



Juan Valdez®

SUSTAINABILITY
REPORT

2022

To ask questions or share comments or opinions about this report, write to:
sostenibilidad.jv@juanvaldezcafe.com
<https://juanvaldez.com/>

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ABOUT THIS REPORT

[GRI 2-1] [GRI 2-2] [GRI 2-3] [GRI 2-4] [CO12 7.1, (i)]

The integrated report that describes the activities related to the management of the company Promotora de Café Colombia S.A. is presented. The report includes the activities carried out between January 1 and December 31, 2022. During this period, the company has not undergone relevant organizational changes that affect comparability. The company established an annual periodicity for the management and sustainability report, which on this occasion were integrated into a single document.

The report was prepared in reference to the Global Reporting Initiative (GRI) standards, complying with the quality principles and the selection of contents and indicators defined in the GRI Universal Standards.

Procafecol S.A. was born in 2002 with the objective of generating value-added businesses for coffee growers and to lead the expansion of the Juan Valdez® brand. Procafecol S.A. is a public limited company and issuer of securities, whose main shareholders are the National Federation of Coffee Growers of Colombia, the Manuel Mejía Foundation and Almacafé S.A., along with more than 18,000 minority shareholders, the vast majority of whom are active coffee growers (10,768¹). At the end of 2022, it had 357 stores operating in Colombia and 178 abroad, in addition to having a broad presence in 38 countries in the category of large stores. 100% premium Colombian coffee has maintained the brand as the most recognized and admired in Colombia during the 20 years since the constitution of Procafecol S.A., which consolidates the challenge of expanding to international markets.

Basic identification data of the issuer

[CO12 7.1, (ii)]

Name or corporate name	Promotora de Café Colombia S.A.
City of principal residence	Bogotá D.C., Colombia
Address of principal residence	Calle 73 # 8-13 Torre A piso 3

Current securities issues

[CO12 7.1, (iii)]

Value type	Ordinary
Negotiation system	Over-the-counter (closed)
Stock exchanges on which the securities are listed	Not applicable
Amount of the issue	Veinte mil millones de pesos (COP \$20.000.000.000)
Amount placed	Veinte mil millones de pesos (COP \$20.000.000.000)
Balance to be placed	Not applicable

¹ Number of coffee growers registered in the last information crossing with the Colombian Coffee Information System (SICA) in 2019.





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GLOSSARY

[C012 7.3]

ATL (Above The Line): communication and promotion activities in mass media such as television, press, radio, etc.

Back office: is the group of Procafecol S.A. collaborators that occupy roles and/or functions that do not require a direct relationship with consumers. E.g.: accounting area, administrative services, among others.

BTL (Below The Line): communication and promotional activities in media aimed at customers and consumers, such as point-of-sale activations, flyers, branded merchandise, among others.

Whole bean coffee: stage of the coffee fruit after it has been harvested, washed and roasted.

Freeze dried coffee: soluble coffee from freeze-drying, which is the ideal process to preserve the attributes of flavor, aroma and perfect balance of coffee, and which consists of freezing the liquid coffee extract.²

Ground coffee: state of the coffee after the roasting and grinding process, ready to proceed with the preparation of the beverage.³

Dried parchment coffee (CPS): the coffee beans are obtained after removing the husk and mucilage, washing and drying to a humidity of 12%. It also refers to the name of the coffee marketed by the coffee grower within the country.⁴

Green coffee: state of the coffee bean, which is also known in certain countries as "golden coffee", "seed" or "almond". It is obtained after the removal of the parchment as a result of the threshing process. Green coffee is the basic input for the elaboration of roasted coffee, soluble coffee and coffee extracts, and is the most common form in which it is exported to other countries.⁵

Channels: set of sales channels through which Procafecol S.A. presents its products and services to consumers, such as stores (own and franchises), mass consumption (traditional and modern), institutional and e-commerce platforms.

Carpooling: this practice consists of sharing a means of transportation to move around, optimizing the use of roads and generating a positive environmental impact thanks to the reduction of carbon emissions resulting from the use of fewer vehicles.

Cashless: transactions without using cash.

E-commerce: digital commerce platforms.

Delivery Apps: apps for product delivery.

EDR (Endpoint Detection and Response): operating system in terminals for detection of threats and unusual behaviors that generate alarm and containment responses.

Engagement: commitment or connection that users or consumers have with a brand.

Expertise: expert skill.

FDA (Food and Drug Administration): U.S. Food and Drug Administration.

FoNC: National Coffee Fund.

Front office: is the group of Procafecol S.A.'s collaborators that occupy roles and/or functions that require a direct relationship with consumers. E.g.: operations area, customer service, among others.

Funnel: process that determines the phases that the consumer goes through to make a decision regarding the purchase of a product or service. Joint venture: collaboration or association agreements between companies with a common objective and shared risk.

Look and feel: is the visual style of a brand platform that generates a differential interaction with its consumers.

Marketplaces: online platforms for the commercialization of products and services.

Podcasts: digital content in audio format available on online platforms.

POS: point of sale

PR value: profitability or return on investment of an executed public relations campaign.

RPA: robot processes automatization .

Sell In: sales of Procafecol S.A. to customers such as supermarkets, mass consumption chains and distributors, among others (wholesale).

Sell Out: sales made by Procafecol S.A.'s customers, such as department stores, mass consumption chains and distributors, among others, to consumers or end customers (retail).

SOC (Security Operation Center): security Operations Center that monitors the behavior and alarms of the network security systems, EDR and Antivirus.

TAT (store to store): the market channel, also known as the "traditional channel", is made up of independent self-service stores, cafeterias, among other establishments of this type.

TRP (Target Rating Point): percentage of the company's target audience that views its advertising campaigns and/or commercials.

TTL (Through The Line): cross-cutting communication and promotion activities between ATL and BTL.

Wholesale: sale of products in large volumes at low cost.

² Adapted from Glossary by the National Federation of Coffee Growers of Colombia. (<https://federaciondecafeteros.org/glosario/>).

³ Idem.

⁴ Idem.

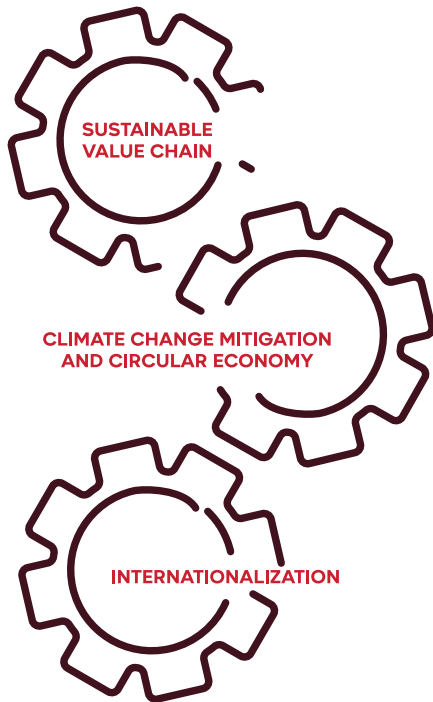
⁵ Idem

I. KEY FACTS AND FIGURES

To learn more about the company's financial milestones, click [here](#) or visit the ['Key Facts' section of the 2022 Annual Report](#).

A. STRATEGY

Update of the company's strategic sustainability pillars to include the internationalization of the strategy.



In this evaluation, **57 places** higher than in 2021.



In 2022, the company's efforts in:

- gender equity,
 - contribution to the community and
 - care for the environment
- were highlighted.

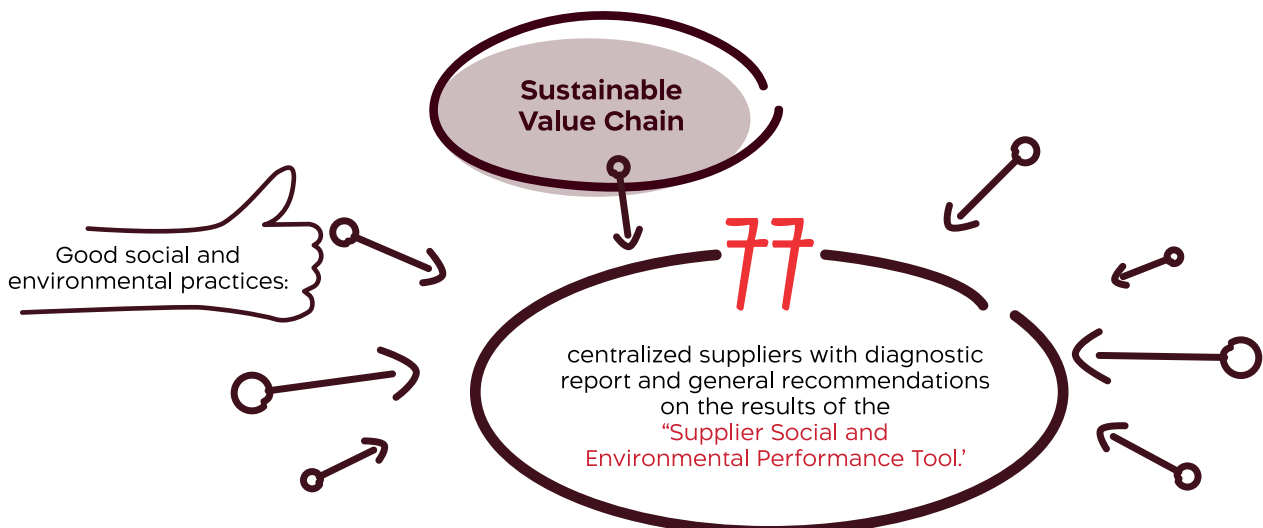


In August 2022, the company entered the list of the

22

inspiring Companies of the ANDI Foundation thanks to the **Mujeres Cafeteras** (Women Coffee Growers) program.

B. SUSTAINABLE VALUE CHAIN



i. Plan Amigo Caficultor (Coffee Grower Friend Plan)



113,591

units of **Mujeres Cafeteras** packaged coffee distributed in the brand's different market channels.

243

beneficiaries with



2,663

hours of support in the **Mujeres Cafeteras** multidimensional strengthening platform.



16,062

units of packaged coffee **Jóvenes Caficultores** (Young Coffee Growers) distributed in the different market channels of the brand.

60

young men and women beneficiaries of



10,174

hours of training in the **Jóvenes Renacer 2022** (Young Coffee Growers Renacer 2022) multidimensional strengthening platform.

456,846

drinks prepared with **Jóvenes Caficultores** coffee preferred by consumers in the stores.



717

coffee grower shareholders enrolled in the **Plan Amigo Inversionista** (Investor Friend Plan) program, from 15 departments of the country.



9,220

units of packaged coffee of the special edition 'Trazando la ruta del café' Santander, distributed in the different market channels.

207,656

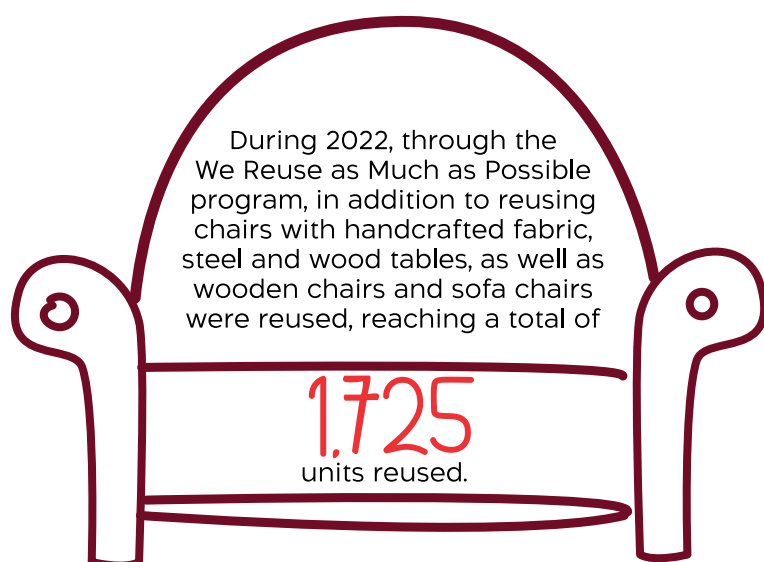
drinks prepared using 'Trazando la ruta del café' Meta.



DONATIONS



CIRCULAR ECONOMY



Change in packaging of sandwiches and salads of the company's own line to materials with lower environmental impacts, which will reduce the use of plastics by

7.87
tons by 2023.



The Don't Break the Cycle program achieved the recovery of

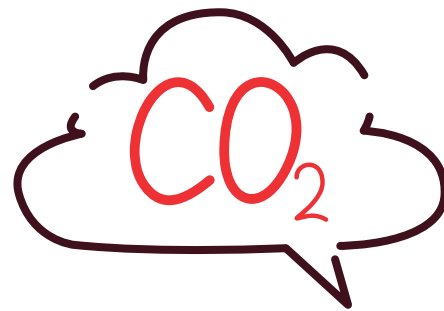
50.6
tons of recyclable waste and
129
tons of organic waste.

During 2022, with the Reusable Cup program, more than

13.696
beverages were served in reusable cups nationwide.



CLIMATE CHANGE



The organization's third carbon footprint calculation was performed, achieving the measurement of scopes 1, 2 and 3, accounting for emissions from the extended supply chain.

INTERNATIONALIZATION

Evaluation of social, environmental and governance attributes of partners in Spain, Chile and Ecuador to begin the internationalization process of the sustainability strategy in the operation of the Juan Valdez® brand in those countries.

To learn more about the company's financial milestones, [click here](#) or visit the 'Key Facts' section of the 2022 Annual Report.



II. NOMINATIONS AND RECOGNITIONS:



In the Merco ESG ranking of
"Most Responsible Companies"
Procafecol S.A. ranked

16th

among the 100 companies on
the list, standing out in the
categories of 'Internal scope,
customers and society' (rank
18) and 'Ethical and corporate
governance level' (rank 16).



Procafecol S.A. was nominated for the P&M
Awards 2022 in the 'Special Mentions TOP10 2022
Brand Action with Purpose' category for its
campaign, attached to the Jóvenes
Renacer shared value program. This
category recognizes brand actions that
aim to generate a positive impact on its
environment and stakeholders.



SOCIAL INVESTMENT INDEX:

The company ranked 30th in the Social Investment Index led by Jaime Arteaga & Asociados, climbing 57 places over the result obtained in 2021. This index evaluates the investment of organizations that go beyond the minimum required, whose return goes to the sustainability of the business and the development of the stakeholders impacted by the company.

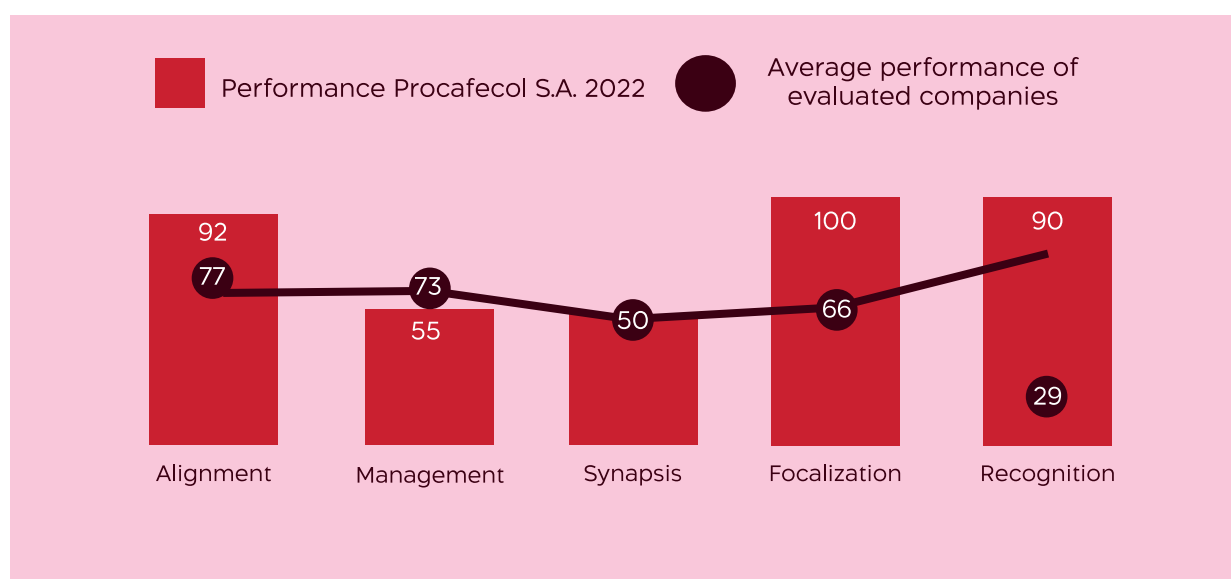
With regard to the 'Alignment' dimension, which refers to the level of engagement of social investment in the business model, Procafecol S.A. obtained superior results in the variables of 'Hierarchy of strategies' and 'Gender and Inclusion', thanks to its constant efforts focused on: initiatives that promote a positive contribution to vulnerable communities through the policy of inclusive procurement; certifications such as B Corporation and shared value programs with men and women coffee growers (Mujeres Cafeteras) that validate and reaffirm the company's commitment to its higher purpose; inclusion of people with cognitive

disabilities in partnership with the organization Best Buddies Colombia®; and commitment to gender balance in direct hiring of employees.

Regarding the 'Focalization' dimension, related to actions focused on rural and vulnerable populations, the company has made a social investment focused on coffee communities, mostly small and mid-size producers.

Finally, the 'Recognition' dimension, which means that the work of Procafecol S.A. is praised by third parties, due to its commitment to the environment, transparency and good governance, and its responsibility towards its employees, stands out.

The following graph shows the company's performance, compared to the results obtained by the other companies evaluated in the index:



Source: Procafecol S.A. Private Social Investment Index Report. Jaime Arteaga Abogados.

III. STAKEHOLDERS AND MATERIALITY ANALYSIS

[GRI 2-29] [GRI 3-1] [GRI 3-2] [GRI 3-3] [C012 7.4.3.3.2 - Annex 2 - 5.1.1]

Procafecol S.A. seeks a constant dialogue with its stakeholders, recognizing their expectations and seeking alternatives to meet them and have a positive impact on these groups. Therefore, the company use different communication channels and engagement tactics such as infographics, newsletters, forums, meetings, among other dynamics that allow to strengthen these ties and bring them closer. Similarly the

website, Juan Valdez® brand social networks and customer service lines, are essential to maintain constant communication.

The following stakeholders, internal and external to the organization, have been prioritized and identified due to their high relevance:



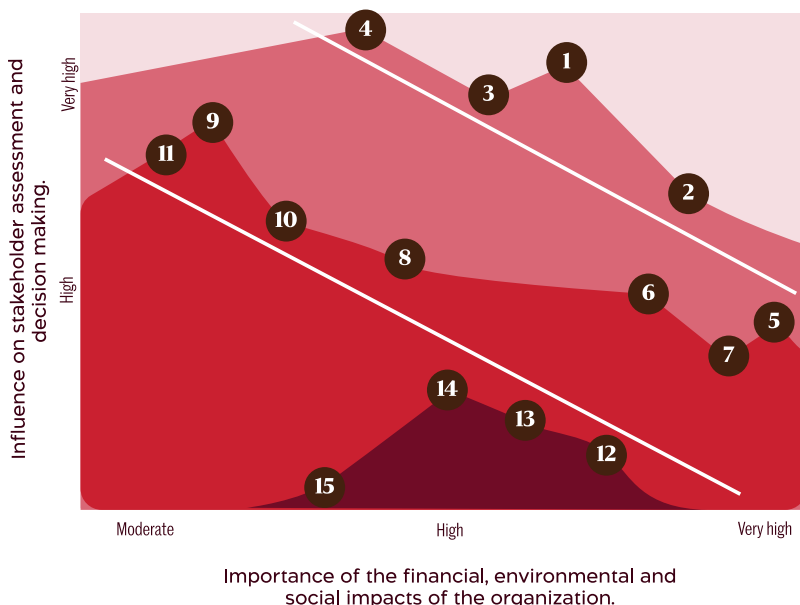
The 2021 materiality analysis addressed the need to know the expectations of these prioritized stakeholders to jointly build the course of action to manage the different material issues. This process aims to respond to the changing needs of the trade, so it is updated considering the sustainability and organizational changes' context. During 2022, the management of financial, environmental and social factors that impact the organization was continued under the same materiality focus, which continues to be prioritized within the organization.

there is no GRI-Global Reporting Initiative standard for the food sector to generate a reference.

In addition, the strategy led by Juan Valdez® and its Sustainable Value Chain were taken as a basis, and validated by the organization's management team, which actively participated in the process. This way, 15 topics were selected that were consulted with the stakeholders mentioned above.

Initially, 49 topics were selected from a sustainability context, considering trends in the agriculture and food sector. Nonetheless, currently,

The matrix resulting from this analysis shows the issues that are highly relevant to the sustainability vision of Procafecol S.A.:



Very High relevance

1. Women coffee growers (Mujeres Cafeteras).
2. Investor relations.
3. Quality and safety.
4. Fair trade. ².

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.

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

IV. STRATEGY

[GRI 3-3]

In 2019, sustainability became the center of the Procafecol S.A. business model, as the generation of shared value for coffee growers, employees, consumers, shareholders and business partners became the company's strategic objective.

Additionally, 2019 marked the beginning of the remanufacturing program and the extension of the useful life of the furniture and structure of the Juan Valdez® Café stores, a practice that today continues to contribute to the sustainability policy under the We Reuse as Much as Possible program.

Also noteworthy during 2020 was the consolidation of the Plan Amigo Caficultor (Coffee Grower Friend Plan), with programs such as Mujeres Cafeteras (Women Coffee Growers) and Jóvenes Renacer (Young Coffee Growers), which were the main feature of one of the seasons of the Juan Valdez® brand.

This reinforces the importance of developing good social and environmental practices both in the operation and in the supply chain, achieving

a new way of engaging with the different stakeholders, while seeking a competitive organization with a high social and business impact.

Thanks to this step achieved in 2019, the sustainability strategy was transformed in 2022 to shape the horizon of 2027, seeking that the company's development is supported by sustainable practices as a competitive advantage. For example, this strategic line highlights the Inclusive Procurement Policy, through which, since 2019, suppliers in vulnerable situations have been included in the supply chain through the relaxation of the requirements for commercial engagement.

The work around sustainable sourcing and the relationship with coffee growers was expanded to a Sustainable Value Chain, which prioritizes not only Colombian coffee growers as coffee suppliers, but also other suppliers that have sustainability and inclusion processes and suppliers of inputs for the entire supply chain under a single framework of action. The objective is to broaden the impact and generate a single development model for the prioritized stakeholders.

B CORPORATION, TAKING CARE OF THE PRESENT WITH A VIEW TO THE FUTURE.

A major milestone in 2020 was to complete the application as a B Corporation, which is in line with the generation of a triple impact (economic, social and environmental) on all the organization's stakeholders. B Corp Certification is the result of the road travelled and the achievements made in sustainability.

With the B Corp Certification starting in February 2021, Procafecol S.A. joins the global movement where more than 5,000 companies aspire to be the best companies for the world in different fields.

In collaboration with other certified B Corporations, during 2022 the brand participated in the Sistema B stand, located in the Éxito super-

market chain. This initiative was carried out for 3 months, specifically in the city of Envigado and at the Colina headquarters in Bogotá, with the objective of making visible the commitment of Juan Valdez® and other companies to generate shared value for their stakeholders. In this way, over 18,000 visits were made to this space by consumers, who had the opportunity to learn more about the purpose of these brands and their positive impact on the industry.

In recent years, the company has embarked on a path towards climate action, which materialized significantly in 2022 with the goal of reaching zero net emissions by 2050. Based on an agenda focused on circular economy with an emphasis on closing the waste cycle, the strategy for 2022-



2027 will be focused on the execution of climate goals that will lead to the fulfillment of the commitment embodied in the adhesion to Race To Zero.

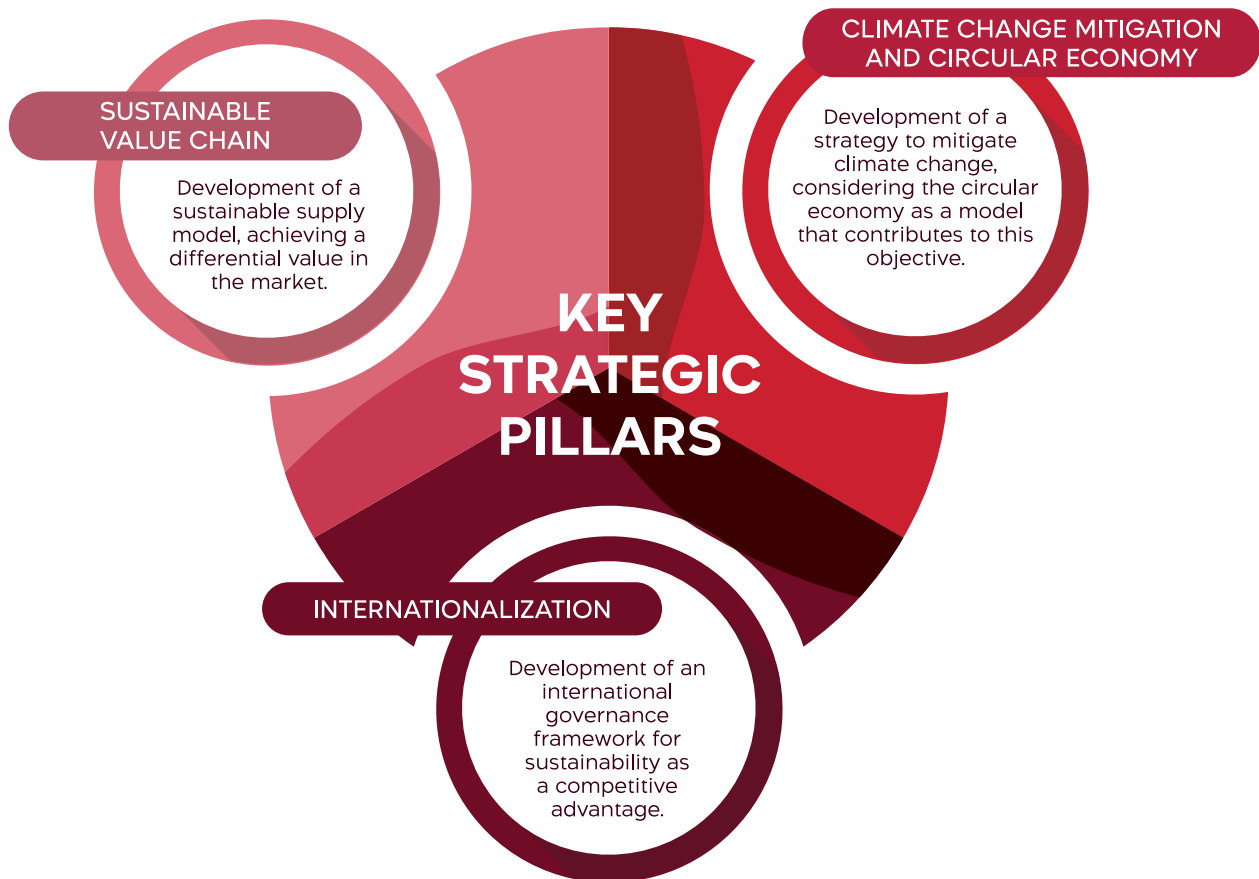
Procafecol S.A. has broadened its perspective on the improvements that can be made to the containers and packaging used in stores. In this way, the circular economy is evolving so that all actions derived from it respond to clear emission reduction goals.

The commitment to contribute beyond the use of waste with the Don't Break the Sustainability Cycle program is complemented with circularity models based on eco-design that start from the materiality and recyclability of waste. It is also important to highlight the definition of sustainable criteria for the acquisition of containers and packaging, which allows

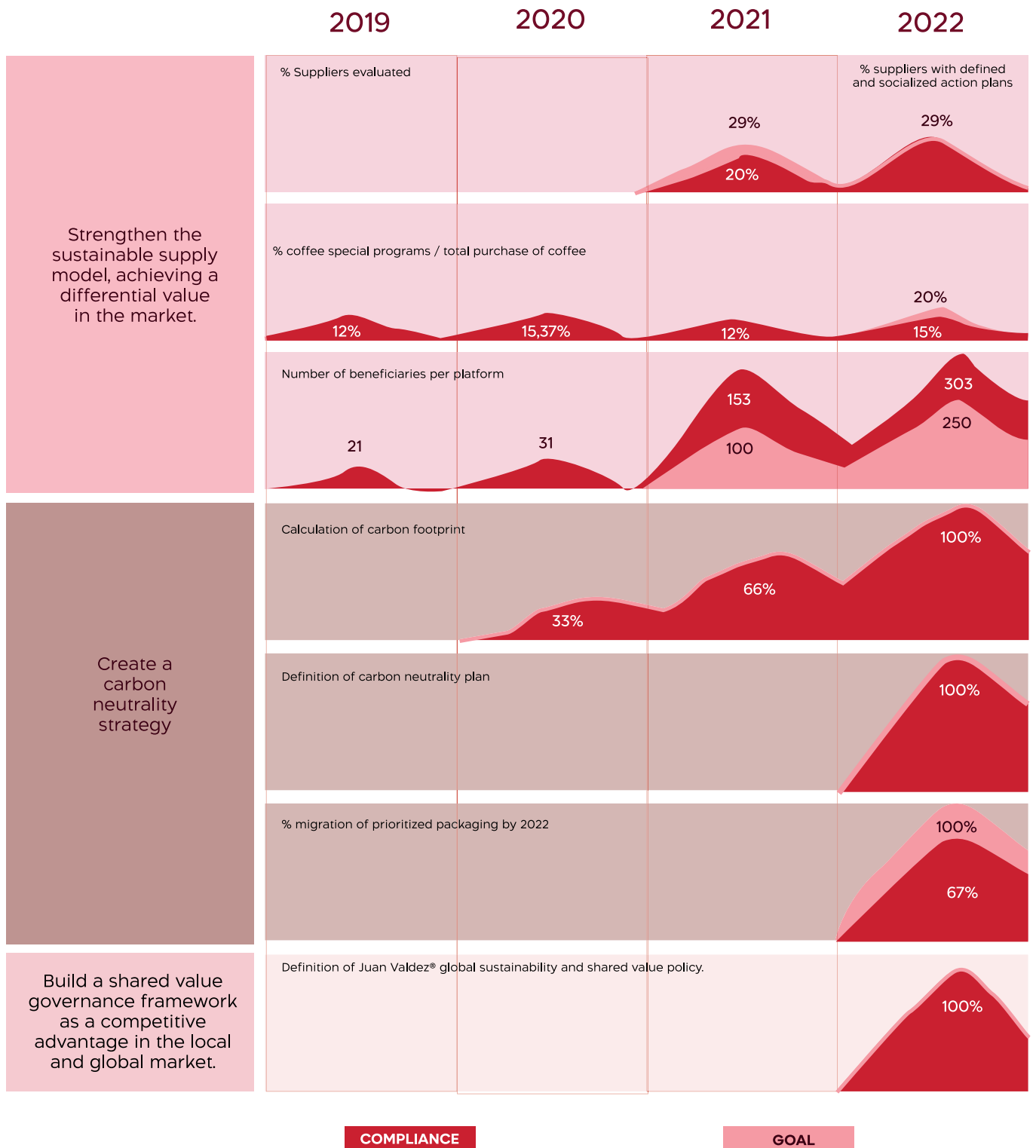
us to determine improvement actions and required changes to facilitate their use and reduce their impact.

Also, aware of the participation of the Juan Valdez® brand in the global market (with presence in 38 countries) and in line with the strategy to position the brand in the top 10 coffee consuming countries, Procafecol S.A. has decided to begin the expansion of its sustainability strategy in the international operation. In this way, the triple impact attributes begin to be experienced in those countries where the company has a presence, leaving the name of the organization and of Colombia on a high level through good business practices.

Accordingly, the sustainability strategy for the 2022 to 2027 period is as follows:

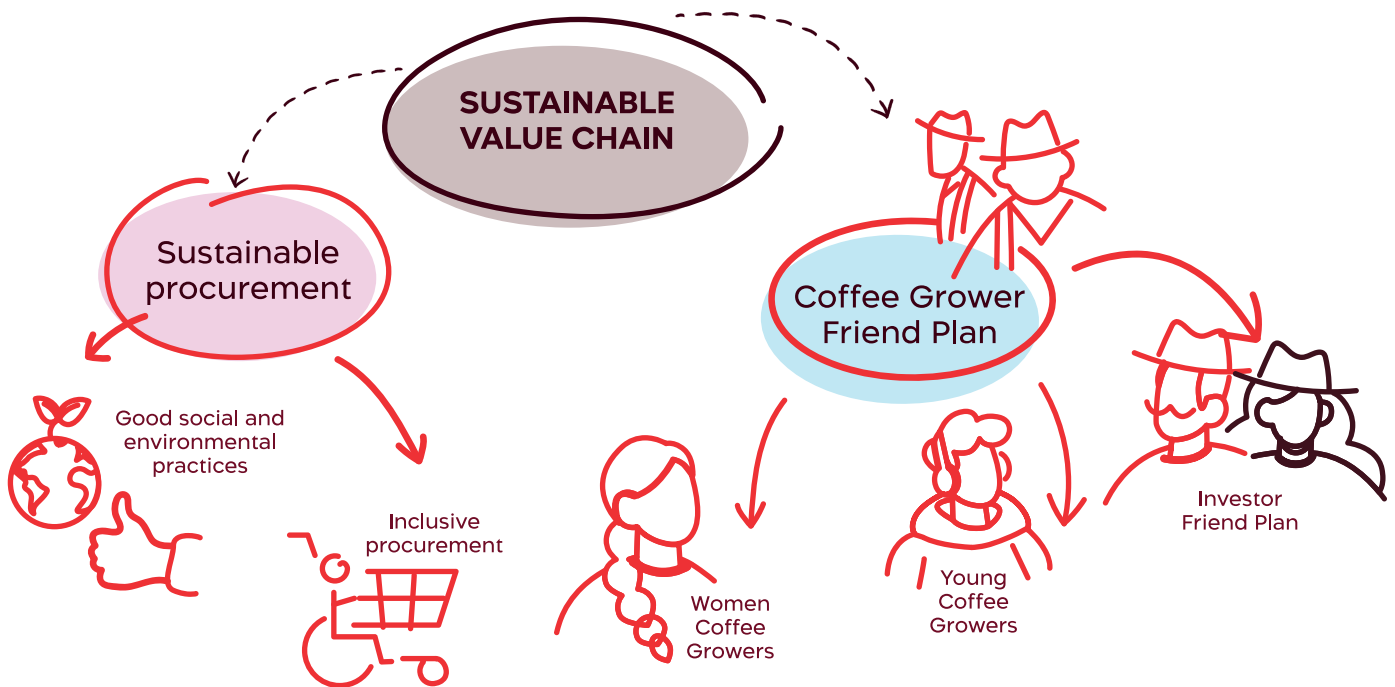


STRATEGY 2022 RESULTS



* Compliance from the transition of packaging material of four of the six prioritized references (mixers, straws, sandwich packaging and salad packaging).

A. SUSTAINABLE VALUE CHAIN



I. Sustainable procurement

[GRI 308-1] [414-1]

GOOD SOCIAL AND ENVIRONMENTAL PRACTICES

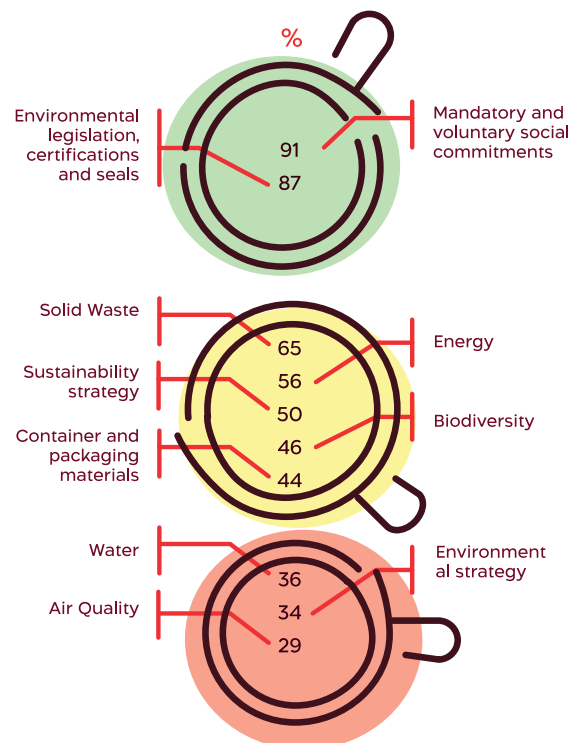
Procafecol S.A. seeks to be a responsible and sustainable brand through its supply chain by implementing various programs and actions that contribute to these objectives.

Between 2020 and 2021, the social and environmental performance evaluation tool was built and applied to 77 suppliers, corresponding to 29% of the company's centralized supplier database. Between April and May 2022, a general discussion of the results was held with the group of participating suppliers and, subsequently, a general report on the performance of each supplier and a guide of recommendations based on the opportunities evidenced in their responses was prepared, which were personalized and sent in October.

Among its main findings, the diagnostic revealed three challenges in the supply chain:

- To have in the organizations a management system that includes aspects such as policies, plans, programs and/or projects in sustainability, integrating environmental and social aspects.
- Measuring, monitoring and reducing greenhouse gas emissions and other polluting gases in the value chains of suppliers.
- To have management and policies in relation to the proper use and preservation of water as a natural resource.

Once this diagnosis of good practices in the supply chain is completed, the company expects to develop sustainable procurement guidelines for suppliers in 2023. These will shape the chain's commercial relations, taking into account minimum environmental, social and governance aspects. This will have an impact on improving the organizational processes of Procafecol S.A. and the organizations that act as suppliers.



Initiatives: highlights and ongoing *Cage-free eggs*



Since the commitment to source all of its egg supply from 100% cage-free hens by 2025, the company has faced a number of challenges due to the Covid-19 pandemic, rising prices and the transition to liquid and powdered egg use. These situations have slowed progress towards certified eggs.

This policy has been created in alliance with Sinergia Animal, an international animal protection NGO to which Procafecol S.A. reports its progress or setbacks each year as part of its commitment to this goal. Three years from the goal, the work to negotiate and find cage-free suppliers in the country is still ongoing, hoping to be able to count in 2023 with gradual growth figures that show that the eggs used in the company's operation reflect the commitment to the animal welfare of laying hens.

Inclusive procurement

Since 2019, Procafecol S.A. began exploring the extension of inclusive procurement of branded items (finished products) to the purchase of raw materials and inputs, with the aim of establishing long-term relationships with new suppliers.

Based on this initiative, an Inclusive Procurement Policy was developed, which seeks to enable the company to source products from Colombian suppliers that come from communities in vulnerable situations. These benefit from differential contracting criteria compared to the brand's traditional suppliers through actions contemplated in the policy, such as:

- Advance payments of up to 50%.
- Flexible payment terms
- Support throughout the entire process
- Feedback at the end of the purchase
- Visibility on packaging.
- Evaluation tool: social and environmental performance of suppliers.

Through this process, the company has sought to coordinate with partner entities such as the ANDI Foundation, through which it planned a project with small orange producers from the Association of Small and Mid-sized Agricultural Producers of Meta (Asomet) for a year and a half. The plan was to start purchasing orange juice for the plant's production line in June. However, due to weather conditions, it was not possible for the producers to meet the quality and volume requirements on the dates estimated by the company.

Both the purchase of eggs from cage-free hens and the inclusion of small producers such as Asomet are challenges that motivate actions for 2023 and the following years, in order to resume and achieve successful and impactful solutions for the organization and partner suppliers.

Generating value through the supply chain

[GRI 2-6][GRI 204-1]

The supply chain process maintains the 2021 processes that ensure supply to the company's commercial channels at a competitive cost and expense, with an optimal inventory level and implementing continuity plans to meet the established service level.

Main nodes of the supply chain:

- 100% of the coffee purchased is Colombian, coming from 10 different departments of the country.
- 93.6% of the company's purchases come from domestic sources, where Green Coffee and Freeze-Dried Coffee are purchased from the Colombian Coffee Growers Federation in accordance with the terms of a joint agreement; these products represent 48% of the total purchases of Procafecol S.A.
- The 5PL (Fifth Party Logistics) operation in partnership with Almacafé, integrates the operation of roasted coffee production, storage, order processing and distribution of dry products for all commercial channels, for which we have signed supply contracts and service agreements that have the guidelines defined in this strategic partnership to ensure the supply of coffee and all dry goods required by the different commercial channels. This category represents 4.7% of total purchases.
- Pastry and Bakery represents 4.7% of the total purchases of Procafecol S.A. and is made from 6 suppliers, mainly national, with whom there are commercial supply agreements to guarantee the supply of products for the channels of own-brand stores, franchises and bars of the institutional channel.

Agreements and certifications

[GRI 2-28]

List of agreements and certifications of Procafécol S.A.:

+List of Inspiring Companies.

Procafécol S.A. was included in ANDI's List of Inspiring Companies in August 2022 thanks to the Mujeres Cafeteras (Women Coffee Growers) program. Through the sale of coffee by women coffee growers, the program seeks to encourage good business practices in rural areas, associativity and care for the environment with a focus on gender equality, improving the quality of life of their families and communities. The company was also part of this list in 2019, with the presentation of the Jóvenes Renacer (Young Coffee Growers) program, and since 2021, thanks to its inclusive supply program. Procafécol S.A. participated as an active partner in different initiatives. It also has more than 5 product certifications and 3 company certifications.

+BASC Certification and AEO Accreditation:

BASC Certification:

Procafécol S.A. is BASC certified (Business Alliance for Secure Commerce), an international business alliance that promotes secure trade in cooperation with governments and international organizations. The certification is voluntary and guarantees compliance with the requirements of the management system for control and security in the company's supply chain, from production, packaging, packing, and international movement.

AEO Accreditation:

In February 2022, Procafécol S.A. 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 those 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.

Procafécol S.A. is now part of the group of nearly 500 companies accredited as Authorized Economic Operator in Colombia, which qualifies it to self-manage the security of its supply chain through the knowledge of its business partners, the control of document and operational processes, and the transparent management of customs operations.

+ Product certifications

Halal Certification:

In 2022, we succeeded in obtaining Halal re-certification, which is key for the consumption of products from Muslim communities. The certification guarantees that the content and manufacturing process comply with the guidelines of Islamic law; this certification was also guaranteed for the United Arab Emirates, a rapidly developing and strategic territory for the International Vice-Presidency. The company ensures that coffee production destined for the Islamic market is covered by this certificate granted by LPPOM MUI.

Kosher Certification:

The Kosher certification applies to the entire roasted coffee portfolio, which guarantees that it complies with the requirements of the Jewish religion. The certification is granted by the Orthodox Union.

Organic Seal Certification:

The organic seals not only guarantee the quality of the coffee, but also provide a competitive advantage when exporting to different markets. The certifications that guarantee that a product is organic reaffirm sustainable production by reducing its impact and taking care of biodiversity and the natural environment, which builds consumer confidence. Juan Valdez® is certified with the following seals in their respective markets:

- Organic Food (Colombian market).
- USDA (U.S. market)
- EU and CON-BIO-141 (European Community Market)
- JAS (Japanese market)
- Mexico Walmart
- Organic Taiwan

UTZ Certified:

Finca by Juan Valdez® coffee has sustainable agriculture criteria according to the UTZ Certification, a worldwide program that verifies that products were manufactured following good agricultural practices, taking care of social, living and environmental conditions.

Products certified with this seal meet the criteria of the UTZ code of conduct and comply with the Chain of Custody standard.

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

- People: UTZ certified farms are places where human rights are respected.
- Profit-reward: UTZ farming methods result in responsible crops.
- Planet: certified producers practice efficient farm management, using land, water and energy carefully.

In addition, the Code of Conduct establishes specific requirements for each type of product. In the case of coffee, it is necessary to provide information on fermentation and correct post-harvest handling and on the treatment of wastewater from processing.

During 2022, the process of migrating from the UTZ seal to the Rainforest Alliance seal was carried out, which will come into effect in 2023. The Rainforest Alliance helps farmers produce better crops, adapt to climate change, increase productivity and reduce costs. Having this certification means that the people who interact in some way in the production process work together to create a world where people and nature thrive in harmony, which demonstrates the commitment of Procafécol S.A. with sustainability and is evidence of good business practices for both stakeholders and nature.

+ Coffee, Forest and Climate Voluntary Agreement

The implementation of sustainable programs and practices for the protection and conservation of coffee agroecosystems are among the practices that have made Colombia a leader and pioneer in the world coffee industry. The public-private Coffee, Forest and Climate Voluntary Agreement, led by Solidaridad Network, articulates the coffee value chain in Colombia to further a clear path towards climate action and forest conservation. Procafécol S.A. joined the new working groups of the agreement: i) Due diligence to monitor coffee free of deforestation, ii) Incentives to small producers and, iii) Management of the carbon footprint in coffee production. The participation of Procafécol S.A. in this agreement since 2021 ratifies its commitment to the best social and environmental practices in each link of the coffee production chain.

+B Corp Certification

The certification of Procafecol S.A. as a B corporation validates the impact business model, in which more than 540 thousand coffee growing families are part of a company that addresses the needs of all stakeholders in the economic, social and environmental areas. This certification, in force since 2021, makes Procafecol S.A. an active part of the global community of B corporation and prepares the company for recertification in 2024.

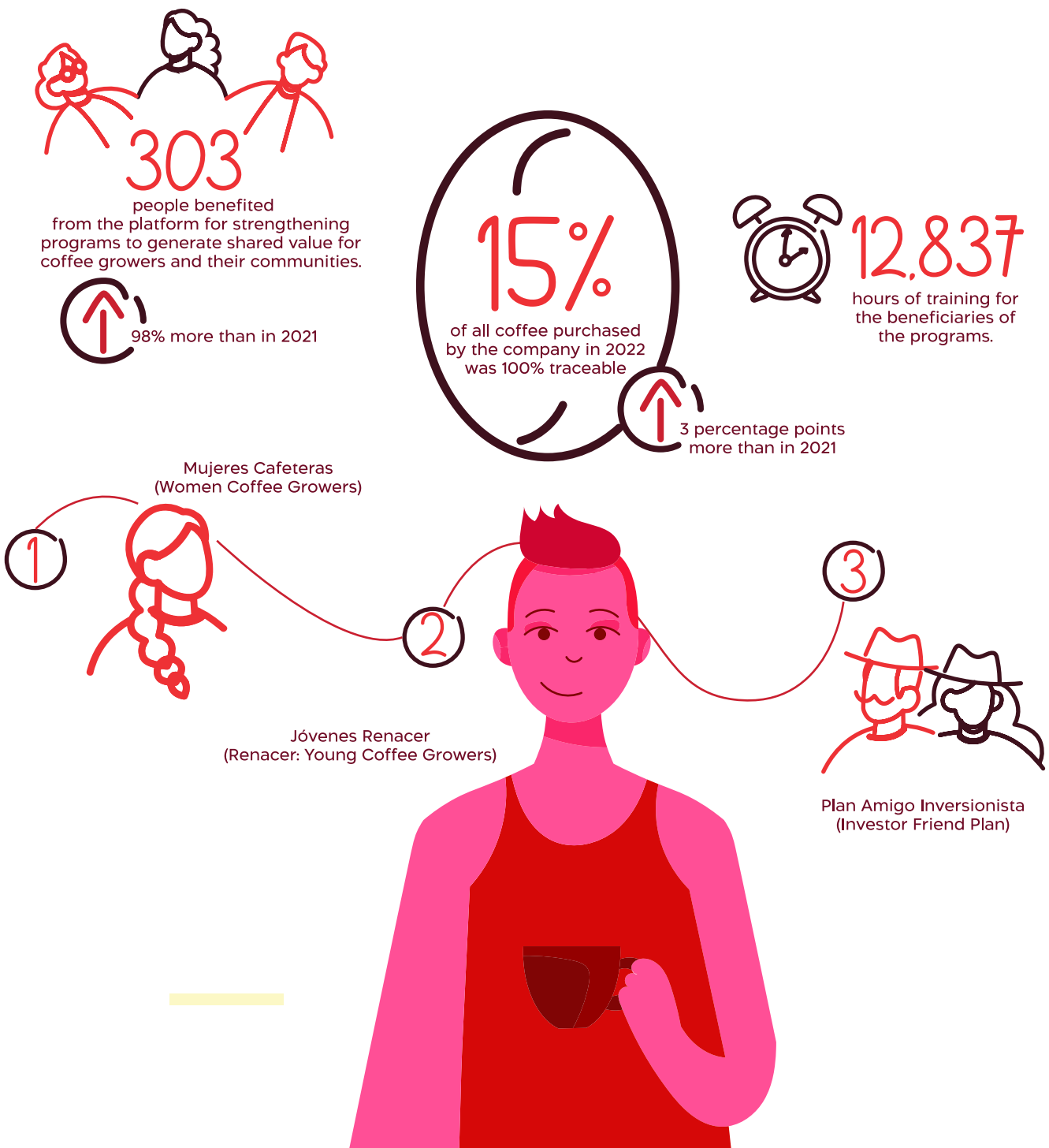


ii. Plan Amigo Caficultor (Coffee Grower Friend Plan)

[GRI 3-3] [GRI 413-1]

The company strives to ensure that all of its actions from the Juan Valdez® brand generate value for the more than 540,000 Colombian coffee growing families through the purchase of its coffee in more than 10 departments of the country and, especially, through three programs that generate shared value:

This is a relevant and cross-cutting commitment to the company that permeates the entire strategy and that since 2021 has been part of the actions with which the development of sustainable practices is sought to become a competitive advantage in the market for the brand.



This year, the report shows a change in the way of presenting the purchase volumes for the coffee communities and the shared value programs that have traceable coffee. In general terms, the product is delivered by the coffee growers in dry parchment coffee (CPS) to the collection centers (cooperatives or Almacafé), being purchased by the Colombian Coffee Growers Federation at a higher price based on quality and an additional bonus, depending on the Juan Valdez® shared value program to which they belong. After being received, it is taken to the threshing process in Almacafé, and is transformed into green coffee. The company keeps all of its records through the SAP information system for green co-

ffee. In search of transparency, traceability and comparability, as of this year the company will report its information in green coffee.

In addition, by considering only the coffee that has been effectively purchased by the company (green coffee), and not that which is delivered by the coffee growing communities (CPS) to the collection points, there may be information that varies in terms of delivery volumes and that will be evidenced with regard to previous reports. This is due to the fact that sometimes the year closes with volumes collected that do not necessarily correspond to the volumes purchased by the company.

Women Coffee Growers, a commitment to gender equality

Mujeres Cafeteras (Women Coffee Growers) is the flagship program of shared value with coffee growers that since 2017 promotes the social and economic empowerment of women coffee growers in Colombia, who represent 30% of the country's coffee production.

RISARALDA

One association with more than 35 women coffee growers.

•Amcecafé: Asociación de Mujeres Cafeteras de la Celia,
Beneficiaries with the purchase of 1,000 kg of green coffee.

TOLIMA

3 associations with more than 60 women coffee growers:

•Aromasan: Association of Women Coffee Growers of San Antonio Tolima.
•Asomupas: Association of Women of Pavas.
•Agrofusan: San Antonio Agricultural Association.
Beneficiaries with the purchase of 7,000 kg of green coffee.

VALLE DEL CAUCA

A cooperative with more than 320 women coffee growers.

•Cafioccidente: Cooperative of Coffee Growers of the South West of Valle del Cauca.
Beneficiaries with the purchase of 18,000 kg of green coffee.

CAUCA

One association with more than 150 women coffee growers.

•AMUCC: Association of Women Coffee Growers of Cauca
Beneficiaries with the purchase of more than 11,000 kg of green coffee.

HUILA

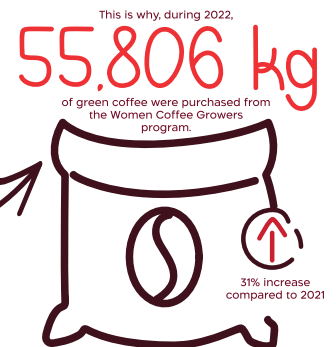
2 associations with more than 55 women coffee growers.

•Association of Women Coffee Growers of the Center of Huila
•Caproalca: Associative Group of High Quality Five Produced Coffee
Beneficiaries with the purchase of 4,000 kg of green coffee.

CUNDINAMARCA

Association with more than 30 coffee growers, that due to conditions beyond their and the company's control was not able to sell its coffee in 2022 to Procafécol S.A. However, it is one of the first associations to be part of the program since 2019.

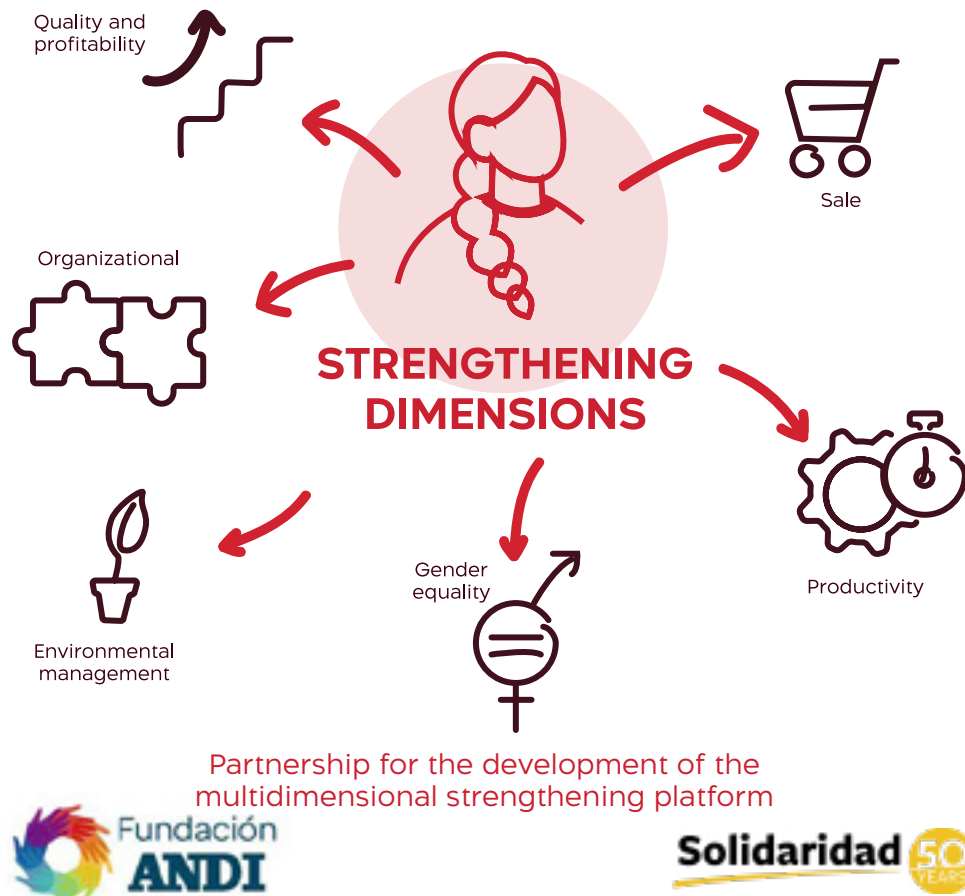
•Asomucavit: Association of Women Coffee Growers of Viota and Tequendama³.



¹ For the threshing process, approximately 94 kg of dry parchment coffee is needed to achieve a 70 kg bag of green coffee.

² Source: Directorate of Social Development of the National Federation of Coffee Growers of Colombia.

³ More than 30 coffee farmers, who due to conditions beyond their efforts and those of the company, were unable to market their coffee in 2022 with Procafécol S.A. However, it is one of the first associations to be part of the program since 2019.



For 2022, the strengthening partnership for rural businesswomen in this program continued to be guided by the methodological experience of the ANDI Foundation, which designed the route and the necessary strengthening components for the prioritized group of women (department of Tolima). It contributed significantly to strengthening with technical-environmental activities such as:

- Costing of production and marketing
- Strengthening in good agricultural practices - GAPs
- Strengthening in the review of the records of substitution of hazardous substances and safety data sheets of the products used
- Strengthening producers in the correct use of personal protective equipment

Partner organization of the program since 2019. Participates as executor of the gender equality component, seeking to transform the family relationships of women coffee growers through activities to raise awareness of the coffee environment and approach to the family unit.

- With the prioritized group of the department of Tolima, three workshops were developed in 2022 that had been pending from the route initiated in 2021:
- Self-leadership, independence and autonomy workshop "Depende de mí" ("It depends on me")
- Family leadership workshop "Me la juego por la equidad" ("I'm in it for equality")
- Inclusive technical assistance workshop: aimed at the rural extension team that provides technical support to women coffee growers.





Since 2019, the Bancolombia Foundation has been an ally of the program; in 2021 it made an agreement with the financial cooperative bank Développement International Desjardins (DID) seeking to share its experiences and knowledge on issues of financial inclusion for the participating women. Through its PROFEM project, which aims to support rural women and young people in Colombia, it has had an impact on their economic and social empowerment.

In 2022, the women involved had the opportunity to become certified by taking the five modules of the program virtually or by attending the two training sessions equivalent to the virtual modules in person.

The Colombian Coffee Growers Federation, as a professional partner of all the company's projects, continues to work hand in hand with its Central Office teams in commercial, social development and environmental management aspects, as well as with the regional management of the six Departmental Committees of Coffee Growers in the places where the women participating in the program come from.



56

participants with a total of

654



hours of strengthening



23

women from the department of Tolima, impacted with

1,656

hours of training in the Environmental Management for Coffee Growing diploma, intended for women coffee growers to understand the environmental impacts of coffee production in order to make informed decisions in their coffee enterprises.

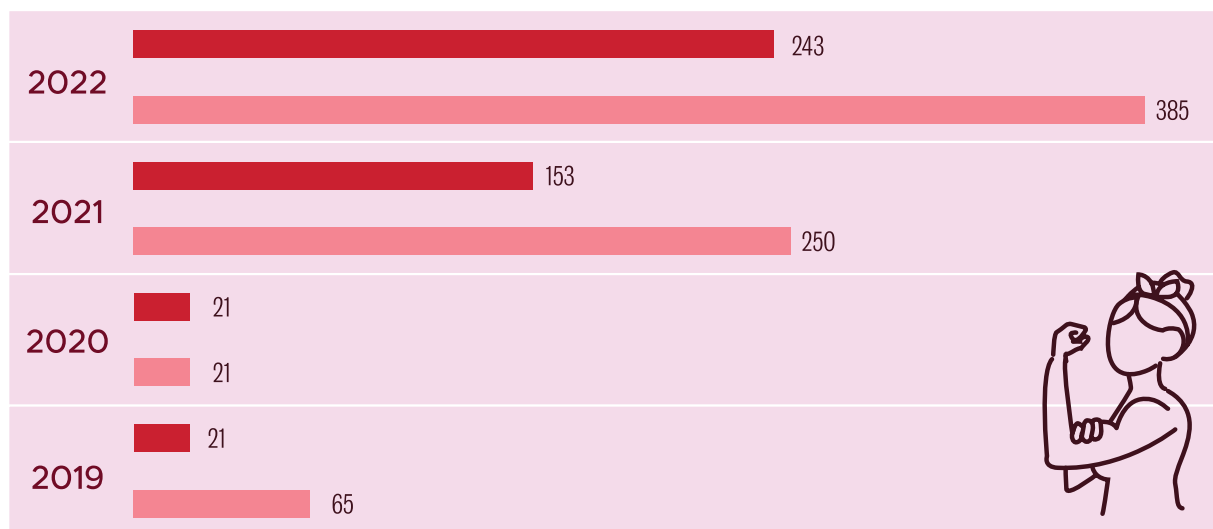
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farms of women coffee growers in the department of Tolima were endorsed in gender equality with the 4C certification.



Procafecol S.A. is the coordinator of this partnership to guarantee the impact on women suppliers and beneficiaries. In 2022, in addition to developing this role and complying with the coffee purchase guarantee agreements of these women, 28 families of women coffee growers in the department of Cundinamarca were impacted with the organizational component through training services in Community Tourism. These services were provided by the organization Ecosistema Jaguar, which provided solutions to diversify and increase the generation of income for young people and women.

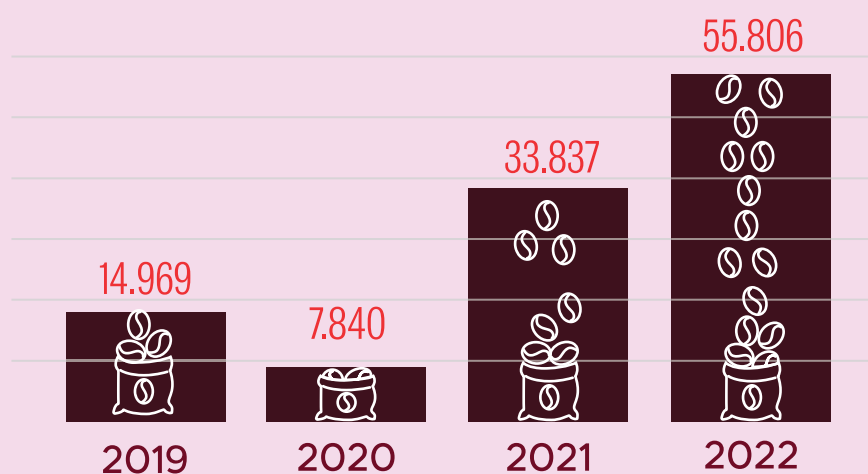
WOMEN BENEFICIARIES PER YEAR IN THE WOMEN COFFEE GROWERS PROGRAM 2019-2022



STRENGTHENING

SALES

KG OF GREEN COFFEE PURCHASED PER YEAR



In 2022, the different associations of the Women Coffee Growers program received 10 visits for tourism and educational purposes as part of the training process of the company's employees. The visits to this area of the country were an award to 163 employees of the organization for performance and management indicators.

Procafecol S.A. expects to reach 100% of the front employees, with the objective of allowing them to live the experience "From the tree to the cup" and to strengthen their knowledge of the coffee production process and the quality of Juan Valdez®.

By 2023, the goal is to amplify the impact of the multidimensional strengthening platform with part of the group of women coffee suppliers of the department of Valle del Cauca that belong to the Southwestern Cooperative of Valle del Cauca, which has been part of this program since 2021.

In this phase an environmental focus accompanied, as usual, by technical, social and marketing components is expected. Additionally, new opportunities of impact in financial education and gender equality will be sought for women coffee growers in different regions of Colombia. All of this, due to the participation of the project's partners and the adhesion of new organizations to strengthen the program.

Jóvenes Renacer (Renacer: Young Coffee Growers), the present and future of the Colombian countryside

According to the Colombian Coffee Growers Federation (FNC), there are only 17,195 young coffee growers registered in the country. This is one of the reasons why they are one of the groups prioritized by the company, since they are key for the generational integration in the Colombian countryside.

For 2022, Procafécol S.A. developed a new version of the Jóvenes Renacer program, which, since 2017, seeks to make visible and strengthen the leadership of its members in different regions of the country, many of which are areas affected by violence, conflict and exclusion.

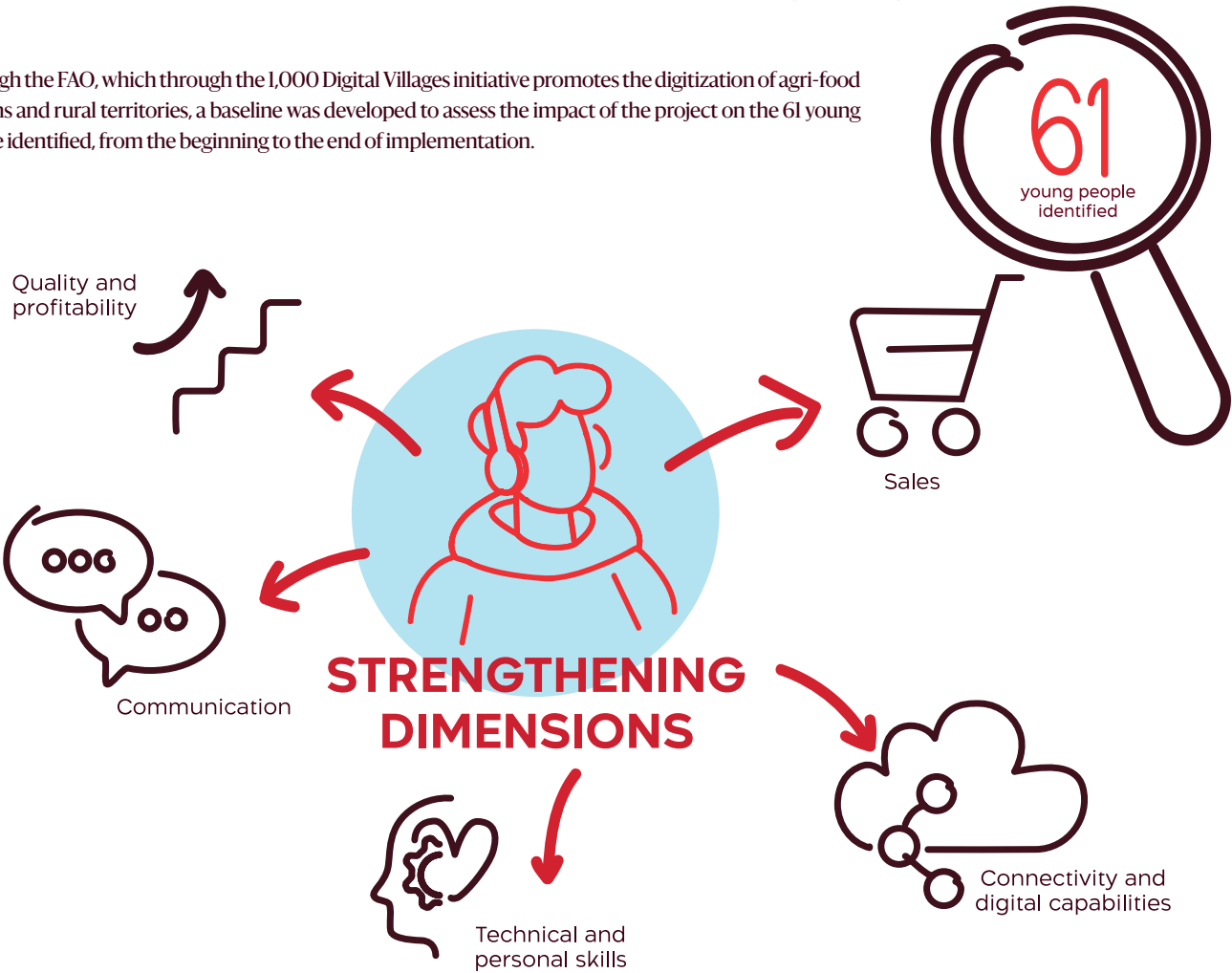
Through the season brand “Generation JNVLDZ” and the partnership formed since 2021 with the Colombian Coffee Growers Federation, the Departmental Committee of Huila, Microsoft, the Food and Agriculture Organization of the United Nations (FAO) and the Manuel Mejía Foundation, the company managed to impact a group of **60 young coffee growers** in the department of Huila with the purpose of developing a multidimensional strengthening strategy that includes the development or reinforcement of entrepreneurial, productive and leadership skills for this group of coffee growers. All this articulated by a digital literacy component and the use of technological tools as a vehicle for training.

GENERACIÓN JNVLDZ



Partnership for the development of the multidimensional strengthening platform

Through the FAO, which through the I,000 Digital Villages initiative promotes the digitization of agri-food systems and rural territories, a baseline was developed to assess the impact of the project on the 61 young people identified, from the beginning to the end of implementation.





In 2022, Microsoft, betting on the territory, located connectivity centers and WiFi zones in four educational institutions in the department of Huila, and made available to the young beneficiaries of the program a digital literacy course and volunteer sessions with its collaborators. All this focused on strengthening the digital capabilities of young people.

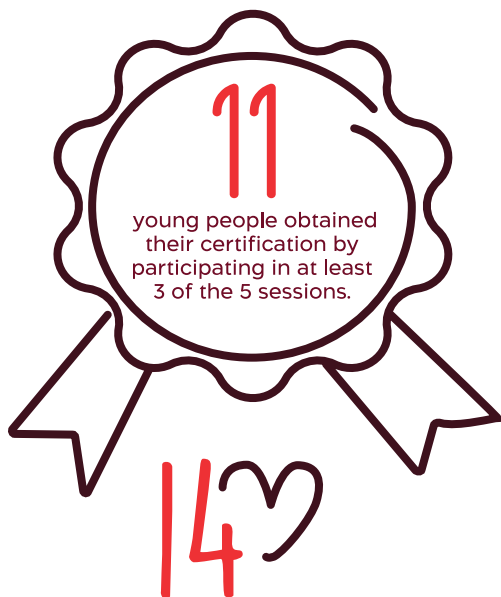


young people participated in at least one of the sessions offered by EIDOS and Microsoft in the "Skills for the Future" course, where they received training in five modules:

- ✓ Data and Excel
- ✓ Presentations and PowerPoint
- ✓ Collaborative work and MS Teams
- ✓ Web design and programming
- ✓ Employability and LinkedIn



It was possible to identify opportunities of improvement regarding the training processes of young coffee growers, since not all had the same digital skills. Therefore, despite some of them not being certified in the course, two educational approaches were proposed according to their level of appropriation and knowledge of office automation tools.



young people participated in volunteer sessions with Microsoft employees on basic knowledge of Microsoft Teams, Excel and Power Point.



The Manuel Mejía Foundation participates as executor of the virtual training processes for young people in technical, productive and leadership topics.



- ✓ My Productive Coffee Plantations
- ✓ Coffee Mechanics
- ✓ Leadership Training
- ✓ Harvest Management



The Colombian Coffee Growers Federation, offering its knowledge and experience for the benefit of young coffee growers, has played the role of executor of the project through the Departmental Committee of Coffee Growers of Huila and in coordination with the central office. Additionally, it contributed to the execution of the training with the Manuel Mejía Foundation and in the delivery with Procafécol S.A. of a kit of soft technologies per beneficiary for the improvement of the production quality of their coffee.

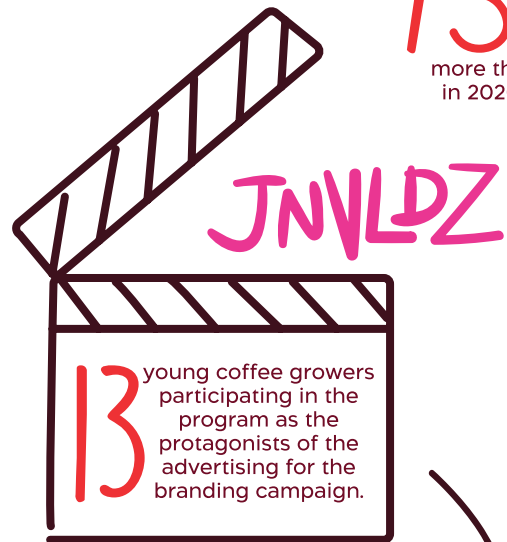
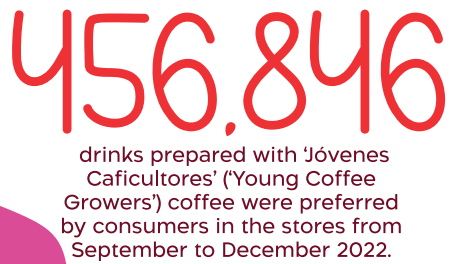
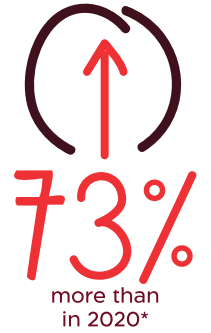


- ✓ Fermaestro
- ✓ Gravimet
- ✓ Mediverdes
- ✓ Cromacafé
- ✓ Double punched bucket
- ✓ Paddle for stirring fermenting coffee

LAS GRANDES ALAMEDAS

These young coffee growers were also beneficiaries of a course with photographer Andrés Amaya and his project Las Grandes Alamedas, which seeks to popularize the use of photography and art as a tool for social transformation. During this process, they were invited to tell their own stories and those of their coffee communities through photography. The course allowed them to understand how this knowledge could empower their coffee enterprises. 48 young beneficiaries of the training course in communication through photography.

⁵ Social organization focused on developing programs and experiences with the objective of transforming the way people teach and learn around the world.



The project, started in 2022, has as its execution horizon until mid-2023, at which time the development of the activities proposed for this phase with this group of young people will be completed; however, the project's impact within the framework of this partnership is expected to be expanded to a larger population in other municipalities of the department of Huila.

*No coffee was purchased in 2021 for the Jóvenes Renacer program.

Plan Amigo Inversionista (Investor Friend Plan), an ally for coffee growers

Registration is still open for the Plan Amigo Inversionista program so that any interested coffee grower shareholder can access the allocation of a quota for the bonus for the purchase of coffee at a higher price based on quality.

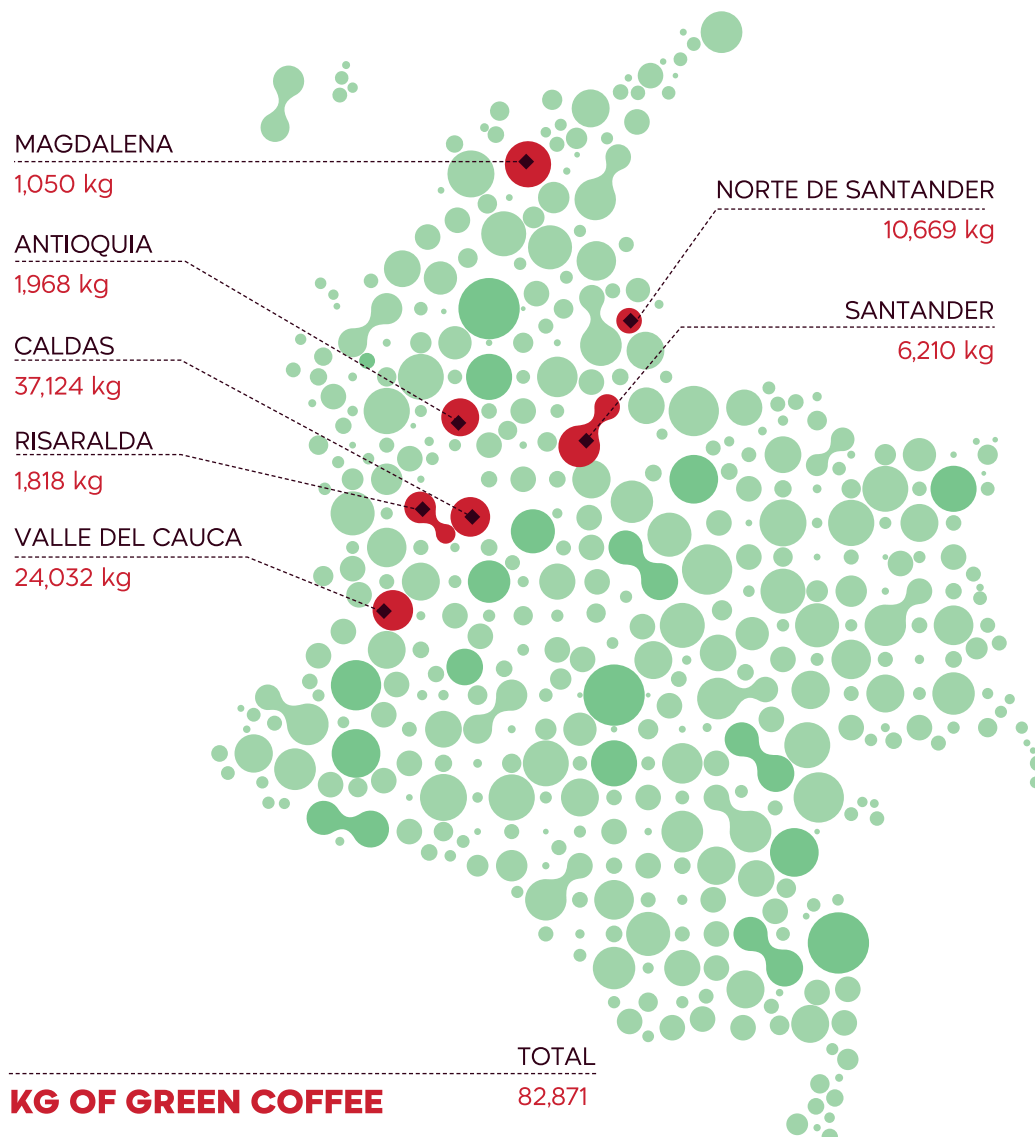
In 2022, 35 shareholders filled out the registration form for the program online and three submitted it physically. Of these, 37 were confirmed as shareholders and were assigned a purchase quota during the year.

The decrease in the number of registered participants during the year is due to the limited contact with the company's shareholders. In response to this need, the data updating exercise explained in the

shareholder section was carried out and it is expected to increase the number of program participants in 2023.

Additionally, shareholders who sold their shares during the year or who, unfortunately, passed away, were eliminated from the program's database. For these reasons, the year ended with 717 shareholders registered in 15 departments in the country: Antioquia, Caldas, Cauca, Cesar, Cundinamarca, Huila, La Guajira, Magdalena, Nariño, Norte de Santander, Quindío, Risaralda, Santander, Tolima and Valle del Cauca.

On the other hand, during 2022, **82,871 kg** of green coffee were purchased by Procafecol S.A. The distribution by departments is shown below.

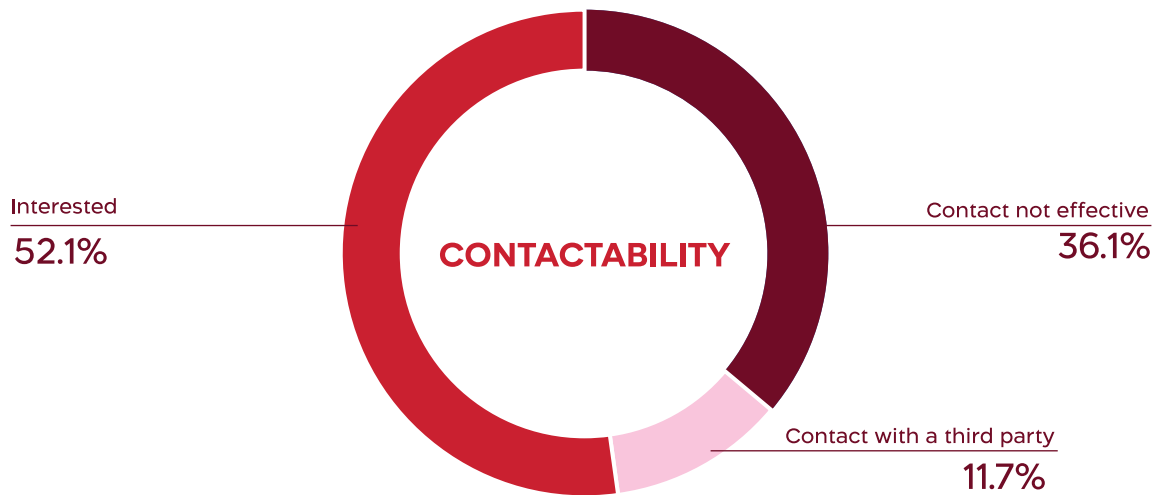


KG OF GREEN COFFEE

82,871

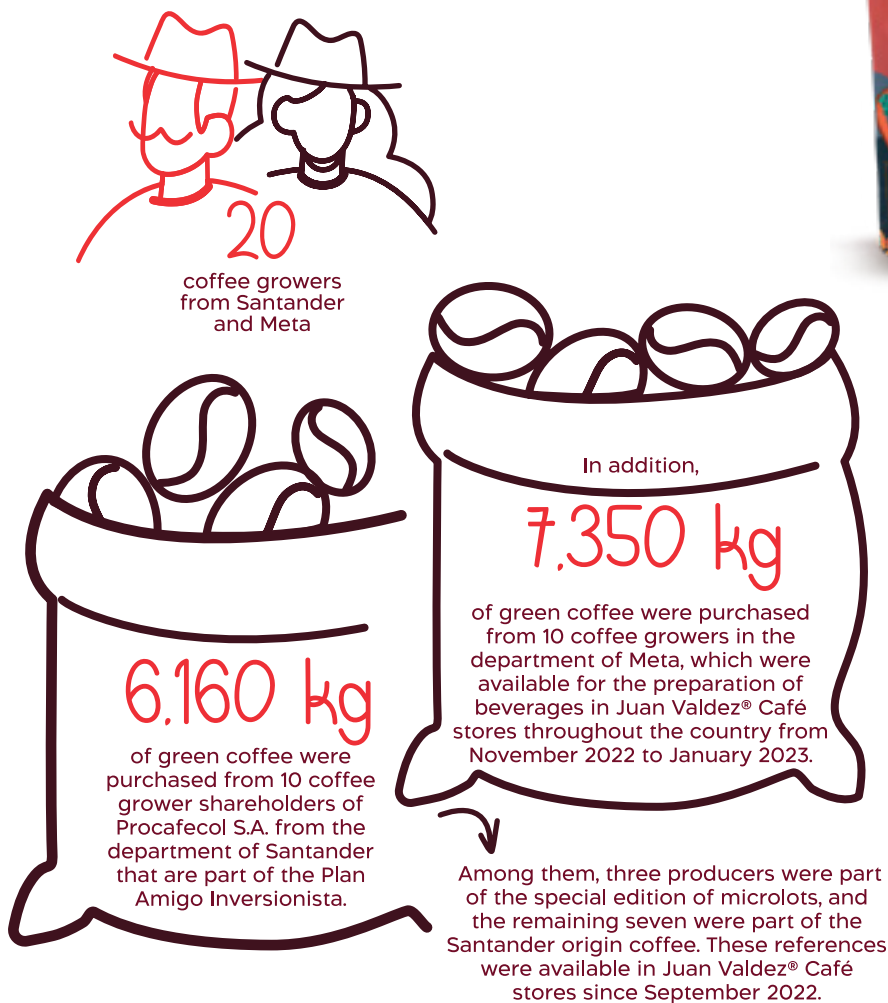
Although parchment dried coffee was received from 152 coffee growers during 2021 and 142 coffee growers during 2022, all coffee purchased by the company from the "Plan Amigo Inversionista" program entered as green coffee from the year 2022. Additionally, Procafecol S.A. has established strategies of follow up and ongoing commu-

nication with the shareholders, with the intention of reminding them of the delivery of their coffee as part of the program to the people registered. Of the 667 coffee growers that had a harvest between October and December, the company was able to make effective contact with 397 of them.



Tracing the Coffee Route

This project allowed us to learn about the history of coffee: from the hands of those who made its origin possible in the Colombian mountains to the perfect cup. An idea of traceability along the production and supply chain was developed with



With this project, the company sought to make Colombian coffee producers and each exceptional stage of their work visible through blockchain technology, which integrates the internet of things and artificial intelligence to gather verifiable and traceable information throughout each stage of the process until it reaches the end consumer.

In this way, the brand has connected consumers with real stories that create a bond between them and the coffee growers. This has been done through digital content that is available by scanning the QR codes on the packaging of the products and in the mills of the Juan Valdez® Café stores.

The stories of these coffee growers can be found by scanning the following QR codes:

SANTANDER

META



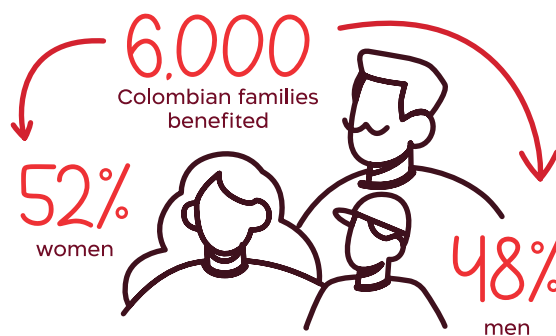
This project was developed in partnership with the Colombian Coffee Growers Federation, Almacafé and the Trace Coffee organization, and is a joint effort that represented a milestone for coffee institutions, to the extent of achieving one of the highest levels of traceability and detail in the history of Juan Valdez® coffee.



iii. Donations

For 2022, the company's donations focused on food delivered through the Colombian Association of Food Banks (ABACO):

1.274 kg = 122.000 rations = COP \$114.653.881
 of food equivalent



B. CLIMATE CHANGE MITIGATION AND CIRCULAR ECONOMY

I. Climate change mitigation

[GRI 3-3]

With the aim of contributing to compliance with the Paris Agreement, which seeks to ensure that the increase in the planet's temperature does not exceed 1.5 degrees Celsius by 2050, **Procafecol S.A. joined the global Race to Zero campaign** during the Global Citizen Festival in September 2022 in New York. This festival brought together artists, world leaders, entrepreneurs and citizens in Accra (Ghana) and New York (USA) in favor of ending extreme poverty and combating climate change.

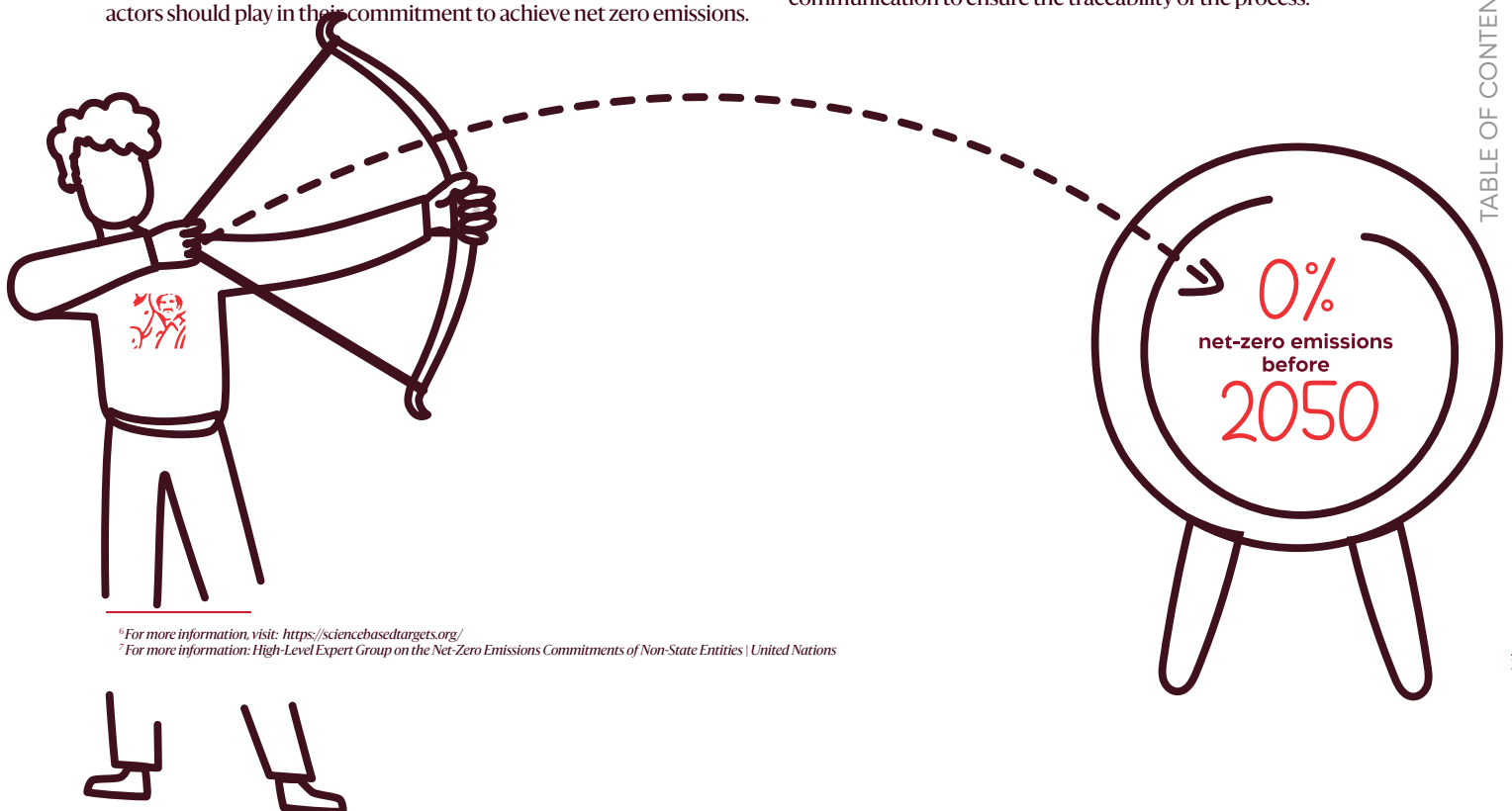
The Race to Zero global campaign calls on the various actors involved to define a detailed plan of actions and timescales with specific reduction targets in the short, medium and long term. This global goal aims for participants to achieve 50% reductions by 2030 and a net zero balance by 2050. The assumptions on which the reductions are based are supported by scientific data, as evidenced by the agreements of the Science Based Targets initiative (SBTi). Among the more than 8,000 private actors adhered to Race to Zero around the world, only eight Colombian companies are committed to the SBTi agreements⁶.

With this agreement, Procafecol S.A. begins the development of a specific plan to reduce greenhouse gas emissions for the entire company, including its supply chain. This is in line with the commitment to generate shared value for stakeholders, aiming to become a zero net emissions company by 2050. The plan with short-, medium- and long-term reduction targets must be submitted in the next 24 months, starting in September 2022, the month in which the commitment was made with Race to Zero.

Finally, during 2022, the Secretary General of the United Nations, Antonio Guterres, formed a High Level Expert Group (HLEG)⁷ with experts from various regions of the world and with varied professional profiles. The CEO of Procafecol S.A, Camila Escobar, was part of this select group whose objective was to deliver specific recommendations to the Conference of the Parties (COP 27) in Egypt on the role that non-state actors should play in their commitment to achieve net zero emissions.



As a result of its participation, it is concluded that the only way forward for Procafecol S.A. is to make a strong commitment to climate action through the Race to Zero campaign and under the agreements of the SBTi initiative. This in order to achieve short, medium and long term goals that are verified by a third party and have action plans and annual communication to ensure the traceability of the process.



⁶ For more information, visit: <https://sciencebasedtargets.org/>

⁷ For more information: High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities | United Nations

Climate governance

Recognizing the importance of organizational culture in developing the climate agenda, the company set out to strengthen its culture to make significant progress in reducing the emissions produced by the organization, in line with the commitment signed with Race to Zero.

For this purpose, strategic conversations were held to reflect on the climate crisis, analyze the risks and opportunities it brings to the business and, based on the findings of the carbon footprint, understand the impact for each process of Procafecol S.A. Within this framework, a road-map was drawn up to align the roles and responsibilities of the different areas with regard to the climate action strategy. This year we held:

- 5 conversation sessions with area leaders around climate action and business impacts.
- 1 awareness session with the board of directors on climate urgency and the climate challenge for the business, according to the results of the carbon footprint.
- 2 sessions with the steering committee, one on climate urgency awareness and the other on the company's carbon footprint results and actions to be developed.
- 1 general session on climate action for different position levels of the organization.
- Sessions by training process and support in measuring the carbon footprint.



Among the main findings, the teams perceive the urgency to act in the face of the climate crisis and carry out concrete actions in their areas. The main challenge identified is to prioritize the resources and actions that the areas consider it is possible to execute in the short, medium and long term.

Therefore, for 2023, we propose the activation of the Climate Change Committee to follow up on the implementation of the Emissions Reduction Plan. The Committee will have a space within the already existing Sustainability Committee.

Finally, the creation of the Corporate Governance and Sustainability Committee within the Board of Directors (highest governance body), which seeks to give greater relevance and visibility to the actions of the organization in terms of sustainability, can be seen as an achievement.

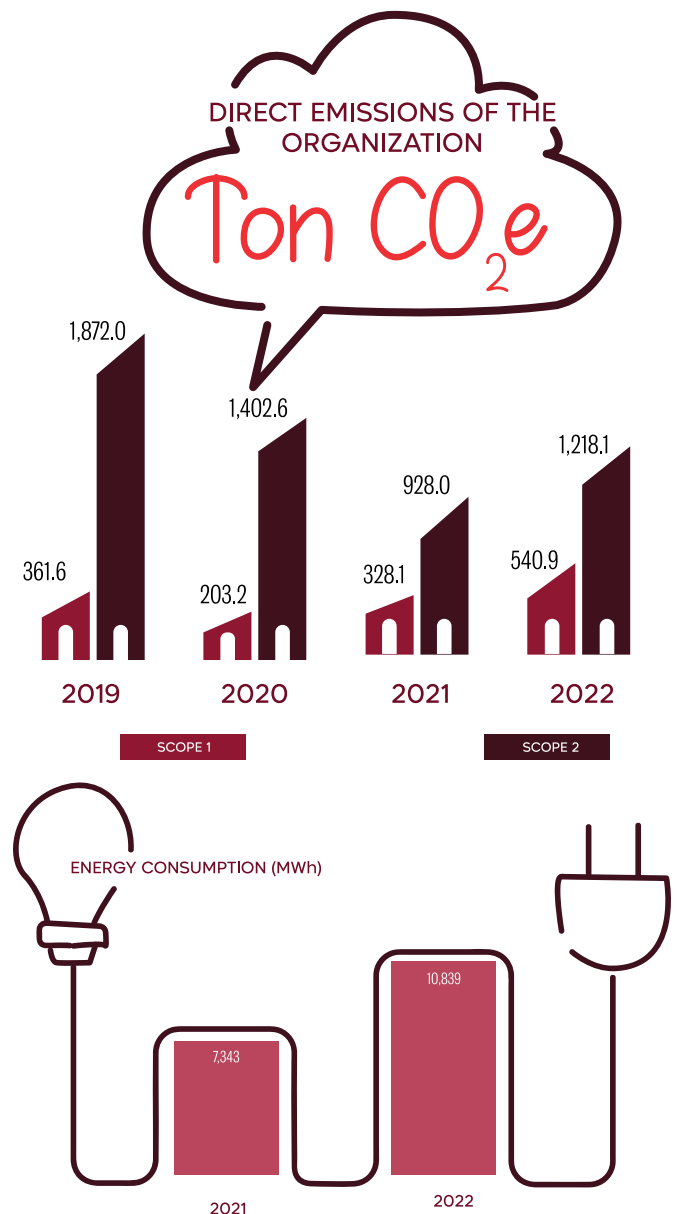
Carbon Footprint Measurement and Reduction

[GRI 302-1] [GRI 305-1] [GRI 305-2] [GRI 3-3] [GRI 305-3]

Procafecol S.A. started in 2020 the annual measurement of its carbon footprint using the GHG Protocol methodology and ISO 14064-1 for direct greenhouse gas emissions generated by the operation in its stores, offices, maintenance workshop and production plant.

For the current reporting year, the company calculated direct emissions generated by the mobile combustion of vehicles used in the operation, stationary combustion of stores and the production plant, which use natural gas or liquefied petroleum gas (LPG) (scope 1), fugitive emissions caused by leaks in refrigeration equipment used in stores and the production plant, as well as electricity consumption in offices, stores, and the production plant (scope 2).

In 2021, total Scope 1 and 2 emissions were 1,256.1 ton CO₂eq⁸. For 2022, total direct emissions were 1,759 ton CO₂eq with a distribution of 540.9 for scope 1 and 1,218.1 for scope 2.



⁸ For more information about the calculation of the carbon footprint of Procafecol S.A. in 2021, please visit the 2021 Sustainability Report here.

The energy consumption of Procafecol S.A.⁹ corresponds to the use of energy from the National Interconnected System (SIN) by the facilities of its stores in its three formats (express, bar and terrace), the offices located in Barranquilla, Medellin and Bogota, and the production plant in Funza, Cundinamarca.

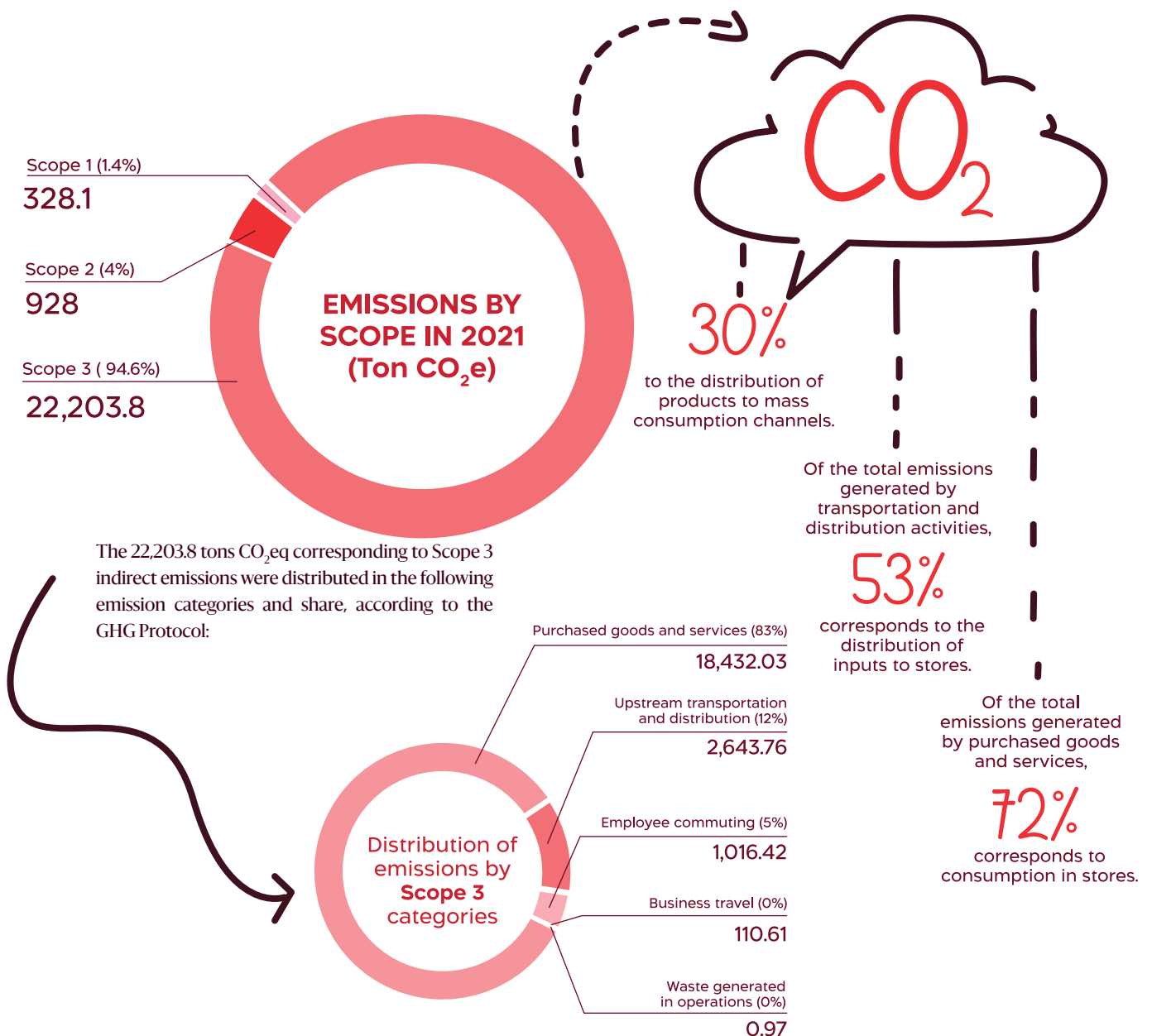
The increase in energy consumption and, therefore, in greenhouse gas

emissions in 2022 is due to the inclusion of energy consumption data from regional offices on the Caribbean coast and Medellin, as well as the refilling of refrigerants for equipment in stores and the production plant. In addition, post-pandemic business recovery and growth caused a significant increase in energy consumption in the production plant and stores, as well as gas consumption in the production plant, due to an increase in product demand.

Scope 3, 2021

To continue with the ongoing efforts, during 2022 Procafecol S.A. completed the carbon footprint measurement for the year 2021, including scope 3 in order to identify the emission sources in all its

channels, such as stores (express, bar and terrace), production plant, offices, institutional channel, mass consumption channel and maintenance workshop.



⁹ The preliminary calculation of the 2022 National Interconnected System (SIN) emission factor published by XM on January 23, 2023 was used. Retrieved from: [https://files.destinyaws/inside/jvz/Informe Sostenibilidad 2021 Procafecol.pdf](https://files.destinyaws/inside/jvz/Informe%20Sostenibilidad%202021%20Procafecol.pdf) Resultado de cálculo de Factor de Emisión del Sistema Interconectado Nacional, para inventario de Gases de Efecto Invernadero. | Portal XM

Distribution of emissions by purchased goods and services (t CO₂ eq)



Future emission reduction commitments

These findings show that most of the mitigation actions are beyond the control of Procafecol S.A., which reflects a great potential for implementing reduction measures through partnerships with suppliers and other collective efforts to optimize production chains.

There is also the challenge of accessing the information required to calculate the company's indirect emissions, since to a large extent the emission factors used were calculated based on regional or global data that may not represent the local conditions of food supply, manufacturing or production.

For specific cases of inputs such as milk, chocolate or powdered milk mixes, there are real opportunities for improvement to specify data and calculations of emissions per kilogram of food, since on this occasion the calculation was based on international standards or approximations of emission factors. In addition to this, measurements in the coming years are expected to improve the precision and accuracy of the calculation of indirect emissions associated with the purchase of food and beverage inputs.

It is also evident that there is a latent opportunity to act as a business association in relation to the impact generated by coffee production. As coffee institutions, the National Federation of Coffee Growers of Colombia has committed itself, within the framework of its sustainability strategy, to promote sustainable coffee growing; from there, all the companies of the guild have worked in different actions of measurement and reduction in order to achieve that their operations generate a lower impact.

It is also evident that there is a latent opportunity to act as a business association in relation to the impact generated by coffee production. As a co-

ffee institution, the National Federation of Coffee Growers of Colombia, within the framework of its sustainability strategy, has made a commitment to promote sustainable coffee growing; from there, all the companies of the association have worked in different actions of measurement and reduction in order to achieve a lower impact in their operations.

Procafecol S.A. is not the exception, since being one of the companies of the coffee institutional framework, it faces a great challenge in the efforts with the coffee growing families and the actions and investments that may be required to achieve an eventual reduction of emissions in the supply chain; this, considering that 96% of coffee growers are small and mid-sized. Therefore, any approximation should have a scope that includes a national public policy that allows for the generation of a fair and inclusive emissions reduction path for the coffee growing communities of the country.

The company will continue to carry out these measurements every year, especially as part of the Race to Zero commitment. The calculation of the direct and indirect emissions of the organization will allow us to identify the necessary reduction actions in the short, medium and long term.

By 2023, the carbon footprint calculation is expected to have improvements at the level of measurement categories, including emissions from national and international franchises and other outsourced services, as well as greater precision in the emission factors used. Also, emissions generated by water consumption and an approximation of the ordinary waste generated in the entire operation of Procafecol S.A. will be included in the calculation.

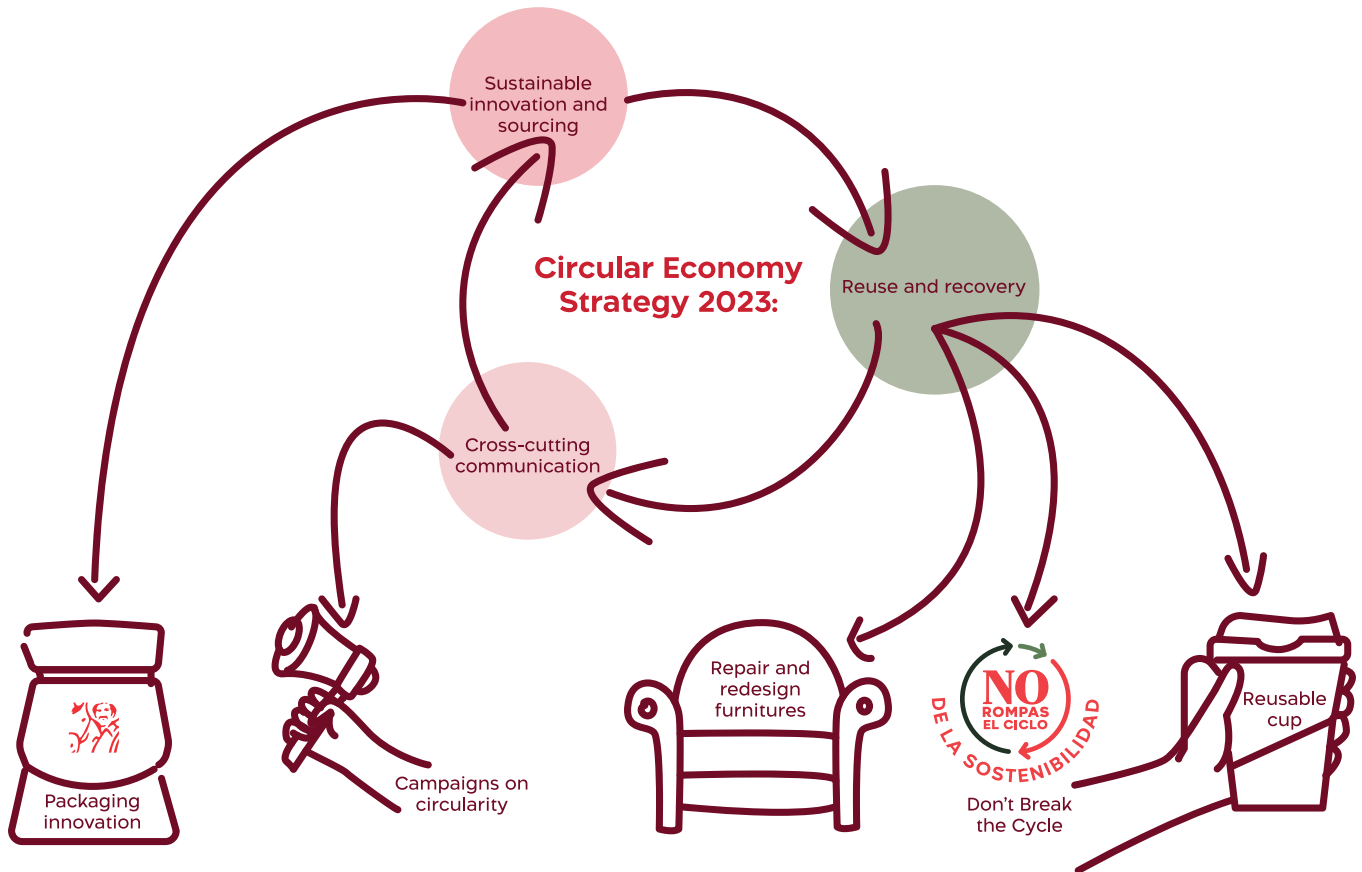
ii. Circular Economy

[GRI 3-3]

The Circular Economy strategy contributes to the Juan Valdez® brand's objective of developing a competitive advantage around sustainability through the design, reuse and disposal of materials used in the operation. It also contributes to the goal of reducing greenhouse gas emissions, which is in line with the company's commitment described above. The actions developed under this strate-

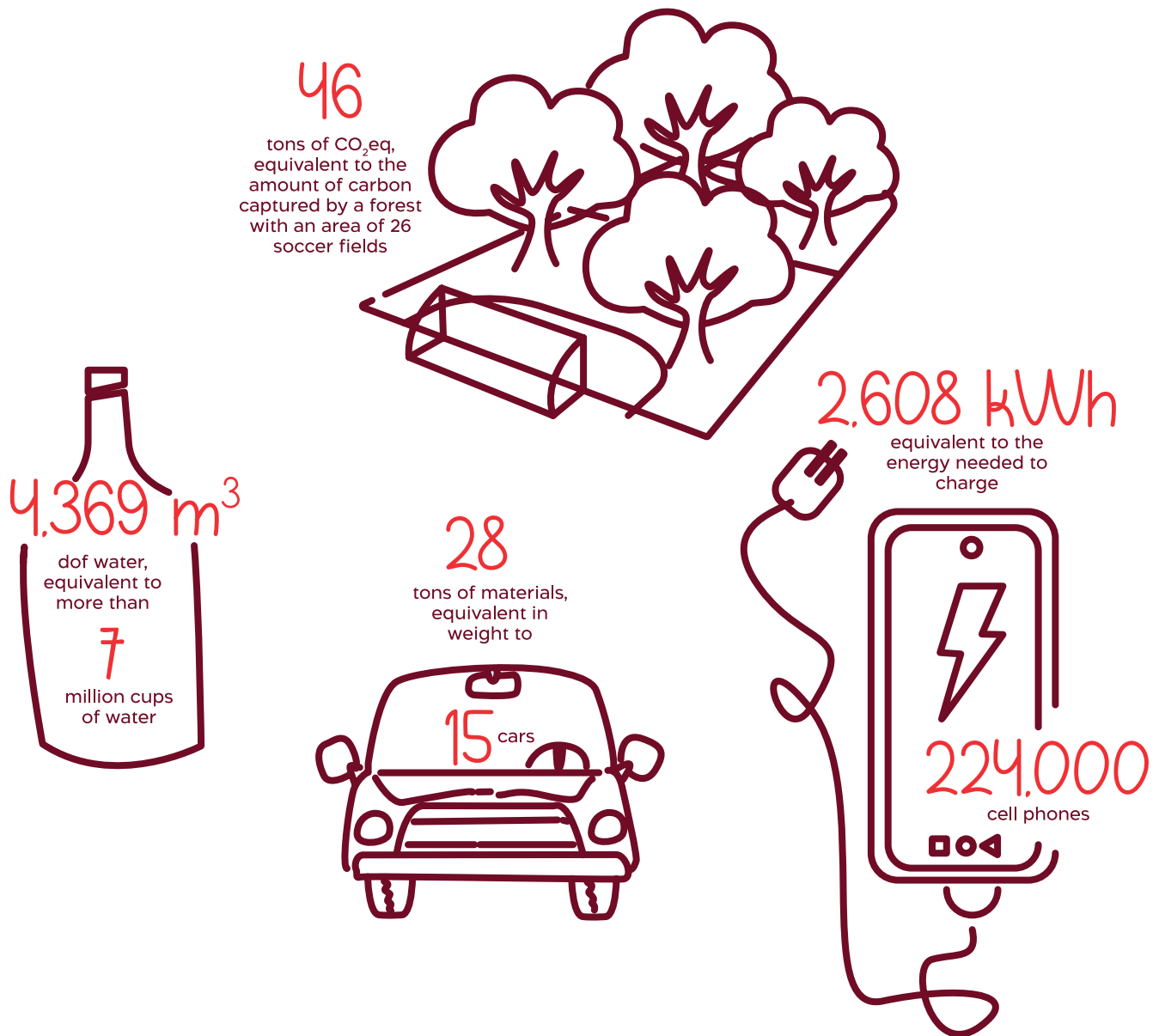
gy seek to prolong the life cycle of materials, extend their value and service, and incorporate them into new production processes.

The Circular Economy strategy is structured under the following topics and projects:



To achieve an adequate development and follow-up of the activities derived from the execution of the strategy, during 2022 the Circular Economy Committee was created, which operates under a multifunctional scheme that coordinates the areas of Sustainability, Purchasing, Operations, Quality and Marketing.

The main objective of this committee is to develop the strategy and facilitate the follow-up of the actions derived from the progress of the projects. In 2022, the programs of this strategic pillar managed to avoid consuming and/or generating:



Packaging Innovation

Seeking to develop incremental and disruptive innovations in the portfolio's containers and packaging, in 2022 we continued with the recommendations of previous analyses on recyclability and materiality. These modifications are a central part of the Circular Economy Strategy and are in line with both consumer expectations and the brand's purpose. During 2022, relevant migrations were made in packaging that contributed to the goal of reducing single-use plastics. On the first hand, 83.4%¹⁰ of the plastic packaging of the company's own line of sandwiches and salads was converted to more natural materials with less use of polymers or resins. On the other hand, we returned to the use

of wooden mixers, which during the pandemic had been replaced by plastic mixers by request of the health authorities; additionally, we implemented the gradual replacement of plastic straws with straws made of vegetable material.

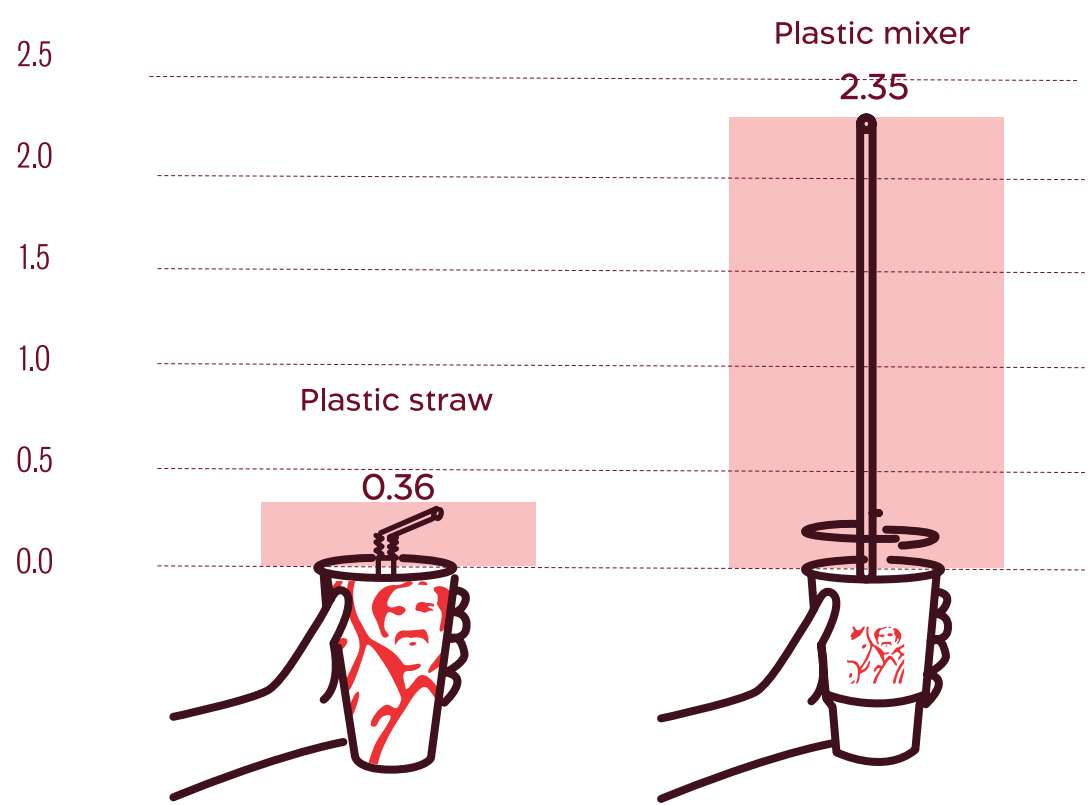
Thanks to the transition made in the mixers and straws, the use of plastics was reduced by 2.7 tons. In addition, with the changeover by the end of 2022 of the materials used in sandwich and salad packaging, the company expects to reduce the use of plastics by approximately 7.9 tons by 2023.

¹⁰ Data calculated based on the units of containers and packaging used for the final consumption of the Food Plant's own line of products in 2022. Does not include bakery and pastry containers and packaging.

Also, by 2023 the company expects to make progress in the transition of containers and packaging of core categories of the business. With this, Procafecol S.A. expects to expand the supply of containers and packaging that meet the principles of design, functionality and sustainability, and that are financially viable.



DECREASE IN PLASTIC MATERIAL USED FOR
INPUTS IN 2022 (TON)



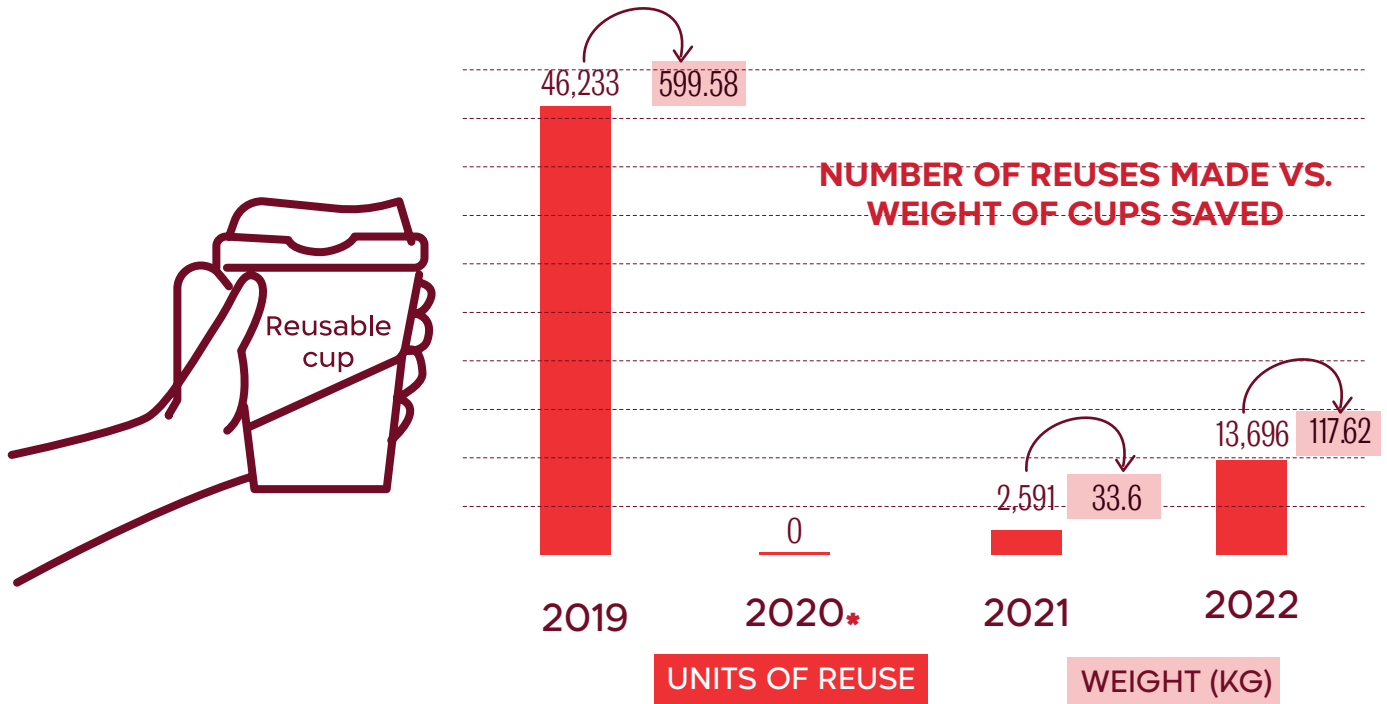
Reusable Cup

The Vaso Reúso (Reusable Cup) program, launched in November 2018, aims to reduce the use of single-use cardboard cups through the use of the Juan Valdez® brand cup or any cup owned by the consumer. This reduces both the amount of materials needed to produce the single-use cardboard cups and the amount of solid waste generated in the operation.

In 2022, Procafecol S.A. reached 13,696 reused cups in Colombia, achie-

ving a total of 62,520 reuses between 2019 and 2022, thus avoiding a consumption equivalent to 811 kg in weight of cardboard cups.

In the coming years, Procafecol S.A. expects to expand the Reusable Cup initiative both nationally and internationally, allowing reuse in hot and cold beverages, as well as new benefits to users for consuming its products using a reusable cup.



* Due to the health emergency caused by COVID 19, this activity was suspended in 2020; it was reactivated in October 2021.

The program also contributes to the reduction of Greenhouse Gas (GHG) emissions by approximately 0.6 ton CO₂eq, to the saving of water resources by almost 38 m³, and to the saving of energy resources by more than 2,600 kWh.



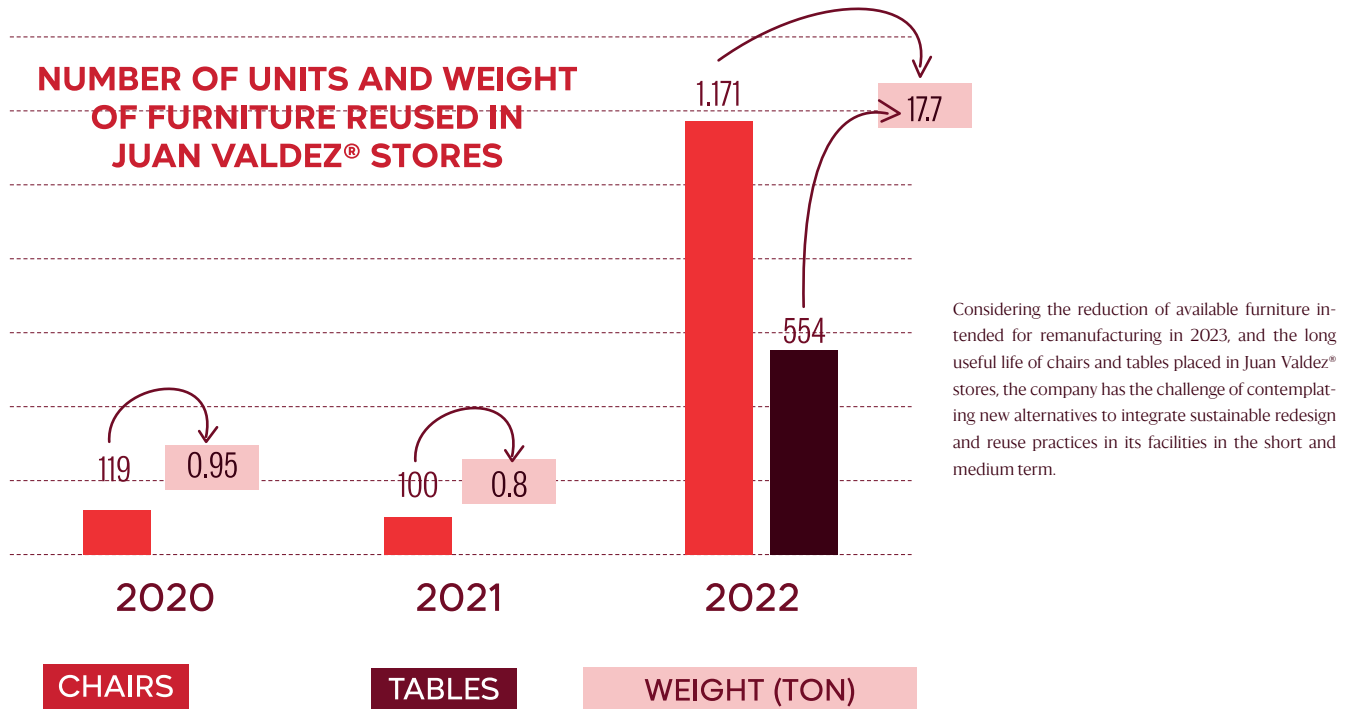
Repair and redesign of furniture

This program was created in 2019 with the purpose of extending the useful life of store and office furniture through actions such as repair, restoration and remanufacturing of chairs and tables for new uses.

This reduces the consumption of virgin raw materials and the impacts associated with the materials used in the manufacture of new pieces. Since 2020, thanks to this program, the company has reused more than 19 tons of furniture, avoiding the consumption of more than 4,700 m³ of water¹¹ and the generation of 51.38 tons CO₂eq¹².

By 2022, in partnership with organizations such as Recupera tu Silla and A Mano Lab, which promote the circular economy and social inclusion, 557 woven chairs were restored by hand by Colombian artisans. Also, during 2022, the program expanded its coverage in numbers by recovering 614 wooden chairs and sofa chairs, as well as 554 steel and wooden tables.

With the repair of these objects, 17.68 tons of furniture were reused and approximately 4,333 m³ of water consumption and the generation of 45.4 tons of CO₂ eq were avoided.



¹¹ Calculations were obtained from data published in the following report: Carteron, E., Zinck, S., Lessard, L., Vionnet, S. & Humbert, S. (2012). Integrating water footprinting into eco-design: case study of a chair. Proceedings 2nd LCA Conference. Lille.

¹² Calculations were obtained from data published in the following report: FIRA International Ltd. (2011). A study into the feasibility of benchmarking carbon footprints of furniture products.

Cycle closure

[GRI 306-1][GRI 306-3][GRI 306-4]

As part of the Circular Economy Strategy, the company is committed to the implementation of models that ensure the proper management of waste generated in the operation by closing the cycle of materials. The recovery for the extension of their life cycle is encouraged through the program 'No rompas el ciclo' (Don't Break the Cycle), which was created in 2014 with the purpose of valuing and incorporating the materials to other productive chains, reducing waste disposed in landfills (and therefore, their impacts), and including associations of recyclers by promoting their participation in this initiative and benefiting them directly.

Hazardous waste

During 2022, 4.1 tons of waste from electrical and electronic equipment (WEEE) were generated, which were destined for the use of materials such as plastic, metals and glass. The surplus was managed in accordance with current environmental regulations for the disposal of hazardous waste.

Solid waste

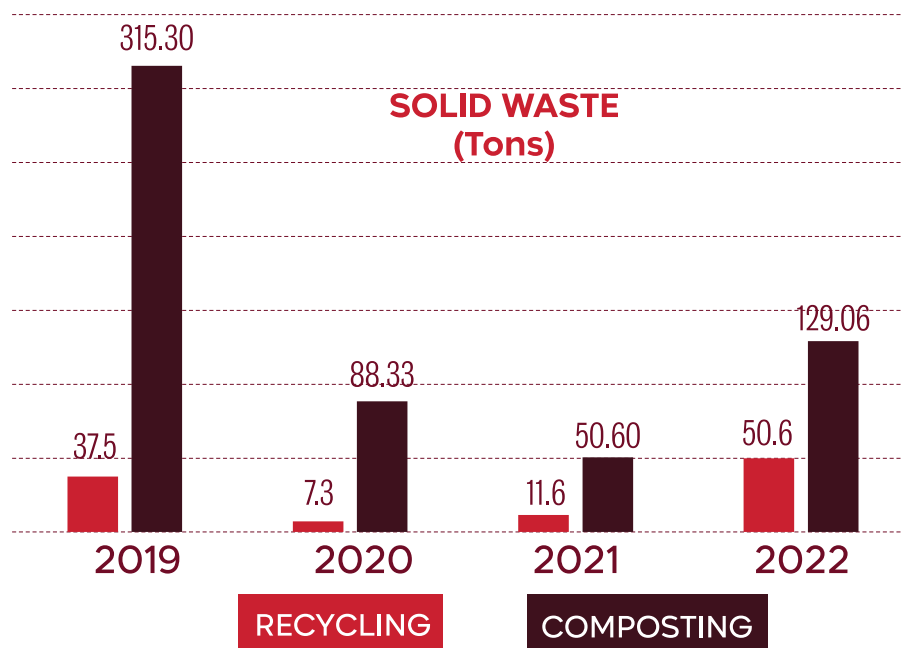
The Don't Break the Cycle program is implemented in 36 stores, where waste, once separated at the source both at the counter (customer service) and in the lobby (space available for customers), is delivered to waste managers for recycling: 29 in Bogotá, 4 in Cartagena, 1 in Cali, 1 in Bucaramanga, 1 in Pereira, and at the Production Plant. From these wastes, 179.6 tons were recovered, for a total of 1,694.6 tons recovered since 2014.

Organic waste is used for the generation of compost, while recyclable waste comes from containers and packaging generated in the operation both in the plant and in stores (mostly cardboard, folding carton, polyboard and plastic), which are used as raw materials in new processes such as the manufacture of paper towels.



The amount of solid waste destined for recovery increased between 2021 and 2022, thanks to the continuity of the actions established since the beginning of the program. However, it does not compare with the volumes collected in 2019, given that after the pandemic, collection frequencies were reduced for all stores, in many cases going from daily collection to three days per week.

With respect to 2021, by 2022, collection was increased in four stores in Bogotá, one in Cali, one in Bucaramanga, one in Pereira and four in Cartagena. By mutual agreement with the operators of the cities of Medellín and Santa Marta, the collection in these cities was not continued. For 2023, we seek to continue establishing partnerships with operators to increase the rate of recovery of waste generated in the operation and to reclaim these cities.



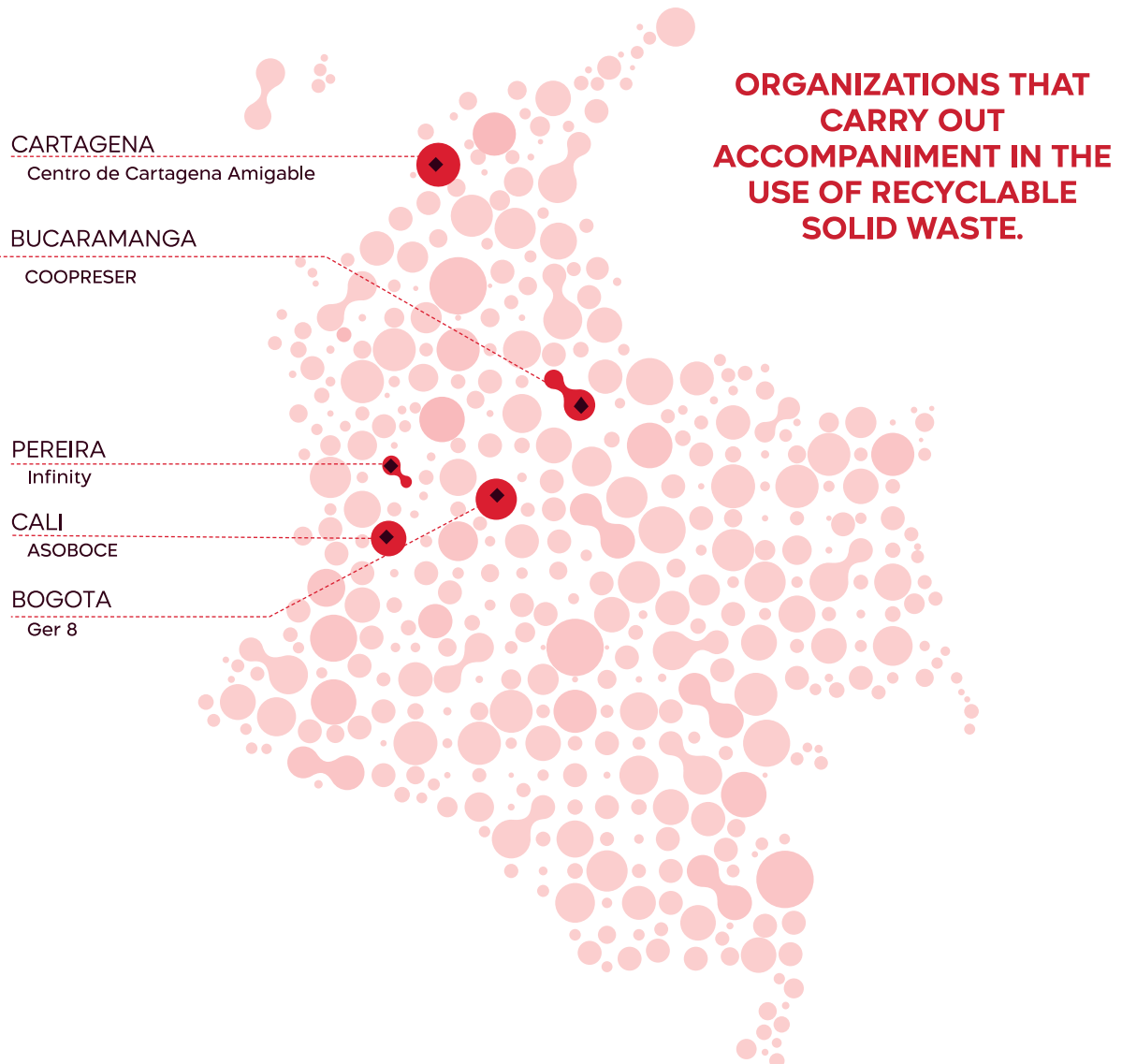
Partnerships

To achieve a common goal with other stakeholders in waste management, the company has strategic partnerships that join the commitments to recycle materials:

- Vision 30/30: ANDI's collective program through which projects are promoted for innovation, technology, packaging and container design, promotion of sustainability and creation of recycling value chains in the country. Procafecol S.A. joined this group in 2022.
- Recycling associations - coordination with professional recyclers: Juan Valdez® recognizes professional recyclers as relevant actors in the value chain of solid waste recovery.

Therefore, by 2022 there were 5 organizations that managed waste from 38 stores nationwide.

- Partner establishments: stores located in shopping malls, business centers and airports have joined their waste management program.
- During 2022, the partnership with Grupo Familia continued for the recycling of red cups used for hot beverages, since they are made of polyboard and can be transformed into new products in the personal hygiene and household category. By 2023, a pilot program for the collection and use of waste will begin in 4 stores in Medellin.



C. INTERNATIONALIZATION

Considering the relevance that the expansion of the Juan Valdez® brand will have worldwide in the coming years, we are working on developing an international governance framework for sustainability and shared value for the global operation. This way, we seek to expand the triple impact strategy in all markets where the brand is present, with the objective that the international expansion maintains the attributes that characterize the business in Colombia.

For this reason, during 2022 we first mapped ESG (Environmental, Social and Governance) practices in the countries where the company operates. Subsequently, the countries with which the internationalization process would begin were prioritized. In cross-cutting efforts between the international area and the sustainability area, three countries where Procafecol S.A. has a shareholding interest were chosen: Spain, Chile and Ecuador.

Then, through the design of a proprietary tool, the social and environmental practices of the societies and their respective companies were identified. With the results of this tool, the Sustainability Department visited the three countries to gain a better understanding of the markets and operations and to identify needs in environmental, social and governance issues. These visits allowed the company to understand the diversity of contexts in terms of regulation, supply chains, consumer awareness, maturity of the operation and possibilities for the design and implementation of the sustainability strategy.

Taking into account all of the above, 2023 will be focused on two processes: one, narrowing down the action plans for the 3 countries together with the partners of each operation; and, two, defining the sustainability guidelines that will be taken to the operation at a macro level.

The internationalization component groups together the actions developed in other dimensions, such as the shared value platform, Race to Zero commitments and circular economy initiatives. In fact, Spain has started activities within the framework of the 'Reusamos todo lo que sea posible' (We Reuse as Much as Possible) program, with the reuse of materials for the manufacture of store furnishings.

Similarly, in Chile and Ecuador, the Vaso Reúso (Reusable Cup) program is being promoted to reduce the waste generated in store operations.

In addition to the activities mentioned above, Procafecol S.A. participated in Expo-Dubai in the United Arab Emirates with a stand for approximately 8 months using construction finishes certified by ACEMAR, a company that guarantees that the wood used is Cradle to Cradle®. Lamps made by Colombian artisans were also brought to Dubai.

All these actions are part of the vision of sustainability as a strategic pillar, insofar as the company seeks accelerated growth in international markets, adapting the Colombian brand and products to different cultures.



V. SHAREHOLDER RELATIONS



Information disclosed to shareholders

During 2022, the following information was massively disclosed to all shareholders for whom information is available. This was done by email.

- Invitation to General Shareholders' Meeting Procafecol S.A. (e-mail and posted on the website). 23/03/2022
- Quarterly Newsletter for Shareholders Procafecol S.A. IIIQ- 2021 24/03/2022
- Quarterly Newsletter for Shareholders Procafecol S.A. IVQ- 2021 20/04/2022
- Quarterly Newsletter for Shareholders Procafecol S.A. - IQ 2022 27/07/2021
- Quarterly Newsletter for Shareholders Procafecol S.A. - IIQ 2022 09/09/2022
- Quarterly Newsletter for Shareholders Procafecol S.A. - IIIQ 2022 30/12/2022
- Invitation to Shareholders' Forum (virtual) 25/10/2022
- Invitation to Extraordinary General Shareholders' Meeting Procafecol S.A. (Virtual) 08/11/2022

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

During 2022, the requests received from shareholders were distributed as follows:

Type of Request	Letter	E-mail	Phone	Shareholders' Meeting	Visit	Total
Purchase of Shares	2	24				26
General Inquiries	2	279	104	4	2	391
Succession and Donation	1		3		1	5
Sale of Shares	11	60	3			74
Total	16	363	110	4	3	496

Among the cases related to the purchase and sale of shares, 1,067 shares were traded; on the other hand, 500 shares were associated with share succession procedures.

Additionally, in response to the need to answer any questions that shareholders may have, in November 2022, a "Shareholders' Forum" was held, where 27 shareholders were presented with topics of interest to them and questions and concerns were resolved. Among the topics discussed during this virtual space were:

- Composition and election of the management team.
- Shareholder composition of the company.
- Ongoing actions to strengthen the relationship with shareholders such as:
 - * 20% discount to coffee growers in Juan Valdez® Café stores in Colombia.
 - * Coordination with departmental committees and cooperatives to streamline the Plan Amigo Inversionista (Investor Friend Plan) program (see Plan Amigo Inversionista section for more details).
- Upcoming actions to improve the relationship with shareholders and grant them new benefits such as:
 - * Renewal of the shareholder service line.
 - * Continuation of the personal data update campaign.
 - * Discount benefit for all shareholders in 2023.
 - * Visits to departmental committees of coffee growers for conversations with shareholders and presentation of results.

GRI CONTENT INDEX

Procafecol S.A. has prepared this Sustainability Report in accordance with the GRI Standards, taking into account the latest updates presented. This document contains the sustainability management information for the period from January to December 2022.

For Procafecol S.A. management information, please refer to the 2022 Integrated Report.

GRI Standard	Content	Page	Omission		
			Omission requirements	Reason	Explanation
GRI 2: General Disclosures 2021	The organization and its reporting practices				
	2-1 Organizational details		Indicator reported in the Integrated Report 2022		
	2-2 Entities included in the organization's sustainability reporting		Indicator reported in the Integrated Report 2022		
	2-3 Reporting period, frequency and contact point		Indicator reported in the Integrated Report 2022		
	2-4 Restatements of information		Indicator reported in the Integrated Report 2022		
	2-5 External assurance		Not applicable	Not performed	Not verified
	2-6 Activities, value chain and other business relationships	17			
	2-7 Employees		Indicator reported in the Integrated Report 2022		
	2-8 Workers who are not employees		Indicator reported in the Integrated Report 2022		
	Governance				
	2-9 Governance structure and composition		Indicator reported in the Integrated Report 2022		
	2-10 Nomination and selection of the highest governance body		Indicator reported in the Integrated Report 2022		
	2-11 Chair of the highest governance body		Indicator reported in the Integrated Report 2022		
	2-12 Role of the highest governance body in overseeing the management of impacts		Indicator reported in the Integrated Report 2022		
	2-13 Delegation of responsibility for managing impacts		Indicator reported in the Integrated Report 2022		
	2-14 Role of the highest governance body in sustainability reporting		Indicator reported in the Integrated Report 2022		
	2-15 Conflicts of interest		Indicator reported in the Integrated Report 2022		
	2-16 Communication of critical concerns		Indicator reported in the Integrated Report 2022		
	2-17 Collective knowledge of the highest governance body		Indicator reported in the Integrated Report 2022		
	2-18 Evaluation of the performance of the highest governance body		Indicator reported in the Integrated Report 2022		
	2-19 Remuneration policies		Indicator reported in the Integrated Report 2022		
	2-20 Process to determine remuneration		Indicator reported in the Integrated Report 2022		
	2-21 Annual total compensation ratio		Not reported	Not reported	
Strategy, policies and practices					
2-22 Statement on sustainable development strategy		Indicator reported in the Integrated Report 2022			
2-23 Policy commitments		Indicator reported in the Integrated Report 2022			
2-24 Embedding policy commitments		Indicator reported in the Integrated Report 2022			
2-25 Processes to remediate negative impacts		Indicator reported in the Integrated Report 2022			
2-26 Mechanisms for seeking advice and raising concerns		Indicator reported in the Integrated Report 2022			
2-27 Compliance with laws and regulations		Indicator reported in the Integrated Report 2022			
2-28 Membership associations	18				
Stakeholder engagement					
2-29 Approach to stakeholder engagement	12				
2-30 Collective bargaining agreements		Indicator reported in the Integrated Report 2022			
Material Topics					
3-1 Process to determine material topics	12				
3-2 List of material topics	12				
200 Series (Economic topics)					
GRI 201: Economic Performance					
3-3 Management of material topics		Indicator reported in the Integrated Report 2022			
201-1 Direct economic value generated and distributed		Indicator reported in the Integrated Report 2022			

GRI Standard	Content	Page	Omission		
			Omission requirements	Reason	Explanation
GRI 205: Anti-Corruption					
3-3	Management of material topics		Indicator reported in the Integrated Report 2022		
205-2	Communication and training about anti-corruption policies and procedures		Indicator reported in the Integrated Report 2022		
GRI 204: Procurement Practices					
3-3	Management of material topics	13			
204-1	Proportion of spending on local suppliers	17			
300 Series (Environmental topics)					
GRI 302: Energy					
3-3	Management of material topics	31			
302-1	Energy consumption within the organization	32			
GRI 305: Emissions					
3-3	Management of material topics	32			
305-1	Direct (Scope 1) GHG emissions	32			
305-2	Energy indirect (Scope 2) GHG emissions	32			
305-3	Other indirect (Scope 3) GHG emissions	32			
GRI 306: Waste					
3-3	Management of material topics	35			
306-1	Waste generation and significant waste-related impacts	40			
306-3	Waste generated	40			
306-4	Waste diverted from disposal	40			
GRI 308: Supplier Environmental Assessment					
3-3	Management of material topics	13			
308-1	New suppliers that were screened using environmental criteria	16			
400 Series (Social topics)					
GRI 401: Employment					
3-3	Management of material topics		Indicator reported in the Integrated Report 2022		
413-1	Operations with local community engagement, impact assessments, and development programs		Indicator reported in the Integrated Report 2022		
GRI 403: Occupational Health and Safety					
3-3	Management of material topics		Indicator reported in the Integrated Report 2022		
403-1	Occupational health and safety management system		Indicator reported in the Integrated Report 2022		
403-9	Work-related injuries		Indicator reported in the Integrated Report 2022		
GRI 414: Supplier Social Assessment					
3-3	Management of material topics	13			
414-1	New suppliers that were screened using social criteria	16			

INDEX CIRCULAR 012

Contents of the External Circular 012 of 2022 of the Colombian Financial Superintendence

Índice	Descripción	Página
7.4.3	Minimum content of the periodic year-end report for Group C Issuers	
7.4.3.3	Part Three - Issuer's sustainability and responsible investment practices	
7.4.3.3.2	<p>A chapter dedicated to the practices, policies, processes and indicators in relation to environmental and social criteria implemented by the issuer.</p> <p>This section should include information on social and environmental topics, including climate issues, as referred to in Annex 2 of this Chapter.</p>	
7.4.3.4	<p>Part Four - Annexes</p> <p>This section must disclose the information referred to in subsection 7.4.1.4 of this Annex.</p>	
Annex 2* - 5.1.1	<p>Group A Issuers should include a brief description of the procedures implemented for the identification of material information in clear, simple language that is easily understood by the general public. Additionally, they must disclose the material information identified and the reasons that support its materiality.</p> <p>If, after the application of the procedures implemented, the Group A Issuers consider that no social, environmental or climate issue is material information, they must include a description of the reasons that support such results in qualitative and quantitative terms.</p>	

* Annex 2 is included in External Circular 031 of 2021, published by the Colombian Financial Superintendence on December 22 of the same year, which carries the description: 'Provides instructions regarding the disclosure of information on social and environmental topics, including climate issues.'

If you want more information, you can contact us through the following channels:

Customer service:





Phone:

(+571) 7423995 in Bogotá or 018000517711 nationwide.

Main office:

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

Contact us in:

-  <https://www.facebook.com/JuanValdezCafe/>
-  <https://www.instagram.com/JuanValdezCafe/>
-  [/www.youtube.com/user/juanvaldezcafeco](https://www.youtube.com/user/juanvaldezcafeco)
-  <https://www.linkedin.com/company/Juan-Valdez-Cafe/>

www.juanvaldezcafe.com/