



FUNDACIÓN GRUPO ARGOS
2021 REPORT

PURPOSE



Fundación Grupo Argos is the voluntary social and environmental responsibility vehicle of Grupo Empresarial Argos.

01



Our purpose is to harmonize human relationships with nature, to contribute to water safety and to territorial development through education, culture and volunteer actions.

**Mangrove seedling planting
on Barú Island in Bolívar**

01

Board of Directors Letter from the Chair

Dear shareholders,
partners and communities

I would like to begin this report by thanking our shareholders for their commitment to the purpose of Fundación Grupo Argos. In 2021, with your support, we positively transformed the lives of over 22,700 people in Colombia and helped improve the conditions of the territories they inhabit, achievements made even more relevant by the unprecedented context that we are undergoing and that has implied great health-related, social and economic challenges.

Faced with the challenge of bringing together efforts, capital, wills and experiences in the midst of this juncture, the Grupo Argos Foundation showed fortitude and flexibility to adapt to new dynamics, exercising inspiring leadership to support the communities, collectives and sectors most affected by the pandemic while continuing to promote projects and initiatives to enable positive transformations in the territories and the protection and restoration of strategic water basins throughout the country.

It was within this context that Creamos Valor Social, a program that arose due to a genuine interest in protecting employment, strengthening productive chains and generating scalable social innovation processes to take wellbeing to the communities most affected by the pandemic, with full awareness of the need to work on these targets to mitigate and prevent an expansion of the effects of the economic shutdown we lived through in 2020 and the first months of 2021.

This program materialized a vision for collective and articulated work that has inspired Grupo Empresar-

We helped improve
standards of living and
territorial conditions of
over 22,700 people in
Colombia

ial Argos for nearly 90 years to connect the labor supply with employment needs around the country, generating 2,500 job opportunities for young people and women thanks to coordination with over 50 allies. With this initiative we also managed to prevent the collapse of our value chains by adding liquidity to the economy by reducing payment lead times and implementing a sustainable confirming mechanism for over 9,000 companies in Colombia that provide products and services to our organization and that employ over 500,000 people. More than 7,500 of these are micro, small, and medium-sized enterprises. It also allowed us to accompany 30 social and cultural groups with the experience and knowledge of our collaborators to find alternatives that will allow them to overcome the situation for the benefit of millions of citizens.



This program ratified the importance of developing a business model in Colombia to leverage profitability and corporate success to build a society with more opportunities. Successful companies can contribute to societies that offer better opportunities and that are able to understand their environment and propose alternatives to improve it.

Delivery of safe water filters to communities in Puerto Nare, Antioquia

01

Thanks to your support and trust, as shareholders of Grupo Argos, Cementos Argos, Celsia and Odinsa, we were able to focus on meeting the most urgent and structural social needs arising from the pandemic, and we also managed to continue making progress on the territorial transformation front of the Grupo Argos Foundation, among others, through the Regional Development Scholarship program that benefited 155 young people from all regions of Colombia, 18 of which were taken on by the organization as interns.

Along these lines, in 2021, over 1,000 employees of Grupo Empresarial Argos expressed their sense of transcendence by contributing their time, talent and skills to activities implemented by our Conecta volunteer program, dedicating over 8,000 hours that benefited close to 10,000 people and 300 entities, including enterprises led by women, micro, small and medium enterprises, and cultural collectives.

On the water resource conservation front, we made exponential progress with the protection of 1,700 new hectares added to the 7,000 we already positively impacted through conservation processes, with the voluntary planting of about one million native trees to contribute to forest recovery, strengthening biological corridors for protecting species including the spectacled bear and jaguar and the restoration of strategic ecosystems like mangroves.

All these achievements, dear shareholders, materialize your confidence and business vision as a source of collective well-being, for which, and on behalf of each person, enterprise, entity and community that benefited from the operations of Fundación Grupo Argos, we extend our deepest thanks. Be confident that in 2022 we will continue working with a long-term vision, inspired by our purpose of positive transformation to continue creating social and environmental value for the benefit of the country.

JORGE MARIO VELÁSQUEZ JARAMILLO

Chair of the Board of Directors of Fundación Grupo Argos

Creemos Valor Social
created

2,500
new
job opportunities
for young people and
women





**Mangrove seedling planting on
Barú, Bolívar**



**Delivery of Regional Development
Scholarships in Cartagena, Bolívar**



**Planting day in the municipality of
Támesis, Antioquia**

01

Letter from the Executive Director

Gratitude

In 2021, Fundación Grupo Argos reaffirmed its commitment to protecting water and to contributing to the positive transformation of the territories where we have a presence. The results in this report arise from the care and dedication with which the Foundation's team took on the challenge of multiplying the impact of its programs and projects, aiming to create social value and wellbeing for communities.

The most recent World Water Development Report published by UNESCO states that improved water resource management and access to water has proven to be a fundamental tool for eradicating poverty, building prosperous and peaceful societies and is of incalculable value for driving sustainable development. Thus, at Fundación Grupo Argos, we have implemented a comprehensive intervention model that allows us to generate solutions and propose projects for protecting water from the mountains to the sea, working with dedication to create awareness about the importance of its care and seeking behavioral changes in the way communities relate to this resource. This vision allows us to approach them with nature-based solutions to deal with climate change - the most serious threat to humanity in recent years - and help mitigate its effects. We achieved a momentous milestone for conservation with the launch of the Sembrando Futuro program, an initiative with which we seek to restore strategic ecosystems throughout the country, generate quality employment for over 300 people, strengthen local nurseries and promote community participation in significant projects that aim to develop their territories. With this program we also help protect village aqueducts, water basins, and

Creamos Valor Social program assistance for collectives in Medellín, Antioquia



biological corridors. Additionally, with this initiative we articulated efforts with different entities including the Government of Antioquia and its Unidos por el Planeta program, to support reforestation initiatives in the department by planting 400,000 trees.

Sembrando Futuro also covers important efforts towards the conservation and recovery of mangroves on the Caribbean coast, seeking to help improve fishing in the area, coastal buffer area creation, and blue carbon capture. This ambitious project has allowed us to plant over 900,000 trees, including 180,000 mangroves.

We are also pleased to help provide access to safe drinking water for over 9,000 people in eight departments around Colombia, improving the quality of life of communities and of the educational community.



**Planting mangrove seedlings in
Barú, Bolívar**

I also want to highlight a powerful initiative that demonstrates the Fundación Grupo Argos's management capacity. This is the strengthening of the international cooperation line, which, in 2021, managed to conclude an agreement for COP 476 million with Fundación Franklina, a Swiss not-for-profit, for protecting and propagating endangered plant species through the Huella Viva projects in Antioquia and Saldaña, Tolima. We also managed to raise COP 9,8 billion in investments with national partners for implementing conservations, a highlight of which is the tropical dry forest research center.

Finally, I invite you all to enjoy reading this report that both describes the programs we implement and their results and gives voice to the agents of change in each territory: the people in the communities, the allies, the local authorities, and the volunteers who, with their commitment and effort, enable the positive transformation of our society and the planet.

CAMILO ABELLO VIVES

Executive Director, Fundación Grupo Argos

STRATEGIC ROADMAP



02



Fundación Grupo Argos's goals, strategic vision, and key information.

Planting event in the municipality of Támesis, Antioquia

02

Objective and Strategic Vision

T

o drive their voluntary corporate citizenship actions, the companies in Grupo Empresarial Argos integrated their businesses' equity, human talent, experience, and management capacities to drive Fundación Grupo Argos as one of the most powerful corporate social responsibility vehicles in Colombia.

Pillars

- 1 Conscious Investment
- 2 Responsible Operations
- 3 Cutting-Edge Practices

Equity

COP **599.28**
billion

Total investment

COP **19.67**
billion

Our commitment to ongoing program operations was COP 32 billion. We executed COP 19.67 billion of this in 2021, investing it as follows:

Territorial transformation

46%



54% Water resource conservation

Partnerships with other organizations
COP 9.82 billion

Project investments

COP **17.42**
billion

Donations and business initiatives

COP **2.53**
billion

of which

Donations to not-for-profit organizations

COP **1.27**
billion

went to sponsor entities and events for social purposes.

Sustainable Development Goals



Two strategic fronts



Territorial transformation

1



Meeting of scholarship recipients in Medellín, Antioquia

We contribute to positive territorial transformation by creating employment and education opportunities that drive economic growth and sustainable community development.



Belmira Basin
in Antioquia

2

Water resource conservation



We work to protect and restore strategic water basins for the communities where Grupo Argos, Cementos Argos, Celsia, and Odinsa have a presence. In Colombia, only 46% of every 100 people living in rural areas have access to drinking water, so we promote alternative solutions for safe water and sanitation access in rural communities, improving their living conditions and the availability of the resource in the territories.

02

Our Talent

Board of Directors

T

he Board of Directors is our highest management body and is made up of the CEOs of each of Grupo Empresarial Argos's businesses. With their experience, they support the definition of our corporate strategy.



JORGE MARIO VELASQUEZ
Chair of the Board of Directors
of Fundación Grupo Argos
Grupo Argos CEO



JUAN ESTEBAN CALLE
Cementos Argos CEO



RICARDO SIERRA
Celsia CEO



MAURICIO OSSA
Odinsa CEO

196 persons
make up the
Fundación Grupo
Argos team

5 attributes
focus our
framework for
action and guide
our work

- 1 Passion for social and environmental transformation
- 2 Commitment to results
- 3 Articulation of great ideas
- 4 Resilience and innovation
- 4 Pride

02

Location



14
departments
with a Foundation
presence



7
programs
for territorial
transformation



7
programs
for water resource
conservation

We aim to create
social value with
impactful programs
for communities

I

In a conscious planning exercise, and recognizing the country's situation, the programs of Fundación Grupo Argos were adapted to contribute to the country's economic, social, cultural, and health-related recovery, consolidating our capacity for generating social and environmental well-being.

PROGRAMS

Water Resource Protection

- 1 Sembrando Futuro
- 2 Huella Viva – Río Claro
- 3 Saldaña River, a basin of life
- 4 Alianza Cartama Sostenible
- 5 Conservamos la Vida
- 6 Safe Water Access
- 7 Verde Vivo

Territorial transformation

- 8 Regional Development Scholarships
- 9 Conecta Volunteer Program
- 10 Business Partnership for Employment
- 11 Emprender Mujer
- 12 Hogares Saludables
- 13 Puentes Program
- 14 San Ignacio District



Planting in the municipality of Tamesis, Antioquia



Mangrove ecosystem in Barú, Bolivar



Corporate volunteer event in Bogotá, Cundinamarca

02

2021 Milestones



Water resource conservation

1,754

hectares benefited
from restoration,
conservation
and sustainable produc-
tion processes

337

jobs created
for the inhabitants
of the territories
involved in ecological
restoration processes

3,880

students
and 233 teachers
participated in our Verde
Vivo environmental edu-
cation program

59

new conservation
agreements
for the protection of
watersheds and biologi-
cal corridors

9,178

persons
obtained safe water ac-
cess solutions
in rural areas in eight
departments
around the country

244

community
leaders
participated
in participatory
biodiversity
monitoring
processes

907,098

native trees
planted by volunteers



Spectacled Bear, a species protected by the
Conservamos la Vida program

2,393

wildlife records
using trap cameras

Territorial Transformation

1,092 employees participated in volunteer activities:

8,031 working and non-working hours allocated

66 initiatives implemented



Volunteer event
Puerto Triunfo, Antioquia

80

social startups included in the Grupo Empresarial Argos supplier network

50

women-led startups received assistance through the **Emprender Mujer Program**

155

young people participated in the Regional **Scholarships for Development** Program

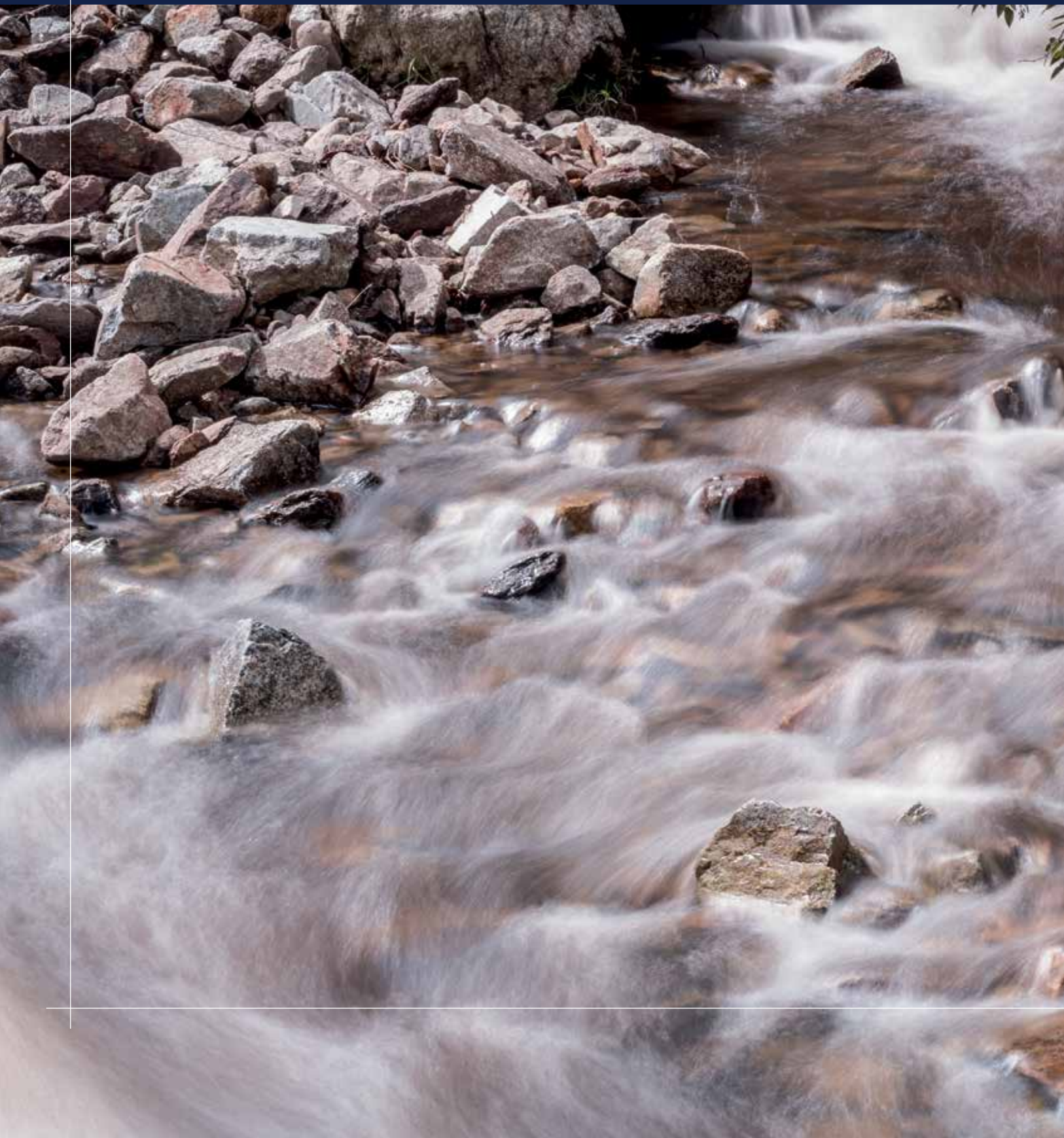
18

scholarship recipients employed by the company for their professional internship process

2,500

young people benefited from the Corporate Partnership for the Employment of Women and Young People

WATER



03



We protect and restore strategic water basins in the territories impacted by Grupo Argos's companies.

**Belmira River Basin,
Antioquia**

03

Water resource conservation

W

e contribute towards water security in the territories. Our strategy protects water from its source in the mountains to where it flows into the sea, using a systemic analysis methodology with a social and ecological approach, that considers water, biodiversity and social impact as the main variables.



Mangrove ecosystem in Barú, Bolívar

Sembrando Futuro

- We made progress with ecological restoration processes, planting native trees in Colombian ecosystems that have been deteriorated by human activity.
- We have a comprehensive intervention model that seeks to help mitigate the effects of climate change by:
 - > Protecting water resources.
 - > Reestablishing the ecological integrity of the ecosystems.
 - > Recovering the basic components of their structure and composition.
 - > Connecting biodiversity corridors.

Articulated Efforts

We launched a strategy that contemplates articulated work with both property owners through conservation agreements, and with the community, by strengthening community nurseries.



Partners

- > Ministry of the Environment
- > Government of Antioquia
- > Municipal Mayor's Offices
- > Proantioquia
- > Corantioquia
- > Community Action Boards



Investment

COP **2.51**
billion



Geographical Presence



Antioquia



Bolívar



Sucre



Tolima



Valle del Cauca



**Mangrove seedling planting
on Baru Island in Bolívar**



**Community nurseries
Barú, Bolívar**



2021 Achievements

- > 39 conservation and restoration agreements signed with owners.
- > 250 hectares restored in five departments around the country.
- > 337 jobs created for people from the communities where we are implementing planting processes. 26% of the labor hired is female.
- > 907,098 native trees planted, 557,098 more than in 2020, and 180,000 of which are in restored mangroves on the Caribbean coast.
- > Strengthened two community mangrove seedling nurseries.
- > We made contributions to educational institutions and community action boards.



Testimony



Access this QR Code to
find out what the
beneficiaries think.

Juan Carlos Cuadro



Vision for the Future

In 2022 we will plant over **one million native trees** and continue consolidating a **comprehensive restoration model for basins and connectivity in different ecosystems around the country**, generating knowledge and driving green job creation in communities.

Water and Biodiversity Protection

We prioritize interventions in watersheds using a systemic analysis methodology with a social and ecological approach, that considers water, biodiversity and social impact as the main variables.

This model provides us with a broader vision of Colombia's endangered species and ecosystems to:

- Look in greater depth at aspects like risk, quality, demand, and governance of water resources.
- Obtain a vision of endangered species and ecosystems in Colombia.

Our interventions currently focus on the Río Claro and Cartama basins in Antioquia, the Saldaña River in the department of Tolima, and the Canal del Dique in Sucre and Cartagena on the island of Barú.

Huella Viva | Río Claro Basin

We help develop the territory and improve the quality of life of the communities in the Río Claro basin through conservation, restoration and sustainable production activities.

We apply participatory science principles and invite communities to help formulate sustainable alternatives that will allow them to change their relationship with the ecosystem towards a more harmonious vision.



Río Claro Basin,
Antioquia



Geographical Presence



Sonson and Puerto
Triunfo, Antioquia



Partners

- > Cornare
- > Instituto Alexander Von Humboldt
- > Fundación Natura
- > Asociación de Casas Familiares Rurales
- > Portafolio Verde
- > Mayor's offices of Sonsón and Puerto Triunfo in Antioquia



Investment

COP **958**
million



**Jaguar, species protected
by the Huella Viva program**



2021 Achievements

- > Developed collaborative work agendas to integrate efforts that will enable the recovery of ecosystems altered by human activity.
- > 12 conservation agreements signed.
- > 1,289 hectares impacted and strengthened through conservation processes.
- > Started Verde Vivo environmental education processes in 19 educational venues, benefiting 315 students and 21 teachers.
- > 46 research commitments formalized to drive community participation in participatory monitoring processes for fauna and flora species.
- > Financial incentives and training for 146 community leaders through the Fund for Change, with topics that include:
 - Care for the environment
 - Financial sustainability
- > Installation of two water trees and drinking water filters in 6 educational venues, benefiting over 1,000 people with access to safe water.
- > Adherence to the Government of Antioquia's Unidos por el Planeta partnership for the joint planting of 3 million trees over 3 years and the implementation of Verde Vivo in 14 rural communities in the municipalities of Sonsón, Puerto Triunfo, San Luis and San Francisco.



Testimony



**Isabel
Sotelo**

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read this story



Vision for the Future

In 2022 we will expand the program's impact to **500 new hectares with conservation and sustainable production agreements**. We will also continue working using the comprehensive watershed model through environmental education, participatory monitoring and capacity building in communities.



Saldaña River,
Tolima

Saldaña River

Saldaña basin

We implemented conservation actions to help protect and restore the Saldaña River basin using initiatives to reduce threats to biodiversity, including:

- > Signing conservation agreements to reduce the impact of productive practices.
- > Alternative solutions for access to safe water, sanitation and sustainable water resource use.
- > Environmental education processes with communities in the area.



Geographical Presence

Roncesvalles,
Chaparral
and Planadas
in Tolima



Partners

- > Colombian National Natural Park Systems
- > Cortolima
- > Wildlife Conservation Society
- > Cementos Argos
- > Celsia



Investment

COP **599**
million



RoncesValles,
Tolima



2021 Achievements

- > 12 new conservation agreements signed.
- > 1,152 hectares impacted and strengthened through conservation processes.
- > 7,407 native trees planted in coordination with Celsia's ReverdeC program.
- > 79 students and 7 teachers in educational institutions benefited by the implementation of Verde Vivo environmental education processes.
- > Delivery of drinking water filters to 43 families and 7 educational institutions.
- > Sustainable livestock farming accompaniment and technical assistance processes.
- > We began participatory water quality monitoring together with community and educational institutions in the Saldaña basin.



Testimony

"These partnerships between the public and private sectors help preserve the territory, generating sustainable uses and strengthening relationships with local communities."
Carolina Jarro Fajardo, Deputy Director of Management and Operation of Protected Areas for the National Natural Park System.



Vision for the Future

Over the next five years **we will increase to 5,000 hectares the number impacted through conservation and sustainable production projects**, to generate comprehensive processes that promote sustainable chains, environmental education processes, and green job creation.



**Native tree
species planted
in Támesis, Antioquia**

Alliance for the protection of the Cartama River

We work to protect the Cartama River basin by designing, implementing, and promoting conservation, restoration and ecological regeneration activities and the implementation of environmental education processes.



Geographical Presence



Támesis, Jardín
and La Pintada,
Antioquia.



Partners

- > Government of Antioquia
- > Corantioquia
- > Proantioquia
- > Comfama
- > Fundación Julio C. Hernández



Investment
COP **1.29**
billion



**Planting event in
the municipality of Támesis, Antioquia**



2021 Achievements

- > 6 new conservation agreements in biodiversity-rich areas.
- > 60 hectares restored.
- > 200,000 trees planted.
- > 71 higher education scholarships in environmental programs awarded within the framework of our Scholarships for Regional Development program.
- > 4 educational institutions implemented Verde Vivo environmental education processes.



Testimony



**Nury
Cardona**

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read this story



Vision for the Future

We are **committed to the development of the Tropical Dry Forest Production and Research Center** to build knowledge about the importance of this ecosystem and create training and employment opportunities for young people in the region. **In 2022 we will be preparing a roadmap for a comprehensive vision of basin interventions over the next 5 years.**



Spectacled Bear, a species protected by the Conservamos la Vida program

Conservamos la Vida

We protect the Andean Bear's habitat through forest area conservation actions, ecological restoration, environmental education processes to reduce the conflict between the bear and the farming communities, and implementation of sustainable productive projects to promote long-term solutions that allow improving standards of living in communities in the area of influence.



Geographical Presence

Colombia's Central and Western Mountain Ranges

-  Risaralda
-  Valle del Cauca
-  Cauca
-  Tolima

Partners

- > WCS
- > Colombian National Natural Park System
- > Corporación Autónoma
- > Valle del Cauca Regional Office
- > Smurfit Kappa
- > Fundación Nutresa
- > Biocomercio



Investment

COP **488**
million



In partnership with the National Coffee Growers' Federation, we strengthened production systems for the nine families that now dedicate part of their properties to conservation and to production of Oso Andino Coffee in the municipality of El Aguila in Valle del Cauca. We are making progress with a COP 60 million technological reconversion project for coffee production facilities, to reduce their impact on natural resources.





Forest of native tree species, Valle del Cauca.



2021 Achievements

- > 2,382 hectares protected through restoration and conservation processes, and 3,962 hectares included under sustainable productive management systems.
- > 64 conservation agreements with property owners added to the 111 properties intervened in the area.
- > Alliances aimed at promoting sales of Oso Andino Coffee, the first to be produced for protecting this species, and which will be extensively distributed throughout the country.
- > We carried out the first monitoring actions to determine the presence of the Andean Bear and other species in the conservation area.
- > Over 140,500 trees planted in Valle del Cauca to strengthen the Andean Bear's biological corridor.



Testimony

"I live very grateful to everyone in the project, because not only did they change my way of thinking, they are also teaching me to work in what I have worked all my life, but properly and to benefit what we have in our region, so it is very rewarding for me." **Jhoan Bravo**, El Consuelo farm, Valle del Cauca



Vision for the Future

We will continue supporting **consolidated production processes and expanded marketing scenarios for Oso Andino Coffee**. We will also continue to work in coordination way with communities and other organizations to **develop conservation strategies that will allow us to impact the Spectacled Bear's habitat**.



Vision for Watershed Management

Rio Claro
Basin, Antioquia



Protecting ecological equilibrium

We are aligned with global challenges for mitigating the effects of climate change. In coming years, our work will focus on:

- > Ecological equilibrium, promoting the development of regenerative restoration strategies.
- > A search for production alternatives that are more favorable to ecosystems.



Water quality and availability

We will work to expand the framework for action of our environmental education programs, to promote changes in the behavior of actors that impact water systems and achieve significant results for increasing water availability and quality in the territories.



Delivery of safe water filters to communities in Puerto Nare, Antioquia

Access to safe water

Guided by our purpose of contributing to water security and positive transformation of the territories, we promote the development of alternative solutions for accessing safe water that improve standards of living amongst the most vulnerable communities.



Partners

- > EKOFIL
- > Fundación Siemens Colombia
- > Centro de Tecnología de Antioquia



Investment

COP **221** million



Geographical Presence



Antioquia



Córdoba



Bolívar



Sucre



Tolima



Valle del Cauca



La Guajira



Cauca

2021 Achievements



- > Delivery of 1,800 water filters in rural areas.
- > 20 educational institutions, with more than 200 students and teachers, received drinking water access solutions.
- > 2 water trees (water purifiers) delivered to the community of Río Claro.
- > Design a comprehensive community intervention model to provide water and sanitation-related solutions.
- > Ongoing monitoring of the quality of the water consumed by the communities.
- > 25 environmental education workshops with families on topics related to water protection and social well-being.



Testimony



Jessica Moreno

Franklin Vladimir Quiroz

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Vision for the Future

We will explore innovative solutions for access to drinking water, understanding the reality of communities in rural and remote areas. We will make efforts to implement efficient and scalable financing models.



Students of the La Danta Rural Educational Institution, members of the Verde Vivo program

Verde Vivo

This is the Fundación Grupo Argos environmental education program.

Our goal is to build a culture of care and awareness in rural communities around issues such as water protection, good environmental practices through teacher training, assistance to strengthen the School Environmental Project (PRAE, in Spanish), and action plan formulation and implementation.



Geographical Presence



Antioquia



Tolima



Partners

- > Portafolio Verde
- > Corporación Manantial



Investment

COP **527**
million



Testimony

"Students are motivated to participate in these environmental meetings of the Verde Vivo Program and have become aware of the importance of preserving, conserving and caring for natural resources as an important element that is part of the environmental component." **Edgar Ospina**, Teacher, IE San Pablo, main facilities, Municipality of Támesis



Verde Vivo environmental education with students from the Santa Rosa and Las Mercedes Educational Institutions



2021 Achievements

- > Update to a hybrid format -combining virtual and face-to-face meetings-, which benefited 3,880 students and 233 teachers from 32 educational institutions.
- > Ongoing assistance for teachers and students with training on topics like communication, waste management, restoration, gardens, and participatory monitoring.
- > Strengthened our digital ecosystem including our website, group conversations over WhatsApp and Facebook, and publication of a podcast with active participation from 380 users.
- > 12 conversations on Facebook with the help of national and international experts.



Vision for the Future

We will **continue strengthening environmental education processes as a differentiator for our ecological conservation and restoration programs.** We will continue creating strategic alliances to expand the scope of our model with allies including the Government of Antioquia and the Ministry of the Environment.

Verde Vivo will change from a cross-cutting support program **to a strategic program with an impact on national environmental policy and an emphasis on rural areas.**

- > Created a participatory water monitoring system to accompany environmental education under the Saldaña una Cuenca de Vida project.
- > Strengthened participatory biodiversity monitoring under Huella Viva.
- > 325 trees planted in Antioquia.

TERRITORIAL TRANSFORMATION





We work hand in hand with communities and partners to move forward with positive transformations in the territories.

Meeting of scholarship recipients in Cartagena, Bolívar

04

Positive territorial transformation

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e are committed to the territories where we have a presence. We implement dedicated and careful operations that allow us to benefit the collective interest and contribute to solving problems we share as a society.

To do this, we join our wills around education, culture, and corporate volunteering, and help create employment opportunities and drive economic growth.

Regional Development Scholarships

We believe in the power of education as a driver for social transformation. For this reason we support the professional education of young people belonging to socioeconomic levels 1 and 2 that inhabit the areas of influence of Grupo Empresarial Argos.

With this program, we strengthen the leadership skills of the scholarship recipients and their sense of belonging within their territories based on psychosocial assistance, human and social learning, and professional guidance.



Luis Carlos Gómez
Fundación Grupo Argos
Scholarship Recipient
Bogota, Cundinamarca



Investment

COP **1.95**
billion



Partners

- > Fundación Julio C. Hernández
- > Fundación ANDI
- > Comfama
- > Empresarios por la Educación
- > Protalento



Geographical Presence



Antioquia



Atlántico



Bolívar



Boyacá



Cundinamarca



Sucre



Risaralda



Santander



Tolima



Valle
del Cauca



**Juliana
Alexandra Patiño**
Fundación Grupo Argos
Scholarship Recipient
Bogotá, Cundinamarca



Meeting of scholarship recipients in Bogotá, Regional Development Scholarship program

2021 Achievements

- > We expanded our program's scope to new territories through strategic partnerships, allowing us to offer vocational training to more young people throughout the country.
- > We have 155 active scholarship recipients who receive significant support to cover their tuition and living expenses.
- > We achieved a historic retention of 92% and an important involvement of women in professional training processes. Today, 56% of beneficiaries are women.
- > 50 scholarship recipients have graduated, 37 of whom are already employed.
- > 18 scholarship recipients are currently undergoing their internship processes at Grupo Empresarial Argos.
- > We implemented strategies to support our graduates in their process of finding jobs.
- > We received recognition as a company committed to young people from the International Youth Organization for Ibero-America and the International Organization of Human Capital Managers.



Testimony



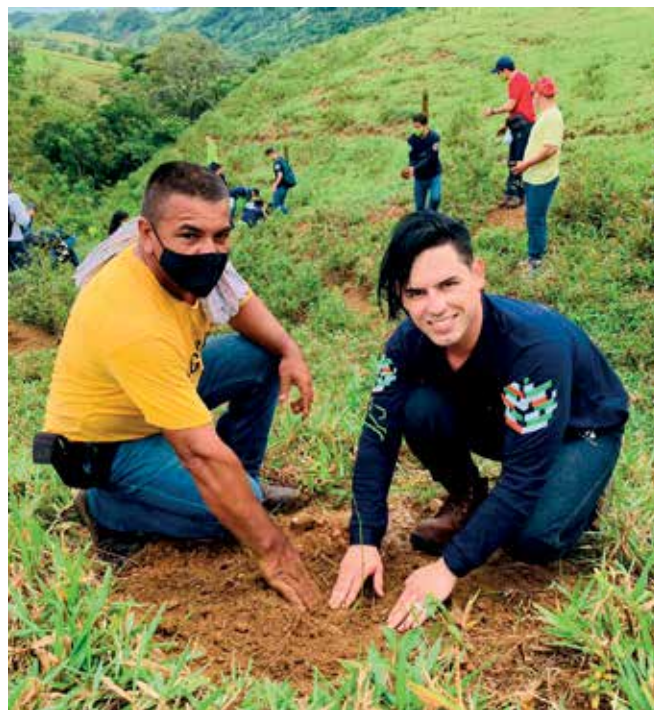
**Leidy
Yurissa
Parra**

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read this story



Vision for the Future

In 2022 **we will expand the program to 25 more recipients to expand its scope with high quality higher education processes and access to employment**, accompanying job search processes. We will also perform an analysis of the program's to determine a model that will provide comprehensive accompaniment, considering current dynamics.



Volunteer event
Rio Claro, Antioquia

Rio Claro
Volunteer event,
Antioquia

Conecta Volunteer Program

We promote solidarity and a sense of transcendence by mobilizing employee's energy and talent in high-impact, sustainable, and transformative projects that will help create social wellbeing.

With our corporate volunteer work we connect purposes and contribute to building a more empathetic and supportive society, proving our role as agents for transformation and multiplying efforts to support processes of adaptation to the new dynamics for children, young people, families, senior citizens, small entrepreneurs and artistic collectives.



Geographical Presence

- > Colombia
- > United States
- > Haiti
- > Honduras
- > Panama
- > Dominican Republic



Partners

- > Casa de las Estrategias
- > Inventópolis
- > Fundación Bertha Arias
- > Fundación Saldarriaga Concha
- > Proantioquia
- > Bancolombia through its Impactamos program
- > Portafolio Verde
- > Parque Explora



Investment

COP **359**
million



**Volunteer event
Puerto Triunfo, Antioquia**



2021 Achievements

- > 8,031 hours invested by volunteers.
- > 9,886 beneficiaries from volunteer activities.
- > 66 volunteer initiatives promoted during the year.
- > Held the Conecta Day, an event where more than 500 volunteers participated and that offered 25 activities - virtual and in-person - in Colombia, Panama, Honduras, Dominican Republic and Puerto Rico.
- > 95% satisfaction level amongst volunteers with the initiatives promoted.
- > Partnerships created with other organizations and companies to create new projects.
- > 7,862 people benefited from assistance through mentoring to 293 entities.
- > 4,088 working hours invested by volunteers.

We transfer knowledge, connecting Grupo Empresarial Argos employees with cultural entities, enterprises, suppliers, artistic and cultural collectives to provide assistance and advice for the process of redefining their strategic and business plans.



Testimony

"We really like the experiments and activities we do, and we have fun and learn things we didn't know. We also had a very chill and fun teacher. We just want to say thank you Grupo Argos volunteers, thank you Mr. Hector. May God help you continue giving joy to children." **Emmanuel Tobías and Miguel Ángel Hurtado Flórez**, Beneficiaries of the Let's Play at Being Scientists program.



Vision for the Future

We will continue to promote processes aimed at the transferring knowledge and adapting our volunteer offerings to the new social and cultural dynamics of beneficiaries and volunteers.

04

We Create Social Value

T

his is an initiative to strengthen the company's social role, and is aimed at providing opportunities, and contributing sustainably to the country's economic reactivation. Through this project, we lead processes that allow us to contribute to the employment creation and consolidation, ensure value chains through aid and rescue initiatives for Grupo Empresarial Argos suppliers, and implement strategies to drive sustainable social value in rural and urban communities.



Testimony



Cielo
Holguín

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Corporate Partnership for Young People's and Women's Employment

We led the creation of the Corporate Partnership for Young People's and Women's Employment, which seeks to create quality, formal, and sustainable employment, and offers technical training in English, agribusiness, services, and infrastructure.

The Partnership aims to provide comprehensive assistance to young people and women by creating job offers that will allow over 2,500 young people and women to find jobs, as well as training another 6,000. It also offers training in a second language and cross-cutting assistance with finding a purpose to life.



Socialization of the Business Partnership for Young People's and Women's Employment in Medellin, Antioquia in Rionegro Antioquia.

Geographical Presence



Medellin,
Antioquia

Partners

- > Comfama
- > Proantioquia
- > Over 50 companies in Colombia

Investment

COP **500**
million

2021 Achievements

- > Over 50 companies have become involved with vacancies or resources to continue promoting the Partnership.
- > 3 invitations to participate with over 2,325 people registered: 66% women and 34% men.
- > 964 people have received mentoring.
- > 647 people have received grants for studying technical job training programs, diploma courses, or specialized courses.
- > 263 processes en route to employment and 131 people already hired.





Geographical Presence



Medellín,
Antioquia



Partners

- > Bancolombia
- > Impact Hub Medellín
- > Proantioquia
- > Fundación Siemens



Investment

COP **14**
million

Beneficiary entrepreneurs in the Emprender Mujer Program, Medellín, Antioquia

Emprender Mujer

Aims to help reduce the economic inequality gap and provide solutions to women's unemployment in Medellín and the Aburra Valley. We accompany women-led ventures on business, impact and leadership topics, aiming to empower the local entrepreneurial ecosystem and the role of women therein.



2021 Achievements

- > 50 women-led startups received training and assistance over eight months in:
 - Entrepreneurship skills
 - Strategic mentoring
 - Technical advisories
- > Consulting to over 75 business leaders on topics of finance, talent, and strategy.
- > Provided access to a network of national and international contacts in various markets that fostered 62 alliances between entrepreneurs and 35 alliances with sponsors.
- > 40% of business ventures reported increased sales, thanks to their implementation of new strategies.

Closing event for the Emprender Mujer Program, Medellín, Antioquia



Hogares Saludables program beneficiaries, Medellín, Antioquia

Hogares Saludables

We contribute resources, capacities and human talent to improve community standards of living by intervening and improving the housing infrastructure: replacing dirt floors for concrete floors, plastering walls, and intervening sanitary units. Thus, we help close the poverty gap in the city and solve one of the main obstacles for families that are looking for new alternatives and opportunities, namely, their housing conditions.

This program is implemented by Cementos Argos and aims to improve 10,000 residences over five years.



Geographical Presence

Medellín,
AntioquiaYumbo,
Valle del Cauca

Partners

- > Cementos Argos
- > Pastoral Social
- > Sena
- > Coonvite



Investments

COP **576**
million

2021 Achievements

- > 189 improvements to the residences of vulnerable families in Medellín, Antioquia and 50 in Yumbo, Valle del Cauca.
- > We helped improve standards of living for 950 people.
- > In partnership with SENA, we supported training for 130 people in self-construction processes.

Meeting of art collectives in Comuna 13 in Medellín, Antioquia



Puentes Program

We lead strategies that allow us to build value in the rural and urban communities most affected by the effects of COVID-19 through assistance processes to create social innovation in the territories of San Cristóbal and Moravia.

We also drive the sustainability of the cultural sector in the center of Medellín with a mentoring program, offered by Grupo Empresarial Argos employees, which assists 16 cultural organizations with the creation of plans to help them adapt their business models to the current situation.



Geographical Presence



Medellín,
Antioquia



Partners

- > Casa de las Estrategias
- > Parque Explora
- > Fundación Psicólogas
- > Psychologists without Borders
- > Fundación Ratón de Biblioteca
- > Cementos Argos



Investment
COP **75**
million



2021 Achievements

- > Pilot Plan to connect Corporate Group employees with the territories, to privilege:
 - Empathy
 - Trust
 - Good relations
- > Knowledge transfer and mentoring sessions to contribute to solving the challenges and needs of social and cultural groups.



San Ignacio District

Visit to the
Matacandelas
Theater in the San
Ignacio Cultural
District.

This project aims to strengthen art, culture, and heritage in the San Ignacio District in the center of Medellín, consolidate cultural expressions, and continue building a new way to share and inhabit public space.



Geographical Presence



San Ignacio District,
Medellín, Antioquia



Investment

COP **253**
million



Partners

- > Proantioquia
- > Universidad de Antioquia
- > Comfama
- > Medellín Mayor's Office



2021 Achievements

- > Declared the *San Ignacio Economic and Creative District*, promoting investments for cultural activation.
- > Inauguration of *Más allá de la Plazuela*, an exhibit with 350 works of art from Grupo Empresarial Argos's collection.
- > 40 Grupo Empresarial Argos employees provided mentoring to social collectives and cultural organizations.
- > Launch of the official San Ignacio District website and social networks.
- > Creation of the *De vuelta por San Ignacio* podcast to promote its operations and cultural offerings.



Testimony

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**Más Allá de
la Plazuela
Exhibit**

Other Investments

W

e currently have an investment portfolio consisting of forestry plantations and livestock in two of the country's departments. Both projects developing sustainability strategies for implementing processes that will allow us to contribute to climate change mitigation, key area conservation, ecosystem restoration, and sustainable production.



TEKIA

For some years now, we have been embarked on a transformation process towards becoming a nature-based solutions company using strategies that allow us to implement voluntary and obligatory compensation projects and provide ecosystem services to Grupo Empresarial Argos's businesses.

We led implementation of Grupo Argos's Sembrando Futuro project that aims to plant 10 million trees voluntarily over the next five years. We also support Celsia's reforestation initiatives through its ReverdeC program.

We deploy initiatives that promote green businesses in communities and help strengthen community nurseries as important allies for planting processes.



2021 Achievements

- > Promoted local development by creating 91 direct jobs, 21% of which were for women.
- > Voluntary forest certification for 2,306 forest hectares.
- > Made progress with transitioning the company to a new voluntary compensation ecosystem services company, planting 1,640,183 native species in partnership with Grupo Empresarial Argos companies.
- > Certified 144,000 tons in Co2 carbon credits on 888 hectares.
- > End-of-year cash: COP 438 million, mainly from environmental services.
- > Implemented environmental education processes with communities.
- > Implemented social and biodiversity indicators to measure the impact of planting processes before, during and after the intervention.
- > Established long-term relationships with partners like WCS and Fundación Natura to begin working on research topics that will enable improving plot prioritization processes, ensuring their strategic location to protect watersheds and water resources.



We are currently starting to implement regenerative livestock farming practices, with significant achievements that include:

- > In partnership with CES University, we embarked on a diagnostic process to achieve regenerative livestock certification, a concept that aims to farm livestock while conserving soil and the environment and regenerating the wear and tear caused.
- > Planted 57,700 native trees to connect wildlife corridors and reduce meadow temperatures by five degrees.
- > Prevented cattle access to running water to protect this resource, and implemented rotational grazing, where our livestock occupies the same areas for only a short time during the year.
- > Partnership with Portafolio Verde to measure the carbon footprint of these processes for the first time, with positive results compared to domestic and Latin American livestock farming.
- > 2,204 heads of cattle born, with a reproductive efficiency of 77%.
- > Completed a plan to reduce land use by 33%, given pasture production and management efficiencies achieved in previous years. The business went from using 4,800 to 3,200 hectares.
- > Since the start of the pandemic, the business has pioneered virtual sales of high genetic value animals. 30% of sales are made over virtual auctions. 9 virtual auctions were held in 2020, with 60,516 spectators from 8 countries. These auctions have been used by the market as a pricing benchmark.

Rio Grande

We carry out innovative, social, and sustainable livestock farming with 93 persons employed with benefits in a traditionally informal sector in Colombia. We also have high genetic efficiency for tropical meat and dairy production.

We have implemented a rigorous and innovative genetic improvement process, empowered by advanced reproductive biotech enabling reproduction, mostly, through InVitro fertilized embryo transfer.

Legal

N

o operations were carried out with receivers in 2021. Operations carried out with economic affiliates were concluded as provided for in the corresponding regulations and more details can be found in the notes to the financial statements.

Fundación Grupo Argos observed applicable intellectual property and copyright legislation, and allowed the free circulation of supplier invoices.

All other legal affairs, including legal and administrative proceedings, are being dealt with in a timely manner by the Directors and Counsel and no material rulings affecting the financial situation of Fundación Grupo Argos were handed down.

GRAPHICAL EDITING
AND PROOFREADING
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GRUPO ARGOS
Fundación

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