Sustainability Policy Banco de Occidente and Subsidiaries

Date: 10/07/2026
Version: 3.0

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Glossary

ESG: Acronym for Environmental, Social and Corporate Governance matters used to evaluate impacts, risks and opportunities in organizations.

Sustainable portfolio: Set of financial operations (loans, investments and other products) that, in addition to meeting financial criteria, incorporate environmental, social and governance (ESG) considerations into their origination, monitoring and risk management. This portfolio includes financing that promotes activities with positive impacts, such as energy efficiency, emissions reduction, biodiversity protection and social inclusion, and/or that complies with standards and exclusions defined by the Bank, contributing to responsible risk management and sustainable development objectives.

Climate change: Significant variation in climate directly or indirectly attributable to human activities and greenhouse gas emissions.

ESG criteria: Environmental, social and governance variables integrated into the Bank's strategy, operations and decision-making processes.

Sustainable development: A development model that seeks to meet present needs without compromising the capacities of future generations.

Diversity, equity, and inclusion (DEI): Principles aimed at promoting inclusive, diverse, and equitable work and social environments.

GHG emissions: Release of greenhouse gases into the atmosphere, from operational activities or the value chain.

Sustainable finance: Financial activities that incorporate ESG criteria to promote positive impacts and manage sustainable-related risks.

Greenhouse gases (GHG): Gases that contribute to global warming, such as CO_2, CH_4, and N_2O.

GHG Protocol: International methodology for the measurement and management of greenhouse gas emissions.

Stakeholders: Individuals, organizations, or entities that may be impacted by or influence the Bank's activities.

Materiality: Process to identify the most relevant ESG issues for the business and its stakeholders.

Sustainable Development Goals (SDGs): United Nations global agenda composed of 17 goals to promote sustainable development by 2030.

UN Global Compact: United Nations initiative that promotes principles related to human rights, labor, the environment and anti-corruption.

Principles for Responsible Banking (PRB): Framework promoted by UNEP-FI to align the financial sector with sustainable development and the Paris Agreement.

Climate risk: Risk arising from the physical impacts of climate change or the transition process to a low-carbon economy.

Physical Risk: Risk associated with extreme weather events or gradual changes in weather that may affect assets, operations, or businesses.

Transition risk: Risk arising from regulatory, technological, reputational or market changes associated with the climate transition.

ESG risks: Risks related to environmental, social and corporate governance factors that may impact financial or reputational performance.

ESRMS (Environmental and Social Risk Management System): System used to identify, assess and manage ESG risks.

Sustainability: Ability to generate economic, social and environmental value in a balanced and responsible way in the long term.

Stakeholders: Equivalent term for interest groups.

TCFD: International recommendations for disclosure of risks and opportunities related to climate change.

TNFD: International framework focused on the identification and disclosure of nature- and biodiversity-related risks and opportunities.

UNEP-FI: United Nations Environment Programme Finance Initiative that promotes sustainable finance.

Shared value: A management approach that seeks to generate economic and social benefits simultaneously.

Corporate governance: A system of rules, practices, and processes by which an organization is directed and supervised.

1. SUSTAINABILITY POLICY

1.1 Overview:

Banco de Occidente and its subsidiaries recognize sustainability as a strategic pillar for long-term value creation and for the responsible management of the economic, social, environmental and governance impacts arising from their operations, products, services and business relationships.

In line with Grupo Aval's corporate guidelines, the Bank remains committed to the adoption of responsible business practices that contribute to sustainable development, business resilience and the well-being of its stakeholders, integrating ESG criteria into corporate strategy, decision-making and business management.

For Banco de Occidente and its subsidiaries, sustainability represents the ability to foster economic growth, promote social well-being and responsibly manage natural resources, while maintaining a long-term perspective and strengthening stakeholder trust.

The Bank's sustainability strategy is based on the United Nations Sustainable Development Goals (SDGs), the principles of the Global Compact, the Asobancaria Green Protocol and other applicable national and international standards, guidelines and best practices in environmental, social and corporate governance matters.

The Bank will also promote the progressive integration of criteria related to climate change, ESG risks and nature management into its processes, operations and business activities, in accordance with the regulatory and strategic evolution of the organization.

1.2 Objective

To establish the general guidelines for integrating environmental, social and governance (ESG) criteria into the strategy, operations, processes and decision-making of Banco de Occidente and its subsidiaries.

Through these guidelines, the Bank seeks to guide the responsible management of its ESG impacts, risks and opportunities, promoting business resilience and the generation of shared value for its stakeholders, contributing to the economic, social and environmental development of the regions where it operates.

1.3 Alignment of the 2030 Agenda

Banco de Occidente and its subsidiaries recognize the United Nations Sustainable Development Goals (SDGs) as a reference framework for guiding their sustainability strategy and strengthening their contribution to the country's economic, social and environmental development.

In accordance with the nature of its operations and strategic priorities, Banco de Occidente primarily focuses its efforts on the SDGs related to decent work and economic growth, industry and innovation, climate action, gender equality, sustainable cities and communities, and partnerships for the goals, among others that contribute to strengthening a more inclusive, resilient and sustainable economy.

The Bank may conduct periodic prioritization and materiality assessment exercises to identify the SDGs and targets where its management has the greatest capacity to contribute and generate impact.

1.4 Alignment with international and national frameworks and benchmarks

Banco de Occidente and its subsidiaries promote the adoption of national and international ESG best practices and benchmarks with the objective of strengthening sustainable business management, transparency and value creation for stakeholders.

1.4.1 Commitments and Memberships

Banco de Occidente and its subsidiaries promote the adoption and implementation of national and international standards, principles and best practices that strengthen sustainable business management and the integration of ESG criteria in their operations, processes and decision-making.

The organization participates in initiatives aimed at strengthening sustainable finance and the responsible management of the impacts and opportunities associated with climate, nature and social change, including:

- UNEP-FI.
- Principles for Responsible Banking (PRB).
- Finance for Biodiversity (FfB).
- United Nations Global Compact.
- Asobancaria Green Protocol.
- Universal Declaration of Human Rights.

- OECD Guidelines on Responsible Business Conduct.

1.4.2 Reference frameworks and good practices

Banco de Occidente and its subsidiaries integrate environmental, social and corporate governance (ESG) criteria into their management and decision-making model, promoting the identification and responsible management of risks and opportunities associated with their operations, activities and business relationships.

To this end, the Bank takes as a reference national and international standards, principles and good practices aimed at strengthening sustainability, resilience and the responsible management of ESG risks and impacts.

With respect to human rights and responsible business conduct, the Bank guides its actions in accordance with the principles contained in the United Nations International Bill of Human Rights, the principles of the United Nations Global Compact, and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

Environmental, social and climate risk management

The Environmental and Social Risk Management System (ESRMS) is the institutional mechanism for the identification, evaluation, management, monitoring and control of environmental and social risks associated with the operations defined within its scope.

Its application must be carried out in accordance with internal and regulatory guidelines and the best international practices in force, ensuring the traceability, documentation, and retention of information required for management, monitoring, audit, and reporting purposes.

The responsible areas must ensure the proper application of the methodologies, tools and procedures defined for the management of environmental and social risks.

The Bank will incorporate ESG risk management into the credit cycle and other financial activities through environmental and social due diligence processes that include at least:

- Identification and assessment of ESG risks in clients, projects and financed operations.
- The categorization of transactions according to their environmental and social risk level.
- The definition of mitigation measures, commitments and financing conditions where appropriate.

- The monitoring and follow-up of clients and transactions presenting material ESG risks.
- The periodic updating of information required for risk management and monitoring purposes.

Environmental, social and corporate governance risks must be considered as an integral part of the analysis and decision-making in credit, investment and financing operations, and may influence their structuring, approval, conditions and monitoring.

Transactions classified as having high or medium ESG risk levels must have mitigation measures, environmental and social action plans where applicable, and defined monitoring mechanisms. The implementation of such measures may be considered as part of the monitoring and management processes applicable to those transactions.

The Bank will progressively incorporate the identification, assessment and management of physical and transition climate risks into its integrated risk management framework, considering their potential impacts on the portfolio, clients, operations, reputation and corporate strategy.

Likewise, the Bank will also promote the gradual incorporation of nature- and biodiversity-related risks and opportunities, taking into consideration the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and other applicable international frameworks.

Sustainable portfolio and sustainable finance

In addition, the Bank will promote the growth of its sustainable portfolio by integrating ESG criteria in the origination and management of loans, as well as by defining guidelines for the identification of green, social and sustainable financial products.

This approach seeks to finance activities with a positive environmental and social impact, while accompanying clients in their transition to more sustainable, resilient and competitive business models.

The Bank will actively promote the development and financing of solutions, products, and initiatives that contribute to the transition to a sustainable, low-carbon, and inclusive economy, integrating ESG criteria into its value proposition and progressively orienting its portfolio towards activities that generate positive economic, social and environmental impacts.

To this end, the Bank will promote specialized financial solutions and establish strategic partnerships with public, private and multilateral entities, as well as other

relevant stakeholders, to encourage the adoption of environmental and social best practices and strengthen clients' sustainability capabilities.

Environmental management and climate action

In environmental and climate-related matters, the Bank promotes initiatives focused on operational eco-efficiency, greenhouse gas (GHG) emissions management and climate action, drawing on internationally recognized methodologies such as the Greenhouse Gas Protocol (GHG Protocol), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and other applicable references.

The Bank will promote eco-efficiency in its operations through the efficient use of energy, water, paper and other natural resources, as well as the comprehensive management of waste and the implementation of good environmental practices in its facilities, based on verifiable and auditable standards, methodologies and guidelines.

Likewise, the Bank will also promote the progressive adoption of sustainability- and environmental management-related standards, certifications and best practices, including guidelines issued by ICONTEC and other recognized organizations.

1.4.3 Reporting frameworks

Banco de Occidente and its subsidiaries promote the transparent, consistent and periodic disclosure of information related to sustainability and environmental, social and corporate governance (ESG) matters, taking as a reference nationally and internationally recognized standards and reporting frameworks.

In this regard, the Bank adopts guidelines from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), and reports on its progress and management against the Sustainable Development Goals (SDGs), the United Nations Global Compact and the S&P Global Corporate Sustainability Assessment (CSA).

The Bank also participates in trade union and regulatory reports and other applicable disclosure exercises, continuously strengthening its ESG information measurement, monitoring and reporting capabilities.

Banco de Occidente shall maintain structured monitoring, measurement and reporting mechanisms to periodically assess the environmental, social and climate performance of its relevant activities and operations.

These mechanisms must guarantee the availability, quality, consistency, and traceability of the information required for internal management, regulatory

compliance, and meeting the requirements of investors, financiers, multilateral organizations, and other stakeholders.

Exclusion List

The Bank has an Exclusion List that defines activities and practices that are not subject to financing or that are subject to restrictions as part of its environmental, social and governance (ESG) risk management.

This list is based on applicable national regulations and international standards, including the IFC Performance Standards, BID Invest Exclusion Lists, the OECD Guidelines, and multilateral agreements related to human rights, biodiversity and climate change.

The Exclusion List includes prohibited activities whose financing is restricted for legal reasons or because they generate unacceptable environmental and social impacts, as well as activities subject to specific restrictions and evaluation conditions.

Its application will be mandatory within the linking and credit processes defined by the Bank.

Transactions involving prohibited activities shall be rejected, while those subject to restrictions shall be evaluated in accordance with the applicable internal guidelines and the risk management criteria established by the organization.

Banco de Occidente and its subsidiaries promote the transparent and periodic disclosure of information related to sustainability and environmental, social and corporate governance (ESG) matters, taking as reference nationally and internationally recognized standards and reporting frameworks. In this regard, the Bank adopts guidelines from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), and reports on its progress and management against the Sustainable Development Goals (SDGs), the United Nations Global Compact and the S&P Global Corporate Sustainability Assessment (CSA). It also participates in applicable trade union and regulatory reports, continuously strengthening its capabilities for measuring, monitoring and disseminating ESG information.

1.5 Stakeholder engagement

Banco de Occidente and its subsidiaries recognize the importance of maintaining a close, transparent and participatory relationship with its stakeholders, promoting spaces for dialogue and collaboration that contribute to the generation of shared value and the sustainable development of the business.

In this context, the Bank focuses its actions along the following lines:

Human Team

Promote the well-being, development, diversity, equity, and inclusion of employees, promoting a sustainable organizational culture and strengthening their capacities to contribute to the fulfillment of the Bank's strategic objectives.

Board of Directors

To provide transparent, timely and relevant information that contributes to strategic decision-making and monitoring of the Bank's sustainable management.

Customers

Strengthen relationships of trust through a responsible value offer, safe channels, adequate advice and a positive and sustainable experience, promoting the adoption of responsible practices and the transition to sustainable business models.

Society and Environment

Promote initiatives and programs that contribute to economic, social, and environmental development, as well as to the protection of natural resources, climate action, and the conservation of biodiversity.

Opinion Generators

Promote transparent communication on the progress, impacts, risks and opportunities associated with the Bank's sustainability management.

Shareholders and Investors

Provide clear, reliable and timely information on the Bank's ESG management and performance, promoting the generation of sustainable value in the long term.

Suppliers

Promote responsible and sustainable practices in the value chain, strengthening relationships based on ethics, transparency, respect for human rights and mutual benefit.

Strategic Allies

Articulate efforts and promote joint initiatives that promote innovation, sustainable finance and the sustainable development of the financial sector and the environment.

Government and Regulatory Bodies

Ensure regulatory compliance and maintain a transparent, timely and collaborative relationship with supervisory authorities and entities.

To this end, the Bank has different communication and relationship mechanisms, including digital and face-to-face channels, reports, training, committees, commercial advisors, social networks and other spaces for interaction and permanent feedback.

In addition, the Bank will have mechanisms for the reception, management and follow-up of complaints, claims, petitions or concerns related to environmental and social impacts associated with its activities or the operations financed, when appropriate, guaranteeing transparent, timely and traceable treatment.

Banco de Occidente and its subsidiaries recognize the importance of maintaining a close, transparent and participatory relationship with its stakeholders, promoting spaces for dialogue and collaboration that contribute to the generation of shared value and the sustainable development of the business.

In this context, the Bank focuses its actions along the following lines:

- **Human Team:** promote the well-being, development, diversity and strengthening of employees' capacities, promoting a sustainable and inclusive organizational culture.
- **Board of Directors:** Provide transparent and timely information that contributes to strategic decision-making and monitoring of the Bank's sustainable management.
- **Customers:** strengthen relationships of trust through a responsible value offer, safe channels, adequate advice and a positive and sustainable experience.
- **Society and the Environment:** promote initiatives and programmes that contribute to social, economic and environmental development, as well as to the protection of natural resources and climate action.
- **Opinion Generators:** promote transparent communication about the Bank's progress, impacts, and initiatives in terms of sustainability.
- **Shareholders and Investors:** Provide clear and reliable information on the Bank's ESG management and performance, promoting the generation of sustainable value in the long term.
- **Suppliers:** Promote responsible and sustainable practices in the value chain, strengthening relationships based on ethics, transparency and mutual benefit.
- **Strategic Allies:** articulate efforts and promote joint initiatives that promote innovation and sustainable development of the sector and the environment.

- **Government and Regulatory Entities:** ensure regulatory compliance and maintain a transparent, timely and collaborative relationship with authorities and supervisory entities.

To this end, the Bank has different communication and relationship mechanisms, including digital and face-to-face channels, reports, training, committees, commercial advisors, social networks and other spaces for interaction and permanent feedback.

1.6 Sustainability Policy

This Policy has been prepared by the Sustainability Management of the Vice Presidency of Human and Administrative Talent, which will be responsible for promoting its updating, implementation and dissemination within the Bank and its subsidiaries, as well as for submitting it for approval by the corresponding bodies.

The Sustainability Management will be responsible for monitoring compliance with the Policy, coordinating the implementation of the sustainability strategy and periodically reporting progress and relevant matters to Senior Management and the corresponding committees.

The areas responsible for the application of the Policy must provide the required information and provide the tools, processes and mechanisms necessary for its compliance.

The content of this Policy will be reviewed periodically or when deemed necessary, in accordance with regulatory, strategic or environmental changes.

1.6.1 Sustainability Governance

Board of Directors

The Board of Directors is the highest management body with respect to ESG matters and will have among its responsibilities:

- Approve the sustainability strategy and policy.
- Oversee the management of ESG matters, including climate change and nature-related risks.
- Monitor the implementation of the sustainability strategy.
- Promote capacity building and training spaces on ESG matters.

Presidency and Senior Management

The Presidency and Senior Management will have the following responsibilities:

- Lead and direct the implementation of the Bank's sustainability strategy.
- Incorporate ESG criteria into strategic and business decisions.
- Promote policies, guidelines and practices that strengthen sustainability at different levels of the organization.

Sustainability Committee

The Sustainability Committee will have the following responsibilities:

- Support and oversee the implementation of the sustainability strategy.
- Monitor ESG indicators, goals and material matters.
- Promote the integration of ESG criteria within the Bank's activities and processes.
- Strengthen capacities and promote a culture of sustainability throughout the organization.

Sustainability Management

The Sustainability Management will have the following responsibilities:

- Implement and coordinate the sustainability strategy of the Bank and its subsidiaries.
- Lead working groups and initiatives associated with ESG issues, climate change and sustainability.
- Coordinate the monitoring of sustainability indicators, action plans, and commitments.
- Promote the generation of ESG reports and disclosures for internal and external use.
- Monitor the implementation of initiatives and guidelines associated with sustainability in the different areas and subsidiaries.

Vice-Presidencies and Business Areas

The Vice-Presidencies and responsible areas must:

- Integrate ESG criteria into their processes and activities.
- Implement initiatives and action plans aligned with the sustainability strategy.
- Manage and report information related to material ESG matters associated with their activities.

Risk & Compliance

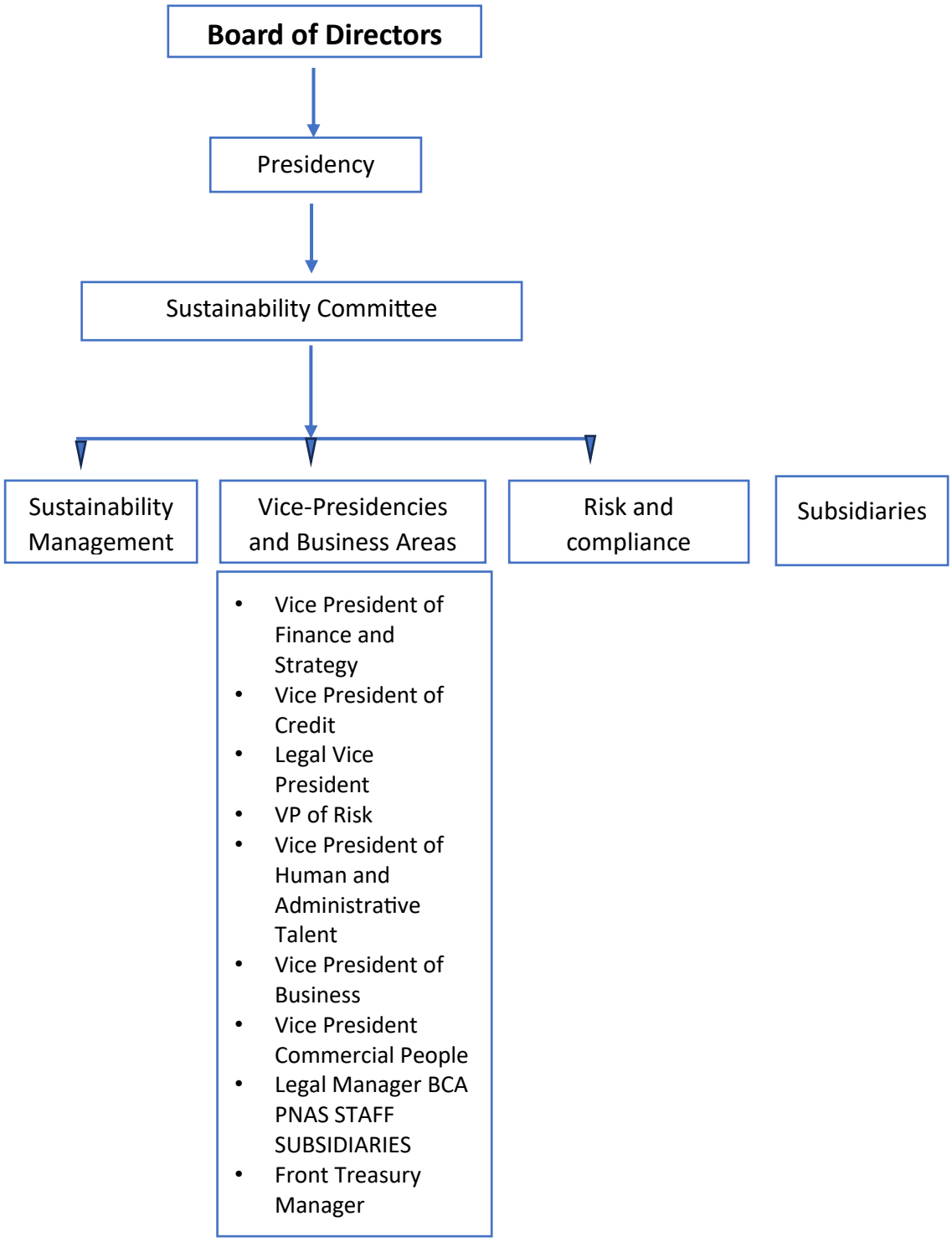
The Risk and Compliance areas will support the implementation of processes and methodologies for the management of ESG risks, including those associated with climate change and nature, as well as the generation of information for decision-making and related disclosures.

Subsidiaries

The Bank's subsidiaries must develop and implement sustainability strategies and initiatives aligned with corporate guidelines and periodically report on their progress and management of ESG matters.

This Policy shall enter into force upon its approval by Banco de Occidente's Board of Directors.

Sustainability Governance Organizational Chart



Gerardo José Silva Castro
Managing President

Daniel Felipe López Sierra
Sustainability