

Sustainability Policy Banco de Occidente and Subsidiaries

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1. SUSTAINABILITY POLICY

1.1 Generality:

During 2019, we were part of a consulting process that aimed to determine the bank's level of maturity in terms of Sustainability, as we are aware that this is a strategic and fundamental component for any organization that seeks to be profitable in the long term. As a result of the exercise, we identified that while we were properly managing environmental, social, labor, and corporate governance issues, they needed to be managed within the framework of sustainability.

At Banco de Occidente and its subsidiaries, we understand that sustainability is the ability to create value over time and the awareness of the direct and indirect impact of our operations on stakeholders. For this reason, we have a firm conviction in the integration of sustainability into the business, aligning it with the corporate strategy and framing it under our purpose of "making the development of people, the growth of businesses and the transformation of the country a reality".

Our sustainability strategy is based on the Sustainable Development Goals (SDGs) defined by the United Nations and the principles of the Global Compact that promote prosperous, equitable, inclusive and environmentally responsible social development, as well as the adoption of good practices of the Asobancaria Green Protocol, the Equator Principle and the PRI Principles for Responsible Investment. to which our Fiduciaria de Occidente is adhered.

1.2 Object

In this policy, we establish the general principles that we must follow to align and develop initiatives that respond to the commitments of the sustainability strategy, in such a way that they are oriented to the management of the business around economic, social, environmental and corporate governance matters. For the organization, it is essential to consolidate sustainability with clear objectives, articulated to the purpose and business model of Banco de Occidente and its subsidiaries.

With this, we want to strengthen the processes for the improvement of business operations, organizational reputation and the positioning of Banco de Occidente and its subsidiaries as a benchmark in the Colombian financial sector.

This policy is complemented by the policies of Banco de Occidente and its parent company, Grupo Aval, including the Corporate Diversity and Inclusion Policy, the Human Rights Policy, the ESG (Environmental, Social and Corporate Governance) Policy and our Code of Ethics and Conduct.

1.3 Scope of Application

This Policy applies to Banco de Occidente, its subsidiaries Panama and Barbados and Fiduciaria de Occidente, taking into account the similarity in the nature and core of the business. It also serves as a reference framework for its subsidiary Nexa BPO. The foregoing, without prejudice to the modifications that may take place to comply with the regulation of their business and the requirements of the entities that supervise them.

For the application of this policy, each of the entities takes into account its business model, activities and processes developed, as well as the local and sectoral regulations in force.

1.4 General Principles

1.4.1 Sustainability Strategy

For our Sustainability Strategy, we have defined four fronts of action and nine material issues covering economic, social, environmental and corporate governance aspects. For each one, commitments and approaches have been established that provide the guidelines to be followed by the different areas and levels of the bank, with the understanding that this strategy is transversal to the entire organization.

I. Development of people, regions and the country

Banco de Occidente and its subsidiaries work for the development of the country, its regions, its main region and people through a collaborative relationship with its stakeholders, excellent human talent management and investments with social impact. To this end, it focuses on:

- **Work Environment:** Generate and sustain good labor practices related to the selection, retention and development of our human team, and the transversalization of these practices with our subsidiaries.
- **Advancing territories:** Contribute to the development of the country, with a focus on Western Colombia, through the generation of strategic alliances, support for specific sectors in the region, such as culture and education; social and environmental corporate volunteering; financial education spaces with our stakeholders; accessibility to our products and services at the national level and the financing of projects with high regional and sustainable impact

II. Business growth

Banco de Occidente and its subsidiaries integrate sustainability into their strategy, their relevant decisions and their business model with the aim of positively impacting their environment and their stakeholders and constantly generating long-term value through the

systematic innovation in policies, processes and products. To do this, we focus on:

- **Business for Development:** Promote decisions related to sustainability in our strategic direction and governing bodies throughout our business processes, value chain and products, based on the relevance of our stakeholders in the Bank's permanence over time.
- **Sustainable business:** Promote responsible and sustainable practices with our suppliers and strategic partners, and apply responsible investment policies in our businesses and those of our subsidiaries.
- **Investments for transformation:** Optimize resources and time, improve the customer experience, positively impact the environment and objectively guide business decisions, through sustainable innovation, investment in R+D (research and development) and the digitalization of products, services and processes, through co-creation spaces with the different areas of the Bank, subsidiaries and our stakeholders.

III. Care for the environment

Banco de Occidente and its subsidiaries are committed to the environment, the management of natural resources, the positive relationship with the environment and the constant work around the positive environmental impact. To do this, we focus on:

- **Responsibility with natural resources:** Face the challenges presented by climate change in today's world through internal decisions that promote the efficient use of natural resources, contributing to the prevention and mitigation of environmental impact in our operations.
- **Positive relationship with the environment:** Designing sustainable products by integrating different areas of the bank and stakeholders in their conception and development, and implementing actions with a high environmental impact such as the Blue Planet Award, a leading initiative in the Colombian bank's commitment to the environment.

IV. Corporate Commitment

At Banco de Occidente and its subsidiaries, we guide our governance decisions so that we systematically achieve a positive impact on the environment and stakeholders, as well as the permanent direction towards the best service experiences for our customers. To do this, we focus on:

- **Coherent decisions:** Maintain responsible, ethical and transparent policies and practices in our processes and daily work in line with current regulations and healthy competition, positively impacting our team and stakeholders.
- **Better experiences:** Permanently implement practices, policies and innovations that promote the positive experience and well-being of our customers through the management of their experience (customer journey), data analytics, the transversalization of processes with our subsidiaries, the transparency of information and the availability of resources to improve operations and products.

1.4.2 Stakeholder Engagement

For Banco de Occidente and its subsidiaries, it is essential to give relevance to its stakeholders, making them participants in the initiatives and decisions that generate value for our organization, identifying actions to be carried out together that contribute to the environment and meeting objectives that allow the sustainability of the business.

In order to ensure a relevant and coherent relationship with our stakeholders, commitments have been established based on the needs and expectations regarding management in the economic, environmental, social and corporate governance dimensions.

a. Human Team

- Permanently enrich labor practices and benefits, innovation in processes, investment in the development of human talent, efficient communication and the management of joint initiatives with a high impact on sustainability.
- To transversalize the relevant processes and practices of Banco de Occidente with its Subsidiaries, strengthening the development of people, efficiency in operations and the improvement of the business or value chain. The foregoing, within the framework of effective communication, permanent and shared innovation, close corporate governance, investment in the well-being of human talent, and joint management of sustainability.

b. Board of directors

- To offer transparent and complete information for strategic decision-making, including sustainability criteria that contribute to the fulfillment of the Bank's objectives.
- Monitor the Bank's sustainable management, taking into account the good practices of Corporate Governance and risk management that ensure the profitability of the business.

c. Clients

- Prioritize the well-being and customer experience in the implementation of the business strategy, within the framework of close and effective communication, secure platforms and channels, innovations that add value to the relationship, responsible and efficient consulting, and sustainability initiatives with a high impact on the environment.

d. Society and Environment

- Prioritise centres of social and environmental relevance for the implementation of investments and programmes with benefits for the environment and society. Likewise, strengthen the Blue Planet Award to strengthen the impact we generate by supporting projects associated with the protection and care of the environment and promote Banco de Occidente as a leading organization in the commitment to natural resources.
- To contribute to the development of the image of sustainable banking in Colombia through the implementation of individual and joint innovative initiatives around the social, environmental and economic impact on our environment.

e. Opinion Generators

- Promote a systematic relationship around the Bank's positive impacts on the environment and the different stakeholders and share initiatives that promote sustainability in the financial sector.

f. Shareholders and Investors

- Consolidate alliances around green products and sustainable businesses that contribute to the improvement of the environment within the framework of compliance with market requirements and the benefit of investors.
- To provide transparent and reliable information to our shareholders focused on the fulfillment of our purpose, strategy and decision-making linking ESG criteria in order to generate value in the business.

g. Suppliers

- To develop sustainable practices throughout the value chain of our business model, framed in a relationship of trust that is positive for our customers and society.

h. Allies

- Articulate efforts for the development of products and joint initiatives with social, environmental and economic impact to respond to the challenges of the market and the environment.
- To promote good practices in the sector that contribute to the sustainable development of banking and the environment in general. Likewise, to propose spaces for collaborative innovation between different actors in the financial sector and the execution of sustainability initiatives around social, environmental and economic impact.

i. Government and regulatory bodies

- Provide a clear and timely response to the requirements requested by the entities and comply with current legal regulations, contributing to the development of sustainable banking in the country.

Stakeholder Communication Mechanisms

The communication mechanisms with our stakeholders are, among others:

- Email
- Calls and telephone line
- Internal committees
- Reports
- Training
- Newsletters
- Commercial advisors
- Bureaux
- Mass advertising
- Social Media

1.5 Governance Model

1.5.1 Sustainability Policy

The Policy has been prepared by the Sustainability Directorate of the Vice-Presidency of Human and Administrative Talent, and its Director will be responsible for it, for which she will be responsible for submitting it for approval by the Management Committee. Likewise, it must promote its knowledge among the areas subject to it, including the subsidiaries.

The Sustainability Department will be responsible for monitoring compliance with the Policy within the Bank and its subsidiaries, as well as for adopting corresponding measures when it is not being applied correctly and reporting to the Management Committee.

The heads of the areas subject to the Policy will provide, when appropriate, relevant information on its application and will provide within their processes the tools, systems and equipment for its compliance.

The Steering Committee will be aware of the progress of the application of the Policy, in accordance with the reports received by the Sustainability Department and the areas that involve the sustainability strategy in its activities and business lines.

The content of the Policy will be reviewed periodically or whenever a modification is required by the Sustainability Department, making the changes it deems appropriate and submitting it for approval by the Management Committee.

This Policy has been approved by the Steering Committee and is effective upon approval.

1.5.2 Governance Sustainability

At Banco de Occidente we have governing bodies that, from senior management to the different organizational levels, have roles that respond to their responsibility in the approval and supervision of strategic and management guidelines in the framework of sustainability.

The Board of Directors will have among its functions the approvals of the sustainability strategy and the budget allocated to Social Investment. He will also be in charge of guiding the Steering Committee on key issues related to sustainability.

The Sustainability Steering Committee will be responsible for defining the guidelines of the sustainability strategy, contributing to its implementation through the approval, monitoring and control of the commitments and initiatives established therein and positioning the culture and vision of sustainability in the decisions and activities of the business.

The "Actuar Sostenible" Committee involves all the areas in charge of developing and implementing the initiatives and action plans framed in the sustainability strategy, providing elements for the timely management of them and the indicators associated with them.

The Sustainability Department, among other functions, will promote and advise on the execution and implementation of actions relevant to stakeholders linked to sustainability and will define indicators or indices to ensure sustainability development and generate value reports in this regard.

This policy is effective as of the date of its publication.

Cesar Prado Villegas
President of Banco de Occidente

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Change Control

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