operation is distributed, being the center region the one with the largest representation. 100% of the hires are made directly by the company, as a strategy for attracting and retaining talent that strengthens its employer brand.

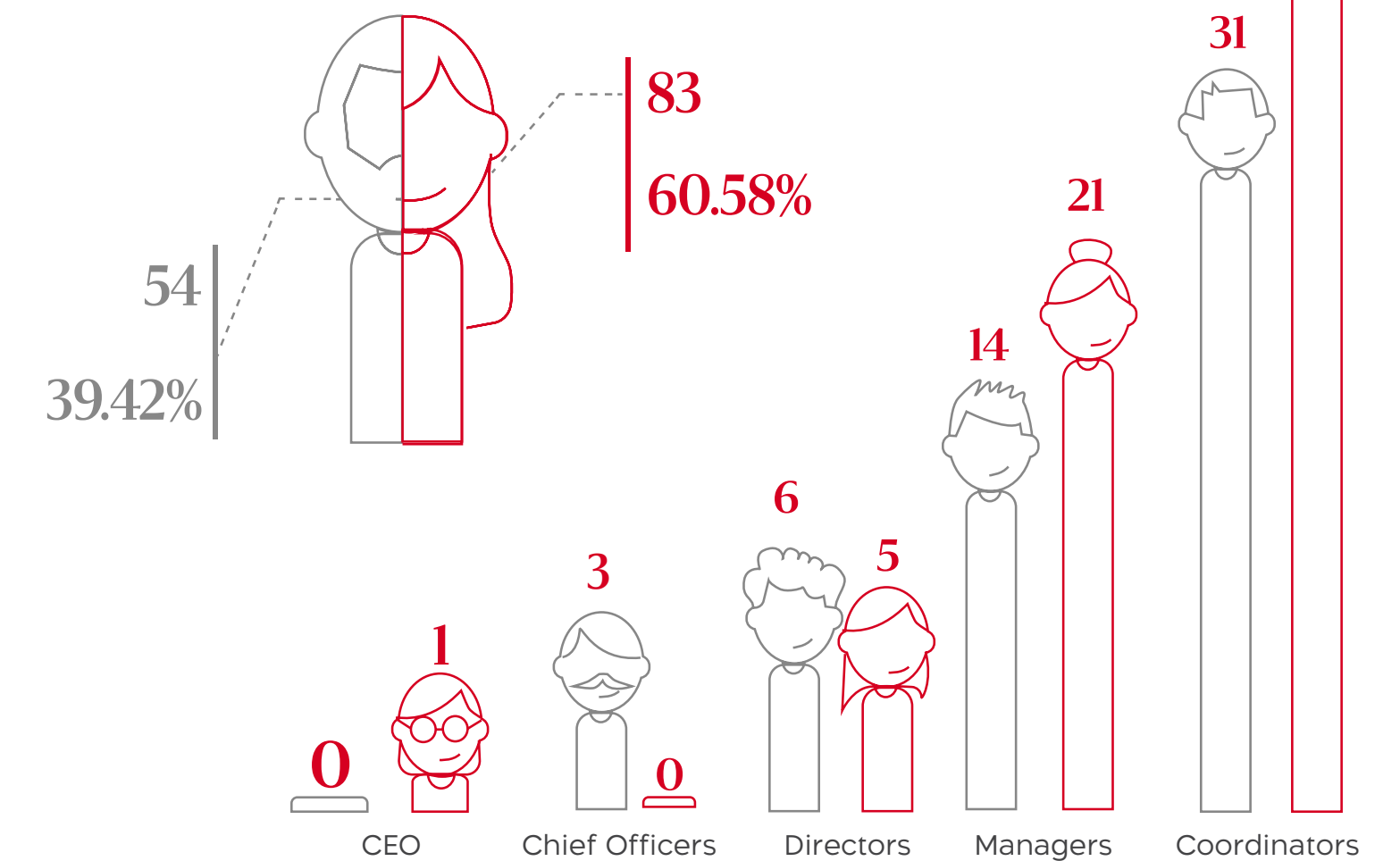


Employees by region

Distribution of 1,900 employees by region, December 2021



Leadership positions - Back Office





Our labor inclusion program “Amigos del Alma”

Through our labor inclusion program, we seek to transform the perception of disability in Colombia, promoting social and labor participation of people with intellectual disabilities to improve their quality of life, promoting corporate social responsibility and transcending in the lives of employees and their families. In this way, Procafecol contributes to its purpose of “Making a Difference.”

The program, which began in 2007, currently has 68 young people, 2 of them in the administrative area and 66 in 13 cities of Colombia in the role of coffee technicians.

It is worth noting that in the labor inclusion program “Amigos del Alma”, the participants receive training and induction for the performance of their work. In addition, they are accompanied by a job coach who is responsible for guiding and orienting the new employees in their incorporation process and also for supporting the sensitization process at the work centers.

Our Amigos del Alma!





The maintenance of the program within the company has a specialized partner: the Best Buddies Colombia Foundation. It supports us with trained personnel and a jointly designed support plan that takes into account the characteristics of the business and the specific needs of each Amigo del Alma. For this reason, we have levels of support ranging from 2 to 8 hours per month. This support process results in periodic performance measurements, which allow establishing improvement actions and specific actions when required.

[GRI 103-3] Results and progress from the performance measurements are monitored periodically in order to make adjustments both in the proposals at the execution level and in the methodologies used. Attendance, coverage and satisfaction indicators are contemplated. As part of the culture of construction and effective results, the company has established quarterly meetings to report results and progress of all initiatives and processes carried out, which impacts the entire company and is an important methodology for a two-way communication of the achievements obtained.



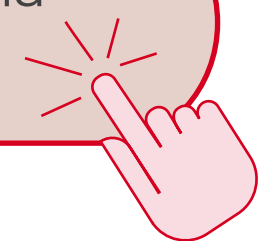
National Baristas del Alma Championship

Since 2015, the National Baristas del Alma Championship has been held as a space for inclusion and participation of employees with disabilities. Baristas are trained in the stores by a sponsor who accompanies them in all phases of the training and championship. During the training, participants develop skills in the preparation of drinks such as espressos, milk drink and soul drink.

Our objectives with the championship are:

- To generate spaces where our Amigos del Alma express all their creativity and spontaneity with coffee.
- To showcase the skills and abilities to make coffee-based beverages developed by Amigos del Alma in the Juan Valdez® stores.
- To recognize the learning obtained and to encourage the motivation of the baristas in their daily work.
- To set an example of fairness, demonstrating that people with disabilities excel in a barista championship.*

National Baristas del Alma Championship



* In 2022, the championship, which was suspended for the last 2 years, will be resumed.



Employee representation

[GRI 403-1] We currently have 4 participation committees with employee representation elected by vote and appointed by the employer, ensuring equal representation and complying with legal provisions. These committees are:

Joint Occupational Health and Safety Committee (COPASST).

We have a presence in the Center region; the Coast region; the Antioquia and Santander region; and the South and West regions. It facilitates the representation of the employees of the different work sites nationwide and covers 100% of the company's employees for the activities of the Occupational Health and Safety Management System.

Labor Coexistence Committee (LCC) and Road Safety Committee.

Represents all employees nationwide.

Participation Committee for road safety management (Strategic Road Safety Plan).

We have representation of employees from different areas of the company appointed by the employer.

Diversity, Inclusion and Gender Equity Committee:

With its launch in 2021 we made the development and communication of our policy on this matter a reality. From the committee we worked in a series of co-creation sessions with members, through the subcommittees: policies and procedures; culture and communication; and measurement and action plans. Thanks to this work, we have established the action route that the company will take in the short, medium and long term. Also, thanks to the survey conducted and led by Aequales Ranking PAR, we have been able to identify our gaps and opportunities. From there, and through the committee, we have been able to take actions that will allow us to move forward in terms of equity, diversity and inclusion.

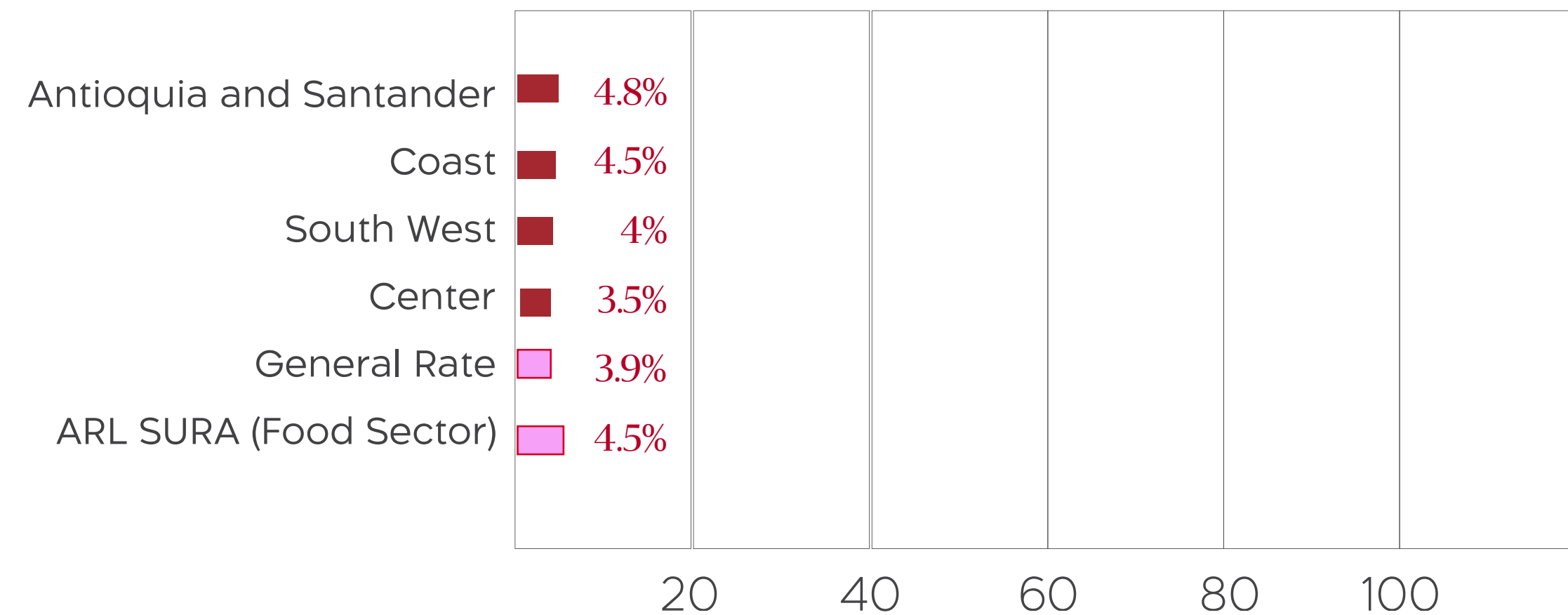
Accident rate by region

We ensure the highest physical, mental and social well-being of our employees, seeking to establish and sustain a safe and healthy work environment. It is for this reason that year after year we consolidate the report of statistical data and indicators of the Occupational Safety and Health Management System (OSHMS).

[GRI 403-2] The main types of accidents that occurred during 2021 were injuries caused by cuts with sharp objects, followed by burns from contact with hot surfaces and liquids, falls to level and falling objects. Our accident rate was 3.9% at the national level, which is lower than the accident rate reported in the market by ARL SURA for companies in the food sector (4.5%). The region with the highest accident rate was Antioquia and Santander, with 4.8%, followed by the Coast region with 4.5%.

Additionally, the severity rate for occupational accidents, which measures the number of leave days plus days lost due to occupational accidents, averaged 1.24% for the year 2021, compared to 1.94% for the year 2020, which indicates a reduction in the same thanks to prevention and risk factor control actions.

The absenteeism rate shows a reduction compared to the previous year, as for 2020 the average monthly rate was 4.35%, while for 2021 the average monthly rate was 3.58%. This reduction is due to the specific actions of the safe practices program, which aims to reduce the impact of COVID 19 events on the company.





Training and education program

[GRI 404 -1, 404-2] With the training and education plan, the objective of promoting the integral development of our employees through the implementation of training programs becomes key, which allows the strengthening of internal talent and its self-development to positively impact the organization and the fulfillment of strategic objectives.

The annual plan is prepared considering the needs and particularities of each commercial channel and the Back area. Its scope is for 100% of the workforce and is based on three pillars:

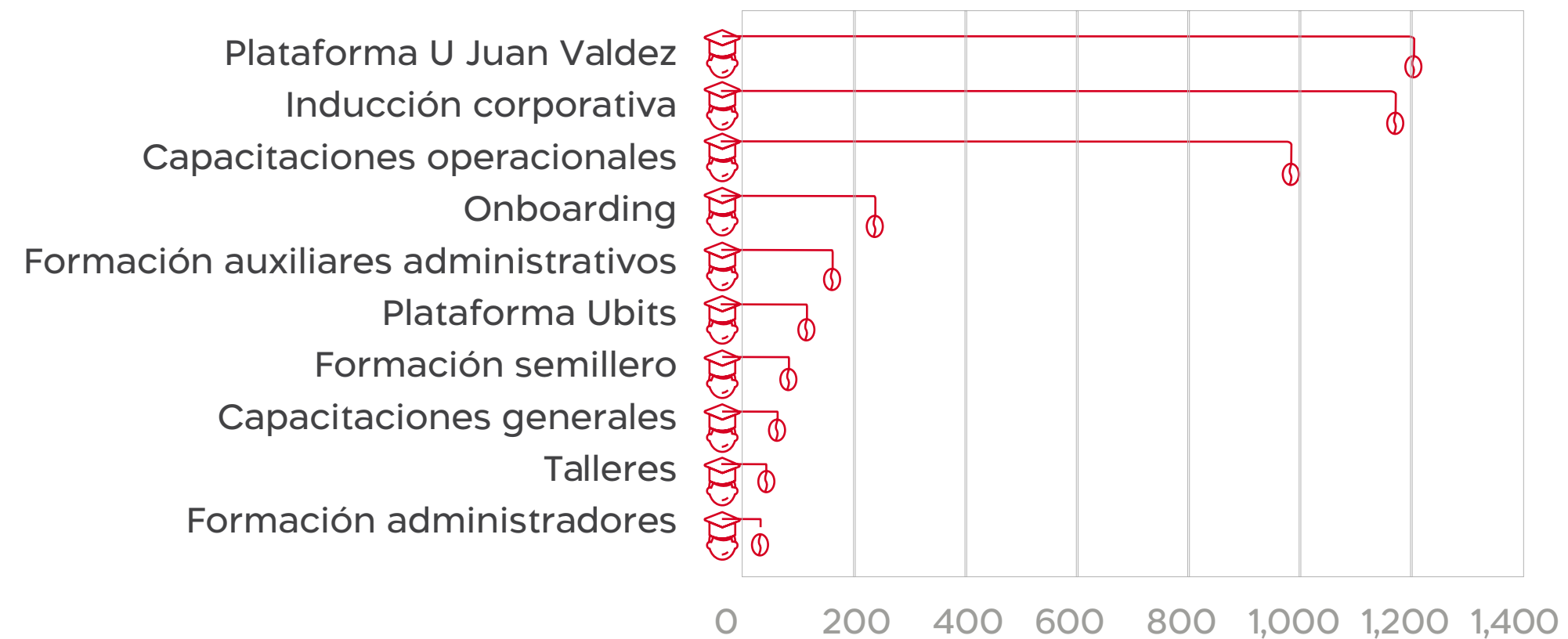
Knowing: corresponds to training to update knowledge and thus improve performance.

Being: refers to all training and/or coaching with a focus on development.

Doing: consists of all coaching and/or technical training that contribute to the performance of the role and/or regulatory training that impact the certification process.

Today we have a wide range of training processes aimed at our employees, which are developed virtually with asynchronous and/or synchronous schedules and are adjusted to the dynamics of economic recovery and the needs of the operation. Technological tools are used to monitor progress in the fulfillment of the plan.

Employees participating in training processes in 2021



***Training and development:** Training and development processes (knowledge and skills) of the Back Office and everything related to the development of soft skills and knowledge and competencies that they must have in relation to certification processes for all the company’s employees.

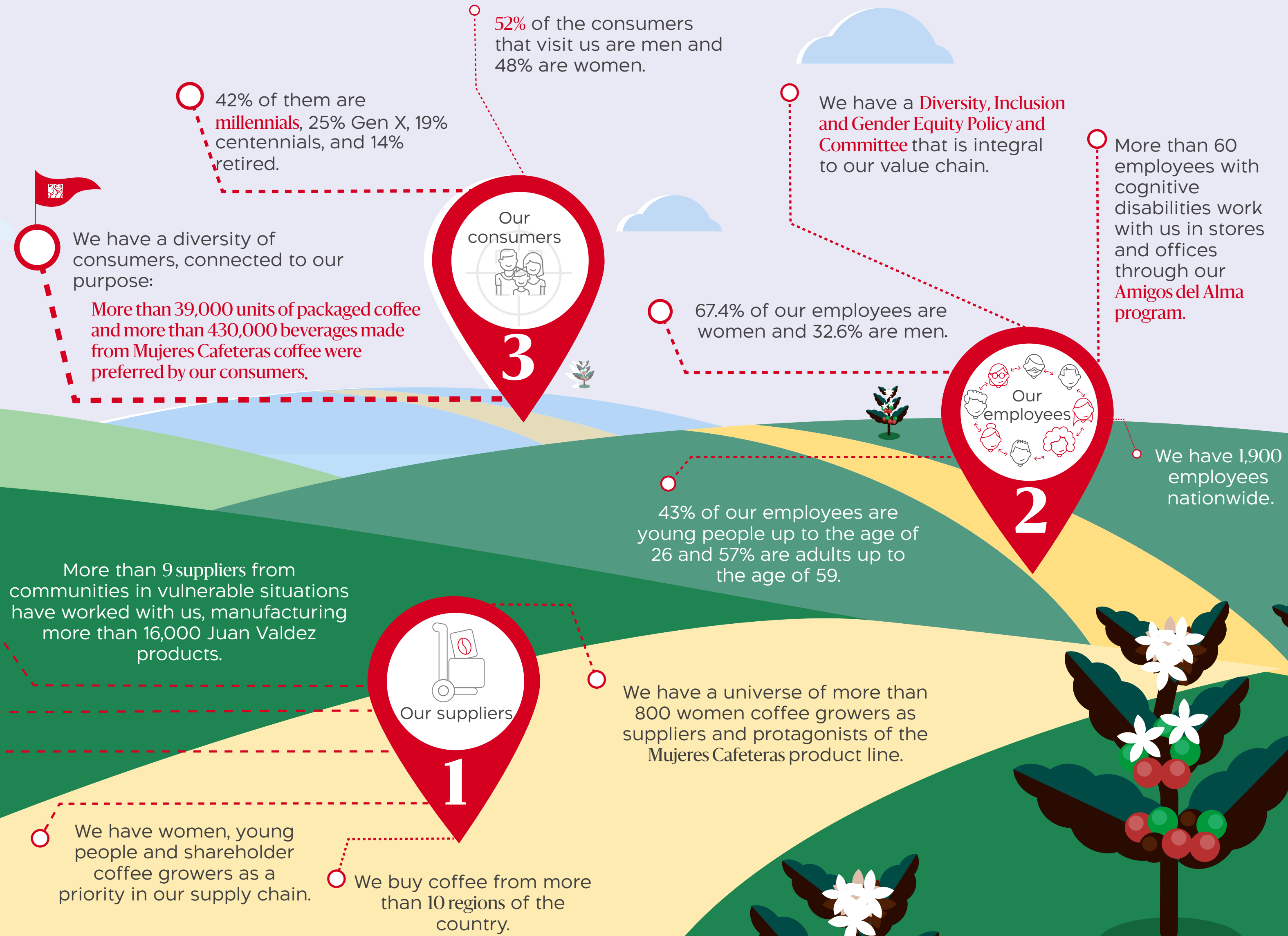
***Coaching:** Provide tools that allow Front Office employees to acquire hard or specific knowledge and skills to develop their specific work activities.

The training processes implemented in 2021 obtained an overall compliance of 109% in the training schedule, a result that was mainly impacted by the number of induction processes for new employees. Regarding the results of the Ubits platform as a virtual training tool, 63% of the established training program was achieved, with more than 4,500 courses completed, including the defined training curriculum and the free execution courses. The average satisfaction rate in the training processes reached a score of 4.9 out of 5.

Hours of training for employees in 2021

Suma total	601.7
Promedio de horas por colaborador (formación y desarrollo*)	33.8
Promedio de horas por colaborador (entrenamiento *)	9
Promedio de horas de capacitación por colaborador	21.45

We live equity, diversity and inclusion throughout our entire supply chain

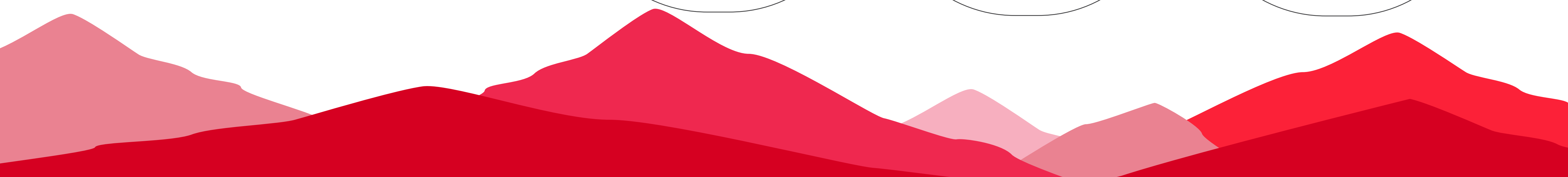


Our social and environmental commitment

[GRI 103-1, 103-2] In line with our strategic objective of generating shared value for our stakeholders, we prioritize initiatives in our operations and supply chain that promote good environmental and social practices. For this reason, and in line with our sustainability strategy, we implement and prioritize actions that seek, on the one hand, to reduce or mitigate the negative impacts generated from the operation and supply chain and, on the other hand, to generate value for our stakeholders.

Since 2019, when sustainability moved to the core of our business model, all the company's actions have been focused on generating value through a strategy developed in 3 dimensions:

Strategic cores



1. Sustainable Value Chain

Through this first dimension, our commitment is to be a responsible and sustainable brand throughout the supply chain, extending our triple impact commitment to different suppliers of inputs, services and raw materials. The following initiatives are developed around this relationship:

Inclusive Procurement: The Inclusive Procurement Policy launched in 2019 guarantees the inclusion of entrepreneurs from vulnerable communities in procurement and contracting processes, in a space of competitiveness, inclusion and transparency. We have managed to consolidate purchases of more than **16,000 units** of products made by victims and perpetrators of the conflict, indigenous groups, and the population living in poverty, among others. Thanks to this policy, these commercial agreements have differentiated contracting criteria, guaranteeing fair conditions that are adapted to the multiple realities of these suppliers. These criteria include payment terms and advances (differential payment schedule, taking into account the term of the commercial relationship, and establishing advances of up to 50%); Institutional Partners (accompaniment by an institutional partner who monitors the entire process); and Evaluation and follow-up (providing relevant feedback to entrepreneurs to strengthen their practices with a view to future commercial agreements).

Under this policy, during 2021, purchases were made from two Colombian women's entrepreneurs, thanks to two partnerships: one with the **Corporación Mundial de la Mujer (Women World Corporation)**, which from the generation of decent and sustainable income trains and strengthens people in difficult contexts to achieve an improvement in their quality of life; and another with the **WWB Foundation**, which has accompanied different inclusive sourcing processes since the launch of these differential criteria.

As part of the July 2021 launch of the Mujeres Cafeteras coffee line, **300 kits of 3 aromatic candles** were active in the market. These were made by the supplier Olenka, which is formed by two women, a mother and a daughter, determined to create their own company that generates wellbeing and health through products with botanical extracts for body and home care. Also, **400 Mujeres Cafeteras planting kits** were active, which were accompanied by compost made from the residual coffee grounds of the Juan Valdez® stores, which were purchased and marketed by the brand. This product was made by an entrepreneurial venture of a woman from Valle del Cauca who since 2019 has sought to generate positive actions in the environment and who, with the support of artisans from her region, recovers and transforms waste into products that, like the pot of this kit, create environmental



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awareness in the country. These are two examples that reflect the growth of a chain that is becoming more inclusive every year. These are 2 of the 9 suppliers with whom we have materialized this policy, and they are the first of the future commercial negotiations that will be part of the organization's procurement landscape in the coming years.

Good Social and Environmental Practices: in 2020, with the purpose of continuing to strengthen and ensure an increasingly sustainable value chain in the organization, the **Supplier Social and Environmental Performance Evaluation** tool was developed. This is an instrument designed to assess the performance of our suppliers in the supply chain at six levels: compliance with good governance and environmental legislation; sustainable practices; solid waste management; air quality; water management; and efficient and responsible use of materials.

To this end, in 2021 and in strategic partnership with a consultancy by students of the Master's Degree in Management and Development Practices of the Universidad de los Andes, the application of the tool began in a first exercise to 266 centralized suppliers, as a self-assessment. This process yielded 77 responses from suppliers who decided to join the self-diagnosis and the process of continuous improvement in different aspects related to environmental and social

practices. The results will be available to participating suppliers in 2022, and these will allow us to determine the action plans to close the gaps in compliance with social and environmental responsibilities, understanding that as a customer, we are responsible for collaborating in their chain and, therefore, we seek to help them improve their processes by generating responsible and sustainable business relationships.

Cage-free eggs: In partnership with global animal welfare organizations such as **Humane Society International (HSI)** and **Sinergial Animal**, in 2019 we announced our commitment to migrate to eggs from 100% cage-free hens, aiming that by 2025 all egg-containing ingredients will come from hens not confined in cages. Since then, we have executed different processes to obtain this supply, which have been conditioned by various situations, such as the pandemic, due to the increase in prices and the scarcity of this type of supply in Colombia. Additionally, in 2021 we completely migrated from the purchase of shell eggs to liquid and powdered eggs, this new presentation is a new limiting factor when it comes to finding cage-free supply. However, the process of searching for suppliers aligned with the commitment to animal welfare does not stop but continues with the active search for suppliers that respond to this same commitment, towards which we continue forward with a view to 2025.



2. Plan Amigo Caficultor (Coffee Grower Friend Plan)

[GRI 103-3] Through the purchase of coffee in more than 10 different regions of the country, we contribute to the wellbeing of more than 540,000 coffee growing families. According to the sociodemographic data of **Colombian coffee growers, these are, in their majority, small and medium sized producers** (96% between 3 and 5 hectares).

As licensee of the Juan Valdez® brand, which is owned by the National Coffee Fund (FoNC), we are obligated to purchase 100% Colombian coffee exclusively through the National Federation of Coffee Growers (FNC).

The contribution of royalties to the National Coffee Fund (FoNC) for the use of the Juan Valdez® brand has as its main objective to continuously contribute to the investment in the integral development and well-being of coffee growers through the management carried out by the National Federation of Coffee Growers as administrator of the Fund. To date \$154,764 billion pesos in royalties have been delivered to the FoNC.

[GRI 413-1] Our impact business model is centered on our coffee growers and their well-being: this is not only our raison d'être, but also that of all coffee institutions in Colombia. It is for this reason that the second dimension of the company's sustainability strategy seeks that all of our actions as a brand generate shared value to the Colombian coffee growers, who are the main stakeholders as they are the origin and the end of the business, as the main beneficiaries of the company. Also, considering that we have assumed a triple bottom line view in our business model, the shared value programs are part of the KPIs of the company's strategy. In this strategy, sustainability is integral in the three main focuses: strengthening the brand, positioning in the domestic market and growth in the international market.

In compliance with these KPIs, in 2021, 12 % of the coffee was traceable and 153 coffee growers were benefited through multidimensional strengthening initiatives from the Plan Amigo Caficultor, which aims to generate shared value to Colombian coffee growers.

In this sense, in 2021 we continued to strengthen the Mujeres Cafeteras (Women Coffee Growers) program, which became a permanent action platform that expanded its multidimensional impact. Also, we further developed the Amigo Inversionista (Friend investor) Plan program, launched in 2021, and focused on benefiting Colombian coffee growers who are shareholders of Procafecol through the purchase of their coffee at a higher price.



Mujeres Cafeteras (Women Coffee Growers)

Since 2017, the Mujeres Cafeteras (Women Coffee Growers) program promotes the social and economic empowerment of the country's women coffee growers through the sale of their coffee and the promotion of good practices, associativity and care for the environment with a focus on gender equality. In 2021, this initiative has been positioned as a flagship program for the generation of shared value for the organization with the launch of the Mujeres Cafeteras line of coffee, which is supported by a multidimensional strengthening program.

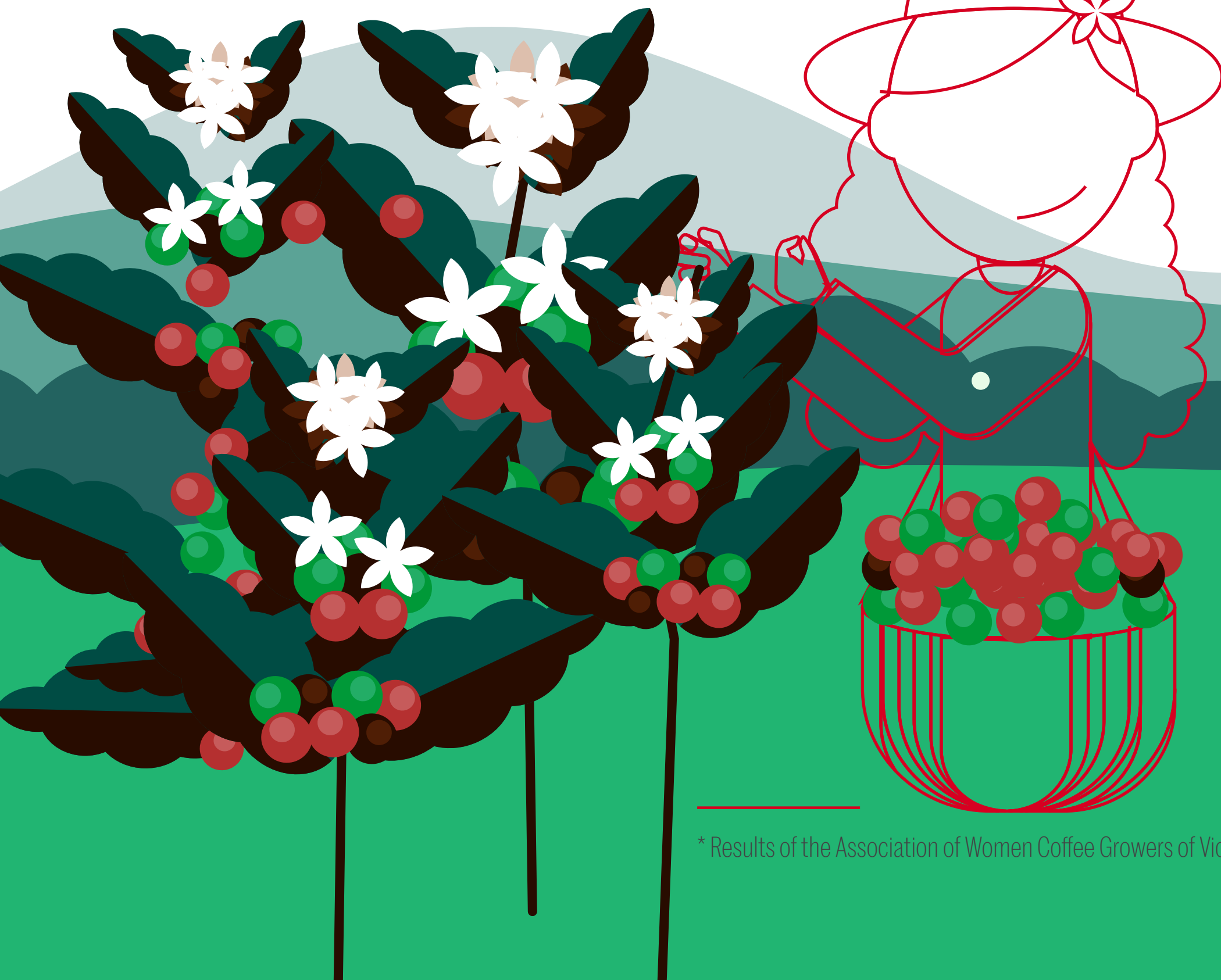
For the launching of this line, a selection process was carried out with the participation of women's associations that had their coffee in the Mujeres Cafeteras program. A physical and virtual form was developed, through which 21 applications were received that were reviewed and weighted according to 10 criteria that would result in the qualitative evaluation of each one of them. These were then reviewed quantitatively according to criteria such as harvest seasons, production quantity and geographic location. Based on the scores obtained in these aspects, 11 associations were prioritized. After reviewing the sample, cup

profile and quantities to be delivered, 7 associations and one Cooperative were selected, which delivered their coffee through the National Federation of Coffee Growers, giving life to the launch of the Mujeres Cafeteras product line in the month of July 2021. This launch not only expanded the impact of the product, as it was no longer a special seasonal edition as it had been in previous years, but also the scope in terms of the visibility of women as rural entrepreneurs and the number of women and families benefiting from the product. The latter not only because of the purchase of their coffee at a higher price, its quality and for participating in this program, but because more women started the multidimensional strengthening route, in addition to the fact that 6 new participating associations and a Coffee Growers' buying point joined the 2 associations with which the brand had already worked since 2019. Thus, we have participants in 6 departments of the country:

- Asomupas - Tolima
- Agrofusan - Tolima
- Aromasan - Tolima
- Amacecafé - Risaralda
- Caproalaca 5 - Huila
- Asociación De Mujeres Cafeteras Del Centro Del Huila - Huila
- Amucc - Cauca
- Asomucavit - Cundinamarca
- Cafioccidente - Valle del Cauca
- Cafioccidente - Valle del Cauca

Mujeres Cafeteras Achievements (2017-2021)

Asomucavit, from Viotá, Cundinamarca, was the first association strengthened under the Mujeres Cafeteras program, counting on a 2-year initiative that included coffee marketing and multidimensional strengthening. 2021 marked a milestone for this association, as it complied with the guarantee of marketing of its coffee for 3 consecutive years, reaching the sale of more than 29,000 kg of dry parchment coffee. Additionally, since 2017 the program achieved some of the following results:



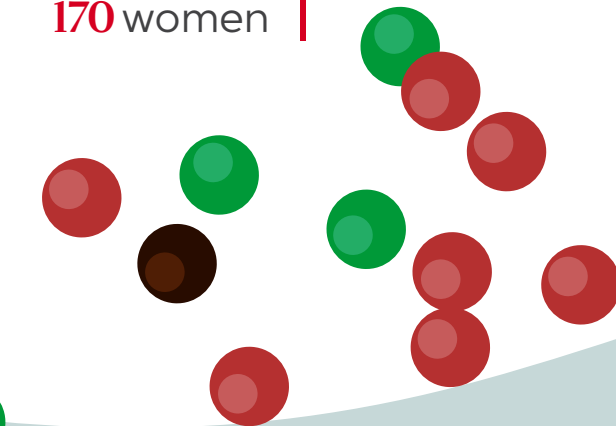
Reduction of water consumption by more than **90%** in the production processes through infrastructure interventions in coffee farms*



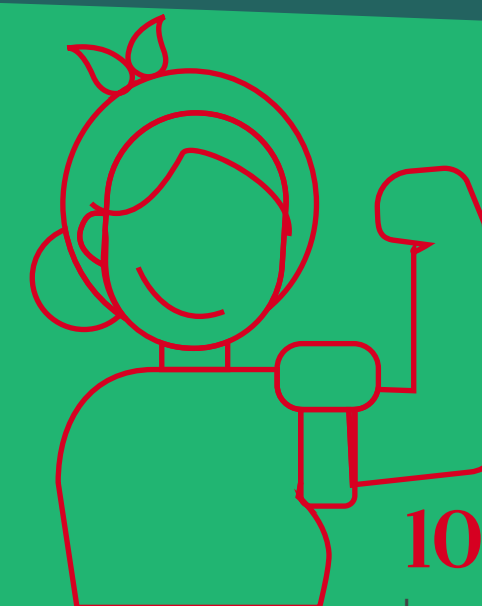
Training in environmental management for **30** families



Financial education for more than **170** women



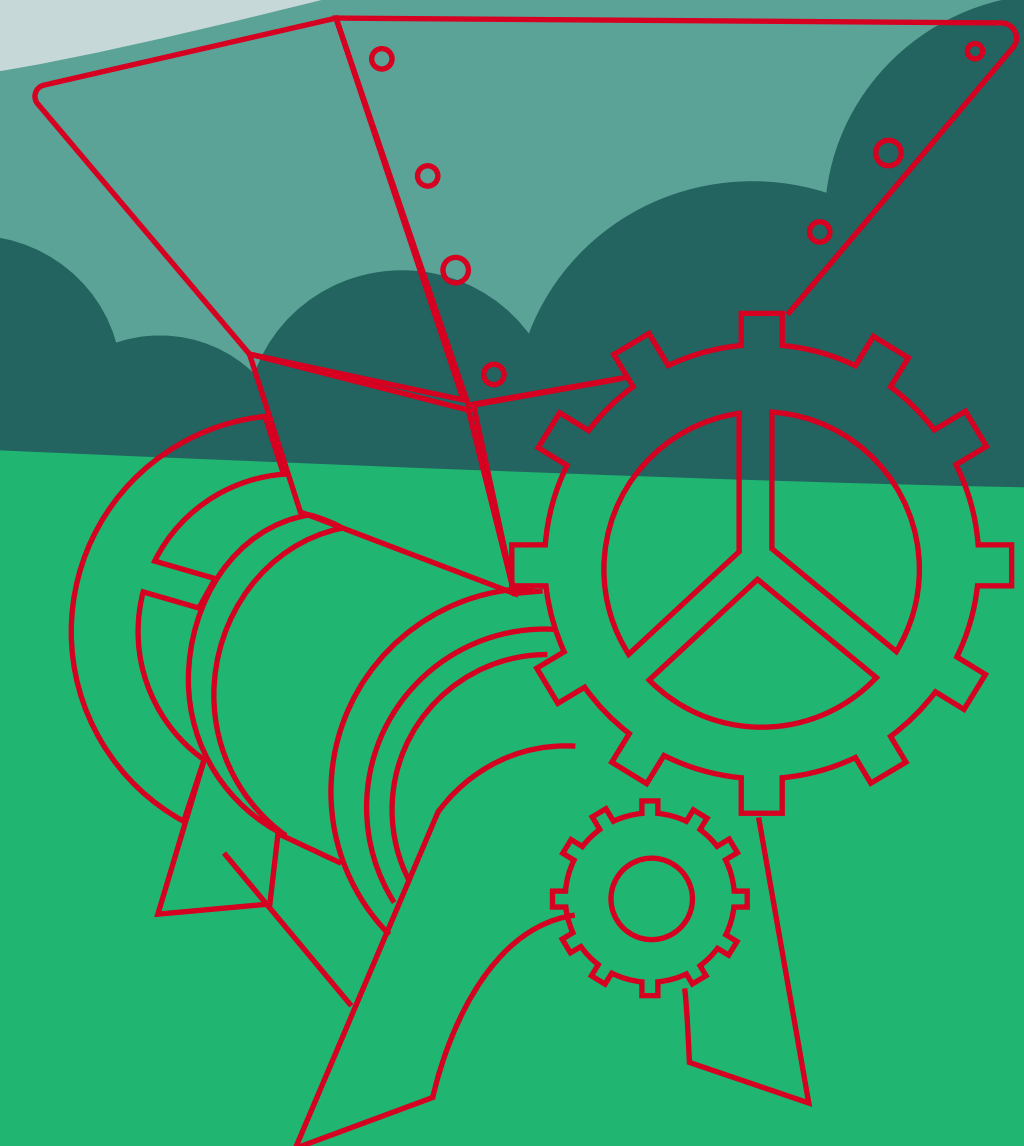
Construction of pulp processors that provide adequate management of coffee wastewater*



106,056 kg of dry parchment coffee delivered by the women in the program



24,000 renewed coffee trees, as a competitive advantage



* Results of the Association of Women Coffee Growers of Viotá and Cundinamarca



In parallel to this process with the women of Cundinamarca, in October of 2021 the Multidimensional strengthening program began with the women selected in the previously mentioned call for proposals. This has been possible with the partnership between the ANDI Foundation, Solidaridad Network, the National Federation of Coffee Growers, the Bancolombia Foundation, DID-Profem (From the Canadian Cooperative Bank DID). The partnership allows us to increase the impact of hundreds of Colombian women coffee growers, with the new product line Mujeres Cafeteras, thanks to concrete actions of training and accompaniment:

- With the ANDI Foundation a baseline survey was carried out for this new group of women at 5 levels:
 - a) Organizational
 - b) Commercial and logistics
 - c) Technical and environmental
 - d) Population
 - e) Soft skills

This will set the strengthening agenda for 2022.

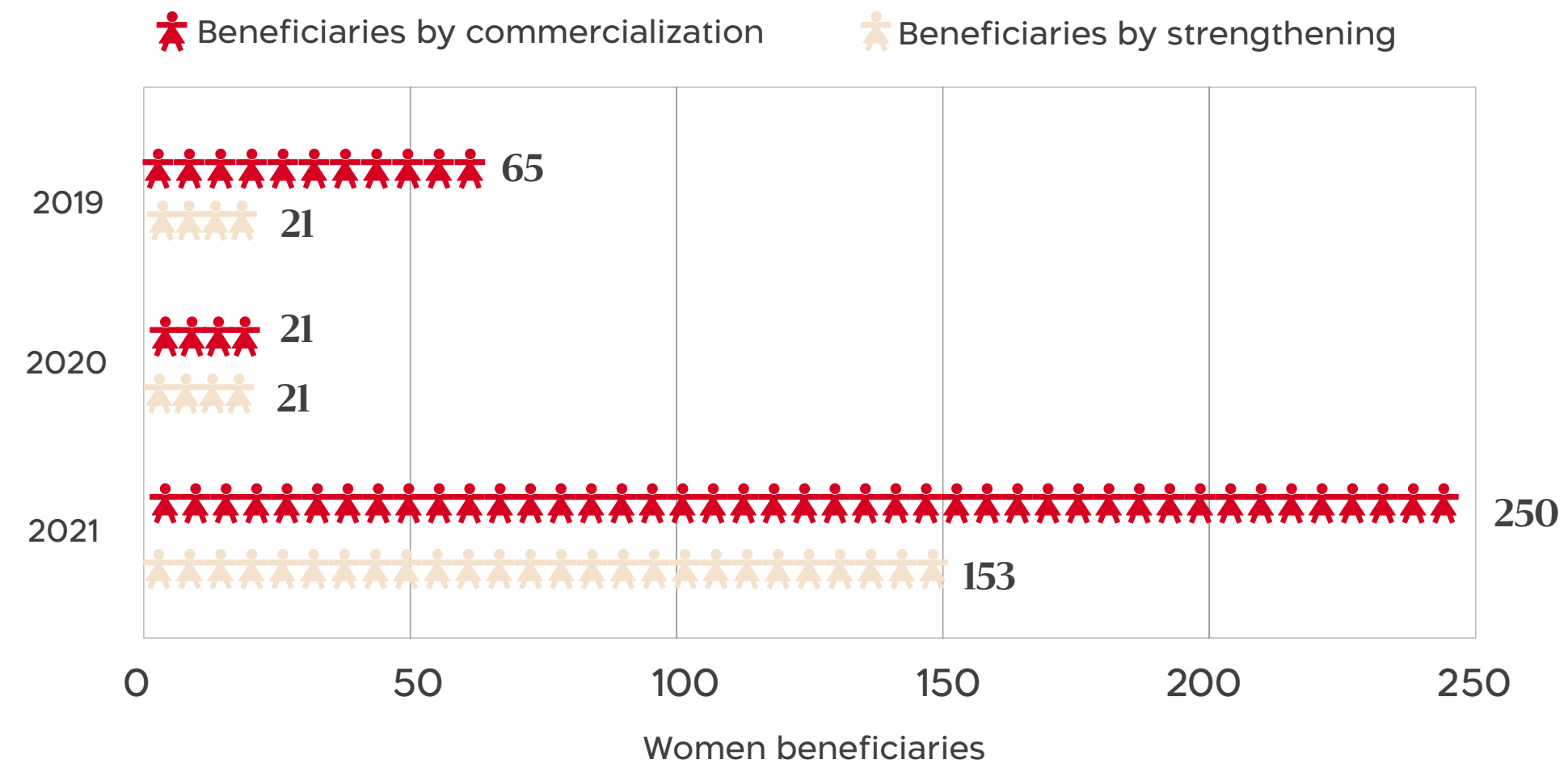
- With DID PROFEM and the Bancolombia Foundation, it was possible to strengthen the financial literacy of women coffee growers in different departments of the country through the Cuentas sin Cuentos program.

Its first version began through WhatsApp with women from Cundinamarca and, subsequently, benefited women from 3 departments (Tolima, Cauca and Risaralda) in 2021 through the virtual platform of the DID-Profem project, with the aim of promoting their social and economic empowerment as rural entrepreneurs in the country. Thanks to this support, today more than 170 women from 4 departments, along with their family units, have been trained in income, costs, expenses, savings modalities, financial planning, among others (153 women in 2021 and 22 women in 2020).

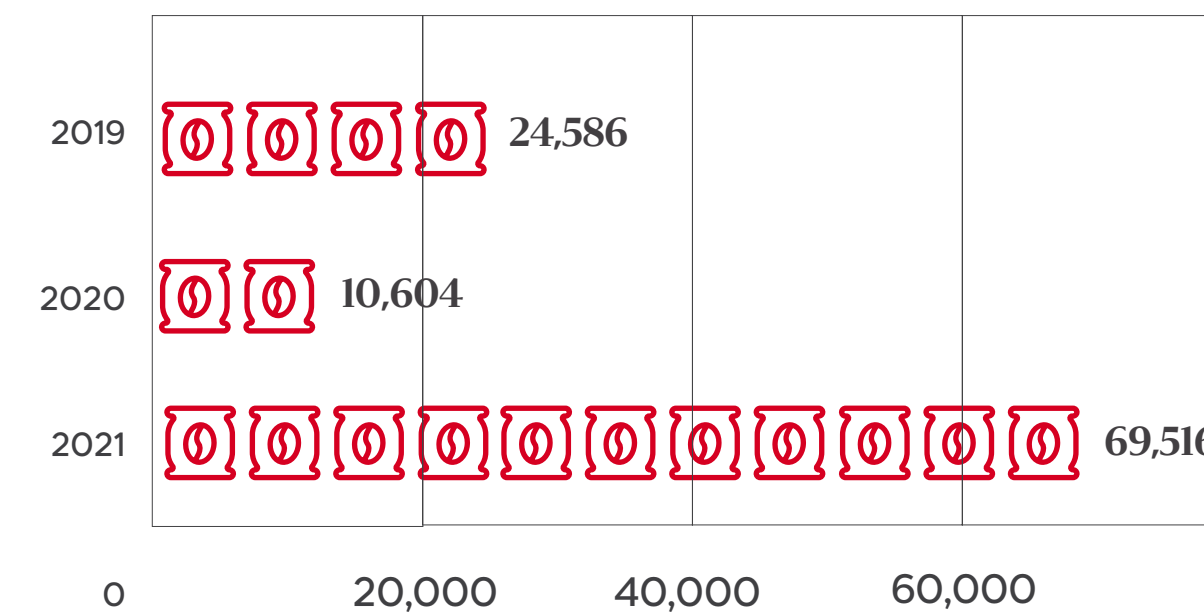
- More than 55 women from three associations in the department of Tolima (Aromasan, Agrofusan and Asomupas) participated in the gender equality diagnostic workshop developed by the organization Solidaridad Network. This made it possible to understand the gaps that exist in this area in the community, in order to define the support route.

In 2022, the women beneficiaries will continue to move forward and receive the integral and multidimensional strengthening of the platform; in the same way, the number of women beneficiaries is expected to increase with the purchase of their coffee at a higher price per quality and per program, as well as marketing agreements to contribute to their, their families' and their associations' businesses.

Women beneficiaries per year



Kg dry parchment coffee purchased per year



Kg of dry parchment coffee purchased per year in the 'Mujeres Cafeteras' program 2019-2021

Amigo Inversionista Plan (Friend Investor Plan)

With the objective of strengthening the relationship with coffee grower shareholders, which according to the Coffee Information System (SICA 2019) are 12,302 coffee producers, we created the Amigo Inversionista Plan in 2020.

The enrollment of phase I took place between July and November 2021. The purchase of coffee for shareholders enrolled began in the second half of 2021 (July 2021-June 2022) and resulted in 79,557.6 kg of dry parchment coffee purchased at the end of 2021.*

Phase II of enrollment in the program began on November 6th, 2021, and remained in force throughout 2022 with 598 shareholders in 14 departments of the country: Antioquia, Caldas, Cauca, Cesar, Cundinamarca, Huila, La Guajira, Magdalena, Nariño, Norte de Santander, Quindío, Risaralda, Santander and Valle del Cauca.

These are figures and regions that are expected to continue to grow, in order to reach more coffee growers and further strengthen the link with the organization.

* Volume of coffee delivered by coffee growers to cooperatives and Almacafé in 2021, which entered as an effective purchase to Procafecol in 2022.

Cooperatives	No. Coffee Growers	Kg's Dry Parchment Coffee
Cooperativa de Caficultores de Alto Occidente	39	24,724
Cooperativa de Caficultores de Antioquia	6	3,194
Cooperativa de Caficultores de la Costa	1	866.6
Cooperativa de Caficultores de Manizales	29	16,389.5
Cooperativa de Caficultores de Nte. de Santander	15	7,118
Cooperativa de Caficultores de Risaralda	2	1,227.5
Cooperativa de Caficultores de Santander	25	16,225
Cooperativa de Caficultores del Centro del Valle	35	9,813
Total	152	79,557.6



Shareholder Relations

Communication to shareholders

In addition to the periodic and relevant information communicated to shareholders and the general public, through the means established by the applicable regulations, during 2021, we communicated to shareholders the following information:

- Invitation to the Procafecol S.A. **General Shareholders' Meeting** (via email and text message)
- **Procafecol Quarterly Newsletter** (via e-mail)
- Shareholder service center information (via e-mail)
- Communication of the beginning of the coffee purchase process for the Amigo Inversionista Plan program (via email and text message)
- Data updates (via email and telephone)

Throughout 2021, the Procafecol Shareholder Service Office was available, where through the email acciones.procafecol@juanvaldezcafe.com and the shareholder service line +57 320 865 0077, we receive during working hours all requests or concerns that our shareholders may have.

Additionally, you may find up to date and historical information of the company on our website:

<https://www.juanvaldezcafe.com/accionistas/informacion-accionistas>

Number of requests and matters on which shareholders requested information from the company

During 2021, we received and handled 2,122 requests for information and procedures associated with shares; these cases included the following:

- **61** cases of share sales
- **38** share purchase proposals
- **6** cases of share succession
- **575** shares were traded as part of the share purchase and sale process.
- **1,404** shares were associated with share succession proceedings
- **2,017** requests for information such as, succession procedures, share sale procedures, share purchase procedures, requests for general share information, income tax return certifications and inquiry of the number of shares held by shareholders.



Renacer

Recognizing the importance of young coffee growers, they have become one of our priority stakeholders. This is why the RENACER program was born, which seeks to make visible and strengthen the leadership of these young people in different regions of Colombia,

many of which are areas affected by violence and exclusion. In the first year (2017), the Special Edition of RENACER sought to contribute to the construction of the country, exalting the stories of reconstruction and hope of communities affected by violence in different regions. In 2018, aware of the need to articulate young coffee growers as a priority audience and aligned with the union's policy of generational integration, the RENACER Special Edition was launched. In this edition the stories of hope and leadership of five young coffee growers from different areas affected by violence and exclusion in Colombia were made visible through their participation in the production of micro-lot coffees from Abejorral, Antioquia; La Celia, Risaralda; Rosas, Cauca; Urumita, Guajira; and Santa Maria, Huila. These young people were selected for their leadership in the JOCA (Spanish acronym for Jóvenes Caficultores - Young Coffee Growers) meeting of the FNC.

The five beneficiaries received a premium price for their coffee and lived an experience of technical strengthening and life project through RENACER Week and had a second purchase for an equivalent volume in 2019.

In 2020, we continued this commitment with a new group of 5 young people from Samaniego, Nariño; Lourdes, Norte de Santander; Circasia, Quindío; Montebello, Antioquia; and Tuluá, Valle del Cauca.

Thanks to Blockchain traceability technology, visibility was given to these young people and their territories, highlighting the attributes of their premium coffee and the value chains that are built around the product. The traceability process (carried out by Human Leap and Penta Global, Almacafé and the FNC) made it possible to know the value chain from the farm to the moment of roasting, recognizing variables such as humidity, temperature and geolocation.

Additionally, in partnership with the Food and Agriculture Organization of the United Nations (FAO), RENACER worked with 35 young people from two coffee associations: 19 from Tablón de Gómez, Nariño, belonging to ASOPROCAFE; and 16 from Gigante, Huila, belonging to ASODESARROLLO. These young people, together with another group of young people from Santander, were the suppliers of the coffee blend of the Special Edition packaged in 250g.

Between 2017 and 2021 the program has had 67 young coffee growers participating, with 27,550 kg of dry parchment coffee sold to Procafecol with a premium price for quality.

In 2021, continuing with the work done in previous years, we worked with the FNC, the Departmental Committee of Huila, Microsoft and FAO in the formulation of a multidimensional strengthening initiative for the youth of ASODESARROLLO and surrounding municipalities,



Donations

Since 2020, and due to the health emergency, we defined a donation policy in order to support communities in vulnerable situations in coffee-growing areas. Two donation modalities were prioritized: through direct delivery to foundations for the execution of their social purpose; and in kind, which includes the delivery of equipment, furniture or food that benefit the populations of influence. Since 2020, we have partnered with actors such as the Association of Food Banks of Colombia (ABACO) and the Tiempo de Juego Foundation to channel their donations.

During 2021, as part of our partnership with ABACO, a total of 221,767 units of product were delivered, with the following highlights:

- **134,000** beneficiaries
- Equivalent to **COP \$195,432,000**
- Saved **10** tons of food.

Additionally, given that at the end of 2020 occurred the most serious natural disaster in the history of the San Andres and Santa Catalina Archipelago, COP \$10,000,000 were donated to help with the adequacy of the San Andres Food Bank and benefit the affected communities.



3. Climate Change and Circular Economy

[GRI 103-3] During 2021, the brand continued to strengthen its strategy in pursuit of climate change mitigation, considering the circular economy as a model that contributes to this objective. To this end, the following actions were developed:

- Innovation and change of materials.
- Reuse of packaging.
- Repair and redesign of furniture.
- Integrated waste management and closing the loop “Don’t Break the Cycle”.
- Calculation of the organization’s carbon footprint.

Innovation and change of materials

We showed our commitment to the environment by embracing the environmental regulations required in some areas of the country, such as Santa Marta or San Andres, where they have regulated the use of single-use plastic and expanded polyethylene, to date we have stopped using almost 4 tons of this material.

During 2021, sustainability criteria for packaging were generated, contemplating needs such as structure, functionality, branding and sustainability. This is the starting point for a gradual migration of packaging that we will carry out starting 2022.



Packaging reuse

[GRI 301-3] With the **Vaso Reúso** strategy, launched in November 2018, we seek to reduce the consumption of single-use cups through the use of the Juan Valdez® branded cup or a cup owned by the consumer. With this strategy we managed to avoid the use of up to 46,233 disposable cups by November 2019 nationwide. However, due to the health emergency caused by COVID 19 this activity was suspended in 2020*, but was later reactivated in October 2021, reaching 2,591 reuses during this year and with the objective of reaching a goal of up to 90,000 reuses, which is equivalent to one reuse per day per store.

The Vaso Reúso strategy aims to reduce the environmental impacts caused by the generation of solid waste in the operation.

Type of Reuse	Units		
	2019	2020	2021
Beverage Reuse	46,233	*0	2,591



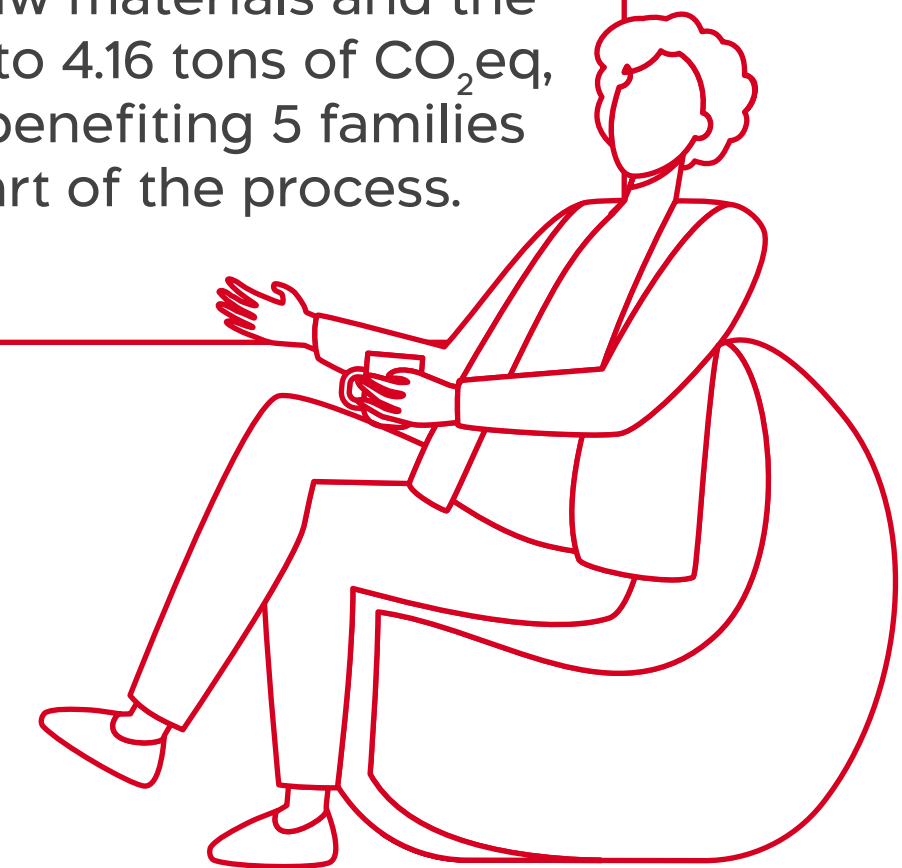
Furniture repair and redesign

Under the slogan “**We reuse as much as possible**,” we seek to reduce the extraction of raw materials, as well as the post-consumer disposal in a landfill, extending the useful life of the furniture through actions such as repair, restoration and remanufacturing, or the generation

of new uses. In this way we are committed to mitigating the environmental impacts generated by the use of furniture in its operation.

In 2021, in partnership with organizations such as **Recupera tu Silla** and **A Mano Lab**, which work not only for a circular economy model, but also for models of social inclusion.

We achieved the redesign and implementation of **86 chairs** and **201 pieces of furniture**, thus avoiding the use of 1,722 kg of raw materials and the emission of up to 4.16 tons of CO₂eq, in addition to benefiting 5 families that were part of the process.



Furniture		
2019	2020	2021
0	119	297

Integrated solid waste management closure of "Don't Break the Cycle"

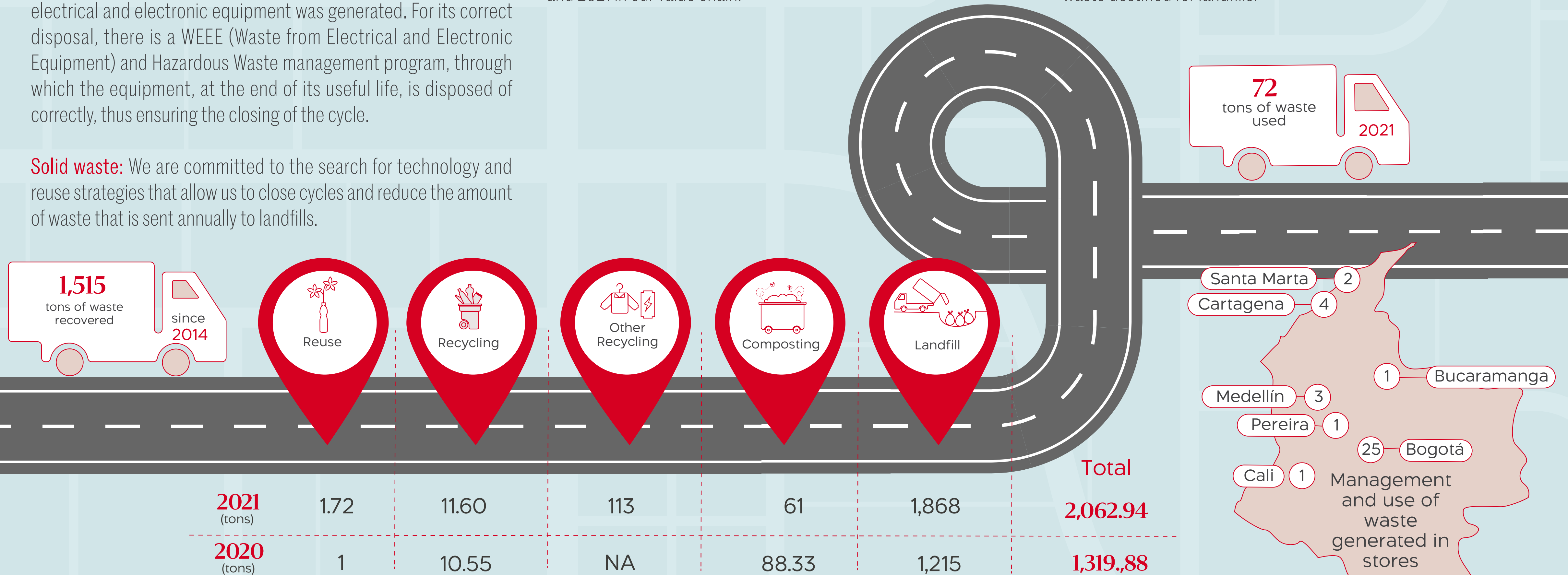
Hazardous waste: During 2021, a total of 7.62 tons of waste from electrical and electronic equipment was generated. For its correct disposal, there is a WEEE (Waste from Electrical and Electronic Equipment) and Hazardous Waste management program, through which the equipment, at the end of its useful life, is disposed of correctly, thus ensuring the closing of the cycle.

Solid waste: We are committed to the search for technology and reuse strategies that allow us to close cycles and reduce the amount of waste that is sent annually to landfills.

Therefore, during 2021, we complied with Resolution 1407 of 2018, which seeks that by 2030 organizations take advantage of 30% of the material generated.

Below, we present the management of solid waste generated in 2020 and 2021 in our value chain.

The amount of waste destined for reuse and recycling increased between 2020 and 2021 thanks to the activities implemented during the aforementioned period, which will be continued in order to reduce the negative impact of waste generation. With these actions we seek to reduce the consumption of raw materials and the generation of waste destined for landfills.

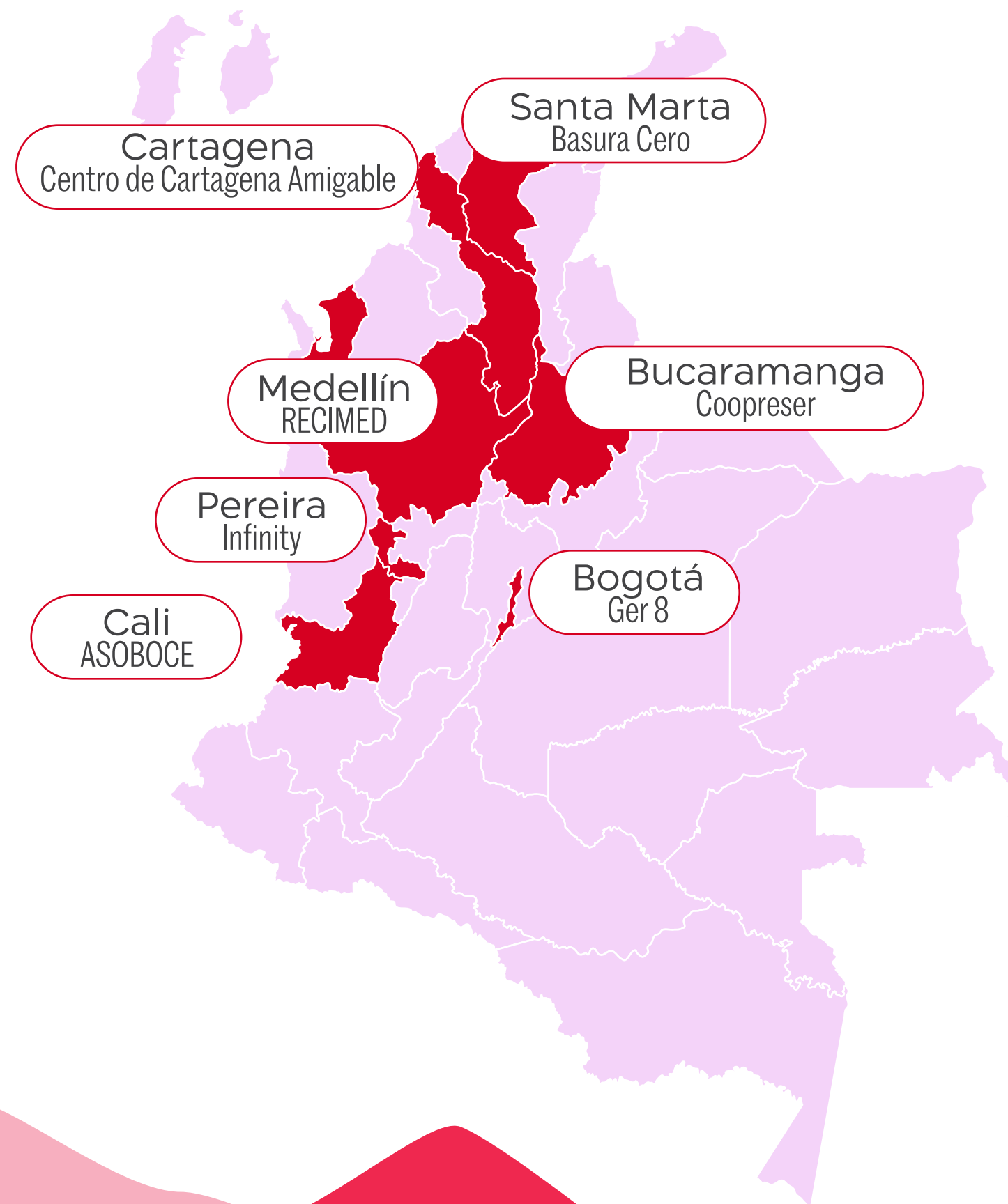


1,515 tons of waste recovered since 2014

72 tons of waste used 2021

Closing the cycle

Awareness-raising and pedagogical work with customers: This is carried out by working transversally in the generation of content in the brand's communication platform, providing information that allows improving separation at the source by customers, and bringing them closer to know the company's good environmental practices. All this is accompanied by training for employees to promote good practices and an endomarketing strategy. In 2021, a total of 1,230 people were trained through the Juan Valdez® Virtual U. and knowledge was reinforced with virtual training.



Articulation with recyclers: We recognize recyclers as relevant actors in the value chain of solid waste recovery. In 2021, 19 recyclers were attached to the recycling chain of 37 stores nationwide, and 7 organizations provide support in the use of recyclable solid waste.

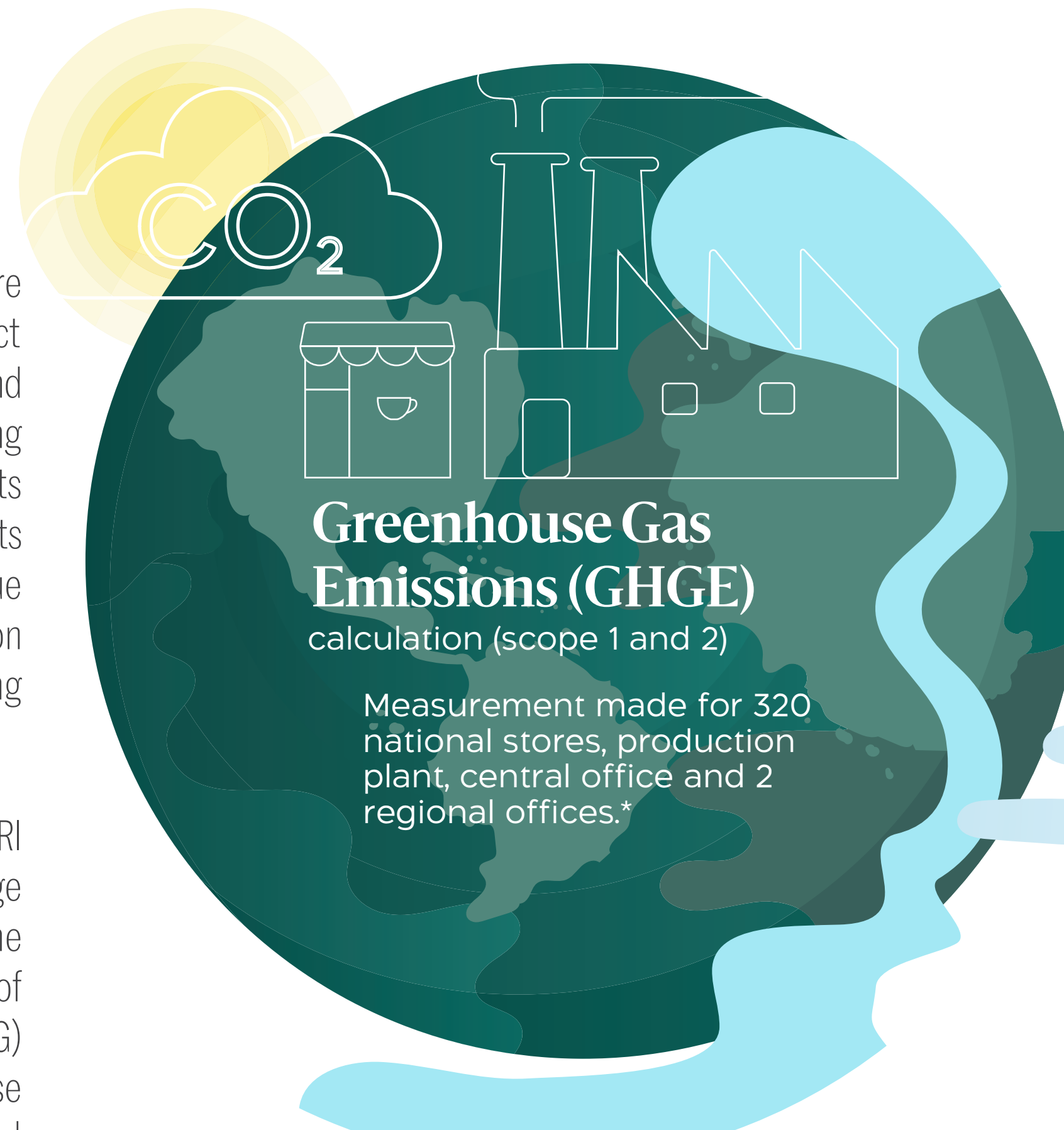
During 2021, a partnership with EMPACOR began in Bogotá, with the purpose of articulating the collection and use process, including recyclers in the logistics as relevant actors in the process; for this purpose, the recyclers' association "Grupo Empresarial de Recicladores de la Zona 8 - (GER8)" was integrated, which is paid for the logistics service in the collection, thus helping its formalization. Additionally, 52% of the stores join the waste management program of the partner establishment (shopping malls, business centers, clinics, among others) in which the store is present.



Calculation of the carbon footprint for the different areas of the organization

Energy consumption within the organization: [GRI 302-1] We declare our commitment to care for the environment and recognize the impact of the energy consumption we generate in the provision of services and products. Therefore, and demonstrating our commitment to reducing greenhouse gases, starting in 2021 we began monthly measurements of electricity consumption and fossil fuel consumption in stores, plants and product transportation. This is in order to have data to continue with the implementation of mitigation and consumption reduction strategies such as, for example, the implementation of LED lighting in the different facilities.

Greenhouse Gas Emissions (GHGE) calculation (scope 1 and 2): [GRI 305-1, 305-2] As part of the effort to build a culture of climate change mitigation, we conducted the baseline survey of emissions to the first and second scope for the year 2021. Following the guidelines of ISO 14064 part 1, and with the support of the Greenhouse Gas (GHG) Protocol standards, we identified and accounted for the Greenhouse Gas emissions generated during the year in plants, stores, offices and commercial channels nationwide.



* This is a preliminary measurement and is being reviewed to establish the baseline in 2021 against which the mitigation plan will be generated.

Reduction of GHGE: [GRI 305-5] With the results obtained, we expect to expand the measurement of the carbon footprint in order to measure the impact of the value chain and create a strategy in 2022 aimed at prevention, correction, mitigation and/or compensation activities for the GHGE generated.

Scope	TonCo ₂ Eq		
	2019	2020	2021
1	361.59	203.2	328.11
2	1,871.96**	1,402.61***	927.98****

** Emission factor for electricity consumption in Colombia: Resolution 385 of 2020, UPME (2020).

*** Emission factor for electricity consumption in Colombia: Resolution 382 of 2021, UPME (2021).

**** Emission factor for electricity consumption in Colombia: Factor emisión matriz energética, XM (2022).

Retrieved from:

<https://www.xm.com.co/noticias/4591-factor-emision-matriz-energetica-2021>

Climate change mitigation and adaptation and circular economy

In October 2021 we joined the “Agreement Coffee Forest Climate”, through which, together with the key actors of the coffee sector, we commit to accompany suppliers of the coffee value chain in the mitigation and adaptation to climate change, and in the implementation of the circular economy. In addition, we commit to carry out actions for the protection and restoration of forests.

This agreement is an effort articulated by the Solidaridad Network Foundation, which recognizes the importance of public-private partnerships for sustainable and inclusive economic development. To this end, the following actions were prioritized in the agreement:

- Promote effective restoration and conservation of protected areas.

- Encourage tree planting as a strategy to improve productivity, reduce carbon footprint and promote resilience.
- Encourage forest management and reforestation areas as a strategy for sustainable coffee production.





[102-54, 102-55] This material refers to a Core GRI - Core Option, according to the standards, taking into account GRI 102: General Contents; GRI 103: Management Approach; GRI 205: Anti-Corruption; GRI 301: Materials; GRI 302: Energy; GRI 305: Emissions; GRI 403: Occupational Health and Safety; GRI 404: Training and Education; GRI 413: Local Communities. For a detailed explanation of the relevant content, see the GRI Content Index.

GRI 102: General Disclosures

Organization Profile

GRI Standards Disclosure	Page number	Part omitted	Reason for omission	Explanation of omission
102-1 Name of the organization	11			
102-2 Activities, brands, products, and services	11			
102-3 Location of headquarters	25			
102-4 Location of operations	25			
102-5 Ownership and legal form	11			
102-6 Markets served	25			
102-7 Scale of the organization	9			
102-8 Information on employees and other workers	71			
102-9 Supply chain	59			
102-10 Significant changes to the organization and its supply chain	11			
102-11 Precautionary principle or approach	40			
102-12 External initiatives	31			
102-13 Membership of associations	31			

GRI 102: General Disclosures

Strategy

GRI Standards Disclosure	Page number	Part omitted	Reason for omission	Explanation of omission
102-14 Statement from senior decision-maker	6			
102-15 Key impacts, risks, and opportunities	46			

Ethics and Integrity

102-16 Values, principles, standards, and norms of behavior	42			
102-17 Mechanisms for advice and concerns about ethics	68			

Governance

102-18 Governance structure	45			
102-19 Delegating authority	46			
102-20 Executive-level responsibility for economic, environmental, and social topics	47			

Stakeholder Engagement

102-40 List of stakeholder groups	51			
102-41 Collective bargaining agreements	51		NA	NA
102-42 Identifying and selecting stakeholders	53			
102-43 Approach to stakeholder engagement	53			
102-44 Key topics and concerns raised	55			

GRI 102: General Disclosures

Reporting Practice

GRI Standards Disclosure	Page number	Part omitted	Reason for omission	Explanation of omission
102-45 Entities included in the consolidated financial statements	-		NA	Other entities are not included
102-46 Defining report content and topic Boundaries	53			
102-47 List of material topics	53			
102-48 Restatements of information	-		NA	First Sustainability Report
102-49 Changes in reporting	-		NA	First Sustainability Report
102-50 Reporting period	11			
102-51 Date of most recent report	11		NA	First Sustainability Report
102-52 Reporting cycle	11			
102-53 Contact point for questions regarding the report	Back cover			
102-54 Claims of reporting in accordance with the GRI Standards	101			
102-55 GRI content index	101			

GRI 103: Management Approach

Anti-Corruption

GRI Standards Disclosure	Page number	Part omitted	Reason for omission	Explanation of omission
103-1 Explanation of the material topic and its Boundary	67			
103-2 The management approach and its components	67			
103-3 Evaluation of the management approach	67			
205-1 Operations assessed for risks related to corruption	68			
205-2 Communication and training about anti-corruption policies and procedures	68			
205-3 Confirmed incidents of corruption and actions taken	68			

Series 300 (environmental issues)

Materials

103-1 Explanation of the material topic and its Boundary	80			
103-2 The management approach and its components	80			
103-3 Evaluation of the management approach	92			
301-1 Materials used by weight or volume	93			

Series 300 (environmental issues)

Energy

GRI Standards Disclosure	Page number	Part omitted	Reason for omission	Explanation of omission
103-1 Explanation of the material topic and its Boundary	80			
103-2 The management approach and its components	80			
103-3 Evaluation of the management approach	92			
302-1 Energy consumption within the organization	98			

Emissions

103-1 Explanation of the material topic and its Boundary	80			
103-2 The management approach and its components	80			
103-3 Evaluation of the management approach	92			
305-1 Direct (Scope 1) GHG emissions	98			
305-2 Energy indirect (Scope 2) GHG emissions	98			
305-5 Reduction of GHG emissions	98			

Series 400 (social issues)
GRI 103: Management Approach

Occupational Health and Safety

GRI Standards Disclosure	Page number	Part omitted	Reason for omission	Explanation of omission
103-1 Explanation of the material topic and its Boundary	69			
103-2 The management approach and its components	69			
103-3 Evaluation of the management approach	73			
403-1 Occupational health and safety management system	75			
403-2 Hazard identification, risk assessment, and incident investigation	76			

Training and Education

103-1 Explanation of the material topic and its Boundary	69			
103-2 The management approach and its components	69			
103-3 Evaluation of the management approach	73			
404-1 Average hours of training per year per employee	77			
404-2 Programs for upgrading employee skills and transition assistance programs	77			

**Series 400 (social issues)
GRI 103: Management Approach**

Local Communities

GRI Standards Disclosure	Page number	Part omitted	Reason for omission	Explanation of omission
103-1 Explanation of the material topic and its Boundary	80			
103-2 The management approach and its components	80			
103-3 Evaluation of the management approach	83			
413-1 Operations with local community engagement, impact assessments, and development programs	83			

It is worthwhile to mention that we share other topics in this sustainability report that are of our material impact, which are contents that we execute but that have no indicators related to the GRI economic, social and environmental thematic standards; so we use the organization's own management approach and measurement method.

If you wish to obtain more information, you can contact us through the following channels:

Customer Service:

Customer / Consumer Contact Channels

Channel: <https://www.youtube.com/user/juanvaldezcafeco>

Telephone: Contact Us: (+571) 7423995 in Bogotá or 018000517711 nationwide.

Headquarters: Procafecol S.A. Cl. 73 #8 - 13, Bogotá - Colombia

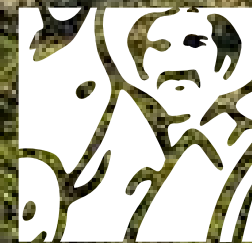
Website: <https://www.juanvaldezcafe.com/>

Social Media:

Facebook: <https://www.facebook.com/JuanValdezCafe/>

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