



Alquería

Disclosure Report

Date Submitted: June 14th, 2024



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Biodiversity Impacts	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: On-site Fatalities

Issue Date	October 2019 and December 2023
Topic	Employee fatalities
Summary of Issue	<p>One employee of a sub contractor was killed while carrying out low risk repairs on a boiler at the Alqueria Medellin factory in October 2019.</p> <p>In December 2023, there was a fatal traffic accident involving an employee of the company. The traffic accident was caused by a third-party (a minor) who did not have a license and committed a serious infraction by crashing his motorcycle from behind the worker's motorcycle which, in its fall, had hit the victim's head forcefully resulting in the death of the employee.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Two individuals (one employee and one sub contractor)
Impact on Stakeholders	Loss of lives of two individuals and impacts to their friends and families.
Implemented Management Practices	<p>The first incident was investigated by the ARL SURA and ARL AXA Colpatría and all the reports were made to the insurance entities, the ministry of labor and the police, such as the SIJIN. As a result, the company clearly defined the requirements, procedures and protocols that the contractor must comply with in the execution of high-risk works within the company.</p> <p>After the boiler accident, prevention measures were strengthened against the requirements that contractors must meet within the company, including the obligation to have their own security personnel and occupational health and a prior and exhaustive verification of regulatory compliance. Likewise, the contractors manual was updated according to high-risk activities.</p> <p>For the second incident, the company had initiated an investigation in accordance with resolution 1401 of 2007 of the Columbian Legislation, it was sent to the occupational risk insurer Axa Colpatría, who issued a concept of acceptance of occupational accident and determined an action plan which</p>

	<p>currently, in 2024, is subject for an audit and follow-up.</p> <p>The Ministry of Labor has requested more information regarding the incident, which was answered by the company and is now expecting a response from the authority.</p> <p>The strategic road safety plan was convened after this incident and they defined reinforcing safe practices in workers, taking into account the risk of other reckless people on the roads.</p>
Other Management Comments	<i>"In both cases we carried out the root cause investigation with methodologies that delve into action plans that mitigate the repetition of these events. All investigations are audited every 4 months by the occupational risk insurers, who report to the Ministry of Labor the follow-up and compliance reports. Cases are isolated events with different causes and in fortuitous circumstances. Our conviction is to be a company that works every day to build safe and healthy workspaces focused on zero losses in the lives and health of our employees and allies."</i>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Hazardous Discharges into Air/Land/Water

Issue Date	2015-2020
Topic	Company has had several different hazardous discharges over the last five years that include particulate material, gaseous ammonia, raw milk, and industrial waste water.
Summary of Issue	Over the past five years the company has experienced: - 7 Ammonia Leaks, 5 Particulate material incidences, a raw milk spill of 100 liters of milk on a public road and an industrial waste water overflow.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	30% of the company's facilities were involved in the hazardous discharges. Seven people connected to the ammonia leak had their respiratory ability compromised, five were treated at the company's facilities and two were transferred to a healthcare center. The other incidences were not found to have any significant impacts to stakeholders.
Impact on Stakeholders	Hazardous discharges can result in respiratory difficulty due to respiratory tract irritation, contamination of water sources, and affectation of air quality.
Implemented Management Practices	<p>To reduce the risk of further incidences, the company has implemented the following management practices:</p> <ul style="list-style-type: none">- Particulate matter: They reduced the frequencies of the chimney sweep of the boiler and implemented preventive monitoring of the bag filter system.- Ammonia Leaks: The company acquired gas meters and self-contained suits and pressure regulating valves were installed in the cooling systems, and specialized companies in these aspects were hired for the maintenance of the systems.- Industrial Waste Water Leakage: The company installed a contingent level system to the existing one and expanded the ARI treatment system from physicochemical phases to a complementary system with biological treatment. Additionally, the PTARI preventive maintenance plan and standard operating procedures were consolidated in order to establish the criteria and operating limits of the plant in the different scenarios. <p>The company has also improved their National Emergency Plan to add learnings from events. This document also includes</p>

	information on employee safety and wellbeing, and negative impacts to the environment from hazardous discharges. They have also implemented drills to prepare staff in the case of emergencies.
Other Management Comments	The discharges were environmental accidents, which were investigated and corrected.

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Animal Products or Services

Topic	Animal Products or Services
Summary of Issue	Alqueria is a milk processing company and sources their dairy ingredients directly from dairy farms.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Between 60 - 70% of company supplier costs on an annual basis are related to the payment of raw milk. In 2023, the company collected 348 million liters of milk from 2802 direct suppliers and 8057 indirect suppliers (57 associations).
Impact on Stakeholders	98% of the milk comes from cattle producers who manage their animals mainly based on pastures (grasses and legumes) using the rotational system as a management practice for the pastures. On average, their farmers have in their production system between 20 - 30 animals.
Implemented Management Practices	<p>All farmers are expected to meet the minimum welfare parameters for the performance of their herds; These criteria are based on access to food, good health, adequate accommodation and its management that affects the behavior of the animals.</p> <p>Between 2022 and 2023, Alquería's direct suppliers were characterized under sustainability attributes, covering 40% of the direct supply chain. This initiative made it possible to define the baseline for the development of an animal welfare policy, aligned with the Five Freedoms of animals:</p> <ol style="list-style-type: none"> 1. Free from thirst and hunger, 2. Free from fear and anguish, 3. Free from disease and pain, 4. Free to express their natural behavior, and 5. Free to live in a suitable environment. <p>The indicators showed positive results in the welfare indicators: in general, through data gathering, it was found that there is no evidence of animal abuse, the animals are not in confinement, the sick animals receive timely care, the animals have permanent access to water, the animals have individual identification, which allows their proper handling.</p> <p>Alquería has put in place an Animal Welfare Policy. The policy</p>

	<p>has defined objectives to improve animal welfare in its supply chain. Prioritizing strategies to address identified challenges.</p> <p>Areas for improvement identified by Alquería:</p> <ul style="list-style-type: none">- Preparation for difficult times: strengthening the capacity of producers to face extreme weather events such as droughts or severe winters, guaranteeing access to feed for animals.- Mastitis control: Promote measures to prevent and control mastitis, a common disease in dairies.- Access to shade: Efforts will be focused on increasing the availability of shade in the Sabana and Antioquia regions, especially in small farms with greater pasture coverage. <p>Strategies:</p> <ul style="list-style-type: none">- Rural extension: Training and technical assistance programs will be implemented for producers, focused on improving animal welfare practices. This policy is aligned with current Colombian legislation on animal welfare.

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally-Intensive Industry

Issue Date	June 2024
Topic	Energy/ Emission Intensive industry
Summary of Issue	As a dairy processing company, Alqueria operates in an emission intensive industry with milk production, processing and transportation being the most emission intensive processes in their operations. 100% of their revenue comes from animal based products and therefore, they have set targets for the reduction of emissions on and off farm.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Two types of energy are used by the company: electrical energy from the country's grid and fossil fuels such as natural gas, propane gas, diesel fuel and coal.</p> <p>The company's carbon footprint is calculated for scopes 1 and 2 in which there is participation of:</p> <ul style="list-style-type: none"> - Scope 1 (82%): coal, natural gas, propane gas, ACPM, refrigerants and fire extinguishers. - Scope 2 (18%): electrical energy consumption. <p>The energy readings for the the year of 2023 for the Group was as below ;</p> <p>Alquería 2023: Electrical power indicator: 79.5 kWh/TPE Thermal Energy Gauge: 1053 MJ/TPE Carbon footprint indicator was 95.57 Kg CO₂eq/ton of product produced</p> <p>Freskaleche (FKL) 2023: Electrical power indicator: 77.9 kWh/TPE Thermal Energy Gauge: 726.4 MJ/TPE Carbon footprint indicator was 59.25 Kg CO₂e /ton of product produced</p> <p>The increase in the last year corresponds to the increase in the emission factor of electrical energy, an increase of 54% compared to the previous year. The largest contribution to the carbon footprint is due to the use of coal during the steam generation process in the boiler of one of the Alquería plants.</p> <p>It is to be noted that the GRETA project is being carried out, which seeks between other strategies of the path for</p>


	decarbonization, to replace coal.
Impact on Stakeholders	<p>Among the significant environmental impacts defined for Alquería and FKL are energy consumption, both electrical and thermal (expressed in fuel consumption), as well as the generation of carbon footprint and its impact on global warming. The company has 'The Planeta Larga Vida' sustainability strategy which has a pillar called Energy and Climate Change, that is focused on the development of projects that allow the reduction of energy consumption and reduction in the carbon footprint. Both components have production-based consumption indicators along with reduction targets.</p> <p>The coordination of environmental projects through which strategic projects in environmental matters are led is consolidated. The strategies are focused on identifying projects and operational improvements that allow reducing consumption, such as: strategic production planning, replacement of conventional lighting with LED lighting, identification and correction of air and steam leaks. Projects for fuel substitution, cogeneration, water recirculation, renewable energies and re-engineering of treatment systems are being worked on. Additionally, the company has a Climate Change committee, which has defined a Road Map and monitors the different projects under technical and economic evaluation.</p>
Implemented Management Practices	<p>A carbon footprint generation benchmark was carried out as an indicator in ton / ton along with electricity consumption and fuel consumption with dairy companies, not only Colombian but also worldwide with companies from the United States, Ecuador, Italy, New Zealand.</p> <p>A life cycle analysis was carried out for about 80% of the product portfolio, evaluating 17 environmental footprints. Likewise, a consultancy was carried out to strengthen the company's decarbonization plan.</p> <p>During the last year, a reduction in kwh consumption has been achieved, however, there has been an increase in scope 2 emissions caused by the increase in the emission factor of electrical energy. This is a critical variable for the bets and projections of the company's decarbonization plan.</p> <p>The climate change committee of Alquería is in charge of monitoring and executing projects to reduce the environmental impact of energy consumption. Among the projects are: optimization of electricity consumption from the use of LED lights, tests for the change of more sustainable fuels in boilers,</p>

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Issue Date	June 2024
Topic	Water Intensive industry
Summary of Issue	As a dairy processing company, Alqueria operates in a water intensive industry with milk production and processing being the most water intensive processes in their operations. 100% of their revenue comes from animal based products and therefore, they have set targets for the reduction of water on and off farm.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>At the national level there are two types of water sources: aqueduct water and natural water sources (underground water). In some operations, bottles of water are purchased that are used as raw material for some products.</p> <p>There is currently an important water reuse project in the cheese operation. Likewise, the projects and volume of recirculated water at different stages of the production process have increased.</p> <p>The system for recovering and using cow water from spraying is an important source of water. Likewise, the projects and volume of recirculated water at different stages of the production process have increased.</p> <p>Currently, a total water indicator is used and discriminated by product category. This allows the company to carry out a more specific analysis of the differences in its products and the associated consumptions.</p> <p>An indicator of water consumption by production is used, which is measured in m3 of water / m3 of packaged product. For the year 2023 this accumulated indicator closed at ;</p> <p>National PNS Indicator (Alquería): 2.4 m3/TPE National PNS Indicator (Freskaleche): 2 m3/TPE</p> <p>This indicator is from the daily measurement of water consumption in operations, which are recorded in a database for each of the plants, and from there it is feeds the Planeta Larga Vida dashboard where it is possible to see the behavior of the indicators on a monthly basis.</p>

	<p>It is important to note that new categories and products have been entered within the analysis.</p>
<p>Impact on Stakeholders</p>	<p>The environmental impacts identified through the matrix of aspects and impacts are mainly: depletion of resources and contamination of water sources. For each of these impacts, controls have been established in order to reduce their importance. For the depletion of water resources, each of the operations has Efficient Use and Saving Programs of Water (PUEAA), water management committees, management KPIs and daily measurements.</p> <p>A water consumption benchmark was carried out with dairy companies, not only Colombian but also worldwide with companies from the United States, Ecuador, Italy, New Zealand, among others, in which Alquería has the best water consumption rates in terms of its production.</p>
<p>Implemented Management Practices</p>	<p>To prevent contamination of water sources, each of the operations has Industrial Wastewater Treatment Plants (PTARI) in which physicochemical and biological processes are developed that guarantee a discharge within the established parameters and whose discharges either into natural water sources or sewerage will not generate contamination of the resource. In each of the operations, quality analysis of the discharge is carried out with external laboratories accredited by IDEAM.</p> <p>More than 60% (remaining 20% domestic water and 20% industrial service water) of the collected water is returned again to natural water sources (with previous treatment) to reduce the impact to the water balance of the water sources and/or prevent a downstream shortage risk. ARI's discharges are designed under an environmental assessment of the discharge and an Environmental Management Plan for the discharge, which consider parameters of the receiving water source and climatic and social impacts. In addition, the treated wastewater reuse project is consolidated and more recirculation and reuse projects are consolidated in the different stages of the operation.</p> <p>All the actions defined to control the water impact are associated with PUEAAs (water consumption reduction and recirculation projects). Freskaleche's Aguachica plant collects rainwater and recovers the water contained in the liquid milk during the spraying process, which is treated and used again within the production process. There is currently an important water reuse project in the cheese operation (Alquería business facility).</p>



For all their operations they have documents called the Water Quality Program, which has all the activities that involve water consumption, including how they treat it and guarantee its safety, the parameters for analysis and the objectives for reduction. Each program is aligned with Environmental Programs that have targets for KPIs and annual reduction targets.

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Issue Date	June 2024
Topic	Biodiversity Impacts
Summary of Issue	Negative biodiversity impacts as a result of dairy farming particularly since some of the milk producers are located in moorland areas.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>100% of the milk from their suppliers are small family producers who manage their animals mainly based on pastures (grasses and legumes) using the rotational system as a management practice for the pastures. On average, their farmers have in their production system between 20 - 30 animals.</p> <p>100% of Alqueria's revenue comes from animal based products.</p> <p>In total the company has 21 direct suppliers and 7 associations based in moorland areas. The Freskaleche operations does not have direct producers in moorlands but has 2 Associations located in moorlands.</p> <p>In 2023, the company has identified 1.26% of the suppliers are located within a moorland area.</p>
Impact on Stakeholders	The main impact to biodiversity occurs mainly with milk suppliers, who in a percentage are located in protected areas such as moors. Within the environmental commitment of Alquería, they have signed the Agreement for Zero Deforestation and Transformation of Páramos, to work together with livestock farmers to protect the sustainability of these ecosystems.
Implemented Management Practices	<p>From 2021 to 2025 ,100% of the company suppliers must participate in the training process related to:</p> <ul style="list-style-type: none"> - Agreements for zero deforestation goals and transformation of Páramos - Production costs. - Waste management (Recyclable and dangerous). - Determination of carrying capacity - Pasture management. - Organic fertilizers and food preservation. - Sustainable Livestock and Silvopastoral Systems - Identification of seeds and construction of nurseries. - Quality and Harvests of water.

	<p>They have procedures for visits to raw milk suppliers where the different scenarios are established in which communication with the supplier must be generated. They also established a schedule of talks that are focused on giving more relevance to the actions that suppliers must take within the livestock system, which if implemented could help them increase their productivity. This is under the framework of procedure PTFG-008 Visits to milk suppliers.</p>
	<p>In 2021, the company had implemented a process to assess risk using geographic coordinates of new suppliers. This process uses a buffer of 400 meters in relation to the coordinate to determine if the supplier is located within a moorland area according to the limits established in the country. This procedure was integrated into both the "Raw Milk Supplier Control Program" (code PGFG-002) and the "Supplier Evaluation, Selection and Reevaluation Procedure" (code PTFG-004).</p>
	<p>In 2023, Alqueria has carried out through a third party the risk analysis of suppliers in moorland areas in the years 2021 and 2023. For these analyses, the geographical location coordinates of 2286 between farms and milk stockpiles of the associations were used. This analysis allowed them to identify the percentage of the suppliers that are located within a moorland area.</p>
	<p>In 2023 a pilot was carried out that involved the collaboration of 14 suppliers located in the moorland area that were linked to the organization before 2021. The purpose of this exercise was the creation of a tool to establish the Sustainable Livestock Indicator in Moorlands (IGSP). This pilot focused on the regions of Sumapaz, Guerrero and Almorzadero, where the cattle farms of the suppliers were visited. During these visits, evaluations were conducted to adjust and refine the necessary questions that would form the basis of the IGSP. This approach made it possible to identify more precisely sustainable livestock farming practices in the moorlands, highlighting key aspects such as the management of vegetation cover, conservation, restoration, management of water rounds, production systems, biodiversity, soil management and legal compliance.</p>
	<p>By 2024, a Moorland program was designed to consolidate the aforementioned procedures and with the main objective of strengthening and promoting sustainable livestock practices among the producers identified in the moorland areas. This program will be carried out through the implementation of a comprehensive program that focuses on the construction and</p>

	application of the indicator of sustainable páramo livestock. In addition, in correspondence with the commitments within the framework of the agreements for zero deforestation and transformation of moorlands and the requirements established by current legislation, such as Law 1930 of 2018 and Resolution 1294 of 2021. Target population 100% of the direct and 2 associations located in moorlands.
Other Management Comments	Development of the moorland program (2024 - 2025): <ul style="list-style-type: none">- Consistently improve the IGSP indicator- Start measurement in indirect suppliers (2 associations)- Go beyond compliance with Law 1930 of 2018 and Resolution 1294 of 2021- Strengthening the capacities of producers- Generation of knowledge and good practices in sustainable livestock farming in moors- Improvement of the state of the moorland ecosystems present in the producers of our supply chain

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation, Arbitration, and/or Penalties

Issue Date	2019-2024
Topic	Litigations related to the safety of third-party contractors/vendors
Summary of Issue	<p>The litigation cases were filed against the entities in the scope of review for Alquería Group and Freskaleche SAS.</p> <p>The Group currently has 4 pending litigation cases related to accidents involving their third-party contractors/vendors.</p> <p>1.The company had a gas powered boiler in its production plant. In Oct 2019, the boiler was malfunctioning, so the company had sought technical assistance service from an expert contractor in the matter. During the contractor's technical visit, an incident occurred in which the employee of the contractor lost his life. - Status: Pending a fixture of date for hearing.</p> <p>2.The company executed a distribution contract with an independent distributor who had hired their own employees (driver and assistants). On February 28, 2020, a traffic accident occurred, causing the death of an assistant. - Status: Pending the initial hearing on October 16, 2024</p> <p>3.The company executed a distribution contract with an independent distributor who had hired their own employees (driver and assistants). On March 26, 2020, the plaintiff who was in the vehicle not working, but only as a passenger, was injured due to a traffic accident. - Status: Pending the initial hearing on April 10, 2025.</p> <p>4.The company executed a distribution contract with an independent distributor who had their employees (driver and assistants). On March 21, 2023, a traffic accident occurred, causing injuries to the two individuals who are the plaintiffs. - Status: Pending a fixture of date for initial hearing.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>All the reported proceedings are at initial stage, therefore none have been ruled or paid. The Group would have to wait for the final ruling in each proceedings in order to identify any payment obligation.</p> <p>However, the projected payout value of the lawsuits would be less than 1% of total revenue for each of the cases.</p>

Impact on Stakeholders	The safety of the company's third-party contractors/vendors and reputational & financial loss to the company due to the ongoing cases.
Resolution	All of the cases are either pending a hearing, verdict or status of appeal.
Management Practices	<p>In the boiler incident which resulted in a death, the company had implemented several practices to mitigate such incidents from recurring.</p> <ol style="list-style-type: none"> 1. Emergency plan was carried out; 2. Signage for industrial services was adjusted; 3. Update of the hazard identification matrix; 4. Machine inspections with supports, preventive and corrective maintenance program for machinery and equipment, process and procedures 5. Work permits for high-risk tasks; 6. Manual for contractor evaluation, change management procedure and evidence. <p>For all the other cases, the company states that it has no direct connection with the plaintiffs and that the events occurred through a third party.</p>