ENVIRONMENTAL AND CLIMATE CHANGE POLICY

1. GENERAL STATEMENT:

Based on Grupo Bolivar's mission and higher purpose: *To enrich life with integrity*; Davivienda, as part of its sustainable management, acknowledges that it is essential to manage social and environmental challenges and opportunities, including climate change-related issues. We monitor global best practices as well as evolving environmental conditions to timely and consistently meet our commitment to contribute to sustainable development and deliver value to our stakeholders.

2. GOAL:

Define a framework to identify and manage the challenges and opportunities related to social and environmental impacts, including those related to climate, across our operations and business model, in line with our strategic objectives and national commitments regarding environmental protection and emissions reduction, as well as with current international frameworks and agreements on environmental and climate change issues.

3. SCOPE:

This policy covers Davivienda and its national and international subsidiaries.

4. GUIDELINES:

Aiming to achieve the objective of this policy, and in an effort to reduce the risks and impacts caused by social, environmental, and climate change issues, we define the following guidelines with scope in our business and stakeholders:

We define the following scope guidelines for our business and stakeholders:

- Comply with the laws, regulations and all other environmental requirements in each country, including those related to climate change, as applicable to the Bank's businesses.

- Establish an internal governance structure designed to manage social and environmental risks and opportunities, including climate risks and opportunities, to achieve our objectives and goals.

- Prevent, mitigate, or correct any negative impacts on the environment and society that our operations may produce.

- Implement, maintain, and manage an environmental and social risk management system, covering climate change risks (physical and transitional), in financing and investment activities.

- Promote, fund, and manage projects, programs, and initiatives geared toward yielding benefits for the social, environmental, and climate change adaptation and mitigation realms, in addition to actions to help preserve biodiversity and ecosystems.

- Establish science-based procedures, objectives, and targets aimed at achieving a resilient greenhouse gas (GHG) emissions reduction strategy, low-carbon development, and net-zero emissions across our operations and business model.

- Promote among our suppliers efforts to manage the environmental and social impacts caused by their processes; and embed these criteria throughout the Bank's procurement processes for goods and services.

- Carry out awareness, education, and training programs on social and environmental issues, including climate change, targeting our employees and other stakeholders.

- Foster continuous improvement by monitoring and reporting on our environmental, social and climate change management performance across our operations and business model.

5. MANAGEMENT MODEL:

The Bank developed this management model to achieve the results it expects:

a. Management of direct impact:

We define these impacts as those that can be generated in our own operation, including the activities we carry out to provide services to our clients. Therefore, we are committed to:

- **Measuring our carbon footprint and carbon neutrality:** calculate, manage, and report our carbon footprint for scopes 1, 2 and 3 across our operations. Under scope 3, we have included the measurement of applicable categories for Banks (category 15 of the Greenhouse Gas Protocol - GHG Protocol). Furthermore, we will concentrate on establishing science-based targets to reduce our direct emissions to the greatest extent possible and offset our carbon footprint, thereby achieving carbon neutrality.

- **Operational eco-efficiency:** promote the efficient use of resources (water, energy and paper) by innovating and implementing actions, projects, techniques, and technologies to enable energy and water efficiency, and transition towards the use of non-conventional renewable energies, thereby eliminating and mitigating environmental impacts, reducing emissions, and promoting an eco-efficiency culture throughout the organization.

- **Circular economy:** sustain and improve our circular economy model, along with adequate comprehensive waste treatment to reduce the waste derived from our operations and increase waste recovery and reutilization by extending the useful life of our products.

- **Supplier value chain management:** Promote among our suppliers efforts to manage social and environmental impacts, including climate impacts, across their processes; and embed criteria for vendors, goods, and services screening and evaluation, as part of a sustainable procurement model, thereby managing social, environmental, and climate impacts throughout our value chain.

- **Risk management:** identify, assess, and monitor social, environmental, and climate change risks (physical and transitional) across our operations, identifying potential impacts on human capital, assets, facilities, and on our ability to conduct our business. Likewise, implement actions to prevent, mitigate, and control the potential impacts derived from the materialization of risks.

b. Impact management across our banking lines:

It refers to the impacts potentially derived from our business model. Therefore, we are committed to:

- **Environmental programs, products and services management:** offer our customers products and services that contribute to the fulfillment of environmental objectives and help to adapt to and mitigate climate change, striving to yield economic, environmental, and social value. This also entails defining, identifying and evaluating eligibility criteria to promote green financing.

- **Environmental and social risk management:** implement, sustain, and update the Environmental and Social Risk Analysis System (SARAS / ESRA) , which includes, in addition to environmental and social risk management, Human Rights - HR, biodiversity, and climate change risk management (physical and transition) for sectors, industries, and geographies with greater exposure, including scenario analysis.

  This entails using SARAS for loan underwriting, investments, and vendor management, taking into account the impact of third-party activities on the environment and the environmental impact of their operations, while promoting the adoption of environmental and social management measures along the value chain, as well as the implementation of climate change adaptation measures and steps to measure, mitigate, and offset the carbon footprint.

- **Decarbonization strategy to reduce emissions financed through:**

  - **Funding the transition:** promote an orderly, just and equitable transition to a low-carbon, zero-emission economy in line with the Paris Agreement, national policies, and targets set to 2050.

    Furthermore, fund the transition emphasizing climate change adaptation, mitigation and offsetting, meeting our goal that by 2030 our sustainable portfolio (social and environmental, including climate change) will account for 30% of our overall loan portfolio, promoting clean energy, fossil fuel substitution, energy efficiency for businesses and households, sustainable mobility and construction, the modernization of agricultural practices, the implementation of new technologies, and the planting and restoration of ecosystems.

  - **Engagement:** support to promote knowledge generation and commitments to decarbonization and net zero emissions (Net Zero), helping companies operating in the most emissions-intensive sectors to prepare specific reduction plans for each client by 2030.

  - **Thermal coal commitment,** phase out by 2040 (mining, power and dedicated infrastructure)

  - **Refusal to finance unconventional hydrocarbon projects**, in accordance with Colombian law.

  - Scope 3 measurement for categories applicable to the Bank (category 15 of the Greenhouse Gas Protocol - GHG Protocol) to monitor, define or update science-based targets as part of climate change risk management, integrating scenario analysis.

6. RESPONSIBILITIES TOWARDS THE POLICY:

- **Internal governance:** we are committed to embed social and environmental issues, including climate change, in decision-making forums at the Board of Directors and senior management levels, thereby maximizing the organization's efforts on these issues.
  In terms of governance, the Board of Directors is the highest body responsible for planning, controlling and monitoring the inclusion of climate change issues in the

overall business strategy, thus supporting efforts through committees entrusted with ensuring the execution and monitoring of the strategy.

- **Leadership and execution:** The leadership role to implement this policy is determined by an organizational structure formed by departments, areas or units within the organization involved in activities directly related to social and environmental management, including climate change.

7. UPDATING:

With the purpose of aligning this commitment with national policies and circumstances, the policy will be reviewed and updated at least every five (5) years.

8. DISCLOSURE:

Performance and periodic results obtained from the implementation of this policy shall be disclosed to all stakeholders via the communication channels established for this purpose, particularly through the annual management report with its TCFD appendix.

Board of Directors Approval July 2023.