



## Human Rights Due Diligence Banco de Occidente

### 1. Introduction:

At Banco de Occidente, we work in coordination with the different areas of the bank to integrate environmental, social and governance criteria into our operations, ensuring that each decision has a positive impact on the people and environment where we operate; in this way, issues related to respect for the Human Rights of our stakeholders are materialized in our sustainability strategy and allow us to responsibly manage relations with the different communities along our value chain.

Based on international standards such as the United Nations Guiding Principles on Business and Human Rights and the regulation concerning human rights in Colombia, in this document we detail the processes and initiatives carried out to identify, prevent, mitigate and respond to the risks and impacts that may affect the human rights of our internal and external stakeholders.

### 2. Human Rights Due Diligence Process

Our human rights due diligence approach extends to the entire organization, including our operations, suppliers, and business partners. To this end, we carry out systematic and periodic reviews that allow us to map the main challenges and establish concrete measures for the prevention, mitigation and remediation of negative impacts.

For the implementation of Human Rights Due Diligence for Banco de Occidente, we have the support of the firm PWC and we carry out the following phases:

**2.1. Analysis of the context from two perspectives:** we reviewed 15 international standards and documents on the relationship of companies with human rights, as well as three (3) Colombian regulatory instruments; additionally, we inquired about the dynamics of the banking sector and consulted six (6) external organizations to know their perception of the Bank's management and its possible risks and impacts on human rights.

On the other hand, we consulted the Bank's internal processes and their relationship with respect for human rights, analyzing 39 corporate governance documents. This analysis was accompanied by 14 sessions of interviews with areas with potential relationship to human rights issues. Finally, 8 relevant issues were identified which served as input for the following phases of the process:

- Comprehensive management and transparency in information.
- Decent working conditions and health and safety at work.
- Diversity, equity and inclusion.
- Responsible social investment and environmental protection and preservation
- Personal and family well-being of workers.
- Habeas data and use of personal data.

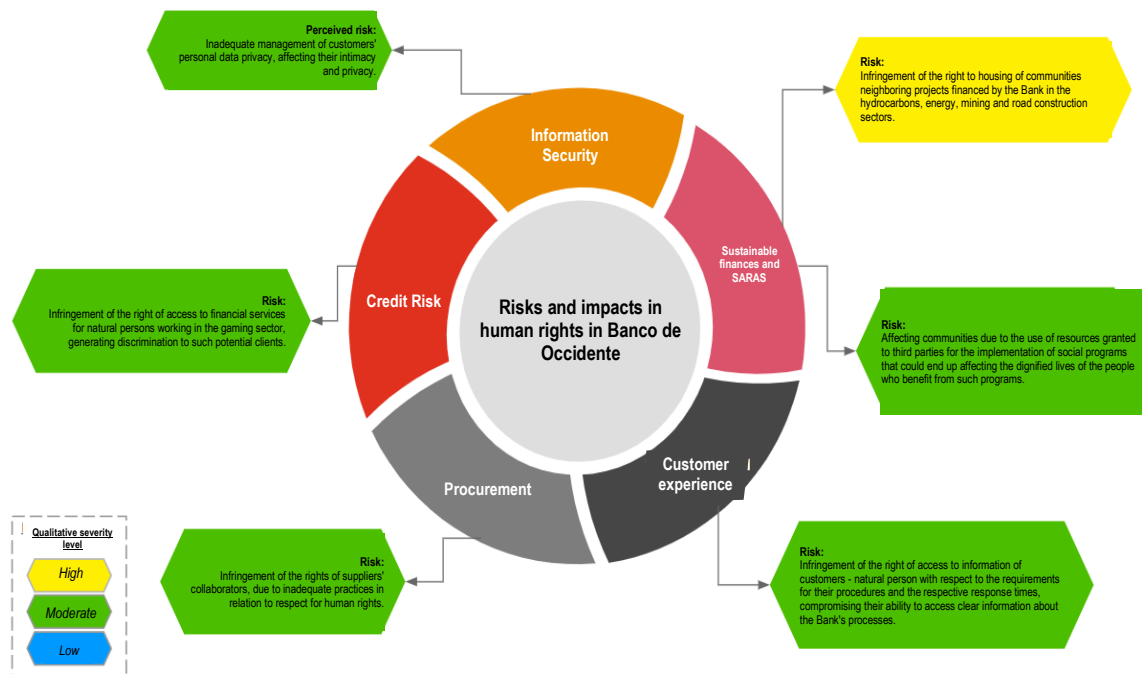


- Accessibility to digital channels.
- Freedom of association and access to collective bargaining.

## 2.2. Identification of risks and impacts:

We map the possible risks and impacts on Human Rights within our operations and value chain, through the correlation of primary and secondary sources: benchmarking with 17 external sources to recognize the risks and impacts on Human Rights that concern the financial sector, and 40 consultation spaces for the collection of information with the different stakeholders of the Bank, which include interviews, surveys (collaborators, NGOs and foundations, guilds, suppliers and business partners, regulators and authorities, business customers and individuals). Finally, the information obtained was contrasted with the information collected in the benchmark, resulting in 21 possible risks and negative impacts on human rights for the Bank's operation and our supply, of which 8 are impacts, 8 are risks and 5 are perceived risks.





The groups identified with possible violation of their rights are: collaborators, suppliers, customers, natural persons and local communities with different socioeconomic characteristics.

### 2.3. Risk and impact assessment and action plan:

Once the process of identifying risks and negative impacts on human rights has been completed, we carry out their assessment following the main international standard in the field, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Guide for the Assessment and Management of Human Rights Impacts (EGIDH) of the Global Compact and the ranges used by the organization's Risk area.

These criteria allow the Bank to be clear on the following:

- Scale: to measure the level of impact on rights holders.
- Scope: number of people affected in the Bank's area of influence and stakeholders.
- Irremediability: the Bank's ability to return rights holders to the situation prior to the impact, through prevention, mitigation, and remediation actions.

The calculation of the scale, scope and irremediability criteria results in an **assessment of the severity** of the inherent risk, the ranges of which are explained in the following table:

**Table 5: Severity Level**

		Severity Level				
Occurrence		1	2	3	4	5
		Very low	Low	Medium	High	Very high
	1	Very low	0	23-35	41-50	49-60
	2	Low	0	22-28	32-40	37-48
	3	Medium	0	13-21	24-31	25-36
	4	High	0	8-12	16-23	13-24
	5	Very High	0	4-7	8-10	11-12

Source: PwC creation

Additionally, we evaluate the occurrence through past events, giving a rating from 1 to 5 according to the frequency that the impacts have had on stakeholders; and the type of involvement in determining whether the Bank causes, triggers, or contributes to such risks and impacts.

Once the assessment is completed, we prioritize the most serious and urgent risks and impacts on human rights to manage according to the level of severity, occurrence and level of involvement, which gives way to the construction of the mitigation and remediation plan.

### Definition of the Action Plan

We held 10 co-construction workshops together with the leaders of the areas related to the risks and impacts identified, corroborating the controls already implemented by the Bank and defining other suggested actions to mitigate the risks of affecting people's rights.

Together, we structured the Matrix of Risks, Impacts and Controls in Human Rights as the main tool for managing the risks and impacts identified. Among the main activities of the controls, it is worth highlighting the processes of sensitization and training of collaborators at all levels on the specific issues of the risks and impacts identified, communication on the Bank's current management in favor of the well-being of collaborators, and updates of policies, work regulations, and procedures to include the human rights approach.

The following is a list of human rights issues identified after evaluating 100% of the organization's operations and activities to be carried out.

Risk/Impact	Activities
<ul style="list-style-type: none"> <li>Normalization of situations of sexual and workplace harassment within the Bank reported by collaborators, which translate into a lack of guarantees of protection of people's rights by the Bank and an impact on the dignity and integrity of people</li> <li>Situations of sexual harassment of collaborators in the workplace, affecting their dignity, integrity and work motivation</li> </ul>	Regular review and updating of the workplace harassment policy, including expanding the scope to cover sexual harassment.
	Training to promote the culture of prevention of workplace and sexual harassment within the Bank
	Update and Dissemination of the Internal Work Regulations to include an explicit commitment to zero tolerance for sexual harassment in the workplace and in all work activities.

<ul style="list-style-type: none"> <li>Situations of workplace harassment among staff, generated by actions or comments of other co-workers, which affects their dignity, integrity and motivation in the performance of functions</li> </ul>	
Inadequate management in the protection of personal data and information on complaints made by collaborators regarding irregular situations within the Bank, affecting their intimacy and privacy	Creation and application of a confidentiality form in investigations by work environment mailbox or ethics hotline
Violation of diversity, equity, and inclusion due to the Bank's tacit conception regarding its openness to different population groups, which do not feel included in the structure of the Bank's programs and policies such as the dress code, the ability to express oneself freely, and recruitment, generating feelings of discrimination and exclusion in the workplace	Formulate a specific Diversity, Equity and Inclusion (DEI) commitment for BdO based on Grupo Aval's policy on the matter
Barriers to collaborators regarding the option of unionizing once they move from agents to analysts, affecting their ability to decide to partner with groups of collaborators in the sector	Training of area leaders at the Bank on the right to freedom of association and practices that should not be committed for due respect. This can be done during induction into the company and with additional training for collaborators.
Violation of freedom of association and unionization due to lack of clarity in the direction of benefits, affecting their ability to decide to associate with groups of collaborators in the sector	Continue with the implementation of actions (such as training or forums) for the general dissemination of benefits, highlighting that they are maintained by being affiliated to the Collective Agreement or the Industry Union
Violation of the right to disconnect from work due to the high workload of administrative collaborators in the hybrid work model, their rest and use of free time	<ul style="list-style-type: none"> <li>Strengthening of the communication of the working day (weekly hours) and disconnection policy in administrative areas and the responsibilities of both collaborators and leaders for their compliance</li> <li>Reinforcement of communication working hours, management contracts and trust</li> <li>Identification of specific areas where extended hours occur and if any type of recognition is required.</li> </ul>
Violation of the right to disconnect from work due to the non-recognition of overtime to office staff without a management and trust contract, affecting their dignity, integrity and work motivation	Workload monitoring to ensure downtime in the hybrid work model.
Non-recognition of overtime to office staff without a management and trust contract, affecting their dignity, integrity and work motivation	Development of the "additional days" initiative to evaluate cases of overtime in offices.

Violation of collaborators' right to access information with respect to the mechanism for reporting issues associated with labor situations that may affect their human rights, compromising the possibility of expressing their disagreement with respect to these situations and of accessing effective reparation if necessary	Review and update of the dissemination and image strategy of the mechanism for labor complaints related to human rights
Perception of violation of the right of access information associated with the lack of knowledge of the measures taken by the Bank in terms of managing the situation reported by collaborators, which can revictimize complainants, affecting their dignity and integrity	<ul style="list-style-type: none"> <li>• Transparent communication of the process and results of the investigation of non-anonymous complaints in the Bank.</li> <li>• Structuring of a proforma response form that includes the measures taken by the Bank in the management of situations reported by collaborators to be sent to the complainants for their knowledge of the results of the investigation.</li> </ul>
Perception of lack of equal working conditions and difference in treatment between cities and Bank offices, such as the functioning of the internet which is better in some cities, air conditioning and cafeteria and cleaning services, generating a perception of inequality in their work environment	Implementation of information campaigns on measures to guarantee equal working conditions at the Bank's offices.
Feeling of disadvantaged conditions in the definition and application of salaries for collaborators, generating demotivation in the exercise of their functions and work performance	<ul style="list-style-type: none"> <li>• Awareness of human rights and wages.</li> <li>• Validation of internal adjustment to the salary policy.</li> </ul>
Negative effects on the physical health of collaborators due to changes in desks/chairs	<ul style="list-style-type: none"> <li>• Continue with the implementation of ergonomic measures in the workplaces to reduce physical health risks.</li> </ul>
Impact on communities due to the use of resources granted to third parties for the implementation of social programs that could end up affecting the dignified life of the recipients of such programs	<ul style="list-style-type: none"> <li>• Development of a monitoring system to identify the results, destination, and impact of donations made.</li> <li>• Human rights training for entities benefiting from donations made.</li> </ul>
Violation of the right to housing of the communities surrounding projects financed by the Bank in the hydrocarbons, energy, mining and road construction sectors	<ul style="list-style-type: none"> <li>• Training and periodic updating of Relationship Managers on this risk and IFC Standard No. 5.</li> <li>• Review of Performance Standard No. 5 - Land Acquisition and Voluntary Resettlement of the International Finance Corporation (IFC), and develop the specific actions that apply according to the case.</li> <li>• Inclusion of questions on human rights in Environmental and Social due diligence reports</li> </ul>
Violation of the rights of suppliers' collaborators, due to inappropriate practices in relation to respect for human rights.	<ul style="list-style-type: none"> <li>• Strengthening Human Rights (HR) Criteria for Suppliers</li> <li>• Registration of training to promote human rights policy in the purchasing team</li> </ul>



Violation of the right of access information of customers - natural person with respect to the requirements for their procedures and the respective response times, compromising their ability to access clear information about the Bank's processes	<ul style="list-style-type: none"> <li>• Optimization of processes to improve paperwork</li> <li>• Improved communication and transparency on requirements and response times for procedures of natural person clients.</li> <li>• Training, periodic update on changes in processes related to products and customer procedures.</li> </ul>
Violation of the right of access to financial services for natural persons working in the gaming and gambling sector, generating discrimination against such potential customers	Review and adjustment of exclusion criteria based on explicit case analysis
Inadequate management of customers' personal data, affecting their intimacy and privacy	Information campaign on the reporting channels related to the processing of personal data and dissemination of the Personal Data Protection Policy.

Banco de Occidente and Subsidiaries are committed to the constant strengthening of the mechanisms of participation and dialogue with our stakeholders to strengthen the reparation and remediation of the impacts that our activities generate on their Human Rights. The mechanisms established for the claim are as follows:

#### **Banco de Occidente:**

- [Ethical line](#)
- Email: [servicio@bancodeoccidente.com.co](mailto:servicio@bancodeoccidente.com.co)
- National Hotline: 018000514652
- Work environment: [ambientelaboral@bancodeoccidente.com.co](mailto:ambientelaboral@bancodeoccidente.com.co)

#### **Fiduciaria de Occidente:**

- [Ethical line](#)
- Email: [atencionalconsumidorfdo@fiduoccidente.com.co](mailto:atencionalconsumidorfdo@fiduoccidente.com.co)
- National Hotline: 01 8000 521 144
- Work environment: [comiteconvivencia@fiduoccidente.com.co](mailto:comiteconvivencia@fiduoccidente.com.co)

Through any of these channels, our stakeholders can submit their requirements or complaints, also anonymously when the stakeholders so prefer, which will be processed and answered according to the processes established by these channels, and complying with the legal deadlines established for these purposes. In addition, we respect and ensure the confidentiality of the data and facts reported.

**Communication and transparency:** we share the progress of our Human Rights management with our different stakeholders, considering:

- The disclosure of the update of policies, procedures, actions, among others; through our Annual Management and Sustainability Report, publicly available on our website, our Banco de Occidente Human Rights Report and the different official media both for the internal and external public.



- The follow-up of the implementation of the action plan together with each of the areas involved and the presentation of results to the Steering Committee of the organization on a quarterly basis.
- The promotion of spaces for active participation with the different stakeholders, through mechanisms such as workshops, focus groups, among others; seeking to generate a common understanding on such management, ensure satisfactory accountability for these groups and promote their empowerment.

**Review and continuous improvement:** We adapt and strengthen our due diligence process based on lessons learned and changes in the regulatory and business environment. This forces us to periodically monitor the application of our Human Rights Policy and update it if necessary and in the same way the mechanisms for identification, evaluation, mitigation, remediation and communication of the bank's management in the area of Human Rights.