

TCFD Report 2025 - PORVENIR

Task Force on Climate-Related Financial Disclosures Climate-related Risks and Opportunities Report

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Introduction

At Porvenir, we recognize that climate change is a highly relevant challenge for society, the economy and ecosystems. In this context, we take responsibility for managing the risks and seizing the opportunities that this phenomenon poses for our investment decisions.

As pension fund managers, we understand that climate change represents a material financial risk, and we reaffirm our commitment to managing it appropriately in order to protect the savings of Colombian workers and ensure the long-term resilience of our investments.

This commitment is reflected in the implementation of specific strategies aimed at effectively managing the risks and opportunities associated with climate change, strengthening our fiduciary duty and optimizing the risk-return relationship of the portfolios under our management.

What is the TCFD?

The *Task Force on Climate-related Financial Disclosures* (TCFD) was created to help organizations identify, manage and disclose climate-related risks and opportunities. Since 2024, its recommendations have been incorporated into the IFRS S2 Climate-related Disclosures standard issued by the *International Sustainability Standards Board (ISSB)*, making this framework the mandatory international reference for presenting climate-related information in sustainability reports.

In this report, covering the year 2025, we disclose climate-related risks and opportunities in accordance with the TCFD recommendations. The report is structured around the pillars of Governance, Strategy, Risk Management, and Metrics and Targets, ensuring the transparency, comparability and usefulness of the information for investors and other stakeholders.

1. Governance

Our climate governance structure has been designed to comprehensively address the challenges associated with climate change, establishing clearly defined roles and responsibilities within the decision-making bodies. Through the creation of specialized committees and the incorporation of sustainability criteria at different levels of the organization, we ensure that risks and opportunities are managed in a coordinated and efficient manner. This model enables us to make informed and responsible decisions, strengthening our investment strategy and ensuring alignment with international sustainability commitments.

1.1 Climate Governance Structure



1.2 Roles and Responsibilities

- **Board of Directors:** Approves the responsible investment policy, ensuring that Porvenir's strategies are aligned with ESG principles and the TCFD recommendations.
- **Risk Committee:** Monitors and follows up on the process for assessing environmental, social and governance (ESG) and climate risks. It also ensures that risks are managed effectively within Porvenir's investment strategy framework.
- **Risk Support Committee:** Follows up on the main ESG risk analyses, reports and indicators of the managed portfolios.
- **Risk Vice Presidency:** Integrates ESG factors and methodologies into the risk management process and the setting of investment limits.
- **Investment Vice President:** Analyzes potential sustainable investments for the portfolios.

The integration of ESG criteria into investment and risk management processes is framed within the three lines of defense model, ensuring transparency, accountability and effective risk mitigation. In addition, this model is directly linked to the climate governance structure by assigning specific roles for strategic decision-making and compliance with sustainability standards.

1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Front Office - Investment VP	Middle Office - Risk VP - Legal VP	Internal Audit - Audit Management
• Integration of potential sustainable investments (understood as those that incorporate ESG criteria) into the portfolios. • Reporting to the President's Office and the Investment Committee.	• Assessment of environmental, social and governance (ESG) and climate risks. • Reporting to the President's Office and the Risk Committee.	• Audit of the processes carried out in relation to responsible investment. • Reporting to the Audit Committee.

2. Strategy

2.1 Strategic and Financial Alignment with Climate Commitments.

Sustainability is the central axis of our business model and guides the way in which we have generated long-term value for society, promoting a culture of responsible and sustainable management. In this regard, one of the pillars of our Sustainability Model is environmental and climate management, focused on actions that promote operational eco-efficiency and resilience to climate change.

Accordingly, we designed a clear roadmap, based on international standards, that will enable us to progressively reduce our emissions, with a positive effect on reputation, operating costs and corporate resilience. This strategy is based on the following pillars:

- **Governance and transparency:** Comply with current legal regulations, reporting our progress and commitments clearly and accessibly.
- **Carbon footprint measurement:** Measure the carbon footprint covering 100% of our operations.
- **Inventory verification:** Ensure the accuracy of the emissions calculation through certified verification.
- **Mitigation plan:** Concrete actions to reduce emissions.
- **Emissions offsetting:** Offset, through carbon credits, the emissions that we cannot reduce.
- **Monitoring and continuous improvement:** Periodically assess our actions to identify opportunities for improvement and ensure long-term management.

In addition, in 2025 we approved our Corporate Environmental Policy with a comprehensive vision that incorporates resource efficiency, regulatory compliance, collaboration with strategic partners and the prioritization of responsible investments. This approach not only mitigates the

environmental impact associated with our activities, but also generates a positive effect on society and contributes to the achievement of global environmental goals.

In this way, we are moving forward with the implementation of actions aimed at an increasingly environmentally responsible operation, based on the design of a roadmap toward the decarbonization of Porvenir's operations. This strategy includes carbon footprint measurement, emissions offsetting, regulatory compliance and the definition of long-term commitments. Within this framework, during 2025 we offset 100% of the 2024 carbon footprint for Scopes 1, 2 and 3 (excluding investments) through the purchase of carbon credits associated with a renewable energy photovoltaic incentive project.

In addition, we have entered into alliances and agreements with major environmental organizations to contribute to the country's environmental goals and the care of protected areas, achieving more than 5,590 trees planted, 80 volunteers mobilized and more than 5.6 hectares restored as of 2025. Some of the areas impacted were Chingaza National Natural Park and Farallones de Cali National Natural Park; there was also an impact on 58 people, as well as the purchase of offset credits for the environmental impact generated.

2.2 Impact on Business Strategy

The main exposure to climate-related risks and opportunities in the asset management business is concentrated in the investment portfolios. In this context, a Responsible Investment Policy has been defined that encompasses different approaches, most notably: (1) integration, (2) thematic investment and (3) engagement.

- **Integration:** Scores for ESG variables are constructed, using either internal methodologies or information from external providers, and these scores are used to complement the financial assessments of investments. Likewise, depending on the asset class being assessed, the type of information used may vary. When analyzing investment funds managed by third parties, integration may take place through due diligence processes that include the analysis of questions aimed at understanding the ESG issues taken into account by the managers of those funds.
- **Thematic Investment:** Consists of creating specialized instruments that directly channel investment into environmental, social or corporate governance themes. Within the investment platform of Porvenir's Voluntary Pension Fund, a portfolio called Generación Sostenible Porvenir is offered, which seeks to objectively classify investments focused on Environmental, Social and Governance (ESG) criteria, ensuring that investment decisions are aligned with globally recognized sustainability principles.
- **Engagement:** Engagement processes are established between investors and issuers or managers in order to work jointly on ESG-related issues. It is important to understand issuers' needs and strategies regarding ESG challenges and, likewise, for the resources managed through external managers, to understand how they in turn are incorporating the management and handling of ESG issues.

We will continue to strengthen the identification of climate-related risks and opportunities in our investments, as well as the development of metrics, which will allow us to assess the resilience of our investment strategies.

3. Risk Management

3.1 Definition of Climate Risks

Climate risk in investments relates to the possibility that climate-related events and changes in climate policies may adversely affect the performance and value of the portfolio. These risks may arise from commodity price volatility, rising energy costs, natural disasters, regulatory changes and lawsuits, among other factors. Furthermore, climate change is a systemic factor observed through the measurement of traditional risks (Market, Credit, Liquidity, Counterparty and Operational), as a consequence of the materialization of extreme weather events (physical risks) and an uncoordinated adaptation toward a low-carbon economy (transition risks).

3.2 Definition of Physical and Transition Risks according to the Task Force on Climate-Related Financial Disclosures (TCFD).

Physical Risks	
Acute Risks	Associated with the increase in the intensity and severity of extreme weather events (e.g., cyclones, hurricanes, floods, wildfires, among others).
Chronic Risks	Linked to gradual changes in climate patterns over the medium and long term (e.g., sustained temperature increases, changes in precipitation frequency, sea level rise, among others).
Transition Risks	
Regulatory and Legal Risks	Arising from the evolution of regulation (e.g., carbon taxes, stricter requirements for environmental permits, among others) aimed at mitigating the impacts of climate change and fostering adaptation. Non-compliance with these regulations may result in legal risks, including potential litigation.
Technology Risks	Related to the development and adoption of technological innovations that facilitate the transition to a low-carbon economy and a more efficient use of energy sources.
Market Risks	Changes in the supply of and demand for goods and services due to shifts in consumer preferences and behavior in response to climate change adaptation (e.g., greater demand for non-conventional renewable energy, electric vehicles, among others).
Reputational Risk	Risks arising from stakeholders' negative perception of the actions implemented in the process of adapting to climate change (e.g., accusations of greenwashing, among others).

3.3 Climate Risk Mapping

Based on the definition of climate risks, we carried out an assessment of the vulnerabilities to which a portion of the managed portfolio (local and international equities, as well as local fixed income) is exposed with respect to climate change risks and opportunities. Through the development of an internal methodology, we were able to measure this exposure based on both the probability of occurrence and the impact. The percentage of assets under management covered by this methodology was 42.5%.

		30%	30%	10%	10%	10%	10%	100%		
Ranking	Sector	Acute Risks	Chronic Risks	Regulatory and Legal Risks	Technology Risks	Market Risks	Reputational Risk	Total	Impact	Total Exposure (COP MM)
1	Financial Services	Medium	Medium	Low	Low	Medium	Low	Low	1.2	28,717,385
2	Utilities	Medium	Medium	Medium	Medium	Medium	Low	Low	1.3	10,060,456
3	Healthcare	High	High	Medium	Low	Low	Low	Medium	1.9	6,318,463
4	Consumer Cyclical	High	High	Medium	Low	Medium	Low	Medium	2.1	9,241,070
5	Technology	High	High	Medium	Medium	Medium	Medium	Medium	2.2	24,888,704
6	Real Estate	High	High	Medium	Medium	Medium	Medium	Medium	2.5	1,824,110
7	Communication Services	High	High	Medium	High	Medium	Medium	Medium	2.4	7,994,285
8	Consumer Defensive	High	High	Medium	Medium	Medium	Medium	Medium	2.5	4,048,425
9	Industrials	High	High	High	Medium	High	Medium	Medium	2.7	7,052,231
10	Basic Materials	High	High	High	Medium	Low	High	High	3.2	6,132,769
11	Hydrocarbons	High	High	High	Medium	Medium	High	High	3.3	5,280,268
									Total	111,558,165
									AUM%	42.5%

Accordingly, the Hydrocarbons, Basic Materials and Industrials sectors were found to have a high impact with respect to climate change risks, mainly due to the characteristics of their production processes, their intensive use of resources and their generation of emissions. In addition, exposure to regulatory changes and to market conditions related to the transition toward lower-emission production models may affect operating costs, cash flows and investment returns.

Meanwhile, the sectors classified as medium impact include Technology, Real Estate, Consumer Cyclical and Consumer Defensive, which, although not as intensive as the high-impact sectors, may be affected by cost adjustments, regulatory changes or shifts in consumer preferences.

Finally, the sectors classified as low impact are Financial Services, Utilities and Healthcare, given that they maintain more stable and essential operating structures, as is the case of the healthcare sector, well-defined regulatory frameworks and a lower intensity in the use of physical resources or production processes with a direct climate impact. In addition, their performance tends to be less sensitive to abrupt changes in the economic environment or to structural changes in demand.

In light of the above, and prioritizing the sectors most sensitive to climate change, such as Hydrocarbons, we carried out a scenario analysis for the most relevant companies in this sector, considering changes in global temperature and the possible effects on their financial position, based on the recommendations of the NGFS (Network for Greening the Financial System). The NGFS uses five climate scenarios to assess risks and opportunities under different transition pathways toward a low-carbon economy. Each scenario has its own assumptions about what would happen if the temperature reaches a certain level by 2050, as shown in the table below:

Scenario	Description	°C
Fragmented World	Uncoordinated action across regions, creating inefficiencies and compounded risks.	1.89°C
Nationally Determined Contributions (NDCs)	Only current commitments are met; the conditional commitments in place at the beginning of 2024 continue throughout the 21st century, leading to warming of close to 2.3°C.	1.83°C
Delayed Transition	Late and abrupt policies that generate high transition costs and moderate risks.	1.76°C
Below 2°C	Orderly and early transition to limit global warming to below 2°C, with low physical risks	1.73°C
Net Zero 2050	Ambitious scenario to achieve net-zero emissions by 2050, with minimal physical risks but high short-term costs.	1.57°C

In line with the results of each of the climate change scenarios, we identified that, in order to preserve the value of the companies in this sector and their long-term sustainability, they need to step up their investment in renewable energy, clean technologies and new business lines. In addition, given the relevance of this sector to the managed portfolios, Porvenir will promote engagement with relevant companies in the sector aimed at strengthening their climate action, their disclosure and the resilience of their business model.

3.4 Engagement Activities on Climate Issues

Porvenir maintains an active commitment to the companies in which it invests, promoting the adoption of sustainable and climate-resilient practices. Accordingly, since 2023, with the formalization of our ESG Engagement Policy as part of the Responsible Investment Policy, we have established dialogue and engagement activities, both individual and collaborative, on environmental, social and governance (ESG) matters with the companies or funds in which we invest.

3.4.1 Diálogos por el Clima Latam

Since 2023, we have been part of the Diálogos por el Clima Latam (Climate Dialogues Latam) initiative, which seeks to provide spaces for dialogue with issuers in the region, promoting greater disclosure and ambitious climate action aimed at decarbonizing the Latin American economy.

In this process, 11 companies have been prioritized from the Construction, Energy, Consumer, Retail, Pulp and Paper, Cement, Mining, Beverages and Oil sectors, which play a relevant role in terms of absolute carbon emissions in the region and in the composition of investors' portfolios.

Following the engagement sessions held in 2024, which deepened our understanding of the climate strategies and targets of issuers relevant to the portfolios and markets in which we invest, in 2025 we followed up on the previously defined commitments, validating their progress in climate disclosure and action.

These activities reflect Porvenir's ongoing commitment to integrating climate factors into decision-making and to its role as an agent of change in the transition to a sustainable economy.

3.4.2 Collaborative Engagement with Asofondos

Since 2024, we have joined forces with Asofondos and Deloitte to develop a tool for assessing local issuers in terms of their ESG disclosure, based on the reports related to External Circular 031-2022¹. The tool included three components: materiality analysis, the alignment of climate issues with the TCFD, and the definition of the environmental and social metrics set out in the SASB Standards.

Materiality	Climate Issues Aligned with the TCFD	SASB Standard Metrics
40%	30%	30%
Information on the current and future impacts, positive and negative, that social and environmental matters, including climate-related matters, have on the issuer's financial position.	Information on climate-related matters, including governance, strategy, risk management, and metrics and targets.	Industry-specific environmental and social metrics.

Based on the results of this assessment, during 2025 we led engagement sessions aimed at promoting information disclosure, strengthening practices and showcasing the main management results.

4. Metrics and Targets

Porvenir aims to provide a clear and quantifiable view of its progress and commitments regarding climate-related risks and opportunities, which is also a fundamental pillar in the process of integrating ESG factors into the entity's investment and risk management strategies. Therefore, by defining specific metrics and targets aligned with international standards, Porvenir reinforces its commitment to sustainability and long-term value creation, ensuring transparency and accountability in the management of climate impacts.

4.1 PCAF Methodology

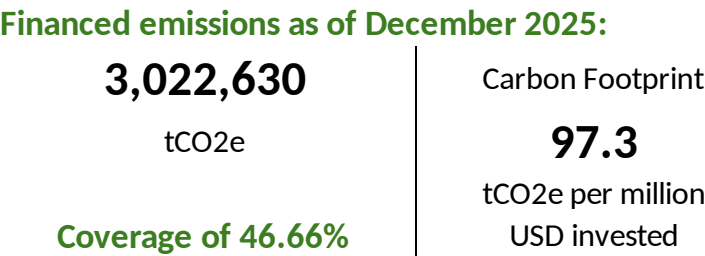
To contribute to the fight against climate change and align with the goals of the Paris Agreement, we have focused our efforts on limiting the global temperature increase to below 2°C, ideally to 1.5°C, compared with pre-industrial levels.

In this context, we have adopted the methodology of the Partnership for Carbon Accounting Financials (PCAF) to measure and report the greenhouse gas (GHG) emissions associated with part of our investment portfolios. To achieve this objective, we are making progress in defining decarbonization targets. This process has required the development of a model to measure the

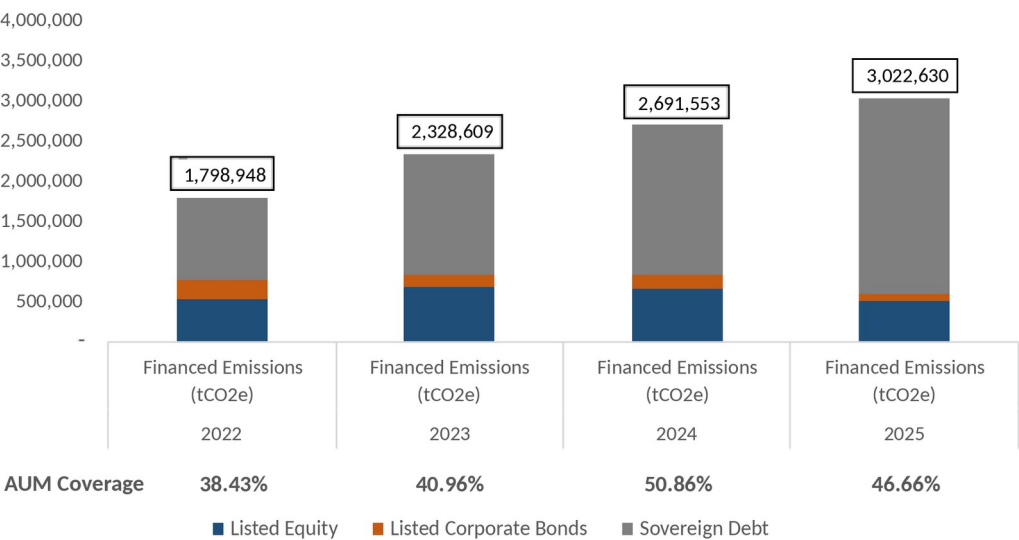
¹ Through which the Financial Superintendence of Colombia issued instructions on the disclosure of information on social and environmental matters, including climate-related matters.

carbon footprint of the portfolios we manage, which will allow us to prepare internally for the future and to set targets that align our investments with the climate goals of the country and of the international financial sector.

Below, we disclose the results of the exercise as of 2025 and their comparison with the 2022-2024 period.



Financed emissions for the assets covered by Porvenir in listed equity, corporate bonds and sovereign bonds amounted to 3,022,630 tonnes of CO₂e in 2025. The carbon footprint for 2025 was 97.3 tonnes of CO₂e per million dollars of assets under management.



4.2 Operational Carbon Footprint

At Porvenir, we have an internal sustainability strategy that reaffirms our commitment to environmental projects and the pursuit of eco-efficiencies that contribute to the care and conservation of the environment. Based on this strategy, and with a view to continuing to use resources responsibly, we have set ourselves the objective of measuring the amount of greenhouse gas emissions produced and released into the atmosphere, directly or indirectly, by the Company's activities. The purpose is to identify the processes with the greatest impact and prioritize them in decision-making.

Accordingly, in the 2024 base year, direct Scope 1 emissions amounted to 106.19 tCO₂e, mainly associated with the use of fuels in equipment and vehicles, as well as fugitive emissions from refrigeration systems and fire extinguishers. Scope 2 emissions totaled 571.02 tCO₂e, arising from electricity consumption at the entity's sites and operations.

Scope 3 emissions reached 2,692,240.39 tCO₂e, corresponding to indirect emissions associated with activities such as business travel, waste management, employee transportation, paper consumption and, mainly, investments. Scope 2 and Scope 3 (indirect) greenhouse gas (GHG) emissions amount to 2,692,811.41 tCO₂e and account for 99.99% of total emissions, while Scope 1 emissions account for 0.0039% of total emissions.

Likewise, during 2025 we obtained external verification of our 2024 carbon footprint, which ensures the accuracy, reliability and traceability of our measurement, as well as of the mitigation plans to be defined in the short term.

Annex 1

Disclosure of Greenhouse Gas Emissions Measurement for Porvenir's Assets under Management

1. Introduction.

In order to strengthen the climate change risk management process, we have committed to measuring and disclosing greenhouse gas (GHG) emissions following the methodology established by the Partnership for Carbon Accounting Financials (PCAF).

2. PCAF Methodology.

PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas (GHG) emissions associated with their financing and investments, in order to facilitate the financial sector's transparency and accountability with regard to the Paris Agreement.

The PCAF Standard is being implemented in five regions worldwide (*Africa, Asia-Pacific, Europe, Latin America and North America*). Currently, more than 300 institutions worldwide² have joined the commitment to implement the PCAF Standard in order to determine the financed emissions of each of these companies.

3. Asset Classes.

The asset classes covered by the PCAF methodology are:

- Listed equity and corporate bonds.
- Business loans and unlisted equity
- Project finance
- Commercial real estate
- Mortgages
- Motor vehicle loans
- Sovereign debt

Given the structure of the composition of Porvenir's portfolio assets, the methodology is only being applied to the portion of **listed equity, corporate bonds and sovereign debt**.

4. Covered Emissions.

Covered emissions are intended to determine the number of tonnes of carbon dioxide equivalent (tCO₂e) attributed to the entities financed through Porvenir's investments.

The PCAF methodology recognizes that investments can generate different impacts, which are divided into Scope 1, 2 and 3 emissions.

²PCAF. (n.d.) "Financial institutions taking action". Retrieved from <https://carbonaccountingfinancials.com/en/financial-institutions-taking-action#overview-of-financial-institutions>

- Scope 1 emissions are direct emissions produced by the entity, such as those generated by its operations.
- Scope 2 emissions are indirect emissions generated by the electricity consumed and/or purchased by the entity.
- Scope 3 emissions are indirect emissions that are under the control of an agent external to the entity.

Porvenir will calculate its financed emissions based on the Scope 1 and 2 emissions reported by issuers that disclose this information. This is because Scope 3 emissions may create an information bias, as they vary by sector and entity and, in addition, there is no standardized approach to calculating this type of emissions.

5. Calculations.

To estimate financed emissions within Porvenir's assets under management, an attribution factor and the emissions of each asset type will be calculated.

$$\text{Financed Emissions} = \sum_E \text{Attribution Factor}_E \cdot \text{Emissions}_E$$

Where:

(1) For listed equity and/or corporate bond issuers:

E: Listed Equity and/or Corporate Bond Issuer

Attribution Factor: The attribution factor is defined as a ratio with a numerator (outstanding amount) and a denominator (value of the financed entity).

Emissions: Scope 1 and 2 emissions data were obtained from the issuers' sustainability reports, in order to mitigate information bias.

(2) For sovereign bonds:

E: Sovereign Bond Issuer

Attribution Factor: The attribution factor is defined as a ratio with a numerator (outstanding amount) and a denominator (PPP-adjusted GDP).

GDP Adjusted for Purchasing Power Parity (PPP): this methodology uses an alternative approach to emissions, through the attribution of sovereign debt, which provides a link to the impact on the real economy. This alternative involves using GDP adjusted for purchasing power parity (PPP) (i.e., the value of a country's output). The adjusted GDP data were obtained from the World Bank report that performs this calculation.

Emissions: Scope 1 and 2 emissions data were obtained from the public information of sovereign governments

6. Limitations of the calculations

a. Data quality

Under the PCAF Standard, it must be borne in mind that data availability is a challenge for the GHG emissions reports provided by financial institutions. For this reason, PCAF provides a methodology for scoring the quality of the data that can be collected, on a scale from 1 (highest quality) to 5 (lowest quality). This data quality score is intended to provide information on the level of estimation involved in the disclosure of financed emissions.

Today, a large number of companies are measuring and publicly reporting their emissions, which is steadily improving data quality. However, some companies have not yet begun measuring and reporting their emissions. It is important to bear in mind that delays in measurement and reporting by issuers may affect Porvenir's progress in calculating its financed emissions, since the use of estimated data reduces the reliability of the metrics, as estimated emissions may not accurately reflect the actual emissions of a given issuer.

b. Lag in the information used

Entities' sustainability reports are published with a longer time lag than financial reports, since most of these reports are prepared annually and take longer to produce. For this reason, Porvenir makes its disclosure using the data published by issuers for 2024.

7. Porvenir Financed Emissions Measurement – PCAF Methodology.

DECEMBER 2025							
Asset Type	Total Managed by Porvenir (COP Bn)	Total Covered by Applying the PCAF Methodology (COP Bn)	Share as a % of Porvenir's AUM	Percentage of the Asset Class Covered by the PCAF Methodology	Financed Emissions (tCO2e)	Carbon Footprint (tCO2e/Million USD)	Data Quality
Listed Equity	13.29	13.29	5.29%	100.00%	501,114	16.1	1
Listed Corporate Bonds	8.52	8.30	3.39%	97.43%	103,500	3.3	1
Sovereign Debt	95.5	95.53	37.98%	100.00%	2,418,015	77.9	1
Total Eq., FI, Sov.	117.3	117.1	46.66%	99.81%	3,022,630	97.3	1